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INSURANCE REPORT

by XPRIMM

Year XVI - Issue 2/2023(29) -OCTOBER

First Half 2023

CEE • SEE • EX-USSR
Country Profiles

Interviews

- **Hartwig LÖGER**, CEO, Vienna Insurance Group
- **Mehmet Akif EROĞLU**, Chairman, SEDDK
- **Archil MORCHILADZE**, General Director, Insurance Group of Georgia

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INSURANCE REPORT

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Edition closing date: October 12, 2023

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), Czechia (CZ), Estonia (EE), Hungary (HU), Kosovo (KV), Latvia (LV), Lithuania (LT), North Macedonia (MK), Montenegro (MN), Poland (PL), Romania (RO), Serbia (SB), Slovakia (SK), Slovenia (SI).**

Under the EX-USSR generic name, we have considered the countries to ex-USSR space: **Armenia (AM), Azerbaijan (AZ), Belarus (BY), Georgia (GE), Kazakhstan (KZ), Kyrgyzstan (KG), Republic of Moldova (MD), Russia (RU), Tajikistan (TJ), Turkmenistan (TM), Ukraine (UA) and Uzbekistan (UZ).**

The SEE designates a group of three South European countries: **Cyprus (CY), Greece (GR) and Republic of Türkiye (TR).**

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.

Column coordinator:



Daniela GHETU
Editorial Director

CEE INSURANCE MARKETS IN 1H2023

Positive evolution, despite challenges

According to the European Commission's Spring 2023 Economic Forecast, the EU economy performed better than expected over the past winter. *As the disruptions caused by the war in Ukraine and the energy crisis clouded the outlook for the EU economy, and monetary authorities around the world embarked on a forceful tightening of monetary conditions, a winter recession in the EU appeared inevitable last year. The Autumn 2022 Forecast had projected the EU economy to contract in the last quarter of 2022 and the first quarter of 2023. Instead, latest data point to a smaller-than-projected contraction in the final quarter of last year and positive growth in the first quarter of this year, the European Commission's analysts said.*

As such, the EU GDP growth is revised up to 1.0% in 2023 (from 0.8%) and 1.7% in 2024 (from 1.6%), with a similar upward trend for the Euro area. Inflation also surprised to the upside, and it is now expected at 5.8% in 2023 and 2.8% in 2024 in the euro area, respectively 0.2% and 0.3% higher than in winter.

In the 11 EU countries in Central and Eastern Europe (CEE-11), declines in energy prices have contributed to the gradual

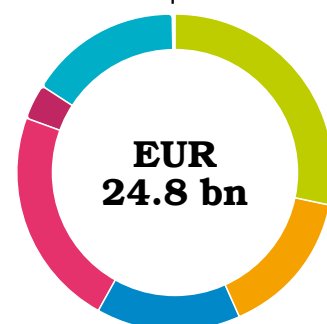
decrease in high headline inflation, but tight monetary policies and weak external demand have muted the economic recovery, with substantial risks to the downside for the rest of 2023, notes a report issued by the Scope Group, the leading European provider of independent credit ratings, ESG analysis and fund research. *We expect growth in the CEE-11 region of around 1.7%, down from 4.4% in 2022. The recovery will pick up momentum by next year as inflationary pressures subside, with output growth rising to 2.5%, although growth will vary considerably by country. Outside of the EU, Türkiye's growth is to slow down, whereas the Ukrainian economy is anticipated to display above-consensus growth this year. Serbia is projected to experience moderate growth, while the robust recovery of the Georgian economy is continuing, the report summarizes.*

According to Scope, growth will remain challenging in the CEE-11 region for 2023-24. *High inflation, tight monetary policy and sluggish global demand are contributing to a subdued economic outlook. While inflation is set to gradually decelerate in the single-digit range, average inflation for 2023 is still high. While external deficits*

are improving but remain elevated, fiscal sustainability in the region will remain a concern and the intake of EU funds remains critical.

As for the six non-EU countries in the Western Balkans, the World Bank analysts believe they showed resilience despite economic growth estimated to moderate to 2.6% in 2023 and continued price rises.

CEE GWP portfolio (%)



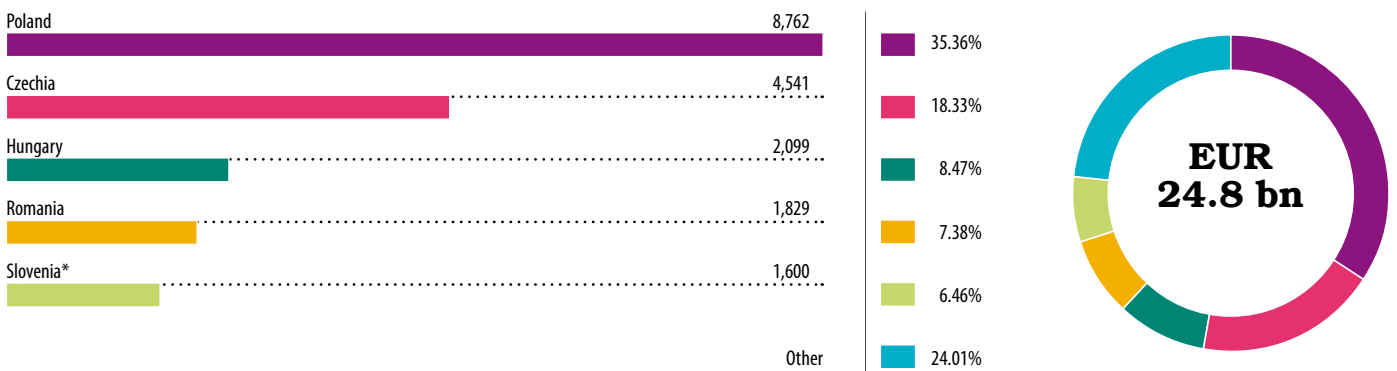
Life	25.89%
Property	15.39%
Motor Hull	15.91%
MTPL	22.34%
GTPL	3.75%
Other	16.72%

CEE – OVERALL MARKET DATA

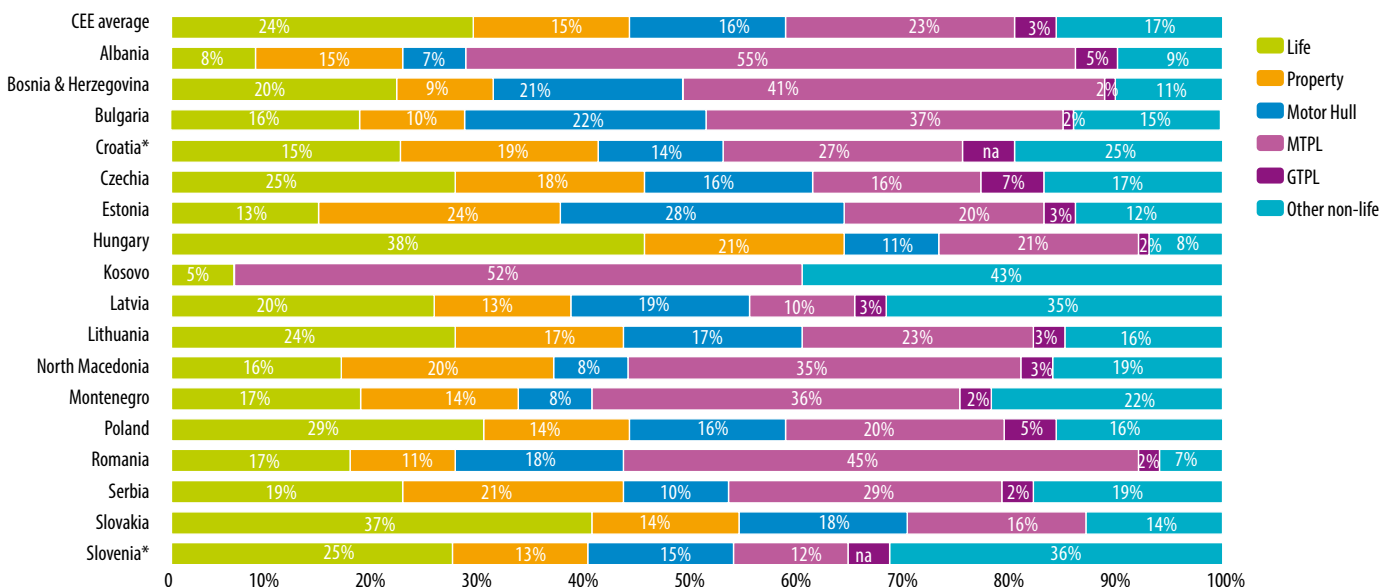
Country	GWP			Claims			Regional market share	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%
Albania	103.74	82.05	26.43	31.11	26.85	15.88	0.42	0.37
Bosnia & Herzegovina	249.90	227.38	9.90	102.25	98.18	4.14	1.01	1.03
Bulgaria	1,155.66	917.94	25.90	547.31	356.26	53.63	4.66	4.14
Croatia*	944.46	915.23	3.19	na	491.05	-	3.81	4.13
Czechia	4,541.38	4,094.33	10.92	2,240.63	2,401.32	-6.69	18.33	18.47
Estonia	318.78	269.34	18.36	196.96	202.77	-2.86	1.29	1.21
Hungary	2,099.03	1,979.85	6.02	1,047.89	1,042.50	0.52	8.47	8.93
Kosovo	70.24	61.48	14.26	36.20	30.90	17.15	0.28	0.28
Latvia	562.64	489.57	14.93	342.88	321.50	6.65	2.27	2.21
Lithuania	712.64	598.21	19.13	301.18	247.42	21.73	2.88	2.70
North Macedonia	119.52	104.72	14.13	45.39	38.37	18.31	0.48	0.47
Montenegro	59.87	54.86	9.14	22.76	20.95	8.59	0.24	0.25
Poland	8,761.81	7,574.02	15.68	4,913.08	4,808.63	2.17	35.36	34.16
Romania	1,829.07	1,770.93	3.28	776.65	762.17	1.90	7.38	7.99
Serbia	670.17	575.47	16.46	282.50	243.30	16.11	2.70	2.60
Slovakia	983.54	975.19	0.86	459.04	567.79	-19.15	3.97	4.40
Slovenia*	1,599.70	1,478.46	8.20	na	906.00	-	6.46	6.67
Total CEE	24,782.17	22,169.04	11.79	11,345.84	12,565.95	-9.71	100.00	100.00

