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# INSURANCE REPORT

by XPRIMM

Year XIV - Issue 1/2021(24) - JUNE

## Full Year 2020

CEE • SEE • CIS  
Country Profiles

### Interviews

- Jan Grzegorz PRĄDZYŃSKI, Polish Chamber of Insurance
- Cristian ROȘU, Romanian ASF
- Andrei UNTON, Belarus Re
- Irina MERZLIAKOVA, Belarusian Association of Insurers

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## BUSINESS NEWS

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# 4 lessons from

# Prof. Karel Van Hulle

KU Leuven and Goethe University Frankfurt

On April 14, the newly launched video show of XPRIMM has presented, in its inaugural edition, an ample interview with Prof. Karel van HULLE, a top professional that has imprinted his mark on several important reforms and regulatory processes, while also educating throughout the years generations of students, many of them later joining the industry and reaching top positions in it. We have asked for his opinions and memories on four main topics: the Solvency II review process, the insurance industry's performance during the first year of pandemics, insurers' role and contribution to mitigating climate change impact and, of course, his personal conclusions after a successful lifetime career.



## 1. Solvency II Review

When talking about the Solvency II Review, it is important to always keep in mind that Solvency II has worked well, even in times of serious stress, as has been shown by this pandemic.

There is no need for a fundamental review of the solvency regime. This is recognised by **EIOPA**, as well as by the insurance industry.

On the basis of a call for advice from the EC, EIOPA has made a number of proposals for reform in its opinion published in December 2020. Some of these proposals have been welcomed by the insurance industry, while others have been severely criticised, for instance the proposals relating to the risk margin, the volatility adjustment and the extrapolation.

Industry also wants a number of calibrations to be further reduced, particularly the capital charges for long term investments.

Another controversial issue are the proposals concerning macro-prudential supervision. EIOPA would like the solvency regime to be further completed by the addition of new supervisory tools in order to tackle systemic risk. EIOPA also wants to introduce a regime for recovery and resolution and for insurance guarantee schemes.

The ball is now in the camp of the **EC**. It is for the EC to find the right balance between supervisory considerations and industry concerns.

In this regard, it is important to keep in mind that things have fundamentally changed since Solvency II was developed at the beginning of this century.

**First of all, the economic situation has changed.** We now live in a low interest rate environment, even with negative interest rates. A prolonged low interest rate environment was never envisaged when Solvency II was designed. A first adaptation was therefore necessary in 2014 when the long-term guarantee measures were introduced in the context of Omnibus II. These measures have helped but it is clear that some further changes are necessary, particularly in the application of the volatility adjustment and in the calibration of interest rate risk.

**Secondly, there is the political agenda:** economic recovery after the pandemic and an ambitious climate agenda. Both objectives call for a stimulation of long term investments. It would not be responsible to lose the opportunity of the first major review of Solvency II for making those changes in the solvency regime that

help insurers to focus their investment portfolio on investments that contribute to addressing important challenges, such as achieving economic growth and technological innovation, addressing climate change and the aging society. Promoting long term investments without ignoring or underestimating the risk of these investments is the way to go.

Finding appropriate solutions will not be easy and I am sure that the EC's proposals will only be a start for a difficult negotiation in the Council and in the European Parliament.

**There is also a need to address the complexity of the regulatory framework.** That means finding a better solution to address proportionality. Proportionality should be a right for those insurers that are less complex. They should not have to justify themselves before they can apply less complex requirements.

**Attention must be paid in this reform to avoiding an excess of prudence.** It is understandable that supervisors want to operate a prudent solvency regime. After all, the objective is the protection of policyholders. On the other hand, a regime that is overly prudent leads to higher premiums, which is not in the interest of policyholders. It would therefore be good to have another look at some calibrations, for instance for real estate, for long term investments (both in equity and debt instruments) and at the formula for the calculation of the risk margin, which is rightly seen as introducing excessive prudence.


Personally, I do not see the urgency for introducing macro-prudential tools in order to address systemic risk. I understand that EIOPA wants the EU to adopt a solution for recovery and resolution that is in line with the Holistic Framework for macro-prudential supervision introduced by the IAIS. I would however prefer a gradual introduction of these new requirements and a strong dose of proportionality.

Equally on Insurance Guarantee Schemes, I do not see an urgency to introduce this now. It is true that it is unfair that policyholders in the EU are treated differently, depending on whether they bought the policy from an insurer based in a Member State that has a back-up protection scheme. There have been a number


of insurance failures that have shown the disadvantage of not having a back-up regime in favour of policyholders in all EU member states.

However, even the introduction of minimum harmonisation in this area is not evident, particularly in the case of free provision of cross-border services or in the case of branches. As the creation of an internal market is a key objective of the EU, it is important to ensure that cross-border supervision works well and that there is a good co-ordination between home and host supervisors: prevention of failures is always a better remedy than a pay-out after the crisis.

**For me, the Solvency II review will be a success when it goes beyond the correction of technical imperfections.** This review should make it possible for the insurance industry to do better, to make a real contribution to a more sustainable society and to address the still existing protection gaps. This will require courage of all parties concerned.



I enjoy teaching because it forces me to master a subject, to fully understand the issues. This has helped me tremendously in my professional career.



As for the timing of this reform, it is unlikely that the new regime will start before 2025. I would however not exclude that parts of the reform will have an earlier start. There is great political pressure to use the investment potential of the insurance industry for supporting the EU's ambitious environmental and capital market goals. The pressure will increase once the crisis resulting from Covid-19 will be less prominent.

## 2. 1 year of pandemics –the crisis' impact on the insurance industry

Although most insurers weathered the pandemic storm rather well, it nevertheless has been and still is an important wake-up call.

**On the positive side,** we have seen a transformation in the insurance industry. Operating virtually suddenly became normal. It is likely that the increased digitalisation will continue in the future. That should ultimately reduce the cost of insurance and make it possible for insurers to better address the concerns of policyholders through direct virtual contacts. It is impressive how both insurers and supervisors were capable to operate well in a lock-down environment. Of course, this raises a number of new challenges, which the EU is trying to address as part of the digital agenda.

**On the negative side,** we have seen that many insurers showed little empathy for policyholders. Business interruption is the most well-known case: whenever possible, insurers interpreted policies

in a manner that gave a maximum scope for applying a pandemic exclusion. But business interruption is not the only case. There are many more situations in which policyholders found themselves unprotected by policies that they had signed, in the hope of being covered in times of distress: travel insurance or cancellation insurance.

There are exceptions, where the insurance industry came up with solutions in order to help policyholders. Some insurers provided total or partial cover, even though coverage could have been denied.

**Going forward, I believe that insurers should learn from this pandemic to show more empathy in the future.** In the end, policyholders are their most important treasure. If people do no longer believe that insurers will pay in times of distress, they will no longer buy coverage. This is an important lesson from Covid-19.

And the terms of the policies should be clear, so that insurance buyers know what is covered and what is not covered. To me, this raises again the question of insurance advice. It will always remain difficult to buy the right insurance policy without reliance on proper advice. Intermediaries will continue to have an important role to play in advising people how to best protect themselves against risks.

**Of course, technically speaking,** it is not possible for the insurance industry alone to bear the cost of a partial or total lockdown of the economy. However, this must be clear from the outset. It is therefore important to build a system of shared resilience, based upon clear insurance policies as a start and a

private/public partnership for covering the tail losses. It would be good to start thinking about this now and not to wait until the next crisis hits.

**For most insurers, the damage resulting from Covid-19 was bearable.** Most damage occurred in non-life insurance. It is still unclear what the impact of Covid-19 will be on health insurance and life insurance. People who were hit by the pandemic may suffer continuing health problems. Mortality tables may have to be changed.


Covid-19 shows how uncertain the future is and how difficult it is to model the unknown. It is not unlikely that we will see other black swans become white more quickly than expected.

### 3. Climate change and insurers' contribution to mitigating its impact


Climate change is already affecting us every day. We see it in the increase and intensity of natural catastrophes: floods, windstorms, fires. They have become the new normal. Natural catastrophe models must be continuously adapted and are likely to become quickly outdated as the past is no longer a good predictor of the future.

We need to reduce our foot print on nature. The insurance industry can play an important role in this respect.

**On the asset side,** insurers should reorient their investments in the direction of more durable investments. There are plenty of opportunities already now and the opportunities are likely to increase further, as governments will be looking for support from the private sector for carrying out the massive infrastructure investments that are needed in order to achieve the goals set by the Paris climate agreement and by the European Green Deal.



I think insurance still has a great future on the condition that insurers show leadership by offering solutions for the important challenges that will continue to preoccupy people in the coming years: climate change, sustainability, ageing society, health, natural catastrophes.



Of course, the environment is only one aspect of **sustainability**. If we want to achieve the UN Sustainable Development Goals – and in the EU, this is a publicly declared intention of all EU governments –, investments must also respect the social and governance aspects of sustainability. By imposing ESG reporting requirements, governments are forcing insurers to show publicly to what extent they are serious about moving in the direction of a

more sustainable society. The taxonomy that has been developed by the EU will make this exercise more credible.

**I see a number of positive developments in this area.** Rating agencies are rating insurers depending on their ESG investment record. Insurers announce publicly that they are no longer investing in certain industries, such as coal or oil. More can be done. Insurers should not wait until governments require them to change.

**On the liability side,** things are more complicated. Refusing to underwrite is something that no insurer likes. It is their key business. However, moving out of polluting industries is a very strong mechanism to force these industries to seek alternative ways of operating. This development can only take place gradually and should start by insurers insisting on preventive measures before committing to underwrite the related business risks. Movement in this area is slow although a number of large insurers and reinsurers have publicly declared that they are changing their underwriting strategy. That is promising.

**From a prudential perspective,** ESG developments should be monitored carefully. It does not make sense to promote investments in green assets when these assets are riskier. Insurers must invest in the interest of policyholders. There is no need to depart from the risk-based approach that is a key characteristic of Solvency II.

That means that insurers must also take account of transition risks. Continuing an investment strategy without recognising that investments might become riskier because of the transition towards a more sustainable economy is risky in itself. Supervisors, including EIOPA, have emphasized this transition risk for a long time now. Similarly, underwriting business risks in polluting industries might become a source of litigation.

It is obvious that the transition towards a more sustainable society requires a close cooperation between insurers and supervisors.

## 4. A lifetime career's lessons learnt

I have been very fortunate that I had the opportunity during my professional career to be closely associated with many important reforms which – I can say – have had important consequences for society.

**This was the case first in my native country, Belgium,** where I was instrumental in the major accounting reform that took place in the 70's, as the first secretary of the newly founded Belgian Accounting Standards Commission. Although I am only a lawyer, I recognised very quickly that accounting is very much the basis of everything. I often make the comparison between double entry bookkeeping and Greek philosophy, which is based upon the antagonism between thesis and anti-thesis. Similarly, using accounting terminology, it can be argued that there is no asset without liability. And this is true in life generally. Modern accounting is crucial for the development of a well-functioning economy.

**When I moved to the EC,** I had the opportunity to reorient financial reporting requirements for listed companies in the direction of international accounting standards and negotiated a proposal that requires all EU listed companies to prepare their consolidated financial statements on the basis of International Financial Reporting Standards. This has contributed a lot to making capital markets in the EU more efficient.

**I was also involved at the EC in audit reform and corporate governance and managed to get an agreement on one of the most difficult files ever dealt with by the EC:** take-over bid regulation, i.e. how to regulate peacefully a war between companies. It is one of the very rare situations in which the negotiations between the European Parliament and the Council ended in a stalemate with a tied vote in the European Parliament and a Chairperson that refused to cast her decisive vote. It meant that negotiations had to recommence from the very beginning. I am very proud to say that I managed to broker a new agreement between the Council and the European Parliament on the basis of an entirely new proposal. That was in 2004.

I was still responsible for financial reporting and company law when Central and Eastern European countries became members of the EU. I was involved in the negotiations and had the opportunity to help a number of countries in the transition towards a more modern accounting regime. That was an exciting experience. I visited all the capitals of the CEECs and discovered an entirely new world, completely unknown to me and to most of my colleagues at the EC. It provided me with the only medal that I ever received during my career, a medal of recognition from the Polish Association of Accountants.

**I moved to insurance and pensions rather late in my career.** As often, it happened by accident: nobody wanted to be responsible for this area, which was generally regarded as rather boring, very technical and beyond any doubt the most difficult in financial services.

Even though I did not have any experience in insurance or pensions, I was asked to take responsibility for this department and to bring forward as quickly as possible a new solvency regime for the insurance industry. It was tough but very interesting. As I was a complete layman in this area, I could develop this

project bottom-up, not having been tainted by the weaknesses in Solvency I. If we had not started the solvency reform at the beginning of this century we would also have had a major insurance crisis when the banking crisis broke out in 2007/2008. In that sense it can be argued that Solvency II and its long-time preparation saved the European insurance industry.

If we had not started the solvency reform at the beginning of this century we would also have had a major insurance crisis when the banking crisis broke out in 2007/2008. In that sense it can be argued that Solvency II and its long-time preparation saved the European insurance industry.

**I combined my professional career with a part-time job in academy.** I wanted to bring my experience in regulation to the attention of young people so that I could show them the practical and political relevance of the theory that they were learning from other colleagues at the university. And I can assure you that I had avid listeners. Students liked to hear the stories of what was really going on behind the curtains. I have taught thousands of students. My teaching areas were accounting law, financial reporting, insurance regulation and solvency of financial institutions. I enjoy teaching because it forces me to master a subject, to fully understand the issues. This has helped me tremendously in my professional career. I was often referred to during negotiations as "the professor", because I used to start negotiations by a short lecture in which I clarified what we were going to discuss, so as to ensure that all parties around the table were talking about the same subject matter.

Teaching has also taught me to explain a complex subject matter in terms understandable to a wider audience. I was therefore often invited as a speaker at seminars and conferences all over the world. I believe that I gave over 3000 presentations in my professional career. And it is not finished yet.

**I have learnt to appreciate insurance.** It is very different from banking. It attracts a different kind of people. Because of the technical nature of insurance, insurers have great difficulties explaining what they are doing. This is one of the reasons why the important socio-economic role of insurance still remains one of the world's best kept secrets.

**I have tried to make insurance more popular** by speaking about insurance to a wider audience and by encouraging

students to look for a job in insurance. Many former students have now joined the group of chief risk officers, actuaries and insurance supervisors. The professionalization that followed the introduction of Solvency II has made the insurance industry more attractive for young people, as the new solvency regime is more aligned with modern principles of risk management. Taking a master degree in insurance or starting a professional career in insurance has therefore become a more credible option.

**To conclude, I think insurance still has a great future** on the condition that insurers show leadership by offering solutions for the important challenges that will continue to preoccupy people in the coming years: climate change, sustainability, ageing society, health, natural catastrophes. In order to meet these challenges, we need the right people, the right leadership and the right products. There are still too many protection gaps that need to be closed. Regulation can help but the ball is clearly in the camp of the insurance industry.





## About Skala

**Skala Reinsurance Brokers Ltd** is a Russian reinsurance broker offering a full range of services for supporting and placing risks in leading reinsurance companies.

Years of experience in the insurance market allowed SKALA to gain the **trust of the largest Russian and foreign companies**. We highly value each of our partners and offer long-term and mutually beneficial cooperation.

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Deputy CEO

16 years of reinsurance experience, including London practice

**Alexander Tsekalo**  
CEO, Founder and Sole Owner of the Company

Experience in insurance sphere is nearly 30 years

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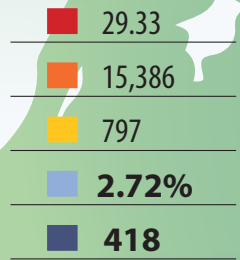
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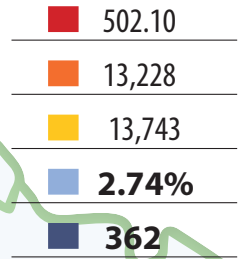


# CEE & SEE MAIN INDICATORS FY2020

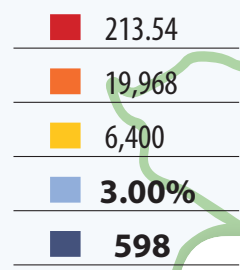
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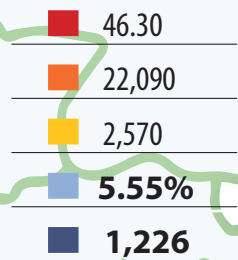
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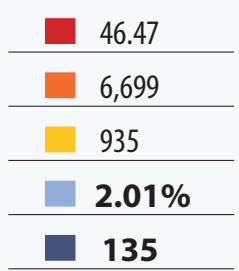
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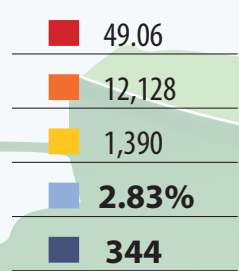
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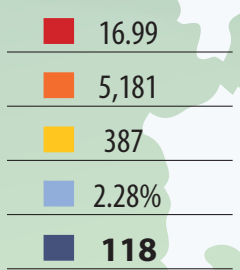
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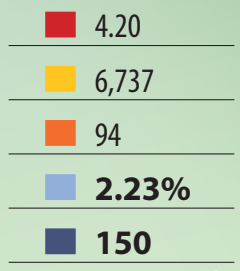
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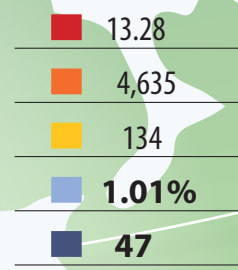
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## Montenegro



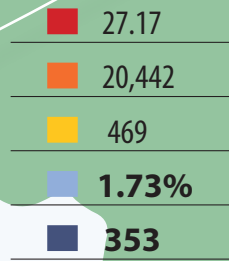
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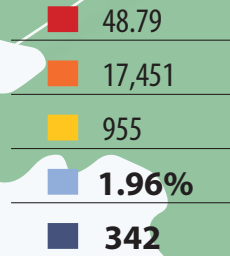
- GDP, current prices (EUR billion)
- GDP per capita, current prices (EUR)
- Gross written premiums (EUR million)
- Insurance penetration degree (% in GDP)
- Insurance density (EUR/capita)

Sources:  
You can find the sources of all presented data,  
to the dedicated pages of each country profile

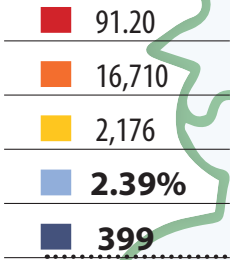
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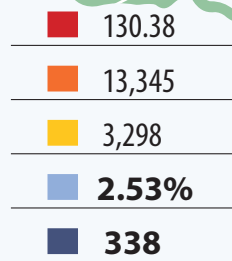
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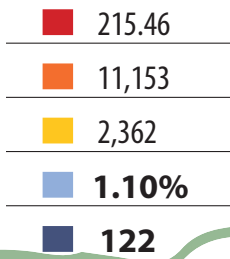
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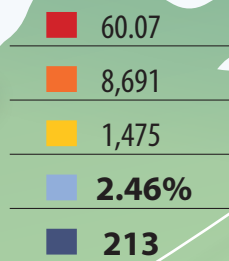
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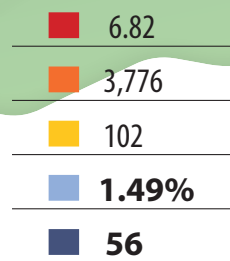
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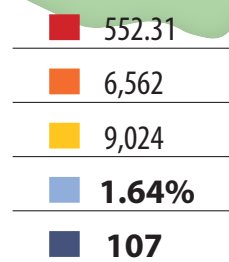
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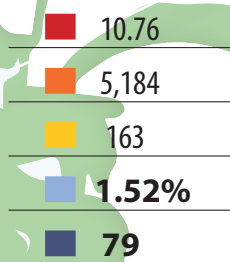
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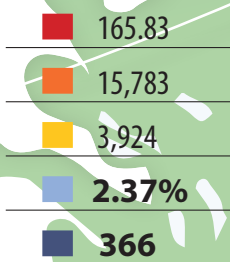
### Turkey



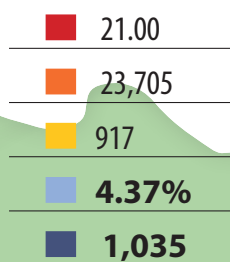
### N. Macedonia



### Greece



### Cyprus





Column coordinator:



Daniela GHEȚU  
Editorial Director

INSURANCE INDUSTRY IN 2020 – CEE, SEE & CIS

# Coping with the pandemics challenges

## The macroeconomic environment

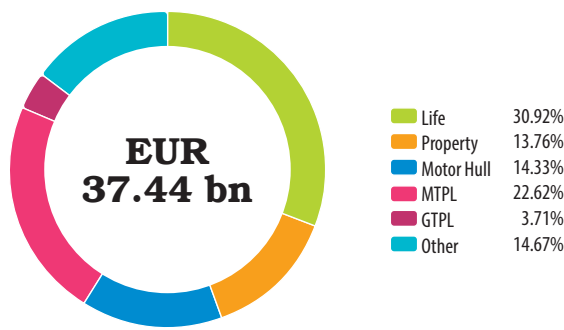
Central and Eastern European (CEE) economies absorbed the COVID-19 shock relatively well, thanks to strong macroeconomic fundamentals and flexible policy settings, read a S&P Global analysis. The output contraction was smaller than in many other regions, external profiles remained resilient, the fiscal fallout has been moderate, and the banking systems remained stable, says the rating agency, endorsing the conclusion reached by many other analysts that saw CEE economies faring better than expected, as well as better than other EU ones.

As everywhere else, in the CEE the year 2020 was absolutely dominated by the Covid-19 pandemic that overshadowed all other issues. Most countries in the region have went through two main pandemic waves. While the first one, in March/April 2020 was managed rather well by all countries, with timely adopted and very restrictive lockdowns, the second one proved in many

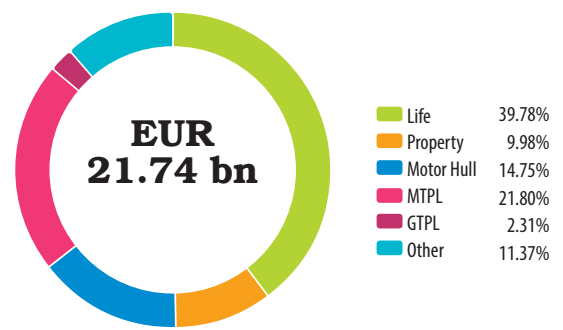
cases more dramatic and harder to control, the CEE region becoming a global focal point of the pandemic in autumn when Czechia temporarily led the global infection ranking. A recent report of Raiffeisen Research summarizes: *The economic costs of the lockdowns in 2020 were high: Croatia, depending on summer tourism was hit hardest in CEE, with GDP declining by 9% in Q1-Q3 compared to the previous year, more than the euro area average of 7.4% y-o-y. In Czechia, Hungary and Slovakia, as well as in Romania, GDP declined by around 5-6% in Q1-Q3, similar to Germany. While Polish economy has coped better with the pandemic crisis than most European countries, it has still experienced, for the first time since 1996, a negative change, contracting by 3.5%.*

In the ex-Soviet region, the Russian economy shrank only by 3.1% in 2020 - less than anticipated, but nevertheless suffering the sharpest contraction in 11 years, data provided by the state statistics service said. In other countries of the ex-Soviet group, the first pandemic wave arrived later than in the CEE, but caused

## CEE GWP portfolio (%)



## CEE claims portfolio (%)



significant economic losses as well. For example, Georgia, a country also depending much on tourism, the economy fell into recession in 2020, contracting by 6.2% after years of uninterrupted growth. Less touristic, but strongly dependent on the oil and gas exports and prices, the economy of Azerbaijan also fell by at least 5%. According to the World Bank, in Kazakhstan, GDP fell for the first time in two decades, down by 2.6% in 2020, due to reduced domestic demand and mobility and health safety restrictions. Also, in Ukraine, the pandemic crisis put an end to a period of four years of positive growth, the country's economy contracting by 4% in 2020.

Finally, going further south, Turkey seems to make one of the very few exceptions from the negative trend, with GDP recording a positive growth of about 1.8%, supported by a near doubling of lending by state banks to face down the initial wave of the virus, as data provided by the Turkish Statistical Institute show.

Overall, 2020 offered a picture of perpetual alternation of ups and downs. In some respects, as for example the industrial production, the second wave of the pandemics found the countries better prepared and adapted to the difficult lockdown

conditions, so that the downsize effect was milder. In other respects, as retails sales, the impact remained rather strong, especially in the countries that saw in the autumn renewed, very restrictive, lockdowns like Czechia or Poland.

*CEE central banks reacted by lowering the interest rates given the economic challenges during 2020. The equally-weighted average key interest rate almost halved over the year 2020 from around 5% to 2.7%, falling from a maximum key rate of 13.5% in early 2020 in Ukraine to the highest regional rate of 7.75% in Belarus at the end of the year, reads the Raiffeisen Research analysis. In fact, unlike on the occasion of other crisis, the central banks in the region adopted a monetary easing, synchronized with the global approach, allowing countries like Ukraine to cut rates without endangering exchange rate stability. Moreover, some CEE central banks were even tolerating a certain FX weakness in order to support the economic recovery.*

In this context, local currencies resisted rather well in most countries, the exchanges rates against Euro remaining quasi stable in the CEE. In Turkey and the ex-Soviet space though, local currencies saw in some cases a significant depreciation. For

### Note from the editor

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), Macedonia (MK), Montenegro (MN), Poland (PL), Romania (RO), Serbia (SB), Slovakia (SK), Slovenia (SI).**

Under the CIS generic name, we have considered both countries which are currently members of the Commonwealth of Independent States (CIS) - Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Uzbekistan -, but also the founding states Turkmenistan and Ukraine, as well as Georgia, who left the organization in 2008. In fact, we use CIS as a short denomination for the entire ex-Soviet space.

The SEE designates a group of three South European countries: Cyprus, Greece and Turkey.

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. The sources are indicated next to each table.

An extended statistical database is available online, on **www.xprimm.com**, for each country and region.

# CEE, SEE & CIS MACRO INDICATORS 2016-2020

	GDP, current prices (EUR billion)					GDP per capita, current prices (EUR)					Population (million)				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
<b>CEE - CENTRAL AND EASTERN EUROPE</b>															
Albania	10.89	11.66	13.25	13.78	13.28	3,786	4,059	4,624	4,803	4,635	2.88	2.87	2.87	2.87	2.87
Bosnia	15.29	16.04	17.10	18.05	16.99	4,515	4,784	5,146	5,467	5,181	3.39	3.35	3.32	3.30	3.28
Bulgaria	48.64	52.33	56.11	61.24	60.07	6,849	7,422	8,016	8,809	8,691	7.10	7.05	7.00	6.95	6.91
Croatia	46.47	48.91	51.95	54.06	49.06	11,133	11,857	12,706	13,289	12,128	4.17	4.13	4.09	4.07	4.05
Czech Rep.	177.53	200.11	210.29	226.24	213.54	16,821	18,916	19,820	21,244	19,968	10.55	10.58	10.61	10.65	10.69
Estonia	21.93	23.86	25.94	28.11	27.17	16,668	18,110	19,620	21,187	20,442	1.32	1.32	1.32	1.33	1.33
Hungary	116.29	126.50	134.82	143.76	130.38	11,830	12,911	13,788	14,709	13,345	9.83	9.80	9.78	9.77	9.77
Kosovo	6.07	6.41	6.73	7.10	6.82	3,403	3,566	3,752	3,947	3,776	1.78	1.80	1.79	1.80	1.81
Latvia	25.36	26.96	29.14	30.42	29.33	12,880	13,826	15,066	15,845	15,386	1.97	1.95	1.93	1.92	1.91
Lithuania	38.89	42.28	45.49	48.80	48.79	13,559	14,947	16,238	17,464	17,451	2.87	2.83	2.80	2.79	2.80
N. Macedonia	9.67	10.05	10.75	11.21	10.76	4,665	4,844	5,174	5,400	5,184	2.07	2.08	2.08	2.08	2.08
Montenegro	3.95	4.30	4.66	4.95	4.20	6,354	6,907	7,495	7,952	6,737	0.62	0.62	0.62	0.62	0.62
Poland	421.22	477.08	493.38	537.22	502.10	11,094	12,564	12,992	14,147	13,228	37.97	37.97	37.98	37.97	37.96
Romania	168.16	184.11	204.06	221.41	215.46	8,510	9,372	10,448	11,410	11,153	19.76	19.64	19.53	19.41	19.32
Serbia	36.67	40.18	42.92	46.07	46.47	5,196	5,723	6,147	6,616	6,699	7.06	7.02	6.98	6.96	6.94
Slovak Rep.	81.05	84.53	89.51	93.87	91.20	14,937	15,552	16,444	17,222	16,710	5.43	5.44	5.44	5.45	5.46
Slovenia	40.44	43.01	45.86	48.39	46.30	19,593	20,819	22,189	23,256	22,090	2.06	2.07	2.07	2.08	2.10
CEE Region	1,268.54	1,398.33	1,481.97	1,594.68	1,511.92	10,498	11,604	12,327	13,286	12,613	120.83	120.51	120.22	120.03	119.87
<b>SEE - SOUTHEAST EUROPE</b>															
Cyprus	18.93	20.12	21.43	22.29	21.00	22,314	23,537	24,799	25,445	23,705	0.85	0.86	0.86	0.88	0.89
Greece	174.24	177.15	179.73	183.41	165.83	16,157	16,451	16,733	17,102	15,483	10.78	10.77	10.74	10.73	10.71
Turkey	706.71	692.73	620.90	647.31	552.31	8,854	8,572	7,572	7,784	6,562	79.82	80.81	82.00	83.16	84.17
SEE Region	899.88	890.00	822.06	853.01	739.14	9,840	9,629	8,782	9,002	7,718	91.45	92.43	93.61	94.76	95.77
<b>CIS - COMMONWEALTH OF INDEPENDENT STATES</b>															
Armenia	9.89	9.59	10.87	12.23	9.65	3,306	3,219	3,660	4,118	3,248	2.99	2.98	2.97	2.97	2.97
Azerbaijan	32.41	34.64	41.14	42.91	34.67	3,339	3,531	4,156	4,299	3,433	9.71	9.81	9.90	9.98	10.10
Belarus	46.43	44.90	49.45	57.27	46.40	4,888	4,724	5,210	6,045	4,932	9.50	9.51	9.49	9.48	9.41
Georgia	12.81	13.14	14.53	15.36	12.28	3,436	3,527	3,895	4,125	3,303	3.73	3.73	3.73	3.72	3.72
Kazakhstan	133.28	136.55	140.70	162.90	131.85	7,438	7,520	7,649	8,743	6,987	17.92	18.16	18.40	18.63	18.87
Kyrgyzstan	6.54	6.42	7.11	7.57	5.68	1,086	1,046	1,137	1,184	871	6.02	6.14	6.26	6.39	6.52
Moldova	7.70	8.76	9.73	10.91	9.43	2,726	3,153	3,565	4,068	3,580	2.82	2.78	2.73	2.68	2.63
Russia	1,341.71	1,333.64	1,307.09	1,574.74	1,175.60	9,139	9,080	8,905	10,731	8,008	146.80	146.88	146.78	146.75	146.81
Tajikistan	6.56	5.78	6.37	7.13	5.94	751	647	700	768	627	8.74	8.92	9.11	9.29	9.48
Turkmenistan	34.27	31.66	35.60	40.48	38.63	6,073	5,545	6,171	6,911	6,500	5.64	5.71	5.77	5.86	5.94
Ukraine	83.92	89.05	112.27	150.43	117.75	1,979	2,109	2,674	3,605	2,838	42.42	42.22	41.98	41.73	41.48
Uzbekistan	70.92	31.43	42.90	48.01	45.38	2,246	979	1,314	1,444	1,338	31.58	32.12	32.66	33.26	33.91
CIS Region	1,786.45	1,745.57	1,777.77	2,129.93	1,633.26	6,206	6,041	6,135	7,326	5,596	287.86	288.95	289.77	290.74	291.84
CEE+SEE+CIS	3,954.86	4,033.89	4,081.80	4,577.61	3,884.32	7,908	8,037	8,105	9,055	7,654	500.14	501.89	503.60	505.52	507.48

Sources: You can find the sources of all presented data, to the dedicated pages of each country profile

example, the Turkish Lira saw an about 27% y-o-y depreciation against Euro. Similar situations were recorded in Georgia, Kazakhstan, Kyrgyzstan, Russia, Uzbekistan and to a lesser extent, in Azerbaijan and Moldova.

In purchasing power terms, there was some variation among countries also. Poland, Hungary, Czechia, Romania, Serbia and Slovakia saw inflation rates varying from 3.4% to 1.6% respectively. Other countries in the CEE have experienced a deflating trend, with slightly negative inflation rates. In the ex-Soviet space, the inflationary trend was almost generalized, with rather disturbing peaks in some countries as Uzbekistan (12.9%), Tajikistan (8.6%) etc. In this context, the main CIS market, Russia,

recorded an inflation rate of "only" 3.4%. A historic peak was touched also in Turkey, where inflation rate reached 12.28%.

The economic environment remained volatile, with labour market indicators worsening and rather prudent spending behaviour and weakening domestic consumption. In addition, the measures taken for containing the pandemic advancement have also determined changing needs and expectations among customers. As such, insurers had to cope with a public at the same time more demanding and less willing to spend for insurance.

On the positive side, one should note the impulse that lockdown conditions gave to developing services of all kind available at distance and to the technological evolution, namely to

Gross written premiums (EUR million)					Insurance penetration degree (% in GDP)					Insurance density (EUR/capita)					
2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
114	121	137	145	134	1.04%	1.04%	1.03%	1.05%	1.01%	40	42	48	50	47	Albania
324	349	364	390	387	2.12%	2.18%	2.13%	2.16%	2.28%	96	104	110	118	118	Bosnia & Herzegovina
1,047	1,113	1,296	1,488	1,475	2.15%	2.13%	2.31%	2.43%	2.46%	147	158	185	214	213	Bulgaria
1,159	1,205	1,329	1,417	1,390	2.49%	2.46%	2.56%	2.62%	2.83%	278	292	325	348	344	Croatia
5,448	5,906	6,049	6,530	6,400	3.07%	2.95%	2.88%	2.89%	3.00%	516	558	570	613	598	Czech Republic
388	427	552	494	469	1.77%	1.79%	2.13%	1.76%	1.73%	295	324	418	372	353	Estonia
2,848	3,082	3,186	3,481	3,298	2.45%	2.44%	2.36%	2.42%	2.53%	290	315	326	356	338	Hungary
84	87	94	101	102	1.38%	1.36%	1.39%	1.43%	1.49%	47	49	52	56	56	Kosovo
532	646	756	857	797	2.10%	2.40%	2.59%	2.82%	2.72%	270	331	391	446	418	Latvia
710	793	878	946	955	1.83%	1.87%	1.93%	1.94%	1.96%	247	280	313	339	342	Lithuania
142	146	161	172	163	1.47%	1.45%	1.50%	1.54%	1.52%	68	70	78	83	79	Macedonia
80	82	87	95	94	2.03%	1.90%	1.86%	1.91%	2.23%	129	131	140	152	150	Montenegro
12,667	14,950	14,458	14,989	13,743	3.01%	3.13%	2.93%	2.79%	2.74%	334	394	381	395	362	Poland
2,066	2,082	2,175	2,300	2,362	1.23%	1.13%	1.07%	1.04%	1.10%	105	106	111	119	122	Romania
722	786	845	914	935	1.97%	1.96%	1.97%	1.98%	2.01%	102	112	121	131	135	Serbia
1,967	2,167	2,247	2,284	2,176	2.43%	2.56%	2.51%	2.43%	2.39%	362	399	413	419	399	Slovak Republic
2,066	2,179	2,341	2,517	2,570	5.11%	5.07%	5.10%	5.20%	5.55%	1,001	1,055	1,133	1,210	1,226	Slovenia
32,364	36,123	36,956	39,119	37,449	2.55%	2.58%	2.49%	2.45%	2.48%	268	300	307	326	312	CEE Region
765	815	860	892	917	4.04%	4.05%	4.01%	4.00%	4.37%	903	953	996	1,018	1,035	Cyprus
3,784	3,850	3,746	4,073	3,924	2.17%	2.17%	2.08%	2.22%	2.37%	351	358	349	380	366	Greece
10,894	10,291	9,030	10,375	9,042	1.54%	1.49%	1.45%	1.60%	1.64%	136	127	110	125	107	Turkey
15,442	14,956	13,636	15,340	13,883	1.72%	1.68%	1.66%	1.80%	1.88%	169	162	146	162	145	SEE Region
64	60	74	91	69	0.65%	0.63%	0.68%	0.75%	0.72%	21	20	25	31	23	Armenia
261	274	374	358	349	0.80%	0.79%	0.91%	0.83%	1.01%	27	28	38	36	35	Azerbaijan
483	454	496	597	477	1.04%	1.01%	1.00%	1.04%	1.03%	51	48	52	63	51	Belarus
141	142	177	195	166	1.10%	1.08%	1.22%	1.27%	1.35%	38	38	47	52	45	Georgia
1,013	930	876	1,191	1,101	0.76%	0.68%	0.62%	0.73%	0.83%	57	51	48	64	58	Kazakhstan
-	12	14	17	13	-	0.19%	0.19%	0.23%	0.23%	-	2	2	3	2	Kyrgyzstan
66	71	78	84	69	0.86%	0.81%	0.80%	0.77%	0.73%	23	25	28	31	26	Moldova
18,502	18,570	18,619	21,361	16,968	1.38%	1.39%	1.42%	1.36%	1.44%	126	126	127	146	116	Russia
-	22	22	22	-	-	0.39%	0.34%	0.30%	-	-	2	2	2	-	Tajikistan
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Turkmenistan
1,237	1,297	1,557	2,006	1,301	1.47%	1.46%	1.39%	1.33%	1.10%	29	31	37	48	31	Ukraine
203	96	172	218	173	0.29%	0.31%	0.40%	0.45%	0.38%	6	3	5	7	5	Uzbekistan
21,969	21,928	22,458	26,140	20,685	1.23%	1.26%	1.26%	1.23%	1.27%	76	76	78	90	71	CIS Region
69,776	73,007	73,050	80,598	72,017	1.76%	1.81%	1.79%	1.76%	1.85%	140	145	145	159	142	CEE+SEE+CIS

the intense digitalization process that helped the insurance industry, as other service providers, to remain in contact with the customers despite the impossibility of the human direct contact. According to S&P's opinion, in 2021, CEE economies are set to recover by 4.1% on average, supported by easing pandemic-related restrictions at home and abroad, and the EU's ample transfers and accommodative policies. Of course, as any estimation in this period, the agency's forecast fulfillment depends on the future evolution of the Covid-19 pandemics, as at the time we are writing this article it seems that a 4th wave of the pandemics is more than probable despite the efforts made by all state on the vaccination front. Policy missteps and countries' inability to fully benefit from EU funding, including the

Recovery and Resilience Facility are other risks that may affect the economic evolution expected for this year.

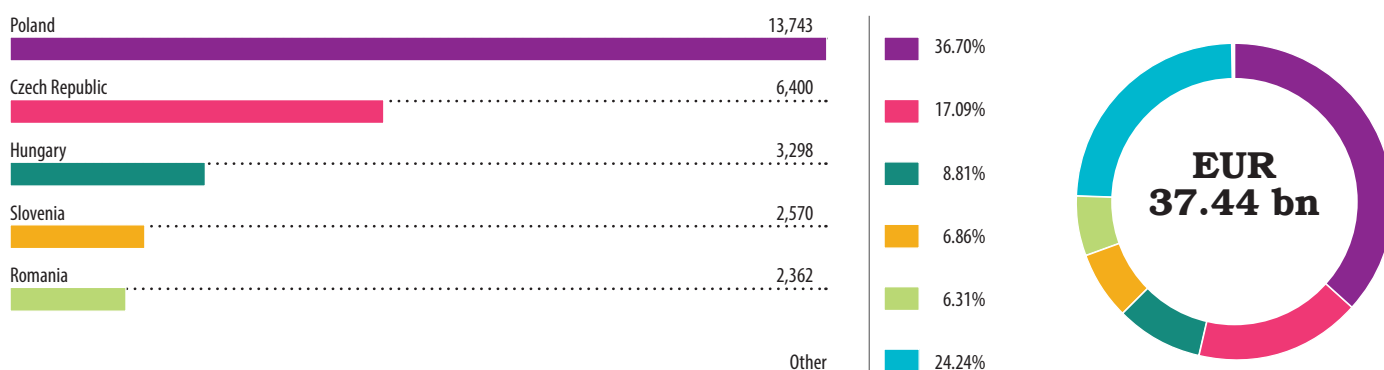
For the time being, S&P Rating expects "economic recovery will be supported by easing restrictions at home and abroad, pent-up consumer demand, investment on the back of ample EU transfers, and continued policy support." As such, it may take until next year, or even 2023, for all countries to return to the 2019 levels of GDP.

Until then, economic volatility remains rather high all over across the regions under discussion, which only encourages a careful spending behavior both for people and commercial entities, a challenging environment for insurance sales.

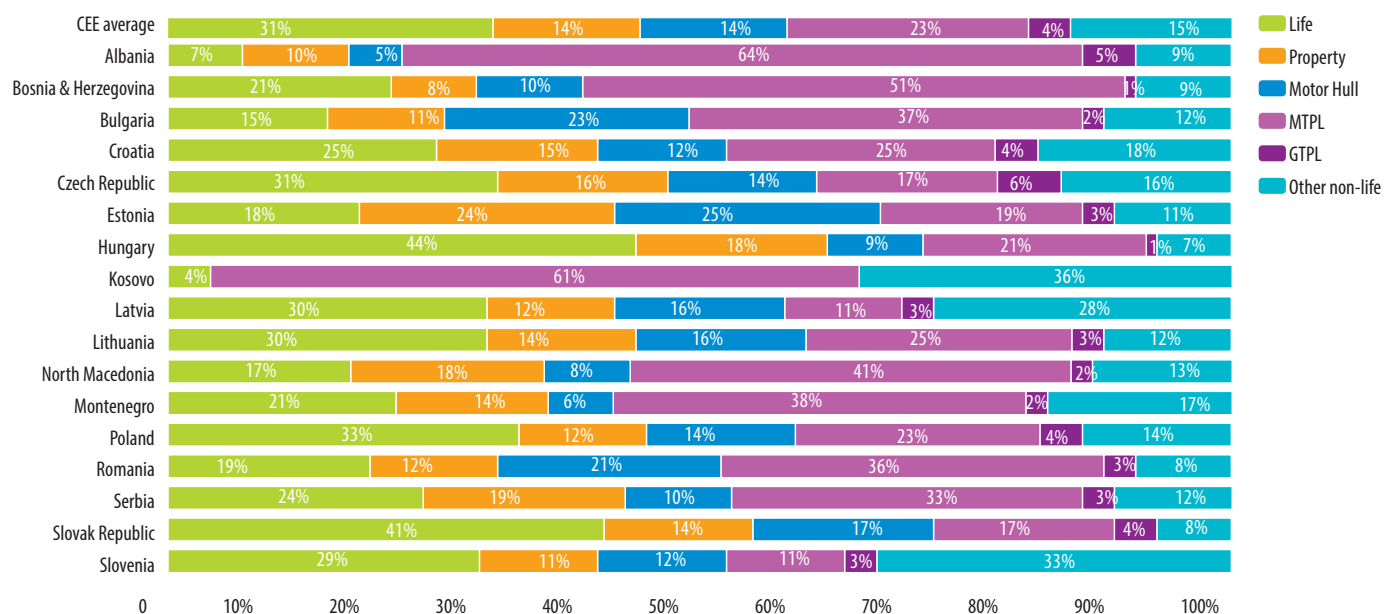
# CEE - OVERALL MARKET DATA

Country	GWP			Change	Claims			Change	Regional market share	
	2020	2019			2020	2019			2020	2019
	EUR m.	EUR m.	%		EUR m.	EUR m.	%		%	%
Albania	134.26	144.68	-7.20	61.12	52.37	16.70	0.36	0.37		
Bosnia & Herzegovina	386.76	390.00	-0.83	158.39	154.02	2.83	1.03	1.00		
Bulgaria	1,475.17	1,488.28	-0.88	618.76	620.19	-0.23	3.94	3.80		
Croatia	1,389.84	1,416.86	-1.91	866.50	807.74	7.27	3.71	3.62		
Czech Republic	6,400.33	6,530.02	-1.99	3,498.14	3,982.76	-12.17	17.09	16.69		
Estonia	468.86	493.83	-5.06	276.76	279.10	-0.84	1.25	1.26		
Hungary	3,297.80	3,480.56	-5.25	1,797.58	2,052.84	-12.43	8.81	8.90		
Kosovo	101.52	101.50	0.02	51.50	55.10	-6.53	0.27	0.26		
Latvia	797.47	856.73	-6.92	501.07	549.42	-8.80	2.13	2.19		
Lithuania	954.87	945.87	0.95	501.07	499.08	0.40	2.55	2.42		
North Macedonia	163.16	172.13	-5.21	64.93	65.56	-0.97	0.44	0.44		
Montenegro	93.67	94.76	-1.15	36.58	37.23	-1.75	0.25	0.24		
Poland	13,743.06	14,989.14	-8.31	8,591.86	9,596.95	-10.47	36.70	38.32		
Romania	2,361.79	2,299.55	2.71	1,422.91	1,428.48	-0.39	6.31	5.88		
Serbia	934.82	913.75	2.31	427.09	449.10	-4.90	2.50	2.34		
Slovak Republic	2,175.80	2,284.04	-4.74	1,252.34	1,415.17	-11.51	5.81	5.84		
Slovenia	2,569.57	2,517.35	2.07	1,617.23	1,643.04	-1.57	6.86	6.44		
<b>Total CEE</b>	<b>37,448.76</b>	<b>39,119.06</b>	<b>-4.27</b>	<b>21,743.83</b>	<b>23,688.16</b>	<b>-8.21</b>	<b>100.00</b>	<b>100.00</b>		

## TOP 5 CEE countries as GWP (EUR million) & market shares (%)



## CEE GWP portfolio per countries

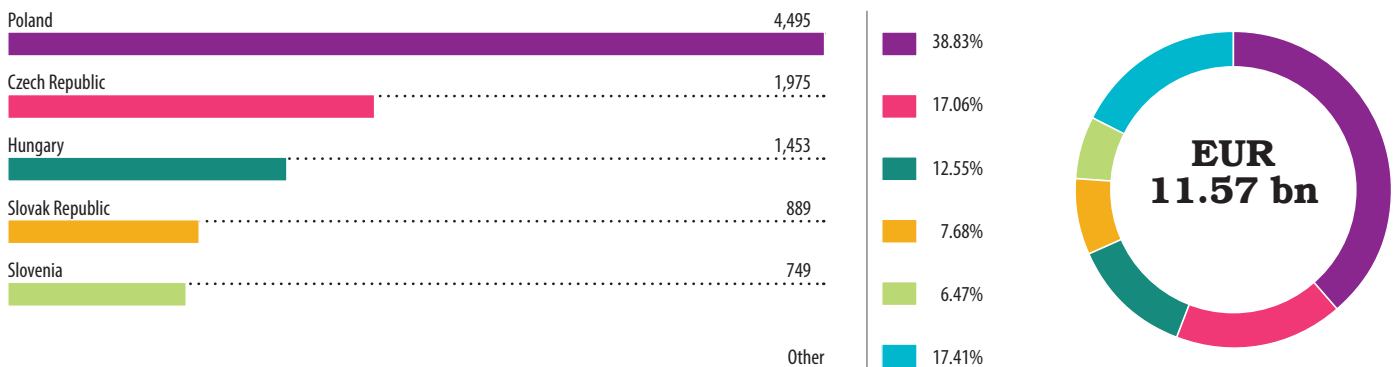




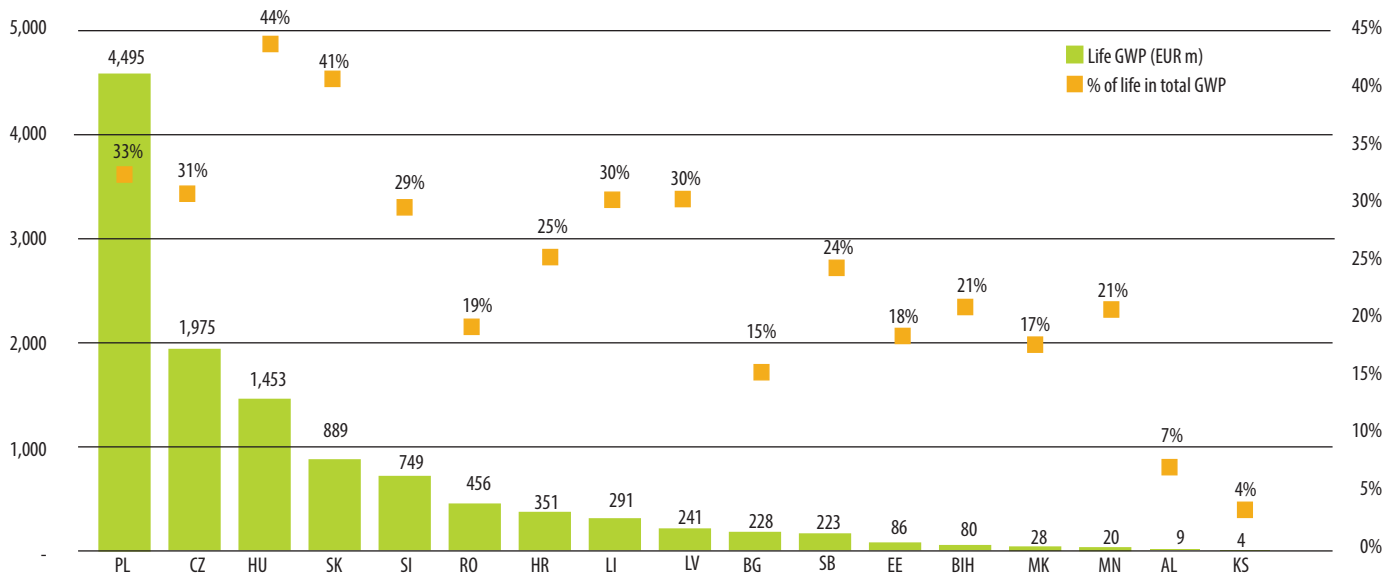
# CEE - LIFE INSURANCE

Country	GWP			Claims			Weight in all GWP		Regional market share	
	2020	2019	Change	2020	2019	Change	2020	2019	2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	9.42	9.98	-5.65	2.08	1.69	23.39	7.02	6.90	0.08	0.08
Bosnia & Herzegovina	79.96	81.01	-1.29	36.88	31.43	17.32	20.67	20.77	0.69	0.65
Bulgaria	228.41	255.10	-10.46	101.17	90.92	11.27	15.48	17.14	1.97	2.04
Croatia	351.27	412.09	-14.76	369.15	316.73	16.55	25.27	29.08	3.03	3.30
Czech Republic	1,975.14	2,102.16	-6.04	1,429.66	1,701.41	-15.97	30.86	32.19	17.06	16.82
Estonia	85.56	95.91	-10.79	63.18	61.10	3.41	18.25	19.42	0.74	0.77
Hungary	1,452.55	1,542.74	-5.85	1,082.04	1,277.50	-15.30	44.05	44.32	12.55	12.35
Kosovo	3.60	3.50	2.86	na	na	-	3.55	3.45	0.03	0.03
Latvia	240.74	228.21	5.49	151.51	145.42	4.18	30.19	26.64	2.08	1.83
Lithuania	290.74	270.43	7.51	126.52	130.30	-2.91	30.45	28.59	2.51	2.16
North Macedonia	28.21	29.78	-5.25	7.08	5.65	25.40	17.29	17.30	0.24	0.24
Montenegro	19.72	17.13	15.13	7.81	6.81	14.71	21.06	18.08	0.17	0.14
Poland	4,495.44	4,993.87	-9.98	3,773.93	4,359.68	-13.44	32.71	33.32	38.83	39.96
Romania	455.80	472.04	-3.44	218.96	221.23	-1.02	19.30	20.53	3.94	3.78
Serbia	222.51	213.15	4.39	121.16	110.94	9.21	23.80	23.33	1.92	1.71
Slovak Republic	889.35	1,014.87	-12.37	628.97	780.50	-19.41	40.87	44.43	7.68	8.12
Slovenia	749.22	753.96	-0.63	529.65	525.33	0.82	29.16	29.95	6.47	6.03
<b>Total CEE</b>	<b>11,577.66</b>	<b>12,495.92</b>	<b>-7.35</b>	<b>8,649.74</b>	<b>9,766.63</b>	<b>-11.44</b>	<b>30.92</b>	<b>31.94</b>	<b>100.00</b>	<b>100.00</b>

## TOP 5 CEE countries as GWP (EUR million) & market shares (%)



## Weight of life GWP in total business



## Insurance in the CEE

The CEE regional insurance market ended 2020 with GWP worth EUR 37.49 billion, down by 4.27% y-o-y. Except for five markets (Romania, Slovakia, Slovenia, Lithuania and Kosovo), all markets recorded a negative trend. The largest drop in GWP was recorded by Poland (-8.3% y-o-y), accounting for 75% of the total decrease of the premium volume in the region.

The regional Top 5 ranking remained unchanged in comparison with 2019, but given the higher than average negative growth rate, Poland has lost about 1.6 percentage points of its regional weight.

Among the markets that recorded a positive dynamic, Serbia (+2.3%) owed it to the increasing property and motor insurance business, Slovenia (+2.07%) mostly thanks to the increased popularity of health insurance, Lithuania (0.95%) to the Index-linked and Unit-Linked insurance class, while in Romania (2.7%) the growth driver was clearly the motor insurance segment, especially the MTPL insurance line.

Paid claims in 2020 amounted to EUR 21.74 billion, down 8.2%. In absolute terms, CEE insurers' expenses with claims decreased by EUR 2 billion. Somehow intriguing, about half of this reduction in claims paid came from the life insurance lines, mostly from the Unit-Linked insurance class. In fact, the half billion lower indemnities paid for the U-L life insurance class shows that despite the eventual financial problems, Polish citizens are willing to preserve their savings. The travel restrictions also contributed to the claims expenses reduction because of the smaller number of road accidents.

## Life insurance

Life insurance GWP amounted to EUR 11.57 billion in 2020, 7.35% lower than in 2019. Most markets in the region saw a negative dynamic, except for Latvia, Lithuania, Serbia and Kosovo. No doubt, the largest contribution to the EUR 918 million decrease in the life insurance business came from Poland, the largest life insurance market in the region. The U-L insurance line provided for both a large decrease in GWP and a significant reduction in the indemnities and redemption sums paid in Poland. Also, in Czechia and Slovakia, the markets that had a large contribution to the life insurance GWP decrease, the products with an investment component – regardless the way the investment risk is shared between insurers and insureds –, are those generating the premiums volume diminution.

The volatile economic environment and the subsequent loss of income or at least the high uncertainty related to it didn't cause higher surrenders of life insurance policies until now. Yet, they have affected the public's appetite for buying life insurance products, especially when it comes about products with an investment component. The Low interest rates environment is already affecting the financial returns provided by these products, affecting their attractiveness both for customers – especially when it comes about sharing the investment risk –, and insurers – especially when it comes about products with a guarantee included.