*1H2023 estimates by adding Life & Non-life 1H2023 estimated GWP

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



CEE GWP portfolio per countries

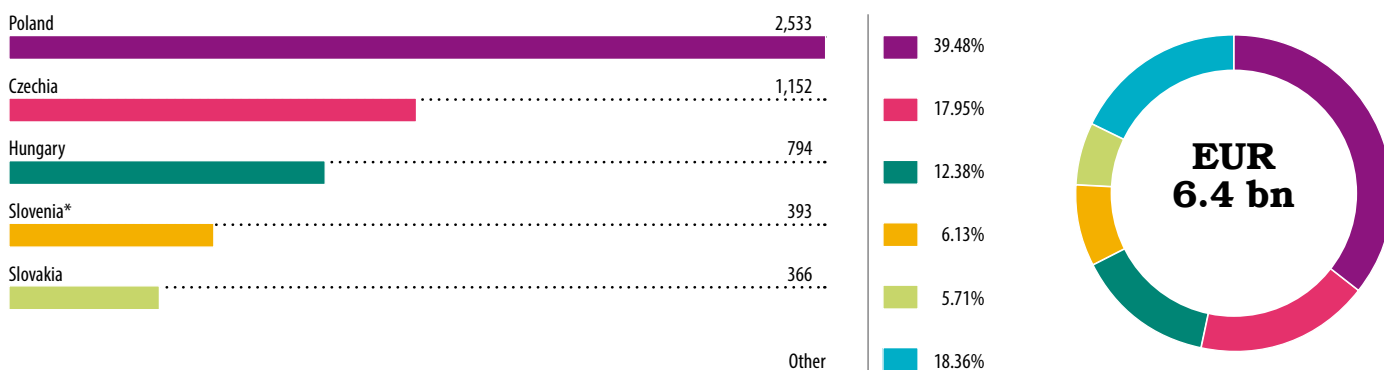


CEE - LIFE INSURANCE

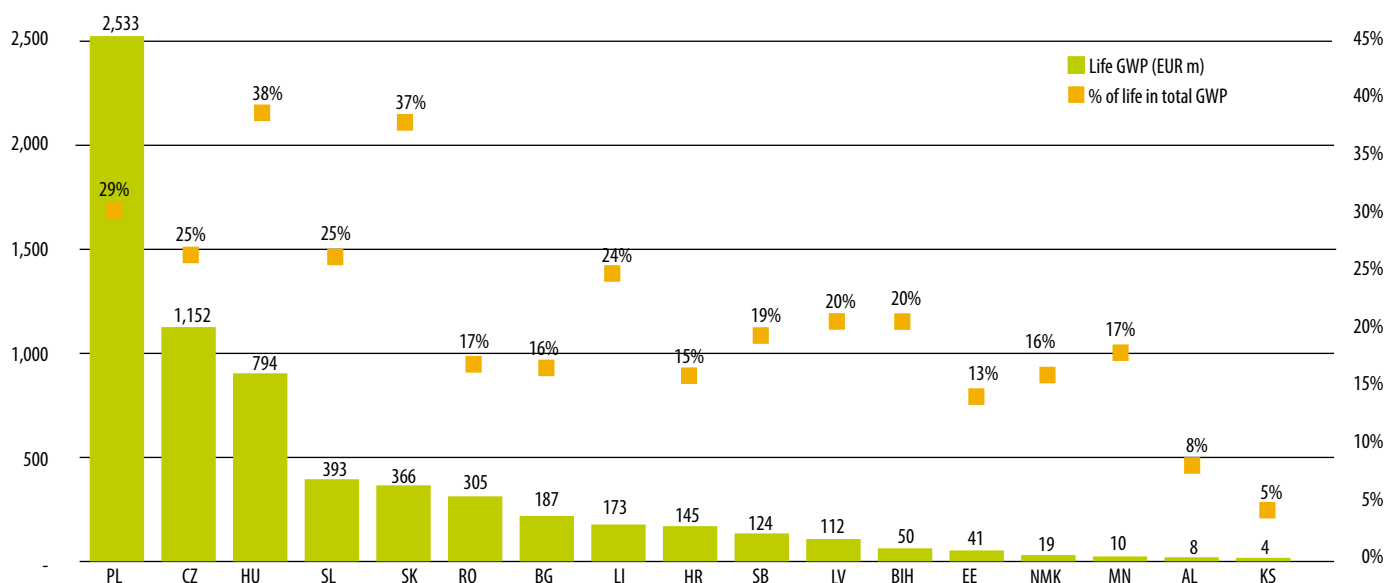
Country	GWP			Change	Claims			Change	Weight in all GWP		Regional market share	
	1H2023	1H2022	%		1H2023	1H2022	%		1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	8.43	6.20	35.99	1.49	1.13	31.53	8.13	7.56	0.13	0.10		
Bosnia & Herzegovina	49.98	48.67	2.70	27.49	27.28	0.77	20.00	21.40	0.78	0.78		
Bulgaria	186.76	163.27	14.39	70.65	67.03	5.40	16.16	17.79	2.91	2.62		
Croatia*	144.96	205.06	-29.31	na	208.94	-	15.35	22.40	2.26	3.29		
Czechia	1,151.67	1,116.59	3.14	731.20	975.75	-25.06	25.36	27.27	17.95	17.93		
Estonia	40.89	38.90	5.11	47.16	58.56	-19.46	12.83	14.44	0.64	0.62		
Hungary	793.89	894.46	-11.24	591.21	636.11	-7.06	37.82	45.18	12.38	14.36		
Kosovo	3.60	3.40	5.88	na	na	-	5.13	5.53	0.06	0.05		
Latvia	111.98	121.13	-7.55	97.19	107.26	-9.38	19.90	24.74	1.75	1.94		
Lithuania	172.80	163.75	5.53	11.95	10.90	9.64	24.25	27.37	2.69	2.63		
North Macedonia	18.63	17.25	8.00	7.01	5.60	25.17	15.59	16.47	0.29	0.28		
Montenegro	10.34	10.10	2.37	5.00	4.93	1.46	17.26	18.40	0.16	0.16		
Poland	2,532.67	2,237.36	13.20	1,899.65	2,134.89	-11.02	28.91	29.54	39.48	35.92		
Romania	305.01	299.99	1.68	141.19	166.56	-15.23	16.68	16.94	4.75	4.82		
Serbia	124.18	116.04	7.01	85.26	78.34	8.84	18.53	20.16	1.94	1.86		
Slovakia	366.42	392.49	-6.64	211.40	299.08	-29.32	37.26	40.25	5.71	6.30		
Slovenia*	393.06	393.60	-0.14	na	282.89	-	24.57	26.62	6.13	6.32		
Total CEE	6,415.29	6,228.25	3.00	3,927.87	5,065.24	-22.45	25.89	28.09	100.00	100.00		

*1H2023 estimates considering the 1Q2023/2022 growth rate.

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



Weight of life GWP in total business



Albania, Bosnia, Kosovo, Montenegro, North Macedonia and Serbia have surpassed pre-pandemic growth levels despite fallout from Russia's invasion of Ukraine, higher energy and food prices, unfavorable weather conditions and tightening financial conditions, the bank said quoted by Reuters. The growth is expected to be fueled by private consumption, exports and public investment in some countries, but the region needs to rebuild buffers to prepare for future shocks, the World Bank said.

As for the countries at the far Eastern limits of Europe, according to the Asian Development Bank (ADB), their economies are expected to show growth rates superior to the Central Europe, as for example Azerbaijan (3.5% - 3.8%), Armenia (6.5%), Georgia (4.5% - 5%) etc. The ADB predicts that the economy of the Caucasus and Central Asia region will grow 4.4% this year (0.2% more than the previous forecast) and 4.6% next year.

According to Fitch, inflation will remain rather high in 2023 throughout 2024. Fitch expects inflation to remain well outside the inflation tolerance band in Azerbaijan, and over twice the target in Georgia and Kazakhstan by end-2023. Armenia is the only sovereign in the Caucasus and central Asia that where inflation is expected to stabilize within the tolerance band by end-2023.

Overall, while economies fared, in general, better than expected, challenges are far

from reaching an end. The geopolitical situation remains fragile and will further impact on the economic environment and public sentiment.

The CEE insurance industry in 1H2023

Gross written premiums amounted to EUR 24.78 billion at regional level, up by 11.8% y-o-y. At the same time, claims paid decreased by 9.7% y-o-y, to EUR 11.34 billion, a figure which is not including the data for Croatia and Slovenia. If the amounts paid by Croatian and Slovenian insurers remained at a level comparable to 1H22, then at regional level we might see paid claims similar to last year's first half or even slightly above the 2022 level. All CEE markets saw a positive dynamic, in many cases at double-digit rates.

Albania and Bulgaria saw the highest growth rates, around 26% for each of them. Poland, the Baltics and Czechia and a few countries in the Western Balkans as North Macedonia, Kosovo or Serbia have also reported high growth rates. However, maintaining the trend set in the previous period, these high growth rates were at least in part of an inflationary nature. Although inflation rates seem to calm down across the region, they are still out of the "normal" historical averages. The still high inflation rates continued to push up the prices of materials and services, and therefore higher claims payments

and higher gross operating expenses, as a result of which insurers adjusted insurance prices in most non-life insurance classes throughout the first half the year.

In fact, as the motor insurance lines were, in general, the most affected by the claims inflation, it is noticeable that the markets with the highest share of motor insurance in their portfolio are also showing the highest growth rates of the paid claims. Romania makes apparently the only notable exception from this rule, but this is only the result of special situation created in the market by the City Insurance and Euroins Romania's bankruptcies, a significant amount of the compensations for the MTPL line falling under the responsibility of the Guarantee Fund and thus not being included in the market statistics.

Poland, Czechia, Hungary, Romania, Slovenia remained the Top 5 countries in total GWP terms, maintaining the hierarchy at of the previous reporting periods. There are no significant differences in their regional market share, as compared with 1H 2022.

Life insurance

Life insurance GWP totaled EUR 6.4 billion across the CEE, by 3% more y-o-y. After several reporting periods that saw a slightly negative trend of the regional life insurance market, driven by the downsizing trend of the Polish market, in the first six months of 2023 the trend

CEE - LIFE UNIT-LINKED INSURANCE

Country	GWP			Change	Claims			Change	Share in life GWP		Regional market share	
	1H2023	1H2022	%		1H2023	1H2022	%		1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	na	na	-	na	na	-	-	-	-	-	-	
Bosnia & Herzegovina	na	na	-	na	na	-	-	-	-	-	-	
Bulgaria	69.38	56.20	23.46	10.21	9.49	7.57	37.15	34.42	4.41	3.15		
Croatia*	na	48.31	-	na	26.32	-	-	23.56	-	2.71		
Czechia	356.04	350.80	1.49	198.26	306.71	-35.36	30.91	31.42	22.64	19.68		
Estonia	14.22	15.38	-7.52	27.68	31.59	-12.38	34.78	39.53	0.90	0.86		
Hungary	352.50	366.34	-3.78	338.89	295.19	14.81	44.40	40.96	22.41	20.55		
Kosovo	na	na	-	na	na	-	-	-	-	-		
Latvia	48.76	49.79	-2.06	50.23	52.83	-4.91	43.54	41.10	3.10	2.79		
Lithuania	136.57	112.60	21.28	6.16	1.89	224.98	79.03	68.76	8.68	6.32		
North Macedonia	na	na	-	na	na	-	-	-	-	-		
Montenegro	na	na	-	na	na	-	-	-	-	-		
Poland	428.58	446.55	-4.02	749.82	1,051.73	-28.71	16.92	19.96	27.25	25.05		
Romania	95.08	69.36	37.08	48.00	82.72	-41.98	-	23.12	6.05	3.89		
Serbia	na	na	-	na	na	-	-	-	-	-		
Slovakia	71.54	113.39	-36.91	40.26	84.32	-52.25	19.52	28.89	4.55	6.36		
Slovenia*	na	153.90	-	na	103.98	-	-	39.10	-	8.63		
Total CEE	1,572.68	1,782.62	-11.78	1,469.51	2,046.79	-28.20	24.51	28.62	100.00	100.00		

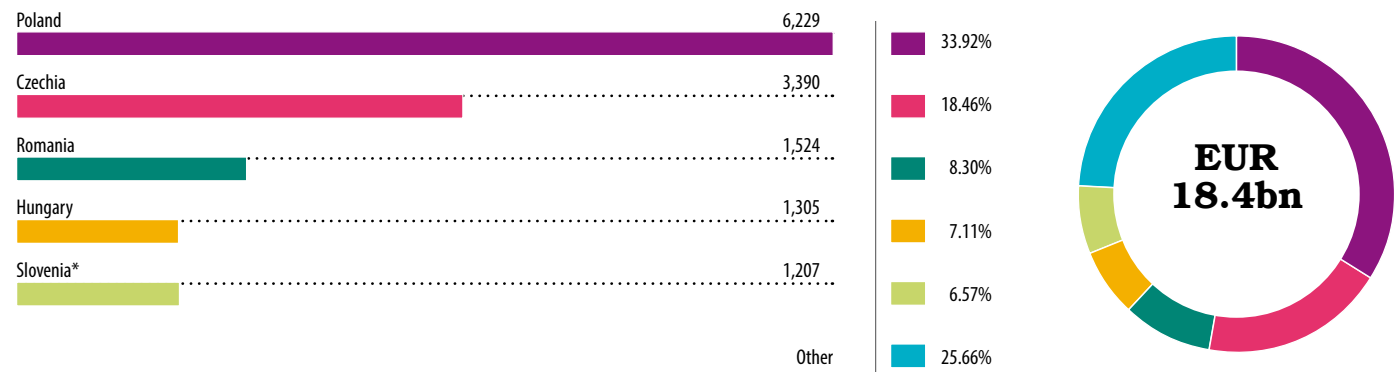
* non available data fot 1H 2023

CEE - NON-LIFE INSURANCE

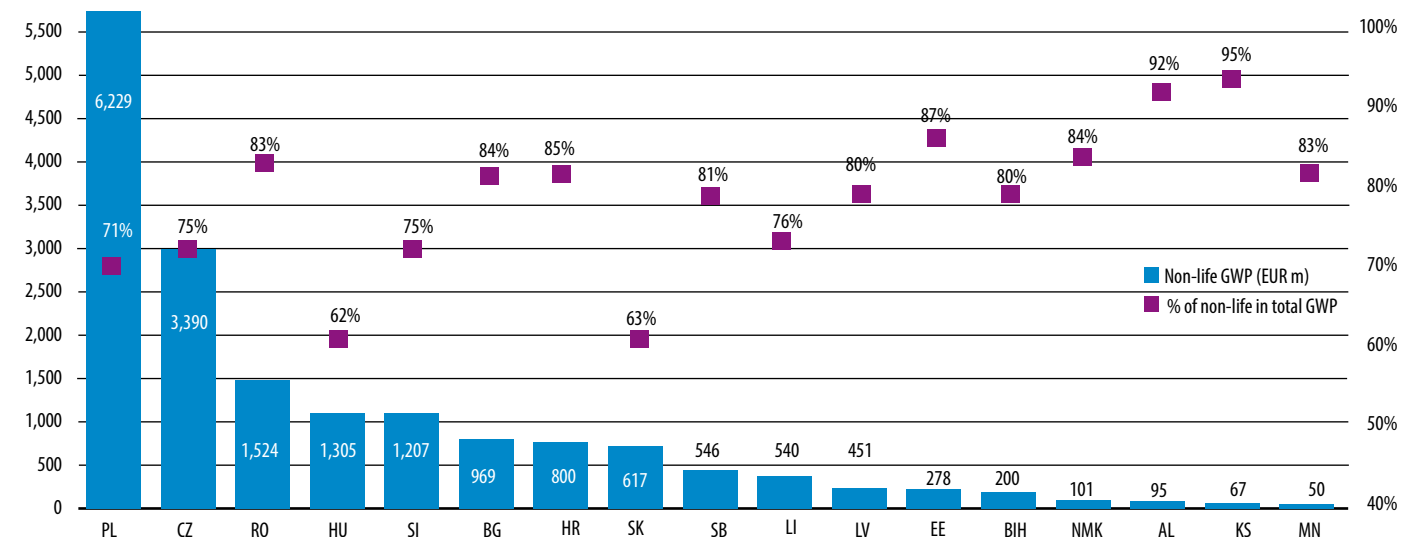
Country	GWP		Change	Claims		Change	Weight in all GWP		Regional market share	
	1H2023	1H2022		1H2023	1H2022		1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	95.31	75.85	25.65	29.63	25.72	15.20	91.87	92.44	0.52	0.48
Bosnia & Herzegovina	199.93	178.72	11.87	74.76	70.90	5.44	80.00	78.60	1.09	1.12
Bulgaria	968.90	754.67	28.39	476.66	289.22	64.81	83.84	82.21	5.28	4.73
Croatia*	799.50	710.17	12.58	na	282.11	-	84.65	77.60	4.35	4.46
Czechia	3,389.70	2,977.75	13.83	1,509.43	1,425.57	5.88	74.64	72.73	18.46	18.68
Estonia	277.89	230.44	20.59	149.80	144.20	3.88	87.17	85.56	1.51	1.45
Hungary	1,305.14	1,085.39	20.25	456.69	406.39	12.38	62.18	54.82	7.11	6.81
Kosovo	66.64	58.08	14.75	35.64	27.76	28.39	94.87	94.47	0.36	0.36
Latvia	450.66	368.44	22.32	245.69	214.24	14.68	80.10	75.26	2.45	2.31
Lithuania	539.84	434.46	24.25	289.23	236.52	22.28	75.75	72.63	2.94	2.73
North Macedonia	100.89	87.47	15.34	38.38	32.77	17.13	84.41	83.53	0.55	0.55
Montenegro	49.54	44.76	10.66	17.76	16.03	10.78	82.74	81.60	0.27	0.28
Poland	6,229.14	5,336.66	16.72	3,013.44	2,673.74	12.70	71.09	70.46	33.92	33.48
Romania	1,524.06	1,470.94	3.61	635.46	595.61	6.69	83.32	83.06	8.30	9.23
Serbia	545.99	459.43	18.84	197.23	164.96	19.56	81.47	79.84	2.97	2.88
Slovakia	617.12	582.70	5.91	247.64	268.71	-7.84	62.74	59.75	3.36	3.66
Slovenia*	1,206.63	1,084.86	11.22	na	623.11	-	75.43	73.38	6.57	6.81
Total CEE	18,366.88	15,940.79	15.22	7,417.42	7,497.58	-1.07	74.11	71.91	100.00	100.00

*1H2023 estimates considering the 1Q2023/2022 growth rate.

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



Weight of non-life GWP in total business



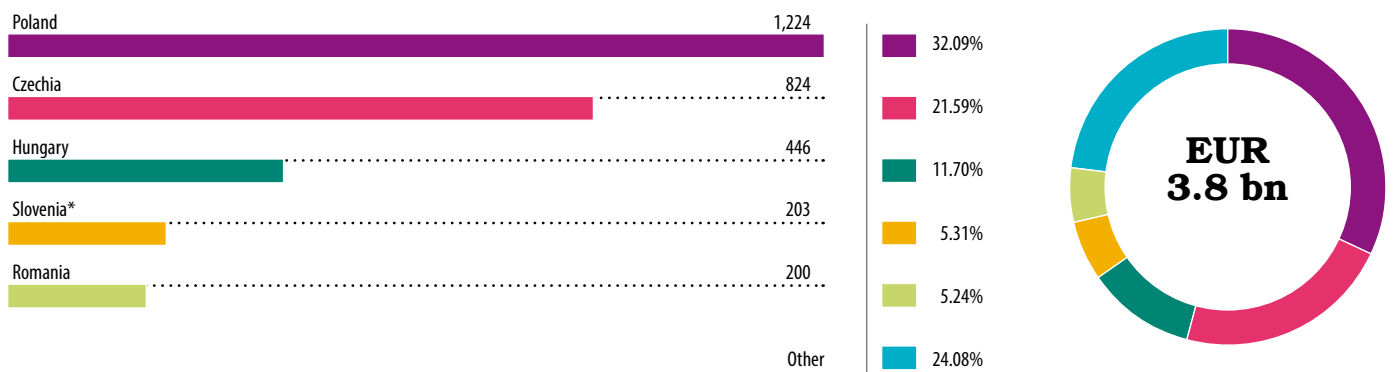
Note: Serbia - Q1 2022/21 figures

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

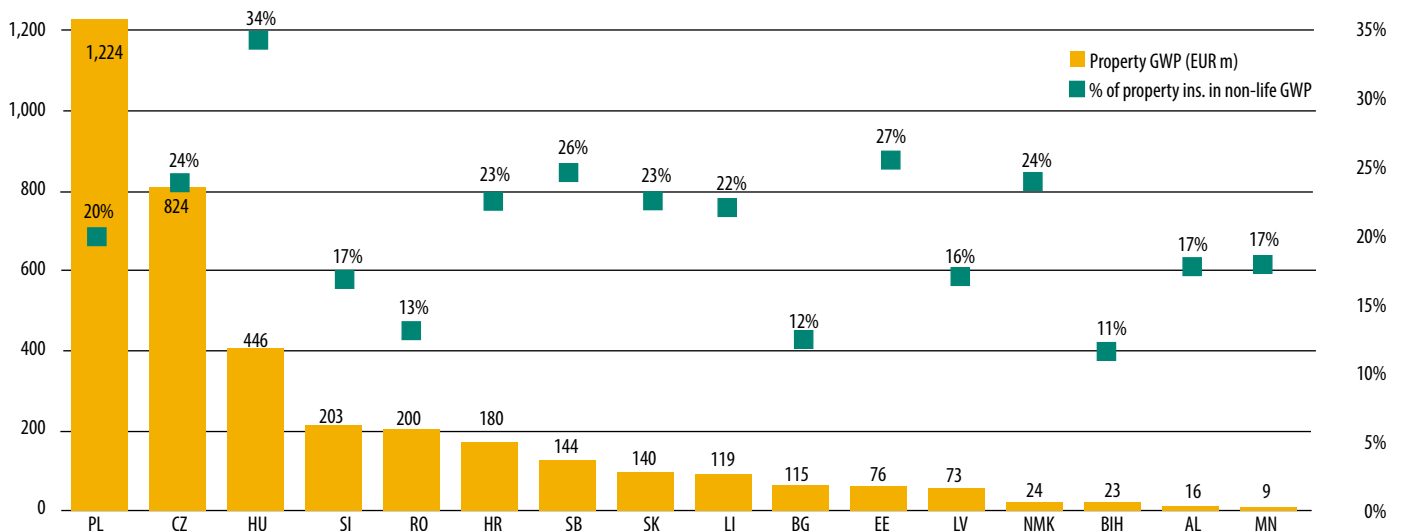
Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	1H2023	1H2022			1H2023	1H2022			1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.	%		EUR m.	EUR m.	%		%	%	%	%
Albania	15.94	11.51	38.54	1.85	3.32	-44.40	16.73	15.17	0.42	0.34		
Bosnia & Herzegovina	22.64	20.95	8.02	6.06	7.06	-14.23	11.32	11.72	0.59	0.63		
Bulgaria	115.23	95.32	20.89	29.84	13.56	120.04	11.89	12.63	3.02	2.85		
Croatia*	179.95	170.24	5.70	na	51.27	-	22.51	23.97	4.72	5.08		
Czechia	823.51	731.82	12.53	269.05	299.48	-10.16	24.29	24.58	21.59	21.85		
Estonia	76.32	63.18	20.79	32.74	30.58	7.05	27.46	27.42	2.00	1.89		
Hungary	446.41	372.17	19.95	111.33	125.25	-11.11	34.20	34.29	11.70	11.11		
Kosovo	na	na	-	na	na	-	-	-	-	-		
Latvia	72.91	61.38	18.79	40.64	36.96	9.97	16.18	16.66	1.91	1.83		
Lithuania	119.30	97.22	22.71	48.31	43.97	9.89	22.10	22.38	3.13	2.90		
North Macedonia	24.24	21.12	14.76	5.85	4.71	24.32	24.02	24.14	0.64	0.63		
Montenegro	8.66	8.02	7.90	2.06	1.51	36.68	17.48	17.92	0.23	0.24		
Poland	1,224.09	1,063.45	15.11	407.03	448.30	-9.21	19.65	19.93	32.09	31.75		
Romania	199.75	171.91	16.20	37.07	33.22	11.60	13.11	11.69	5.24	5.13		
Serbia	143.54	129.71	10.66	33.99	32.04	6.07	26.29	28.23	3.76	3.87		
Slovakia	139.76	132.65	5.36	18.19	58.48	-68.90	22.65	22.76	3.66	3.96		
Slovenia*	202.58	198.60	2.00	na	72.99	-	16.79	18.31	5.31	5.93		
Total CEE	3,814.82	3,349.25	13.90	1,044.01	1,262.69	-17.32	20.77	21.01	100.00	100.00		

*1H2023 estimates considering the 1Q2023/2022 growth rate.