## CEE – LIFE UNIT-LINKED INSURANCE

Country	GWP			Claims			Share in life GWP		Regional market share	
	2020	2019	Change	2020	2019	Change	2020	2019	2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	na	na	-	na	na	-	-	-	-	-
Bosnia & Herzegovina	na	na	-	na	na	-	-	-	-	-
Bulgaria	55.44	46.70	18.70	15.08	6.29	139.65	24.27	18.31	1.56	1.15
Croatia	38.71	56.69	-31.71	39.64	27.45	44.41	11.02	13.76	1.09	1.39
Czech Republic	673.74	759.39	-11.28	501.74	503.33	-0.32	34.11	36.12	18.97	18.65
Estonia	33.95	39.13	-13.23	29.31	29.24	0.23	39.68	40.80	0.96	0.96
Hungary	625.10	644.61	-3.03	594.39	702.85	-15.43	43.03	41.78	17.60	15.83
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	96.87	101.90	-4.94	72.82	61.30	18.79	40.24	44.65	2.73	2.50
Lithuania	189.39	170.23	11.26	85.17	88.33	-3.58	65.14	62.95	5.33	4.18
North Macedonia	na	na	-	na	na	-	-	-	-	-
Montenegro	na	na	-	na	na	-	-	-	-	-
Poland	1,275.14	1,607.41	-20.67	1,807.57	2,322.65	-22.18	28.37	32.19	35.91	39.47
Romania	122.47	141.16	-13.24	110.34	106.86	3.25	26.87	29.90	3.45	3.47
Serbia	na	na	-	na	na	-	-	-	-	-
Slovak Republic	199.42	253.80	-21.43	162.68	194.32	-16.28	22.42	25.01	5.62	6.23
Slovenia	240.99	251.75	-4.28	157.01	169.88	-7.57	32.17	33.39	6.79	6.18
<b>Total CEE</b>	<b>3,551.20</b>	<b>4,072.77</b>	<b>-12.81</b>	<b>3,575.74</b>	<b>4,212.50</b>	<b>-15.12</b>	<b>30.67</b>	<b>32.59</b>	<b>100.00</b>	<b>100.00</b>

## Property insurance

Property insurance made a quite active field of action last year - several earthquakes that affected different countries in the regions under consideration, as well as other severe weather events pointed again to the necessity of property insurance, as well as to the need of solutions for reducing the insurance gap.

GWP amounted to EUR 5.15 billion, almost the same value as in 2019. Paid claims, on the other hand, saw a 1.5% increase, to EUR 2.17 billion. While Poland and Hungary, two of the largest property insurance markets in the CEE and also those with the highest property insurance coverage degree in the region, provided together for an over EUR 65 million decrease in GWP, most of the smaller markets saw a positive evolution.

The recent earthquake events in Croatia have highlighted once again the large insurance gap that exists with regard to the NatCat risks.

According to data provided by the Croatian Insurance Bureau (HUO), the number of claim files went up by 21,8% or some 7,000 in absolute terms. The average claim value went by almost 40%. Yet, in absolute terms, the entire difference against the previous year was of about HRK 216 million (~EUR 7.4 million), which gives a fair image of the very low insurance coverage for the earthquake risk characterizing the Croatian market. Out of the total damage in the earthquake that hit Zagreb and Zagreb County in March, estimated at approx. EUR 11.5 billion, only a small part of the damage is covered by insurance. In 2020, insurers paid out, cumulatively, EUR 33 million, and it is estimated that an additional EUR 20 million will be paid for damages caused by the Zagreb earthquake, HUO estimates. The earthquake that hit Petrinja, Sisak, Glina and the surrounding area in December added to these figures. All in all, insured losses amounted to only about 1% of the total losses caused by the earthquakes. According to statements of the HUO – the Croatian Insurance Bureau, following the 2020 seismic events, the take-up for earthquake insurance grew by about 30%. However, according to HUO data, in comparison with the EU average annual spending for housing insurance, of EUR 174, Croatian homeowners are not spending more than EUR 51 per year to get protection against the

risks to their property.

Although the other countries in the region were not challenged last year by natural hazards events of catastrophic dimensions, the same discrepancy would have been observed in most of them, should any NatCat event have occurred. In this context, in many of the smaller CEE markets – in particular in the Adriatic area, where there is a major lack of NatCat insurance coverage -, some legislative initiatives are in course, aiming to implement solutions for reducing the protection gap.

In Bosnia & Herzegovina (BiH), the new UNDP National Adaptation Plan (NAP) is aiming to improving BiH's preparedness for dealing with Nat Cat events. Establishing a national disaster insurance scheme is one of the main features of the NAP. According to the European Environment Agency, annual flood losses in BiH are expected to increase five-fold by 2050 and up to 17-fold by 2080. As such, within the NAP project, a new risk mitigation product is in preparation, to insure property against damage from natural disasters correlated with climate change, including floods, landslides, earthquakes, and extreme weather events. The product includes the introduction of a form of compulsory insurance for individual residential buildings against these four common types of disasters.

In Albania, the government, led by the Ministry of Finance and Economy, has decided on a three steps plan to address the identified gaps. Preparing a draft law on mandatory earthquake insurance for residential buildings is one of these steps and, in fact, the law is currently under internal discussion in the government, which will also define the next steps. Its necessity may be illustrated by the AIR Worldwide risk profile, according to which earthquakes and floods could cause on average EUR 123 million in damage per year, with earthquakes having the biggest impact. A catastrophic earthquake—such as a 1-in-100-year return period earthquake—could cause damages of over EUR 1.6 billion. Against such a perspective, it is worth noting that out of the total economic losses estimated at EUR 985 million only from the 2019 earthquake, the insurance industry covered no more than EUR 20 million.



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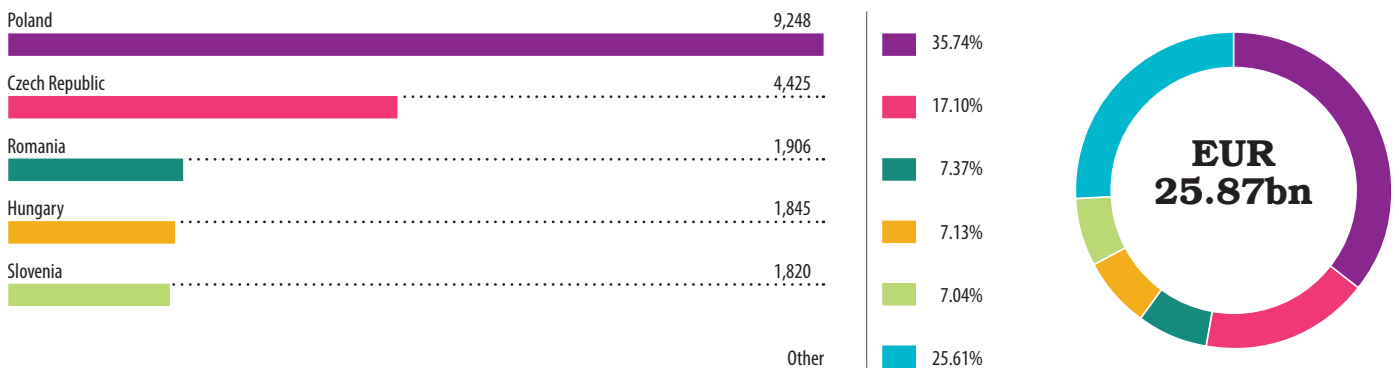
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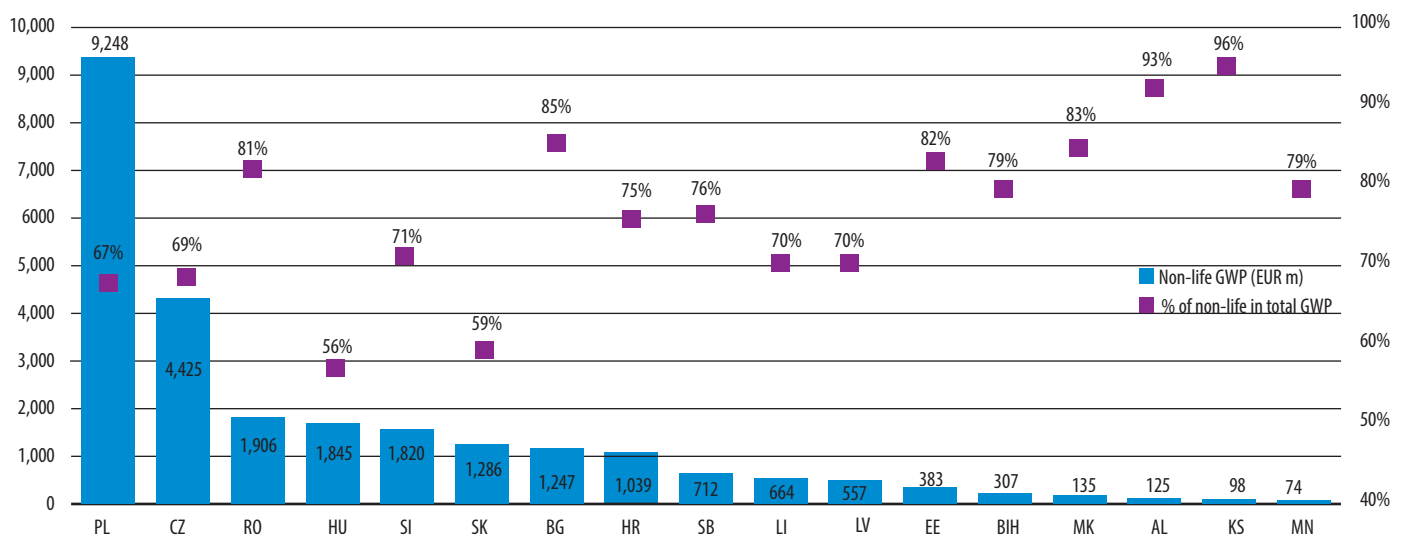
# CEE - NON-LIFE INSURANCE

Country	GWP		Change	Claims		Change	Weight in all GWP		Regional market share	
	2020	2019		2020	2019		2020	2019	2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	124.84	134.70	-7.32	59.04	50.69	16.48	92.98	93.10	0.48	0.51
Bosnia & Herzegovina	306.81	309.00	-0.71	121.51	122.59	-0.88	79.33	79.23	1.19	1.16
Bulgaria	1,246.75	1,233.18	1.10	517.59	529.27	-2.21	84.52	82.86	4.82	4.63
Croatia	1,038.57	1,004.77	3.36	497.35	491.01	1.29	74.73	70.92	4.01	3.77
Czech Republic	4,425.19	4,427.87	-0.06	2,068.48	2,281.35	-9.33	69.14	67.81	17.10	16.63
Estonia	383.30	397.92	-3.68	213.58	218.00	-2.03	81.75	80.58	1.48	1.49
Hungary	1,845.25	1,937.83	-4.78	715.54	775.34	-7.71	55.95	55.68	7.13	7.28
Kosovo	97.92	98.00	-0.08	47.01	49.98	-5.94	96.45	96.55	0.38	0.37
Latvia	556.73	628.52	-11.42	349.56	403.99	-13.47	69.81	73.36	2.15	2.36
Lithuania	664.13	675.44	-1.67	374.55	368.78	1.56	69.55	71.41	2.57	2.54
North Macedonia	134.95	142.35	-5.20	57.84	59.91	-3.45	82.71	82.70	0.52	0.53
Montenegro	73.95	77.63	-4.74	28.77	30.42	-5.44	78.94	81.92	0.29	0.29
Poland	9,247.62	9,995.27	-7.48	4,817.94	5,237.27	-8.01	67.29	66.68	35.74	37.54
Romania	1,905.98	1,827.51	4.29	1,203.95	1,207.25	-0.27	80.70	79.47	7.37	6.86
Serbia	712.31	700.60	1.67	305.93	338.16	-9.53	76.20	76.67	2.75	2.63
Slovak Republic	1,286.45	1,269.17	1.36	623.37	634.68	-1.78	59.13	55.57	4.97	4.77
Slovenia	1,820.35	1,763.39	3.23	1,087.58	1,117.71	-2.70	70.84	70.05	7.04	6.62
<b>Total CEE</b>	<b>25,871.10</b>	<b>26,623.13</b>	<b>-2.82</b>	<b>13,089.60</b>	<b>13,916.40</b>	<b>-5.94</b>	<b>69.08</b>	<b>68.06</b>	<b>100.00</b>	<b>100.00</b>

## TOP 5 CEE countries as GWP (EUR million) & market shares (%)



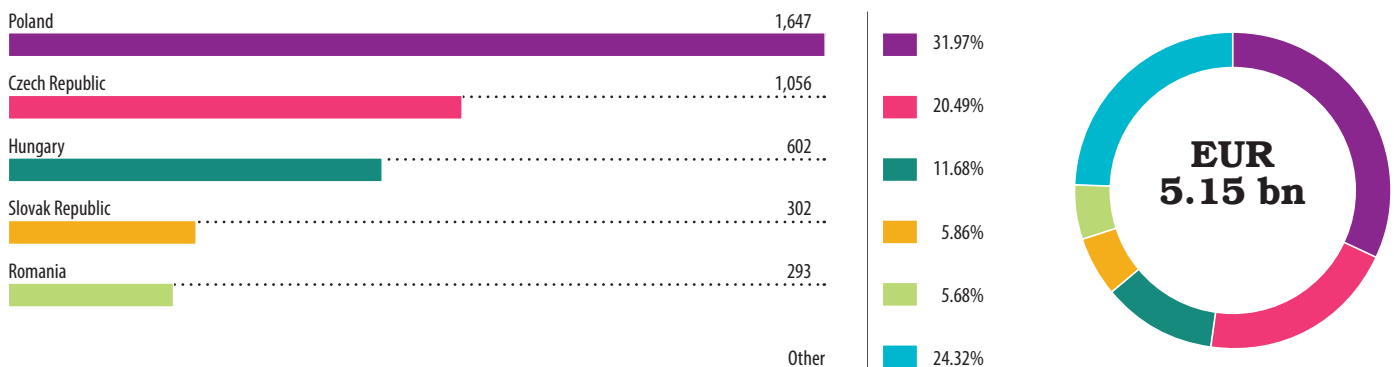
## Weight of non-life GWP in total business



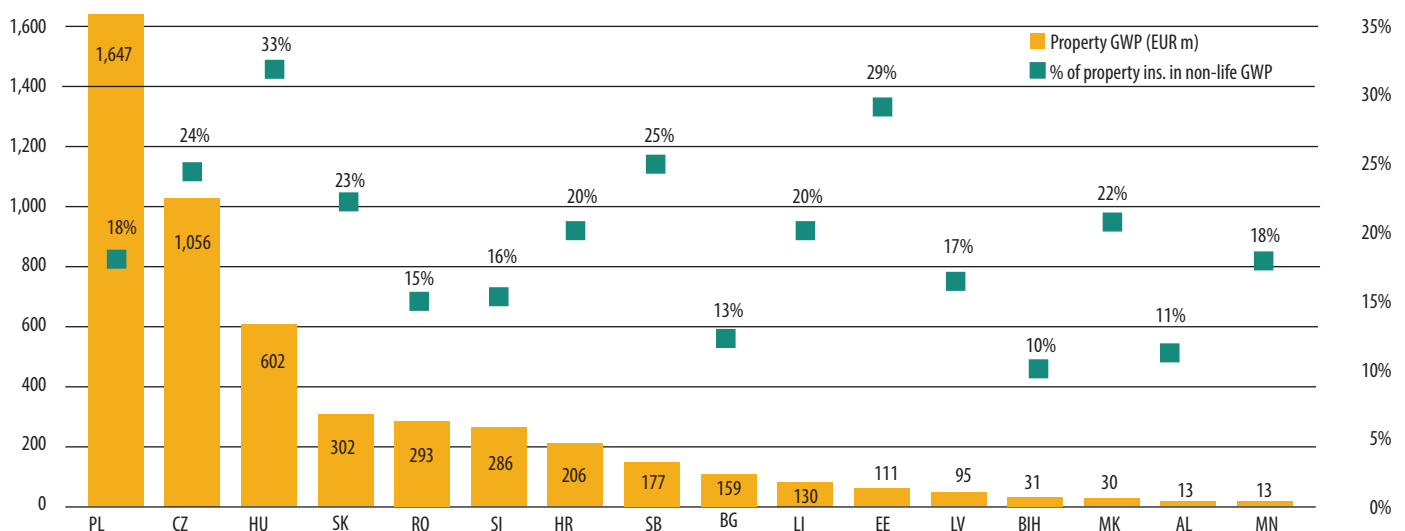
## CEE - PROPERTY INSURANCE (Fire, allied perils and other damages to property, summed)

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	2020	2019	Change	2020	2019	Change	2020	2019	2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	13.45	16.06	-16.29	24.44	13.02	87.78	10.77	11.92	0.26	0.31
Bosnia & Herzegovina	31.30	29.80	5.05	10.91	11.45	-4.71	10.20	9.64	0.61	0.58
Bulgaria	158.89	151.83	4.64	38.52	54.79	-29.71	12.74	12.31	3.08	2.95
Croatia	206.01	195.02	5.64	129.58	102.19	26.80	19.84	19.41	4.00	3.79
Czech Republic	1,055.91	1,042.75	1.26	434.34	396.96	9.41	23.86	23.55	20.49	20.24
Estonia	111.43	108.88	2.34	50.65	51.82	-2.27	29.07	27.36	2.16	2.11
Hungary	601.86	616.18	-2.32	188.10	187.77	0.18	32.62	31.80	11.68	11.96
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	95.20	103.97	-8.43	62.06	98.55	-37.02	17.10	16.54	1.85	2.02
Lithuania	130.19	120.25	8.27	68.48	55.04	24.41	19.60	17.80	2.53	2.33
North Macedonia	30.16	28.83	4.61	10.21	7.86	29.92	22.35	20.25	0.59	0.56
Montenegro	13.43	11.61	15.69	2.06	2.01	2.10	18.16	14.95	0.26	0.23
Poland	1,646.97	1,698.89	-3.06	738.46	735.90	0.35	17.81	17.00	31.97	32.98
Romania	292.90	280.72	4.34	71.17	77.42	-8.07	15.37	15.36	5.68	5.45
Serbia	176.60	171.04	3.25	100.30	134.16	-25.24	24.79	24.41	3.43	3.32
Slovak Republic	301.86	296.82	1.70	120.13	90.60	32.60	23.46	23.39	5.86	5.76
Slovenia	286.19	279.36	2.45	121.12	117.97	2.67	15.72	15.84	5.55	5.42
<b>Total CEE</b>	<b>5,152.34</b>	<b>5,151.99</b>	<b>0.01</b>	<b>2,170.53</b>	<b>2,137.52</b>	<b>1.54</b>	<b>19.92</b>	<b>19.35</b>	<b>100.00</b>	<b>100.00</b>

### TOP 5 CEE countries as GWP (EUR million) & market shares (%)



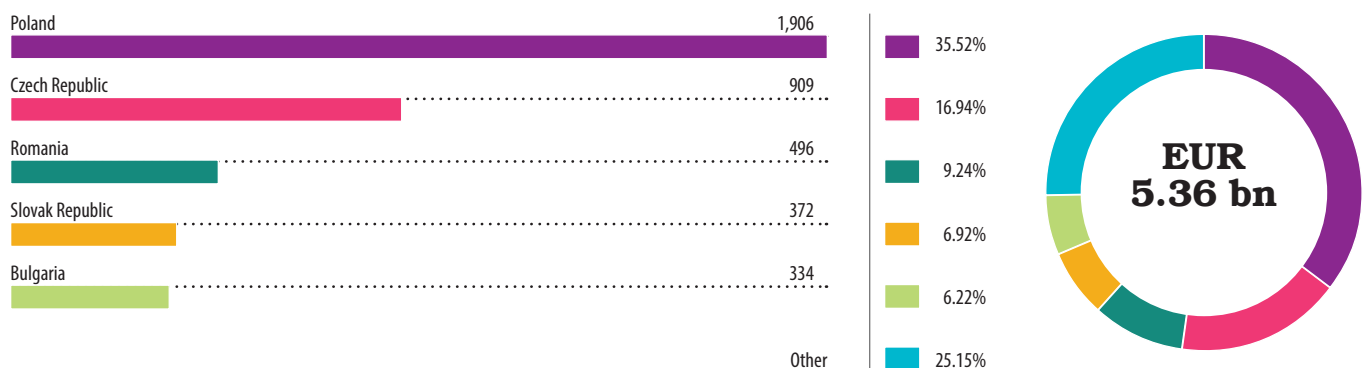
### Weight of property GWP in non-life business



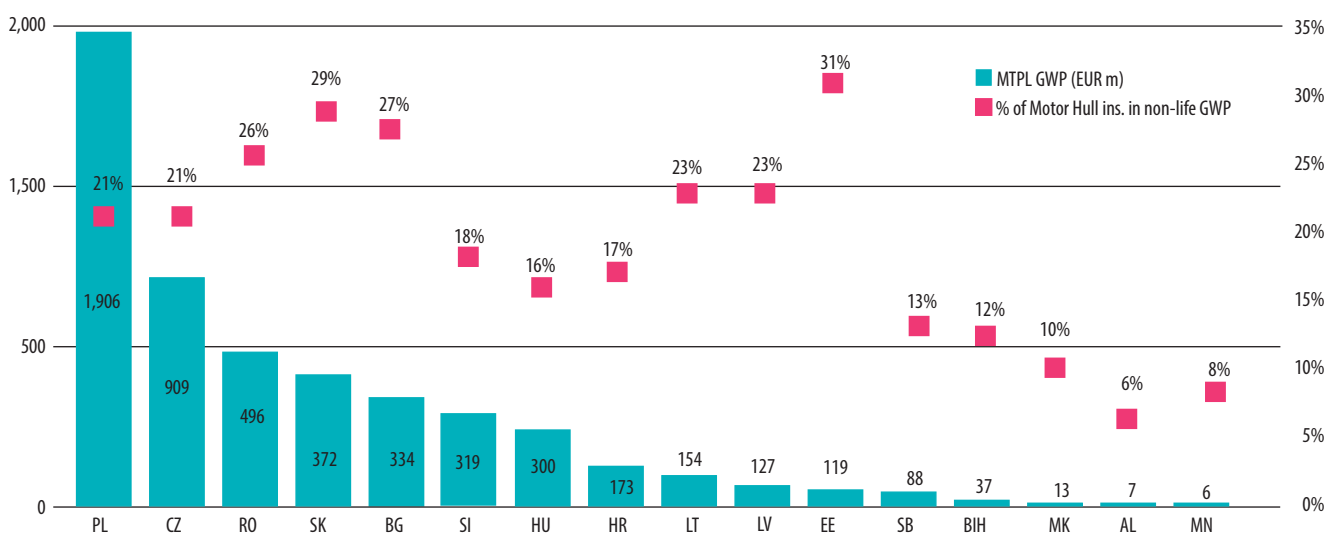
# CEE - MOTOR HULL INSURANCE

Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	2020	2019			2020	2019			2020	2019	2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%		
Albania	7.19	7.17	0.34	5.10	4.65	9.57	5.76	5.32	0.13	0.13		
Bosnia & Herzegovina	36.81	37.31	-1.34	27.88	27.00	3.24	12.00	12.08	0.69	0.69		
Bulgaria	333.97	333.44	0.16	152.37	157.63	-3.33	26.79	27.04	6.22	6.13		
Croatia	173.13	168.75	2.59	99.77	106.90	-6.66	16.67	16.79	3.23	3.10		
Czech Republic	908.87	877.91	3.53	481.75	572.37	-15.83	20.54	19.83	16.94	16.14		
Estonia	119.08	125.77	-5.32	79.50	83.52	-4.80	31.07	31.61	2.22	2.31		
Hungary	300.47	308.11	-2.48	148.49	171.71	-13.52	16.28	15.90	5.60	5.66		
Kosovo	na	na	-	na	na	-	-	-	-	-		
Latvia	126.96	135.72	-6.45	84.54	83.52	1.22	22.81	21.59	2.37	2.49		
Lithuania	154.37	156.45	-1.33	100.65	106.37	-5.38	23.24	23.16	2.88	2.88		
North Macedonia	13.35	13.63	-2.06	7.84	8.83	-11.15	9.89	9.58	0.25	0.25		
Montenegro	5.97	6.97	-14.35	3.24	3.82	-15.07	8.07	8.97	0.11	0.13		
Poland	1,906.32	2,035.63	-6.35	1,185.19	1,302.13	-8.98	20.61	20.37	35.52	37.42		
Romania	495.79	484.91	2.24	376.81	359.26	4.89	26.01	26.53	9.24	8.91		
Serbia	93.22	87.89	6.06	57.68	55.80	3.36	13.09	12.55	1.74	1.62		
Slovak Republic	371.52	351.43	5.72	198.80	240.73	-17.42	28.88	27.69	6.92	6.46		
Slovenia	319.29	309.37	3.21	198.20	202.29	-2.02	17.54	17.54	5.95	5.69		
Total CEE	5,366.31	5,440.46	-1.36	3,207.83	3,486.52	-7.99	20.74	20.44	100.00	100.00		

## TOP 5 CEE countries as GWP (EUR million) & market shares (%)



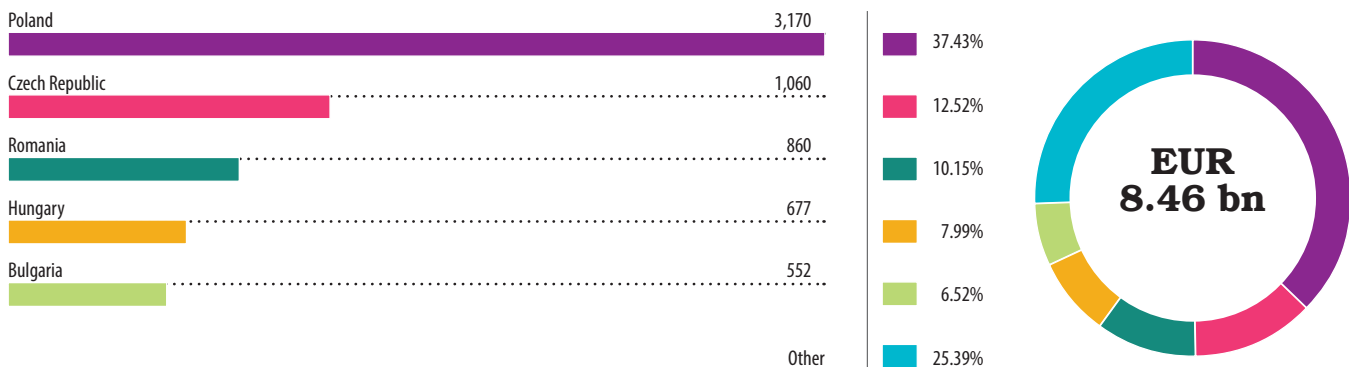
## Weight of Motor Hull GWP in non-life business



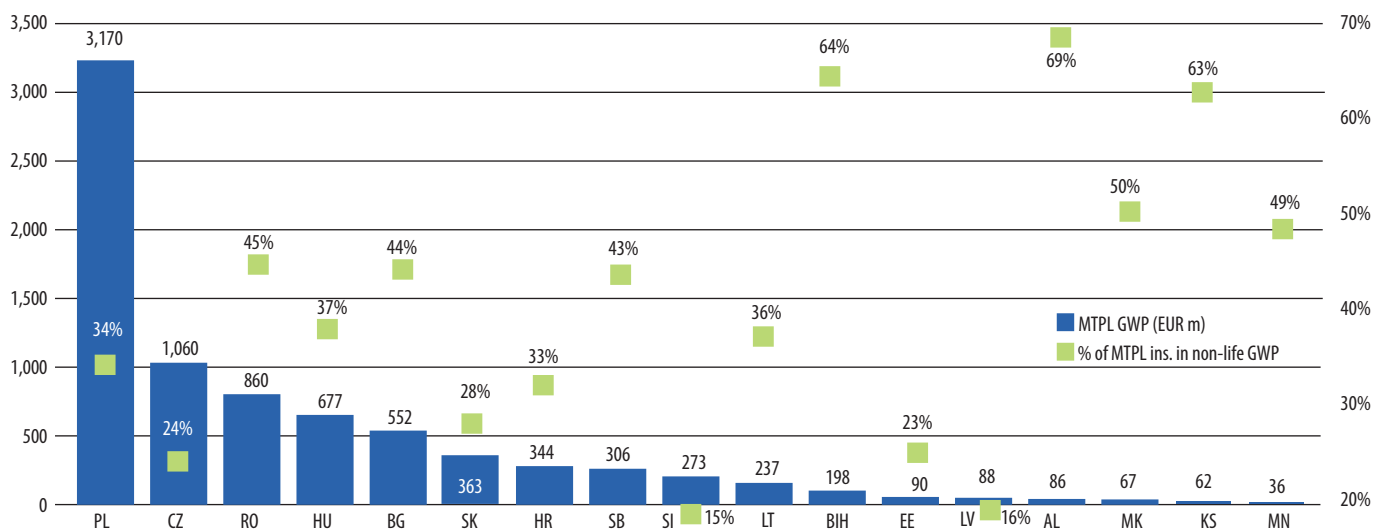
# CEE - MTPL INSURANCE

Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	2020	2019			2020	2019			2020	2019	2020	2019
	EUR m.	EUR m.	%		EUR m.	EUR m.	%		%	%	%	%
Albania	85.69	92.16	-7.02	22.31	23.37	-4.54	68.64	68.42	1.01	1.05		
Bosnia & Herzegovina	197.57	193.96	1.86	65.99	67.29	-1.92	64.39	62.77	2.33	2.21		
Bulgaria	551.99	556.80	-0.86	284.17	269.09	5.60	44.27	45.15	6.52	6.34		
Croatia	344.41	308.83	11.52	167.17	172.67	-3.18	33.16	30.74	4.07	3.52		
Czech Republic	1,060.14	1,019.14	4.02	500.63	558.04	-10.29	23.96	23.02	12.52	11.61		
Estonia	90.06	102.48	-12.11	56.70	59.81	-5.19	23.50	25.75	1.06	1.17		
Hungary	676.61	696.77	-2.89	298.41	328.97	-9.29	36.67	35.96	7.99	7.94		
Kosovo	61.62	58.97	4.49	30.74	32.22	-4.59	62.93	60.18	0.73	0.67		
Latvia	88.14	108.30	-18.61	56.14	56.63	-0.87	15.83	17.23	1.04	1.23		
Lithuania	237.12	258.97	-8.44	146.19	146.04	0.10	35.70	38.34	2.80	2.95		
North Macedonia	67.05	74.44	-9.94	30.48	33.51	-9.03	49.68	52.29	0.79	0.85		
Montenegro	36.04	38.02	-5.20	13.27	14.44	-8.10	48.73	48.97	0.43	0.43		
Poland	3,170.50	3,504.60	-9.53	1,950.72	2,219.59	-12.11	34.28	35.06	37.43	39.94		
Romania	860.08	833.97	3.13	656.75	669.97	-1.97	45.13	45.63	10.15	9.50		
Serbia	306.33	300.81	1.83	99.35	95.09	4.48	43.00	42.94	3.62	3.43		
Slovak Republic	363.33	352.09	3.19	202.25	217.29	-6.92	28.24	27.74	4.29	4.01		
Slovenia	273.02	275.24	-0.81	159.70	169.75	-5.92	15.00	15.61	3.22	3.14		
Total CEE	8,469.70	8,775.54	-3.49	4,740.97	5,133.75	-7.65	32.74	32.96	100.00	100.00		

## TOP 5 CEE countries as GWP (EUR million) & market shares (%)



## Weight of MTPL GWP in non-life business



# CEE - GTPL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	2020	2019	Change	2020	2019	Change	2020	2019	2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	6.94	3.64	90.75	0.06	0.07	-17.09	5.56	2.70	0.50	0.27
Bosnia & Herzegovina	5.63	5.22	7.72	0.92	1.00	-7.82	1.83	1.69	0.41	0.38
Bulgaria	25.80	21.58	19.55	3.45	3.14	9.98	2.07	1.75	1.86	1.57
Croatia	62.30	63.13	-1.31	23.63	23.47	0.69	6.00	6.28	4.49	4.60
Czech Republic	377.33	369.37	2.15	151.26	172.56	-12.35	8.53	8.34	27.19	26.94
Estonia	13.46	12.69	6.12	4.79	5.03	-4.66	3.51	3.19	0.97	0.93
Hungary	44.90	46.94	-4.36	19.47	15.84	22.91	2.43	2.42	3.24	3.42
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	21.39	22.49	-4.87	6.16	6.01	2.51	3.84	3.58	1.54	1.64
Lithuania	23.87	23.66	0.90	7.05	8.22	-14.15	3.59	3.50	1.72	1.73
North Macedonia	3.44	3.69	-6.92	0.20	0.48	-58.48	2.55	2.59	0.25	0.27
Montenegro	2.15	2.13	1.08	0.31	0.14	114.26	2.91	2.74	0.15	0.16
Poland	552.30	559.64	-1.31	228.71	240.71	-4.99	5.97	5.60	39.80	40.81
Romania	60.95	57.10	6.74	na	na	-	3.20	3.12	4.39	4.16
Serbia	23.55	20.44	15.22	3.54	2.26	56.92	3.31	2.92	1.70	1.49
Slovak Republic	80.19	79.14	1.32	27.83	22.97	21.16	6.23	6.24	5.78	5.77
Slovenia	83.47	80.42	3.80	25.17	24.03	4.73	4.59	4.56	6.02	5.86
Total CEE	1,387.66	1,371.27	1.19	502.55	525.94	-4.45	5.36	5.15	100.00	100.00

## Motor insurance

Motor insurance GWP amounted to EUR 8.47 billion for MTPL and EUR 5.37 billion for Motor Hull, by 3.5% and respectively 1.36% less y-o-y. Claims paid decreased by about 7.5% both lines, in particular thanks to the travel restrictions which that led to a visible reduction in the number of road accidents.

Despite the initial fears, that travel restriction will result in significant lower sales of motor insurance policies and even freezing or surrendering insurance contracts for fleets, thus causing a dramatic fall in GWP, motor insurers in the region managed to find solutions so that they preserved corporate contracts and also kept selling retail policies.

On the claims side, it is worth noting though that representatives of several markets explained that claims expenses decreased less than expected because the average value of claims increased. It seems that emptier roads have stimulated speeding. On the other hand, as shown by a recent Amodo research, while during the lockdown, as expected, the road traffic decreased dramatically, there was still a category of drivers - 10-12% of the Amodo portfolio -, that were driving even more than usually. After the lockdown ended, a significant increase in the distance driven has occurred. In comparison with the periods before the lockdown, the distance driven increased, in average, by 24%, showing a change in a certain habit of how people are using different means of transportation, i.e. a clear preference for the use of their own car. The number of trips and journeys has also increased by 58%. Most probably due to the new work arrangements, there is large category of drivers that no longer need to travel at all - about 34% in the Amodo portfolio. On the other hand, the active drivers are driving more, a trend visible especially in the urban areas, and less for the highways. That shows that people are using their cars rather for home to work commuting, than for inter-city traveling or even for trips outside of the country.

However, the direct measurable effect of the travel restrictions

was a visible improvement in the motor insurers' combined ratio in many countries in the region. Lower operating costs, largely induced by digitalization of several operational aspects, also contributed to improving efficiency indicators. Remains for the future period to confirm or not this improvement as a long-term trend.

## Perspectives

The future developments in the insurers' activity and financial efficiency depend at large on the evolution of the epidemic situation. As such, macroeconomic risks prevail, but there are also several operational risks related to the transition to work from home, increasing cyber exposure etc.

The rapid digital transformation performed in 2020 - a proof of adaptability and resilience from the industry -, has so far offered a way of remaining in contact with the customers or even new possibilities of getting in contact with new customers. Yet, the journey is far from ending. As customer - especially the younger ones -, are getting more used to purchasing and receiving online different types of services, in a timely and easy manner, their expectations are changing, and insurers need to permanently adapt or anticipate these changes.

On the other hand, on the risk side, it is worth noting that CEE insurers escaped almost unscathed throughout the first waves of the pandemic also because the lack of sophistication of these young markets. Issues as business interruption, which caused dramatic confrontations and significant cost for the Western insurers, were absent in the CEE. Yet, customers are learning from experience and it is to be expected that in the future they will be more aware of the more "sophisticated" risks and require coverage or put under discussion their policies exclusions. Such developments will require renewed efforts of creativity in adapting products to the evolving coverage needs.



## CEE - Top 50 regional market rankings\*

### Life insurance

No	Company	Country	Home market ranking	GROSS WRITTEN PREMIUMS		
				2020	2019	Change
				EUR m	EUR m	%
1	PZU ŻYCIE SA	Poland	1	1,896.58	2,015.18	-5.89
2	Kooperativa, pojišťovna	Czech Rep.	1	542.50	551.30	-1.60
3	AVIVA TUŇ S.A.	Poland	2	428.62	454.58	-5.71
4	Generali Česká pojišťovna	Czech Rep.	2	395.21	286.16	38.11
5	NATIONALE-NEDERLANDEN TUŇ	Poland	3	357.20	360.55	-0.93
6	TUŇ WARTA S.A.	Poland	4	213.09	228.41	-6.71
7	COMPENSA TU na ŽYCIE S.A. VIG	Poland	5	211.51	210.45	0.51
8	GENERALI ŽYCIE T.U. S.A.	Poland	6	203.57	208.94	-2.57
9	NN Životní pojišťovna	Czech Rep.	3	185.34	194.64	-4.77
10	NN Asigurări de Viață	Romania	1	175.25	172.70	1.48
11	Zavarovalnica Triglav, d. d.	Slovenia	1	174.47	179.90	-3.02
12	Modra zavarovalnica, d. d.	Slovenia	2	172.83	159.94	8.06
13	METLIFE TUŇIR S.A.	Poland	7	167.95	200.70	-16.32
14	AXA ŽYCIE TU S.A.	Poland	8	151.40	159.22	-4.91
15	ČSOB Pojišťovna	Czech Rep.	4	140.25	142.79	-1.78
16	TU ALLIANZ ŽYCIE POLSKA S.A.	Poland	9	131.63	141.62	-7.05
17	Allianz pojišťovna	Czech Rep.	5	125.82	122.23	2.94
18	SEB Life and Pension Baltic SE	Latvia	1	102.76	107.45	-4.36
19	MetLife Europe	Czech Rep.	6	102.12	101.55	0.56
20	TU na ŽYCIE EUROPA S.A.	Poland	10	100.86	115.45	-12.63
21	OPEN LIFE TU ŽYCIE S.A.	Poland	11	98.24	259.78	-62.18
22	Česká podnikatelská pojišťovna	Czech Rep.	7	96.95	93.43	3.77
23	GENERALI zavarovalnica, d. d.	Slovenia	3	93.83	33.31	181.68
24	AEGON TU na ŽYCIE S.A.	Poland	12	85.31	88.69	-3.80
25	Zavarovalnica Sava, d. d.	Slovenia	4	77.81	82.34	-5.50
26	STUŇ ERGO HESTIA SA	Poland	13	77.47	83.85	-7.61
27	BCR Asigurări de Viață VIG	Romania	2	76.52	77.26	-0.96
28	Vita, življenjska zavarovalnica	Slovenia	5	73.41	80.42	-8.72
29	UNUM ŽYCIE TUŇIR S.A.	Poland	14	71.33	69.09	3.24
30	WIENER osiguranje VIG	Croatia	1	69.15	73.20	-5.52
31	PKO ŽYCIE TU S.A.	Poland	15	69.10	125.14	-44.79
32	Swedbank Life Insurance filialas	Lithuania	1	67.74	62.54	8.32
33	SANTANDER AVIVA TU na ŽYCIE	Poland	16	64.37	94.36	-31.79
34	GENERALI Osiguranje	Serbia	1	60.94	62.60	-2.66
35	Komerční pojišťovna	Czech Rep.	8	60.55	65.02	-6.88
36	CROATIA osiguranje	Croatia	2	60.18	69.52	-13.43
37	DZI LIFE INSURANCE	Bulgaria	1	58.24	56.27	3.50
38	Aviva Lietuva	Lithuania	2	55.89	52.51	6.43
39	Compensa Life Insurance filialas	Lithuania	3	54.23	47.26	14.75
40	BULSTRAD LIFE VIG	Bulgaria	2	53.23	77.31	-31.15
41	VIENNA LIFE TU na ŽYCIE S.A. VIG	Poland	17	52.73	55.06	-4.23
42	ALLIANZ BULGARIA LIFE	Bulgaria	3	51.72	46.25	11.81
43	ALLIANZ Hrvatska	Croatia	3	50.40	75.70	-33.42
44	BRD Asigurări de Viață	Romania	3	50.14	61.74	-18.79
45	AXA životní pojišťovna	Czech Rep.	9	49.80	39.03	27.58
46	SEB Life and Pension	Lithuania	4	49.12	47.10	4.29
47	WIENER	Serbia	2	48.34	44.37	8.93
48	TUŇ CARDIF POLSKA S.A.	Poland	18	46.89	50.09	-6.39
49	UNIQA pojišťovna	Czech Rep.	10	45.51	44.63	1.97
50	ERGO Life Insurance	Latvia	2	44.72	40.14	11.43

### Non-life insurance

No	Company	Country	Home market ranking	GROSS WRITTEN PREMIUMS		
				2020	2019	Change
				EUR m	EUR m	%
1	PZU SA	Poland	1	2,716.62	3,061.97	-11.28
2	STU ERGO HESTIA SA	Poland	2	1,414.18	1,497.13	-5.54
3	TUIR WARTA S.A.	Poland	3	1,353.53	1,415.89	-4.40
4	Generali Česká pojišťovna	Czech Rep.	1	1,042.39	820.48	27.05
5	Kooperativa, pojišťovna	Czech Rep.	2	711.51	726.11	-2.01
6	CITY Insurance	Romania	1	474.01	398.74	18.88
7	Zavarovalnica Triglav, d. d.	Slovenia	1	473.08	479.26	-1.29
8	Allianz pojišťovna	Czech Rep.	3	462.16	447.15	3.36
9	AXA UBEZPIECZENIA TUIR S.A.	Poland	4	438.83	446.71	-1.76
10	COMPENSA TU S.A. VIG	Poland	5	414.31	420.82	-1.55
11	TUIR ALLIANZ POLSKA S.A.	Poland	6	380.67	481.66	-20.97
12	GENERALI T.U. S.A.	Poland	7	375.15	379.81	-1.23
13	Zavarovalnica Sava, d. d.	Slovenia	2	369.19	346.35	6.59
14	Vzajemna zdravstvena zavarovalnica	Slovenia	3	342.79	330.82	3.62
15	GENERALI zavarovalnica, d. d.	Slovenia	4	338.09	74.27	355.23
16	Česká podnikatelská pojišťovna	Czech Rep.	4	316.74	305.06	3.83
17	ČSOB Pojišťovna	Czech Rep.	5	311.65	292.33	6.61
18	CROATIA osiguranje	Croatia	1	298.97	294.61	1.48
19	INTERRISKU T.U. S.A. VIG	Poland	8	290.92	318.79	-8.74
20	OMNIASIG VIG	Romania	2	284.12	273.65	3.83
21	EUROINS România	Romania	3	269.24	268.13	0.41
22	UNIQA pojišťovna	Czech Rep.	6	255.85	252.29	1.41
23	UNIQA TU S.A.	Poland	9	251.05	272.29	-7.80
24	LINK4 TU S.A.	Poland	10	235.13	239.67	-1.89
25	ALLIANZ-ȚIRIAC	Romania	4	230.62	251.28	-8.22
26	DUNAV	Serbia	1	226.99	219.17	3.57
27	GROUPAMA Asigurări	Romania	5	209.66	220.58	-4.95
28	BTA Baltic Ins. Company	Latvia	1	208.48	222.68	-6.38
29	Lietuvos draudimas	Lithuania	1	196.70	203.69	-3.43
30	Triglav, Zdravstvena zavarovalnica	Slovenia	5	196.39	177.42	10.70
31	WIENER TU S.A. VIG	Poland	11	187.70	193.54	-3.02
32	EUROHERC osiguranje	Croatia	2	178.00	171.85	3.58
33	LEV INS	Bulgaria	1	156.72	161.92	-3.21
34	Euroins	Bulgaria	2	152.63	123.82	23.26
35	BULSTRAD VIG	Bulgaria	3	146.10	141.86	2.99
36	TUW PZUW	Poland	12	137.21	161.99	-15.30
37	TUW TUW	Poland	13	134.84	138.18	-2.42
38	ADRIATIC osiguranje	Croatia	3	132.92	101.13	31.44
39	DZI - General insurance	Bulgaria	4	131.94	130.92	0.78
40	GENERALI Osiguranje	Serbia	2	126.78	133.82	-5.26
41	PKO TU S.A.	Poland	14	112.22	158.22	-29.07
42	CONCORDIA POLSKA T.U. S.A.	Poland	15	111.31	99.11	12.31
43	ASIROM VIG	Romania	6	110.55	89.55	23.45
44	AVIVA TU OGÓLNYCH S.A.	Poland	16	107.78	107.21	0.54
45	Balta	Latvia	2	107.26	114.33	-6.18
46	ARMEEC	Bulgaria	5	104.86	113.66	-7.74
47	BTA Insurance Company SE filialas	Lithuania	2	104.12	107.23	-2.90
48	GENERALI România	Romania	7	102.92	116.41	-11.59
49	DallBogg: Zhivot i zdrave	Bulgaria	6	102.30	73.17	39.81
50	ALLIANZ Hrvatska	Croatia	4	101.67	107.61	-5.52

\*Insurers from Hungary and Slovak Republic were not included in presented rankings

# Currency issues and development efforts

The regional CIS results in the insurance field show a dramatic reduction in business, when GWP data are denominated in European currency. Thus, total GWP amounted to EUR 20.7 billion, down by 20.8% y-o-y. Yet, one should carefully consider this dynamic as the strong devaluation of local currencies against Euro is negatively impacting on the year on year comparison result.

The largest part of the GWP diminution came from the Russian market. Russian market's contribution to the premiums fall was proportional with its weight in the regional portfolio, of about 82%. In most markets, the motor insurance lines were the drivers of the GWP decrease. In the countries where Green Card insurance is not included in the MTPL, the prolonged freeze of the cross-border road traffic resulted in a dramatic fall of this line of business. Apart the motor insurance business, the "speed loss" affected almost all lines of business, with some peaks recorded for insurance lines related to the tourism sector.

Paid claims also decreased, at regional level by 18.6%, to EUR 8,7 billion. Except for Azerbaijan, claims expenses went down everywhere. In Azerbaijan, the life insurance sector bears the main responsibility for the increasing paid claims, with the 2021 expenses doubling as compared with those recorded in 2020.

One of the concerns that brings closer the markets in the area is developing agricultural insurance and reducing the property insurance gap. The agroinsurance program launched in Armenia in September 2019, currently operating in a pilot mode in six regions could make a good example of this concern, as well as the Agroinsurance Fund was registered in February 2020

on Azerbaijan with the aim of organizing and developing the agricultural insurance system, forming the market structure and control.

Legislative changes are in course in many of the CIS markets, aiming to aligning the local regulations to the European standards and to improving the market players' financial stability. Some of them are meant to modernize and improve the MTPL markets functioning, as in Tajikistan or Kazakhstan, or to actually introducing the compulsory MTPL system, as in Georgia. Aligning local legislation on insurance supervision, by moving towards a risk based supervisory system is an important concern in Moldova and Georgia, while in Belarus investment rules for insurers' assets were amended.

\*\*\*

GWP in the SEE region amounted in 2021 to EUR 13.9 billion, 9.5% less than in 2020. The determinant role in establishing this negative dynamic belonged to the Turkish market, accounting for over 63% of the regional GWP and facing a 12.85% decrease in the premiums production. The comparatively tiny market of Cyprus reported a 2.8% y-o-y increase in GWP, while Greece saw a negative dynamic (3.6%) somehow in the "reasonable" European average dynamic. For Turkey, though, one should note that the denomination in European currency affected much the market performance indicators because of the strong devaluation of the Turkish Lira against Euro.

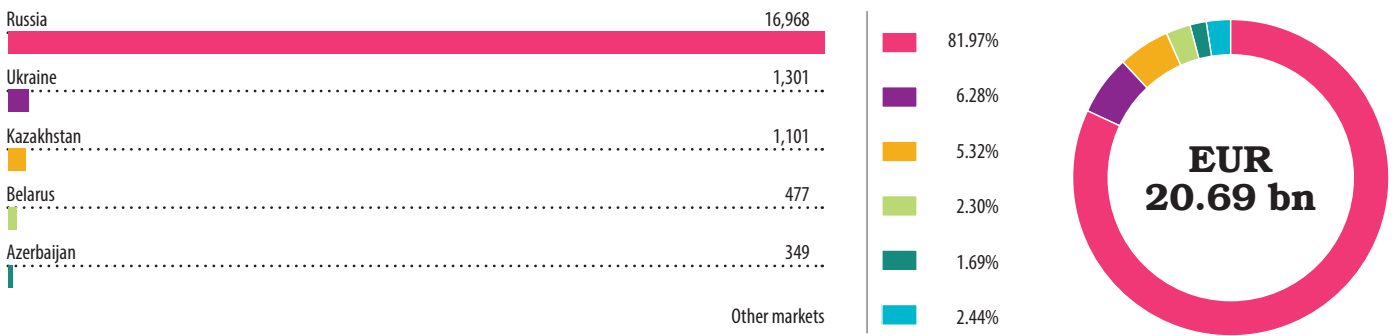
Besides the pure statistical approach, it is worth mentioning the efforts made in Turkey to boost market development by creating new institutions or reorganizing the existing ones in a more efficient way. (D.G.)

## CIS – OVERALL MARKET DATA

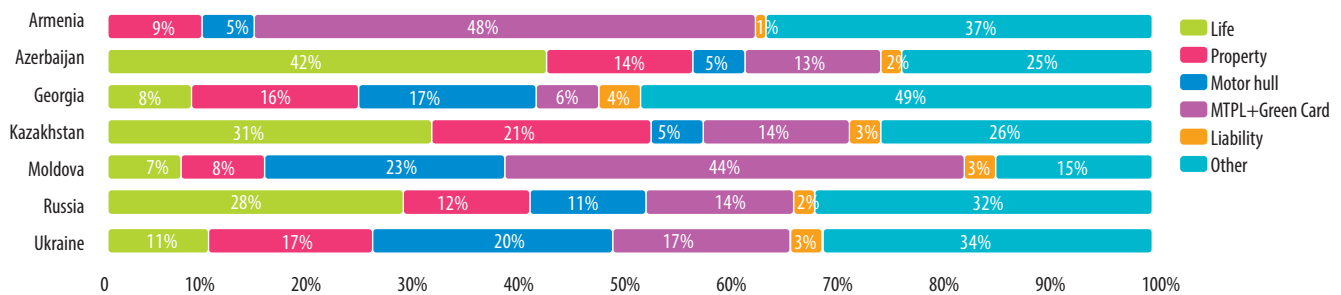
Country	GWP			Change	Claims			Change	Regional market share	
	2020	2019	%		2020	2019	%		2020	2019
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Armenia	69.49	91.45	-24.02	36.18	46.54	-22.28	0.34	0.35		
Azerbaijan	348.80	357.85	-2.53	222.67	158.41	40.56	1.69	1.37		
Belarus	476.70	596.59	-20.09	257.17	302.07	-14.87	2.30	2.28		
Georgia	165.85	194.74	-14.83	95.81	165.92	-42.25	0.80	0.75		
Kazakhstan	1,100.76	1,191.31	-7.60	290.46	518.91	-44.03	5.32	4.56		
Kyrgyzstan	13.17	17.09	-22.92	1.82	2.32	-21.53	0.06	0.07		
Moldova	68.77	84.35	-18.47	28.23	33.94	-16.84	0.33	0.32		
Russia	16,968.02	21,360.90	-20.57	7,261.45	8,809.64	-17.57	81.97	81.74		
Tajikistan*	14.50	15.90	-8.82	1.04	0.89	17.01	0.07	0.06		
Turkmenistan	na	na	-	na	na	-	-	-		
Ukraine	1,300.68	2,005.95	-35.16	427.54	542.67	-21.21	6.28	7.68		
Uzbekistan	172.82	217.79	-20.65	57.49	76.57	-24.91	0.83	0.83		
Total CIS	20,699.57	26,133.92	-20.79	8,679.86	10,657.88	-18.56	100.00	100.00		

\* 3Q2020 vs. 3Q2019 figures

## TOP 5 CIS countries as GWP (EUR million) & market shares (%)



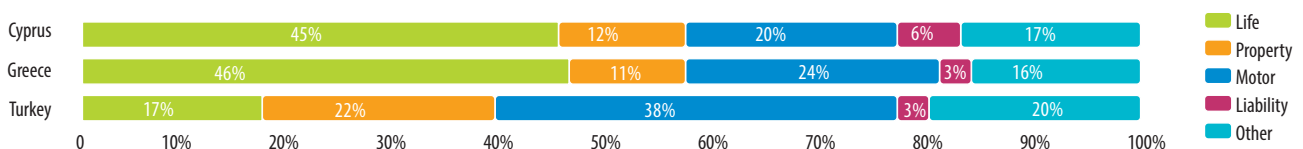
## CIS GWP portfolio on selected countries (%)



## SEE - OVERALL MARKET DATA

Country	GWP			Change	Claims			Change	Regional market share	
	2020	2019			2020	2019			2020	2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%		
Cyprus	917.14	892.06	2.81	477.35	497.75	-4.10	6.61	5.82		
Greece	3,924.26	4,073.00	-3.65	na	na	-	28.27	26.55		
Turkey	9,041.58	10,374.76	-12.85	3,615.98	4,852.74	-25.49	65.13	67.63		
Total SEE	13,882.98	15,339.81	-9.50	na	na	-	100.00	100.00		

## SEE GWP portfolio per countries (%)



# Albania



S&P Rating  
**B+ , STABLE**

Moody's rating  
**B1, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Bank of Albania

<sup>3</sup> Albanian Financial Supervisory Authority (AFSA)

<sup>4</sup> XPRIMM calculations

The pandemic crisis affected the motor insurance business, especially the subclasses related to the international road traffic for which the GWP volume has halved

Claims paid for property insurance in 2020 after the 2019 November earthquake, didn't exceed EUR 24.4 million in 2020, while the total economic losses are estimated at EUR 985 million

Albania has the highest level of disaster risk in Europe (World Bank's World Risk Index 2019), its exposure being in particular high for flooding and earthquakes

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
GDP, current prices	ALL billion <sup>1</sup>	1,472.48	1,550.65	1,635.72	1,678.43	1,642.57
	EUR billion <sup>4</sup>	10.89	11.66	13.25	13.78	13.28
GDP per capita, current prices	ALL <sup>1</sup>	511,971	539,645	570,656	584,877	573,296
	EUR <sup>4</sup>	3,786	4,059	4,624	4,803	4,635
Unemployment rate	% of total labor force <sup>1</sup>	15.20	13.70	12.30	11.50	12.50
Population	Millions <sup>1</sup>	2.88	2.87	2.87	2.87	2.87
ALL/EUR exchange rate	End of period <sup>2</sup>	135.23	132.95	123.42	121.77	123.70
Gross written premiums	ALL million <sup>3</sup>	15,367.64	16,112.99	16,922.57	17,617.59	16,608.01
	EUR million <sup>4</sup>	113.64	121.20	137.11	144.68	134.26
Paid claims	ALL million <sup>3</sup>	4,245.00	4,798.52	6,975.68	6,377.26	7,560.21
	EUR million <sup>4</sup>	31.39	36.09	56.52	52.37	61.12
Insurance penetration degree	% in GDP <sup>4</sup>	1.04%	1.04%	1.03%	1.05%	1.01%
Insurance density	EUR/capita <sup>4</sup>	39.51	42.18	47.84	50.41	46.86

According to the Albanian Financial Supervisory Authority (AFSA) data, the aggregate GWP from Albanian insurers decreased by 5.73% y-o-y in 2020, to ALL 16.60 billion (EUR 134.26), while the number of concluded insurance contracts reached 956,447 with a decrease of 29.16% compared to in 2019. Compulsory insurance types accounted for 63.82% of the total market GWP, while voluntary insurance held a 36.18% share in the market portfolio. Life insurance weight in the market portfolio remained low, at about 7%.