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



Weight of property GWP in non-life business

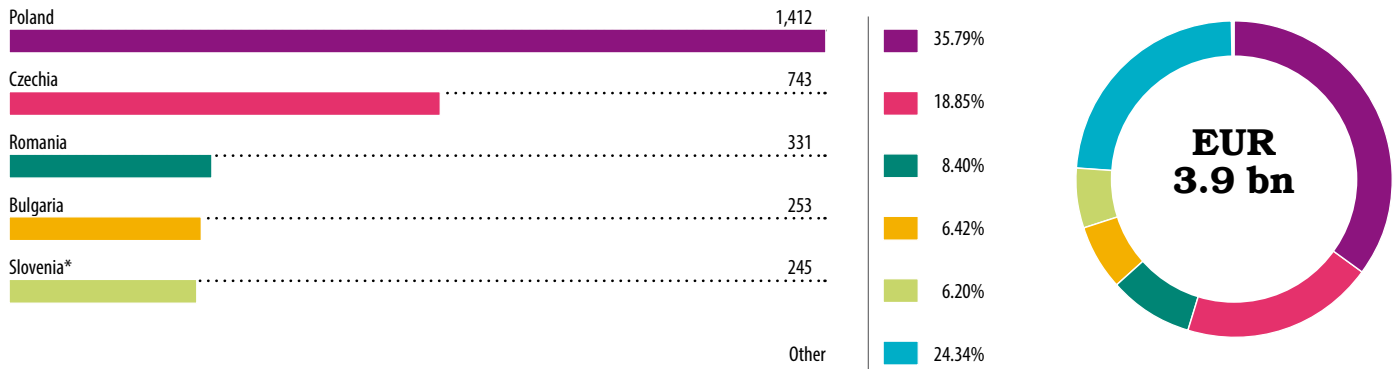


CEE - MOTOR HULL INSURANCE

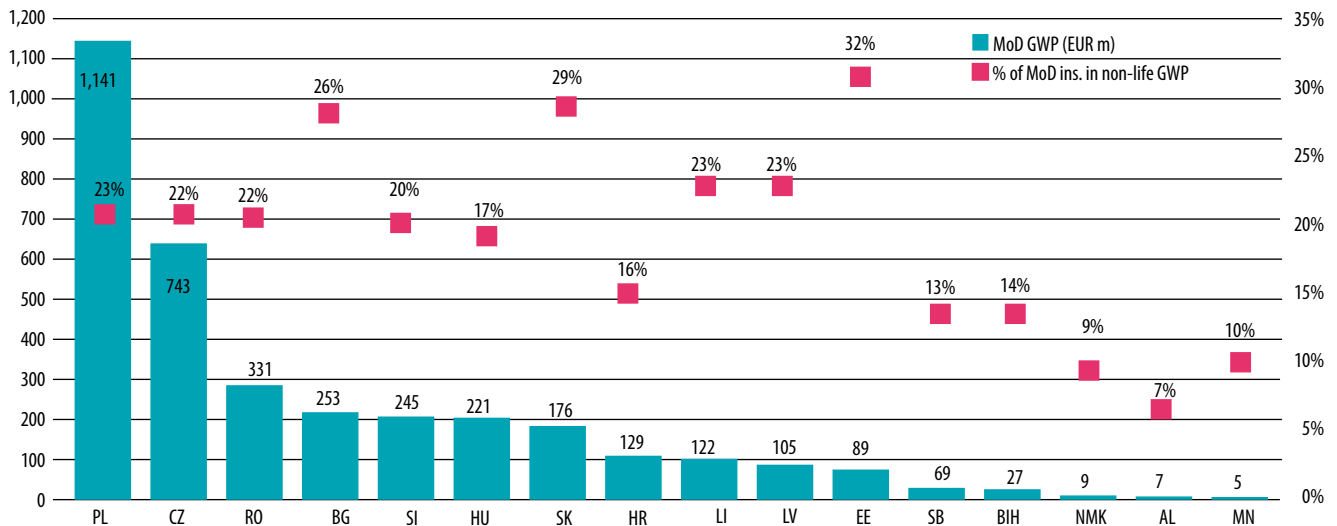
Country	GWP			Claims			Share in non-life GWP		Regional market share	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	7.09	5.19	36.55	3.87	2.97	30.46	7.44	6.84	0.18	0.16
Bosnia & Herzegovina	27.44	23.14	18.60	16.09	15.62	2.98	13.73	12.95	0.70	0.71
Bulgaria	253.03	207.19	22.13	97.45	83.42	16.83	26.12	27.45	6.42	6.35
Croatia*	128.85	106.68	20.78	na	56.06	-	16.12	15.02	3.27	3.27
Czechia	743.36	635.56	16.96	393.42	321.12	22.52	21.93	21.34	18.85	19.49
Estonia	89.14	72.25	23.39	56.59	51.44	10.01	32.08	31.35	2.26	2.22
Hungary	220.67	173.06	27.51	119.85	99.85	20.03	16.91	15.94	5.60	5.31
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	105.15	84.36	24.65	62.94	56.03	12.33	23.33	22.90	2.67	2.59
Lithuania	122.44	98.95	23.74	80.25	66.19	21.25	22.68	22.77	3.10	3.03
North Macedonia	9.16	7.74	18.37	5.17	4.02	28.51	9.08	8.85	0.23	0.24
Montenegro	4.81	3.65	31.70	2.22	1.83	21.07	9.71	8.16	0.12	0.11
Poland	1,411.54	1,140.14	23.80	782.49	665.76	17.53	22.66	21.36	35.79	34.96
Romania	331.36	282.23	17.41	213.16	199.98	6.59	21.74	19.19	8.40	8.65
Serbia	68.63	58.50	17.32	39.94	35.91	11.22	12.57	12.73	1.74	1.79
Slovakia	176.28	158.19	11.44	104.60	93.21	12.22	28.57	27.15	4.47	4.85
Slovenia*	244.60	204.29	19.74	na	110.46	-	20.27	18.83	6.20	6.26
Total CEE	3,943.56	3,261.11	20.93	1,978.06	1,863.88	6.13	21.47	20.46	100.00	100.00

*1H2023 estimates considering the 1Q2023/2022 growth rate.

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



Weight of MoD GWP in non-life business



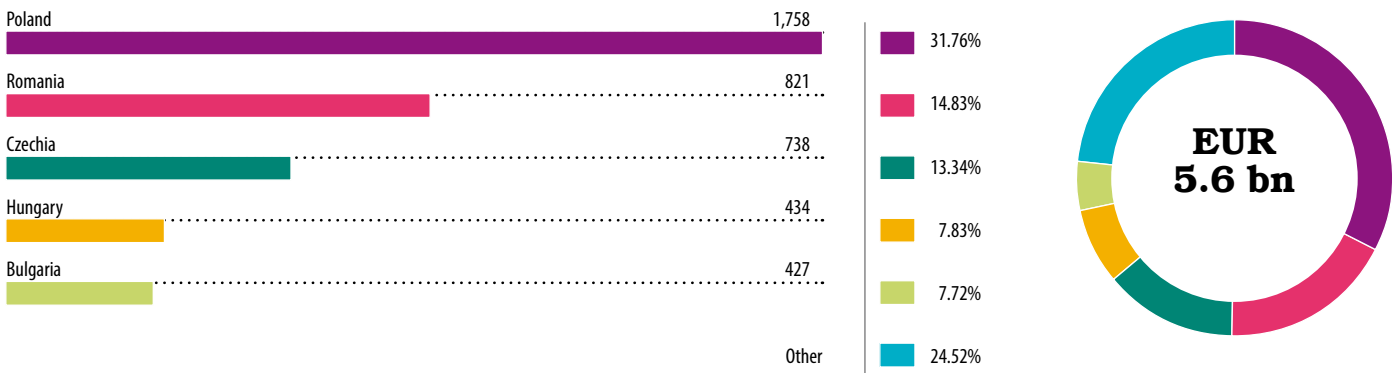
Note: Serbia - Q1 2022/21 figures

CEE - MTPL INSURANCE

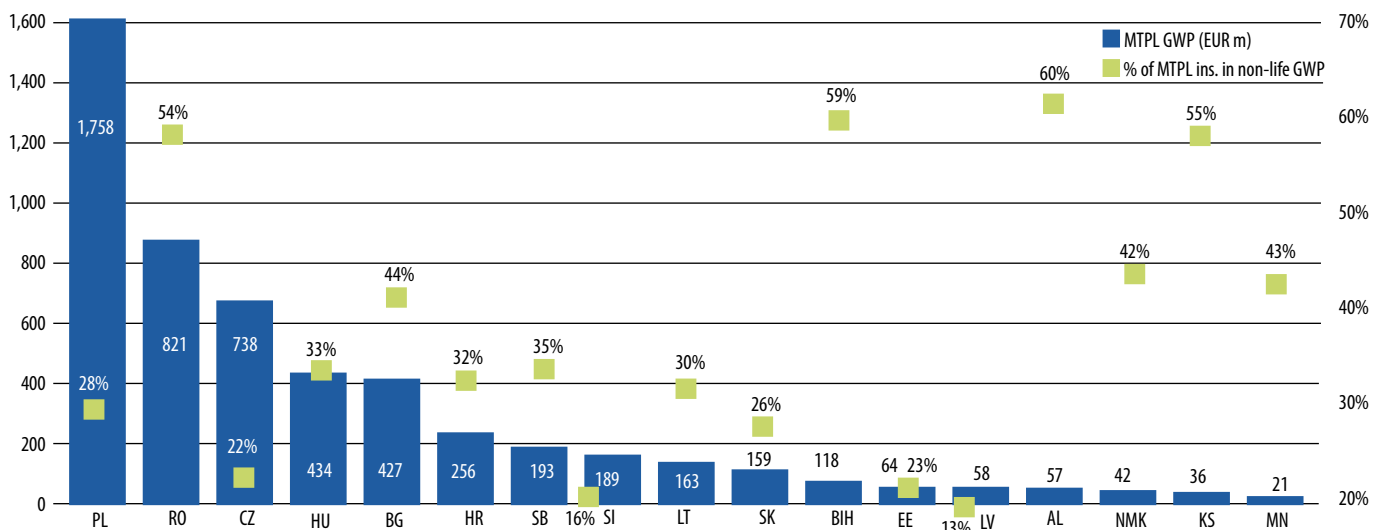
Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	1H2023	1H2022	%		1H2023	1H2022	%		1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	57.00	47.36	20.36	18.75	15.12	23.97	59.81	62.44	1.03	0.95		
Bosnia & Herzegovina	118.46	107.65	10.04	42.71	39.21	8.91	59.25	60.24	2.14	2.15		
Bulgaria	427.22	307.78	38.80	258.21	159.82	61.56	44.09	40.78	7.72	6.15		
Croatia*	255.52	211.72	20.69	na	113.17	-	31.96	29.81	4.62	4.23		
Czechia	738.20	669.97	10.18	378.92	334.20	13.38	21.78	22.50	13.34	13.39		
Estonia	63.95	49.96	28.00	37.28	35.67	4.51	23.01	21.68	1.16	1.00		
Hungary	433.66	375.87	15.37	165.27	139.19	18.74	33.23	34.63	7.83	7.51		
Kosovo	36.32	33.40	8.74	19.19	16.35	17.35	54.51	57.52	0.66	0.67		
Latvia	58.46	49.63	17.81	32.97	30.45	8.26	12.97	13.47	1.06	0.99		
Lithuania	163.18	132.87	22.81	95.45	77.83	22.65	30.23	30.58	2.95	2.65		
North Macedonia	42.29	38.86	8.82	19.04	18.15	4.92	41.92	44.43	0.76	0.78		
Montenegro	21.39	19.30	10.88	8.70	7.70	12.90	43.19	43.10	0.39	0.39		
Poland	1,758.11	1,608.05	9.33	1,181.00	1,035.06	14.10	28.22	30.13	31.76	32.13		
Romania	820.99	871.61	-5.81	336.66	315.47	6.72	53.87	59.26	14.83	17.41		
Serbia	192.62	160.81	19.78	70.99	63.09	12.52	35.28	35.00	3.48	3.21		
Slovakia	159.11	163.09	-2.44	84.87	85.30	-0.51	25.78	27.99	2.87	3.26		
Slovenia*	189.29	157.16	20.45	na	87.86	-	15.69	14.49	3.42	3.14		
Total CEE	5,535.78	5,005.10	10.60	2,750.02	2,573.64	6.85	30.14	31.40	100.00	100.00		

*1H2023 estimates considerig the 1Q2023/2022 growth rate.