Although the initial effects of the pandemic were significant, the markets under the Authority's supervision appeared resilient, stated Ervin Mete, General Executive Director, AFSA. The decision of the AFSA to suspend the distribution of dividends, as well as the recovery plans exercised for two insurance companies influenced the improvement of the overall financial indicators, especially in a difficult year.

The insurance market increased its capital by ALL 1.84 billion compared to the previous year. The solvency ratio for non-life insurance companies has increased

## Market portfolio at December 31<sup>st</sup>, 2020

BUSINESS LINE	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET**</b>	134.26	144.68	-7.20	61.12	52.37	16.70	100.00	100.00
<b>TOTAL LIFE</b>	9.42	9.98	-5.65	2.08	1.69	23.39	7.02	6.90
<b>TOTAL NON-LIFE</b>	124.76	134.16	-7.01	56.05	45.73	22.58	92.93	92.73
Accidents insurance	2.58	4.58	-43.66	0.49	0.89	-44.31	1.92	3.16
Health insurance	5.92	5.14	15.05	3.52	3.58	-1.72	4.41	3.55
<b>Overall property insurance</b>	13.45	16.06	-16.29	24.44	13.02	87.78	10.02	11.10
Fire and allied perils	10.59	11.33	-6.56	23.34	6.22	275.12	7.88	7.83
Damages to property	2.86	4.73	-39.56	1.10	6.79	-83.84	2.13	3.27
<b>Overall motor insurance</b>	92.88	99.32	-6.49	27.41	28.02	-2.20	69.18	68.65
Motor Hull	7.19	7.17	0.34	5.10	4.65	9.57	5.35	4.95
MTPL	85.69	92.16	-7.02	22.31	23.37	-4.54	63.82	63.70
- DMTPL	75.93	74.17	2.38	17.56	18.65	-5.88	56.56	51.27
- Green Card	7.95	13.87	-42.66	4.61	4.38	5.23	5.92	9.59
- Border	1.81	4.12	-56.17	0.14	0.34	-57.36	1.35	2.85
Goods in transit	0.36	0.42	-15.91	0.03	0.02	43.66	0.27	0.29
GTPL	6.94	3.64	90.75	0.06	0.07	-17.09	5.17	2.51
Suretyship	2.17	2.03	6.71	0.10	0.03	247.79	1.62	1.40
Other non-life insurance	0.48	2.97	-83.80	0.00	0.10	-98.83	0.36	2.05
<b>REINSURANCE ACCEPTED</b>	0.08	0.53	-85.81	-	-	-	0.06	0.37
<b>PAID CLAIMS FOR COMPENSATION FUND</b>	-	-	-	2.98	4.96	-39.81	-	-

\*\* EXCEPT the Paid Claims for Compensation Fund.

1 EUR = 121.77 Lek - ALL (December 31<sup>st</sup>, 2019)

1 EUR = 123.70 Lek - ALL (December 31<sup>st</sup>, 2020)



Ervin METE  
General Executive  
Director, AFSA

significantly, to 67%, compared to 2019. The insurance market has also marked improvements in the asset ratio covering provisions. Currently, this indicator for the non-life market is at the level of 131.6%, while for life at 130.2%.

Motor insurance lines are still the dominant LoBs, accounting overall for 69% of the total GWP, out of which almost 64 percentage points being provided by the three types of compulsory MTPL lines. The pandemic crisis obviously affected the motor insurance business, especially the subclasses related to the international road traffic for which the GWP volume has halved.

Total gross claims paid increased to ALL 7.61 billion (EUR 61.12 million) – including the paid claims for Compensation Fund –, from ALL 6.37 billion a year earlier. The claims expenses increase is almost completely attributable to the property insurance lines, especially to the fire insurance class, as most of the losses caused by the November 2019 earthquake being paid in 2020, in addition to those caused by floods. Yet, one should note that in absolute terms, claims paid for property insurance didn't exceed EUR 24.4 million in 2020, out of the total economic losses estimated at EUR 985 million only from the 2019 earthquake.

In this context, in the insurance portfolio of the Fire and Nature Forces insurance line, 2020 brought a decrease of 5.08% in GWP terms and an increase of 3.98% of the number of insurance contracts, compared to 2019. As such, the very low penetration of the property insurance remains an important issue in Albania. Based on the AIR Worldwide risk profile, the diagnostic estimates that earthquakes and floods could cause on average EUR 123 million in damage per year with earthquakes having the biggest impact. (D.G.)

# Albania

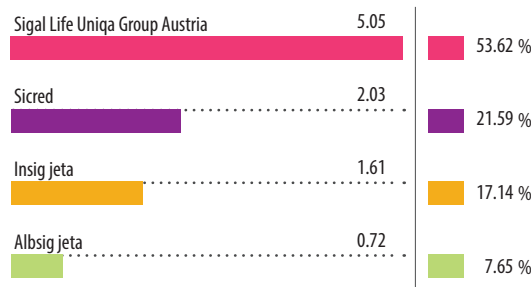
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**Full market rankings per company & per class**

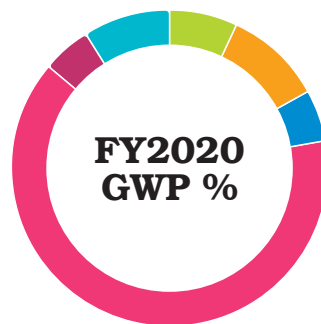
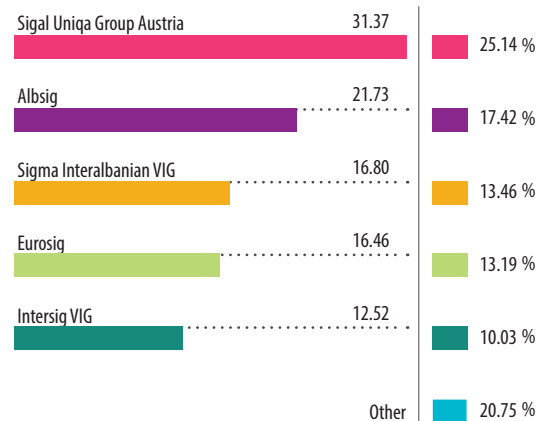
MSExcel format \* in EUR and local currency

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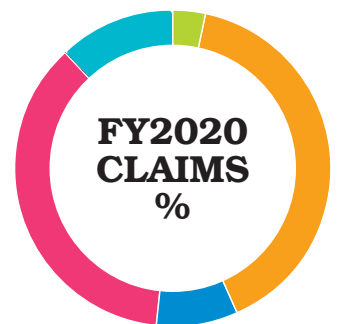
### Life insurance ranking (GWP, EUR m)



### Top 5 Non-life insurance (GWP, EUR m)



Life	7.02
Property	10.02
Motor Hull	5.35
MTPL	63.82
GTPL	5.17
Other	8.62



Life	3.40
Property	39.99
Motor Hull	8.35
MTPL	36.50
GTPL	0.09
Other	11.67

# Bosnia and Herzegovina



S&P Rating  
**B, STABLE**

Moody's rating  
**B3, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Central Bank of Bosnia and Herzegovina

<sup>3</sup> AZOBIH - Insurance Agency of Bosnia and Herzegovina

<sup>4</sup> XPRIMM calculations

A new Law on Compulsory Traffic Insurance in the Federation of Bosnia and Herzegovina (FBiH) was adopted and enforced in August 2020, replacing the outdated 2005 Law

In October, BiH adhered to the "License Plate Subsystem", thus removing the necessity of a Green Card policy for cross border travelling between BiH and the EEA countries

Establishing a national disaster insurance scheme is one of the main features of the recently launched UNDP National Adaptation Plan (NAP) for Bosnia & Herzegovina

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	BAM billion <sup>1</sup>	29.90	31.38	33.44	35.30	33.23
	EUR billion <sup>4</sup>	15.29	16.04	17.10	18.05	16.99
<b>GDP per capita, current prices</b>	BAM <sup>1</sup>	8,830	9,358	10,064	10,692	10,133
	EUR <sup>4</sup>	4,515	4,784	5,146	5,467	5,181
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	25.40	20.50	18.40	15.70	19.00
<b>Population</b>	Millions <sup>1</sup>	3.39	3.35	3.32	3.30	3.28
<b>BAM/EUR exchange rate</b>	fixed <sup>2</sup>	1.95583	1.95583	1.95583	1.95583	1.95583
<b>Gross written premiums</b>	BAM million <sup>3</sup>	633.94	683.29	712.83	762.78	756.45
	EUR million <sup>4</sup>	324.13	349.36	364.46	390.00	386.76
<b>Paid claims</b>	BAM million <sup>3</sup>	245.69	266.77	279.27	301.25	309.78
	EUR million <sup>4</sup>	125.62	136.40	142.79	154.02	158.39
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	2.12%	2.18%	2.13%	2.16%	2.28%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	95.73	104.19	109.68	118.15	117.95

At the end of 2020 the insurance market of Bosnia & Herzegovina (BiH) totaled EUR 386.76 million (BAM 756.45 million), 0.83% less y-o-y, according to the year-end 2020 market data provided by the local insurance agency - AZOBIH.

One should consider that BiH has two main administrative units, Federation of Bosnia & Herzegovina (FBiH) and Republika Srpska

(RS) – with separate and distinct insurance legislation and supervision bodies, while insurers are licensed in either in FBiH or RS and operating in both entities. The value of GWP of the insurers operating in the Federation of Bosnia and Herzegovina decreased by 0.55% to EUR 270.52 million, while the Republika Srpska based insurers generated EUR 116.24 million, down by 1.48% y-o-y.

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	386.76	390.00	-0.83	158.39	154.02	2.83	100.00	100.00
<b>TOTAL LIFE</b>	79.96	81.01	-1.29	36.88	31.43	17.32	20.67	20.77
<b>TOTAL NON-LIFE</b>	306.81	309.00	-0.71	121.51	122.59	-0.88	79.33	79.23
Accidents insurance	24.60	26.82	-8.30	11.85	12.14	-2.38	6.36	6.88
Health	4.53	6.19	-26.90	1.75	2.20	-20.75	1.17	1.59
Goods in transit	1.58	1.74	-8.85	0.13	0.13	-5.36	0.41	0.45
<b>Overall property insurance</b>	31.30	29.80	5.05	10.91	11.45	-4.71	8.09	7.64
Fire and allied perils	16.19	16.00	1.16	5.74	6.82	-15.83	4.19	4.10
Damages to property	15.12	13.80	9.55	5.18	4.64	11.64	3.91	3.54
<b>Overall motor insurance</b>	234.38	231.27	1.34	93.87	94.29	-0.44	60.60	59.30
Motor Hull	36.81	37.31	-1.34	27.88	27.00	3.24	9.52	9.57
MTPL	197.57	193.96	1.86	65.99	67.29	-1.92	51.08	49.73
GTPL	5.63	5.22	7.72	0.92	1.00	-7.82	1.45	1.34
Credit insurance	2.37	5.84	-59.39	1.50	0.92	62.25	0.61	1.50
Suretyship	0.20	0.25	-21.67	0.10	0.07	39.60	0.05	0.06
Financial loss	1.42	1.06	33.19	0.35	0.26	34.66	0.37	0.27
Travel	0.69	0.71	-2.56	0.10	0.10	4.30	0.18	0.18
Other non-life insurance	0.11	0.08	45.85	0.02	0.01	72.00	0.03	0.02
FBiH insurers								
<b>TOTAL FBiH insurers</b>	270.52	272.02	-0.55	118.39	116.59	1.54	69.94	69.75
LIFE	66.85	68.39	-2.25	31.78	27.37	16.11	17.28	17.54
NON-LIFE	203.67	203.63	0.02	86.60	89.21	-2.92	52.66	52.21
RS insurers								
<b>TOTAL RS insurers</b>	116.24	117.99	-1.48	40.00	37.44	6.84	30.06	30.25
LIFE	13.11	12.62	3.87	5.09	4.06	25.49	3.39	3.24
NON-LIFE	103.14	105.37	-2.12	34.91	33.38	4.57	26.67	27.02

<sup>1</sup> EUR = 1.95583 Convertible marks - BAM (fixed)

Overall, the GWP portfolio consisted of about 20.67% - life insurance, the equivalent of EUR 79.96 million, out of which a total of EUR 66.85 million was generated by FBiH life insurers and about EUR 13.11 million by RS life insurers.

In GWP terms, the top three largest insurers in the country were FBiH based insurers ADRIATIC osiguranje (9.13% market share), SARAJEVO osiguranje (8.60%) and EUROHERC osiguranje (8.27%).

Year 2020 has brought to Bosnian insurers good news, marking an important step in reducing the legislative gap between the two administrative entities – the adoption and enforcement of a new Law on Compulsory Traffic Insurance in the Federation of Bosnia and Herzegovina (FBiH). While in Republika Srpska a new Law on MTPL was adopted in 2015, almost entirely aligned to the EU standards, in FBiH the new Law is replacing an older and outdated one, from 2005.

While visible improved, the new Law is still different from the one governing the MTPL insurance in Republika Srpska, one of the main difference being that it maintains for more five years a controlled market, with insurance tariffs set by the supervising Agency. After 31 October 2025 insurers will be able to set their own tariffs and insurance conditions, provided a prior consent of the Agency is got.

Finally, in October, BiH signed the Multilateral Guarantee Agreement between National Offices on the basis of the registration plate by which BiH adhered to the "License Plate Subsystem", thus eliminating the need of Green Card policies for cross border traffic between Bosnia and the EEA countries.

The second good news is the new UNDP National Adaptation Plan (NAP) for Bosnia & Herzegovina, aiming to improving BiH's preparedness for dealing with Nat Cat events. Establishing a national disaster insurance scheme is one of the main features of the NAP. According to the European Environment Agency, annual flood losses in BiH are expected to increase five-fold by 2050 and up to 17-fold by 2080. As such, within the NAP project, a new risk mitigation product is in preparation, to insure property against damage from natural disasters correlated with climate change, including floods, landslides, earthquakes, and extreme weather events. The product includes the introduction of a form of compulsory insurance for individual residential buildings against these four common types of disasters. (D.G.)

# Bosnia and Herzegovina

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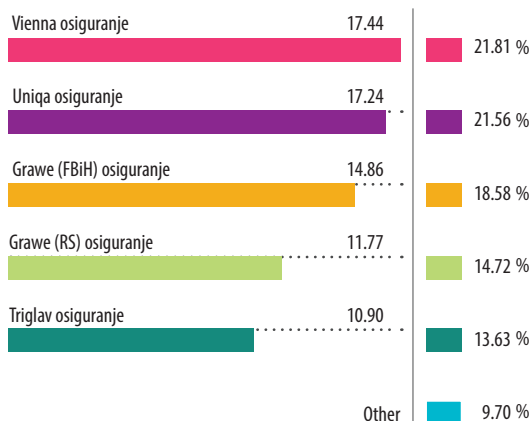
## Full market rankings

MSExcel format \* in EUR and local currency

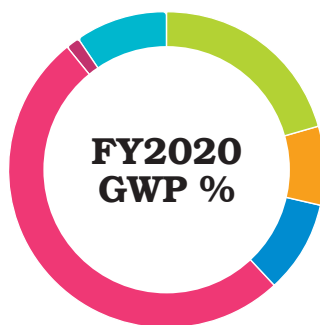
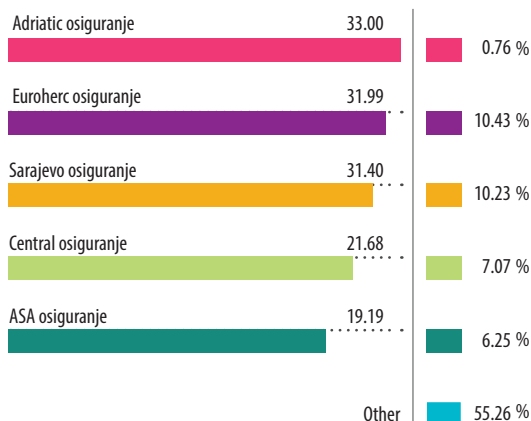
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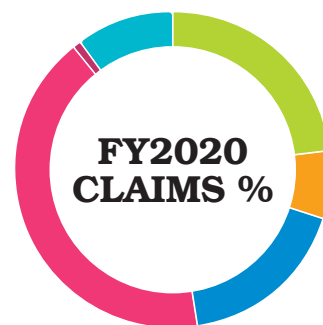
### Top 5 Life insurance (GWP, EUR m)



### Top 5 Non-life insurance (GWP, EUR m)



Life	20.67
Property	8.09
Motor Hull	9.52
MTPL	51.08
GTPL	1.45
Other	9.18



Life	23.28
Property	6.89
Motor Hull	17.60
MTPL	41.67
GTPL	0.58
Other	9.98

# Bulgaria



S&P Rating

**BBB, STABLE**

Moody's rating

**BAA1, STABLE**

Fitch Rating

**BBB, POSITIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Bulgarian National Bank

<sup>3</sup> The Financial Supervision Commission of Bulgaria (FSC)

<sup>4</sup> XPRIMM calculations

Non-life classes maintained the Bulgarian market in positive area

Insurance brokers' business increased by 2% during 2020

GEM to invest EUR 26 billion in EUROHOLD to support the acquisition of CEZ Group's business in Bulgaria

KBC to expand its presence on Bulgarian market by acquiring NN operations

Bulgarian FSC puts EUROAMERICAN into liquidation process

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	BGN billion <sup>1</sup>	95.13	102.35	109.74	119.77	117.49
	EUR billion <sup>4</sup>	48.64	52.33	56.11	61.24	60.07
<b>GDP per capita, current prices</b>	BGN <sup>1</sup>	13,395	14,517	15,678	17,230	16,999
	EUR <sup>4</sup>	6,849	7,422	8,016	8,809	8,691
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	7.67	6.23	5.20	4.20	5.21
<b>Population</b>	Millions <sup>1</sup>	7.10	7.05	7.00	6.95	6.91
<b>BGN/EUR exchange rate</b>	fixed <sup>2</sup>	1.95583	1.95583	1.95583	1.95583	1.95583
<b>Gross written premiums</b>	BGN million <sup>3</sup>	2,047.74	2,177.44	2,535.71	2,910.82	2,885.17
	EUR million <sup>4</sup>	1,046.99	1,113.31	1,296.49	1,488.28	1,475.17
<b>Paid claims</b>	BGN million <sup>3</sup>	991.47	1,042.30	1,119.50	1,212.99	1,210.19
	EUR million <sup>4</sup>	506.93	532.92	572.39	620.19	618.76
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	2.15%	2.13%	2.31%	2.43%	2.46%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	147.42	157.92	185.21	214.11	213.42

Bulgarian insurance market totaled BGN 2.88 billion (~EUR 1.47 billion) at the end of December 2020, down by 0.88% y-o-y, according to data from the Financial Supervision Commission - FSC. Life insurers' GWP dropped by 10.46% to BGN 446.73 million (EUR 228.41 million), while non-life insurers' GWP rose by 1.10% to BGN 2.43 billion (EUR 1.24 billion).

DZI Life Insurance was the biggest player on the life insurance market (market share of 22.50%), while LEV INS was the largest insurer on the non-life insurance market with a share of 12.57%.

Insurers YE2020 net profits increased by 26.16% y-o-y to BGN 186.27 million (~EUR 95.24 million) due the 38.87% increase in non-life, the y-o-y rate reported by life insurers being negative: -26.59%, according to the Q4 market figures recently published on the FSC website.

The Bulgarian insurance brokerage market totaled BGN 1.72 billion (EUR 878 million) at the end of 2020, about 1.8% more y-o-y, as announced the local insurance market regulator FSC in a statement published on its website. Brokers' commissions increased 2.1% y-o-y to BGN 286 million (EUR 146

## Market portfolio at December 31<sup>st</sup>, 2020

BUSINESS LINE	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,475.17	1,488.28	-0.88	618.76	620.19	-0.23	100.00	100.00
<b>TOTAL LIFE</b>	228.41	255.10	-10.46	101.17	90.92	11.27	15.48	17.14
Life ins. and annuities	109.77	125.23	-12.35	64.44	57.69	11.69	7.44	8.41
Unit-linked	55.44	46.70	18.70	15.08	6.29	139.65	3.76	3.14
Marriage and birth	3.69	4.03	-8.45	2.66	2.74	-2.77	0.25	0.27
Supplementary insurance	17.24	13.94	23.71	3.12	2.74	13.92	1.17	0.94
Other life insurance	42.28	65.19	-35.15	15.87	21.46	-26.06	2.87	4.38
<b>TOTAL NON-LIFE</b>	1,246.75	1,233.18	1.10	517.59	529.27	-2.21	84.52	82.86
Accidents insurance	24.39	22.45	8.63	5.96	7.19	-17.06	1.65	1.51
Health	35.74	33.61	6.34	20.75	21.18	-2.00	2.42	2.26
Railway, aircraft and ships	8.03	8.05	-0.17	1.30	1.80	-27.75	0.54	0.54
Goods in transit	10.74	9.67	11.14	1.55	1.79	-13.79	0.73	0.65
<b>Overall property insurance</b>	158.89	151.83	4.64	38.52	54.79	-29.71	10.77	10.20
Fire and allied perils	147.76	140.99	4.80	36.28	52.81	-31.30	10.02	9.47
Damages to property	11.13	10.85	2.62	2.24	1.98	12.87	0.75	0.73
<b>Overall motor insurance</b>	885.96	890.24	-0.48	436.54	426.72	2.30	60.06	59.82
Motor Hull	333.97	333.44	0.16	152.37	157.63	-3.33	22.64	22.40
MTPPL	551.99	556.80	-0.86	284.17	269.09	5.60	37.42	37.41
Carriers' liability (air and sea)	2.19	3.02	-27.50	0.06	0.01	458.98	0.15	0.20
GTPL	25.80	21.58	19.55	3.45	3.14	9.98	1.75	1.45
Credit insurance	64.88	59.33	9.35	3.08	2.53	21.96	4.40	3.99
Financial loss	6.87	9.41	-27.00	1.15	2.76	-58.26	0.47	0.63
Travel	19.42	20.19	-3.85	3.89	4.80	-18.89	1.32	1.36
Other non-life insurance	3.84	3.80	1.06	1.34	2.57	-47.91	0.26	0.26

1 EUR = 1.95583 Leva, BGN (fixed)





Vladimir SAVOV  
Deputy Chair of the  
Bulgarian FSC

million) representing about 16.7% of total mediated premiums.

Of this total, the majority - about 95% was generated by non-life LoBs, and 5% - life insurance. The largest share in non-life portfolio was accounted by MTPL (50.76%), MoD (28.78%), fire (5.60%) and warranties (5.21%). In life insurance, the largest share was accounted by traditional policies (48%), sickness insurance (31%), supplementary insurance (10%) and UL (4%)", mentioned FSC representatives in a statement.

Discussing about the most affected insurance lines by the pandemic crisis, Vladimir SAVOV, Deputy Chair of the Bulgarian FSC declared on the virtual conference "Perspectives for the Bulgarian re/insurance market in the context of Covid-19": *We can discuss the pandemic endlessly, as we do every day, but indeed if we focus on the Bulgarian market, it has been better than expected. I think we should all first take a step back and understand that insurance business, is the one that is designed to deal with crises, to help business, organizations, to deal with risks. But, as any other business it was hit heavily in the first wave of the pandemic (...). But the market savers have been the mandatory types of insurance, such as: MTPL and also the CASCO insurance. On the other hand, everything that was related to tourism and travel almost fell off for cliff and in between we have the lines of business such as property insurance, and especially health insurance which initially was hit also hard.*

Regarding the measures that the authority took in order to support market players maintaining healthy and could sustain business in this very special context, Vladimir SAVOV declared: *We gave companies time to report at a later stage the supervisory information. Insurers in Bulgaria were very quick in finding solution and adjusting their business to the challenges that the pandemic and social distances put. But for some of these solutions we need new regulatory adjustments, and we are prepared to work together with the business to find the best way forward so that the consumer being protected, but the business could proceed and move forward.* (A.V.)

# Bulgaria

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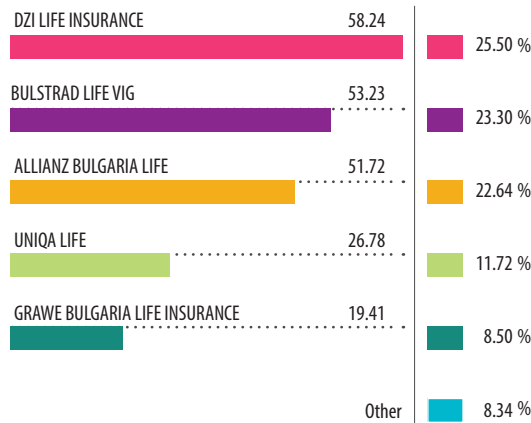
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

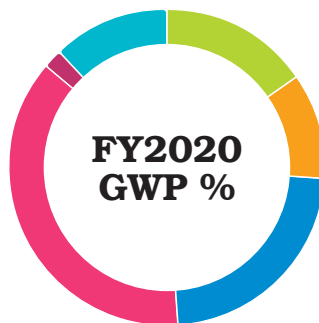
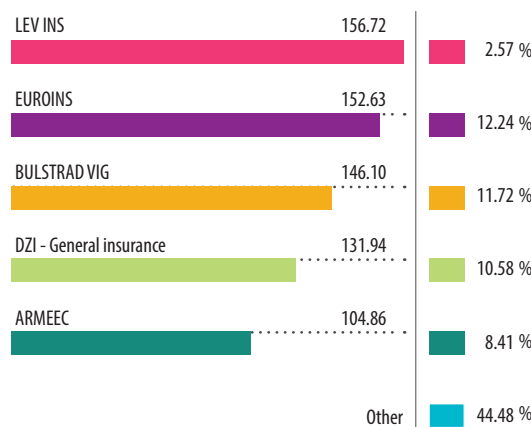
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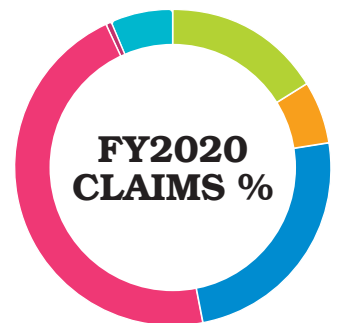
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	15.48
Property	10.77
Motor Hull	22.64
MTPL	37.42
GTPL	1.75
Other	11.94



Life	16.35
Property	6.22
Motor Hull	24.63
MTPL	45.93
GTPL	0.56
Other	6.32

# Croatia



S&P Rating  
**BBB-, STABLE**

Moody's rating  
**BA1, STABLE**

Fitch Rating  
**BBB-, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Croatian National Bank

<sup>3</sup> Croatian Insurance Bureau

<sup>4</sup> XPRIMM calculations

The market's aggregated profit before tax amounted to HRK 680.14 million, by 27.9% less y-o-y

Out of the total losses caused by earthquakes in 2020, of about EUR 55 billion, insured losses represented about 1%

French insurance group GROUPAMA announced it enters the Croatian market by purchasing OTP Osiguranje

GENERALI CEE Holding increased its presence on the Croatian insurance market by acquiring of the business of local non-life insurer IZVOR osiguranje

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	HRK billion <sup>1</sup>	351.20	367.50	385.37	402.34	369.77
	EUR billion <sup>4</sup>	46.47	48.91	51.95	54.06	49.06
<b>GDP per capita, current prices</b>	HRK <sup>1</sup>	84,140	89,091	94,246	98,903	91,409
	EUR <sup>4</sup>	11,133	11,857	12,706	13,289	12,128
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	14.96	12.43	9.86	7.76	9.19
<b>Population</b>	Millions <sup>1</sup>	4.17	4.13	4.09	4.07	4.05
<b>HRK/EUR exchange rate</b>	End of period <sup>2</sup>	7.557787	7.513648	7.417575	7.44258	7.536898
	HRK million <sup>3</sup>	8,760.18	9,055.86	9,855.63	10,545.10	10,475.07
<b>Gross written premiums</b>	EUR million <sup>4</sup>	1,159.09	1,205.26	1,328.69	1,416.86	1,389.84
	HRK million <sup>3</sup>	4,757.94	5,113.38	5,552.78	6,011.66	6,530.72
<b>Paid claims</b>	EUR million <sup>4</sup>	629.54	680.55	748.60	807.74	866.50
	% in GDP <sup>4</sup>	2.49%	2.46%	2.56%	2.62%	2.83%
<b>Insurance penetration degree</b>	EUR/capita <sup>4</sup>	277.69	292.18	324.94	348.29	343.59

GWP of the 18 active Croatian insurers fell by 0.66% y-o-y to HRK 10.47 billion (EUR 1.38 billion) in 2020, according to the year-end figures published by the Croatian Insurance Bureau - CIB.

Insurers' aggregated profit before tax amounted to HRK 680.14 million (-27.9% y-o-y). Out of the total, non-life insurers provided for HRK 513.52 million (-26.3%), while life insurers for HRK 166.62 million (-32.2%).

Premiums from non-life insurance increased by 4.67% y-o-y, to HRK 7.82 billion, whereas the life insurance segment GWP decreased by 13.68% y-o-y, to HRK 2.64 billion. Most of the negative trend in

life insurance came from the decreasing lending activity in the banking sector, while non-life premiums' growth was mostly due to the motor and property insurance lines.

Insurers' expenses with claims went up, on average by 8.6% y-o-y. For life insurance, paid claims increased by 18% y-o-y, to HRK 2.78 billion, the most significant increase being recorded on the Unit-Linked insurance line, for which maturities and redemptions increased – both in number and value - by about 48%. In non-life, claims paid grew overall by 2.57% y-o-y. While for most LoBs and, in particular, those related to transportation activity

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,389.84	1,416.86	-1.91	866.50	807.74	7.27	100.00	100.00
<b>TOTAL LIFE</b>	351.27	412.09	-14.76	369.15	316.73	16.55	25.27	29.08
Life insurance	293.48	335.73	-12.58	323.35	283.19	14.18	21.12	23.70
Supplementary insurance	16.64	17.54	-5.09	1.85	2.09	-11.82	1.20	1.24
Unit-linked	38.71	56.69	-31.71	39.64	27.45	44.41	2.79	4.00
Other life insurance	2.43	2.14	13.51	4.32	4.00	8.21	0.17	0.15
<b>TOTAL NON-LIFE</b>	1,038.57	1,004.77	3.36	497.35	491.01	1.29	74.73	70.92
Accident insurance	67.93	67.49	0.65	12.69	13.95	-9.07	4.89	4.76
Health insurance	84.16	81.42	3.36	42.04	42.90	-2.00	6.06	5.75
Goods in transit	4.51	4.46	1.07	1.01	2.16	-53.08	0.32	0.31
<b>Overall property insurance</b>	206.01	195.02	5.64	129.58	102.19	26.80	14.82	13.76
Fire and allied perils	96.59	91.58	5.47	68.33	40.80	67.49	6.95	6.46
Damages to property	109.42	103.44	5.78	61.24	61.39	-0.24	7.87	7.30
<b>Overall motor insurance</b>	517.54	477.58	8.37	266.95	279.56	-4.51	37.24	33.71
Motor Hull	173.13	168.75	2.59	99.77	106.90	-6.66	12.46	11.91
MTP	344.41	308.83	11.52	167.17	172.67	-3.18	24.78	21.80
GPL	62.30	63.13	-1.31	23.63	23.47	0.69	4.48	4.46
Marine insurance (hull)	22.70	21.35	6.34	10.60	14.86	-28.69	1.63	1.51
Marine liability	5.00	5.10	-2.03	1.32	2.29	-42.46	0.36	0.36
Credit insurance	33.94	51.56	-34.17	-2.59	-5.39	-51.99	2.44	3.64
Financial loss insurance	16.11	18.87	-14.63	5.28	6.80	-22.44	1.16	1.33
Travel insurance	13.40	14.44	-7.21	5.57	5.32	4.61	0.96	1.02
Other non-life insurance	4.98	4.35	14.60	1.28	2.89	-55.59	0.36	0.31

1 EUR = 7.442580 Kuna - HRK (December 31<sup>st</sup>, 2019)

1 EUR = 7.536898 Kuna - HRK (December 31<sup>st</sup>, 2020)

the claims expenses decreased, on the property insurance sector paid claims grew by almost 70% y-o-y, consequence of the earthquakes that hit Croatia last year. Yet, in absolute terms, the entire y-o-y difference was of about ~EUR 7.4 million.

Out of the total damage in the earthquake that hit Zagreb and Zagreb County in March, estimated at HRK 86 billion, only a small part of the damage is covered by insurance. In 2020, insurers paid out, cumulatively, HRK 247.9 million, and it is estimated that an additional HRK 150 million will be paid for damages caused by the Zagreb earthquake, HUO estimates. The earthquake that hit Petrinja, Sisak, Glina and the surrounding area in December added to these figures.

Following the 2020 seismic events, the take-up for earthquake insurance grew by about 30%. By the end of 2020, GWP for class 8, that includes also protection for NatCat risks, went up by 6.8%, while the number of policies sold increased by 5.3%. Yet, according HUO data, in comparison with the EU average annual spending for housing insurance, of EUR 174, Croatian homeowners are not spending more than EUR 51 per year to get protection against the risks to their property.

Despite at the end of 2020 CROATIA Osiguranje maintained its leading position being the largest insurer in the Adriatic country (accounting for 25.84% of total GWP), the largest insurance group in the country in terms of GWP is AGRAM Group - the aggregate market shares of the three insurers part of the mentioned group totaling 26.08%, as follows: EUROHERC osiguranje (ranked 2nd, 12.81%), ADRIATIC osiguranje (4th, 9.56%) and AGRAM Life (10th, 3.71%).

The Croatian market also saw by the end of 2020 two important M&A operations:

» GENERALI CEE Holding announced it officially expanded on the Croatian insurance market finalizing the acquiring of the business of local non-life insurer IZVOR osiguranje, a non-life insurer ranked 13th, with a market share of less than 1%.

» French insurance group GROUPAMA announced it enters the Croatian market, in an operation carried out through its Hungarian subsidiary - GROUPAMA Biztosito and the Croatian subsidiary of OTP Bank, that signed an agreement on the sale and purchase of 100% of the shares of the insurance company OTP Osiguranje.

(D.G.)

Croatia

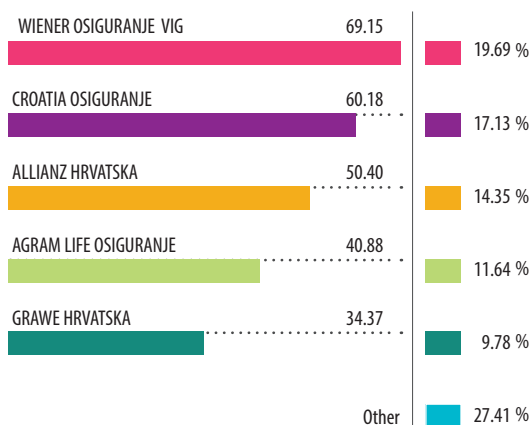
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Full market rankings per company & per class

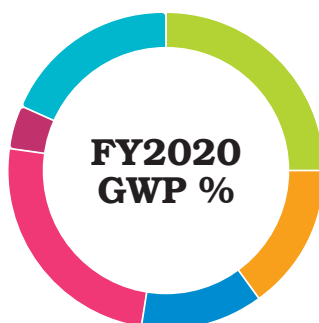
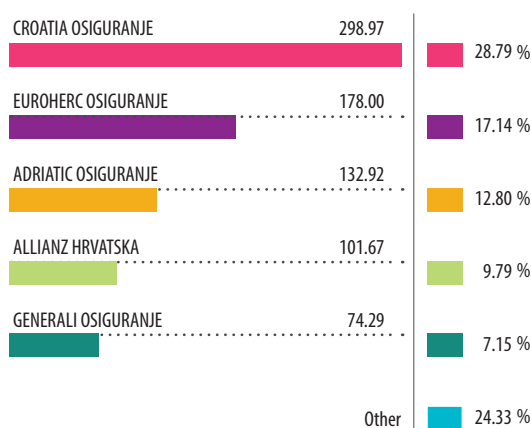
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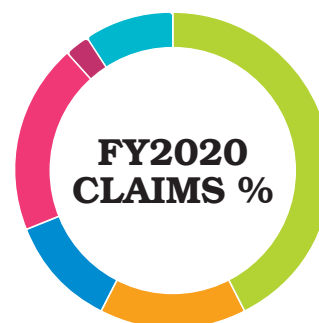
### TOP 5 Life insurance (GWP, EUR million)



### TOP 5 Non-Life insurance (GWP, EUR million)



Life	25.27
Property	14.82
Motor Hull	12.46
MTPL	24.78
GTPL	4.48
Other	18.18



Life	42.60
Property	14.95
Motor Hull	11.51
MTPL	19.29
GTPL	2.73
Other	8.91

# Czech Republic



S&P Rating  
**AA-, STABLE**

Moody's rating  
**AA3, STABLE**

Fitch Rating  
**AA-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Czech Insurance Association (CAP) & Czech National Bank (CNB)

<sup>3</sup> XPRIMM calculations



## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	CZK billion <sup>1</sup>	4,796.87	5,110.74	5,409.67	5,748.81	5,604.23
	EUR billion <sup>3</sup>	177.53	200.11	210.29	226.24	213.54
<b>GDP per capita, current prices</b>	CZK <sup>1</sup>	454,514	483,111	509,862	539,804	524,060
	EUR <sup>3</sup>	16,821	18,916	19,820	21,244	19,968
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	3.95	2.89	2.24	2.00	2.70
<b>Population</b>	Millions <sup>1</sup>	10.55	10.58	10.61	10.65	10.69
<b>CZK/EUR exchange rate</b>	End of period <sup>2</sup>	27.020	25.540	25.725	25.410	26.245
<b>Gross written premiums (CNB)</b>	CZK million <sup>2</sup>	147,216.56	150,836.60	155,610.24	165,927.92	167,976.72
	EUR million <sup>3</sup>	5,448.43	5,905.90	6,048.99	6,530.02	6,400.33
<b>Paid claims</b>	CZK million <sup>2</sup>	95,717.65	96,571.61	92,557.60	101,201.90	91,808.80
	EUR million <sup>3</sup>	3,542.47	3,781.19	3,597.96	3,982.76	3,498.14
<b>Insurance penetration degree (based on CNB GWP)</b>	% in GDP <sup>3</sup>	3.07%	2.95%	2.88%	2.89%	3.00%
<b>Insurance density (based on CNB GWP)</b>	EUR/capita <sup>3</sup>	516.24	558.27	570.12	613.15	598.50

The YE2020 statistics published by the Czech National Bank show that the local insurance industry totaled about CZK 168 billion (~EUR 6.4 billion), up by 1.23% y-o-y.

The life segment decreased by almost 3% to CZK 51.8 billion, while the value of paid claims and indemnities - including the change in balance of technical provisions, remained unchanged at CZK 37.5 billion.

In the case of general insurance segment, the same indicators were as follows: FY2020 GWP of CZK 116.2 billion (up

by more than 3% y-o-y) and January-December 2020 payments of CZK 54.3 billion, down by 6.3% y-o-y.

At the same time, the preliminary CAP (Czech Insurance Association) YE2020 figures showed the GWP generated by the member companies totaled CZK 141.21 billion (EUR 5.38 billion), up by 3.61% y-o-y.

*According to the CAP methodology, the market grew year-on-year, albeit at a slower pace than in 2019, by a still significant CZK 4.91 billion in premiums written, comments*

Czech insurers' YE2020 GWP increased by 1.2% y-o-y, CNB figures show

Three quarters of insurers' employees worked remotely during pandemic, according to the CAP weekly report for the 15th week of 2021

Martin DIVIS, CEO of KOOPERATIVA pojistovna VIG, reelected President of the Czech Insurance Association

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS*			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	6,400.33	6,530.02	-1.99	3,498.14	3,982.76	-12.17	100.00	100.00
<b>TOTAL LIFE**</b>	1,975.14	2,102.16	-6.04	1,429.66	1,701.41	-15.97	30.86	32.19
Insurance with profit participation	626.98	737.88	-15.03	725.19	1,022.32	-29.06	9.80	11.30
Index-linked and unit-linked	673.74	759.39	-11.28	501.74	503.33	-0.32	10.53	11.63
Health insurance	236.20	207.26	13.96	68.65	63.85	7.52	3.69	3.17
Other	438.22	397.62	10.21	134.08	111.92	19.80	6.85	6.09
<b>TOTAL NON-LIFE***</b>	4,425.19	4,427.87	-0.06	2,068.48	2,281.35	-9.33	69.14	67.81
Medical expense insurance	93.74	128.31	-26.94	26.19	36.69	-28.61	1.46	1.96
Income protection insurance	388.98	392.61	-0.92	172.11	157.72	9.12	6.08	6.01
<b>Overall property insurance</b>	1,055.91	1,042.75	1.26	434.34	396.96	9.41	16.50	15.97
<b>Overall motor insurance</b>	1,969.01	1,897.05	3.79	982.38	1,130.41	-13.10	30.76	29.05
Motor Hull	908.87	877.91	3.53	481.75	572.37	-15.83	14.20	13.44
MTPL	1,060.14	1,019.14	4.02	500.63	558.04	-10.29	16.56	15.61
GTPL	377.33	369.37	2.15	151.26	172.56	-12.35	5.90	5.66
Marine, aviation and transport insurance	35.54	41.54	-14.43	7.91	20.53	-61.49	0.56	0.64
Credit and suretyship insurance	78.47	80.23	-2.19	71.85	155.59	-53.82	1.23	1.23
Miscellaneous financial loss insurance	59.94	88.73	-32.45	43.87	19.98	119.61	0.94	1.36
Other	366.26	387.27	-5.43	178.59	190.91	-6.45	5.72	5.93

The CNB figures includes information on all Czech insurers, branches of insurers from other EU or EEA member states and branches of insurers from other countries in the Czech Republic as of the given date. Also included are data on the branches of these insurers operating abroad.

\*Gross claims paid incl. change in balance of technical provisions

\*\*Life and health insurance, incl. reinsurance, total

\*\*\*Total non-life insurance (incl. reinsurance accepted)

1 EUR = 25.410 Krown - CZK (December 31<sup>st</sup>, 2019)

1 EUR = 26.245 Krown - CZK (December 31<sup>st</sup>, 2020)

Jaroslav URBAN, insurance analyst, CAP.

Life insurance GWP reached CZK 46.54 billion in 2020 increasing by CZK 1.39 billion, or 3.1%, compared to 2019. In 2020, premiums decreased by 20% for single-payment life insurance, while life insurance with regular paid premiums increased by 3.7%, from last year's CZK 43.91 billion to CZK 45.54 billion in 2020. However, the number of life insurance contracts continues to decline. As of 31 December 2020, there were 5.05 million active contracts, 87,000 less than a year earlier.

CAP informed, that the number of new concluded contracts with regular paid premiums declined: In 2020, 425,000 new contracts totaling GWP of CZK 5.2 billion were concluded, while in 2019 there were 467,000 contracts in the amount of CZK 5.3 billion. *Compared to 2019, the number of new business contracts decreased by 9% and the number of terminated contracts by about 6%,* said Jaroslav URBAN.

Regarding the development in the non-life insurance segment, Jaroslav URBAN stated: *Non-life insurance also confirmed the FY2020 growth trend, the non-life GWP increasing by 3.9% y-o-y. Compared to 2019, it increased by 3%. Or by CZK 3.52, reaching CZK 94.67 billion.*

In 2020, insurance companies settled almost 83,000 property claims caused by floods, storms or hail, in the total amount of approximately CZK 2.96 billion, as CAP announced. In stable years, when there are no individual extraordinary CAT events, CAP insurers deal with an annual average of 38,000 property claim files in an average amount of CZK 1.6 billion. In 2020, the number of damages exceeded the average by 117% (a total of almost 83,000 cases) and by 82% in case of the amount per claim file. *The main reason is the Hurricane Sabine and also a whole series of flood damage,* as CAP informed.

The local professional association announced that during last year they inspected a total of 9,362 suspicious insurance claim files, 14% more y-o-y, detecting insurance fraud in total amount of CZK 1.23 billion (~EUR 48 million), 8.7% more y-o-y. At the same time, the average amount of detected fraud in insurance increased significantly, "by about a quarter reaching almost CZK 290 k (~EUR 10 k)". CAP mentioned, the largest share of fraud in insurance (60%) was detected in property and liability insurance, insurers saving CZK 740 million (vs. CZK 630 million in 2019). (A.V.)

# Czech Republic

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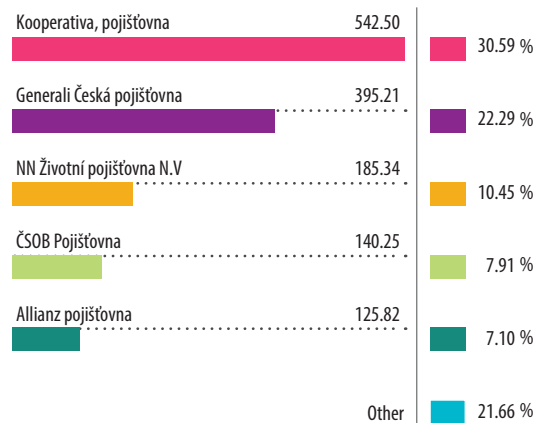
Full market rankings per company & per class

MSExcel format \* in EUR and local currency

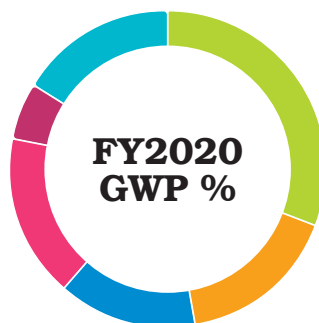
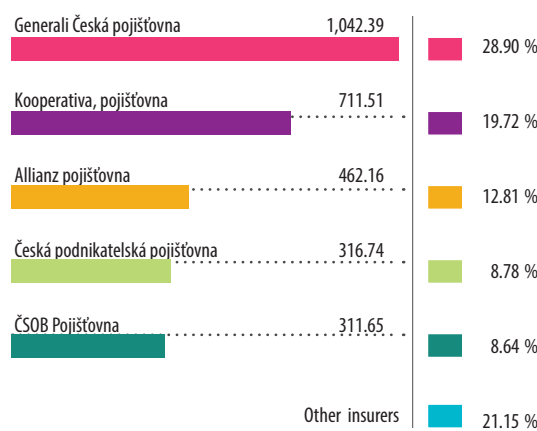
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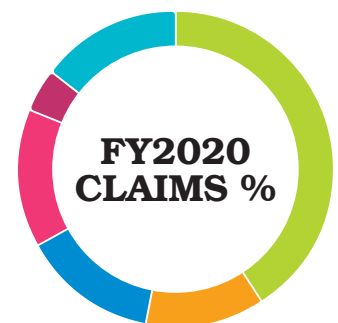
## Top 5 Life insurance (GWP, EUR m)



## Top 5 Non-life insurance (GWP, EUR m)



Life	30.86
Property	16.50
Motor Hull	14.20
MTPL	16.56
GTPL	5.90
Other	15.98



Life	40.87
Property	12.42
Motor Hull	13.77
MTPL	14.31
GTPL	4.32
Other	14.31

# Estonia



S&P Rating  
**AA-, STABLE**

Moody's rating  
**A1, STABLE**

Fitch Rating  
**AA-, STABLE**



## Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The Estonian National Statistics Board

<sup>3</sup> XPRIMM calculations

🌸 Estonian insurers' business compressed by 5% last year

🌸 Pipe leaks generate one third of home insurance claims

🌸 COVID-19 and the mild winter reduced the number of traffic accidents and the MTPL tariffs

🌸 During 2020, conciliators were involved in 257 insurance disputes, of which 178 ended with an agreement between the parties

🌸 February 23, 2021, the day with the most reported traffic accidents in the past eight years: 360 with a total incurred insured loss of about half million euro

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	21.93	23.86	25.94	28.11	27.17
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	16,668	18,110	19,620	21,187	20,442
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	6.76	5.76	5.37	4.45	6.84
<b>Population</b>	Millions <sup>1</sup>	1.32	1.32	1.32	1.33	1.33
<b>Gross written premiums</b>	EUR million <sup>2</sup>	388.00	427.23	552.15	493.83	468.86
<b>Paid claims</b>	EUR million <sup>2</sup>	231.84	239.60	261.97	279.10	276.76
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	1.77%	1.79%	2.13%	1.76%	1.73%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	294.84	324.40	417.66	372.14	352.79

Last year, the Estonian insurance market posted aggregate GWP worth of EUR 468.86 million, 5% down compared with the previous year, according to FY2020 market figures published by the Estonian National Statistics Board.

The life insurance segment decreased by 10.79% y-o-y to EUR 85.56 million, while in the case of non-life insurance market, the GWP amounted to EUR 383.3 million (81.75% of total), down by 3.68% y-o-y.

In terms of claims, during 2020 Estonian insurers paid claims worth EUR 276.76 million, EUR 3 million less as compared with FY 2019. Life indemnities totaled EUR 63.18 million (vs. EUR 61.10 million a year before), while non-life payments totaled EUR 213.58 million, down by 2% y-o-y.

### Pipe leaks generate one third of home insurance claims

According to the EKSL statistics (Association of Estonian Insurance Companies), local insurers settled about 30 thousand home insurance claims during 2020, about one third of them being caused by pipe leaks.

Thus, EKSL pointed out in a statement that there were 9,070 claims related to pipe leaks, with a total loss of EUR 13.3 million. The number of claims related to pipe leaks has increased by almost 75 percent in the last three years.

According to Ulli Reimets, head of EKSL's Damage Prevention Department, pipe leaks claims have increased in both: new buildings and older residential buildings. *In new buildings, pipe leaks appear due to*

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	468.86	493.83	-5.06	276.76	279.10	-0.84	100.00	100.00
<b>TOTAL LIFE</b>	85.56	95.91	-10.79	63.18	61.10	3.41	18.25	19.42
Term and whole life assurance	20.85	20.21	3.15	2.73	2.15	26.85	4.45	4.09
Endowment insurance	9.84	10.88	-9.55	16.62	15.45	7.58	2.10	2.20
Pension insurance	12.04	17.96	-32.98	12.74	12.45	2.31	2.57	3.64
Unit linked life insurance	33.95	39.13	-13.23	29.31	29.24	0.23	7.24	7.92
Supplementary insurance	8.88	7.72	15.00	1.78	1.79	-0.71	1.89	1.56
Other life insurance	0.00	0.00	-	0.00	0.01	-99.02	0.00	0.00
<b>TOTAL NON-LIFE</b>	383.30	397.92	-3.68	213.58	218.00	-2.03	81.75	80.58
Accident	7.50	6.91	8.46	2.28	1.77	28.54	1.60	1.40
Sickness	2.03	0.88	129.66	1.10	0.38	193.80	0.43	0.18
<b>Overall property insurance</b>	111.43	108.88	2.34	50.65	51.82	-2.27	23.77	22.05
<b>Overall motor insurance</b>	209.14	228.25	-8.37	136.21	143.32	-4.97	44.61	46.22
Motor Hull	119.08	125.77	-5.32	79.50	83.52	-4.80	25.40	25.47
MTPL	90.06	102.48	-12.11	56.70	59.81	-5.19	19.21	20.75
GTPL	13.46	12.69	6.12	4.79	5.03	-4.66	2.87	2.57
Other vehicles insurance	9.99	4.21	137.50	3.24	1.00	224.59	2.13	0.85
Goods in transit insurance	1.84	1.90	-2.86	0.32	0.88	-63.92	0.39	0.38
Vehicles liability insurance	2.69	2.72	-1.13	1.11	1.28	-13.65	0.57	0.55
Travel insurance	11.72	18.57	-36.91	8.58	10.42	-17.68	2.50	3.76
Insurance for pecuniary loss	13.50	12.92	4.55	5.31	2.09	153.30	2.88	2.62

Estonian currency: EURO



Mart JESSE  
CEO of LKF

installation defects for up to five years after construction. There are serious problems with buildings whose pipeline life expired. Pipes installed more than 50 years ago should definitely be replaced.

Last year, Estonian insurers concluded 240,000 home insurance contracts. Of these, 60% include TPL coverage. Overall, last year, insurers paid EUR 33 million in home insurance benefits, 8% more than a year earlier, EKSL announced.

Fire was one of the biggest causes for the reported damages, last year, more than 400 fires occurring in insured homes, with a total loss of EUR 8 million, representing in average amount per damage of almost EUR 20 k.

**COVID-19 reduced the MTPL tariffs**

According to the statistics of the Estonian Traffic Insurance Fund (LKF), during last year were reported about 29,700 traffic events under the scope of MTPL insurance policies, which is 6,400 less than 2019.

Thus, the average annual premium for motor third party liability insurance was EUR 114, EUR 19 less than a year ago.

According to Mart JESSE, LKF CEO, the main reasons for the decrease in traffic accidents were the lower traffic frequency due to the Coronavirus pandemic and the mild winter of last year: Due to reduced traffic accidents, the average price of MTPL fell from EUR 133 euros to EUR 114 euros during the year. While traffic accidents within Estonia decreased by 16%, there were also 30% fewer accidents abroad with Estonian vehicles. People traveled significantly less during the pandemic.

According to JESSE, despite the total number of accidents decreased, the share of serious insured events increased. Despite the number of injuries decreased minimally, the number of deaths increased, JESSE explained. Last year, there were 1,364 injuries and 60 victims vs. 1415 and 53 victims during 2019.

Of the 29,700 motor third party liability insurance events in 2020, 27,400 occurred in Estonia and 2,300 cases were caused by Estonian vehicles abroad. The average MTPL claim was EUR 1,920. (A.V.)

# Estonia

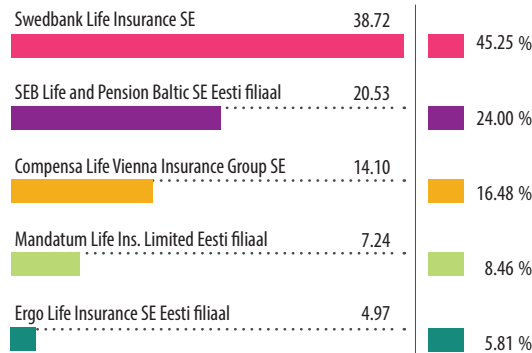
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**Full market rankings per company & per class**

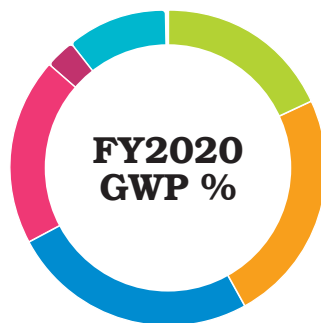
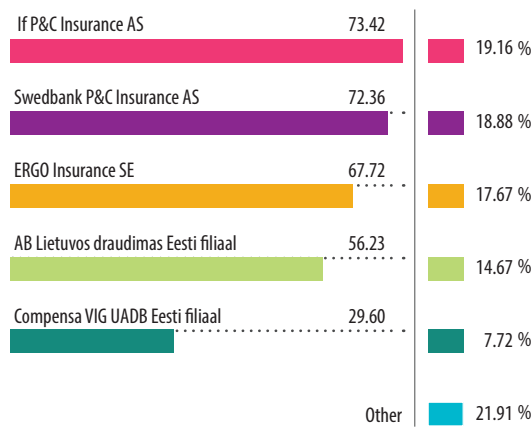
MSExcel format

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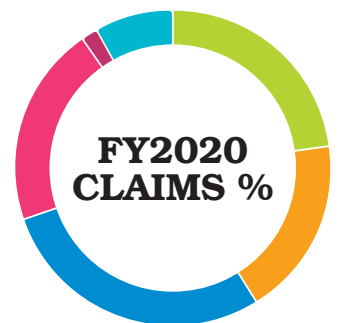
TOP 5 Life insurance ranking (GWP, EUR million)



TOP 5 Non-Life insurance (GWP, EUR million)



Life	18.25
Property	23.77
Motor Hull	25.40
MTPL	19.21
GTPL	2.87
Other	10.51



Life	22.83
Property	18.30
Motor Hull	28.73
MTPL	20.49
GTPL	1.73
Other	7.93

# Hungary



S&P Rating

**BBB, STABLE**

Moody's rating

**BAA3, POSITIVE**

Fitch Rating

**BBB, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of Hungary

<sup>3</sup> XPRIMM calculation

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	HUF billion <sup>1</sup>	36,167.45	39,233.43	43,347.04	47,513.91	47,604.70
	EUR billion <sup>3</sup>	116.29	126.50	134.82	143.76	130.38
<b>GDP per capita, current prices</b>	HUF <sup>1</sup>	3,679,293	4,004,228	4,433,119	4,861,753	4,872,538
	EUR <sup>3</sup>	11,830	12,911	13,788	14,709	13,345
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.97	4.04	3.60	3.31	4.12
<b>Population</b>	Millions <sup>1</sup>	9.83	9.80	9.78	9.77	9.77
<b>HUF/EUR exchange rate</b>	End of period <sup>2</sup>	311.02	310.14	321.51	330.52	365.13
<b>Gross written premiums</b>	HUF million <sup>2</sup>	885,893.45	956,005.51	1,024,185.22	1,150,395.47	1,204,127.01
	EUR million <sup>3</sup>	2,848.35	3,082.50	3,185.55	3,480.56	3,297.80
<b>Paid claims</b>	HUF million <sup>2</sup>	536,151.34	591,668.09	591,418.94	678,504.20	656,349.68
	EUR million <sup>3</sup>	1,723.85	1,907.75	1,839.50	2,052.84	1,797.58
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.45%	2.44%	2.36%	2.42%	2.53%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	289.76	314.60	325.79	356.14	337.54

Last year, the aggregate GWP reported by Hungarian insurers totaled HUF 1,204 billion (~EUR 3.3 billion), according to the year-end figures published by the Central Bank (MNB), 4.7% more y-o-y. The life insurance business accounted for 44% and the non-life insurance business for 56% of total premium income.

The figures showed the aggregate market gross profit of local insurers was up by 18.52% y-o-y to HUF 88.89 billion the equivalent of EUR 243 million (vs. HUF 75 billion), while the value of net profit increased by 18.83% y-o-y to HUF 84.16 billion (EUR 230 million).

At the same time, the Q4 2020 technical result (life and non-life, summed-up) increased by 18.30% y-o-y to HUF 77.47 billion vs. HUF 65.49 billion a year before.

At the end of 2020 Q4, the total contract portfolio of insurance companies rose by nearly 1% from its level a year earlier, reflecting an increase of more than 126,500 units in new contracts, to 14,482,550. This mainly resulted from a 1.3% rise in the number of non-life insurance contracts, accompanied by a somewhat declining number of life insurance contracts (a decline of 1.1%).

Anett PANDURICS - the MABISZ (Association of Hungarian Insurers) President, stated for the local press that the y-o-y growth rate of 4.7%, is more modest as compared with previous years, but *it made perfect sense in a year like 2020, which was hit by such a severe pandemic*, informed profitline.hu. She added that the non-life insurance segment grew by 5.2% in the

🌸 Insurers' end-2020 net profits expanded by EUR 20 million to EUR 230 million

🌸 There were active 22 insurers: 5 life insurers, 9 non-life and 8 composite insurers

🌸 The Hungarian authorities blocked the sale of Aegon NV local unit to VIG. Hungarian CIG Pannonia could be the potential buyer, Bloomberg informed

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS**			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	3,297.80	3,480.56	-5.25	1,797.58	2,052.84	-12.43	100.00	100.00
<b>TOTAL LIFE</b>	1,452.55	1,542.74	-5.85	1,082.04	1,277.50	-15.30	44.05	44.32
Unit-linked or index-linked	625.10	644.61	-3.03	594.39	702.85	-15.43	18.96	18.52
Other life insurance	827.45	898.13	-7.87	487.65	574.64	-15.14	25.09	25.80
<b>TOTAL NON-LIFE</b>	1,845.25	1,937.83	-4.78	715.54	775.34	-7.71	55.95	55.68
<b>Overall property insurance*</b>	601.86	616.18	-2.32	188.10	187.77	0.18	18.25	17.70
<b>Overall motor insurance</b>	977.08	1,004.88	-2.77	446.90	500.68	-10.74	29.63	28.87
Motor Hull	300.47	308.11	-2.48	148.49	171.71	-13.52	9.11	8.85
MTPL	676.61	696.77	-2.89	298.41	328.97	-9.29	20.52	20.02
General liability	44.90	46.94	-4.36	19.47	15.84	22.91	1.36	1.35
Other	221.41	269.82	-17.94	61.07	71.05	-14.05	6.71	7.75

\* Fire and damage to property of individuals, institutions, undertakings (excluding Small and Medium Sized Undertakings), Small and Medium Sized Undertakings & Other fire and damage to property - summed

\*\*claims incurred

1 EUR = 330.52 Forints - HUF (December 31<sup>st</sup>, 2019)

1 EUR = 365.13 Forints - HUF (December 31<sup>st</sup>, 2020)





Anett PANDURICS  
President  
MABISZ (Association  
of Hungarian  
Insurers)

overall market, while the life insurance segment grew by 4 % y-o-y.

According to the MABISZ President, in life insurance, the growth rate was strongly influenced by pension insurance, whose premium income increased by 16.8% y-o-y. Profitline.hu wrote among the smaller LoBs, Anett PANDURICS highlighted insurance against financial losses, the reported y-o-y premium growth being by more than 22%.

In the non-life insurance market, the travel policies *essentially collapsed*, premium income falling by 60%, while the number of concluded contracts in this segment falling by 17% year-on-year. In compulsory MTPL, the GWP increased by 7.3%, while the number of contracts increased by 3.8%. At the same time, incurred claims decreased. *The claims frequency decreased only in the second quarter, due to stricter restrictions, but was quickly corrected thereafter. The average amount of claim, however, increase, which is explained by the forint exchange rate, the radical rise in claims and the rise in service fees*, said the MABISZ President.

MABISZ figures showed that following the December 2020 earthquakes in Croatia claims paid by local insurers significantly exceed estimates, the number of opened claim files being even higher than in Croatia.

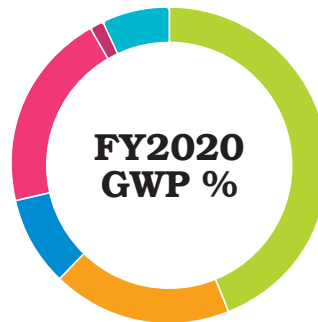
# Hungary

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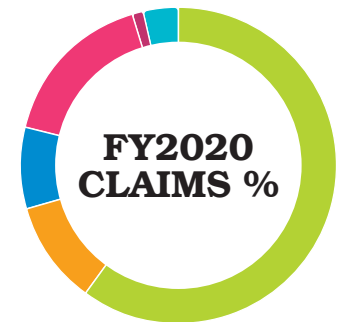
**GWP & claims portfolio per class**

MSEcel format \* in EUR and local currency

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Life	44.05
Property	18.25
Motor Hull	9.11
MTPL	20.52
GTPL	1.36
Other	6.71



Life	60.19
Property	10.46
Motor Hull	8.26
MTPL	16.60
GTPL	1.08
Other	3.40

Following the 28-29 December earthquakes in Croatia, the year-end flash estimates showed payable damages of hundreds of millions forints; in the first days of January, the value jumped to five hundred million forints, while the actual final amount of payments and allocated reserves approached to HUF 830 million (~EUR 2.3 million).

MABISZ representatives pointed out that, following the 28-29 December

earthquakes in Croatia, at the beginning of January there were reported about 3,000 insured events. The final statistics show that the number of opened claims files exceeds 8,700. MABISZ mentioned citing CIB (Croatian Insurance Bureau) statistics that Croatian insurers paid out - following the same event - about EUR 33 million as a result of 7,430 opened claim files.

(A.V.)

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# Kosovo



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Central Bank of the Republic Kosovo

<sup>3</sup> XPRIMM calculations

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
GDP, current prices	EUR billion <sup>1</sup>	6.07	6.41	6.73	7.10	6.82
GDP per capita, current prices	EUR <sup>4</sup>	3,403	3,566	3,752	3,947	3,776
Unemployment rate	% of total labor force <sup>1</sup>	27.50	30.50	29.60	25.70	25.60
Population	Millions <sup>2</sup>	1.78	1.80	1.79	1.80	1.81
Gross written premiums (non-life)	EUR million <sup>3</sup>	83.84	87.42	93.50	101.50	101.52
Paid claims (non-life)	EUR million <sup>3</sup>	38.60	46.00	42.80	55.10	51.50
Insurance penetration degree	% in GDP <sup>4</sup>	1.38%	1.36%	1.39%	1.43%	1.49%
Insurance density	EUR/capita <sup>4</sup>	46.99	48.59	52.15	56.39	56.18

The insurance market of Kosovo, one of the smallest countries in the CEE region in terms of economy, geography and population, being governed by the compulsory insurance segments, was not severely affected by the Coronavirus pandemic.

On the contrary! If in terms of GWP the local insurance industry remained at the 2019 level, totaling EUR 101.52, 0.02% more y-o-y, at the "claims chapter", the

aggregate value paid by insurers decreased by EUR 4 million to EUR 51.5 million. At the same time, Kosovo insurers reported aggregate net profit of EUR 4.1 million at the end of 2020, as compared with a market net loss of EUR -2.8 million on December 31st, 2019, according to data provided by the Central Bank (CBK). On the other hand, the total assets held by Kosovo insurance companies increased to EUR 220.5 million, from EUR 193.9 million a year earlier.

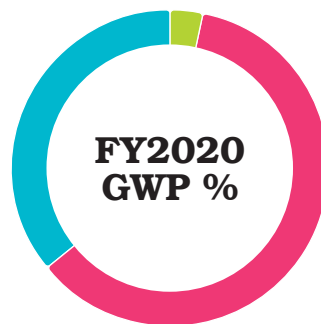
Insurers' business remained at the 2019 level: GWP worth EUR 101.5 million

Kosovo insurers reported YE 2020 net profit of EUR 4.1 million

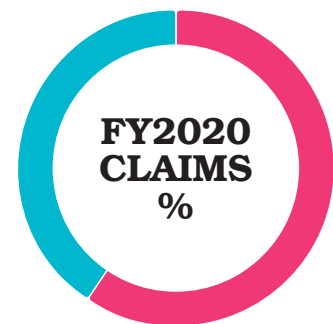
The insurance sector's assets increased to EUR 220.5 million, from EUR 193.9 million a year earlier

The largest insurers in the country were the local units of Austrian groups UNIQA (SIGAL) and VIG (SIGMA)

13 insurers were active in the local market



Life	3.55
MTPL	60.70
Other (non TPL)	35.76



MTPL	59.69
Other (non TPL)	40.31

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	101.52	101.50	0.02	51.50	55.10	-6.53	100.00	100.00
<b>TOTAL LIFE*</b>	3.60	3.50	2.86	NA	NA	-	3.55	3.45
<b>TOTAL NON-LIFE**</b>	97.92	98.00	-0.08	47.01	49.98	-5.94	96.45	96.55
MTPL	61.62	58.97	4.49	30.74	32.22	-4.59	60.70	58.10
Third Party Liability	57.61	51.22	12.48	28.87	29.55	-2.30	56.75	50.46
Border policies	4.01	7.76	-48.27	1.88	2.67	-29.83	3.95	7.64
Other (non TPL)	36.30	39.03	-6.99	16.27	17.76	-8.40	35.76	38.45

\*according to "Financial System - Monthly Information" published by CBK

\*\*according to "Insurance Companies Activity" published by CBK

Kosovo currency: EURO

Per business lines, life insurance GWP increased by 2.9% y-o-y to EUR 3.6 million, according to the "Financial System - Monthly Information" released on CBK website. Non-life GWP decreased by 0.08% y-o-y to EUR 97.9 million, of which EUR 57.6 million related to Domestic MTPL, EUR 4 million - Border policies and EUR 36.3 million - other voluntary classes, according to "The Insurance Companies Activity" published by CBK.

In the analyzed period, the total number of non-life policies sold by local insurers was 824 k (vs. 1.19 million in 2019), of which about 412.5 k were Mandatory TPL contracts, 216.7 k were border policies, and 194.7 k were other voluntary non-life insurances.

SIGAL UNIQA, SIGMA VIG and ILLYRIA are, in terms of FY2020 GWP, the largest insurance companies that are active on Kosovo insurance market, according to the market shares presented by Slovene re/insurer SAVA Re in its 2020 Annual Report. Thus, according to the mentioned source, the insurer owned by Austrian UNIQA accounted for 13.1% market share (the equivalent of EUR 13.3 million), followed by the local subsidiary of Vienna Insurance Group with 12.4% (EUR 12.6 million) and the local non-life unit of SAVA RE - ILLYRIA with 12.2% (EUR 12.4%). Top 5 is completed by EUROSIG (11.9%) and SCARDIAN (10.9%).

13 insurance institutions were active on the local market, of which 11 were non-life insurers and 2 companies were active only in the life segment. According to CBK,

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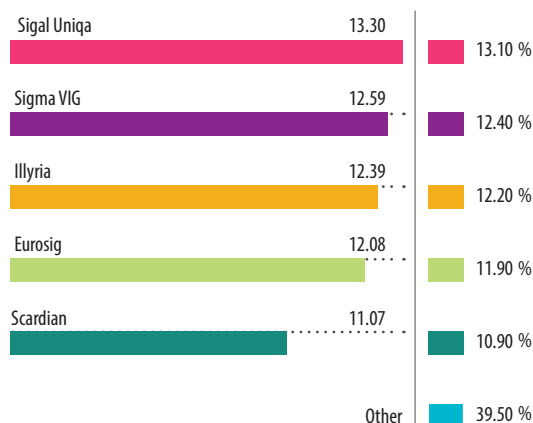
**GWP & claims portfolio per class**

MSExcel format

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Kosovo

### TOP 5 Total market (GWP, EUR m)\*



\*The market shares are according to the Annual Report of the Sava Insurance Group and Sava Re d.d. 2020

seven insurers are foreign-owned and are holding about 49.1% of total assets. Some of them are subsidiaries of well-known European insurance entities like GRAWE, UNIQA Group Austria, VIENNA Insurance Group or Slovenian SAVA Re Group.

At the end of December 2020, the number

of insurance offices was 476 (vs. 473 in 2019). By comparison, 11 commercial banks (of which 9 foreign owned) were active on the Kosovo financial market with 211 offices, 20 microfinance institutions (11 foreign owned) with 148 offices and 2 pension funds.

(A.V.)



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# Latvia



S&P Rating

**A+, STABLE**

Moody's rating

**A3, STABLE**

Fitch rating

**A-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The Financial and Capital Market Commission of Latvia - FKTK (local an EU branches, added-up)

<sup>3</sup> XPRIMM calculations

🌸 Insurers' FY 2020 business decreased by EUR 60 million

🌸 YE2020 profits expanded by 59% y-o-y

🌸 4 non-life and 2 life insurers operates in Latvia, as well as 10 branches of foreign insurers

🌸 More than a quarter of population pay more attention to financial security due to Covid-19

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	25.36	26.96	29.14	30.42	29.33
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	12,880	13,826	15,066	15,845	15,386
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	9.64	8.72	7.42	6.31	8.17
<b>Population</b>	Millions <sup>1</sup>	1.97	1.95	1.93	1.92	1.91
<b>Gross written premiums</b>	EUR million <sup>2</sup>	532.36	646.03	755.76	856.73	797.47
<b>Paid claims</b>	EUR million <sup>2</sup>	313.54	361.61	405.76	549.42	501.07
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.10%	2.40%	2.59%	2.82%	2.72%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	270.37	331.30	390.78	446.21	418.18

During last year, Latvian insurers' aggregate GWP (local and EU branches, summed-up) totaled EUR 797.5 million, almost EUR 60 million less than in 2019, while the amount paid in claims and indemnities decreased by 8.8% y-o-y to EUR 501 million, according to the year-end figures published by The Financial and Capital Market Commission of Latvia (FKTK).

Of total GWP, branches of EU insurers generated more than one third (35.3%) - EUR 281.3 million, or 2.5% less y-o-y, the remaining EUR 516.2 million (-9.2% y-o-y) being generated by the local insurers.

Analyzing the aggregate GWP portfolio, the negative rate reported by the local

market was strongly influenced by decreases recorded on the following business lines: MoD (-EUR 8.8 million), MTPL (-EUR 20 million), other transport liability insurance (-EUR 22 million) and Assistance policies (-EUR 9.5 million).

At the end of 2020, there were 4 non-life insurance companies and 2 life insurance companies operating in Latvia, as well as 10 branches of foreign insurers (vs. 12 a year before).

The largest life insurer in the country is SEB Life and Pension Baltic SE (GWP of EUR 102.8 million, 42.7% market share), while BTA Baltic Insurance Company led the non-life ranking with GWP worth EUR 208.5 million or 37.5% market share.

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	797.47	856.73	-6.92	501.07	549.42	-8.80	100.00	100.00
<b>TOTAL LIFE</b>	240.74	228.21	5.49	151.51	145.42	4.18	30.19	26.64
Life insurance with savings	25.43	30.29	-16.04	36.48	47.12	-22.59	3.19	3.53
Unit-linked	96.87	101.90	-4.94	72.82	61.30	18.79	12.15	11.89
Other life insurance	118.45	96.02	23.36	42.22	37.00	14.08	14.85	11.21
<b>TOTAL NON-LIFE</b>	556.73	628.52	-11.42	349.56	403.99	-13.47	69.81	73.36
Accidents insurance	13.00	13.83	-6.06	5.06	5.12	-1.10	1.63	1.61
Health insurance	70.54	70.68	-0.20	50.05	49.63	0.85	8.85	8.25
<b>Overall property insurance</b>	95.20	103.97	-8.43	62.06	98.55	-37.02	11.94	12.14
<b>Overall motor insurance</b>	215.11	244.01	-11.85	140.68	140.15	0.37	26.97	28.48
Motor hull	126.96	135.72	-6.45	84.54	83.52	1.22	15.92	15.84
MTPL	88.14	108.30	-18.61	56.14	56.63	-0.87	11.05	12.64
Transport ownership liability ins.	104.33	126.30	-17.40	70.89	79.54	-10.87	13.08	14.74
GTPL	21.39	22.49	-4.87	6.16	6.01	2.51	2.68	2.62
Suretyship insurance	16.95	16.56	2.35	1.16	11.51	-89.89	2.12	1.93
Assistance insurance	10.67	20.15	-47.06	5.01	6.21	-19.36	1.34	2.35
Other non-life insurance	9.56	10.53	-9.28	8.48	7.27	16.60	1.20	1.23
Of total market:								
<b>By local insurers, of which:</b>	516.18	568.20	-9.16	325.24	388.46	-16.28	64.73	66.32
Life	126.77	126.08	0.54	80.53	85.93	-6.28	15.90	14.72
Non-life	389.41	442.12	-11.92	244.70	302.53	-19.11	48.83	51.61
<b>By branches of EU insurers</b>	281.30	288.53	-2.51	175.84	160.96	9.24	35.27	33.68
Life	113.98	102.13	11.60	70.98	59.50	19.29	14.29	11.92
Non-life	167.32	186.40	-10.24	104.86	101.46	3.35	20.98	21.76

Latvian currency: EURO



Janis ABĀŠINS  
President  
Latvian Insurers'  
Association

In terms of profits, Latvian insurers' aggregate net profits expanded by 58.7% during last year (or by almost EUR 20 million in absolute value) to EUR 53.38 million as YE2020 FKTK figures showed.

It is worth mentioning, the presented figures include only the profits reported by the six local insurers (4 non-life and the two life insurers), being not considered the profits realized by the other 10 EU branches active on local market (seven non-life EU branches and three foreign life insurance branch offices).

Per business lines, the aggregate net profits reported by the two local life insurance companies (SEB Life and Pension Baltic SE and CBL Life) decreased by almost 58% y-o-y from EUR 7.8 million to EUR 3.3 million, as FKTK figures indicate.

On the other hand, the profits reported by the four local general insurers - BTA Baltic, Balta, Balcia and Baltijas, almost doubled to EUR 50 million (vs. EUR 25.8 million a year before).

According to a joint study conducted by the Latvian Insurers' Association (LAA) and the sociological research agency Norstat, over the past year, as a result of Covid-19 pandemic, more than a quarter (27%) of Latvian society has changed their perception of the importance of family financial stability.

Unfortunately, only 1% have already purchased a life insurance policy, 9% have considered purchasing a life insurance policy as a financial stability solution (of which 2% as a result of pandemic), while more than half (56%) of the respondents indicated that the pandemic had not changed their future risk prevention habits.

The research data confirm that the society needs to be educated about the importance of family financial stability, especially in these times of crisis. This can save many Latvian families in unforeseen situations. In addition, the dynamics of economic development in recent years show that we need to be able to live and work in unpredictable conditions, said the association's president Janis ABĀŠINS.

(A.V.)

# Latvia

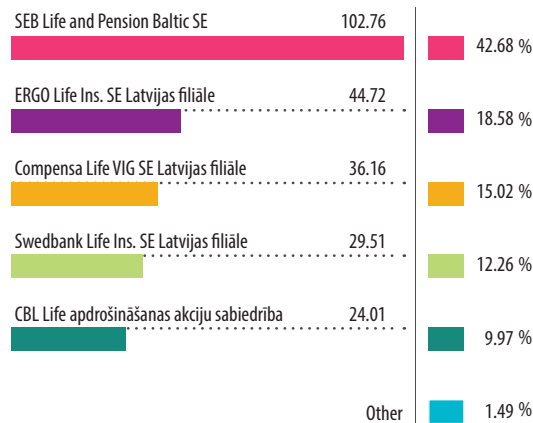
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**Full market rankings per company & per class**

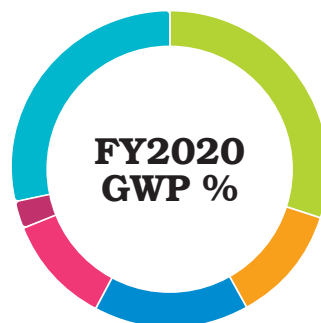
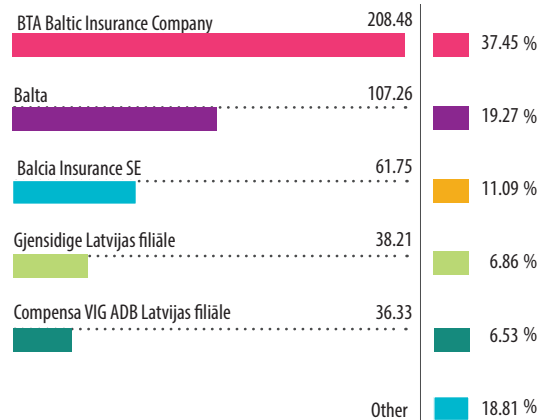
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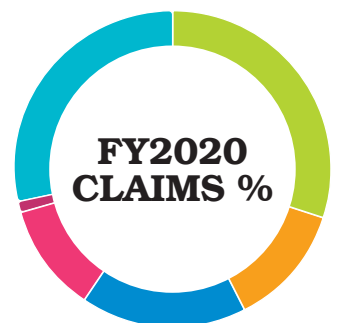
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	30.19
Property	11.94
Motor Hull	15.92
MTPL	11.05
GTPL	2.68
Other	28.22



Life	30.24
Property	12.39
Motor Hull	16.87
MTPL	11.20
GTPL	1.23
Other	28.07

# Lithuania



S&P Rating  
**A+, STABLE**

Moody's rating  
**A2, STABLE**

Fitch Rating  
**A, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Bank of Lithuania (LB)

<sup>3</sup> XPRIMM calculations



## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	38.89	42.28	45.49	48.80	48.79
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	13,559	14,947	16,238	17,464	17,451
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	7.86	7.07	6.15	6.25	8.85
<b>Population</b>	Millions <sup>1</sup>	2.87	2.83	2.80	2.79	2.80
<b>Gross written premiums</b>	EUR million <sup>2</sup>	709.81	792.60	878.13	945.87	954.87
<b>Paid claims</b>	EUR million <sup>2</sup>	372.67	455.34	452.59	499.08	501.07
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	1.83%	1.87%	1.93%	1.94%	1.96%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	247.49	280.27	313.39	338.54	341.51

The Bank of Lithuania expects a moderate growth of the insurance in 2021, by 3% to 5%, up to a total EUR 997 million in GWP. While the non-life business is expected to recover from the 2020 fall, life insurance will grow at a slower pace than last year.

*The insurance sector has stood up to the challenges posed by the pandemic, although, as we projected, motor vehicle insurance suffered the hardest blow by the quarantine last year. Its premiums declined the most out of all insurance classes. Nonetheless, having assessed economic and other forecasts, we approach this year with cautious optimism. Surely, we will be constantly keeping our finger on the pulse and will be closely*

*monitoring the developments in this market,* said Jekaterina GOVINA, Director of the Financial Market Supervision Service of the Bank of Lithuania.

The non-life insurance segment was the most affected by the COVID-19 pandemic in 2020, GWP decreasing by 1.7% y-o-y, to EUR 664 million. In 2021, the central bank expects a 4 to 6% growth in GWP, to nearly EUR 700 million.

Compulsory MTPL insurance accounts for well over one third of the non-life business. Last year premiums dropped by 8.4%, to EUR 242 million. The market watchdog forecasts its volume to increase by 3.4%, to EUR 250 million. In 2020, the portfolio of

Market regulator expects a moderate GWP growth in 2021

Lithuanian insurers posted EUR 50 million in profit last year

Insurers' assets increased by almost 20% and amounted to EUR 1.67 billion

Insurance brokers concluded 2.99 million insurance contracts in 2020

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	954.87	945.87	0.95	501.07	499.08	0.40	100.00	100.00
<b>TOTAL LIFE</b>	290.74	270.43	7.51	126.52	130.30	-2.91	30.45	28.59
Index-linked and unit-linked	189.39	170.23	11.26	85.17	88.33	-3.58	19.83	18.00
Insurance with profit participation	45.59	48.12	-5.26	29.08	28.82	0.90	4.77	5.09
Other life insurance	55.75	52.08	7.06	12.27	13.15	-6.72	5.84	5.51
<b>TOTAL NON-LIFE</b>	664.13	675.44	-1.67	374.55	368.78	1.56	69.55	71.41
Medical expense insurance	50.64	51.24	-1.16	31.07	32.79	-5.26	5.30	5.42
Income protection insurance	28.18	26.45	6.53	9.33	8.74	6.71	2.95	2.80
<b>Property insurance</b>	130.19	120.25	8.27	68.48	55.04	24.41	13.63	12.71
<b>Overall motor insurance</b>	391.48	415.42	-5.76	246.84	252.41	-2.21	41.00	43.92
Motor Hull	154.37	156.45	-1.33	100.65	106.37	-5.38	16.17	16.54
MTPL	237.12	258.97	-8.44	146.19	146.04	0.10	24.83	27.38
Goods in transit	3.31	3.21	3.17	1.02	1.32	-22.86	0.35	0.34
GTPL	23.87	23.66	0.90	7.05	8.22	-14.15	2.50	2.50
Carrier TPL insurance	4.58	4.73	-2.99	1.93	1.96	-1.78	0.48	0.50
Credit insurance	5.92	6.12	-3.18	2.57	2.79	-8.07	0.62	0.65
Suretyship insurance	13.59	11.90	14.23	3.22	2.42	33.22	1.42	1.26
Financial loss insurance	7.13	7.33	-2.62	1.65	1.96	-15.61	0.75	0.77
Assistance	3.94	3.80	3.70	0.79	0.55	45.28	0.41	0.40
Other non-life insurance	1.28	1.35	-5.19	0.60	0.58	4.00	0.13	0.14

Lithuania joined the Eurozone by adopting the euro on 1 January 2015



Jekaterina GOVINA  
Director of the  
Supervision Service  
Bank of Lithuania

property insurance grew by 8.3%, to EUR 130 million, and is projected to increase by 8.3% as well in 2021, to EUR 140 million.

In GWP terms, the life insurance market is projected to increase by 1 to 3% in 2021, up to EUR 298 million, thus showing a slower growth pace than in 2020, when it grew by 7.5%, to EUR 291 million.

Unit-linked life assurance comprises the largest share of the market (65%), with its premiums portfolio rising by as much as 11.3% last year, to EUR 189 million. Current estimations suggest it will continue to expand this year by about 4.5%, to nearly EUR 200 million. In 2020, health insurance grew by 9.3%, to EUR 37 million. In 2021, its volume is expected to increase by more than 2%, to EUR 38 million.

In terms of profits, the 2020 net profit earned by Lithuanian insurers amounted to EUR 50 million, while insurers' assets increased by almost 20% and amounted to EUR 1.67 billion. *All insurance undertakings, except one, operated profitably, whereas the whole sector earned the net profit of EUR 50 million. Insurance undertakings took into consideration the Bank of Lithuania's recommendation to avoid dividend payments, therefore, the total profit earned in the previous year remained with the undertakings, thus strengthening their equity capital. Equity capital of insurance undertakings increased by one-fifth in 2020 and amounted to EUR 128 million, with retained profits for the reporting year and the previous year comprising 37% of it, said Jekaterina GOVINA.*

Insurance brokers concluded 2.99 million insurance contracts in 2020, i.e. 34.2% more than in the previous year. The operations of brokers were profitable, with the profit earned amounting to EUR 6.7 million. Compared to 2019, their profit increased 2.3 times. Such growth was mainly determined by the reduction of costs by insurance brokers as well as one-off factors related to the merger of companies in the previous year.

(A.V.)

# Lithuania

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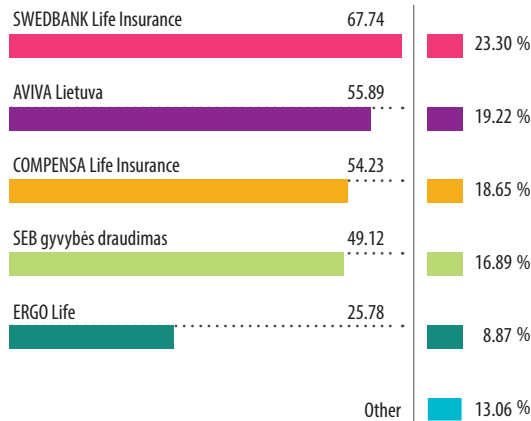
Full market rankings per company & per class

MSExcel format

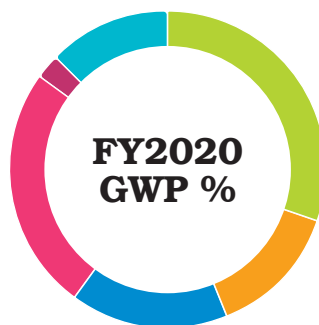
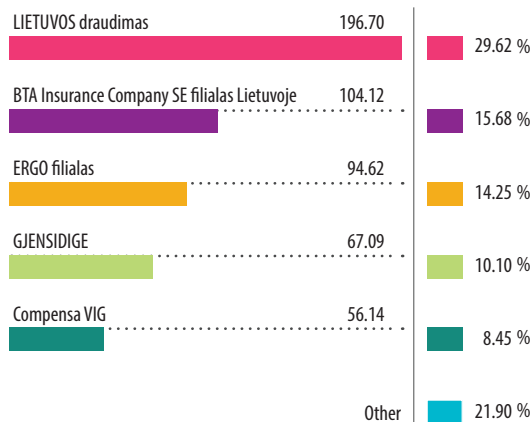


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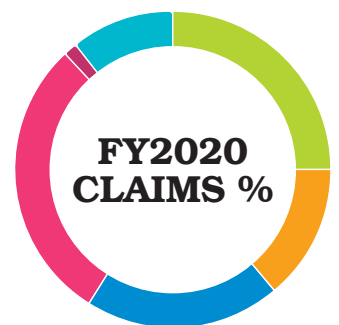
## TOP5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	30.45
Property	13.63
Motor Hull	16.17
MTPL	24.83
GTPL	2.50
Other	12.42



Life	25.25
Property	13.67
Motor Hull	20.09
MTPL	29.18
GTPL	1.41
Other	10.41

# Macedonia



S&P Rating  
**BB-, STABLE**

Fitch Rating  
**BB+, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of the Republic of Macedonia

<sup>3</sup> Insurance Supervision Agency

<sup>4</sup> XPRIMM calculations

🌟 Growth on the property insurance segment was driven mainly by the agricultural insurance sales

🌟 The popularity of health insurance increased, the number of people who bought health insurance last year increasing fivefold y-o-y; GWP reached EUR 4.45 million, which is 45% more y-o-y

🌟 Austrian group GRAWE was authorized to acquire 75% of the total voting shares issued by the EUROLINK Skopje, one of the major non-life insurers

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	MKD billion <sup>1</sup>	594.79	618.11	660.88	689.43	664.01
	EUR billion <sup>4</sup>	9.67	10.05	10.75	11.21	10.76
<b>GDP per capita, current prices</b>	MKD <sup>1</sup>	286,827	297,839	318,168	332,052	319,811
	EUR <sup>4</sup>	4,665	4,844	5,174	5,400	5,184
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	23.75	22.38	20.73	17.25	16.38
<b>Population</b>	Millions <sup>1</sup>	2.07	2.08	2.08	2.08	2.08
<b>MKD/EUR exchange rate</b>	End of period <sup>2</sup>	61.48	61.49	61.50	61.49	61.69
<b>Gross written premiums</b>	MKD million <sup>3</sup>	8,721.62	8,992.21	9,927.56	10,583.41	10,065.91
	EUR million <sup>4</sup>	141.86	146.24	161.44	172.13	163.16
<b>Paid claims</b>	MKD million <sup>3</sup>	3,605.91	3,577.64	3,918.51	4,030.95	4,005.50
	EUR million <sup>4</sup>	58.65	58.18	63.72	65.56	64.93
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.47%	1.45%	1.50%	1.54%	1.52%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	68.40	70.48	77.73	82.91	78.59

At the end of 2020, the Macedonian insurance market totaled MKD 10 billion (EUR 163 million), down by 5% y-o-y, according to Macedonian ISA preliminary year-end figures. The trend was common for both life and non-life insurance. GWP from non-life insurance decreased by 4.88% y-o-y to MKD 8.3 billion, while the life insurance segment reported premiums of MKD 1.7 billion, 4.93% less y-o-y, official figures show. As such, the overall composition of the market portfolio did not change: non-life insurance accounts for about 82.71% of total GWP, while life insurance maintained its about 17.3% share.

Motor insurance lines saw a negative trend, mostly explained by the travel restrictions

and the falling number of new cars registrations; at the same time, property insurance classes saw a positive trend, mostly on the "damages to property" line, driven by the agricultural insurance sales.

GWP growth on the "Fire and allied perils" line was much more modest, of only 1.8%, primarily due to construction expansion in urban areas and financing the purchase of housing through bank loans. "The coverage of catastrophic risks is still at a very low level within the concluded property insurance policies, and, additionally, the scope of property insurance is generally unsatisfactory. I believe that it is necessary to build a broader state strategy in order to increase the penetration of property

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	163.16	172.13	-5.21	64.93	65.56	-0.97	100.00	100.00
<b>TOTAL LIFE</b>	28.21	29.78	-5.25	7.08	5.65	25.40	17.29	17.30
<b>TOTAL NON-LIFE, of which:</b>	134.95	142.35	-5.20	57.84	59.91	-3.45	82.71	82.70
Overall property insurance	30.16	28.83	4.61	10.21	7.86	29.92	18.48	16.75
Fire and allied perils	12.45	12.22	1.86	3.10	2.84	9.00	7.63	7.10
Damages to property	17.70	16.60	6.64	7.12	5.02	41.76	10.85	9.65
<b>Overall motor insurance</b>	80.40	88.07	-8.72	38.32	42.33	-9.48	49.28	51.17
Motor Hull	13.35	13.63	-2.06	7.84	8.83	-11.15	8.18	7.92
MTPL	67.05	74.44	-9.94	30.48	33.51	-9.03	41.09	43.25
GTPL	3.44	3.69	-6.92	0.20	0.48	-58.48	2.11	2.14
Other non-life insurance	20.96	21.76	-3.69	9.11	9.23	-1.37	12.84	12.64

1 EUR = 61.6940 Denars, MKD (December 31<sup>st</sup>, 2020)

1 EUR = 61.4856 Denars, MKD (December 31<sup>st</sup>, 2019)





Krste JAJNOSKI  
President of the  
Council of Experts  
ISA

insurance covering the main catastrophic risks (earthquake and flood), because we face an expressed systemic risk at this level," explained Krste JAJNOSKI, President of the Council of Experts, ISA.

In the special context created by the pandemics, the popularity of health insurance increased. According ISA, the number of people who bought health insurance last year increased fivefold compared to 2019, GWP reaching EUR 4.45 million, which is 45% more y-o-y.

In terms of GWP, the largest life insurer in the country was the local unit of CROATIA osiguranje (with GWP of MKD 655 million, ~ 37.6% market share), while the local subsidiary of Slovenian TRIGLAV led the non-life ranking (MKD 1.2 billion, 14.8%). Despite volatile conditions, 14 insurance companies ended last year with a profit totaling MKD 627.3 million (EUR 10.2 million).

In February, Grazer Wechselseitige Versicherung Aktiengesellschaft AG (GRAWE) was authorized to acquire 75% of the total voting shares issued by the EUROLINK Skopje Joint Stock Company. The acquisition on EUROLINK will considerably boost GRAWE's presence in the Macedonian non-life sector.

As for the perspectives, Krste JAJNOSKI stressed out three major goals for 2021: preparation of the new Insurance Law in order to comply with the EU regulation - Solvency 2, as well as compliance with the Insurance Distribution Directive; internal reorganization of the Agency in order to establish a new approach to risk-based supervision; increasing insurance companies' transparency about their financial condition and solvency.

Finally, 2021 will also be the year for preparing the ground for the unification of the three regulators ISA, Securities and Exchange Commission and MAPAS into one strong and quality regulatory body. (D.G.)

(D.G.)

# Macedonia

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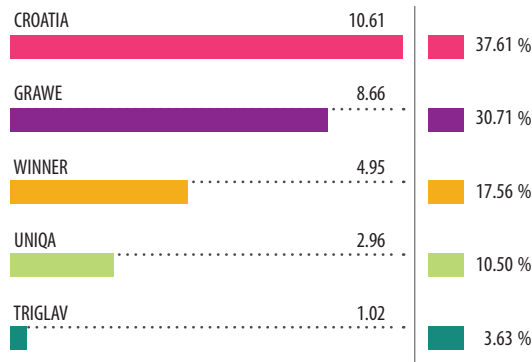
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

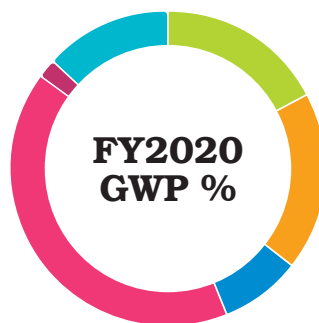
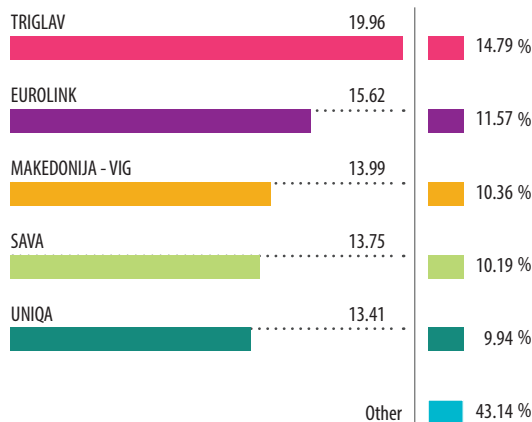
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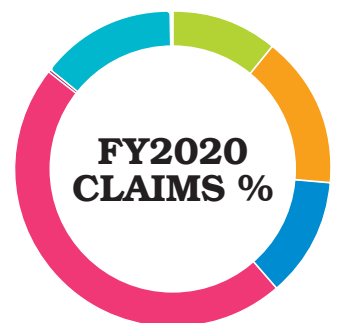
## Life insurance ranking (GWP, EUR m)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	17.29
Property	18.48
Motor Hull	8.18
MTPL	41.09
GTPL	2.11
Other	12.84



Life	10.91
Property	15.73
Motor Hull	12.08
MTPL	46.95
GTPL	0.31
Other	14.03

# Montenegro



S&P Rating  
**B, STABLE**

Moody's rating  
**B1, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Insurance Supervision Agency of Montenegro

<sup>3</sup> XPRIMM calculations

The market's aggregated profit before tax reached EUR 11.89 million, which is 27% more than in 2019

The property insurance segment provided for the best dynamic, with GWP increasing in average by 15.7% y-o-y

Austrian group GRAZER Wechselseitige Versicherung Aktiengesellschaft acquired the majority stake in SWISS osiguranje AD Podgorica

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
GDP, current prices	EUR billion <sup>1</sup>	3.95	4.30	4.66	4.95	4.20
GDP per capita, current prices	EUR <sup>1</sup>	6,354	6,907	7,495	7,952	6,737
Unemployment rate	% of total labor force <sup>1</sup>	na	na	na	na	na
Population	Millions <sup>1</sup>	0.62	0.62	0.62	0.62	0.62
Gross written premiums	EUR million <sup>2</sup>	80.16	81.77	86.83	94.76	93.67
Paid claims	EUR million <sup>2</sup>	34.18	35.70	42.07	37.23	36.58
Insurance penetration degree	% in GDP <sup>3</sup>	2.03%	1.90%	1.86%	1.91%	2.23%
Insurance density	EUR/capita <sup>3</sup>	128.88	131.46	139.60	152.11	150.36

The Montenegrin insurance market closed 2020 with GWP worth EUR 93.67 million, 1% down y-o-y, a result that the Insurance Supervision Agency Council's President Uroš ANDRIJAŠEVI appreciated as very good, considering the challenges of the Covid crisis.

Non-life insurance premiums decreased by 4.7%, i.e. by EUR 3.7 million, while the life insurance sector managed to partially offset this decreased by recording a GWP increase by 15.1% (i.e. EUR 2.6 million) compared to 2019. Paid claims amounted to EUR 36.47 million, in a number of 49.2 thousand solved claims files.

The MTPL insurance line accounts for the largest share in the market portfolio, both in GWP (38.47%) and paid claims (36.27%) terms. Life insurance segment's weight has increased by over 3 percentage points, to 21.3%, reflecting the dynamics recorded in comparison with the non-life business.

The property insurance segment provided for the best dynamic, with GWP increasing in average by 15.7% y-o-y. Yet, despite maintaining a positive dynamic throughout the last years, property insurance coverage is still very low in Montenegro, especially in what natural hazards are concerned. *The property insurance in Montenegro is relatively modest and one investment can affect the premium increase in the relative amount. Currently there are several large investment projects in Montenegro, the construction of Highway being one of the most significant one. This has certainly had a positive effect on the premium increase during this period.*

*Prior to COVID 19 crisis one of our priorities was to raise citizens' awareness of the importance of insurance. Property insurance is one of the key segments of the new strategy. Unfortunately, the crisis affected the delay of the activities on implementation of the new strategy, Mr. Boris ŠABAN,*

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	93.67	94.76	-1.15	36.58	37.23	-1.75	100.00	100.00
<b>TOTAL LIFE</b>	19.72	17.13	15.13	7.81	6.81	14.71	21.06	18.08
<b>TOTAL NON-LIFE</b>	73.95	77.63	-4.74	28.77	30.42	-5.44	78.94	81.92
Accident	9.75	11.45	-14.85	7.37	7.48	-1.54	10.41	12.08
Health	2.70	2.71	-0.58	1.33	1.63	-18.45	2.88	2.86
<b>Overall property insurance</b>	13.43	11.61	15.69	2.06	2.01	2.10	14.33	12.25
Fire and allied perils	3.78	3.38	11.65	0.81	0.69	16.96	4.03	3.57
Damages to property	9.65	8.22	17.35	1.25	1.32	-5.68	10.30	8.68
<b>Overall motor insurance</b>	42.01	44.98	-6.62	16.51	18.25	-9.56	44.84	47.47
Motor hull	5.97	6.97	-14.35	3.24	3.82	-15.07	6.37	7.35
MTPL	36.04	38.02	-5.20	13.27	14.44	-8.10	38.47	40.12
GTPL	2.15	2.13	1.08	0.31	0.14	114.26	2.29	2.24
Other non-life insurance	3.92	4.76	-17.49	1.20	0.90	33.29	4.19	5.02

Montenegro currency: EURO



Uroš ANDRIJAŠEVI  
President  
ISA Montenegro

# Montenegro

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**Full market rankings per company & per class**

MSEXcel format

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Boris ŠABAN,  
Executive Director  
National Bureau  
of Montenegro  
Insurers

Executive Director of the National Bureau of Montenegro Insurers, commented.

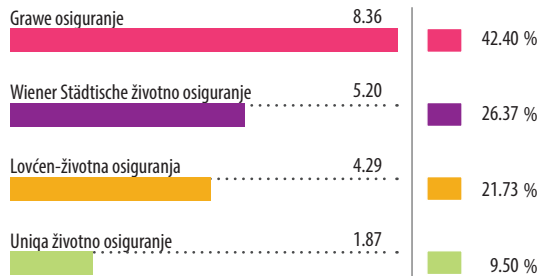
The non-life ranking was dominated by the two Slovene insurers - LOVCEN Osiguranje (43.22% market share) and SAVA Montenegro (17.36%) followed by UNIQA nezivotno osiguranje (15.87%). Top 3 largest life insurers in the country as GWP were GRAWE osiguranje (42.40% market share), WIENER STAEDITSHE zivotno osiguranje (26.36%) and LOVCEN zivotna osiguranje (121.73%).

In profitability terms, Lovćen osiguranje reported the highest profit before tax, of EUR 4.37 million, followed by SAVA Montenegro (EUR 1.93 million) and U Grawe osiguranje (EUR 1.73 million). The market's aggregated profit before tax reached EUR 11.89 million, which is 27% more than in 2019.

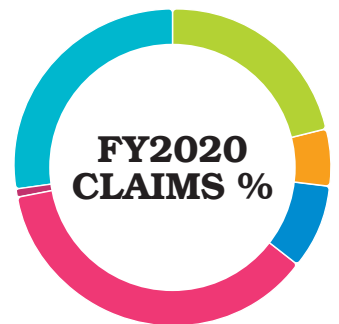
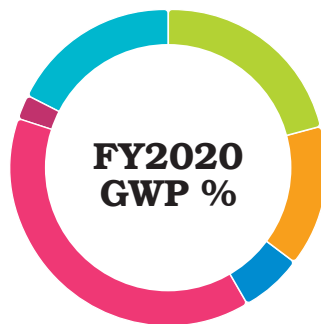
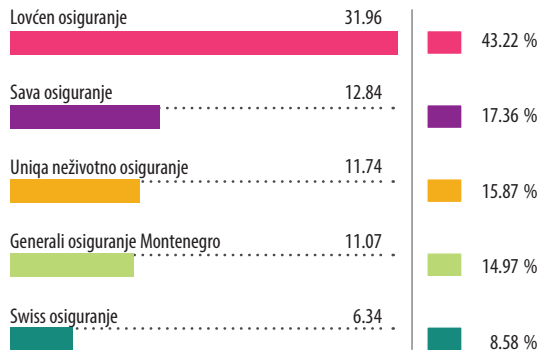
In August, the acquisition of the majority stake in SWISS osiguranje AD Podgorica by the Austrian group GRAZER Wechselseitige Versicherung Aktiengesellschaft was greenlighted by the supervisory authority. GRAWE operates on Montenegrin market since September 2004 and is currently the largest life insurer in Montenegro. On local market, in 2017 GRAWE acquired MERCUR osiguranje for EUR 1.39 million and took over the remaining assets of ATLAS life, a bankrupt insurance company two years ago. SWISS osiguranje smallest non-life insurer in the country, with a 8.6% market share on the non-life segment.

(D.G.)

## TOP Life insurance ranking (GWP, EUR million)



## Non-Life insurance ranking (GWP, EUR million)



# Poland



S&P Rating  
**A-, STABLE**

Moody's rating  
**A2, STABLE**

Fitch Rating  
**A-, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of Poland

<sup>3</sup> The Polish Financial Supervision Authority (KNF)

<sup>4</sup> XPRIMM calculations

Three major international players – AXA, AEGON and AVIVA have decided to exit the Polish market, in all cases as part of a strategic decision of retreating from the CEE

Total net financial result of insurance companies amounted to PLN 6.1 billion and was lower by 15.6% compared to 2019

The value of payments related to motor insurance was very similar to that in 2019, despite less vehicle traffic - the average claim increased from PLN 7,800 to PLN 8,200

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	PLN billion <sup>1</sup>	1,863.49	1,989.84	2,121.56	2,287.74	2,317.09
	EUR billion <sup>4</sup>	421.22	477.08	493.38	537.22	502.10
<b>GDP per capita, current prices</b>	PLN <sup>1</sup>	49,081	52,401	55,865	60,247	61,043
	EUR <sup>4</sup>	11,094	12,564	12,992	14,147	13,228
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	6.16	4.89	3.85	3.28	3.16
<b>Population</b>	Millions <sup>1</sup>	37.97	37.97	37.98	37.97	37.96
<b>PLN/EUR exchange rate</b>	End of period <sup>2</sup>	4.4240	4.1709	4.3000	4.2585	4.6148
<b>Gross written premiums</b>	PLN million <sup>3</sup>	56,039.17	62,353.67	62,169.79	63,831.25	63,421.47
	EUR million <sup>4</sup>	12,667.08	14,949.69	14,458.09	14,989.14	13,743.06
<b>Paid claims</b>	PLN million <sup>3</sup>	36,677.34	39,840.07	41,675.34	40,868.61	39,649.74
	EUR million <sup>4</sup>	8,290.54	9,551.91	9,691.94	9,596.95	8,591.86
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	3.01%	3.13%	2.93%	2.79%	2.74%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	333.63	393.69	380.71	394.73	362.06

The Polish insurance market saw an 8.3% y-o-y drop in GWP, to EUR 13.74 billion. In local currency, total GWP amounted to PLN 63.42 billion, by 0.64% less than in 2019. The weaker dynamics in euros reflects the rather substantial devaluation of the Polish zloty (PLN) against the European currency (approx. 8% y-o-y).

Out of the total GWP, premium of life insurance companies amounted to PLN 20.74 billion and for non-life to PLN 42.67 billion. While earned premium was the dominant item in the total income structure, claims incurred constituted the dominant position in the total cost structure. Total gross claims paid in 2020 amounted to PLN 39.65 billion and

decreased by 3.5% y-o-y; paid claims for life insurance reached PLN 17.42 billion and PLN 22.23 billion for non-life insurance. The value of payments related to motor insurance was very similar to that in 2019, despite less vehicle traffic. While the average premium for MTPL insurance fell from PLN 523 to PLN 500, the value of the average claim increased from PLN 7,800 to PLN 8,200. However, *when it comes to life insurance, the results unfortunately reflect the increased mortality in Poland in 2020. The value of benefits from protective life insurance increased by over 10% year on year*, commented Jan Grzegorz Prądzyński, President of the Management Board of the Polish Chamber of Insurance (PIU).

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	13,743.06	14,989.14	-8.31	8,591.86	9,596.95	-10.47	100.00	100.00
<b>TOTAL LIFE</b>	4,495.44	4,993.87	-9.98	3,773.93	4,359.68	-13.44	32.71	33.32
<b>Life insurance</b>	1,723.89	1,840.97	-6.36	1,386.14	1,361.24	1.83	12.54	12.28
Unit-linked	1,275.14	1,607.41	-20.67	1,807.57	2,322.65	-22.18	9.28	10.72
Accident and sickness	1,438.22	1,484.01	-3.09	533.90	625.89	-14.70	10.47	9.90
Other life insurance (reinsurance accepted included)	58.20	61.48	-5.33	46.32	49.91	-7.19	0.42	0.41
<b>TOTAL NON-LIFE</b>	9,247.62	9,995.27	-7.48	4,817.94	5,237.27	-8.01	67.29	66.68
Accident	376.06	395.99	-5.03	65.62	84.25	-22.11	2.74	2.64
Sickness	168.91	239.00	-29.33	63.06	73.13	-13.77	1.23	1.59
<b>Overall property insurance</b>	1,646.97	1,698.89	-3.06	738.46	735.90	0.35	11.98	11.33
Fire and allied perils	852.97	832.81	2.42	367.87	392.60	-6.30	6.21	5.56
Damages to property	794.01	866.08	-8.32	370.59	343.30	7.95	5.78	5.78
<b>Overall motor insurance</b>	5,076.82	5,540.23	-8.36	3,135.91	3,521.72	-10.95	36.94	36.96
<b>Motor Hull</b>	1,906.32	2,035.63	-6.35	1,185.19	1,302.13	-8.98	13.87	13.58
MTPL	3,170.50	3,504.60	-9.53	1,950.72	2,219.59	-12.11	23.07	23.38
GTPL	552.30	559.64	-1.31	228.71	240.71	-4.99	4.02	3.73
Credit	106.13	113.79	-6.73	41.93	49.96	-16.07	0.77	0.76
Shuretyship	102.94	114.79	-10.32	55.25	95.92	-42.40	0.75	0.77
Financial loss	173.32	221.04	-21.59	44.01	40.44	8.83	1.26	1.47
Travel	291.33	303.71	-4.08	123.09	132.56	-7.14	2.12	2.03
Other non-life insurance (reinsurance accepted included)	752.82	808.20	-6.85	321.89	262.68	22.54	5.48	5.39

1 EUR = 4.2585 Zlots - PLN (December 31<sup>st</sup>, 2019)

1 EUR = 4.6148 Zlots - PLN (December 31<sup>st</sup>, 2020)

According to the Polish Statistical Office, the total net financial result of insurance companies amounted to PLN 6.1 billion and was lower by 15.6% compared to 2019. Life insurance companies generated a result of PLN 2.21 billion, and non-life insurance profit amounted to PLN 3.88 billion. The technical result (in aggregated terms) was PLN 6.10 billion and was 1.4% lower than in 2019. The technical result in life insurance decreased to PLN 2.97 billion, in non-life insurance increased up to PLN 3,13 billion.

The local insurer PZU Zycie was the largest life insurer (42.19% market share), followed by AVIVA TUŃZ (9.53% market share), and NN (7.95%). PZU was the biggest non-life insurer - market share of 29.38%, followed by ERGO HESTIA at 15.29% and WARTA, 14.64%.