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



Weigth of MTPL GWP in non-life business



in Poland reversed. While the sales of Unit-Linked (UL) products remained on a negative trend, the pace slowed down significantly and the decrease in UL products' premiums was offset by the other classes.

Hungary, Latvia, Slovakia and, according to XPRIMM estimations based on the Q1 results, also Slovenia and Croatia saw a negative trend in life insurance. While sales of UL insurance products decreased in several markets, it seems that only in Slovakia they were the driving factor for the life insurance market decrease. Apart from Poland, Bulgaria and Albania recorded both high growth rates of the life insurance segment. While given the very low life insurance coverage in Albania makes a high growth rate rather normal, it is worth noting that in Bulgaria about half of the market growth in absolute terms was provided by the increasing sales of UL products.

Indemnities paid for life insurance went up by about 5%, to EUR 6.4 billion. In most markets, claims expenses decreased substantially, on one hand as an effect of the decrease in mortality in the post-pandemic period, on the other hand showing a strengthening attachment of the policyholders to their financial protection means.

Non-life insurance

Non-life insurance GWP accounted for EUR 18.37 billion, 15.22% up y-o-y at regional level. At the same time, claims paid increased, according XPRIMM estimations based on Q1 results in Croatia and Slovenia, by about 11%. However, excluding the markets for which data on paid claims in 1H are not available, the regional claims expenses totaled EUR 7.42 billion.

All markets saw a positive trend in the premiums' evolution, at rather high paces considering the difficult economic conditions. Except for Slovakia, paid claims also increased in all markets, in some cases even faster than the GWP.

Poland, Czechia, Romania, Hungary, Slovenia are the Top 5 non-life markets, with no change in hierarchy as compared with the end of 2022. Given the much lower than average growth rate recorded by the Romanian market, its market lost about 1 percentage point in regional market share terms.

Motor insurance

Motor insurance remains the main business segment in the non-life segment. In 1H, GWP reached EUR 5.53 billion (10.60% up y-o-y) for MTPL insurance and EUR 3.94 billion (20.93% up y-o-y)

for Motor Hull. With very few exceptions, claims expenses increased in all markets.

Motor insurance classes remain, at least for the time being, the business lines for which inflation already had a visible impact.

Claims inflation is an ongoing trend which insurers are confronted and, in some cases, has already led to motor insurance prices going up.

However, as the MTPL markets in the region remain highly competitive, adapting prices to match the higher claims expenses is not an easy task. As a proof of the important impact that claims inflation has in markets with state control MTPL prices like Serbia or Bosnia & Herzegovina, authorities decided to upgrade the base price after years when it was unchanged.

Meanwhile, customers are interested in keeping the price for this insurance as low as possible, as proved by their predominant use of price as the main criteria when choosing the insurance provider. As many people will find it very difficult to bear these costs, insurers are already worried that an increase in the number of uninsured vehicles may occur.

Poland, Romania, Czechia, Hungary and Bulgaria are the Top 5 MTPL markets, controlling about three-quarters of the MTPL premiums production in the region. Romania remained the second ranked market in the region despite the low

CEE - GTPL INSURANCE

Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	1H2023	1H2022	%		1H2023	1H2022	%		1H2023	1H2022	1H2023	1H2022
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	5.54	3.64	52.45	0.19	0.05	240.51	5.82	4.79	0.60	0.42		
Bosnia & Herzegovina	3.84	3.21	19.51	0.44	0.55	-20.34	1.92	1.80	0.41	0.37		
Bulgaria	19.20	13.55	41.67	3.82	2.09	83.05	1.98	1.80	2.07	1.56		
Croatia*	na	42.50	-	na	14.49	-	-	5.98	-	4.88		
Czechia	296.91	246.32	20.54	97.01	105.05	-7.65	8.76	8.27	31.95	28.28		
Estonia	10.05	8.51	18.11	3.03	2.68	12.98	3.62	3.69	1.08	0.98		
Hungary	33.04	27.42	20.51	14.26	10.52	35.62	2.53	2.53	3.56	3.15		
Kosovo	na	na	-	na	na	-	-	-	-	-		
Latvia	18.08	15.25	18.56	3.66	3.62	1.04	4.01	4.14	1.95	1.75		
Lithuania	20.79	16.87	23.24	5.36	5.84	-8.21	3.85	3.88	2.24	1.94		
North Macedonia	3.01	2.84	5.88	0.15	0.08	102.24	2.98	3.25	0.32	0.33		
Montenegro	1.32	1.81	-26.97	0.11	0.12	-4.13	2.67	4.05	0.14	0.21		
Poland	419.17	343.54	22.02	146.83	131.37	11.77	6.73	6.44	45.11	39.44		
Romania	44.23	35.17	25.77	na	na	-	2.90	2.39	4.76	4.04		
Serbia	16.09	14.64	9.89	2.55	2.11	20.84	2.95	3.19	1.73	1.68		
Slovakia	38.06	37.96	0.25	12.80	11.48	11.48	6.17	6.51	4.10	4.36		
Slovenia*	na	57.85	-	na	9.62	-	-	5.33	-	6.64		
Total CEE	929.32	871.07	6.69	290.23	299.67	-3.15	5.06	5.46	100.00	100.00		

* non available data fot 1H 2023

growth rates triggered by the temporary cap on tariffs imposed after the Euroins Romania failure. The six domestic MTPL providers wrote premiums worth EUR 821 million, by 5.8% less y-o-y, as shown in the corresponding tables of regional results. But to correctly assess the business volume on this class, one should consider that following the bankruptcies of two of the most important MTPL providers, the foreign subsidiaries operating in Romania based on FOE achieved an increasingly relevant position in the market and in 1H 2023 added to this total EUR 122.24 million, which is 2.4 times more y-o-y. As such, GWP for MTPL insurance amounted to EUR 943.24 million, about 2% more y-o-y.

Poland, Czechia, Romania, Bulgaria and according XPRIMM estimations, Slovenia are the Top 5 Motor Hull insurance markets, accounting together for slightly over 75% of the Motor Hull GWP in the region.

Property insurance

GWP for property insurance reached EUR 3.81 billion, 13.90% up y-o-y. Compensations paid for property claims decreased overall by about 17.32%, to EUR 1.04 billion.

Secondary perils remained increasingly important, the frequency and severity of the events demonstrating a stable trend. Several strong windstorms and flooding episodes hit the region in the first half of 2023 causing economic losses of several hundred million of euro. Windstorm Oleg hit Czechia and Poland and February, followed by windstorms Pit, Otto and Mathis that also touched areas of the Central Europe in February and March. May was another period rich in flooding episodes, while severe convective storms affected repeatedly the Central and Eastern Europe in June. However, the losses in the first half of the year remained more or less in normal parameters in most of the region's countries, except for Bulgaria which saw paid claims for property losses increasing by 120%.

However, the year-end expectations are very different as starting July, several extreme weather events were reported, insured losses amounting to significant amounts despite the rather low property insurance penetration in the region. Severe storms and heavy rain have caused Slovenia's worst floods on record, also affecting the South of Austria. While economic losses were initially estimated at about EUR 500 million, recently the Government raised its estimations to several billion euros. Slovenian biggest insurance groups already reported that the event will have a strong impact on their balance sheets, especially as they are also acting as reinsurers for the market of the neighboring countries, also hit by the extreme weather episode.

However, inflation is again the most disquieting factor, also in property insurance. Evidence collected by insurers' associations in different countries, as well as the recent EIOPA report "Impact of inflation on the insurance sector" confirm all that properties' underinsurance is a very serious risk raised by inflation.



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The CEE re/insurance groups in 1H 2023

PZU Group

In the first half of 2023, the PZU Group increased gross insurance revenues to PLN 13 billion - nearly PLN 1 billion more than in the same period of the previous year. The generated net profit attributable to the shareholders of the parent company reached PLN 2.7 billion, i.e. it was higher by almost 50% year on year. Adjusted profitability ratio (aROE) was 22.2%.

The fastest growth was recorded in revenues from non-life insurance in Poland, by 10.8% y-o-y, reaching PLN 7.7 billion. This was largely due to the increase in motor insurance, especially in the auto casco segment by 16.7% y-o-y. Growing sales were accompanied by improved profitability in our key areas. The combined ratio in non-life insurance in Poland was 84.2%, and the operating margin in group and individually continued life insurance was 19.6%, said president of PZU, Dr. hab. Beata KOZŁOWSKA-CHYŁA.

The main component of the improvement in revenues in property insurance was motor insurance, where the increase amounted to 8.5% y-o-y. In addition to the strong, almost 17% increase in the AC segment, it is also worth emphasizing the increase in revenues in the third-party liability segment by 2.5% y-o-y, which concerned both mass and corporate insurance. This was related to, among others, the growing supply of new vehicles and revival on the leasing market. From the operational side, sales are supported by our increasingly effective price-to-risk adjustment processes.

Life insurance revenues on the Polish market in the first half 2023 amounted to PLN 4 billion (an increase of 0.4% y-o-y), and the contract margin release (CSM) in this period increased by 19.6% - to PLN 709 million.

The PZU Group's revenues in the health pillar amounted in the first half to 2023 PLN 760 million, which means an increase of 26.6% y-o-y. This result was the result of a significant increase in revenues generated by branches of the PZU Zdrowie network (increased by 21.1% y-o-y) and health insurance and subscriptions (increased by 31.0% y-o-y). The number of active health contracts across the Group exceeded 3.3 million.

TRIGLAV Group

In the first half of 2023, the Triglav Group's total business volume rose to EUR 955.4 million and its tax before profit amounted to EUR 10.5 million. This year's unexpected price cap on supplemental health insurance in Slovenia resulted in a high loss of EUR 30.9 million in the health insurance segment in the first half of 2023, which had a significant impact on the Group's 1H result. Extreme weather events in Slovenia and the region, particularly storms, hailstorms and floods in July and August, resulted in historically high claims for the Triglav Group. They are currently estimated at EUR 150–200 million. Taking into account the reinsurance coverage, their negative impact on the Group's profit before tax is estimated between EUR 40 and 50 million. The Group estimates that due to losses in the health insurance segment and CAT claims its annual profit before tax will be around 80% lower than planned.

The Group generated a profit before tax of EUR 10.5 million in 1H 2023, which stemmed equally from insurance and non-insurance operations.

Thanks to the Group's proactive implementation of its strategic guidelines, its total business volume reached EUR 955.4 million, up by 11% y-o-y. Insurance service expenses increased to EUR 632.9 million (15% up), with the highest growth of 31% recorded in the health insurance segment. The Group's operating expenses totaled EUR 214.4 million (14% up), with the largest increase recorded by acquisition costs proportionately to business volume growth.

The Group's combined ratio in non-life and health insurance stood at 102.2%.

The contractual service margin, which includes unrealized but expected profit from insurance contracts, reached EUR 208.7 million (index 112), with the CSM of new contracts accounting for 9.5%. Other comprehensive income amounted to EUR 8.7 million, driven by the favorable situation in the financial markets. The Group's net annualized return on equity was 2.3%.

SAVA Re

The Group's business volume for the first half year, measured in terms of GWP and revenue from other non-insurance services, amounted to EUR 495.1 million, showing strong growth of almost 12% y-o-y. The main components of this growth were EU non-life premiums (up 15.7%), non-EU non-life premiums (up 24.0%) and the Group's reinsurance business (up 9.5%). The Group adjusted its premium rates in line with inflation in both its domestic market and international reinsurance markets; however, it also increased its volume of business through new customer acquisition and increased insurance sales. Premium growth in non-EU markets was mainly driven by growth in the number of policies written. Life insurance premiums in the domestic market did not reach the volume of the first half of last year (down 2.8%) due to the exceptionally high sales during last year, but the Group significantly reduced this gap in the second quarter.

The Group's net profit for the first half of the year of EUR 40.0 million normalized, compared to the same period last year, when it had fallen substantially following materially higher provisions, driven by inflation. However, the more favorable financial market conditions and higher levels of required yields this year contributed to an improved net investment income (up EUR 13.9 million), which also contributed favorably to this year's half-year results. The Group's net profit reached 75.6% of the annual profit target, largely because of the absence of major claim events until the end of the first half of 2023. The solvency ratio, estimated at between 183% and 189%, is projected to decline in the third quarter but to remain within the optimal capitalization range defined in the risk strategy (170–210%).

Based on available data, gross claims after the devastating storms and floods in Slovenia are estimated to be close to EUR 100 million. Together with the claims to be covered by Sava Re on reinsurance business accepted outside the Group (written in Austria, Croatia and Serbia) and considering the reinsurance protection, the management board estimates the total impact on the business result will be in the range of EUR 30 to EUR 35 million. As a result, the management board estimates that the profit for 2023 will be approximately 25% lower than planned, or around EUR 40 million, due to the impact of the storms and floods (helped by the strong half-year results).

SEE INSURANCE MARKETS IN 1H2023

Challenged by nature

The three Southeastern insurance market under our survey – Greece, Cyprus and Türkiye, have reported a positive GWP dynamic in the first half of 2023. Overall, gross premiums written in the region reached EUR 10.7 billion, up by 32.33% y-o-y. One should note, though, that these figures need to be carefully considered because of the strong currency impact on Türkiye's results.

On the paid claims side, although at this time data for Greece were not available, the almost 43% increase rate is still relevant considering that the claims expenses were largely driven by the catastrophic series of earthquakes that hit Türkiye in February. While insurers acted very fast in reimbursing homeowners for the losses under the mandatory earthquake insurance program, the overall size of the insured losses goes far beyond the about EUR 1.5 billion already paid by the TCIP (Turkish Catastrophe Insurance Pool). According to several global modelling companies' assessment, it is to be expected that in the end the insured losses will hit close to EUR 5 billion.

On the other hand, although we don't have yet official data for the paid claims in Greece, this summer's events justify the general apprehension that by the end of the year, paid claims by insurers will escalate to significant amounts. Two examples are worth looking at:

Data collected by the Association of Insurance Companies of Greece (EAEE) from 23 insurance companies, which are estimated to represent 96% of property insurance production, showed that as a result of the forest fires that hit Greece between July 17-28, 2023, there were recorded 231 claim files, mostly related to residences (two weeks after the events).

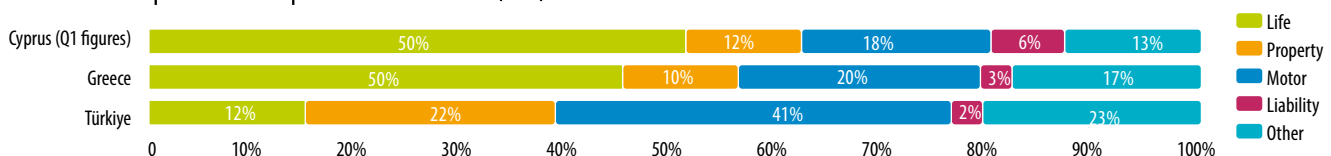
Only two weeks after the storm Daniel that hit Greece on 5 September, data collected from 24 insurance companies, which are estimated to represent 97.6% of property insurance production showed a total of 6,000 claim files, two thirds of which related to residences, businesses, industrial facilities etc., while the rest of them concerned damages to cars and boats. According to public sources, the industry estimated that the average loss value might go up to EUR 50,000, from the "regular" close to EUR 19,000 value, mostly because of the important number of businesses impacted by the storm.

The recent natural events of catastrophic dimensions experienced by Greece refueled the national debate regarding the introduction of a mandatory insurance system against the natural catastrophe risks. Yet, the outcome of this debate is still far ahead. (D.G.)

SEE – OVERALL MARKET DATA

Country	GWP			Change	Claims			Regional market share	
	1H2023	1H2022	Change		1H2023	1H2022	Change	1H2023	1H2022
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	
Cyprus	585.87	528.90	10.77	248.04	228.86	8.38	5.48	6.55	
Greece	2,650.64	2,326.20	14.00	na	na	-	24.79	28.79	
Türkiye	7,456.17	5,225.47	42.69	3,188.27	2,174.90	46.59	69.73	64.67	
Total SEE	10,692.68	8,080.58	32.33	3,436.31	2,403.76	42.96	100.00	100.00	

SEE GWP portfolio per countries (%)



Growth potential constrained



Marina MAGNAVAL
Senior Editor

The Ex-USSR area's regional insurance market ended the first half of 2023 with a strong y-o-y decrease in euros - by 23%, amounting to EUR 14.39 billion, according to XPRIMM statistics.

Such a strong decrease is because the largest market in the region, Russia, saw a 29% drop in GWP mostly as a currency exchange effect. At the same time, Ukraine and Belarus also saw a slightly declining GWP volumes.

Among the markets, for which data is available, the most impressive growth rate can be noted in Kyrgyzstan (almost 36%), followed by Kazakhstan and Azerbaijan. Tajikistan demonstrated the weakest growth.

Total paid claims in the region also decreased quite strongly - by 29%. Four markets recorded a drop in paid claims - Russia, Uzbekistan, Belarus, and Tajikistan. On the other hand, paid claims increased most in Kyrgyzstan and Kazakhstan.

The insurance sector of Armenia ended 1H2023 with a net profit, and all insurers managed to increase it during the reporting period. Total balance sheet profit (pre-tax) increased by 39.2% y-o-y, exceeding AMD 3.4 billion, while net profit amounted to AMD 2.9 billion (+38.9%).

In the first six months of this year, for vehicles registered in Kazakhstan and Georgia, about 9,000 insurance contracts were issued and about AZN 5 million were collected in Azerbaijan. For the first time within the Green Card system, Azerbaijani insurers exported about AZN 5 million of insurance services.

Since June 1, Belarus relations in the Green Card insurance system were ceased with about 30 countries, then 13 more countries were added to this list. The membership of Belarus and Russia in the Green Card international insurance system were suspended on June 30, 2023.

In 1H2023, property insurance in Georgia amounted to GEL 65.86 million. The result did not actually change compared to 2022. Among 18 companies, the leader in property insurance is Aldagi - the company collected GEL 31 million, which is 47% of the segment. Chairman of the Board of the Insurance Association Devi Khechinashvili noted that users of property insurance services in Georgia are either corporate clients or citizens who are insured by banks as part of their mortgage lending obligations.

In Kazakhstan in the first half of 2023, the MTPL loss ratio jumped to 67.9% due to a sharp increase in paid claims. The specialists note that MTPL unprofitability is heterogeneous across the country and differs from region to region.

The total revenues of the insurance sector in in Kyrgyzstan amounted to KGS 1.8 billion (EUR 18.90 million), which is

Ex-USSR - OVERALL MARKET DATA

Country	GWP			Change	Claims			Change	Regional market share	
	1H2023	1H2022			1H2023	1H2022			1H2023	1H2022
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	EUR m.	EUR m.		
Armenia	98.55	79.87	23.39	37.27	31.13	19.72	0.68	0.43		
Azerbaijan	350.38	276.63	26.66	121.50	98.43	23.44	2.43	1.48		
Belarus	331.66	343.01	-3.31	195.28	228.60	-14.57	2.30	1.84		
Georgia	206.70	163.74	26.24	92.36	73.83	25.10	1.44	0.88		
Kazakhstan	1,186.35	912.31	30.04	240.67	165.35	45.55	8.24	4.88		
Kyrgyzstan	16.21	11.94	35.71	3.32	2.25	47.69	0.11	0.06		
Moldova	70.03	58.78	19.15	24.13	20.90	15.45	0.49	0.31		
Russia	11,283.54	16,009.83	-29.52	5,200.41	7,848.07	-33.74	78.38	85.68		
Tajikistan	16.32	15.03	8.58	0.82	0.91	-9.78	0.11	0.08		
Turkmenistan	na	na	-	na	na	-	-	-		
Ukraine	533.86	571.84	-6.64	195.43	191.08	2.28	3.71	3.06		
Uzbekistan	301.81	242.78	24.31	70.54	101.05	-30.19	2.10	1.30		
Total Ex-USSR	14,395.42	18,685.76	-22.96	6,181.74	8,761.60	-29.45	100.00	100.00		

approximately 54% more y-o-y (KGS 1.16 billion). The balanced financial result of insurance organizations rose to KGS 277.5 million, which means an increase of almost 124% y-o-y (vs KGS 123.9 million).

In Moldova starting July 1st, 2023, the NBM - The National Bank of Moldova took over from CNPF - The National Commission of the Financial market the control of non-banking financial markets, including the insurance segment.

The number of insurance companies in Russia in the second quarter decreased by 1, totaling 135 by the end of June 2023. At the same time, concentration of the Russian insurance market has remained virtually unchanged. The share of the top 20 in terms of premiums was 88.7%.

The net profit of insurance organizations in Tajikistan reached TJS 70.7 million, which indicates an increase of TJS 13.8 million (+24.3%) compared to 1H2022. Insurance reserves amounted to TJS 252.1 million (+57.9%). This rise indicates financial stability and an increase in the level of solvency of insurance companies.

The volume of assets of life insurers in Ukraine in 2Q2023 increased for the second time in a row - by 4%. At the same time, the assets of risk insurers decreased slightly due to the exit of seven participants from the market. The insurance market is profitable: the return on capital of risk insurers is commensurate with previous years (6%), while life insurers received a record quarterly profit.

In Uzbekistan, on July 1, 2023, the health insurance system was launched in Tashkent, while TJS 30 billion (~EUR 2.69 billion) was allocated for digitalization of medical institutions. Health insurance will be fully introduced throughout Uzbekistan by the end of 2026, according to the Presidential Decree.

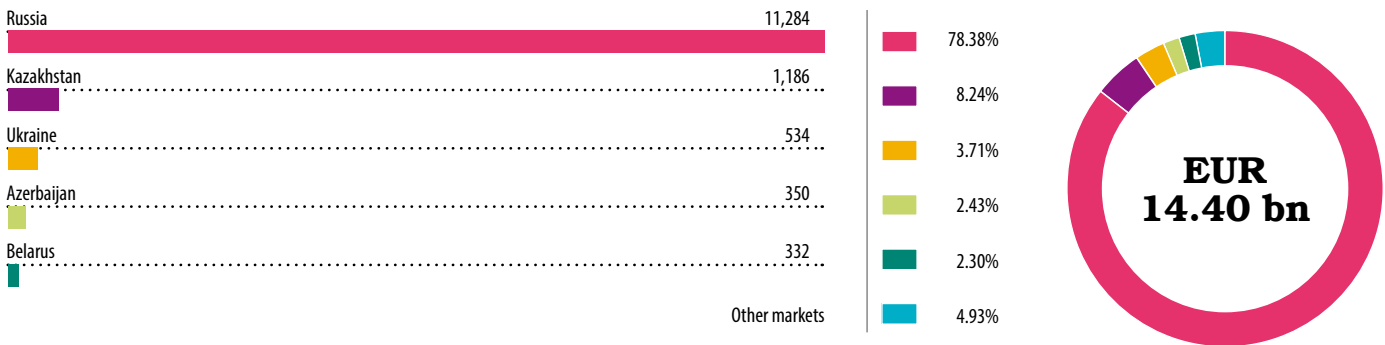
In response to the suspension of the Russian and Belarusian bureaux, for sanctions reasons, from the international insurance system Green Card, the Blue Card system was established on June 1, 2023. According to information provided on the Russian Union of Motor Insurers (RAMI) website, the first agreement was concluded by the Russian motor insurers' association within the framework of the newly established Blue Card system, with the Belarusian Bureau of Transport Insurance and became effective on 2 September.