In market composition terms, 2020 and the beginning of 2021 was marked by the exit of three major international players that have decided to give up to some of their CEE operations, Poland included:

» In September 2020, the Polish Financial Supervision Authority approved the acquisition of AXA businesses from Poland - AXA Ubezpieczenia (non-life) and AXA Zycie (life) and AXA PTE (pensions) -, by UNIQA Group.

» In November 2020, WIENER Versicherung Gruppe (VIG) reached an agreement to acquire AEGON's non-life and life insurance companies, as well as pension funds, asset management and service companies in Hungary, Poland, Romania and Turkey. The acquisition is subject to approval by regulators and antitrust bodies and is to be completed in the second half of the year 2021.

» In March 2021, German group Allianz acquired Aviva's entire shareholding in Aviva Poland for a cash consideration of EUR 2.5 billion. Aviva Poland comprises Aviva's interests in life insurance business in Poland and Lithuania, and its Polish general insurance, asset management and pensions businesses, including a portfolio of financial advice, digital distribution and price comparison businesses.

Polish insurance group PZU (Powszechny Zakład Ubezpieczeń Spółka Akcyjna) informed that on 6 April 2020 S&P Global Ratings changed the insurer's rating outlook from "Positive" to "Stable". At the same time, the agency affirmed PZU SA's financial strength rating at an unchanged level of "A-".

(D.G.)

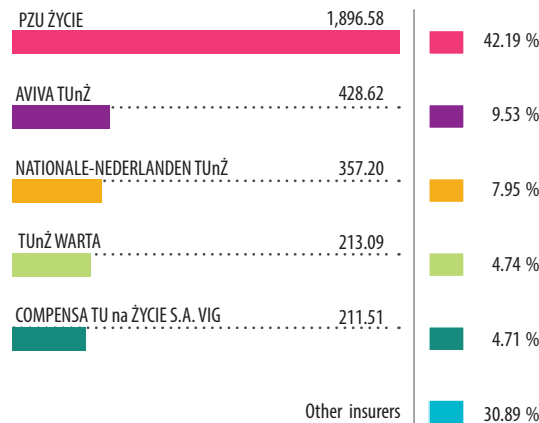
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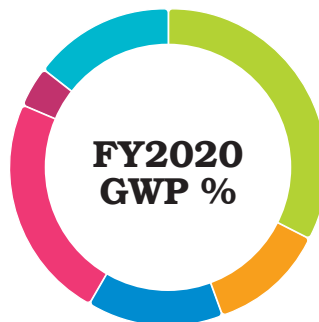
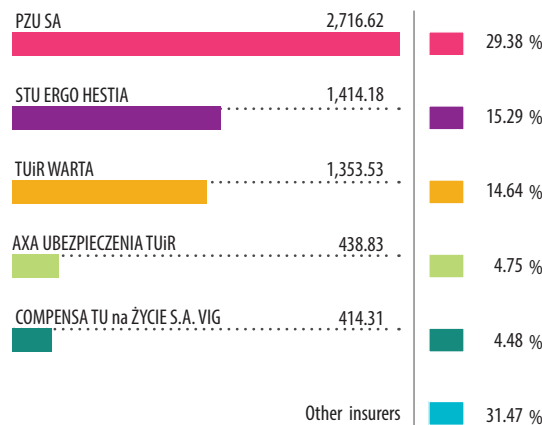
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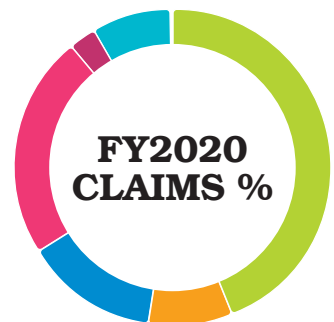
### TOP 5 Life insurance (GWP, EUR million)



### Top 5 Non-life insurance (GWP, EUR m)



Life	32.71
Property	11.98
Motor Hull	13.87
MTPL	23.07
GTPL	4.02
Other	14.35



Life	43.92
Property	8.59
Motor Hull	13.79
MTPL	22.70
GTPL	2.66
Other	8.32

# Jan Grzegorz Prączyński

## President of the Board

### PIU – Polish Chamber of Insurance



**XPRIMM: 2020 was a challenging and absolutely special year for the entire society, all businesses needing to adapt to the new realities. From this perspective, how do you comment on the Polish insurance market's results?**

**Jan Grzegorz Prączyński:** In 2020 Poles spent about PLN 63.5 billion on insurance, almost the same as the year before. Customers must retain their protection because the pandemic does not mean that everyday damage happens less.

In 2020, insurers paid out almost the same number of claims and benefits as the year before. The difference does not exceed 3.5%. The value of payments related to motor insurance was very similar to that of 2019, despite less vehicle traffic. The average premium for MPTL has dropped about 4,6%.

Until 2007, he was President of the Management Board of the Polskie Biuro Podróży Orbis Travel (Orbis Travel – Polish Travel Bureau). He was also a member of supervisory boards of Canal Plus Cyfrowy and PBP S.A. He was a member of the supervisory board of Robyng S.A. He also held managing positions in professional organizations and associations.

He was, inter alia, a vice president of Polish Association of Tourism, a member of the French Association of Commerce in Poland, and vice-president of the board of the Polish Confederation of Private Employers PKPP Tourism in "Leviathan." From 1981 to 1998 he lived abroad (in England and France), where he directed transport and tourism companies.

Jan Grzegorz Prączyński studied at the School of Planning and Statistics in Warsaw (now Warsaw School of Economics). Since 1998, he has been a licensed insurance broker.

The value of the average claim has increased by more than 5%. In non-life insurance, no change is seen in terms of premiums. These are often annual contracts, so the results for Q1 and Q2 2021, a year after the introduction of the first lockdown, will be important. However, it seems that Polish people are not giving up protection.

However, it is important to note that the total picture of the total does not show declines where they needed to occur, such as in travel insurance. Hopefully, 2021 will be better in this respect and the travel market will slowly start to recover. Polish insurers generated a net profit of PLN 6 billion, which is 15.6% less than a year ago. This is the effect of an increase in costs, related, for example, to the digitalization of business.

They paid over PLN 1.4 billion of income tax to the state budget. Insurers mitigate business cycles and being long-term investors. They insure trade turnover of PLN 575 billion, which allows enterprises to function efficiently in times of pandemics. Insurers also have a very strong capital position that allows them to operate safely despite economic fluctuations.

**XPRIMM: In most European markets, while lockdown periods have led to a decreasing number of road incidents and, thus,**

**of motor insurance claims filed, the average value of the claims paid, both for material damage and bodily injuries, went up. Is that a trend also witnessed in Poland? How do you explain it?**

**J.G.P.:** Yes, we also observe it in Poland. The value of claims related to motor insurance was very similar to that of 2019, despite less vehicle traffic. Unfortunately, during the pandemic Poles were driving very reckless, like's there's no tomorrow. The number of road fatalities dropped less than the number of car accidents.

Last year we made a survey on Polish drivers' awareness. It turned out that most drivers think that they are not the ones who cause dangerous situations on the road because it is others who drive dangerously. Meanwhile, one-third of the drivers surveyed on our behalf considered that exceeding the speed limit by 20 km/h in built-up areas is safe. As many as 22% of drivers admitted that exceeding the speed limit by 30 km/h in urban areas is safe. More than half of those asked believe it is possible to drive safely and quickly at the same time. 38% think that overtaking another car on a continuous double line can be justified in some cases. One in five drivers believes that reckless overtaking may be justified in some cases. So, the explanation is the mentality of drivers, the fact that they took advantage of the opportunity of empty roads.

**XPRIMM: Inevitably Covid-19 crisis has spurred interest in health protection. How did Polish insurers react to this increased interest and what was the actual impact of the pandemics on the health insurance sector's results in 2020?**

**J.G.P.:** We can see an increase in interest in health policies. One in five people we surveyed in the end of 2020 said they bought or renewed health insurance because of the pandemic. 3.3 million Poles are covered by health insurance, 8.5% more than a year earlier. Premiums in the health insurance market amounted to PLN 941 million, 5.2% more than a year earlier.

Our respondents consider it important to be able to take advantage of the latest technologies, which are difficult to access in the public system (29 percent), as well as a short waiting time for surgery or treatment (24 percent) and CT, MRI and other diagnostic tests (24 percent).

Loss of health was and is one of the greatest fears of Poles. During the pandemic, health concerns have been reinforced. Additionally, the pandemic is testing the limits of the health care system worldwide. During the pandemic, the fear of lack of availability of medical care has also increased very significantly. This is strongly related to the problems of the Polish health care system.

We are incurring what is known as health debt as a society. Lots of people have put off preventive and diagnostic tests and even treatment.

**XPRIMM: Did pandemics have an impact also on the life insurance sector? How strong was it and what were its main aspects?**

**J.G.P.:** The value of life insurance benefits increased year-on-year by more than 10%. We can see the impact of Covid-19 on protection insurance payouts (+10%), but this is probably not the only reason for the increase. The increase in mortality only occurred from the beginning of November 2020 and affected most people over 75 years old. It will certainly be different this

year, as the increase in mortality is already seen in younger groups. Therefore, it can be assumed that 2021 will bring an increase in payouts in life insurance.

We observe a small increase in premiums in group 1 (protection, 1.5%), but a larger increase in group 5 (accident and sickness - 5%). It is likely that the fear of pandemic and illnesses influenced the growth of interest in life insurance, especially additional benefits, such as sickness benefits, among others. At the same time, premium growth may have been somewhat hampered by the difficulty of reaching customers due to limitations on physical contacts. However, insurance companies launched remote forms of life insurance distribution in 2021, which made it more feasible for customers to enter into such contracts.

**XPRIMM: Climate change and its effect on the weather-related risks remained a topic of concern, especially considering the existing insurance protection gap. How do you comment on Poland's situation in this respect?**

**J.G.P.:** We still have a lot of work to do. Our demands that we made in the climate report that came out in 2018 are still relevant. Cooperation between local governments, the government, and the insurance sector is key here. Insurance is part of the entire risk management system. Certainly, among other things, the work on projects concerning the so-called small retention in agricultural areas should be intensified. This would reduce the risk of drought. Another issue is the review of technical and construction standards and their better control. Some of the damage associated with strong wind is caused by the poor technical condition of buildings and the lack of control over the application of building standards. Better supervision would allow us to avoid some of the damage or reduce its size. Certainly, in Poland, the issues of better spatial planning are still relevant, including avoidance of building on floodplains. It is necessary to ensure the drainage infrastructure, especially in densely built-up urban areas. Finally, it is important to develop a methodology for data collection and the creation of a database on the effects of disasters in Poland. These are necessary conditions for the whole system of climate disaster risk management to work properly. Insurance cannot play the only role here. And be the only answer to the risk.

**XPRIMM: Insurance is a business with a strong social character, protecting people and business from dealing with dramatic and irrecoverable financial losses when different risks materialize. Would you say that Polish insurers have fulfilled their customers' expectations for support in the special context created by the pandemics?**

**J.G.P.:** In 2020, the insurance industry was heavily involved in pandemic relief. The pandemic has shown the solidarity of the industry. In April last year, PIU launched 14 recommendations for financially distressed customers. They covered vehicle owners, people with mortgage loans, holders of saving and investment policies, more than 4,000 tour operators, several thousand businesses involved in loss settlement, but also doctors and paramedics. PIU has also coordinated the action of launching a call-center for the chief sanitary inspectorate in Poland. 18 companies and insurance groups are involved. We fund the work of over 100 consultants who answer several thousand calls a day.

**XPRIMM: Last year was also one of accelerated technical progress in the insurance industry, catalyzing the digital transformation of the companies. What aspects would you highlight as long-term achievements of the market in this respect? Are Polish insurers now closer to fulfilling the needs and expectations of the young generations of customers?**

**J.G.P.:** Before the pandemic, banks were considered the leaders of digitalization in the financial market. Insurers were seen as a very traditional industry that is not very flexible. The pandemic showed that our industry was able, basically within a week, to switch from a stationary service model to a remote model. It should be remembered that with us it is much more complicated, because a huge part, if not the basis of the insurers' operations, is the loss adjustment. It means reaching the customer who had the loss and providing them with service. Both on the sales side and the claims handling side, the industry has passed the test and smoothly moved to remote customer service. This has shown that we are not as immobile as we thought.

PIU, in cooperation with the Polish Chamber of Information Technology and Telecommunications, developed a cloud computing standard for the insurance industry. It is a set of rules for preparing and conducting an effective cloud implementation, taking into account all legal and supervisory requirements. It is also one of the most important events of 2020 on the way to full digitalization.

Currently, many Polish insurers are already using cloud platforms and services. In the pandemic, solutions that could be launched immediately - without hardware, software, installation, configuration or complicated implementation - proved particularly useful. They enabled insurers to respond more quickly to changing market conditions and customer and stakeholder needs, while reducing IT infrastructure costs.

This certainly allows us to look optimistically to the future and create an offer able to satisfy young customers who are used to technological innovations. However, let us not forget that insurance agents play a key role in insurance. Their advice is also appreciated by young people, despite the digitalization. So, this digitalization will not only help customers but rather agents to provide advice even more efficiently.

**XPRIMM: What are your expectations for 2021? What are your expectations with regard to the evolution of the financial results of the market this year? Do you foresee any significant changes in the market structure, regulation etc.?**

**J.G.P.:** It's all really related to the economy and how quickly we come out of the pandemic. If we get out fairly quickly, I think we'll close the year with a decline, but it won't be significant. The economy will rebound, and insurance will follow. We are very much tied to the business cycles, although we are reacting with a lag, because insurance contracts are most often for a year. I am an optimist. I believe that our economy will rebound quickly, and the insurance market will follow.

Among the important trends that should be mentioned is the consolidation of the market. Despite the consolidation, the Polish market is still very competitive. There is no way it will change. For the customers, it's actually an advantage because the biggest insurance companies pay a lot of attention to the prices of their products. The market has also become very professionalized. Consolidation always results in further improvement of the offer and services. There is no risk of distortion of competition and the resulting increase in policy prices.

Interview conducted by Daniela GHETU

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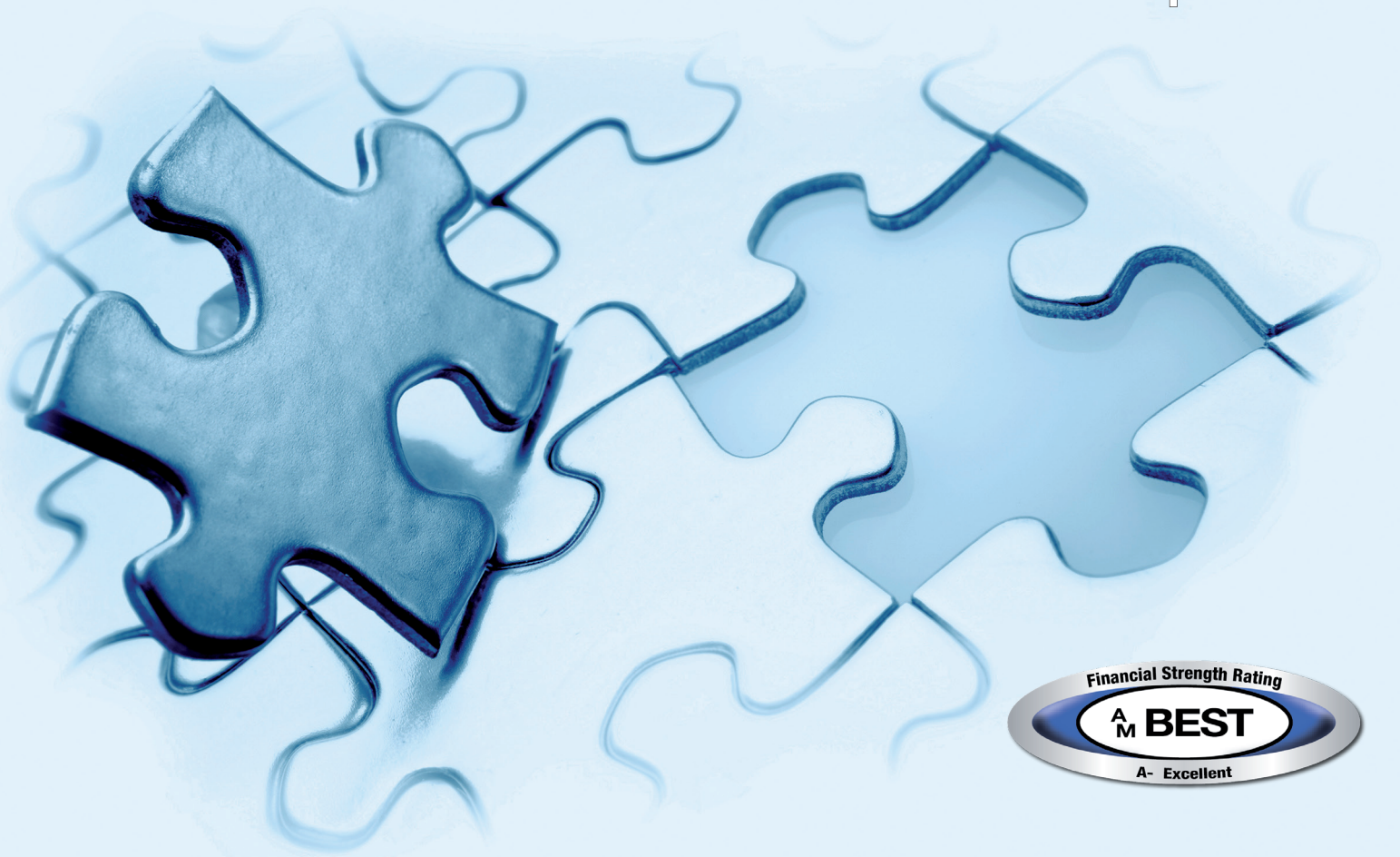
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# Cristian ROȘU

## Vice-President Insurance-Reinsurance ASF - the Financial Supervisory Authority Romania



**XPRIMM: More than a year has passed since the COVID-19 pandemic broke out. How would you describe the evolution of insurers and brokers in 2020 and Q1 2021?**

**Cristian ROȘU:** Data at EU level, centralized and published by EIOPA in the Solvency II reports for the fourth quarter of 2020, show that the insurance market was not significantly affected in terms of assets and underwritten premiums, remaining stable. The local market does not significantly deviate from this evolution, I could even say that its current structure, dominated by general insurance and not by life insurance, which form a majority at European level, has influenced its positive evolution.

EU insurers record a 3% increase in total assets, an insignificant increase in general direct insurance underwriting, but a

considerable 10% decrease in life insurance underwriting, so, overall, the European market has been declining. On the other hand, in Romania we are talking about a 5% increase in general insurance subscriptions, according to the same data aggregated in Euros by EIOPA, simultaneously with a 5% decrease in the life insurance segment, but, due to the structure, we have a 3% increase overall. In terms of assets, according to the SII balance sheet, we register a 6% increase, compared to 3% at European level.

Preliminary data for the first quarter of 2021, submitted to ASF according to the national supplementary reporting requirements, indicate an increase of about 8% in local market subscriptions, compared to the same period of 2020. Although the largest shares are still held by the same insurance classes, namely CASCO, motor third party liability and fire, there are above average increases in credit insurance, financial losses, and liabilities, but also in traditional life insurance.

As the degree of financial education of the insured potentials will strengthen, we expect better educated consumers, who will ask for more information and explanations, who will be able to make choices depending on what the product offers, not just depending on the price.

**XPRIMM: What do you appreciate most about the activity of the players in the insurance market in this period?**

**C.R.:** I appreciate the fact that, in a difficult context in which the pandemic has considerably changed the way we work, insurers have made efforts to maintain and grow their business, but, at the same time, they have also met ASF requirements. Which were not few and I refer, for example, to the periodic reporting requirements, to those of compliance with the Authority's issued recommendations for the temporary suspension of dividend payments, that could have diminished the own funds eligible to cover the capital, in preparation for participating in the BSR exercise. Last, but not least, players have constantly followed the regulatory process and actively participated in public consultations, while preparing for new requirements, such as the mandatory introduction of compliance with a liquidity ratio.

**XPRIMM: How has the insurance distribution changed in the last 3 decades? What was essential during this period?**

**C.R.:** Certainly, the requirements of professional qualification and continuous improvement that the Authority imposes on both intermediaries and insurance employees for about 10 years have created the premises for a constant improvement of the quality of distribution, with benefits for consumers, which are becoming more and more financially educated. To these, were added the active involvement of the ISF in everything that means part of the continuous examination and validation of distributors' competencies, at the same time as the regulation by the ASF of the IDD requirements that place a much greater emphasis on consumer protection, their right to correct information and bidding, corresponding to their real needs.

ASF pays a special attention to this segment, so that, in the next period, it will finalize the amendments to the norms of application of the 236/2018 Law on distribution, necessary to be brought considering the situations encountered in practice after two years of their application, during which time we also went through a pandemic that will mark anyone's actions for a long time to come.

**XPRIMM: In your opinion, what does the future of insurance distribution look like, considering all recent changes?**

**C.R.:** As the degree of financial education of the insured potentials will strengthen, we expect better educated consumers, who will ask for more information and explanations, who will be able to make choices depending on what the product offers, not just depending on the price. Experience and current reality show us that the price is not the most important criterion when choosing insurance. Therefore, I want distributors to make efforts in this direction and to actively participate, together with the ASF, in the financial education process, with long-term beneficial effects for all parties involved.

**XPRIMM: How sophisticated have the insurance consumers become and how have changed over time their requirements and needs?**

**C.R.:** The IDD directive, from 2018, introduced numerous requirements for distributors in terms of consumer information, presentation in a clear and accessible language of the products offered and advice, especially for individuals. Also, the training and registration requirements of distributors are much clearer and more precise than in the former intermediation directive. It is obvious that, at European level, we do not deviate much from this situation, the trend is to protect the individual consumer. It is normal to be like that because you do not have to go to college to understand what an insurance agent, for example, explains to you about a product, but it must structure and present the product information in such a way that it is simple to understand. Legal clients do not have the same need for protection and especially for insurance that covers high risks, a context in which we can talk about greater sophistication among clients of liability insurance, loans, guarantees or financial losses.

**XPRIMM: Now, what do you consider to be the absolutely necessary changes in the insurance market and in the local legislation?**

**C.R.:** With the changes brought by the regulatory framework on distribution, it is increasingly necessary for market players, either companies or intermediaries, to increasingly focus on consumers

and their needs, so that the insurance products they create to respond, as well as possible, to their real needs. Consequently, legislation needs to be continuously improved to provide the necessary framework for this, but also to provide the tools to enable ASF to exercise supervision over the activity of distributors and to impose remedial action where appropriate.

**XPRIMM: Digitization has been a necessity in the last year. What is the situation of online insurance sales in 2020? (Any date you have, value, total market share, if there is segmented by certain classes)**

**C.R.:** The requirements for reporting electronically concluded contracts have been introduced relatively recently, only for insurers and with a basic granularity, so that the current data are not yet relevant for such an analysis. What is certain is that, as the demand for insurance products increases, as insurers and insurance intermediaries develop applications to ensure the necessary level of security, reliability and ease of use, e-commerce insurance will become increasingly important. It is a natural evolution that has been in our attention for some time and that the whole Europe is concerned about.

**XPRIMM: How do you see the evolution of the insurance industry this year, what are the trends / challenges / opportunities?**

**C.R.:** Our goal is to strengthen market stability and increase the liquidity of companies. This indicator is also a concern at European level, with EIOPA recently launching a stress test for the insurance market which aims, on the one hand, to assess the impact on companies' liquidity and capital positions in the hypothetical situation of extending the period of existence of low interest rates and other unfavorable conditions, but also to allow the supervisory authorities to request from the companies, if necessary, remedial and consolidation measures. The ASF's decision to introduce the obligation to comply, this year, with a minimum liquidity ratio by insurers is also in the same direction.

**XPRIMM: To which types of insurance do you estimate that Romanians will pay special attention in the next period and why?**

**C.R.:** The pandemic has certainly shown, if necessary, that the most important values are human life and health. Therefore, I hope that the need and the possibility of protecting these values through optional insurance will become more and more obvious for more and more Romanians. It is very possible that life insurance will evolve positively by associating it with home loans, so in the long run I expect structural changes in life underwriting, but also on home insurance, liability, health, which, although it may not be significant, will help reduce the excessive dependence on all that motor insurance means.

Interview conducted by Andreea RADU



# Romania



S&P Rating

**BBB-, STABLE**

Moody's rating

**BAA3, NEGATIVE**

Fitch Rating

**BBB-, NEGATIVE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The National Bank of Romania

<sup>3</sup> Financial Supervision Authority (FSA)

<sup>4</sup> XPRIMM calculations

In 2020, the insurance density in Romania was at a value of EUR 130 / capita, up about 5% y-o-y

Despite the travel restrictions, motor insurance lines have preserved their market weight, still accounting together for 57.4% of the total GWP, or 71% of the non-life GWP

The combined rate calculated on aggregate data for all classes of non-life insurance recorded an over unity of 105.8%

Top 5 insurers account together for over 64%, while Top 10 companies are providing for about 89%.

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	RON billion <sup>1</sup>	763.65	857.90	951.73	1,058.19	1,049.18
	EUR billion <sup>4</sup>	168.16	184.11	204.06	221.41	215.46
<b>GDP per capita, current prices</b>	RON <sup>1</sup>	38,645	43,672	48,730	54,531	54,311
	EUR <sup>4</sup>	8,510	9,372	10,448	11,410	11,153
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	5.90	4.93	4.19	3.91	5.00
<b>Population</b>	Millions <sup>1</sup>	19.76	19.64	19.53	19.41	19.32
<b>RON/EUR exchange rate</b>	Annual average <sup>2</sup>	4.5411	4.6597	4.6639	4.7793	4.8694
<b>Gross written premiums</b>	RON million <sup>3</sup>	9,380.94	9,701.74	10,144.53	10,990.23	11,500.48
	EUR million <sup>4</sup>	2,065.78	2,082.05	2,175.12	2,299.55	2,361.79
<b>Paid claims</b>	RON million <sup>3</sup>	4,311.83	5,075.34	5,957.01	6,827.12	6,928.73
	EUR million <sup>4</sup>	949.51	1,089.20	1,277.26	1,428.48	1,422.91
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.23%	1.13%	1.07%	1.04%	1.10%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	104.54	105.99	111.37	118.50	122.26

Romanians' spending on insurance policies increased on average by 5% in 2020 compared to the previous year. At the same time, insurance's penetration of GDP rose to 1.17% last year, according to a report published by ASF - the Financial Supervisory Authority. Thus, in 2020, the insurance density in Romania was at a value of EUR 130 /capita, up about 5% compared to the previous year.

Insurers reported in 2020 GWP amounting to EUR 2.36 billion, a volume increasing by 4.6% y-o-y. At the same time, the value of paid claims went up by 1.49%, to almost EUR 1.44 billion. Despite the travel restrictions, motor insurance lines have preserved their market weight, still

accounting together for 57.4% of the total GWP, or 71% of the non-life GWP.

Adrian MARIN, President of UNSAR, said that from the beginning of the pandemic, the insurance industry has made continuous efforts for operations to continue as close as possible to the new normal.

Branches of foreign insurers operating in Romania of FoE provided for about 8.16% of the total GWP, approx. EUR 205 million.

Paid claims (including maturities, total and partial redemptions), at market level increased by about 1.5% y-o-y, to EUR 1.42 billion. The combined rate calculated on aggregate data for all classes of non-life insurance recorded an over unity of

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	2,361.79	2,299.55	2.71	1,422.91	1,428.48	-0.39	100.00	100.00
<b>TOTAL LIFE</b>	455.80	472.04	-3.44	218.96	221.23	-1.02	19.30	20.53
Annuities and supplementary ins.	295.84	296.61	-0.26	93.95	99.04	-5.14	12.53	12.90
Unit-linked	122.47	141.16	-13.24	110.34	106.86	3.25	5.19	6.14
Other life insurance	37.49	34.27	9.39	14.67	15.33	-4.28	1.59	1.49
<b>TOTAL NON-LIFE</b>	1,905.98	1,827.51	4.29	1,203.95	1,207.25	-0.27	80.70	79.47
Accidents and illness	10.51	12.16	-13.61	na	na	-	0.44	0.53
Health	56.38	46.67	20.79	na	na	-	2.39	2.03
<b>Overall property insurance</b>	292.90	280.72	4.34	na	na	-	12.40	12.21
Fire and allied perils	253.57	243.86	3.98	71.17	77.42	-8.07	10.74	10.60
Damages to property	39.33	36.86	6.71	na	na	-	1.67	1.60
<b>Overall motor insurance</b>	1,355.87	1,318.88	2.81	1,033.56	1,029.23	0.42	57.41	57.35
Motor Hull	495.79	484.91	2.24	376.81	359.26	4.89	20.99	21.09
MTPPL	860.08	833.97	3.13	656.75	669.97	-1.97	36.42	36.27
GTPL	60.95	57.10	6.74	na	na	-	2.58	2.48
Warranties	95.40	57.83	64.96	na	na	-	4.04	2.51
Travel	13.40	28.88	-53.60	na	na	-	0.57	1.26
Other non-life insurance	20.58	25.27	-18.56	na	na	-	0.87	1.10

1EUR = 4.7793 RON (December 31<sup>st</sup> 2019)

1EUR = 4.8694 Lei - RON (December 31<sup>st</sup>, 2020)



Adrian MARIN  
President of UNSAR

105.79% in 2020, but the downward trend compared to the previous year (109.45%) was maintained. This development took place against the background of a reduction in the loss ratio and the maintenance of the expense ratio at a relatively similar level to the previous year. Top 3 insurers in 2020 remained the same as one year before, but in a different hierarchy: CITY Insurance ranked first, with a 20% market share, gaining almost 3 percentage points vs. 2019, and GWP worth EUR 474 million, of which 75% owed to the MTPL insurance line. OMNIASIG VIG ranked second, holding a 12% market share, taking up the position from ALLIANZ-ȚIRIAC Insurance, who lost 1 p.p. of its market weight compared with 2019 and thus fell on the third position. ALLIANZ-ȚIRIAC Insurance is the only composite insurer in Top 3. As such, in the non-life insurance Top 3 ranking it ranks 4th, the 3rd position being held by EUROINS (14% market share), the second largest MTPL insurer.

The largest life insurer is NN Life Insurance, which accounts for about 38.5% of the life GWP, followed by the BCR Life Insurance VIG (16.8%) and BRD Life Insurance (11%). One should note that GWP figures do not include premiums written by branches of foreign insurers operating in Romania (FoE), as for example premiums written by METROPOLITAN Life (EUR 85.3 million in 2020, + 14.4%) and AEGON (EUR 27.6 million, + 13%). If they were included in the top, METROPOLITAN Life would rank 2nd, and AEGON the 6th.

A vulnerability of the Romanian insurance market remains the high degree of concentration both from the perspective of exposure to the main insurance classes and from the point of view of the significant size of market shares held by a relatively small number of insurance companies. In the total market premiums production, Top 5 insurers account together for over 64%, while Top 10 companies are providing for about 89%. The situation is even more concerning for the MTPL market, where the first two insurers (City Insurance and EUROINS) holding a cumulative market share of about 75%.

# Romania

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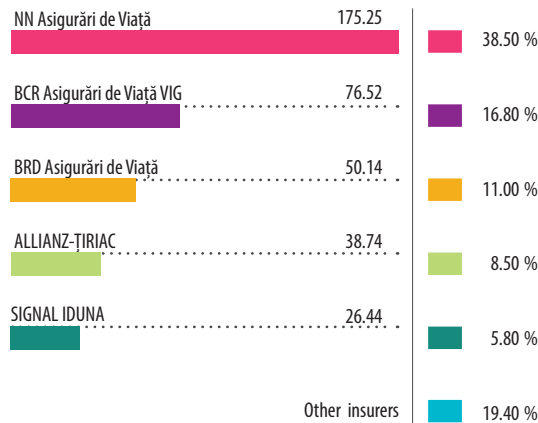
Full market rankings per company & per class



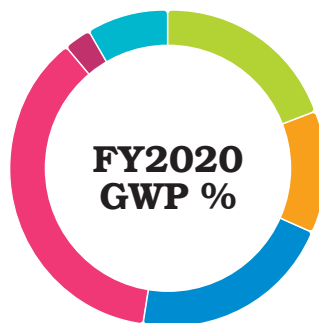
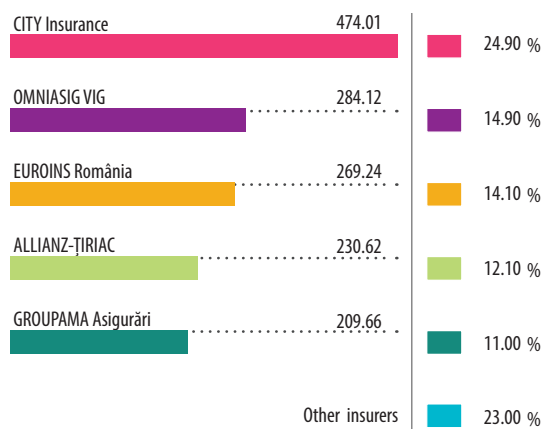
MSEcel format \* in EUR and local currency

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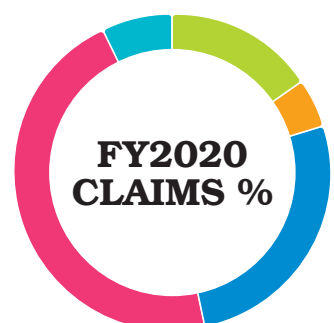
## TOP 5 Life insurance (GWP, EUR million)



## Top 5 Non-life insurance (GWP, EUR m)



Life	19.30
Property	12.40
Motor Hull	20.99
MTPL	36.42
GTPL	2.58
Other	8.31



Life	15.39
Fire, allied perils	5.00
Motor Hull	26.48
MTPL	46.16
Other	6.97

# Serbia



S&P Rating  
**BB+, STABLE**

Moody's rating  
**BA2, STABLE**

Fitch Rating  
**BB+, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of Serbia

<sup>3</sup> XPRIMM calculations

Claims paid also decreased substantially on the property insurance segment despite the devastating floods that affected the country in June, considered as the most severe flooding in 120 years

The insurance industry reported a positive net result, which after tax came at RSD 12.9 billion (almost EUR 110 million)

In non-life insurance, net combined ratio declined from 84.2% at end-2019 to 79.3% at end-2020

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	RSD billion <sup>1</sup>	4,528.19	4,760.69	5,072.93	5,417.73	5,463.54
	EUR billion <sup>3</sup>	36.67	40.18	42.92	46.07	46.47
<b>GDP per capita, current prices</b>	RSD <sup>1</sup>	641,539	678,078	726,510	777,988	787,718
	EUR <sup>3</sup>	5,196	5,723	6,147	6,616	6,699
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	15.92	14.05	13.27	10.91	13.32
<b>Population</b>	Millions <sup>1</sup>	7.06	7.02	6.98	6.96	6.94
<b>RSD/EUR exchange rate</b>	End of period <sup>2</sup>	123.4723	118.4727	118.1946	117.5928	117.5802
<b>Gross written premiums</b>	RSD million <sup>2</sup>	89,137.99	93,093.99	99,910.59	107,449.87	109,916.74
	EUR million <sup>3</sup>	721.93	785.78	845.31	913.75	934.82
<b>Paid claims</b>	RSD million <sup>2</sup>	33,383.00	36,860.66	40,843.52	52,811.24	50,216.91
	EUR million <sup>3</sup>	270.37	311.13	345.56	449.10	427.09
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	1.97%	1.96%	1.97%	1.98%	2.01%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	102.28	111.92	121.05	131.21	134.78

The Serbian insurance market reported a 2.3% y-o-y increase in GWP, to RSD 110 billion (EUR 935 million), according to the NBS's (National Bank of Serbia) year-end figures for 2020.

Non-life insurance made up 76.2% of the total GWP (RSD 83.8 billion, up by 1.7% y-o-y), while the share of life insurance premiums was of 23.8% (RSD 26.2 billion, up by 4.4% y-o-y).

In GWP terms, the largest non-life business lines were the two motor subclasses - MTPL (~32.9% of total GWP) and Motor hull (9.6%), while property policies (fire, allied perils and other damages to property insurance) accounted for 18.7% of total GWP.

In terms of paid claims, the aggregate value was RSD 50.2 billion (~EUR 427 million), of which the two motor subclasses (MTPL and Motor hull, summed) generated more than one third of total. In comparison with the previous year, total claims paid decreased by almost 5%. Yet, while on the non-life segment claims expenses fell by 9.5%, life insurers have paid indemnities by 9.2% higher y-o-y.

It is worth noting that claims paid also decreased substantially on the property insurance segment despite the devastating floods that affected the country in June, considered as the most severe flooding in 120 years. *Only two or three percent of households in Serbia are insured against floods, and property insurance has less than*

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	934.82	913.75	2.31	427.09	449.10	-4.90	100.00	100.00
<b>TOTAL LIFE</b>	222.51	213.15	4.39	121.16	110.94	9.21	23.80	23.33
<b>TOTAL NON-LIFE</b>	712.31	700.60	1.67	305.93	338.16	-9.53	76.20	76.67
Accidents insurance	25.30	26.45	-4.33	8.90	11.05	-19.51	2.71	2.89
Health insurance	46.06	38.96	18.23	20.87	21.64	-3.54	4.93	4.26
Goods in transit	6.10	5.89	3.67	1.47	2.02	-27.44	0.65	0.64
<b>Overall property insurance</b>	176.60	171.04	3.25	100.30	134.16	-25.24	18.89	18.72
Fire and allied insurance	54.31	51.53	5.39	27.72	36.24	-23.51	5.81	5.64
Damages to property	122.29	119.51	2.32	72.58	97.92	-25.88	13.08	13.08
<b>Overall motor insurance</b>	399.55	388.70	2.79	157.03	150.89	4.06	42.74	42.54
Motor Hull	93.22	87.89	6.06	57.68	55.80	3.36	9.97	9.62
MTPL	306.33	300.81	1.83	99.35	95.09	4.48	32.77	32.92
GTPL	23.55	20.44	15.22	3.54	2.26	56.92	2.52	2.24
Credit	9.15	7.87	16.27	5.25	4.52	16.22	0.98	0.86
Financial loss	8.72	10.19	-14.48	1.11	3.19	-65.17	0.93	1.12
Travel	8.83	21.84	-59.57	4.55	6.95	-34.45	0.94	2.39
Other non-life insurance	8.45	9.21	-8.27	2.92	1.48	96.60	0.90	1.01

1 EUR = 117.5928 Dinars - RSD (December 31<sup>st</sup>, 2019)

1 EUR = 117.5802 Dinars - RSD (December 31<sup>st</sup>, 2020)



Dusko JOVANOVIC  
General Secretary  
of the Insurers  
Association of Serbia

10 percent of households, said the general secretary of the Insurers Association of Serbia, Dusko JOVANOVIC. According to Insurers Association of Serbia data only about 25 - 30% of the insurance policies in Serbia have additional flood insurance. On the agricultural segment, the situation is somewhat better thanks to the state subsidies for purchasing insurance. The state subsidy is of 40%, but for five districts with high exposure to severe weather events the subsidy was raised to 75%.

In profitability terms, 2020 proved a good year, the insurance industry reporting a positive net result, which after tax came at RSD 12.9 billion (almost EUR 110 million).

According to the National Bank of Serbia report, in undertakings engaged primarily in non-life insurance, the net combined ratio declined from 84.2% at end-2019 to 79.3% at end-2020. The ratio improvement in 2020 resulted from the growth of earned net premium and the decrease of net claims and underwritten expenses. For undertakings mainly engaged in non-life insurance, the net loss ratio (the ratio of net claims to earned net premium), decreased slightly from 49.5% at end-2019 to 45.8% at end-2020.

For undertakings engaged primarily in life insurance, the benefit ratio<sup>12</sup> went up from 85.5% at end-2019 to 86.1% at end-2020. That is a result of faster growth in the sum of net claims and changes in technical provisions compared to the earned net premium.

Last year, Serbia's Top 3 largest insurers as GWP were DUNAV Osiguranje (27% market share), GENERALI Osiguranje (20%) and WIENER (12%).

In legislative terms, the current insurance regulations in the Republic of Serbia have laid the legislative groundwork for further convergence of the Serbian insurance sector to that of the EU. Still, the NBS report reads, major changes in the insurance supervision are yet to be made, both when it comes to full alignment with the Insurance Distribution Directive (IDD) and implementation of Solvency II. (D.G.)

# Serbia

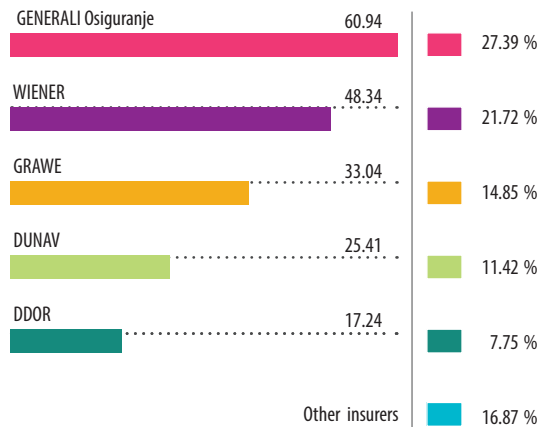
## Full market rankings per company & per class

MSEcel format \* in EUR and local currency

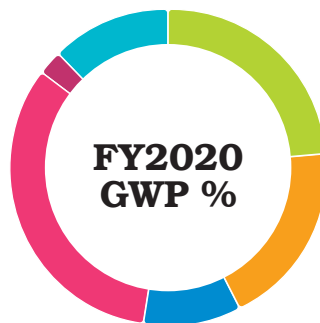
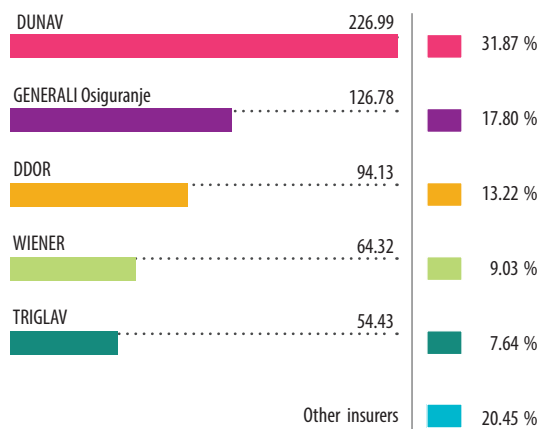
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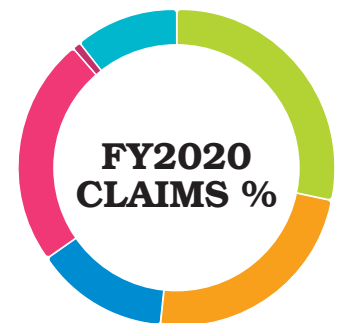
### TOP 5 Life insurance (GWP, EUR million)



### TOP 5 Non-Life insurance (GWP, EUR million)



Life	23.80
Property	18.89
Motor Hull	9.97
MTPL	32.77
GTPL	2.52
Other	12.05



Life	24.70
Property	29.87
Motor Hull	12.43
MTPL	21.17
GTPL	0.50
Other	11.32

# Slovak Republic



S&P Rating

**A+, STABLE**

Moody's rating

**A2, STABLE**

Fitch Rating

**A, NEGATIVE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of Slovakia (2012-2015), XPRIMM estimates for FY2016 based on VIG - Group Annual Report 2016

<sup>3</sup> XPRIMM calculations

Insurers' business decreased almost 5% y-o-y

Despite the lockdown-induced low number of traffic accidents, MTPL tariffs will continue to increase

SLASPO: Less GWP but more profits during 2020

The Slovak competition council approved the acquisition of POSTOVA Poistovna by ACHMEA's local unit

KBC finalizes acquisition of OTP business

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	81.05	84.53	89.51	93.87	91.20
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	14,937	15,552	16,444	17,222	16,710
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	9.68	8.11	6.54	5.76	6.68
<b>Population</b>	Millions <sup>1</sup>	5.43	5.44	5.44	5.45	5.46
<b>Gross written premiums</b>	EUR million <sup>2</sup>	1,966.67	2,167.40	2,246.93	2,284.04	2,175.80
<b>Paid claims</b>	EUR million <sup>2</sup>	1,166.36	1,200.13	1,324.58	1,415.17	1,252.34
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.43%	2.56%	2.51%	2.43%	2.39%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	362.45	398.79	412.81	419.09	398.64

Last year, the Slovak insurance market totaled EUR 2.17 billion, 4.75% less y-o-y, according to the end-year statistics published by the National Bank of Slovakia (NBS). In GWP terms, the life insurance segment was down by 12.37% y-o-y to EUR 889 million, these types of policies generating 40.87% of the total insurance market, while the non-life classes accounted for EUR 1.28 billion (or 59.13% of total GWP), or 1.36 % more y-o-y. Overall, the value of paid claims by local insurers decreased by more than EUR 160 million to EUR 1.25 billion, of which EUR 629 million related to life indemnities.

The YE2020 preliminary figures on insurance activity published by SLASPO (the professional association of Slovak

insurers) showed that the insurers active on local market (domestic and EU branches) similar evolutions with the NBS figures: less premiums and claims, but they more profits.

According to SLASPO's figures, aggregate gross market profit increased by 8.54% y-o-y to EUR 271.32 million. At the same time, the YE2020 after tax profit was EUR 197.75 million vs. EUR 182.67 million a year before. It is worth mention that the technical result improved significantly to EUR 114.4 million (vs -95.4 million a year before due to increases reported in life insurance to EUR 25.5 million (vs. -EUR 149.4 million in 2019), while in non-life LoBs it totaled EUR 86.5 million (vs. EUR 47.7 million a year before).

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020 EUR m	2019 EUR m	Change %	2020 EUR m	2019 EUR m	Change %	2020 %	2019 %
<b>TOTAL MARKET</b>	2,175.80	2,284.04	-4.74	1,252.34	1,415.17	-11.51	100.00	100.00
<b>TOTAL LIFE</b>	889.35	1,014.87	-12.37	628.97	780.50	-19.41	40.87	44.43
Insurance with profit participation	411.54	505.97	-18.66	359.93	483.01	-25.48	18.91	22.15
Index-linked and unit-linked insurance	199.42	253.80	-21.43	162.68	194.32	-16.28	9.17	11.11
Other life insurance	278.40	255.10	9.14	106.36	103.17	3.09	12.80	11.17
<b>TOTAL NON-LIFE</b>	1,286.45	1,269.17	1.36	623.37	634.68	-1.78	59.13	55.57
Medical expense insurance	7.66	12.55	-38.99	2.45	4.88	-49.74	0.35	0.55
Income protection insurance	121.39	118.67	2.29	34.69	41.72	-16.86	5.58	5.20
Fire and other damages to property	301.86	296.82	1.70	120.13	90.60	32.60	13.87	13.00
<b>Overall motor insurance</b>	734.85	703.52	4.45	401.05	458.02	-12.44	33.77	30.80
Motor Hull	371.52	351.43	5.72	198.80	240.73	-17.42	17.07	15.39
MTPL	363.33	352.09	3.19	202.25	217.29	-6.92	16.70	15.42
GTPL	80.19	79.14	1.32	27.83	22.97	21.16	3.69	3.46
Marine, aviation and transport insurance	10.50	11.75	-10.67	1.98	4.69	-57.83	0.48	0.51
Credit and suretyship insurance	1.96	3.79	-48.36	27.26	0.17	16,421	0.09	0.17
Miscellaneous financial loss	8.58	6.42	33.57	2.14	0.55	292.29	0.39	0.28
Legal expenses insurance	2.27	2.43	-6.83	0.43	0.54	-19.25	0.10	0.11
Assistance	17.22	30.10	-42.81	5.41	10.55	-48.74	0.79	1.32
Other	-	3.98	-	-	-	-	-	0.17

Slovak currency: EURO



# Slovak Republic



Imrich FEKETE  
Executive Director,  
Slovak Insurers'  
Bureau

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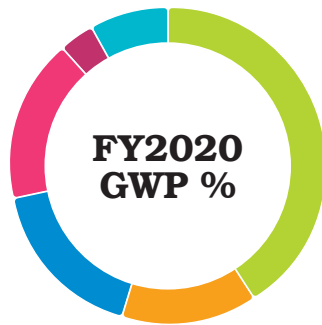


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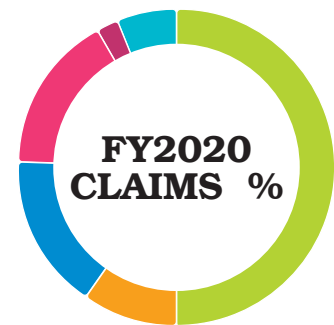
Despite the lockdown-induced low number of traffic accidents, MTPL tariffs continued to be one of the main subjects debated by the local media which pointed out on many occasions that they will continue to increase. In recent years, Slovak drivers have faced a slight increase in motor insurance prices. The past year lockdown, which dramatically reduced the number of traffic accidents on Slovak roads, will not change this trend either, wrote TRENDSK.

For example, before pandemic, more than a thousand drivers crashed in one month, and in January only 727. Fewer traffic accidents are good news not only for the drivers themselves, but also for insurers, whose spending expenses have fallen by as much as a third in some months. Nevertheless, drivers cannot expect a reduction in the prices of MTPL policies this year, wrote TRENDSK.

Last year, Slovak drivers insured a car for an average of EUR 126 euros. Thus, the expected year-on-year increase in 2021 for MTPL tariffs to be about four percent. This means that the premium should nominally increase by an average of about EUR 5, as



Life	40.87
Property	13.87
Motor Hull	17.07
MTPL	16.70
GTPL	3.69
Other	7.79



Life	50.22
Property	9.59
Motor Hull	15.87
MTPL	16.15
GTPL	2.22
Other	5.94

declared for TRENDSK the Executive Director of the Slovak Insurers' Bureau, Imrich FEKETE.

According to local insurers, the decrease in the number of traffic accidents is only a temporary trend, which will end with the release of a strict lock-down. For example, after the outbreak of the first wave of the pandemic last spring, from about March to the end of May, the number of claims related to MTPL insurance fell by about

30% compared to the same period in 2019. Thus, is expected that, in the coming months that Slovak insurers to record an increase in MTPL claims as well in tariffs.

At the same time, last year's restrictions did not have a significant impact on the reduction of tragic traffic accidents. During the last year, 226 people died on Slovak roads, which is only twenty people less than in 2019, wrote TRENDSK.

(A.V.)



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# Slovenia



S&P Rating  
**AA-, STABLE**

Moody's rating  
**A3, STABLE**

Fitch Rating  
**A, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Slovenian Insurance Association

<sup>3</sup> XPRIMM calculations

Average per capita spending on insurance was EUR 1,226 in Slovenia last year, the highest figure to date

Health insurance recorded one of highest growth rates on the non-life segment, of 6.8%

The reinsurance activity recorded growth of 15% last year, the highest growth since 2008

In 2020, on the Slovenian market there were active 20 re/insurance companies domiciled in Slovenia and six branches of foreign insurance companies

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	40.44	43.01	45.86	48.39	46.30
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	19,593	20,819	22,189	23,256	22,090
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	8.01	6.58	5.13	4.43	5.13
<b>Population</b>	Millions <sup>1</sup>	2.06	2.07	2.07	2.08	2.10
<b>Gross written premiums</b>	EUR million <sup>2</sup>	2,066.05	2,179.29	2,341.12	2,517.35	2,569.57
<b>Paid claims</b>	EUR million <sup>2</sup>	1,373.65	1,496.97	1,579.45	1,643.04	1,617.23
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	5.11%	5.07%	5.10%	5.20%	5.55%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	1,001.00	1,054.83	1,132.62	1,209.68	1,225.94

With insurance premiums accounting for 5.6% of GDP in 2020, the Slovenian insurance market totaled EUR 2.57 billion, a 2.07% increase y-o-y, according to the Slovenian Insurance Association's year-end figures.

Life insurance GWP posted a subunit decrease of -0.63% y-o-y to EUR 749.22 million, while the general insurance segment reported a positive rate of 3.23% y-o-y, reaching EUR 1.82 billion - or 70.84% of total GWP, recording a positive dynamics for the sixth year in a row.

Average per capita spending on insurance was EUR 1,226 in Slovenia last year, the highest figure to date. Non-life insurance density rose by 2.5% and achieved its highest level to date (EUR 868.5), while life insurance density fell by 1.3% to its second-highest level (EUR 357.5).

"Customers became more health conscious and the importance of risk mitigation has stepped

into focus, increasing the need for health and wellness services, which might indicate growth potential for related

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	2,569.57	2,517.35	2.07	1,617.23	1,643.04	-1.57	100.00	100.00
<b>TOTAL LIFE</b>	749.22	753.96	-0.63	529.65	525.33	0.82	29.16	29.95
Life assurance	227.87	238.15	-4.32	249.37	238.19	4.69	8.87	9.46
Unit-linked	240.99	251.75	-4.28	157.01	169.88	-7.57	9.38	10.00
Other life insurance	5.90	5.58	5.70	1.76	2.12	-16.73	0.23	0.22
Pension Funds	274.46	258.48	6.18	121.51	115.14	5.53	10.68	10.27
<b>TOTAL NON-LIFE</b>	1,820.35	1,763.39	3.23	1,087.58	1,117.71	-2.70	70.84	70.05
Accident insurance	100.66	100.75	-0.09	31.91	35.25	-9.48	3.92	4.00
Health insurance	655.51	612.04	7.10	503.12	514.60	-2.23	25.51	24.31
<b>Overall property insurance</b>	286.19	279.36	2.45	121.12	117.97	2.67	11.14	11.10
Fire and allied perils	134.10	125.84	6.56	57.97	52.94	9.50	5.22	5.00
Damages to property	152.10	153.52	-0.93	63.15	65.03	-2.89	5.92	6.10
<b>Overall motor insurance</b>	592.31	584.61	1.32	357.90	372.03	-3.80	23.05	23.22
Motor Hull	319.29	309.37	3.21	198.20	202.29	-2.02	12.43	12.29
MTPL	273.02	275.24	-0.81	159.70	169.75	-5.92	10.63	10.93
Goods in transit	7.33	6.91	5.99	2.41	2.48	-3.05	0.29	0.27
Railway, air & water transport	6.69	5.00	33.92	1.19	1.61	-26.44	0.26	0.20
GTPL	83.47	80.42	3.80	25.17	24.03	4.73	3.25	3.19
Carriers' liability	2.37	2.40	-1.46	0.39	0.29	35.78	0.09	0.10
Credit insurance	29.76	37.27	-20.13	17.51	18.84	-7.04	1.16	1.48
Suretyship	3.04	2.70	12.69	0.48	0.25	91.56	0.12	0.11
Financial loss	7.86	8.53	-7.85	2.79	5.15	-45.74	0.31	0.34
Legal expenses insurance	4.66	4.38	6.35	0.72	0.63	14.21	0.18	0.17
Travel insurance	40.49	39.03	3.75	22.87	24.57	-6.93	1.58	1.55

Slovenian currency: EURO



Gorazd ČIBEJ  
Managing Director  
Slovenian Insurance  
Supervision Agency

insurance product lines”, commented Gorazd ČIBEJ, Director of the Insurance Supervision Agency. In fact, supplementary health insurance recorded one of highest growth rates on the non-life segment, of 6.8% and accounted for 24.3% of total insurance premiums written.

Slovenia's Top 3 largest insurers in terms of GWP were Zavarovalnica TRIGLAV with a 25.20% market share (EUR 648 million), followed by Zavarovalnica SAVA (17.40% market share, EUR 447 million) and GENERALI zavarovalnica (16.81% market share, EUR 432 million).

Slovene TRIGLAV Group, the biggest market player also operating on several Adriatic markets, achieved in 2020 profit before tax of EUR 90.9 million, down 10% y-o-y and GWP worth EUR 1,233.8 million, up by 4% y-o-y. The Group remained adequately capitalized and liquid, as also confirmed by the assigned high "A" credit ratings with a stable medium-term outlook by the credit rating agencies S&P Global Ratings and AM Best.

AT the same time, the second Slovenian re/insurance regional player, group SAVA Re announced that its FY2020 consolidated net profit rose by 12.3% y-o-y to EUR 56.4 million, "better than planned". The Group wrote EUR 679.7 million in GWP, an increase of 13.6% over the previous year, capitalizing on the acquisition of the life insurers NBL Vita.

In 2020, on the Slovenian market there were active 20 re/insurance companies domiciled in Slovenia and six branches of foreign insurance companies (one less than the previous year, as the insurance portfolios of ERGO zavarovalnica, podružnica v Sloveniji were transferred to ERGO Versicherung Aktiengesellschaft, Vienna in October). The number of SIA members was down relative to 2019 also due to the merger of GENERALI zavarovalnica, as the acquiring company, and Adriatic Slovenica, as the acquired company in January 2020. (D.G.)

# Slovenia

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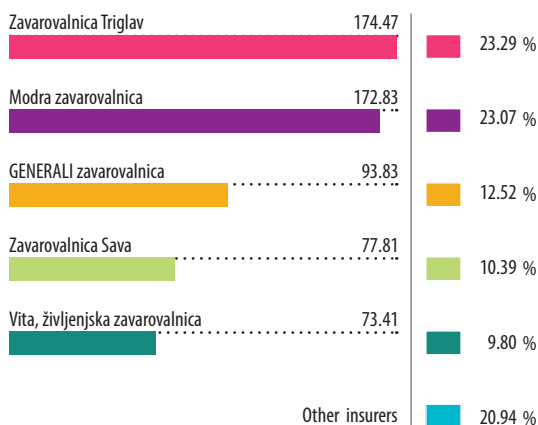
Full market rankings per company & per class



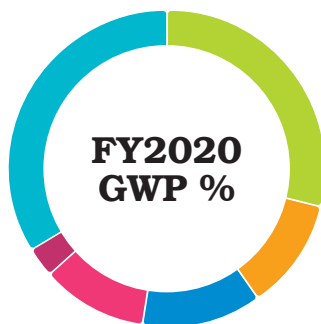
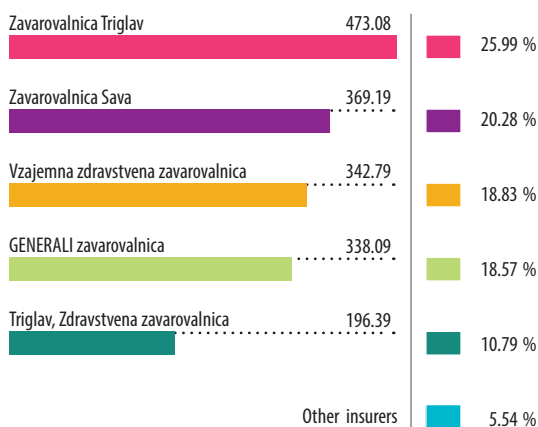
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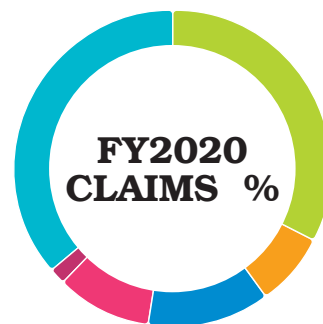
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	29.16
Property	11.14
Motor Hull	12.43
MTPL	10.63
GTPL	3.25
Other	33.41



Life	32.75
Property	7.49
Motor Hull	12.26
MTPL	9.87
GTPL	1.56
Other	36.07

## RISK RADAR REPORT: Insurance buyers move online permanently after a year of cultural change

Global Insurance Law Connect (GLIC), a formal network of insurance law firms, has issued the Risk Radar Report which highlights the follow-on impact of the 'powering up' of digital marketing, sales and claims processing, as insurance buyers around the globe move online permanently after a year of cultural change.

The third edition of the Global Insurance Law Connect RADAR report also shows that many of the issues that the lawyers have reported as being currently critical in their markets have converged, with a truly universal focus on cyber, climate change and the impacts of the pandemic bringing new challenges to many markets.

24 June 2021

## A 38% stake in Bosnian Osiguranje Aura for sale

The state-owned Investment-Development Bank of Bosnia's Serb Republic, IRBRS, said it is looking to sell its shares in local insurer Osiguranje Aura representing 38.06% interest for BAM 2.16 million (EUR 1.1 million), SeeNews announced on June 17, quoting IRBRS

IRBRS is offering for sale a 19.03% stake in Osiguranje Aura held by its Restitution Fund and another 19.03% stake held by its Share Fund. A total of 19,980 shares in Osiguranje Aura are for sale under the all-or-nothing principle from August 16 to August 31 at a starting price of BAM 108 per share.

24 June 2021

## AON: The cyber insurance premiums show a 21% increase after one year and double over a five-year period

The annual U.S. Cyber Market Update issued by AON analyses the profits and performance of U.S. cyber insurers during 2020. The sixth edition of the report shows an increase of 21% in 2020 compared to 2019 of the U.S. cyber insurance direct written premiums.

According to the study, the U.S. cyber insurance direct written premiums across both Standalone and Package cyber products had reached in 2020 USD 2.74 billion which represents more than double over a five-year period (USD 1.35 billion in 2016).

17 June 2021

## Solvency II: Improvements needed to unleash capacity for equity investment

The Solvency II in general works well, but it has also created unnecessary costs and barriers, in particular in relation to insurers' ability to offer long-term products and to invest in long-term assets that can help drive the EU's goals in terms of economic recovery, sustainable growth and the climate transition.

In this regard, Insurance Europe and Invest Europe have published a joint position paper that calls on the European Commission to make improvements to Solvency II to remove unnecessary barriers that undermine insurers' ability to invest in long-term equities.

17 June 2021

## VIG targets top positions in the CEE markets and reorganizes its regional responsibilities structure

Holding a Top 3 position in each CEE market where it operates, except for Slovenia, is the goal set by the Vienna Insurance Group (VIG) for 2025. "We want to achieve this through organic growth, but we will also consider possible acquisitions," CEO Elisabeth Stadler told SeeNews in a recent interview.

To accomplish this goal, the Austrian group will keep an attentive eye for the right opportunities, targeting only profitable assets that suit its strategy, Stadler said. Moreover, the group will use a market-specific approach, "based on an analysis of key trends and their effects on the insurance industry" in each country.

16 June 2021

## Insurance sector plays a key role in achieving the priorities of G20 to a resilient economy

Members of GFIA and ANIA, together with the Italian Minister of Economy and Finance, met in a virtual meeting to discuss about the disruption caused by the COVID-19 pandemic and the high degree of resilience shown by the global insurance industry during the crisis.

With more than USD 30 trillion of assets under management, the industry has a significant capacity and interest in investing in long-term sustainable assets, including infrastructure. Similarly, the industry provides protection to individuals and businesses, and has been working with governments to close protection gaps, which is more important than ever, given the challenges posed by climate change.

10 June 2021

## RECREX further expands its European footprint and prepares for IPO

RECREX, an Insurance Services Company with a strong focus on TPA servicers, has announced it is moving its headquarters in Spain and, after successfully entering this year Turkey and Croatia, further expands by entering new markets and preparing its listing on the stock exchange.

*RECREX is constantly growing and developing. This year, in addition to Spain, Romania and Bulgaria, we managed to be present in Turkey and Croatia. In the coming months we will be present in other countries, in five European countries, and in a maximum of two years we will have to be present throughout Europe with our products, according to the objective assumed by the team, Daniela BADALUTA, President and Founder, told XPRIMM.*

9 June 2021

## Geneva Association: Insurers would have to collect premiums for 150 years to cover the global output loss in 2020

Insurance Europe has published its 2020-21 Annual Report and the topics covered include the lessons learned from the COVID-19 pandemic; the need to enhance climate change adaptation and close protection gaps; ways to ensure citizens have enough income in retirement; and how policymakers can support insurers in their role as Europe's largest long-term institutional investors.

The report examines key issues related to building resilience in European societies and economies. The topics will also be discussed during Insurance Europe's Resilience Week: five days of high-level webinars exploring insurers' role in building resilience to the challenges of today and tomorrow.

3 June 2021

## The new strategy program VIG 25 - a response to current trends

The management team at VIG Holding (Vienna Insurance Group Holding) drew up the strategy program for 2021-2025 in consultation with the Group company CEOs. This program has now been launched, with three specific Group targets focusing on financial stability and profitability, customer proximity, sustainability and market growth.

27 May 2021

## The new strategy program VIG 25 - a response to current trends

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"VIG 25" - a response to current trends

The Group targets and related new initiatives are based on an analysis of key trends and their effects on the insurance industry. "We are looking at an environment which will be characterized by disruptive developments in the coming years, that will not unfold their full potential immediately, but steadily over time. Our response to this environment is an evolutionary strategy that combines tried-and-tested with new elements, to ensure further dynamic development of the Group," explains Elisabeth Stadler, CEO of Vienna Insurance Group.

27 May 2021

# From Risk Transfer to Risk Prevention

## How the Internet of Things is Reshaping Business Models in Insurance

By

**Isabelle FLÜCKIGER**, Program Director New Technologies and Data, The Geneva Association

**Matteo CARBONE**, Founder and Director, IoT Insurance Observatory

A forthcoming study of The Geneva Association and the Insurance IoT Observatory is looking at the transformation of traditional insurance risk transfer to technology-driven risk mitigation and prevention services.

### The Internet of Things – A global paradigm shift

Risk prevention is inherent to insurance. Recent developments in technology and the corresponding availability of data, however, have the potential to influence change in this space. A key driver of this development is the Internet of Things (IoT), the growing network of connected devices ranging from consumer wearables to industrial control systems.

IoT usage is maturing in both corporate and consumer businesses. Indeed, the adoption of IoT by all industries is steadily growing, and according to a recent report by Kaspersky<sup>1</sup>, 61% of enterprises already use IoT applications. So, nearly two thirds of insurers' corporate customers have IoT applications in place, and can potentially integrate the data into insurance services.

### The Internet of Things in insurance

The hyperconnection between people, machines and organisations is a prevalent megatrend that we see at almost all levels of society and around the world. A recent study by Aviva revealed that the number of internet-enabled devices in the average U.K. home has increased by 26% in the last three years to over 10 devices<sup>2</sup>.

These developments can neither be ignored nor prevented, and the insurance industry has to adapt to this new world. Insurance

IoT is a new paradigm that impacts strategy, business cases and models, and technical and leadership capabilities along the insurance value chain and in the societal risk landscape at large.

In many cases, the technologies behind prevention services are tried and tested and offered by other industries. One use case for the insurance industry – namely the use of IoT for risk prevention – has been clearly identified. What is still missing, however, is consensus on how to translate the use case into a sustainable business case that benefits all stakeholders, i.e. insurers, technology providers and customers.

The forthcoming report – the first of its kind to study the shift towards IoT risk prevention in insurance – is a collaborative work of The Geneva Association and the Insurance IoT Observatory<sup>3</sup>, and is based on interviews with over 60 insurers, technology companies, start-ups, global organisations and leading academics across all insurance business lines and geographies. In order to identify actionable insights for the sector, the interviews focused on insurers that have already developed successful IoT-driven prevention services.

The report therefore provides insight into what a market can aim to achieve, and cannot be seen as representative of the current maturity of the insurance market in general.

### Approaches to risk prevention

Prevention means reducing the risks faced by insurance customers. It can be achieved in one of two ways:

- » Directly, through real-time risk mitigation solutions
- » Indirectly, by promoting safe behaviours over a longer period.

<sup>1</sup>[https://www.kaspersky.com/about/press-releases/2020\\_things-just-got-real-61-of-businesses-already-use-iot-platforms-despite-security-risks](https://www.kaspersky.com/about/press-releases/2020_things-just-got-real-61-of-businesses-already-use-iot-platforms-despite-security-risks)

<sup>2</sup><https://www.aviva.com/newsroom/news-releases/2020/01/tech-nation-number-of-internet-connected-devices-grows-to-10-per-home>



Prevention services are not new in the insurance industry; for years, insurers have provided consumers with loss prevention advice and risk engineering teams advise businesses in commercial lines. Ways to prevent risk, however, are changing. The industry is mainly experimenting with striking a balance between finding valuable services for customers, technological solutions and economic feasibility. Though maturity levels are still low in general, we found successful examples across all lines of business.

## Real-time risk mitigation

Real-time risk prevention is most mature in commercial lines, driven by the loss control culture present in commercial insurance. Field inspections by engineering teams are well established and enhancing this work with new technologies seems like a natural step.

A few personal auto insurers around the world have integrated real-time warnings in their telematics programs. This live feedback – from line departure warnings to alerts about upcoming risky intersections – influence driving behaviour and allows insurers to reduce expected losses.

Water leakage sensors are one of the most cited preventive services in home insurance. However, as of today, insurers have struggled to introduce approaches that generate substantial demand and a sustainable business case. Finding a sustainable business case in the smart home insurance market is challenging, but on-going innovations should make homeowners the ultimate winners.

Bundling risk prevention with other customer services, such as security, has been the most successful approach to date. The sustainable business case is built on a bundle of different services – some sold after the purchase – and on the reduced churn rates built through customer engagement.

Life and health is the least mature field for real-time risk mitigation services. There have been many insurance pilots over the past few years around early detection, care optimisation and medication adherence but only a few examples have scaled to market level<sup>4</sup>. Reasons for the slow pace of adoption in the life and health space include:

- » Health costs in most countries are not fully covered by insurers
- » Entering into the medical device space would mean entering into the medical regulatory field
- » Medical advice comes with significant responsibility and requires deep and specialist knowledge
- » To execute at scale, insurers would need to deal with many different medical service providers.

Real-time risk prevention services and approaches to them are very heterogeneous. The only common denominator is that all successful services are based on a multi-year journey.

## Promoting less risky behaviour

The second way to prevent risk is to encourage less risky behaviour. Insurers have a role to play in creating a positive safety culture and raising awareness in society.

We distilled a three-pillar concept from the successful examples:

1. Create awareness of the current risk level
2. Suggest a change in behaviour
3. Incentivise the change in behaviour

The sustainable adoption of safer habits for the benefit of all stakeholders can only happen when all three pillars are successfully implemented.

Reward systems that incentivise and reinforce positive behaviour are the most important aspect. The customer's perception of the value of the rewards, their cultural context and frequency, and the intersection with behavioural economics are all integral.

<sup>3</sup>The two think tanks represent companies from 26 countries that manage USD 17.9 trillion in assets- employ 2.6 million people and protect 2 billion people.

<sup>2</sup><https://business-reporter.co.uk/2020/04/29/nothing-happens-overnight-in-the-insurance-sector/>

Changes in human behaviour are also instinctive; a combination of behavioural economics and gamification to engage individuals is therefore needed to help to drive behavioural change.

The most mature business line is life and health. Fully individualised suggestions and challenges are provided to customers based on the number of steps registered by their mobile phone or physical activity data from wearables.

In personal auto telematics, customers often receive a detailed analysis of their driving style via a dashboard in a mobile app. Many insurers also automatically display tips for improving the driving score, or introduce contests on specific 'issues' – so-called leader boards.

In commercial lines, IoT data are being used to enhance the activities of the loss control teams and to provide periodic safety insights to risk managers and supervisors of the insured companies.

The real-life case studies on promoting safer behaviour afforded the following key findings:

- » The reward system needs to be set up to reinforce positive behaviour. The reachability of the reward is key.
- » There are cultural aspects to incentivisation. It is extremely important to find compelling benefits and rewards that engage target customers. What works in one country does not necessarily work in another. Further, the rewards must be explicit and tangible. For example, monthly cashback on fuel costs are effective, but a free weekly coffee also materially influences behaviour.
- » Frequency is key. A yearly premium discount is not enough. Positive engagement must be nurtured on a short-term basis. This mechanism gives people a reason to come back to the platform.

## Enablers of prevention services

The integration of technology into prevention services greatly increases complexity. As a result, the enablers for success are the effective business transformation, cultural change and understanding of the corresponding financial management rather than the technology itself.

The main obstacle is not technology but people. From our interviews, we identified the following as the main success factors:



The IoT Insurance Observatory is a global insurance think-tank, which has put together executives from more than 50 insurance groups, Institutions and the Internet of Things ecosystem, to discuss the great potential of the most mature Insurtech trend, as well as the challenges it poses to the insurance business. The focus is on any insurance solution based on sensors for collecting data on the state of an insured risk and telematics for remote transmission and management of the data collected.

IoT Insurance Observatory is about connecting people and ideas in order to spread the innovation culture over the insurance market with three concrete outcomes:

- » The most the most globally relevant insurance IoT knowledge.
- » Three workshops dedicated to each member along the year.
- » Six plenary symposiums along the year.

- » C-level commitment
- » Development of vision and strategy
- » Development of culture and capabilities
- » Finding an effective value sharing scheme with the customer
- » Management of new and complex financials

Figure: Complexity of the financial management of IoT-driven prevention services

Traditional Product Economics	Prevention Services Economics
+ Premium income	+ Premium income
	+ Service fees
	+ Partner contributions (products, cash backs to insurer)
- Claims	- Claims
+ Deductibles (notably in commercial lines)	+ Deductibles (notably in commercial lines)
	+ Risk reduction
	+ Self-selection
	- Net IoT costs (software, hardware, installation, operations, maintenance, discounts and subsidisation)
	- Insurer's cost and expenses
- Insurers' cost and expenses	- Insurer's cost for ecosystem management
	- Commissions to distribution
- Commissions to distribution	- New products' incentivization
	- Cash backs
	- Rewards

From our interviews, we found that several new elements need to be considered in the financial management of this new paradigm, such as service fees, partner contributions, self-selection effects and net IoT costs, which are harder to integrate into the economics of traditional insurance products.

Based on the unique insights from the interviews and the real-life examples, the report provides recommendations for insurers, regulators and tech companies.

The insights should motivate insurers in different business lines and geographies to question which of their clients' risks should be mitigated and what is the best approach for doing so.



The Geneva Association has been carrying out its research role for the past 46 years and established a global reputation for high-quality and forward-looking work.

In its role as the leading international think tank of the insurance industry, The Geneva Association:

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# EUROPROTECT PREMIUM

# Cyprus



S&P Rating  
**BBB-, STABLE**

Moody's rating  
**BA2, POSITIVE**

Fitch Rating  
**BBB-, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Insurance Association of Cyprus Annual Reports

<sup>3</sup> XPRIMM calculations

Life insurers reported gross underwriting profit of EUR 27.43 million vs. EUR 42.82 million in 2019

CNP CYPRIALFE is the most profitable insurer with net profit of EUR 8.27 million

The underwriting result in non-life increased to EUR 44.65 million vs. EUR 24.42 million in 2019

Non-life gross combined ratio improved to 80.2% (vs. 87.1%)

Average premium for motor policies was EUR 294.58, while the claim frequency was 10.5%

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	18.93	20.12	21.43	22.29	21.00
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	22,314	23,537	24,799	25,445	23,705
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	12.95	11.05	8.35	7.08	7.60
<b>Population</b>	Millions <sup>1</sup>	0.85	0.86	0.86	0.88	0.89
<b>Gross written premiums</b>	EUR million <sup>2</sup>	765.34	814.67	860.29	892.06	917.14
<b>Paid claims</b>	EUR million <sup>2</sup>	472.53	486.25	481.93	497.75	477.35
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	4.04%	4.05%	4.01%	4.00%	4.37%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	902.52	952.83	995.70	1,018.33	1,035.15

Despite the Coronavirus pandemic that marked the year 2020, the Cyprus insurance industry has shown growth over the year: GWP of over EUR 917 million, up by almost 3% y-o-y, according to end-year preliminary market figures published on the Insurance Association of Cyprus (IAC) website - the local professional association. Non-life GWP reported subunit decrease (-0.7% y-o-y) to EUR 507 million, while the life segment accelerated by 7.5% y-o-y, totaling ~EUR 410 million. It is worth mention, there are 30 insurance company members of IAC, accounting for about 95% of the annual gross premiums written in the domestic market.

Despite the big income loss from tourism due to Coronavirus pandemic – this sector

being the main engine of Cyprus' economy contributing with more than 20% to the country's gross domestic product, IMF forecasted figures shown contraction of ~5% to EUR 21 billion of GDP.

Thus, considering the two differentiated evolutions of the insurance market vs. the economy, penetration degree of the insurance industry in GDP of over 4,3%, while the calculated insurance density exceeds 1035euros per capita, one of the largest values reported for the CEE-SEE Region.

In terms of profitability, the life insurance market reported a gross underwriting profit of EUR 27.43 million vs. EUR 42.82 million in 2019, while the net underwriting profit was EUR 21.66 million. The

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			INCURRED CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	917.14	892.06	2.81	477.35	497.75	-4.10	100.00	100.00
<b>TOTAL LIFE**</b>	410.27	381.66	7.50	234.44	217.63	7.73	44.73	42.78
<b>TOTAL NON-LIFE</b>	506.87	510.40	-0.69	242.91	280.13	-13.28	55.27	57.22
Accident & health*	153.57	167.20	-8.15	82.79	123.83	-33.14	16.74	18.74
Motor	182.01	177.40	2.60	116.42	116.18	0.21	19.85	19.89
MAT	3.41	3.68	-7.20	1.15	0.45	154.79	0.37	0.41
Fire	110.18	106.79	3.18	22.62	23.64	-4.29	12.01	11.97
Liability	51.39	49.49	3.85	19.01	14.43	31.74	5.60	5.55
Credit	0.16	0.16	-0.10	-0.01	0.38	-103.23	0.02	0.02
Miscellaneous	6.15	5.70	7.93	0.94	1.22	-22.91	0.67	0.64

\* Including A&H premiums by Life Companies

\*\* In case of life claims, the figures include Death Claims, Maturities, Surrenders & Other insured events  
Cyprus currency: EURO

underwriting result in non-life insurance increased to EUR 44.65 million vs. EUR 24.42 million in 2019.

In life segment, the most profitable insurer is CNP CYPRIALIFE (after-tax profit of EUR 8.27 million), while MINEVAR was the only one life insurer with negative result: EUR -67 k. On the non-life side, A&H (EUR 23.62 million) and Fire (EUR 18.59 million) are the most profitable subclasses, while motor insurance segment ended 2020 in red with -EUR 2.33 million in underwriting result.

Incurred claims (summation of payments and reserves) in 2020 amounted to EUR 477 million, down from EUR 498 million in 2019. Of this total, EUR 234 million was related to life insurance segment, the largest share being accounted by surrender claim files (EUR 140 million), followed by maturities (EUR 44 million) and deaths (~EUR 35 million).

For non-life segment, the average gross claims ratio was 48.4% (vs. 55.7% in 2019), while the gross combined ratio improved to 80.2% (vs. 87.1%). On insurance classes, the highest values of the gross combined ratio were reported in case of motor insurance (106.3%).

For motor policies, during last year the average premium was EUR 294.58, while in case of fire insurance contracts, the same indicator was EUR 456.85. The claim frequency was 10.5% - in case of motor segment, while for the fire policies it was 3.4%.

In terms of premiums, the largest life insurers in the country were EUROLIFE, CNP CYPRIALIFE and UNIVERSAL Life - which accounted together for 67% of life premiums, while in the non-life insurance segment, the Top 3 insurers (CNP Asfalistiki, General Insurance of Cyprus and Universal) accounted for about 30% of non-life GWP. (A.V.)

# Cyprus

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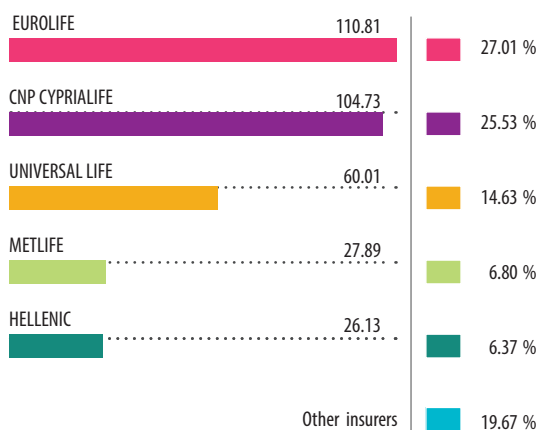
**Full market rankings per company & per class**

MSExcel format

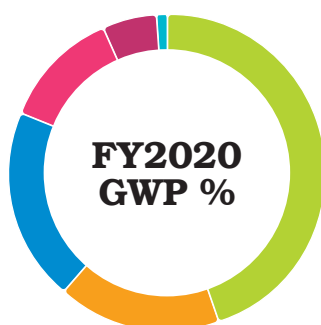
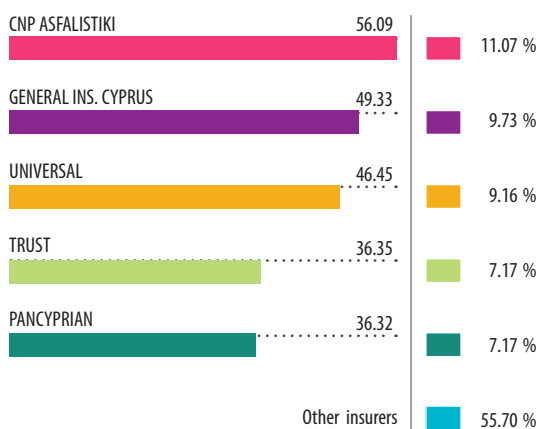
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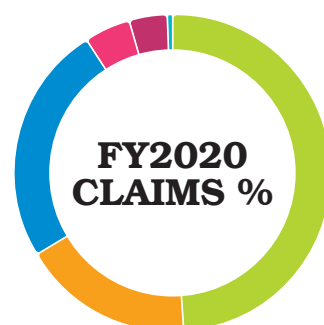
### TOP 5 Life insurance (GWP, EUR million)



### TOP 5 Non-Life insurance (GWP, EUR million)



Life	44.73
A&H	16.74
Motor	19.85
Fire	12.01
Liability	5.60
Other	1.06



Life	49.11
A&H	17.34
Motor	24.39
Fire	4.74
Liability	3.98
Other	0.43

# Greece



S&P Rating  
**BB-, STABLE**

Moody's rating  
**BA3, STABLE**

Fitch Rating  
**BB, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Hellenic Association of Insurance Companies

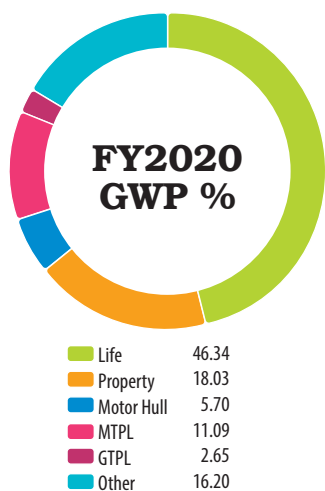
<sup>3</sup> XPRIMM calculations



🌸 Greek market has fallen below the threshold of EUR 4 billion

🌸 "Ethniki saga" is coming to an end: CVC Capital to buy Greece's largest insurer. NBG shareholders approved the sale

🌸 NBG is trying to sell ETHNIKI Asfalitiki for years to shore up its capital buffers



## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	174.24	177.15	179.73	183.41	165.83
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	16,157	16,451	16,733	17,102	15,483
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	23.55	21.45	19.30	17.33	16.40
<b>Population</b>	Millions <sup>1</sup>	10.78	10.77	10.74	10.73	10.71
<b>Gross written premiums</b>	EUR million <sup>2</sup>	3,783.52	3,849.59	3,746.18	4,073.00	3,924.26
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.17%	2.17%	2.08%	2.22%	2.37%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	350.85	357.50	348.77	379.77	366.38

According to the year-end market figures published by HAIC - the Hellenic Association of Insurance Companies, the Greek insurance market totaled EUR 3.92 billion at the end of 2020, down by 3.7% y-o-y.

According to the presented year-end figures, the non-life insurance segment remained almost at the 2019 level - EUR 2.10 billion vs. EUR 2.09 billion on December 31st, 2019, while in the case of non-life business lines, Greek insurers generated about EUR 1.81 billion in GWP, 8% less y-o-y.

The FY 2020 results take into consideration 51 HAIC members, of which 19 were active in life insurance (99.9% market share of FY

2019 life GWP) and 43 were active in the Non-life insurance (94.9% market share).

In the sixth year since it was put up for sale, the ETHNIKI sale will happen, the National Bank of Greece, the shareholder of Ethniki Asfalitiki - the largest and the oldest insurer in the country - announcing that on Extraordinary General Meeting of its Shareholders held on April 21st 2021 remotely in real-time via teleconference it was approved the sale of 90.01% in the company to the private equity and investment advisory firm CVC. At the end of March, CVC announced it has entered into a definitive agreement to Ethniki in a deal that values the Greek insurer at about EUR 505 million.

(A.V.)

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2020	2019	Change	2020	2019
	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	3,924.26	4,073.00	-3.65	100.00	100.00
<b>TOTAL LIFE</b>	1,818.35	1,976.23	-7.99	46.34	48.52
Life insurance	1,219.10	1,476.91	-17.46	31.07	36.26
Life insurance linked to investment funds	399.76	257.45	55.28	10.19	6.32
Other	199.49	241.88	-17.53	5.08	5.94
<b>TOTAL NON-LIFE</b>	2,105.91	2,096.76	0.44	53.66	51.48
Accident	49.08	46.87	4.72	1.25	1.15
Sickness	300.23	273.66	9.71	7.65	6.72
<b>Overall motor insurance</b>	931.13	970.80	-4.09	23.73	23.83
MTPL	707.42	750.15	-5.70	18.03	18.42
Motor hull	223.72	220.65	1.39	5.70	5.42
<b>Overall property insurance</b>	435.17	431.74	0.79	11.09	10.60
Fire and natural forces	333.63	341.01	-2.16	8.50	8.37
Other damage to property	101.54	90.74	11.90	2.59	2.23
GTPL	104.05	97.54	6.67	2.65	2.39
Assistance	111.67	105.46	5.89	2.85	2.59
Other	174.58	170.69	2.28	4.45	4.19

Greek currency: EURO

# Turkey



S&P Rating  
**B+ , STABLE**

Moody's rating  
**B2, NEGATIVE**

Fitch Rating  
**BB-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Central Bank of the Republic of Turkey

<sup>3</sup> Insurance Association of Turkey

<sup>4</sup> XPRIMM calculations

2020 recorded a peak in seismic events in Turkey, with 153 earthquakes for which TCIP paid a total number of 54,619 claims, worth TRY 674.11 million

the average penetration rate in Turkey reached 58.2%, with a grand total of about 10,29 million insured households

New provisions were introduced in the general rules related to compulsory MTPL, providing for standardized criteria for the compensations calculation

Newly created state-owned Türkiye Sigorta & Türkiye Hayat Emeklilik held together an about 16% market share, with GWP worth EUR 1.43 billion

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	TRY billion <sup>1</sup>	2,626.56	3,133.70	3,758.32	4,320.19	5,044.21
	EUR billion <sup>4</sup>	706.71	692.73	620.90	647.31	552.31
<b>GDP per capita, current prices</b>	TRY <sup>1</sup>	32,908	38,778	45,831	51,953	59,926
	EUR <sup>4</sup>	8,854	8,572	7,572	7,784	6,562
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	10.91	10.90	10.96	13.71	13.11
<b>Population</b>	Millions <sup>1</sup>	79.82	80.81	82.00	83.16	84.17
<b>TRY/EUR exchange rate</b>	End of period <sup>2</sup>	3.7166	4.5237	6.0530	6.6741	9.1329
<b>Gross written premiums</b>	TRY million <sup>3</sup>	40,486.80	46,554.69	54,656.03	69,242.17	82,575.85
	EUR million <sup>4</sup>	10,893.50	10,291.29	9,029.58	10,374.76	9,041.58
<b>Paid claims</b>	TRY million <sup>3</sup>	18,124.58	21,710.10	26,821.91	32,387.66	33,024.41
	EUR million <sup>4</sup>	4,876.66	4,799.19	4,431.18	4,852.74	3,615.98
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.54%	1.49%	1.45%	1.60%	1.64%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	136.48	127.35	110.11	124.76	107.42

The Turkish insurance industry grew by 19.26% y-o-y in 2020 reporting of TRY 82.57 billion compared to 2019, announced the Turkey Insurance Association (TSB).

In European currency, given the about 27% y-o-y depreciation of the Turkish lira, the GWP dynamic was negative (-12.85% down y-o-y, to EUR 9.04 billion vs. EUR 10.37 billion in 2019).

In comparison with 2019 figures, there were no significant changes in portfolio dominant shares: life insurance accounts for 17.48% of the total GWP (vs. 16.41%), while most of the non-life lines maintained their portfolio weight almost unaltered.

Of the 60 active members of TSB, the company which generated the largest

premium volume was the newly created state insurer Türkiye Sigorta AS (10.76% market share) followed by ALLIANZ Sigorta (market share of 9.85%) and ANADOLU Sigorta (9.71%).

### Earthquake takes the scene again

According to TCIP (Turkish Natural Catastrophe Insurance Pool), 2020 recorded a peak in seismic events in Turkey, with 153 earthquakes of enough intensity to trigger claims payments from TCIP, in a total number of 54,619 files worth TRY 674.11 million. In fact, two were the seismic events that, together with hundreds of their replicas have caused the largest part of the insured losses reported by TCIP: the Izmir earthquake with payments of TRY 340 million and the Elazig earthquake, with TRY 300 million.

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	9,041.58	10,374.76	-12.85	3,615.98	4,852.74	-25.49	100.00	100.00
<b>TOTAL LIFE</b>	1,580.21	1,702.06	-7.16	456.95	523.44	-12.70	17.48	16.41
<b>TOTAL NON-LIFE</b>	7,461.37	8,672.70	-13.97	3,159.03	4,329.30	-27.03	82.52	83.59
Accident	244.96	355.51	-31.10	24.05	34.52	-30.32	2.71	3.43
Health	1,105.40	1,252.32	-11.73	591.29	807.42	-26.77	12.23	12.07
Railway, aircraft and ships	108.55	95.50	13.66	70.12	112.80	-37.84	1.20	0.92
Goods in transit	131.86	142.46	-7.44	40.16	57.84	-30.57	1.46	1.37
<b>Overall property insurance</b>	2,030.96	2,146.18	-5.37	556.55	782.61	-28.89	22.46	20.69
Fire and allied perils	1,159.08	1,265.65	-8.42	318.20	515.83	-38.31	12.82	12.20
Damages to property	871.88	880.53	-0.98	238.35	266.78	-10.66	9.64	8.49
<b>Overall motor insurance</b>	3,418.91	4,213.07	-18.85	1,779.80	2,384.24	-25.35	37.81	40.61
Motor Hull	1,175.68	1,409.37	-16.58	637.41	850.37	-25.04	13.00	13.58
MTPL	2,243.23	2,803.70	-19.99	1,142.39	1,533.87	-25.52	24.81	27.02
Aviation & marine liability	39.02	46.23	-15.60	6.76	8.39	-19.41	0.43	0.45
GTPL	239.80	256.55	-6.53	62.49	72.43	-13.72	2.65	2.47
Other non-life insurance	141.90	164.87	-13.93	27.80	69.05	-59.74	1.57	1.59

<sup>1</sup> EUR = 6.6741 Turkish lira - TRY (December 31<sup>st</sup>, 2019)

<sup>1</sup> EUR = 9.1329 Turkish lira - TRY (December 31<sup>st</sup>, 2020)

# Turkey

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Full market rankings per company & per class



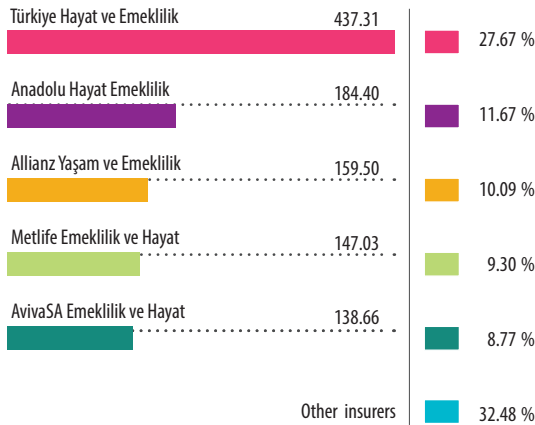
MSEXcel format \* in EUR and local currency

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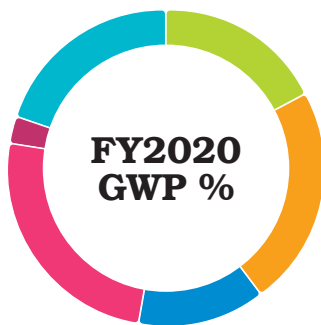
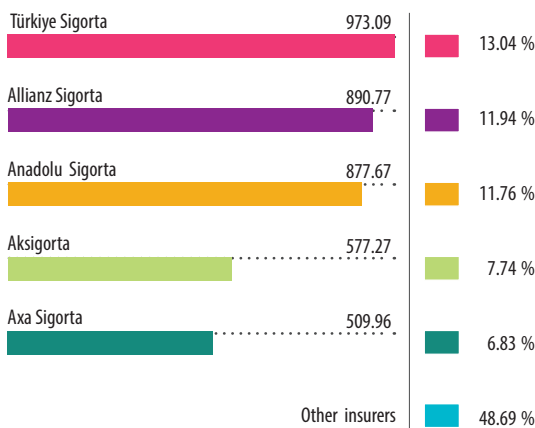


Atilla BENLİ  
General Manager  
at Türkiye Sigorta  
& Türkiye Hayat  
Emeklilik,  
Chairman of  
the Insurance  
Association of Turkey

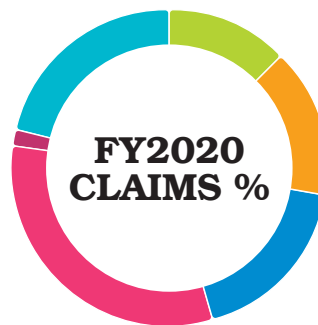
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	17.48
Property	22.46
Motor Hull	13.00
MTPL	24.81
GTPL	2.65
Other	19.60



Life	12.64
Property	15.39
Motor Hull	17.63
MTPL	31.59
GTPL	1.73
Other	21.02

The 6.8-magnitude earthquake that hit the province of Elazığ, in the Eastern Turkey on 24 January, injured 1,607 people and killed more than 40. On October 30th, the 7.0-magnitude earthquake that struck the Aegean Sea between the Turkish coast and the Greek island of Samos, strongly affected İzmir, the third largest city in Turkey, and the surrounding region. About 1,700 aftershocks followed, 45 of which of over 4.0 magnitude. The event was the deadliest quake to hit Turkey in nearly a decade, leaving behind 116 victims and over 1,000 injured, reducing at least 17 high rise buildings to rubble and making other uninhabitable.

Following the İzmir experience, according to TCIP, the compulsory earthquake insurance take up increased, in average, by 37% in Turkey and at much higher rates in the Marmara and Aegean regions, the affected.

**On the other hand, the Insurance and Private Pensions Regulation and Supervision Agency (SEDDK) has increased the maximum coverage amount for compulsory earthquake insurance policies administrated by DASK (TCIP - the Natural Disaster Insurance Institution) from TRY 240 k to TRY 268 k (~EUR 31.5 k). At the same time, the tariffs of the compulsory earthquake insurance scheme premiums were reduced by 10% for the policies issued in 2021.**

Yet, despite the obvious advancement made by TCIP in increasing the earthquake insurance coverage, there are still more than 8 million residential properties in Turkey still need to be covered by earthquake insurance. According to TCIP's statistical database, the average penetration rate in Turkey reached 58.2%, with the highest value in the Marmara region (69.70%), followed by the Aegean region (58.20%). Currently, about 10,29 million insured households. Yet, the sector is still confronted with a "historic" problem in what the earthquake insurance policies coverage degree is concerned: while the

acquisition of a large part of TCIP contracts is related to lease agreements (one of the checkpoints in the Turkish mandatory insurance system, many households fail to renew the earthquake insurance policy when the original contract has expired.

**Motor – on the verge of change**

The ceiling on MTPL premiums' value – and issue of high relevance in the market -, remained in place in 2020 and will still be applied for another year, the measure aiming to provide for affordable rated for insureds, the Insurance and Private Pension Regulation and Supervision Authority (SEDDK). The market authority has also established the indexation rate for the MTPL premiums for next year, at 1% every month. Consumer Rights Association's representatives has underlined that especially in this difficult period, when many people have to manage with lower income levels, but also tend to avoid public transportation because of the Covid-19 related risks, keeping MTPL rates at an affordable level is of a very high importance.

As of 1 April 2020, new provisions were introduced in the general rules related to compulsory MTPL, providing for standardized criteria for the compensations calculation. The new calculation method takes into account previous judicial decisions relating to motor insurance compensation and provides for a unitary approach in the compensations calculations, including depreciation calculation and establishing the value of compensations for bodily injuries. In addition, the list of documents requested for processing accident compensation payments was also made clearer.

**New players in the market**

Launched on September 7, Türkiye Sigorta brings six state-run insurance and pension companies under a single roof, currently employing a staff of around 2,600. The company is expected to increase its human resources to over between 5,000 to 6,000 employees by 2023. At the end of 2020, Türkiye Sigorta & Türkiye Hayat Emeklilik

accounted together for about 16% of the total market premiums portfolio, with GWP worth EUR 1.43 billion (TRY 13.07 billion).

The consolidation aiming to form the biggest insurance & pensions company in the country, was a project of the Treasury and Finance Ministry which was announced in December to raise the country's domestic savings rate and grow the non-banking financial services sector. The Turkey Wealth Fund (TWF) acquired, for a total consideration of TRY 6.54 billion, all shares of partially state-owned insurance companies - HALK Sigorta, GUNES Sigorta, ZIRAAT Sigorta, HALK Hayat ve Emeklilik, ZIRAAT Hayat ve Emeklilik and VAKIF Emeklilik ve Hayat - to consolidate them under a single roof, the TURKEY Insurance Joint Stock Co.

State-owned Turkey Insurance and Turkey Life Pension (Türkiye Sigorta ve Türkiye Hayat Emeklilik) is expected to boost insurance coverage in Turkey, increasing the sector's share in the national financial market from the current 4.5%, to as much as 20%.

According Atilla BENLİ, General Manager of Türkiye Sigorta & Türkiye Hayat Emeklilik, "the newly created company will pave the way for boosting the coverage capacity of the Turkish insurance industry," while its creation will prove to be "the most strategic and important capacity-increasing structural reform in the financial sector," - the Anadolu Agency reported. He also explained that the company "is set to assume a pioneering and market-making role in risky or unpenetrated areas where coverage has previously been unavailable."

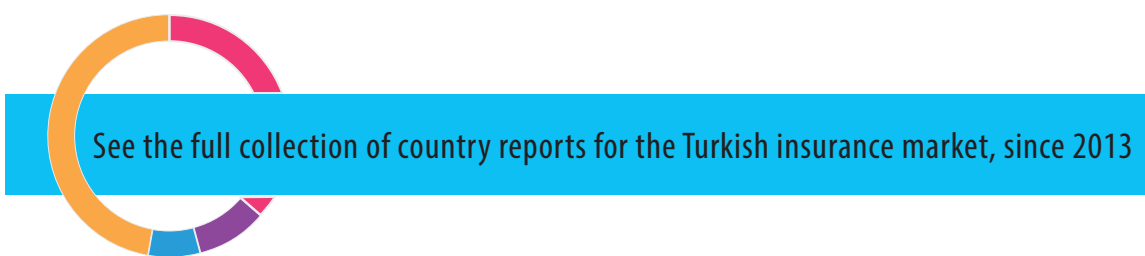
**Old players leaving the market**

As part of an extended operation by which Dutch groups AEGON is leaving several markets in the CEE, WIENER Versicherung Gruppe (VIG) agreed with AEGON N.V. to acquire AEGON's non-life and life insurance companies as well as pension funds, asset management and service companies also in Turkey. The operation announced in November 2020 is still in course and expected to be completed by the end of 2021.

**Market priorities**

According to a joint-task group created by the market authority SEDDK and TSB – the professional association of Turkish insurers, the market top priorities are:

- » Realization of the necessary legal regulations so that there is no gap in the market as a result of the cancellation of some articles of the General Conditions of Traffic Insurance of the Constitutional Court
- » Revision of Tariff and Instruction on Voluntary Earthquake and Volcano Eruption Coverage
- » Simplification of existing legislation, revision of General Conditions
- » Distance Sales Regulation
- » The need for a solution regarding KVKK, especially regarding explicit consent
- » Imposing an insurance limit for non-pecuniary damage within the scope of Medical Bad Practices and calculating the reserve reserves of the pool
- » Legislative change in order to popularize surety insurance
- » Making Legal Arrangements for Informing Through Electronic Communication Tools Even Face-to-Face Sales
- » Participation insurance legislation change requests
- » Regulation needs to support growth in relation to IPS and Automatic Enrollment, such as the inclusion of the age of 18 in PPS, digitalization of processes
- » Increasing diversity in life insurances
- » Close monitoring of the sector with its Comprehensive Surveillance Infrastructure TSB's President Atilla BENLİ underlined that "in an environment where remote work continues due to the Covid-19 epidemic, we are very happy that the insurance sector continues to communicate with SEDDK in a strong manner. We believe that SEDDK will take even faster actions in the upcoming period together with its young, dynamic and well-known management staff and employees," he said. (D.G.)



# The **human vs machine challenge** with modern vehicles



**Luigi Di Lillo**

Lead Products & Partnerships  
Swiss Re

Luigi Di Lillo is leading the Products & Partnerships Team in the Automotive & Mobility Solutions in Swiss Re, responsible for developing products around vehicle safety, automation, connected cars and electrification. Luigi has a PhD in applied physics.

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**Damir Plejic**

Automotive & Mobility Consultant  
Movingdots

Damir Plejic is an Automotive and Mobility Consultant at Movingdots, Swiss Re's technology hub in the automotive and mobility space. Movingdots specializes in delivering data driven solutions for insurers, car manufacturers and platform providers worldwide. Damir joined the Automotive & Mobility Solutions team in 2020.

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## Minimizing the risk of misuse and misunderstanding

From the Luddite movement of the 19th century to the latest robotics, the human-machine relationship has been a source of challenges. Technical advances and innovations indisputably bring an overall benefit to individuals and society, but things don't always work out as expected. One example is given by how humans overestimate machine behaviour and its functioning. Swiss Re has developed a solution for the risks identified together with selected partners from the automotive industry.

## Safer vehicles thanks to ADAS technology

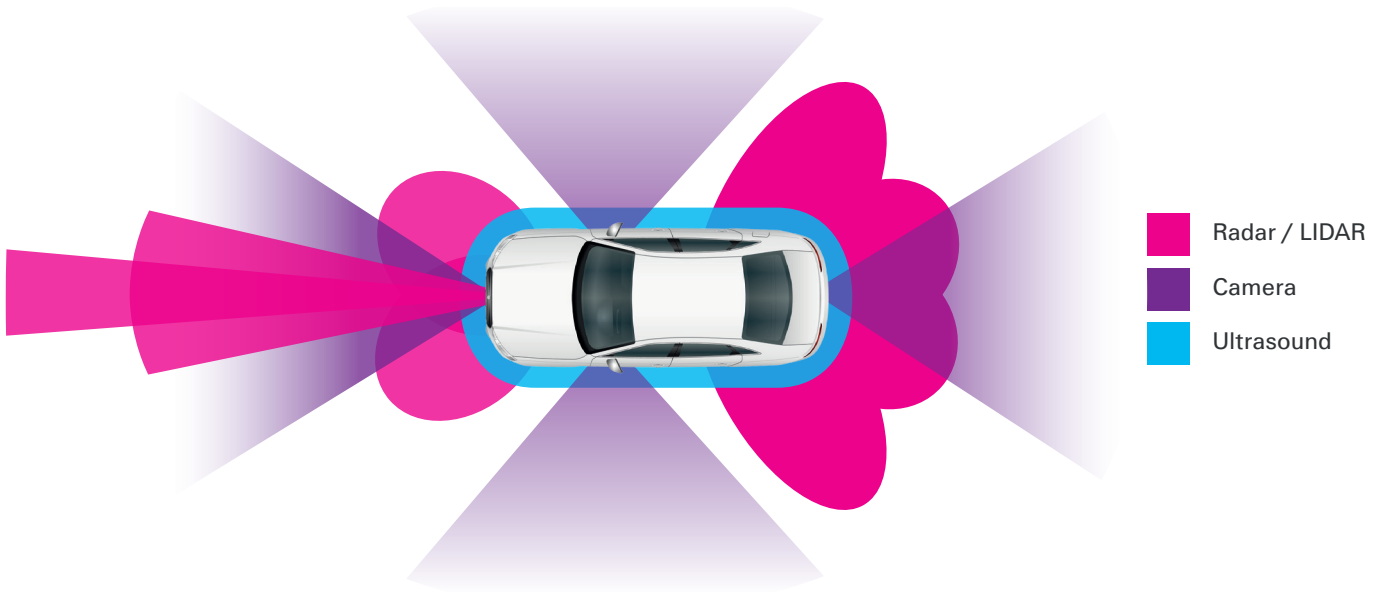
Over decades, the automotive industry has been significantly increasing the safety of cars on roads. It started in the 60s with the improvement in the construction of passenger cabins, followed by the introduction of seatbelts in the 70s and airbags in the 80s. These were novelties back then, but are now necessities in each and every car. However, **statistics on car injuries** are very concerning: still nowadays, road injuries represent the largest non-natural cause of both death and disability globally.

In recent years, cars have developed into computers on wheels, with **a strong push coming from Tesla**. Embedded safety systems have increased substantially, not only in number but also in sophistication. Such systems, usually referred to as ADAS (Advanced Driver Assistance Systems), are important milestones along the **autonomous driving journey**. Cars have achieved the 2nd of the 5 levels needed for full driving autonomy, which is expected to result in much safer roads than today. However, it will take decades before the industry, and we as a society, reach that point.

By partnering with car manufacturers worldwide, Swiss Re has developed the **ADAS Risk Score**: a solution designed to precisely assess the impact of the latest safety systems fitted in modern



High level representation of Advanced Driver Assistance Systems (ADAS) functions and corresponding sensors installed



cars on crucial insurance metrics – the frequency and severity of claims, the predictability of accidents and the cost of repairs, among others. As outlined in a [joint publication with Veoneer](#), car safety systems (such as Automated Emergency Braking) can significantly contribute to the safety of drivers and other road users.

### Misunderstanding of the technology leads to new challenges

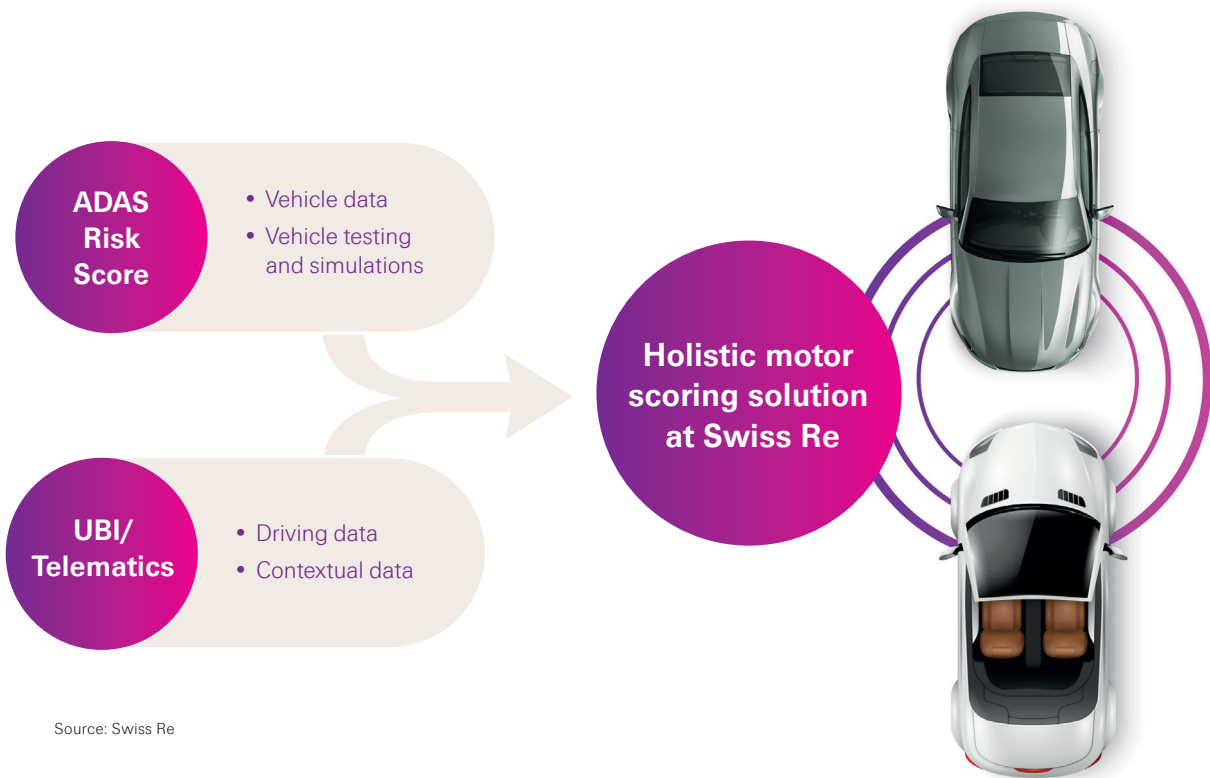
ADAS technology has been developed to increase vehicle safety, but there's still a human component in the use of these systems which needs to be carefully assessed. In fact, misuse of ADAS by

the driver can partially undermine the additional safety provided by the vehicle. Some drivers, for example, overestimate the sophistication of the systems and take their hands off the steering wheel, believing that the car will manage any situation, regardless of its complexity. This can result in severe accidents.

In addition, the pace of technical development has not been replicated in the overall driving educational system. When we look at driving schools, for example, they hardly know enough about the latest technology to be able to prepare new drivers properly. Moreover, car dealerships generally do not spend much time demonstrating all the safety systems installed in a vehicle because other features, such as in-car entertainment, are more interesting and are often stronger selling points. All this

### Swiss Re ADAS Risk Score Framework





results in drivers having a relatively low understanding of car safety technology, which leads to the aforementioned misuse of the systems, with drivers switching certain systems off and not knowing that those systems can be highly correlated to other safety features.

Car manufacturers are aware of the shortcomings caused by human misuse of ADAS and are working to develop even smarter driver-independent technologies. While we wait for those, insurers should find a way to still account for the human intervention component in their risk assessments if they want to avoid losses in their books, and there's a solution for that.

## Swiss Re is showing the way to tackle the new risks

As part of the **Coloride telematics solution**, we have developed a system for coaching drivers. It is a sophisticated and individualized coaching system that recognizes individual risks that individual drivers are exposed to (eg maneuvers, speeding, phone usage) and mitigates them with appropriate coaching methods using data and cognitive techniques. The objective is to reduce the overall risk exposure for those individual drivers and motor insurers that adopt the system.