Thanks to this agreement, after June 30 drivers from the two countries were provided the possibility of travelling by car between the two countries. Agreements were also concluded with the national associations of auto insurers of Azerbaijan and Türkiye, thanks to which Green Card agreements concluded before July 1, 2023, are valid for the entire period for which they were issued, the same source said.

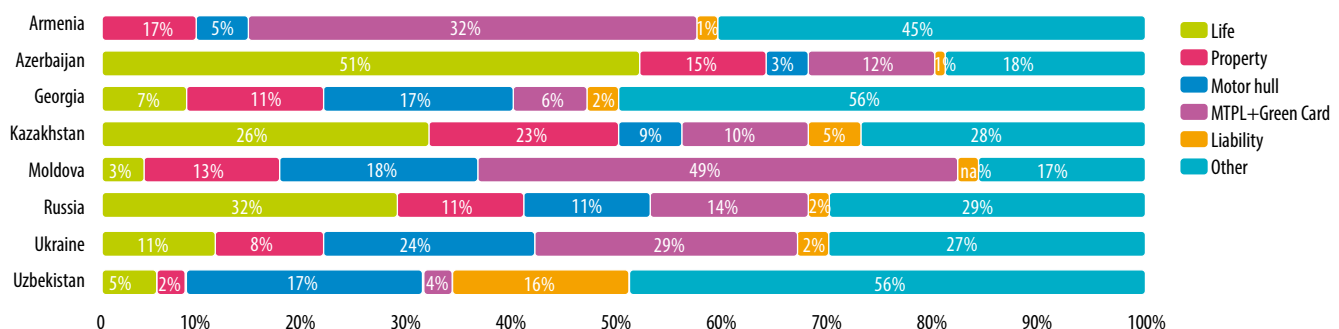
New Blue Card forms will be issued starting 1 January 2024. Before this date, the "old" Green Card forms will remain in use. Settlement currency will be predominantly the national currency of the country of the accident, unlike in the Green Cars system, where settlements were carried out in euros.

*data on Turkmenistan is not included.

TOP 5 Ex-USSR countries as GWP (EUR million) & market shares (%)



Ex-USSR GWP portfolio on selected countries (%)



Hartwig LÖGER

CEO, Vienna Insurance Group

XPRIMM: Mr. LÖGER, you started your mandate as CEO of the Vienna Insurance Group (VIG) rather recently, following the successful leadership of the previous CEO, Ms. STADLER. What would be your personal imprint on leading VIG? Are there any changes that you intend to implement?

Hartwig LÖGER: VIG has continuously developed and positioned itself very positively in recent years. Together with Elisabeth STADLER, we designed the VIG 25 strategy programme two years ago, which sets out our clear priorities for the coming years, which we are implementing step by step. Where I want to put a special emphasis is to promote collaboration within the Group, to be able to use the enormous competence in the Group even more efficiently. The special value of VIG is that we see ourselves as a Group. This means that we are building on a decentralized network of our independently owned companies in already 30 countries. And for this reason, the task of the holding company will continue to be a very strong coordinating and moderating role. That is the basement of the strategy. At the same time, however, we have already updated the expectations of the individual markets this year. This means that we have defined clear objectives for the coming years with the local management of our companies. In addition, we have group-wide initiatives that are not only aimed at optimizing the operative business, but also take further steps towards topics for the future - outside the classic insurance world, for example in the direction of ecosystems.

We will definitively continue to work on automating processes and increasing productivity. But we keep a special eye on strengthening our services and touch points to the customers. The trend is towards hybrid customer care, a mixture of personal and digital contact.

I want to put a special emphasis on promoting collaboration within the Group, to be able to use the enormous competence in the Group even more efficiently. The special value of VIG is that we see ourselves as a Group.

XPRIMM: It is worth noting that you took over the VIG's leadership in a period of difficult economic conditions. So far, the Group has reported excellent results, especially considering the challenges raised by the economic environment. How did the Group cope with this environment and what are your expectations for the future?

H.L.: There is no doubt that VIG is also faced with continuing challenges such as the ongoing war in Ukraine, high inflation and an uncertain economic outlook that we have mastered well. This is mainly due to our excellent capital position and our business model with a strong regional focus – which allows rapid, customized action where required. We all don't know how long the war in Ukraine will last, inflation will keep us busy for some time and we must continue to expect volatile capital markets. But we are cautiously optimistic and, as I mentioned, we have managed all challenges well and I expect this to continue.

XPRIMM: The Vienna Insurance Group is doing business in two countries strongly challenged: Ukraine by the ongoing war, Türkiye by the February earthquakes in the Kahramanmaraş region, as well as by the economic crisis. How did VIG deal with these particular situations, both in business and human terms? What was the direct impact of these situations on your local subsidiaries' results?

H.L.: In both countries, our priority is to support our customers and employees. In Ukraine, we started extensive support measures within the Group immediately after the outbreak of war. The solidarity within our Group is enormous. We have set up the VIG Family Fund, where seven million euros are available for

reconstruction and for personal hardship cases of our Ukrainian employees. But the solidarity of the employees of our three Ukrainian companies is also unbelievable, they are there for customers as best as they can.

We were even able to generate more premium volume in Ukraine in the previous year, which, however, resulted exclusively from the enormously increased motor insurance business with the Green Card, as many Ukrainians left the country with their cars and corresponding protection due to the war. Otherwise, we recorded declines in all other lines of business.

In Türkiye, our attention was also focused on the people and our employees of the two Turkish companies, which were also directly affected by the consequences of the terrible earthquake. Both companies have set up a local aid fund for affected employees, which VIG is supporting with one million euros. In addition, we have donated one million euros to the Red Cross for the earthquake victims in Türkiye. We also recorded claim losses close to a three-digit million range. Due to the small market share we have in Türkiye, this has only a minor impact on the overall result.

XPRIMM: Sustainability seems to be a strategic matter for VIG. While the climate change impact is becoming more visible every day, the energy crisis makes applying sustainability principles and policies somewhat harder. What is VIG's position in this matter? What is your approach to tackling ESG values and goals?

H.L.: It is our clear goal to further strengthen sustainability as an integral part and basic of our business model. We have developed the VIG 25 sustainability programme with all of our Group companies, where we implement both environmental and social measures. There is no question that the noticeable effects of climate change show us how important sustainability initiatives are. Our core environmental goal is to reduce greenhouse gas

emissions. In each of the three environmental impact areas of investment, underwriting and business operations, VIG plans to reduce CO2 emissions to net zero by 2050. We have defined exclusion rules for investments and underwriting. But in addition to the application of the exclusion criteria an engagement approach is used. It is an active exchange with companies to encourage them to improve their ESG performance. Engagement aims not to exclude such companies but instead prefers a dialogue approach. However, we also see the need to offer transitional arrangements in those countries that have a very strong dependence on fossil energy sources. We also place a great deal of emphasis on social sustainability measures. For example, together with our companies we want to take measures to improve the risk literacy of the population. We have just published a study on this topic that we conducted with Gallup International in nine countries where VIG is represented. The findings of the study reveal a significant need for increased risk literacy in all of the countries examined. I think that people only protect themselves from risks if they are aware of issues such as prevention and risk coverage

XPRIMM: VIG is the main player in the CEE insurance market, with a leading position in many of the region's markets. While speaking about the CEE as a regional market comes naturally, given the regional characteristics and relative comparable age of the insurance markets in the region, the CEE markets are very diverse and have very different socio-economic characteristics. How do you cope with these differences so that you can maintain a coherent regional approach?

H.L.: Exactly as you say, the markets in the CEE region are very inhomogeneous and you have to orient and act according to the local needs of the customers and the markets. We do not presume to know from the holding company in Vienna exactly





what the customers in all our different markets need. Local managers can judge and manage this far better. This is exactly the approach we take with our local multi-brand strategy and the local entrepreneurship approach. These two management principles make VIG so successful.

XPRIMM: VIG has a strong presence in most CEE markets, operating in many of them through several companies. Yet, throughout the last years you have abandoned to some extent your traditional multi-brand operating policy and merged some of the companies to improve efficiency. Is this a trend that will continue? Also, do you envisage any future acquisitions?

H.L.: We are clearly committed to the local multi-brand strategy and have not abandoned it anywhere. Over the years, VIG has always merged companies when it made sense to do so for economic and strategic reasons. Our top priority is to be profitable. We retain well-established brands with a strong reputation and profitable development or rebrand them into a new company of their own. Again, as I said before, we have to take the different market parameters of each country into account. We are constantly monitoring our markets for acquisition opportunities. However, I must also emphasize that we are already active in 20 CEE countries and in 10 countries that we have declared as special markets, and we still see a lot of growth potential here.

VIG plans to reduce CO2 emissions to net zero by 2050. We have defined exclusion rules for investments and underwriting. But in addition to the application of the exclusion criteria an engagement approach is used. It is an active exchange with companies to encourage them to improve their ESG performance.

XPRIMM: The insurance business is changing a lot with technological progress. How do you see the impact of technology (digitalization) on your Groups' business and offering? Are there any novelties in preparation?

H.L.: Digitalization did of course play an important role for VIG for many years now and has been supporting us to optimize our internal processes and to enhance our digital services for our customers. We are also using artificial intelligence within the Group in claims processing, quoting, data collection and rate calculation, and there will be more touch points. We will definitely continue to work on automating processes and increasing productivity. But we keep a special eye on strengthening our services and touch points to the customers. The trend is towards hybrid customer care, a mixture of personal and digital contact. Digitalization has simplified and increased the possibility of contact with the customer. Important is to offer all contact channels and the customer can decide via which channel or channels he would like to get into contact with us. We want to offer new customer experiences in addition to risk coverage, such as assistance services. We will also have to be more present with products and services on platforms where customers are and where insurance is relevant to them. We recently launched an app based on telematics that is our newest example for our approach regarding additional services. It is designed for motor vehicle insurance customers and offers cashback payments dependent upon responsible driving behavior and the vehicle being driven. It does also give tips for improving driving style, thus tips on how to increase the amount saved. It is important to be constantly present with them, not only as a claim recipient, but as someone they can trust at all times. We offer this service in Czechia and we are just about to start in Poland.

XPRIMM: If you had to list, very briefly, the absolute priorities on your managerial agenda, which would be the most important of them?

H.L.: There are a large number of agendas that, taken together, should ensure that VIG continues to live up to its leading role in the CEE region and remains profitable and fit for the future. I will place a major focus on strengthening relationships within the Group in order to make even greater use of the enormous potential and diversity of ideas, knowledge and synergies.

Interview conducted by Daniela GHETU



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Albania



S&P Rating
B+ , STABLE

Moody's rating
B1, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Bank of Albania

³ Albanian Financial Supervisory Authority (AFSA)

⁴ XPRIMM calculations

Market results denominated in Euro show very high growth rates that are a direct effect of the strong appreciation of the Albanian Lek against Euro.

Non-life insurance classes saw a good dynamic, but paid claims also increased for many of them.