The same driver coaching solution is now being integrated within the ADAS Risk Score. During the onboarding process, the solution would know precisely which systems are fitted in the customer's vehicle and can provide coaching on how to properly use them.

All coaching methods are triggered once the trip has finished, in order to avoid driving distractions. In this way, drivers can learn:

- » The importance of ADAS in their cars;
- » Why to leave them on despite sound alarms;
- » How the systems interact with each other;
- » Which systems are more useful depending on the type of trip;
- » What to expect in critical situations.

In addition, the ADAS Risk Score model pilots the active use of safety systems by drivers. Through a connected vehicles infrastructure, we also learn how drivers are triggering car safety systems with their driving behavior. It's not about penalizing drivers, but rather learning how to interact with and manage today's intelligent cars. Hopefully with a better outcome than during the Luddite era two centuries ago.

Swiss Re and its technology hub Movingdots are dedicated to improving road safety for everyone, by enabling insurers to better assess new motor risks and drivers by improving their understanding of important safety features, using the latest technology and learnings in the industry.

If interested to learn more about our capabilities and initiatives, reach out to our experts to schedule a demo.





# BELARUS RE

E-mail: [info@belarus-re.com](mailto:info@belarus-re.com)

[www.belarus-re.com](http://www.belarus-re.com)

A large, abstract graphic on the left side of the page. It features a series of parallel lines in shades of blue and purple, creating a sense of depth and movement. The lines are arranged in a way that suggests a 3D perspective, with some lines appearing to recede into the distance. The overall effect is modern and dynamic.

**REINSURANCE**  
**SOLUTIONS**  
**WORLDWIDE**

FitchRatings has assigned BELARUS Re an Insurer Financial Strength (IFS) rating of Rating "B", outlook Negative. The company rating corresponds to sovereign rating.

# Armenia



Moody's rating  
**BA3, STABLE**

Fitch Rating  
**B+, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Central Bank of Armenia

<sup>3</sup> ArmInfo News Agency

<sup>4</sup> XPRIMM calculations

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	AMD billion <sup>1</sup>	5,067.29	5,564.49	6,017.04	6,569.03	6,183.74
	EUR billion <sup>4</sup>	9.89	9.59	10.87	12.23	9.65
<b>GDP per capita, current prices</b>	AMD <sup>1</sup>	1,693,240	1,867,598	2,026,600	2,212,340	2,082,415
	EUR <sup>4</sup>	3,306	3,219	3,660	4,118	3,248
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	18.00	20.90	20.50	18.90	24.17
<b>Population</b>	Millions <sup>1</sup>	2.99	2.98	2.97	2.97	2.97
<b>AMD/EUR exchange rate</b>	End of period <sup>2</sup>	512.20	580.10	553.65	537.26	641.11
<b>Gross written premiums</b>	AMD million <sup>3</sup>	32,912.58	34,948.54	41,016.80	49,133.80	44,548.23
	EUR million <sup>4</sup>	64.26	60.25	74.08	91.45	69.49
<b>Paid claims</b>	AMD million <sup>3</sup>	14,222.49	17,762.65	22,802.42	25,006.06	23,192.41
	EUR million <sup>4</sup>	27.77	30.62	41.19	46.54	36.18
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.65%	0.63%	0.68%	0.75%	0.72%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	21.47	20.22	24.95	30.80	23.40

In 2020 the Armenian market decreased by 9.33% y-o-y to AMD 44.54 billion (~EUR 69.49 million). Among the main classes of insurance, the decline was observed in all, except for health insurance (+5.21%) and other damages to property (+4.97%). Motor insurance, which occupies more than half of the market portfolio, decreased to AMD 23.53 billion. The biggest decline due to the pandemic was demonstrated by travel insurance - by almost 74% y-o-y.

In 2020, total market paid claims of Armenian insurers amounted to AMD 23.2 billion (~EUR 36.19 million), which is 7.3% less y-o-y. The annual growth in paid claims

was provided by three companies in the range from 2.4% to 9.2%, while the decline in paid claims of the other three companies was from 5.5% to 23.5% (the maximum recorded by INGO Armenia).

In terms of insurance classes, a down trend in paid claims (vs growth in 2019) was recorded by: cargo insurance (-81.5%), travel insurance (-61.4%), health insurance (-10%) and MTPL (-8.8%). Paid claims continued to drop also in general liability insurance (-30.4%). On the other hand, paid claims grew in such classes as property insurance, financial damage, accidents insurance, Motor Hull, etc. The

🌸 The agroinsurance program launched in Armenia in September 2019 is operating in a pilot mode in six regions. The companies started to sell policies in early 2020

🌸 By the end of 2020, 5 out of the 6 insurance companies operating in the local market, were included in the list of 1000 largest taxpayers in Armenia, from only 3 last year

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	69.49	91.45	-24.02	36.18	46.54	-22.28	100.00	100.00
Accidents	2.44	3.40	-28.12	0.17	0.14	19.76	3.52	3.72
Health	19.53	22.16	-11.83	11.44	15.18	-24.59	28.11	24.23
<b>Overall property insurance</b>	6.11	8.57	-28.72	0.41	0.28	43.56	8.79	9.37
Fire and allied perils	5.17	7.50	-31.08	0.32	0.21	51.20	7.44	8.21
Other damages to property	0.94	1.07	-12.04	0.08	0.07	20.38	1.35	1.16
<b>Overall motor insurance</b>	36.71	50.01	-26.60	22.84	29.56	-22.74	52.83	54.69
Motor Hull	3.66	4.76	-23.21	1.64	1.82	-9.78	5.26	5.21
MTPL	33.06	45.25	-26.95	21.20	27.75	-23.58	47.57	49.48
CARGO	1.35	2.03	-33.69	0.07	0.46	-84.49	1.94	2.22
GTPL	0.88	1.56	-43.71	0.08	0.13	-41.70	1.27	1.71
Travel	0.32	1.45	-78.14	0.07	0.20	-67.67	0.46	1.59
Other	2.14	2.27	-5.45	1.10	0.58	88.95	3.09	2.48

<sup>1</sup> EUR = 537.26 Dram - AMD (December 31<sup>st</sup>, 2019)

<sup>1</sup> EUR = 641.11 Dram - AMD (December 31<sup>st</sup>, 2020)

largest share in the portfolio of paid claims is traditionally occupied by MTPL (58.6%), followed by health insurance (31.6% of the total), while Motor Hull accounted for 4.5%.

The number of insured events in 2020 was about 305.5 thousand, which is 13.7% less y-o-y. In terms of the number of insured events, health insurance is in the lead (238.6 thousand events), while 64.2 thousand events were registered in MTPL, and 1.5 thousand - in Motor Hull.

In 2020, Armenian insurance companies, participating in the agroinsurance program, collected GWP worth AMD 130.94 million (~EUR 0.2 million). At the same time, 82.2% (or AMD 107.6 million) was directed to risk reinsurance. ROSGOSSTRAKH Armenia generated the biggest portion of GWP (AMD 73.6 million), INGO Armenia ranks second (AMD 35.4 million), and SIL Insurance (AMD 21.9 million) ranks third. Paid claims under the program last year reached AMD 151.84 million. Of these, AMD 94.4 million were paid by ROSGOSSTRAKH Armenia, AMD 42.9 million - by INGO Armenia and AMD 14.5 million - by SIL Insurance, since only these three companies are currently participating in the program. The agroinsurance program was launched in Armenia in September 2019 and is operating in a pilot mode in six regions. The companies started to sell policies in early 2020. The Central Bank of Armenia intends to expand the program both in terms of covering a wider range of crops and risks covered by insurance.

By the end of 2020, 5 insurance companies out of 6, operating in the local market, were included in the list of 1000 largest taxpayers in Armenia, while a year ago there were only 3 insurers in this list. According to the State Revenue Committee of the Republic of Armenia, the insurance sector paid taxes in the amount of AMD 1.9 billion /~EUR 3 million in 2020 (+43.7% y-o-y in local currency). Of this amount, 30.1% was income tax. Among insurance companies in terms of tax payments, the leader is ROSGOSSTRAKH Armenia - the company ranked 259th (vs 274th a year ago). Next comes INGO Armenia (299th place). NAIRI Insurance, which was not included in this list in 2019, ranked 459th in 2020. By the end of 2020, RESO was not included in the list of 1000 largest taxpayers in Armenia.

(M.M.)

# Armenia

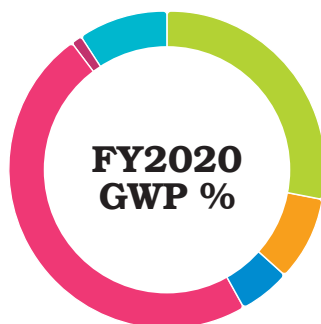
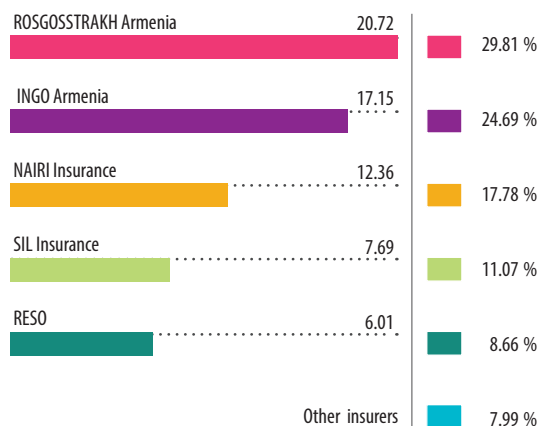
FIND MORE ON [WWW.XPRIMM.COM/ARMENIA](http://WWW.XPRIMM.COM/ARMENIA)

Full market ranking

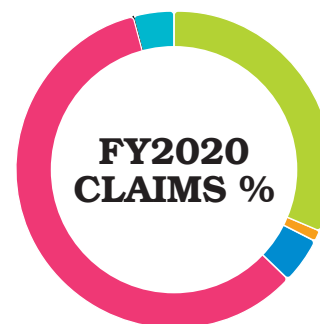
MSEcel format \* in EUR and local currency

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### Top 5 Total market (GWP, EUR m)



Health	28.11
Property	8.79
Motor Hull	5.26
MTPL	47.57
GTPL	1.27
Other	9.00



Health	31.64
Property	1.12
Motor Hull	4.53
MTPL	58.61
GTPL	0.21
Other	3.89

# Azerbaijan



S&P Rating

**BB+, STABLE**

Moody's rating

**BA2, POSITIVE**

Fitch Rating

**BB+, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Central Bank of Azerbaijan Republic

<sup>3</sup> Financial Markets Supervision Authority of the Republic of Azerbaijan (FIMSA)

<sup>4</sup> XPRIMM calculations

2020 was a year of challenges, innovation, rapid development, and digitalization

A.M. Best affirmed the financial strength rating of B+ (Good) and the long-term issuer credit rating of "bbb-" of AzRe Reinsurance, with positive outlook. This is one of the highest investment ratings in the financial market of Azerbaijan

Within the framework of measures to introduce agricultural insurance in Azerbaijan, the establishment of a Joint Agricultural Company was decided

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	AZN billion <sup>1</sup>	60.43	70.34	80.09	81.68	72.43
	EUR billion <sup>4</sup>	32.41	34.64	41.14	42.91	34.67
<b>GDP per capita, current prices</b>	AZN <sup>1</sup>	6,226	7,170	8,092	8,183	7,171
	EUR <sup>4</sup>	3,339	3,531	4,156	4,299	3,433
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	5.04	4.96	4.94	4.85	6.54
<b>Population</b>	Millions <sup>1</sup>	9.71	9.81	9.90	9.98	10.10
<b>AZN/EUR exchange rate</b>	End of period <sup>2</sup>	1.8644	2.0307	1.9468	1.9035	2.0890
<b>Gross written premiums</b>	AZN million <sup>3</sup>	486.07	556.87	727.95	681.18	728.63
	EUR million <sup>4</sup>	260.71	274.22	373.92	357.85	348.80
<b>Paid claims</b>	AZN million <sup>3</sup>	237.25	257.11	240.33	301.54	465.15
	EUR million <sup>4</sup>	127.25	126.61	123.45	158.41	222.67
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.80%	0.79%	0.91%	0.83%	1.01%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	26.86	27.95	37.78	35.85	34.53

Despite all the challenges of 2020, the insurance sector of Azerbaijan ended the year with an increase of almost 7% (in local currency), GWP amounted to AZN 728.63 million (EUR 348.80 million) at the end of December.

In 2020, the leader of the insurance market, PASHA Life, which began operations on November 24, 2010, celebrated its 10th

anniversary. The chairman of the Board of PASHA Life Insurance Niyaz ISMAILOV emphasized that 2020 was a year of challenges, innovation, rapid development, and digitalization. The measures taken during the pandemic allowed the company to make a profit of AZN 2 million more than planned. Despite the difficult situation in 2020, PASHA Life's GWP portfolio grew

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	348.80	357.85	-2.53	222.67	158.41	40.56	100.00	100.00
<b>TOTAL LIFE INSURANCE</b>	145.40	140.52	3.47	135.47	65.62	106.46	41.69	39.27
Voluntary life insurance	119.58	115.25	3.76	134.25	63.99	109.81	34.28	32.20
Compulsory life insurance*	25.83	25.28	2.17	1.22	1.63	-24.81	7.40	7.06
<b>TOTAL NON-LIFE INSURANCE</b>	203.39	217.33	-6.41	87.20	92.80	-6.03	58.31	60.73
Accident (V)	1.39	1.79	-22.29	0.08	0.23	-67.32	0.40	0.50
Medical insurance (V)	48.62	50.34	-3.42	32.49	31.78	2.23	13.94	14.07
Travel insurance (V)	0.68	2.56	-73.55	0.15	0.25	-41.82	0.19	0.72
Fire and other perils (V)	26.94	26.83	0.42	6.41	1.14	461.54	7.72	7.50
Aircraft insurance (V)	7.54	5.59	34.95	0.99	10.10	-90.23	2.16	1.56
Ships insurance (V)	3.73	4.16	-10.40	0.10	0.48	-79.08	1.07	1.16
Cargo insurance (V)	2.74	2.02	35.58	0.03	0.15	-78.79	0.79	0.57
Agricultural plants (V)	0.00	0.10	-95.46	-	-	-	0.00	0.03
Agricultural animals (V)	1.36	0.76	79.99	0.29	0.49	-40.37	0.39	0.21
Aircraft liability (V)	2.32	2.53	-8.02	0.12	0.28	-58.97	0.67	0.71
Ships liability (V)	0.04	0.19	-78.24	-	-	-	0.01	0.05
Professional liability (V)	1.05	1.10	-4.49	-	0.01	-	0.30	0.31
Employer's liability (V)	0.43	0.64	-32.50	0.01	0.02	-57.11	0.12	0.18
GTP (V)	5.30	6.05	-12.45	0.12	0.22	-44.88	1.52	1.69
Credit insurance (V)	0.04	0.08	-47.08	-	-	-	0.01	0.02
<b>Overall motor insurance</b>	62.31	71.82	-13.24	33.33	42.19	-21.01	17.86	20.07
Motor Hull (V)	17.65	19.06	-7.38	6.24	6.87	-9.11	5.06	5.33
Liability for owners of motor vehicles (M)	44.66	52.76	-15.35	27.08	35.32	-23.32	12.80	14.74
Immovable property (M)	22.09	22.81	-3.19	1.85	2.84	-34.96	6.33	6.38
Other non-life insurance (V)+(M)	16.80	17.96	-6.47	11.24	2.60	332.97	4.82	5.02
<b>TOTAL VOLUNTARY INSURANCE</b>	240.67	239.88	0.33	181.30	116.05	56.22	69.00	67.03
<b>TOTAL MANDATORY INSURANCE</b>	108.12	117.98	-8.36	41.37	42.36	-2.34	31.00	32.97

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

(V) - Voluntary insurance 1 EUR = 1.9035 Manat - AZN (December 31<sup>st</sup>, 2019)

(M) - Mandatory insurance 1 EUR = 2.0890 Manat - AZN (December 31<sup>st</sup>, 2020)



Azer ALIYEV  
Chairman of the  
Association of  
Insurers of Azerbaijan

by 16%. By the end of 2020, total equity of PASHA Life Insurance reached AZN 61 million, and the company also managed to keep its total assets at the same level, which amounted to AZN 416 million.

On December 4, 2020 A.M. Best rating agency affirmed the financial strength rating of B+ (Good) and the long-term issuer credit rating of "bbb-" of AzRe Reinsurance (Azerbaijan), with positive outlook. This is one of the highest investment ratings in the financial market of Azerbaijan. The ratings reflect AzRe's balance sheet strength, underpinned by its consolidated risk-adjusted capitalization, good quality retrocession and a conservative investment portfolio by asset type; strong operating performance; limited business profile and marginal enterprise risk management. The positive outlooks reflect the continued resilience of AzRe's balance sheet strength amid a challenging operating environment.

In 2020 Standard Insurance company was declared bankrupt, and its license was revoked in May. Creditors of Standard Insurance received compensation from the Compulsory Insurance Bureau of Azerbaijan. Within 55 working days from the date of liquidation of the insurance company, creditors were paid about AZN 3.3 million (~EUR 1.6 million). Standard Insurance started its operations on the Azeri insurance market in October 2002 and had been providing services under 28 types of both compulsory and voluntary insurance.

In August 2020, a constituent meeting dedicated to the creation of a Joint Agricultural Insurance Company was held in Azerbaijan. Seven insurance companies (PASHA Sigorta, Qala Sigorta, Meqa Sigorta, Xalq Sigorta, AzSigorta, Baki Sigorta and Azerbaijan Senaye Sigorta) participated in the meeting. The decision to establish a Joint Agricultural Company was made within the framework of measures to introduce agricultural insurance in Azerbaijan. The Agroinsurance Fund was registered in February 2020 with the aim of

# Azerbaijan

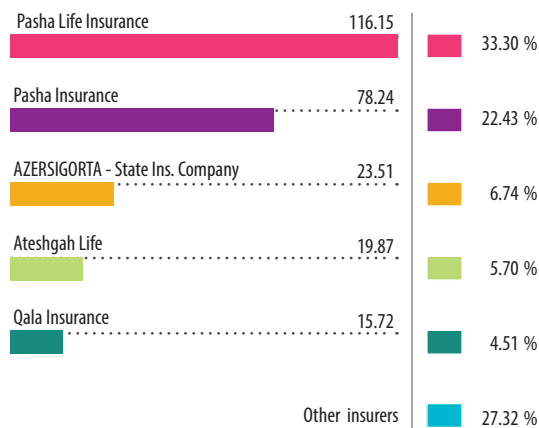
FIND MORE ON [WWW.XPRIMM.COM/AZERBAIJAN](http://WWW.XPRIMM.COM/AZERBAIJAN)

**Full market ranking**

MSExcel format \* in EUR and local currency

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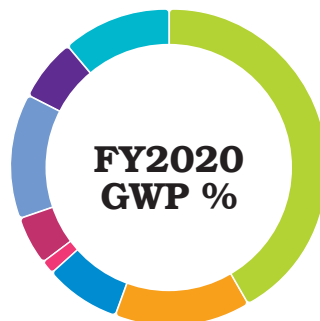
## Top 5 Total market (GWP, EUR m)



organizing and developing the agricultural insurance system, forming the market structure and control. The Joint Agricultural Insurance Company received a license to carry out insurance activities.

Speaking about the challenging year, the Chairman of the Azerbaijan Insurers Association (AIA) Azer ALIYEV noted, the COVID-19 pandemic sharply changed positive forecasts for all sectors of the economy. The Azerbaijani insurance market was not immune to this influence as well. The pandemic drastically changed our

expectations from the insurance market for 2020 (...) The insurance market has great potential, which for now is not fully used. If we carefully study this, we'll see that the problem lies in low level of awareness. This makes people distrustful of insurance services. This is consumer psychology. If a client does not have complete information about a service or product, he/she cannot feel confident about a company that sells the product. In the current situation, the main goal of insurance companies is to educate people, he said. (M.M.)



Life	41.69
Medical (V)	13.94
Fire & other perils (V)	7.72
GTPL (V)	1.52
Motor Hull (V)	5.06
MTPL (M)	12.80
Immovable property (M)	6.33
Other	10.93



Life	60.84
Medical (V)	14.59
Fire & other perils (V)	2.88
GTPL (V)	0.06
Motor Hull (V)	2.80
MTPL (M)	12.16
Immovable property (M)	0.83
Other	5.84



# Andrei Unton

## Belarus Re

### General Director

The main financial indicators of the company also saw growth. Thus, equity capital (BYN 265.7 million) increased by 40.4%, charter capital (BYN 243.8 million) - by 37.1%, insurance reserves (BYN 119.6 million) - by 32.9%, net profit (BYN 15.4 million) - by 21.3%.

**XPRIMM: Were there any significant changes in the portfolio of reinsurance risks in 2020? What new trends, formed by the pandemic, would you note in outward / inward reinsurance?**

**Andrei Unton:** At the end of 2020, Belarus Re's portfolio in terms of the premium written was as follows: property insurance of legal entities accounted for 44.19%, aviation risks - 12.61%, financial risks - 8.02%, constructions all risk coverages - 7.26%, catastrophic risks - 6.13%, mandatory civil liability insurance of vehicle owners (internal insurance) - 5.58%, insurance of civil liability of vehicle owners in the Green Card system - 3.43%, other types - 12.78%.

There were significant changes in the portfolio structure: the share of property risks increased from 32.5% in 2019 to 44.19% in 2020. At the same time, the share of financial risks in the portfolio decreased to 8.02% (vs 25.6% in 2019). In addition, the share of obligatory reinsurance increased and reached 50.6% in 2020 (vs 24.2% in 2019).

**XPRIMM: How would you rate the results of the company's work in 2020? How did the pandemic and the situation in economy and insurance industry affect the company's operations?**

**Andrei Unton:** The coronavirus pandemic did not have a significant impact on the company's financial performance. All targets from the business plan for 2020 were achieved, among other things thanks to a significant increase of international business in the company's portfolio.

In 2020 total reinsurance premium written by Belarus Re amounted to BYN 122.0 million or 128.29% of the premium for 2019 (BYN 95.1 million). At that, the volume of reinsurance premium written from foreign cedents in 2020 compared to 2019 increased from BYN 25.0 million to BYN 53.4 million (the growth rate was 213.60% compared to 2019). At the same time, the share of international business in the company's portfolio increased to 43.77%.

**XPRIMM: Could you dwell briefly upon the main events in Belarus Re's work in 2020 and plans for 2021?**

**Andrei Unton:** In 2020, in order to diversify the reinsurance portfolio of Belarus Re and mitigate negative consequences of the coronavirus, activities in the international market were significantly intensified, the geography of participation in risks from Latin America, Asia and Africa was expanded.

As a result, a positive balance between export and import of financial services in the amount of BYN 18.7 million was achieved. It should be noted that the bulk of reinsurance premium for Belarusian risks ceded abroad falls on risks, the volume of obligations for which significantly exceeds the capacity of the Belarusian market. These include civil liability reinsurance of the owners of vehicles in Green Card system, aviation risks, a number of large industrial enterprises and infrastructure facilities.

The company plans to move to a new office in the near future.



**XPRIMM: What largest projects with the participation of Belarus Re in 2020 would you note?**

**Andrei Unton:** First of all, we would like to note the work of the Belarusian Nuclear Insurance Pool on the development of cooperation with International Nuclear Insurance Pools to provide capacity for reinsurance of risks of foreign nuclear power plants. The Belarusian Nuclear Insurance Pool provided reinsurance coverage for property risks and risks of civil liability for nuclear damage from countries such as Hungary, the United Arab Emirates, Canada, Ukraine, and the Russian Federation.

Significant projects in 2020 include reinsurance of property risks and interruptions in production of the only Belarusian manufacturer of building boards and dry building mixtures JSC Belgips, a plant producing rolling stock (trains, locomotives, trams) CJSC Stadler Minsk, a plant producing passenger cars of the Geely brand.

**XPRIMM: How did cooperation with the CIS and Russian markets develop in 2020? What are the goals in this direction for 2021?**

**Andrei Unton:** The coronavirus pandemic did not significantly affect cooperation with the CIS markets and the Russian Federation.

Obligatory reinsurance contracts have been renewed for new periods. It is worth noting tightening of reinsurance conditions, introduction of a minimum deposit premium, and a decrease in the declared amount of the premium written in relation to programs covering property risks of individuals. COVID-19 loss exclusion clauses are included in international reinsurance and retrocession treaties. Optional reinsurance contracts for large projects have also been renewed for a new period.

In 2021, we will continue to develop mutually beneficial cooperation with foreign partners and expand geography of the provision of reinsurance services.

**XPRIMM: How would you describe the contract renewal process? Have there been any significant changes in the structure of risks, tariffs, conditions?**

**Andrei Unton:** According to the results for 2020, Belarus Re concluded 16,112 reinsurance contracts for 54 types of insurance, which is 4,411 contracts more than in 2019. When renewing contracts in 2020, there were no significant changes in their number, terms, and rates, apart from the inclusion of the COVID-19 clause in reinsurance contracts, as well as an increase in tariffs for aviation risks by 15-30 percent.

**XPRIMM: What do you expect at the end of 2021 and what could you say based on the results of the first quarter, how likely is it to achieve the set goals?**

**Andrei Unton:** As of 01.05.2021 written reinsurance premium of Belarus Re amounted to BYN 76.1 million, which is 32.2% more than in the same period in 2020. The semi-annual business plan of Belarus Re for 2021 as of May 1 has already been fulfilled by 95.6% (the plan is for BYN 83.1 million).

The company's written reinsurance premium from non-residents reached BYN 31.9 million, which is 18% more than in the same period in 2020. At the same time, the share of international business in Belarus Re's portfolio was 41.9%. The positive balance

# REINSURANCE SOLUTIONS WORLDWIDE



between export and import of financial services of Belarus Re was at the level of BYN 6.5 million (vs BYN 3.5 million for the same period of 2020).

The profit of Belarus Re demonstrates positive dynamics and exceeded BYN 14 million (before tax) in the first quarter of 2021, which allowed the company to rank first in the insurance market of the Republic of Belarus.

The above growth indicators allow us to look with optimism at the performance targets set in the business plan for 2021.

Interview conducted by Marina MAGNAVAL



# Irina MERZLIAKOVA

## General Director Belarusian Association of Insurers

**XPRIMM: 2020 created many challenges to the insurance industry, demanded full commitment, and changed traditional relationships between market participants. How do you think the market reacted to this difficult situation? Have the challenges of 2020 reflected in premiums, profits, expenses, reserves and assets?**

**Irina MERZLIAKOVA:** The “panic” scenario that was announced in early-mid 2020 clearly did not come true. We must admit that the market in general passed well though this year. Even though GWP decreased, a couple of business lines dropped to a minimum, but new prospects appeared, and the demand for health and life related insurance improved. Of course, what is very upsetting is the decline in business activity and inability to fully communicate. Comparing the state statistical data and current information on the insurance market, it is possible to substantively identify the main drivers of development of various market segments. For example, if we are talking about motor insurance, which occupies 60–70% in the portfolio of leading companies, information about new car sales in Belarus is important: they decreased by 18.2%. The volume of deposits of individuals in the national currency

decreased by 9.6%, and in foreign currency - by 22.4%. And as a general index of the economic environment, we see a decline in GDP of 0.9%.

It would be logical to expect a subsidence in the insurance market in similar proportions, but this did not happen. On the contrary, excluding exchange rate fluctuations, an overall growth was recorded at the level of 7.6%, and in the life insurance segment, a recovery was observed by 17.5% in national currency and by 0.9% in foreign currency. It should be noted that such a result is by no means typical for other financial markets. For example, the amount under the concluded lease agreements for the year fell by almost 20% in euros. Moreover, insurers made a profit of USD 65 million (vs USD 26.3 million in 2019). Insurance reserves amounted to USD 980.2 million (vs USD 879.6 million in 2019).

**XPRIMM: Despite the crisis, which classes and insurance products showed the most significant growth and what factors contributed to this? Was there a noticeable change in the market portfolio compared to 2019?**

**I.M.:** The greatest optimism is supported by the revival of life insurance – a growth of 25.3%. And there is an implicit trend, but with clear prospects, of increasing share of the segment from 8.8% in 2016 to 13.2% in 2020.

Such segments as insurance against illnesses and accidents, those traveling abroad, and Green Card saw negative dynamics. But at the same time, there was a noticeable increase in comprehensive property insurance, Motor Hull of legal entities.

On the paid claims side, their level was fixed at a non-alarming 53% mark, although, compared to 2019, their growth rate was several percentage points ahead of the GWP increase.

Voluntary insurance types kept their leading position in the market at the level of 62.3%. And if the “mandatory” portfolio traditionally consists by almost 90% of civil liability insurance of vehicle owners and insurance against accidents at work, the voluntary one has property and personal insurance prevailing. It is interesting how the personal insurance “pie” was divided between

different products: 31.7% - life insurance, 18.6% - supplementary pensions, 34.9% - medical expenses.

There is high interest in the effectiveness of such a sales channel as the banking system, which, due to its high motivation and an extensive branch network, has clearly not exhausted its potential. In 2020, the top three bank insurance leaders remained unchanged. In general terms, the proportions in favor of life insurance, medical expenses, and other types of personal insurance, which, as you know, are often the "recommended option" in case of loan agreements, have also been preserved.

This year, for the first time, we compared the total number of concluded insurance contracts (9,335 thousand) and the number of policies sold online (about 100 thousand), which makes only 1%, but as we say, this is just the beginning.

The largest share of electronic contracts in the sales of an insurance company in the market was recorded at 22.7%. On average, on the market, this indicator rarely exceeds 1-2%, although more than a dozen companies offer their services in the virtual format. Mostly MTPL policies are still being purchased online (over 70% of e-contracts).

Due to the large demand for use of online technologies, insurance products should become simpler and more mobile, which insurers cannot always provide given specific legislation and strict regulation of financial transactions. We consider electronic sales as one of the most significant triggers for market development in a pandemic.

**XPRIMM: Could you say that, in general, based on the 2020 market results, the year was not bad for the market? What object lessons would you highlight after 2020?**

**I.M.:** The year was really good for the market. Insurance, as a financial instrument, has more closely come into daily life of Belarusians and has become a definite necessity. This is probably why, despite all the difficulties, our insureds were in no hurry to give up insurance, as, for example, as it used to be before, during crisis times. Due to the large demand for use of online technologies, insurance products should become simpler and more mobile, which insurers cannot always provide given specific legislation and strict regulation of financial transactions. But it is obvious that consumers now most of all value their time and want to spend minimum filling out any questionnaires, applications and visiting offices. We consider electronic sales as one of the most significant triggers for market development in a pandemic. We are already talking about the reciprocal initiative of the policyholders. The COVID policy (the product has different names) together with remote sales, has shaped a new market reality. We can say for sure that today we are at the stage of active technological transformation and digitalization.

**XPRIMM: This year, the Belarusian Association of Insurers is celebrating 20 years since its foundation - what significant achievements over the entire period of work would you note? What do you plan to develop / implement in the coming years?**

**I.M.:** Today the Association unites 16 insurance organizations, including the Belarusian National Reinsurance Organization (Belarus Re), and 6 insurance brokers. If 15 years ago we were proud of the prevailing volume of GWP of our members on the market, today we are talking about 100% coverage of the industry, which confirms a high degree of trust in this institution in protecting rights and defending interests of insurers.

We managed to build constructive relationships with the regulator and its management structure. The Association has no lack of information or of the ability to send its opinion. It may not always be perceived, but we are listened to and heard, and this stands high.

Another important area of activity is increasing financial literacy of the population on insurance protection, aimed at various social groups of citizens, considering their capabilities and needs in the financial sector, which is essential for qualitative transformation of the society. This includes all kinds of educational events and "thematic" weeks for various target groups, with the participation of leading employees of insurance organizations and government bodies; development of educational materials, production of special brochures and bulletins; development and implementation of advertising strategies and PR actions.

Since 2002, the Association has been the founder of the "Insurance in Belarus" magazine, which is extremely popular among insurance professionals in Belarus. Traditionally, we support talented students - the future potential of the insurance business in Belarus. One of the most interesting and popular educational events among students is "Shadowing Day". On this day, students are given a unique opportunity to "plunge" into the work environment of insurance companies, communicate with experienced employees, ask questions, and become active participants in the process.

It is people - professionals and enthusiasts in their field - who help us move the industry forward. Thanks to their support and initiative, the Belarusian Association of Insurers today is acting as a negotiating platform where the Belarusian insurance market participants can develop a common view of the future development direction. The members of the Association have built a common corporate foundation that gives insurance companies an opportunity to jointly generate ideas and implement innovative projects, bringing real benefits to all market participants.

On the eve of the anniversary, I sincerely wish the Belarusian Association of Insurers to further strengthen its position in the system of existing institutions both in the national market and in the international arena.

Interview conducted by Marina MAGNAVAL



# Belarus



S&P Rating

**B, NEGATIVE**

Moody's rating

**B3, STABLE**

Fitch Rating

**B, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of the Republic of Belarus

<sup>3</sup> Ministry of Finance of the Republic of Belarus

<sup>4</sup> XPRIMM calculations

Despite the business reduction witnessed by some insurance lines, new prospects have emerged thanks to the increasing demand for health and life insurance

Amendments to the rules for investing insurance reserves were made in 2020, providing for slightly lower limits for certain financial instruments

Aggregated profit before tax in 2020 increased 2.6 times compared to 2019 (to BYN 207.2 million)

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	GEL billion <sup>1</sup>	94.95	105.75	122.32	134.73	147.01
	EUR billion <sup>4</sup>	46.43	44.90	49.45	57.27	46.40
<b>GDP per capita, current prices</b>	GEL <sup>1</sup>	9,997	11,126	12,887	14,220	15,626
	EUR <sup>4</sup>	4,888	4,724	5,210	6,045	4,932
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	5.92	5.68	4.83	4.23	4.10
<b>Population</b>	Millions <sup>1</sup>	9.50	9.51	9.49	9.48	9.41
<b>GEL/EUR exchange rate</b>	End of period <sup>2</sup>	2.0450	2.3553	2.4734	2.3524	3.1680
<b>Gross written premiums</b>	GEL million <sup>3</sup>	987.86	1,070.13	1,226.04	1,403.42	1,510.20
	EUR million <sup>4</sup>	483.06	454.35	495.69	596.59	476.70
<b>Paid claims</b>	GEL million <sup>3</sup>	540.76	535.16	624.75	710.60	814.71
	EUR million <sup>4</sup>	264.43	227.21	252.59	302.07	257.17
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.04%	1.01%	1.00%	1.04%	1.03%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	50.86	47.80	52.22	62.96	50.67

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	476.70	596.59	-20.09	257.17	302.07	-14.87	100.00	100.00
<b>TOTAL LIFE (V)</b>	62.82	71.99	-12.74	23.91	29.09	-17.78	13.18	12.07
Life insurance	39.64	42.61	-6.97	16.16	20.02	-19.27	8.32	7.14
Supplementary pension ins.	23.18	29.38	-21.10	7.75	9.07	-14.49	4.86	4.92
<b>TOTAL NON-LIFE (V)+(M)</b>	413.89	524.60	-21.10	233.25	272.99	-14.56	86.82	87.93
<b>VOLUNTARY INS. (V), OF WHICH:</b>	233.98	293.66	-20.32	133.98	153.05	-12.46	49.08	49.22
Medical expenses insurance	43.63	53.93	-19.11	30.92	36.76	-15.89	9.15	9.04
Accidents	18.48	28.62	-35.43	11.60	10.77	7.72	3.88	4.80
Property of legal entities	66.93	78.92	-15.20	44.12	53.47	-17.47	14.04	13.23
Property of individuals	51.87	65.38	-20.66	27.37	32.77	-16.48	10.88	10.96
Cargo	3.05	3.87	-21.09	0.61	0.50	23.25	0.64	0.65
Business risks	21.56	29.45	-26.81	14.09	11.11	26.84	4.52	4.94
Construction risks	7.82	8.72	-10.33	0.42	0.52	-19.48	1.64	1.46
Liability insurance	14.50	19.17	-24.36	3.29	5.71	-42.42	3.04	3.21
Blanket insurance	6.15	5.61	9.57	1.57	1.45	-	1.29	0.94
<b>MANDATORY INS. (M), OF WHICH:</b>	179.91	230.94	-22.10	99.27	119.94	-17.23	37.74	38.71
Real estate property of individuals	4.50	5.60	-19.62	1.59	1.91	-16.45	0.94	0.94
Ins. with State support of agricultural crops, livestock and poultry	9.13	11.04	-17.32	1.82	1.78	2.03	1.91	1.85
Medical ins. for foreign citizens	3.00	4.16	-27.84	0.49	0.64	-22.76	0.63	0.70
Accidents at work and occupational diseases	77.26	94.96	-18.64	43.78	54.43	-19.56	16.21	15.92
Compulsory state insurance	0.21	0.37	-44.83	0.19	0.35	-46.26	0.04	0.06
MTPL	64.05	70.93	-9.69	42.75	49.79	-14.14	13.44	11.89
Green Card insurance	18.45	38.89	-52.56	8.22	10.45	-21.38	3.87	6.52
Carriers' liability	0.97	1.70	-42.89	0.28	0.51	-44.61	0.20	0.28
Commercial organizations engaged in real estate activities	0.08	0.20	-60.65	0.06	0.01	496.29	0.02	0.03
Temporary managers in case of economic insolvency (bankruptcy)	0.06	0.09	-31.51	0.08	0.01	469.09	0.01	0.01
Civil liability of legal persons and individual employers for damages caused by activities related to the operation of certain facilities	2.01	2.76	-27.35	0.01	0.06	-90.82	0.42	0.46
Civil liability of the carrier for the carriage of dangerous goods	0.19	0.24	-18.06	0.00	0.00	1,068	0.04	0.04

1 EUR = 3.1680 New Belarusian Ruble - BYN (December 31<sup>st</sup>, 2020)

1 EUR = 2.3524 New Belarusian Ruble - BYN (December 31<sup>st</sup>, 2019)

In 2020, total GWP of the Belarusian insurance market amounted to BYN 1,510.2 million (EUR 476.70 million), which is 7.61% more y-o-y in BYN. At the same time, total number of insurance contracts decreased by 16.5%.

According to the Belarusian Association of Insurers, the "panic" scenario that was announced in early-mid 2020 clearly did not come true and the market in general passed well though this year. A couple of business lines dropped to a minimum, but new prospects appeared, and the demand for health and life insurance improved. The greatest optimism is supported by the revival of life insurance, which grew by 25.3%. And there is an implicit trend, but with clear prospects, of increasing share of the segment from 8.8% in 2016 to 13.2% in 2020.

Voluntary insurance types kept their leading position in the market at the level of 62.3%. And if the "mandatory" portfolio traditionally consists by almost 90% of civil liability insurance of vehicle owners and insurance against accidents at work, the voluntary one has property and personal insurance prevailing. The Association emphasized how the personal insurance "pie" was divided between different products: 31.7% - life insurance, 18.6% - supplementary pensions, 34.9% - medical expenses.

Amendments to the rules for investing insurance reserves were made in the Republic of Belarus in 2020. Insurance organizations are required to have at least 10% of their insurance reserves on accounts of Belarusian banks. At the same time, insurers need to invest at least 35% of their reserves in government securities or securities of the Development Bank and place them in deposits of state banks. This standard previously amounted to at least 40% for life insurance and 35% for non-life.

As of 01.01.2021, total amount of insurance reserves reached BYN 2,386.6 million, which is 29.7% more than in 2019. The assets of insurers also grew by 21.0% to BYN 4,699.6 million. The equity capital increased over the past year to BYN 1,833.7 million, at that charter capital accounts for 71.5% of the equity capital of insurers. The profit before tax in 2020 increased 2.6 times compared to 2019 (to BYN 207.2 million). (M.M.)

# Belarus

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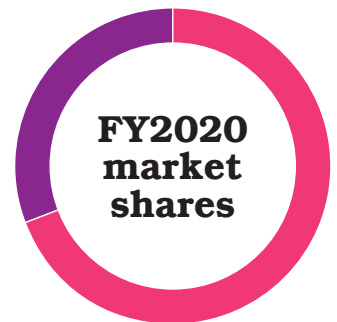
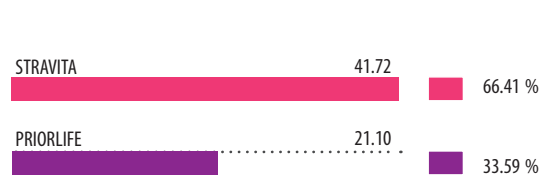
**Full market rankings per company & per class**

MSExcel format \* in EUR and local currency

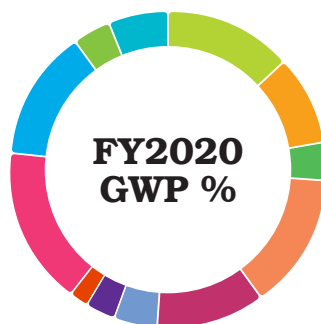
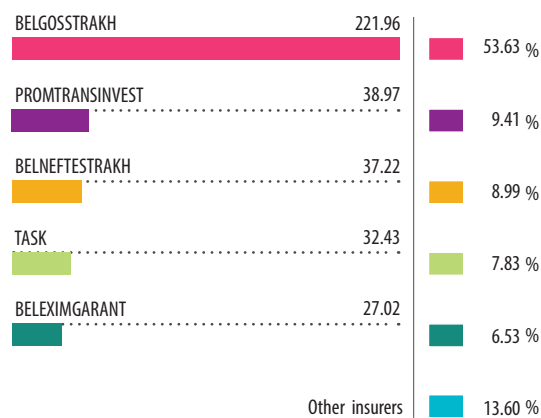
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## Life insurance ranking (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Total life	13.18
Medical expenses	9.15
Accidents	3.88
Property of legal entities	14.04
Property of individuals	10.88
Business risks	4.52
Liability insurance	3.04
Mandatory agricultural ins.	1.91
Occupational diseases	16.21
MTPL	13.44
Green Card	3.87
Other	5.88



Total life	9.30
Medical expenses	12.02
Accidents	4.51
Property of legal entities	17.16
Property of individuals	10.64
Business risks	5.48
Liability insurance	1.28
Mandatory agricultural ins.	0.71
Occupational diseases	17.02
MTPL	16.62
Green Card	3.20
Other	2.06

# Georgia



S&P Rating

**BB, NEGATIVE**

Moody's rating

**BA2, STABLE**

Fitch Rating

**BB, NEGATIVE**

Sources:

<sup>1</sup> National Statistics Office of Georgia  
(www.geostat.ge)

<sup>2</sup> The National Bank of Georgia

<sup>3</sup> State Insurance Supervision  
Service of Georgia

<sup>4</sup> XPRIMM calculations

Georgian insurance market grew by 6.76% to GEL 667.28 million (EUR 165.85 million)

Insurance lines linked to the hospitality sector saw the largest drops in business volume

Paid claims in life insurance increased by 48% compared to 2019

Insurance brokers of Georgia ended 2020 with a total intermediated premiums worth GEL 71.2 million, up by 37.4% y-o-y

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	GEL billion <sup>1</sup>	35.80	40.80	44.60	49.30	49.40
	EUR billion <sup>4</sup>	12.81	13.14	14.53	15.36	12.28
<b>GDP per capita, current prices</b>	GEL <sup>1</sup>	9,601	10,949	11,958	13,240	13,291
	EUR <sup>4</sup>	3,436	3,527	3,895	4,125	3,303
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	21.70	21.60	19.20	17.60	18.50
<b>Population</b>	Millions <sup>1</sup>	3.73	3.73	3.73	3.72	3.72
<b>GEL/EUR exchange rate</b>	End of period <sup>2</sup>	2.7940	3.1044	3.0701	3.2095	4.0233
<b>Gross written premiums</b>	GEL million <sup>3</sup>	393.04	441.40	542.20	625.00	667.28
	EUR million <sup>4</sup>	140.67	142.19	176.61	194.74	165.85
<b>Paid claims</b>	GEL million <sup>3</sup>	231.86	248.77	301.86	532.52	385.48
	EUR million <sup>4</sup>	82.99	80.13	98.32	165.92	95.81
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.10%	1.08%	1.22%	1.27%	1.35%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	37.73	38.16	47.35	52.30	44.62

At the end of 2020, the Georgian insurance market grew by 6.76% to GEL 667.28 million (EUR 165.85 million), with both insurance sectors increasing: non-life - by 6.48% and life - by 10.33%.

Among the non-life segments in local currency a rather strong drop was recorded by: MTPL (-30.17%, to GEL 38.73 million), as well as in cargo, carriers' liability, credit insurance and, most of all, travel insurance (by almost 54%) due to a decline in economic activity caused by the crisis.

Market paid claims by the end of 2020 decreased by 27.61% to GEL 385.48 million. At the same time, a decrease in paid claims was observed only in non-life insurance,

while paid claims in life insurance, on the contrary, increased by 48% compared to 2019.

At the end of 2020, 18 companies were operating in the Georgian insurance market. GPI Holding continued to lead in terms of GWP in the overall ranking and TBC Insurance headed the ranking of life insurers out of 15 active companies, occupying more than half of this market (51.22%).

Insurance brokers of Georgia ended 2020 with a total intermediated Premiums worth GEL 71.2 million, up by 37.4% y-o-y. In relation to the market total GWP, mediated premiums by brokers accounted for

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	165.85	194.74	-14.83	95.81	165.92	-42.25	100.00	100.00
<b>TOTAL LIFE</b>	12.53	14.24	-11.99	4.66	3.95	18.07	7.56	7.31
<b>TOTAL NON-LIFE</b>	153.32	180.50	-15.06	91.15	161.97	-43.73	92.44	92.69
Accidents	3.53	3.50	0.88	0.12	0.09	33.15	2.13	1.80
Health	66.50	72.92	-8.81	46.53	58.84	-20.93	40.10	37.45
<b>Overall motor insurance</b>	38.63	52.18	-25.97	21.19	24.49	-13.44	23.29	26.80
Motor Hull	29.00	34.90	-16.89	18.54	21.07	-12.03	17.49	17.92
MTPL	9.63	17.28	-44.29	2.66	3.41	-22.17	5.80	8.87
Property	26.91	27.54	-2.29	19.13	71.85	-73.38	16.22	14.14
Railway, aircraft and ships	1.84	2.80	-34.03	0.29	0.32	-9.81	1.11	1.44
CARGO	2.17	3.10	-30.16	0.34	0.81	-57.23	1.31	1.59
GTPL	6.29	7.46	-15.68	0.30	0.65	-54.63	3.79	3.83
Carriers' liability (air and sea)	1.41	2.65	-46.78	-	0.00	-	0.85	1.36
Financial Risks	2.17	1.97	10.12	0.89	0.91	-1.95	1.31	1.01
Credit	0.09	0.18	-49.07	0.07	0.12	-41.41	0.06	0.09
Suretyship	2.79	3.53	-20.91	2.13	3.54	-39.88	1.68	1.81
Travel	0.97	2.65	-63.27	0.15	0.34	-56.11	0.59	1.36

<sup>1</sup> EUR = 3.2095 Lari - GEL (December 31<sup>st</sup>, 2019)

<sup>1</sup> EUR = 4.0233 Lari - GEL (December 31<sup>st</sup>, 2020)



David ONOPRISHVILI  
Chairman of Service,  
Insurance State  
Supervision Service of  
Georgia



Devi KHECHINASHVILI  
President of the  
Georgian Insurance  
Association

about 10.6%, up from 8.3% the previous year. Total intermediation fees cashed by the brokerage companies amounted to GEL 5.51 million, showing an average acquisition fee of about 7.7%, decreasing from about 9.2% in 2019.

Speaking about economic environment in Georgia, Chairman, Insurance State Supervision Service of Georgia David ONOPRISHVILI said: *As for all the countries of the world, 2020 was the year of challenges for Georgia, which was also significantly affected by limitations and lockdowns, related with the pandemic. The efforts of Georgia to be a valuable part of global economy, create and maintain one of the most attractive environments for foreign investments remains unchanged over the last several years. In accordance with World Bank yearly report, Georgia is holding a 7th position in Ease of Doing Business ranking. Despite all the complications, there is even an improvement of the score from 83.3 in 2019 to 83.7 in 2020.*

Devi KHECHINASHVILI, President of the Georgian Insurance Association explained: *In the first half of the year we had a significant drop in pure loss ratios, especially on motor and on the medical segment, which is 40 percent of our business (...). The most part of our industry's business is related to the corporate segment which means that our own results depend on the economic environment. For example, we have lost a significant part of the very profitable business lines connected with tourism, so we are now in a situation where we have to operate more and more efficient. In the long run, this may lead to a good outcome for the industry, which will operate in a more efficient manner.* (M.M.)

# Georgia

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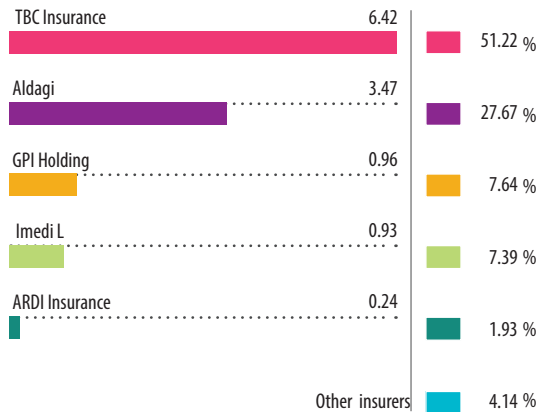
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

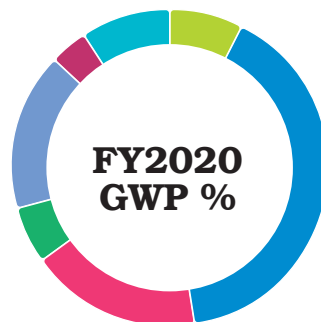
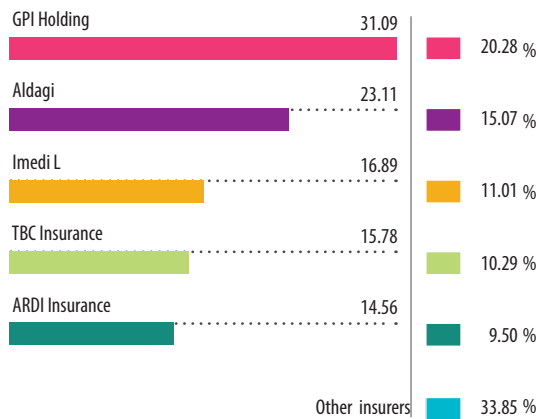
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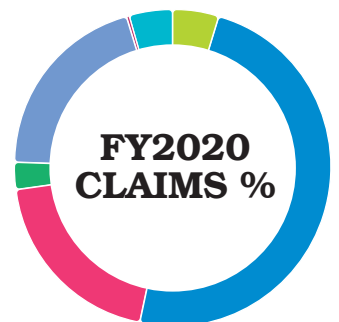
## Top 5 Life insurance (GWP, EUR m)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	7.56
Health	40.10
Motor Hull	17.49
MTPL	5.80
Property	16.22
GTPL	3.79
Other	9.04



Life	4.87
Health	48.57
Motor Hull	19.35
MTPL	2.77
Property	19.96
GTPL	0.31
Other	4.17

# Kazakhstan



S&P Rating

**BBB-, STABLE**

Moody's rating

**BAA3, POSITIVE**

Fitch Rating

**BBB, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The National Bank of Kazakhstan

<sup>3</sup> XPRIMM calculations

Life insurance grew twice as fast (+18%) as non-life insurance (+9%), its share in the market portfolio increasing by about 1.5 p.p.

Motor Hull GWP increased by 7%, supported by an increase in demand for new cars in early 2020

The loss ratio of Motor Hull decreased by 2.5%, and for MTPL insurers - by 3%, mostly because of the movement restrictions

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	KZT billion <sup>1</sup>	46,971.15	54,378.86	61,819.54	69,532.60	68,051.51
	EUR billion <sup>3</sup>	133.28	136.55	140.70	162.90	131.85
<b>GDP per capita, current prices</b>	KZT <sup>1</sup>	2,621,421	2,994,876	3,360,561	3,731,951	3,606,175
	EUR <sup>3</sup>	7,438	7,520	7,649	8,743	6,987
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.95	4.90	4.85	4.78	5.48
<b>Population</b>	Millions <sup>1</sup>	17.92	18.16	18.40	18.63	18.87
<b>KZT/EUR exchange rate</b>	End of period <sup>2</sup>	352.42	398.23	439.37	426.85	516.13
<b>Gross written premiums</b>	KZT million <sup>2</sup>	356,903.89	370,173.60	384,845.93	508,512.27	568,134.50
	EUR million <sup>3</sup>	1,012.72	929.55	875.90	1,191.31	1,100.76
<b>Paid claims</b>	KZT million <sup>2</sup>	97,080.60	88,734.59	95,176.77	221,498.52	149,916.23
	EUR million <sup>3</sup>	275.47	222.82	216.62	518.91	290.46
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	0.76%	0.68%	0.62%	0.73%	0.83%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	56.52	51.19	47.61	63.94	58.33

Total GWP last year amounted to KZT 568.1 billion (EUR 1.1 billion), which is almost 12% more y-o-y in local currency. It is worth noting that life insurance grew twice as fast (+18%) as non-life insurance (+9%), and the share of life insurance in the market portfolio increased, while the share of non-life decreased slightly.

In 2020, income of the insurance sector in Kazakhstan increased by 18.5% y-o-y to KZT 589 billion (~EUR 1.14 billion). At the same time, investment income increased by 40% to KZT 128 billion, and income from insurance - by 12.8% to KZT 458.1 billion. Thus, the insurance activity brought in 77.8% of the insurance market total

income last year. Life insurers accounted for 46.6% of that volume, while non-life insurers generated 53.4%.

Life insurers' GWP in 2020 amounted to KZT 228.9 billion (~EUR 0.44 billion), which is 16% more y-o-y. This figure is a record for the life insurance sector. The growth of the Kazakh life insurance market for the last three years averaged 39.5% per year, which, according to the experts, is associated with the growing interest of the population in life insurance products and development of accumulative insurance, as well as pension annuities. The pandemic had a positive impact on the results of the Kazakhstani motor

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,100.76	1,191.31	-7.60	290.46	518.91	-44.03	100.00	100.00
<b>TOTAL LIFE</b>	339.50	347.36	-2.26	41.86	40.52	3.32	30.84	29.16
Life insurance (v)	189.08	180.20	4.93	8.61	6.58	30.89	17.18	15.13
Annuity (v)	150.42	167.16	-10.02	33.25	33.94	-2.02	13.66	14.03
<b>TOTAL NON-LIFE</b>	761.26	843.95	-9.80	248.60	478.40	-48.03	69.16	70.84
Accidents (v)	39.31	55.20	-28.79	4.12	2.44	68.52	3.57	4.63
Sickness (v)	61.41	80.03	-23.27	41.92	56.96	-26.40	5.58	6.72
Property insurance (v)	228.63	222.79	2.62	32.87	192.53	-82.93	20.77	18.70
<b>Overall motor insurance</b>	211.82	241.70	-12.36	70.14	85.33	-17.81	19.24	20.29
Motor Hull (v)	54.71	61.97	-11.72	13.35	15.80	-15.50	4.97	5.20
MTPL (c)	157.12	179.74	-12.59	56.79	69.54	-18.33	14.27	15.09
CARGO (v)	13.66	16.15	-15.42	1.20	1.86	-35.32	1.24	1.36
GTPL (v)	32.67	54.05	-39.55	1.36	3.87	-64.71	2.97	4.54
Financial losses (v)	37.00	14.84	149.38	76.53	80.71	-5.18	3.36	1.25
Worker against accidents (c)	77.13	91.29	-15.51	9.96	12.99	-23.36	7.01	7.66
Others (c)+ (v)	59.62	67.89	-12.18	10.49	41.69	-74.83	5.42	5.70
<b>TOTAL COMPULSORY INSURANCE</b>	245.65	288.00	-14.71	68.74	84.66	-18.81	22.32	24.18
<b>TOTAL VOLUNTARY INSURANCE</b>	855.11	903.31	-5.34	221.73	434.26	-48.94	77.68	75.82

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

1 EUR = 426.85Tenge - KZT (December 31<sup>st</sup>, 2019)

1 EUR = 516.13 Tenge - KZT (December 31<sup>st</sup>, 2020)





Marina SHIPOVALOVA  
General Director  
INTERCONSULT Info

insurance market - Motor Hull increased by 7% to KZT 28 billion (~EUR 54.18 million), and MTPL - by 6% to KZT 81.1 billion (~EUR 156.93 million). According to Marina SHIPOVALOVA, General Director, INTERCONSULT Info, insurance consultant, Motor Hull growth was supported by an increase in demand for new cars in early 2020. The quarantine measures, which severely limited movement of vehicles, had a positive effect on the loss ratio of motor insurance - the loss ratio of Motor Hull decreased by 2.5%, and for MTPL insurers - by 3%. The 2020 "pandemic" year for some insurers in Kazakhstan turned out to be better than 2019. Only 7 insurers ended 2020 with losses from insurance activities, among them there were 4 non-life insurance companies (vs 9 non-life insurers in 2019).

Experts note that the pandemic had practically no effect on the results of the local insurance market because the Kazakh insurance market's level of development does not yet allow offering such insurance products and covering the risks that are present in the markets of other developed countries, such as insurance of business interruptions, cancellation of events etc. Therefore, the financial performance of Kazakhstani non-life insurers remained stable.

The insurance market regulator came up with an initiative to develop a draft law "on amendments and additions to certain legislative acts of the Republic of Kazakhstan on regulation and development of the insurance market and securities market" in order to update the legislation and make changes on problematic market issues. Insurance legislation was last changed in 2018 (introduction of MTPL e-policy, increase of the limits of payments to victims of road accidents, etc.).

(M.M.)

# Kazakhstan

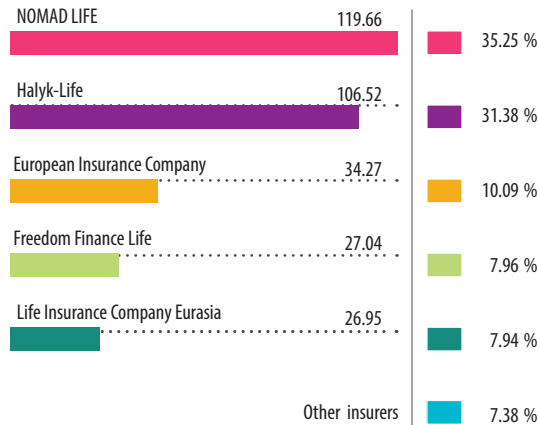
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**Full market rankings per company & per class**

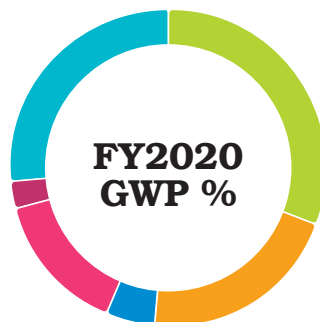
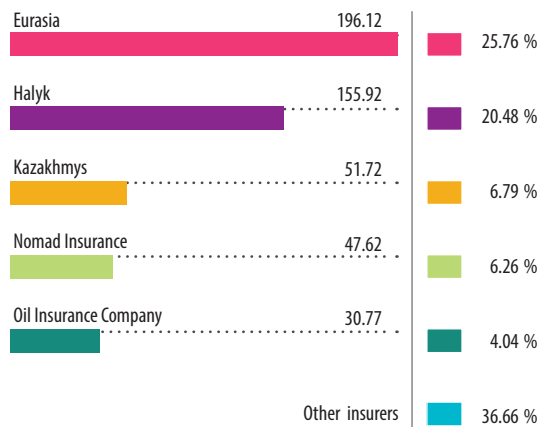
MSEcel format \* in EUR and local currency

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## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	30.84
Property	20.77
Motor Hull	4.97
MTPL	14.27
GTPL	2.97
Other	26.18



Life	14.41
Property	11.32
Motor Hull	4.60
MTPL	19.55
GTPL	0.47
Other	49.65

# Kyrgyzstan



Moody's rating

**B2, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021<sup>2</sup>

National Bank of the Kyrgyz Republic

<sup>3</sup> FSA - Gosfinaadzora

<sup>4</sup> XPRIMM calculations

## Market's main indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	KGS billion <sup>1</sup>	476.33	530.48	569.39	590.04	575.17
	EUR billion <sup>4</sup>	6.54	6.42	7.11	7.57	5.68
<b>GDP per capita, current prices</b>	KGS <sup>1</sup>	79,132	86,394	91,004	92,356	88,258
	EUR <sup>4</sup>	1,086	1,046	1,137	1,184	871
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	7.21	6.89	6.61	6.61	6.61
<b>Population</b>	Millions <sup>1</sup>	6.02	6.14	6.26	6.39	6.52
<b>KGS/EUR exchange rate</b>	End of period <sup>2</sup>	72.8439	82.5936	80.0446	77.9803	101.3204
<b>Gross written premiums</b>	KGS million <sup>3</sup>	NA	1,004.40	1,098.78	1,332.74	1,334.76
	EUR million <sup>4</sup>	-	12.16	13.73	17.09	13.17
<b>Paid claims</b>	KGS million <sup>3</sup>	NA	111.58	128.29	180.67	184.21
	EUR million <sup>4</sup>	-	1.35	1.60	2.32	1.82
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	-	0.19%	0.19%	0.23%	0.23%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	-	1.98	2.19	2.68	2.02

The insurance sector of Kyrgyzstan, after a decrease seen in the third quarter, ended 2020 without losses (in local currency), with GWP remaining almost at the level of 2019 (+0.15% y-o-y).

In 2020, total income of insurance companies increased by 6.3% y-o-y and amounted to KGS 1.7 billion (~EUR 16.6 million). The bulk of insurers' income (75%)

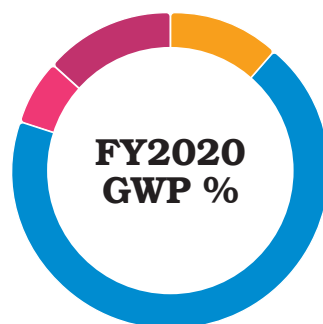
came from insurance premiums. The net profit of insurers amounted to about KGS 275 million, which is 41% more than in 2019.

Considering the decrease in the level of income of the country's population, associated with the protracted situation of the pandemic, it was decided to postpone the incurrence of liability for

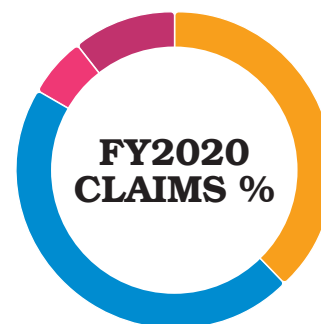
• Total income of insurance companies increased by 6.3%

• GWP remained quasi at the same level of the previous year

• MTPL law for owners and (or) drivers of vehicles registered in the Kyrgyz Republic will enter into force in 2023



Personal	11.53
Property	68.62
Liability insurance	6.77
Compulsory insurance	13.07



Personal	38.04
Property	45.46
Liability insurance	6.08
Compulsory insurance	10.42

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	13.17	17.09	-22.92	1.82	2.32	-21.53	100.00	100.00
Life	0.00	0.00	337.02	-	-	-	0.01	0.00
Personal	1.52	2.31	-34.16	0.69	0.88	-21.26	11.53	13.50
Property	9.04	10.82	-16.48	0.83	1.15	-28.36	68.62	63.33
Liability insurance	0.89	1.37	-34.92	0.11	0.15	-27.82	6.77	8.02
Compulsory insurance	1.72	2.59	-33.48	0.19	0.13	43.73	13.07	15.15

1 EUR = 77.9803 Som - KGS (December 31<sup>st</sup>, 2019)

1 EUR = 101.3204 Som - KGS (December 31<sup>st</sup>, 2020)

## Kyrgyzstan

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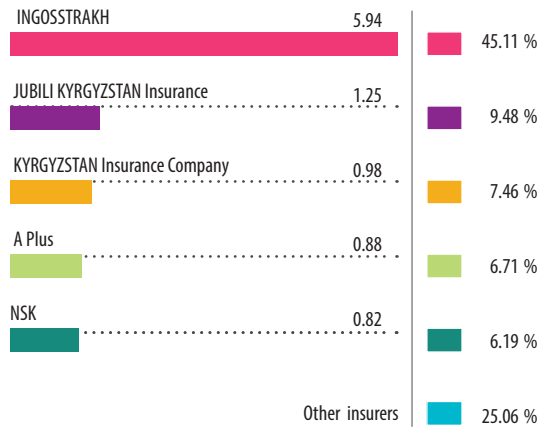
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non-compliance with the MTPL law. Thus, the MTPL law for owners and (or) drivers of vehicles registered in the Kyrgyz Republic will enter into force in 2023.

The State Service of regulation and supervision of the financial market at the government of the Kyrgyz Republic summed up the results of 2020 and awarded several financial market entities. The awarding ceremony took place on February 22, 2021. The winners were selected for six nominations, among them was the nomination "Insurance Company of the Year - 2020", in which the diploma was given to the insurance company "KYRGYZSTAN".

(M.M.)

### Top 5 Total market (GWP, EUR m)



# xprimm publications

Insurance in CEE, SEE and CIS

## XPRIMM Insurance Report



## PROPERTY Insurance Report



## MOTOR Insurance Report



## INSURANCE PROFILE



# Moldova



Moody's rating  
**B3, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The National Bank of Moldova

<sup>3</sup> The National Commission of Financial Market (NCFM)

<sup>4</sup> XPRIMM calculations

While GWP fell by 11% in comparison with 2019, paid claims also decreased, but by only 8.8%

The new Law on insurance and reinsurance activities was approved by the Parliament in December 2020 and will enter into force 12 months after its publication; insurers will have to comply to the new capital requirements by January 1, 2023. The document includes provisions of the European Insurance Directive, in particular, the requirements of Solvency II.

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	MDL billion <sup>1</sup>	160.82	178.88	190.02	210.10	199.20
	EUR billion <sup>4</sup>	7.70	8.76	9.73	10.91	9.43
<b>GDP per capita, current prices</b>	MDL <sup>1</sup>	56,938	64,347	69,594	78,344	75,627
	EUR <sup>4</sup>	2,726	3,153	3,565	4,068	3,580
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.23	4.13	3.05	5.13	8.00
<b>Population</b>	Millions <sup>1</sup>	2.82	2.78	2.73	2.68	2.63
<b>MDL/EUR exchange rate</b>	End of period <sup>2</sup>	20.8895	20.4099	19.5212	19.2605	21.1266
<b>Gross written premiums</b>	MDL million <sup>3</sup>	1,380.13	1,441.90	1,518.14	1,624.66	1,452.91
	EUR million <sup>4</sup>	66.07	70.65	77.77	84.35	68.77
<b>Paid claims</b>	MDL million <sup>3</sup>	519.07	506.03	548.99	653.79	596.39
	EUR million <sup>4</sup>	24.85	24.79	28.12	33.94	28.23
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.86%	0.81%	0.80%	0.77%	0.73%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	23.40	25.41	28.49	31.45	26.11

The insurance market of Moldova ended 2020 with a total GWP drop of almost 11% y-o-y in local currency (MDL 1.45 billion/ EUR 68.77 million). Paid claims decreased by 8.78% to MDL 596.39 million. It is worth noting that the decline in premiums was observed only in non-life insurance, while life insurance remained almost at the level of 2019 (-0.04%).

The non-life insurance ranking leader is ASTERRA GRUP, which increased its share in the sector to about 20%, while GWP of the only life insurer, GRAWE CARAT ASIGURARI, remained almost unchanged at the end of the year.

The draft law on insurance and reinsurance activities, which was approved by the Government in October 2020 and was developed by specialists of the National Commission for the Financial Market (CNPF) alongside experts from the World Bank, was adopted in the first reading in December during a regular parliamentary meeting. The draft law retains the current regulation and supervision rules and establishes new requirements for capital compliance, corporate governance, and risk management. The document includes provisions of the European Insurance Directive, in particular, the requirements of

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	68.77	84.35	-18.47	28.23	33.94	-16.84	100.00	100.00
<b>TOTAL LIFE</b>	4.78	5.24	-8.87	1.26	0.60	108.70	6.95	6.22
<b>TOTAL NON-LIFE</b>	63.99	79.11	-19.11	26.97	33.34	-19.10	93.05	93.78
Accidents insurance	0.86	1.19	-27.55	0.06	0.55	-88.25	1.26	1.41
<b>Overall health insurance</b>	3.38	5.47	-38.18	1.26	1.71	-26.34	4.92	6.49
Health - valid in Moldova	1.46	1.52	-4.00	0.72	0.87	-17.12	2.12	1.80
Health - valid outside Moldova	1.93	3.95	-51.30	0.54	0.84	-35.97	2.80	4.69
<b>Overall property insurance</b>	5.72	8.08	-29.20	1.94	1.15	68.80	8.32	9.58
Fire and allied perils	4.51	7.47	-39.67	0.59	0.99	-40.71	6.56	8.86
Damages to property	1.21	0.61	99.88	1.35	0.16	757.66	1.76	0.72
<b>Overall motor insurance</b>	47.05	54.14	-13.10	21.39	25.08	-14.72	68.41	64.18
Motor Hull	16.05	17.94	-10.53	8.58	10.29	-16.62	23.34	21.27
MTPPL	21.83	19.79	10.35	9.17	10.63	-13.77	31.75	23.46
Green Card	8.42	15.56	-45.88	3.53	3.98	-11.48	12.24	18.45
Other motor insurance	0.74	0.85	-12.98	0.12	0.18	-33.64	1.07	1.00
Aircraft insurance	1.63	1.35	21.07	2.01	4.00	-49.70	2.37	1.60
Aircraft liability	2.13	4.04	-47.40	0.03	0.69	-95.18	3.09	4.79
Goods in transit	0.46	0.52	-12.20	0.03	0.02	34.40	0.66	0.62
GTPL	1.97	3.55	-44.48	0.02	0.03	-31.43	2.86	4.20
Financial loss insurance	0.70	0.76	-7.16	0.22	0.10	111.43	1.02	0.90
Other non-life insurance	0.10	0.02	529.42	-	-	-	0.14	0.02

1 EUR = 19.2605 Lei - MDL (December 31<sup>st</sup>, 2019)

1 EUR = 21.1266 Lei - MDL (December 31<sup>st</sup>, 2020)



Valeriu CHITAN  
President  
CNPF

Solvency II. The law will enter into force 12 months after its publication and insurers must meet capital requirements by January 1, 2023.

*Legislative reform through planned approval of a set of normative acts provides an opportunity for a large-scale modernization of the institutional system in the insurance sector, respectively, bringing the sector closer to standards and best practice. We believe that now is a good moment to introduce a new regulatory framework that will not compromise the ability of most market participants to comply with prudential requirements. Moreover, after a period of instability, such a reboot will create a favorable environment for the "new normal" reality by applying new business models that ensure continuity, stability, profitability, fulfillment of a social mission, motivate innovation and the find of new technological solutions, and at the same time will ensure customer protection. The new regulatory framework will be introduced gradually and will not create preconditions for any shock situations to entities whose capital compliance is within predictable limits, said Valeriu CHITAN, CNPF Chairman.*

National Bureau of Motor Insurers (BNAA) of the Republic of Moldova in 2020 received the status of a full member in the Green Card system. Also, based on this decision, Alina OSOIANU, CEO of BNAA, was appointed as co-Chair of the Committee on internal settlement of the Bureau Council in Brussels. The Council of Bureaux of Green Card (Brussels) had been monitoring the insurance market in Moldova for two decades and in September the General Assembly of the Council decided not to renew the monitoring status of the National Bureau of Motor Insurers (BNAA) of the Republic of Moldova. The General Assembly, governing body of the Green Card international insurance system, noted the joint efforts of the regulator and market professional participants under remedial measures.

(M.M.)

# Moldova

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Full market rankings per company & per class

MSEcel format \* in EUR and local currency

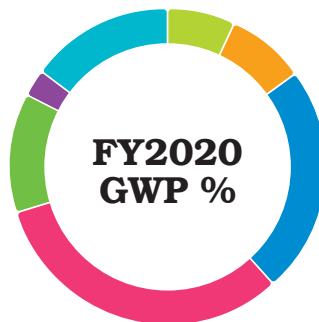
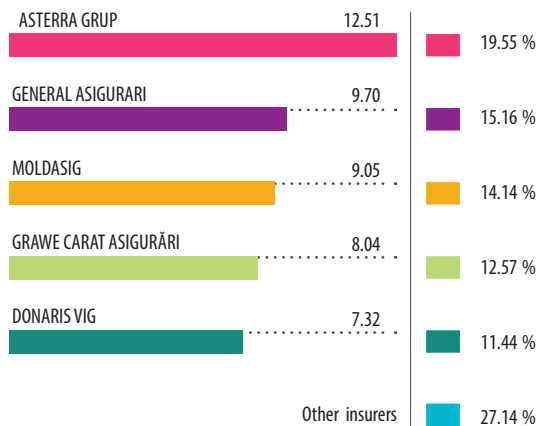


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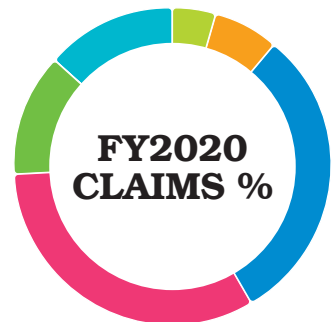
## Life insurance ranking (GWP, EUR m)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	6.95
Property	8.32
Motor Hull	23.34
MTPL	31.75
Green Card	12.24
GTPL	2.86
Other	14.54



Life	4.45
Property	6.88
Motor Hull	30.38
MTPL	32.48
Green Card	12.49
GTPL	0.07
Other	13.25

# Russia



S&P Rating  
**BBB-, STABLE**

Moody's rating  
**BAA3, STABLE**

Fitch Rating  
**BBB, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The Central Bank of the Russian Federation

<sup>3</sup> Financial Markets Service of the Bank of Russia

<sup>4</sup> XPRIMM calculations

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	RUB billion 1	85,616.10	91,843.20	103,861.70	109,193.20	106,606.60
	EUR billion 4	1,341.71	1,333.64	1,307.09	1,574.74	1,175.60
<b>GDP per capita, current prices</b>	RUB 1	583,200	625,294	707,596	744,081	726,146
	EUR 4	9,139	9,080	8,905	10,731	8,008
<b>Unemployment rate</b>	% of total labor force 1	5.53	5.20	4.80	4.60	5.78
<b>Population</b>	Millions 1	146.80	146.88	146.78	146.75	146.81
<b>RUB/EUR exchange rate</b>	End of period 2	63.8111	68.8668	79.4605	69.3406	90.6824
<b>Gross written premiums</b>	RUB million 3	1,180,631.59	1,278,841.60	1,479,501.13	1,481,177.59	1,538,700.73
	EUR million 4	18,501.98	18,569.78	18,619.33	21,360.90	16,968.02
<b>Paid claims</b>	RUB million 3	505,790.11	509,722.13	522,468.01	610,865.42	658,485.52
	EUR million 4	7,926.37	7,401.57	6,575.19	8,809.64	7,261.45
<b>Insurance penetration degree</b>	% in GDP 4	1.38%	1.39%	1.42%	1.36%	1.44%
<b>Insurance density</b>	EUR/capita 4	126.03	126.43	126.85	145.56	115.58

Despite the difficult situation caused by the coronavirus pandemic, the Russian insurance market in 2020 grew by 4.1% (in ruble), and total GWP exceeded RUB 1.5 trillion (EUR 16.98 billion), although quarterly dynamics was uneven due to strong economic volatility. The largest GWP reduction was observed in 2Q2020,

which had the most restrictive measures. However, this decline was temporary, and in 3Q2020, as the restrictions were gradually lifted, the insurance market almost returned to the "pre-Covid" level.

Among the market growth drivers of 2020, the regulator pointed out accumulative life insurance and insurance types related

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	16,968.02	21,360.90	-20.57	7,261.45	8,809.64	-17.57	100.00	100.00
<b>LIFE INSURANCE*</b>	4,747.53	5,903.82	-19.59	2,255.08	1,923.88	17.22	27.98	27.64
<b>OVERALL NON-LIFE INSURANCE</b>	12,220.49	15,457.08	-20.94	5,006.37	6,885.76	-27.29	72.02	72.36
<b>VOLUNTARY NON-LIFE INSURANCE</b>	9,539.34	12,029.07	-20.70	3,325.64	4,598.27	-27.68	56.22	56.31
Personal insurance, of which:	4,182.45	5,307.44	-21.20	1,515.56	2,073.60	-26.91	24.65	24.85
Accidents and diseases	2,230.97	2,702.12	-17.44	212.04	249.34	-14.96	13.15	12.65
Health	1,951.48	2,605.32	-25.10	1,303.52	1,824.26	-28.55	11.50	12.20
Property insurance, of which:	4,491.31	5,614.42	-20.00	1,623.92	2,287.49	-29.01	26.47	26.28
Motor Hull	1,934.48	2,459.55	-21.35	1,080.51	1,401.89	-22.92	11.40	11.51
Railway, aircraft and ships insurance	210.18	234.76	-10.47	135.25	191.62	-29.42	1.24	1.10
CARGO insurance	219.78	311.68	-29.49	33.17	120.98	-72.58	1.30	1.46
Real estate property insurance, of which:	2,037.80	2,526.99	-19.36	341.24	544.14	-37.29	12.01	11.83
Property of legal entities	1,247.68	1,490.07	-16.27	245.83	416.65	-41.00	7.35	6.98
Property of individuals	790.13	1,036.92	-23.80	95.41	127.49	-25.17	4.66	4.85
Agricultural insurance	89.08	81.44	9.38	33.75	28.86	16.96	0.52	0.38
Civil liability insurance**	395.27	465.58	-15.10	78.61	131.33	-40.14	2.33	2.18
Business risks	172.47	212.75	-18.93	66.17	44.53	48.59	1.02	1.00
Financial risks	297.85	428.88	-30.55	41.38	61.32	-32.52	1.76	2.01
<b>MANDATORY INSURANCE</b>	2,667.54	3,406.35	-21.69	1,682.52	2,285.70	-26.39	15.72	15.95
Personal insurance***	186.00	226.25	-17.79	156.94	215.49	-27.17	1.10	1.06
Compulsory MTPL	2,426.28	3,099.90	-21.73	1,514.86	2,053.33	-26.22	14.30	14.51
Dangerous installations' owners TPL insurance	30.57	39.67	-22.94	3.07	4.26	-28.04	0.18	0.19
Other	24.69	40.53	-39.08	7.65	12.61	-39.32	0.15	0.19
<b>OTHER****</b>	13.61	21.67	-37.19	-1.79	1.79	-200.09	0.08	0.10

\*life and pension plans, summed

\*\*carriers and other voluntary TPL insurances, summed

\*\*\*mandatory life and health insurance for military personnel and other compulsory personal insurances provided by the federal laws"

\*\*\*\*Premiums with no reliable figures due to late receipt of the primary accounting documents and collection write-off under court decisions  
1EUR = 69.3406 RUB (December 31<sup>st</sup>, 2019); 1 EUR = 90.6824 RUB (December 31<sup>st</sup>, 2020)

🌸 Total GWP exceeded RUB 1.5 trillion (EUR 16.98 billion), up by 4.1% y0i0y in local currency

🌸 Voluntary health insurance, the main market driver in the previous years, suffered a strong negative impact from the Covid crisis

🌸 Insurers' profitability improved, reaching RUB 247.5 billion rubles, with 135 (or 84%) of the 160 insurers recording a positive financial result



Alexey BREDIKHIN,  
Director  
ACRA Rating Agency

to lending, supported by anti-crisis measures and soft monetary policy of the Bank of Russia. The population's interest in potentially profitable investment instruments increased and made it possible for the market to promote accumulative life insurance products.

On the other hand, the pandemic most of all negatively affected such a key segment as voluntary health insurance, one of the previous market drivers. The main reason was reduction of incomes of the population as well as optimization of expenses by small enterprises. *Total volume of premiums in voluntary health insurance (VHI) decreased by RUB 3.7 billion in 2020, with the largest contributor being travel insurance where premiums fell by almost RUB 12 billion. At the same time, insurance premiums paid by companies to provide insurance coverage for their employees and their family members increased in 2020, significantly offsetting the decline in other areas. In particular, some companies were forced to expand their VHI programs with regular COVID tests for their employees, noted Alexey BREDIKHIN, Director - Head of Insurance Companies, Financial Institutions Ratings Group, ACRA Rating Agency.*

Ekaterina TOLSTOVA, Deputy Director of S&P Global for Russian Federation, said in this regard: *The economic situation had a negative impact on the sales of health insurance. We note that small enterprises started to cut their budgets, which led to a decline in additional services, in particular health insurance. However, some large corporations continued to balance demand for health insurance, which supported this line from even higher decline. Reduced coverage from employers also played a role, with a shifting product mix toward cheaper telemedicine product. We consider that despite the decline of premium in 2020, health insurance sector will have potential for growth due to some interest from customers. We consider that post-COVID people start to think more about life and health, which can also boost this line of business. We consider*

# Russia

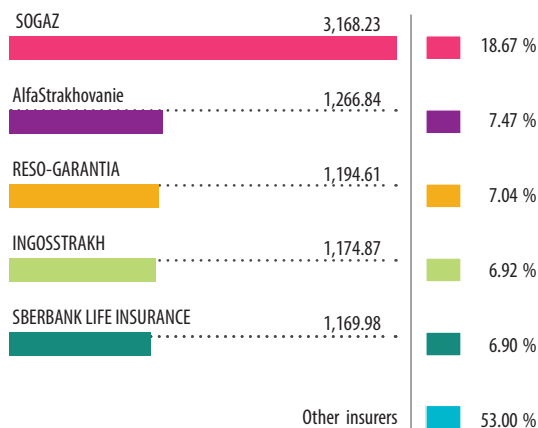
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**Full market rankings per company & per class**

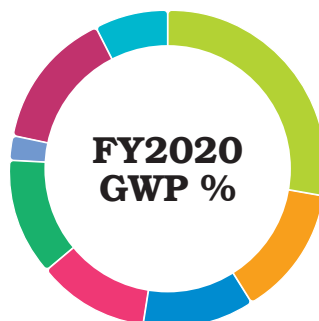
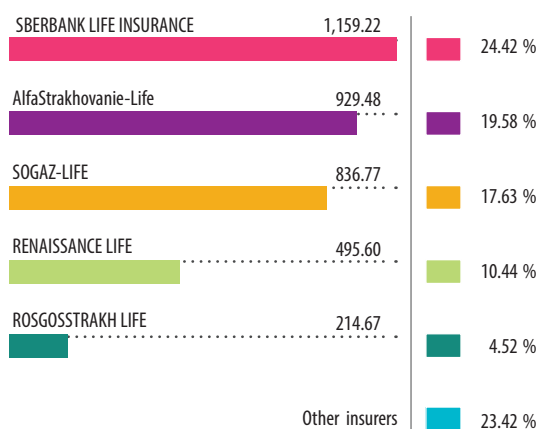
MSEcel format \* in EUR and local currency

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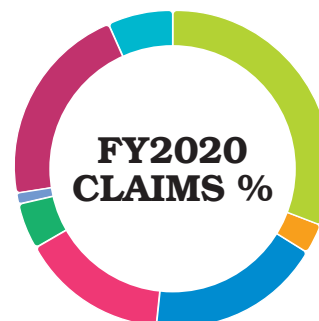
### TOP 5 Total market (GWP, EUR million)



### TOP 5 Life insurance (GWP, EUR million)



Life	27.98
Accidents & diseases	13.15
Health	11.50
Motor Hull	11.40
Real estate	12.01
Civil liability	2.33
CMTPL	14.30
Other	7.33



Life	31.06
Accidents & diseases	2.92
Health	17.95
Motor Hull	14.88
Real estate	4.70
Civil liability	1.08
CMTPL	20.86
Other	6.55



Ekaterina TOLSTOVA  
Deputy Director  
of S&P Global for  
Russian Federation



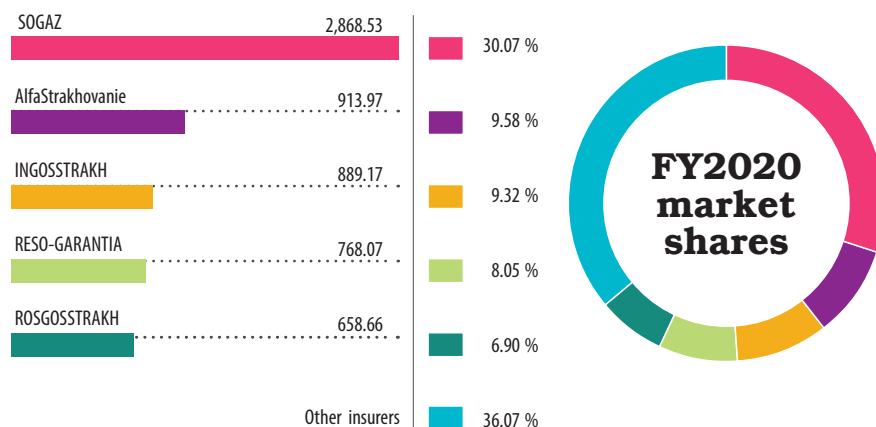
Anastasia LITVINOVA  
Director  
Insurance Fitch  
Ratings

that losses can grow slightly as people start to visit doctors more frequently after the COVID year. We expect that going forward insurers that offer medical coverage will likely implement cost-saving measures to sustain their earnings buffers.

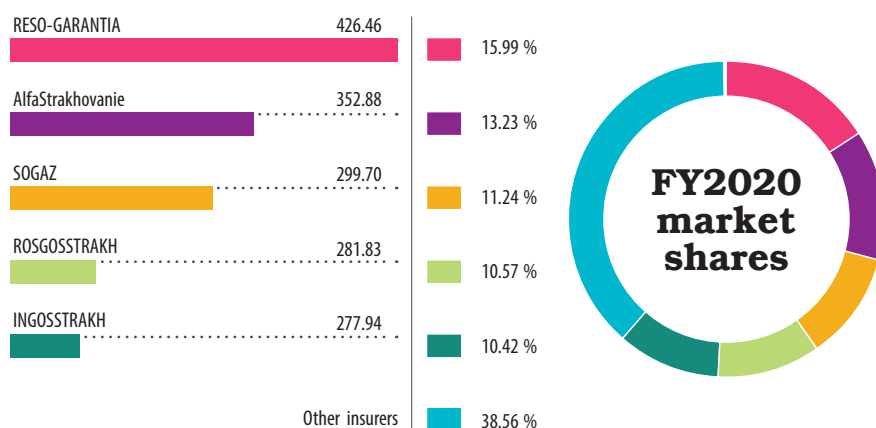
Anastasia LITVINOVA, Director, Insurance, Fitch Ratings, noted: local lockdowns depressed only 2Q20 revenue for Russian insurers, with premium volumes written dropping by 11% and 18% y-o-y in the non-life and life insurance sectors, respectively. 3Q20 premium growth recovered to 7% and 15% and in 4Q20 - to 5% and 8%, respectively. High demand for hybrid products drove the life recovery, while protection-type accident, motor damage and motor third-party liability products aided non-life growth. The recovery in non-life sales was supported by the positive contribution of most key lines except for health insurance, she said. The health insurance sector was the only large line of the non-life business which continued to contract after the initial shock – by 15% in 2Q20, 12% in 3Q20 and 3% in 4Q20. Medical expenses coverage was used little during the lockdown, when access to regular medical assistance and consultancy was blocked for most policyholders. Fitch believes that health insurance might be further affected by cost-cutting policies, particularly in the small and medium-sized enterprises.

However, it is worth noting that Russian insurance companies ended this challenging year with good results. The return on equity of insurers decreased slightly but remains the highest (28.7%) among financial market participants. Profit of insurers increased a little and at

## TOP 5 Voluntary non-life insurance (GWP, EUR m)



## TOP 5 Compulsory non-life insurance (GWP, EUR m)



the end of 2020 amounted to RUB 247.5 billion rubles, with 135 (or 84%) of the 160 insurers gaining profit. However, the profit structure rather changed, the share of net income from insurance activities decreased, while the share of income from investment activities increased. Total capital of the insurance market at the end of 2020 amounted to RUB 876.3 billion (+8.1%), assets reached RUB 3.8 trillion (+14.3%).

In 2020, total number of insurance companies reduced by 18 to 160, but companies left the market mostly voluntarily and this reduction only slightly increased the market concentration - the share of TOP-20 in terms of assets amounted to 80.3% (+0.3 p.p.), and the share of TOP-20 in terms of GWP increased by 2.3 p.p. up to 84.9%.

Paid claims of insurers in 2020 increased by 8.1% to RUB 659.3 billion. At the same time, again, the minimum volume of paid claims

was recorded in 2Q2020 (-6%) due to the strict restrictive measures, a decrease in activity, in the volume of road traffic, which led to a decrease in the number of insured events. Among the factors that supported growth of paid claims, the regulator noted their increase on terminated investment life insurance policies, as well as the weakening of the ruble, which led to an increase in the average amount of paid claims in such segments as motor insurance due to the rise in prices for spare parts and repairs.

The Central Bank stressed that such a difficult year 2020 for the economy on the other hand had several positive consequences for the insurance market. Foremost, the economic shock significantly accelerated digitalization of many processes, increased the need for remote services, improved online sales and contributed to the development of new insurance products. (M.M.)



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# Ukraine



S&P Rating  
**B, STABLE**

Moody's rating  
**B3, STABLE**

Fitch Rating  
**B, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> National Bank of Ukraine

<sup>3</sup> League of Insurance Organizations of Ukraine, Insurance Top Magazine

<sup>4</sup> The National Financial Services Commission

🌸 GWP decreased by 15% y-o-y, to EUR 1.3 billion, primarily due to the exit from the market of several insurers and a decrease in risk insurance in Q2

🌸 The number of market participants decreased to 210 companies

🌸 Despite the difficult market conditions, insurers' financial result for 2020 is the highest in the last 5 years

🌸 In December, 21 non-life insurers (GWP market share 55%) and 10 life insurers (GWP share over 93%) began the legal merger procedure, in a renewed National Association of Insurers

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	UAH billion <sup>1</sup>	2,385.37	2,982.92	3,560.60	3,974.56	4,090.45
	EUR billion <sup>4</sup>	83.92	89.05	112.27	150.43	117.75
<b>GDP per capita, current prices</b>	UAH <sup>1</sup>	56,239	70,657	84,809	95,238	98,605
	EUR <sup>4</sup>	1,979	2,109	2,674	3,605	2,838
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	9.45	9.65	9.00	8.50	9.04
<b>Population</b>	Millions <sup>1</sup>	42.42	42.22	41.98	41.73	41.48
<b>UAH/EUR exchange rate</b>	End of period <sup>2</sup>	28.422604	33.495424	31.714138	26.422000	34.739600
<b>Gross written premiums</b>	UAH million <sup>3</sup>	35,170.30	43,431.77	49,367.52	53,001.19	45,185.20
	EUR million <sup>4</sup>	1,237.41	1,296.65	1,556.64	2,005.95	1,300.68
<b>Paid claims</b>	UAH million <sup>3</sup>	8,839.50	10,536.79	12,863.38	14,338.36	14,852.71
	EUR million <sup>4</sup>	311.00	314.57	405.60	542.67	427.54
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.47%	1.46%	1.39%	1.33%	1.10%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	29.17	30.71	37.08	48.07	31.35

The Ukrainian insurance market ended 2020 with a GWP drop by almost 15%, to UAH 45.18 billion (EUR 1.3 billion), primarily due to the exit from the market of several insurers and a decrease in risk insurance in the crisis second quarter. At the same time, only the non-life sector showed a decrease (by 17%), while life insurance, on the contrary, increased and occupied 11% in the market portfolio.

In the structure of net premiums, 57% were received by insurers from individuals, which indicates the continued demand of the population for insurance services.

The most common types are motor insurance (Motor Hull, MTPL and Green Card) and personal insurance (medical and life). Compared to 2019, property and fire risk insurance premiums decreased significantly, mainly due to the exit of the leaders in this area from the market.

Despite a decrease in the number of market participants to 210 companies, the assets of insurers grew slightly. According to market experts, for insurers, the financial result for 2020 is the highest in the last 5 years. The insurers earned a record profit of UAH 2.2 billion, and the return on assets

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,300.68	2,005.95	-35.16	427.54	542.67	-21.21	100.00	100.00
<b>TOTAL LIFE</b>	144.42	175.00	-17.48	18.67	21.80	-14.33	11.10	8.72
<b>TOTAL NON-LIFE</b>	1,156.26	1,830.94	-36.85	408.87	520.87	-21.50	88.90	91.28
<b>VOLUNTARY NON-LIFE</b>	929.36	1,557.15	-40.32	301.73	399.92	-24.55	71.45	77.63
Accident insurance	46.16	71.27	-35.24	4.81	7.33	-34.41	3.55	3.55
Medical insurance	156.54	173.01	-9.52	78.89	98.51	-19.92	12.04	8.62
Motor Hull	255.33	320.00	-20.21	108.28	135.34	-20.00	19.63	15.95
CARGO	49.51	109.28	-54.69	6.86	8.13	-15.64	3.81	5.45
Fire and other perils	77.82	181.95	-57.23	18.52	8.14	127.36	5.98	9.07
Other property insurance	125.71	253.32	-50.38	15.51	43.92	-64.68	9.66	12.63
Civil liability insurance	37.55	94.44	-60.24	6.24	10.07	-38.06	2.89	4.71
Financial risks	86.96	168.14	-48.28	29.32	61.49	-52.32	6.69	8.38
Other	93.78	185.75	-49.51	33.31	26.97	23.49	7.21	9.26
<b>Compulsory non-life</b>	254.70	320.09	-20.43	107.14	120.95	-11.42	19.58	15.96
Domestic MTPL	178.21	194.48	-8.36	82.55	95.67	-13.72	13.70	9.69
Green Card	39.72	73.24	-45.76	20.39	23.12	-11.79	3.05	3.65
Other	36.76	52.37	-29.80	4.20	2.16	94.24	2.83	2.61

1 EUR = 34.7396 Hryvnia - UAH (December 31<sup>st</sup>, 2020)

1 EUR = 26.422 Hryvnia - UAH (December 31<sup>st</sup>, 2019)

was 3.4%. According to this indicator, they are ahead of other financial institutions.

In 2020 total amount of the profit tax, paid by the Ukrainian insurers to the state and local budgets, increased by 24.5% to UAH 1.6 billion (EUR 46 million), which at the same time is 51.5% more than in 2018, according to Oleksandr ZALETOV, the vice president of the League of Insurance Organizations of Ukraine (LIOU). As he noted, the COVID-19 pandemic formed a new strategy forcing the insurers to revise their business strategies. Digitalization was facilitated by the dropping sales in such segments as Green Card, travel insurance and Motor Hull, thus making remote services as policy purchase and claim settlement the key objectives of the insurance sector. Ability to provide remote services is making insurers more competitive and investment attractive.

According to the MTIBU (Motor Transport Insurance Bureau of Ukraine), in 2020, insurers concluded over 8.3 million MTPL contracts, and total GWP amount became a record - almost UAH 6.1 billion (~EUR 0.17 billion). The number of contracts increased by 4.1%, and GWP - by 20.6% y-o-y. In 2020, MTPL insurers settled 5.4% more claims than a year earlier. The Bureau noted that for the first time, the number of claims settled with the help of the European Accident Statement exceeded 50 thousand (+5.8%), their share in the total number of MTPL claims was 34.2%. Payments to victims of road accidents amounted to UAH 2.3 billion (+12.8%), of which UAH 502.3 million were paid under the claims settled using the European Accident Statement.

On December 16, 2020, 21 non-life insurers (GWP market share 55%, paid claims share 65%) and 10 life insurers (GWP share over 93%, paid claims share 98%) began the legal merger procedure. The new association is created on the basis of the National Association of Insurers of Ukraine by merging with the Ukrainian Insurance Federation and the entry of certain members of the League of Insurance Organizations of Ukraine and insurers who did not participate in any associations. The renewed National Association of Insurers will formalize positions of united insurers, introduce a high level of rules and standards for activities in the insurance market, represent the interests of participants in relations with third parties on the insurance activities.

(M.M.)

# Ukraine

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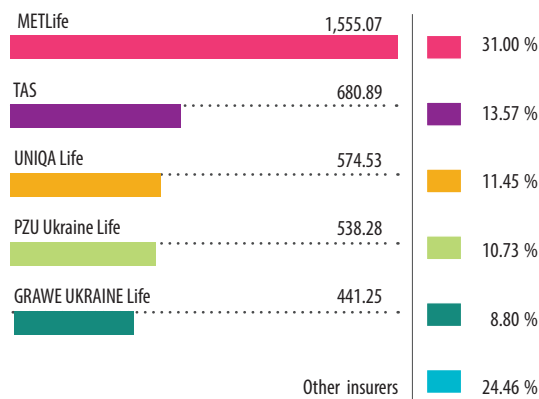
Full market rankings per company & per class



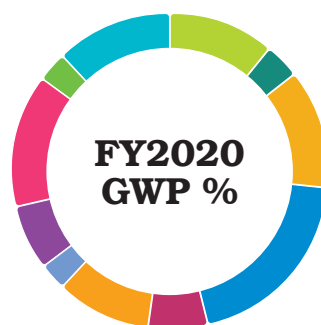
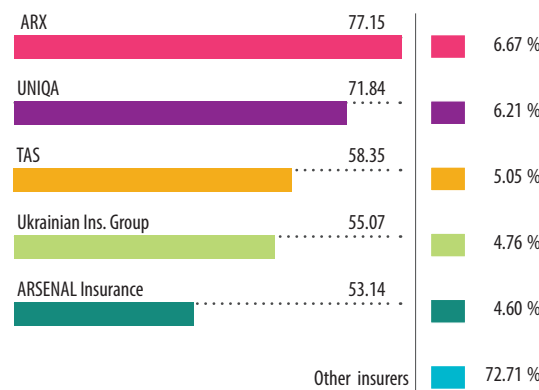
MSExcel format \* in EUR and local currency

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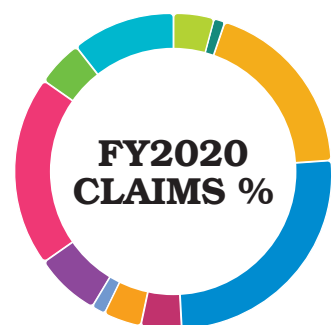
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	11.10
Accident	3.55
Medical Ins.	12.04
Motor Hull	19.63
CARGO	5.98
Fire and other perils	9.66
Other property	2.89
Financial risks	6.69
Domestic MTPL	13.70
Green Card	3.05
Other	11.71



Life	4.37
Accident	1.13
Medical Ins.	18.45
Motor Hull	25.33
CARGO	4.33
Fire and other perils	3.63
Other property	1.46
Financial risks	6.86
Domestic MTPL	19.31
Green Card	4.77
Other	10.38

# Uzbekistan



S&P Rating

**BB-, NEGATIVE**

Moody's rating

**B1, STABLE**

Fitch Rating

**BB-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The Central Bank of the Republic of Uzbekistan

<sup>3</sup> Ministry of Finance of the Republic of Uzbekistan

<sup>4</sup> XPRIMM calculations

🌸 GWP fell by 4.5% y-o-y, to EUR 172.82 million, driven by the life insurance segment

🌸 UZBEKINVEST retained its leading position in the insurance market of Uzbekistan

## Market's main indicators-timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	UZS billion <sup>1</sup>	242,495.47	302,536.84	406,648.54	510,117.10	580,203.19
	EUR billion <sup>4</sup>	70.92	31.43	42.90	48.01	45.38
<b>GDP per capita, current prices</b>	UZS <sup>1</sup>	7,679,910	9,418,809	12,452,224	15,339,330	17,112,210
	EUR <sup>4</sup>	2,246	979	1,314	1,444	1,338
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	na	na	na	na	na
<b>Population</b>	Millions <sup>1</sup>	31.58	32.12	32.66	33.26	33.91
<b>UZS/EUR exchange rate</b>	End of period <sup>2</sup>	3,419.23	9,624.72	9,479.57	10,624.70	12,786.03
<b>Gross written premiums</b>	UZS million <sup>3</sup>	692,594.43	927,451.40	1,635,206.55	2,313,903.59	2,209,677.75
	EUR million <sup>4</sup>	202.56	96.36	172.50	217.79	172.82
<b>Paid claims</b>	UZS million <sup>3</sup>	130,456.77	269,997.12	460,817.29	813,510.42	735,110.36
	EUR million <sup>4</sup>	38.15	28.05	48.61	76.57	57.49
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.29%	0.31%	0.40%	0.45%	0.38%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	6.42	3.00	5.28	6.55	5.10

The insurance sector of Uzbekistan ended 2020 with a 4.50% GWP drop y-o-y (in local currency). Total amount decreased to UZS 2,209.67 billion (EUR 172.82 million).

The market continued the trend of the third quarter of the year, recording a decline only in life insurance - almost by 43%, at that only voluntary life insurance decreased, while mandatory, on the contrary, increased significantly.

At the end of 2020, UZBEKINVEST retained its leading position in the insurance market of Uzbekistan.

According to the company, the GWP growth last year was supported by such LoBs as comprehensive insurance of exporters, investment projects, small and medium-sized businesses, subjects of free economic and industrial zones, as well as liability of vehicle owners. In 2020, the company stepped up its activities in the international reinsurance markets - GWP volume of this business increased to UZS 95 billion, which is 13 times more y-o-y.

As a result, the share of international

insurance in the company's portfolio increased from 3% to 37%.

Also, at the end of 2020, Gross Insurance recorded an increase in paid claims, which increased by 58% y-o-y to UZS 49 billion. According to the Ministry of Finance, in 2020 Gross Insurance became one of the largest insurance companies in the local insurance market.

In November 2020 S&P Global Ratings assessed the industry and country risks of the non-life sector in Uzbekistan as high - as in Russia, Azerbaijan, India, Kenya and Turkey. According to S&P, Uzbek insurance companies will be profitable in the coming year, despite the economic impact of the pandemic on the non-life sector. *In 2021-2022, growth rates will pick up and will largely depend on regulatory measures aimed at further developing the insurance sector, the supply of new products and the dynamics of macroeconomic indicators* the agency said.

(M.M.)

## Market portfolio at December 31<sup>st</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2020	2019	Change	2020	2019	Change	2020	2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL</b>	172.82	217.79	-20.65	57.49	76.57	-24.91	100.00	100.00
<b>Life insurance</b>	26.15	55.19	-52.62	24.87	49.83	-50.09	15.13	25.34
Compulsory	1.79	1.43	24.93	0.44	0.40	9.57	1.04	0.66
Voluntary	24.36	53.75	-54.69	24.43	49.43	-50.58	14.09	24.68
<b>Non-Life insurance</b>	146.67	162.60	-9.80	32.63	26.74	22.02	84.87	74.66
Compulsory	26.36	28.06	-6.03	10.05	8.49	18.31	15.26	12.88
Voluntary	120.31	134.54	-10.58	22.58	18.25	23.74	69.61	61.78

1 EUR = 10624.70 Som - UZS (December 31<sup>st</sup>, 2019)

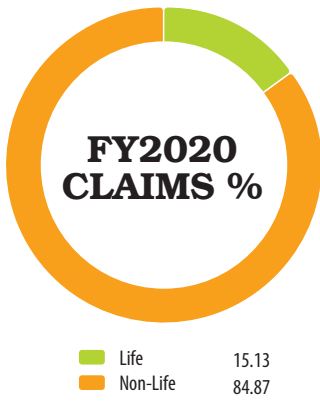
1 EUR = 12786.03 Som - UZS (December 31<sup>st</sup>, 2020)

## Uzbekistan

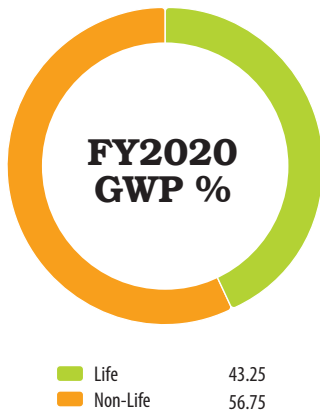
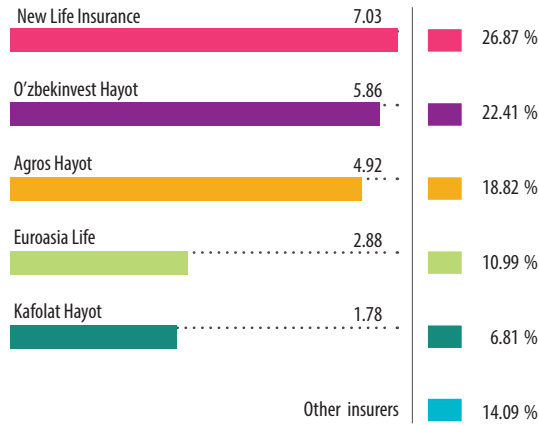
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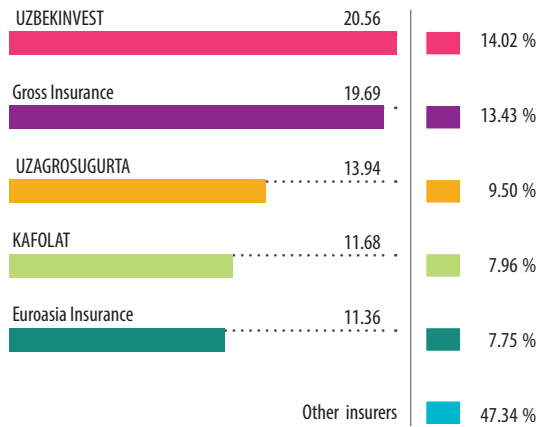
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Top 5 Life insurance (GWP, EUR m)



Top 5 Non-life insurance (GWP, EUR m)



# Turkmenistan

## Macroeconomic indicators - timeline



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> Central Bank of Turkmenistan

<sup>3</sup> XPRIMM calculations

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	TMT billion <sup>1</sup>	126.59	132.74	142.68	158.31	165.74
	EUR billion <sup>4</sup>	34.27	31.66	35.60	40.48	38.63
<b>GDP per capita, current prices</b>	TMT <sup>1</sup>	22,436	23,249	24,729	27,033	27,886
	EUR <sup>4</sup>	6,073	5,545	6,171	6,911	6,500
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	na	na	na	na	na
<b>Population</b>	Millions <sup>1</sup>	5.64	5.71	5.77	5.86	5.94
<b>TMT/EUR exchange rate</b>	End of period <sup>2</sup>	3.6943	4.1930	4.0075	3.9113	4.2900

# Tajikistan



S&P Rating  
**B-, STABLE**

Moody's rating  
**B3, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2021

<sup>2</sup> The National Bank of Tajikistan

<sup>3</sup> XPRIMM calculations

At the end of June 2020, the Tajik Parliament approved the new law "On compulsory MTPL insurance", increasing the limits of compensation for damage to life and health, as well as those for damages to property

Net profit of insurance companies for 3Q20 reached TJS 80.9 million. Return on assets (ROA) of the Tajik insurance system in the reporting period was 6.4%, while the return on equity (ROE) was 10.6%

## Macroeconomic indicators - timeline

		2016	2017	2018	2019	2020
<b>GDP, current prices</b>	TJS billion <sup>1</sup>	54.47	61.09	68.84	77.36	82.54
	EUR billion <sup>4</sup>	6.56	5.78	6.37	7.13	5.94
<b>GDP per capita, current prices</b>	TJS <sup>1</sup>	6,236	6,848	7,559	8,325	8,711
	EUR <sup>4</sup>	751	647	700	768	627
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	na	na	na	na	na
<b>Population</b>	Millions <sup>1</sup>	8.74	8.92	9.11	9.29	9.48
<b>TJS/EUR exchange rate</b>	End of period <sup>2</sup>	8.3070	10.5766	10.8007	10.8448	13.8934
<b>Gross written premiums</b>	TJS million <sup>3</sup>	na	235.84	234.20	234.27	na
	EUR million <sup>4</sup>	-	22.30	21.68	21.60	-
<b>Paid claims</b>	TJS million <sup>3</sup>	na	11.55	10.62	15.28	na
	EUR million <sup>4</sup>	-	1.09	0.98	1.41	-
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	-	0.39%	0.34%	0.30%	-
<b>Insurance density</b>	EUR/capita <sup>4</sup>	-	2.50	2.38	2.32	-

At the end of 3Q2020, the insurance market in Tajikistan expanded by 4.05% to TJS 175.30 million (EUR 14.50 million). Insurers earned over TJS 80 million for the period, which is TJS 31.6 million more y-o-y. The most profitable segment, as the National Bank noted, is compulsory motor insurance, which is not available to all insurers.

In the first nine months of 2020 total assets of the Tajik insurance companies reached TJS 417.3 million (~EUR 34.5 million), which is about 92% of their assets amount in 2019. Total equity of the insurance market participants in 3Q2020 amounted to TJS 215.9 million, which is 19.8% more y-o-y. As the regulator mentioned, it is a trend towards improvement of financial sustainability and liquidity of insurance companies.

Net profit of insurance companies from January to September 2020 reached TJS

80.9 million. Return on assets (ROA) of the Tajik insurance system in the reporting period was 6.4%, while the return on equity (ROE) was 10.6%.

Total number of contracts concluded for the first nine months of 2020 was 1,154.3 thousand units, which is the lowest figure if to compare to the number of contracts concluded (for the whole year) since 2015.

At the end of June 2020, the lower house of the Tajik Parliament approved the law "On compulsory insurance of liability of vehicle owners", aimed at increasing competition in the segment. The new law obliges companies to increase the amount of compensation for damage to life and health from TJS 5800 (~USD 580) to TJS 31610 (over USD 3160), as well as to increase the amount of compensation for damage to property of victims in the same way.

(M.M.)

\*Tajik insurance market data provided for the third quarter of 2020 as FY2020 data was not published.

## Tajikistan

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## Market portfolio at September 30<sup>th</sup>, 2020

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	3Q2020	3Q2019	Change	3Q2020	3Q2019	Change	3Q2020	3Q2019
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET of which:</b>	14.50	15.90	-8.82	1.04	0.89	17.01	100.00	100.00
Compulsory state insurance	0.07	0.09	-18.49	0.01	0.01	92.00	0.51	0.57
Other compulsory insurance	3.84	4.81	-20.18	0.09	0.10	-9.56	26.47	30.24
Voluntary insurance	10.59	11.00	-3.77	0.94	0.78	19.67	73.02	69.19

1 EUR = 10.5944 Somoni - TJS (September 30<sup>th</sup>, 2019)

1 EUR = 12.0893 Somoni - TJS (September 30<sup>th</sup>, 2020)



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