A draft law "On compulsory insurance of housing against earthquakes" was published on the Platform for public consultations on August 7, 2023 raising heated debates.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	ALL billion ¹	1,636.73	1,691.90	1,644.08	1,889.84	2,073.97
	EUR billion ⁴	13.26	13.89	13.29	15.65	18.16
GDP per capita, current prices	ALL ¹	567,770	587,280	571,297	657,808	723,550
	EUR ⁴	4,600	4,823	4,618	5,447	6,334
Unemployment rate	% of total labor force ¹	12.30	11.47	11.68	11.40	11.10
Population	Millions ¹	2.88	2.88	2.88	2.87	2.87
ALL/EUR exchange rate	End of period ²	123.42	121.77	123.70	120.76	114.23
Gross written premiums	ALL million ³	16,922.57	17,617.59	16,608.01	19,267.80	21,032.73
	EUR million ⁴	137.11	144.68	134.26	159.55	184.13
Paid claims	ALL million ³	6,975.68	6,377.26	7,496.56	6,671.30	6,830.43
	EUR million ⁴	56.52	52.37	60.60	55.24	59.80
Insurance penetration degree	% in GDP ⁴	1.03%	1.04%	1.01%	1.02%	1.01%
Insurance density	EUR/capita ⁴	47.56	50.22	46.65	55.54	64.24

At the end of June 2023, the insurance market of Albania totaled ~EUR 104 million, up by 26.43% y-o-y, data provided by the Albanian Financial Supervisory Authority (AFSA) showed. One should note that very high growth rates calculated for the market results denominated in Euro are a direct effect of the strong appreciation of the Albanian Lek against Euro.

The number of insurance policies increased by 12.7% y-o-y to 638,072, of which 571,285 non-life policies - an increase of 13.4% compared to 1H 2022, and 66,773 for life insurance, up by 7.5% y-o-y.

According to the same source, the number of claims paid in the first half of 2023 was 30,526, more by only 124 files y-o-y. Out of

this total, 28,196 claims were paid by non-life insurers and 2,330 by life insurers.

Non-life GWP was ~EUR 95 million, an increase by 25.7% y-o-y, while the amount of gross insurance premiums in life insurance business was EUR 8.4 million, up by 36% y-o-y.

In 1H, the total of paid claims was ~EUR 31 million, or 15.88% more y-o-y. Of this total, EUR 28.2 million were related to non-life claims, EUR 1.5 million represented life indemnities, the remaining EUR 1.3 million being paid claims for Compensation Fund.

The strengthening Albanian Lek has eased the costs of Albanians for traveling abroad, which has also been reflected in the insurance of vehicles leaving the Albanian

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	103.74	82.05	26.43	31.11	26.85	15.88	100.00	100.00
TOTAL LIFE	8.43	6.20	35.99	1.49	1.13	31.53	8.13	7.56
TOTAL NON-LIFE	95.24	75.75	25.72	28.19	24.35	15.74	91.80	92.32
Accidents insurance	2.88	2.31	24.71	0.15	0.27	-45.44	2.78	2.82
Health insurance	3.94	3.81	3.39	2.76	2.43	13.65	3.79	4.64
Overall property insurance	15.94	11.51	38.54	1.85	3.32	-44.40	15.37	14.03
Fire and allied perils	13.62	9.95	36.92	1.00	3.27	-69.40	13.13	12.12
Damages to property	2.33	1.56	48.79	0.85	0.06	1,433.40	2.24	1.91
Overall motor insurance	64.09	52.55	21.96	22.62	18.09	25.03	61.78	64.05
Motor Hull	7.09	5.19	36.55	3.87	2.97	30.46	6.83	6.33
MTPPL	57.00	47.36	20.36	18.75	15.12	23.97	54.95	57.72
- DMTPPL	47.48	39.31	20.77	15.57	13.51	15.24	45.77	47.91
- Green Card	8.28	7.01	18.10	2.97	1.42	109.96	7.98	8.54
- Border	1.25	1.04	20.03	0.20	0.19	4.74	1.20	1.27
Goods in transit	0.34	0.28	22.82	0.04	0.12	-67.58	0.33	0.34
GTPL	5.54	3.64	52.45	0.19	0.05	240.51	5.34	4.43
Suretyship	1.94	1.34	45.64	0.58	0.06	881.48	1.87	1.63
Other non-life insurance	0.56	0.33	69.56	-0.00	-0.00	63.44	0.54	0.40
Reinsurance accepted	0.07	0.10	-26.91	-	-	-	0.07	0.12
Paid Claims for Compensation Fund	-	-	-	1.44	1.36	5.43	-	-

Exchange rate for calculations:

1 EUR = 106.44 Lek - ALL (June 30th, 2023)

1 EUR = 119.13 Lek - ALL (June 30th, 2022)

Sources:

Albanian Financial Supervisory Authority (AFSA)

Bank of Albania

territory. As such, the number of "Green Card" contracts increased by 52.07% y-o-y, while GWP for this class went up by 18%. At the same time, the "Border Insurance" product saw a 20% GWP increase while the number of contracts increased by 21.43%. In total, compulsory motor insurance premiums during 1H 2023 reached about ALL 6 billion, approx. EUR 57 million, or 20.36% more y-o-y.

An issue that has raised many discussions lately is the draft law "On compulsory insurance of housing against earthquakes", published on the Platform for public consultations on August 7, 2023. The law proposed by the government provides for the Albanian homeowners to pay into the National Fund for Earthquakes. The fund will act as an insurance company responsible for premiums, reinsurance, financing, and processing claims.

In September, the Insurers' Association of Albania together with the Albanian Association of Real Estate (NAREA) criticized the legislative project emphasizing that it lacks a proper scientific background with regards to the risk itself, disregards other major natural hazards to which Albania has a rather high exposure and provides insufficient details on several insurance related technical details as pricing, distribution, claims management etc. According to the law's initiators, the Ministry of Finance and the Albanian insurance market's supervising authority, Albania may expect economic losses estimated at USD 1.08 billion or approx. 7.5% of the gross domestic product, in case of a major earthquake. However, these figures were not supported by scientific evidence in the law project. Also, under the mandatory insurance scheme compensations would be triggered only if the earthquake is stronger than 5 Richter. Moreover, the joint stock company that will be created with the state as sole owner, is seen as creating an unequitable market environment by excluding the private insurance companies that have already been offering such a product with a voluntary scheme in the market for years. As such, while agreeing with the concept of mandatory housing insurance against natural hazards, Albanian insurers, as well as the Albanian Association of Real Estate, are disputing the proposal's technical features and invite the Law's initiators to further analyze several aspects and redesign the draft legislative piece. (D.G.)

Albania

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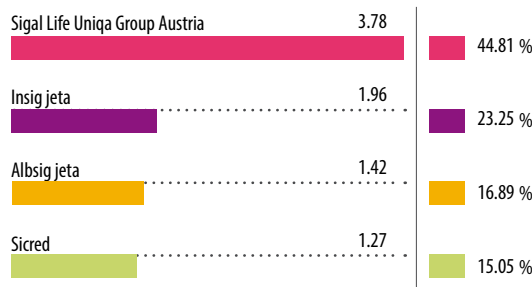
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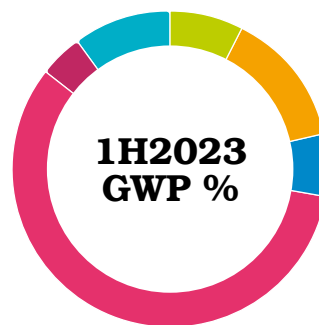
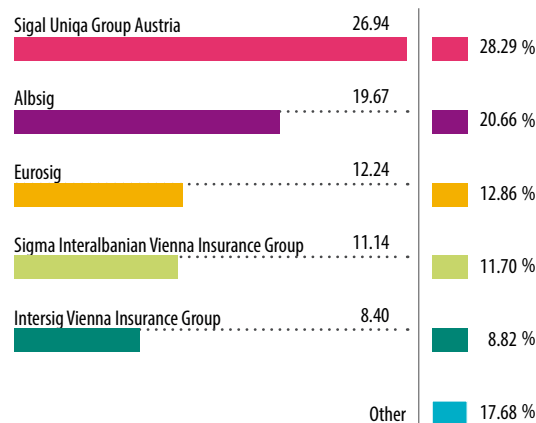
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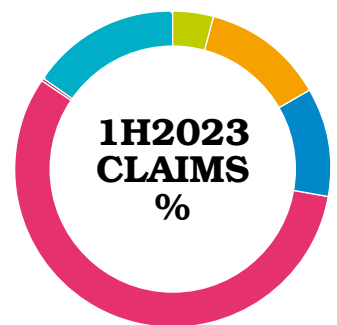
Life insurance ranking (GWP, EUR m)



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



Life	8.13
Property	15.37
Motor Hull	6.83
MTPL	54.95
GTPL	5.34
Other	9.38



Life	4.78
Property	5.93
Motor Hull	12.45
MTPL	60.26
GTPL	0.60
Other	15.97

Bosnia and Herzegovina



S&P Rating
B, STABLE

Moody's rating
B3, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Central Bank of Bosnia and Herzegovina

³ AZOBiH - Insurance Agency of Bosnia and Herzegovina

⁴ XPRIMM calculations

🌸 The MTPL base price was increased in both administrative entities of BiH, although with a different timing

🌸 The FBiH-based insurers ASA Central osiguranje (11% market share), Adriatic osiguranje (9.9%) and Uniqa osiguranje (8.4%), were the top three largest insurers in the country out of 25 market players.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	BAM billion ¹	33.94	35.79	34.73	39.11	47.30
	EUR billion ⁴	17.35	18.30	17.76	20.00	24.18
GDP per capita, current prices	BAM ¹	9,709	10,251	9,959	11,234	13,618
	EUR ⁴	4,964	5,241	5,092	5,744	6,963
Unemployment rate	% of total labor force ¹	18.40	15.70	15.90	17.40	17.30
Population	Millions ¹	3.50	3.49	3.49	3.48	3.47
BAM/EUR exchange rate	fixed ²	1.95583	1.95583	1.95583	1.95583	1.95583
Gross written premiums	BAM million ³	712.83	762.78	756.45	818.41	881.06
	EUR million ⁴	364.46	390.00	386.76	418.44	450.48
Paid claims	BAM million ³	279.27	301.25	309.78	346.94	398.65
	EUR million ⁴	142.79	154.02	158.39	177.39	203.83
Insurance penetration degree	% in GDP ⁴	2.10%	2.13%	2.18%	2.09%	1.86%
Insurance density	EUR/capita ⁴	104.25	111.72	110.92	120.21	129.71

At the end of the first half-year of 2023, the BiH insurance market totaled EUR 249.9 million (BAM 488.7 million), 9.9% more y-o-y, as statistics from the local insurance agency - AZOBiH shows.

Total paid claims and indemnities increased by 4.1% y-o-y to EUR 102.3 million, out of which EUR 75.7 million – FBiH insurers and EUR 26.6 million – RS insurers.

The GWP portfolio consisted of 20% - life insurance, the equivalent of EUR 50 million,

out of which a total of EUR 43.2 million was generated by FBiH life insurers and about EUR 6.8 million by RS life insurers.

From the non-life subclasses (EUR 200 million), 9.1% of GWP corresponded to the property lines and 58.4% to motor insurance (Motor Hull and MTPL, summed). Insurers registered in FBiH generated about EUR 132 million of total non-life GWP, the remaining EUR 68 million being reported by Republika Srpska-based insurers.

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	249.90	227.38	9.90	102.25	98.18	4.14	100.00	100.00
TOTAL LIFE	49.98	48.67	2.70	27.49	27.28	0.77	20.00	21.40
TOTAL NON-LIFE	199.93	178.72	11.87	74.76	70.90	5.44	80.00	78.60
Accidents insurance	15.65	13.78	13.57	6.17	6.13	0.64	6.26	6.06
Health	5.31	3.73	42.40	2.01	1.39	44.76	2.12	1.64
Goods in transit	1.52	1.47	3.54	0.19	0.13	40.68	0.61	0.65
Overall property insurance	22.64	20.95	8.02	6.06	7.06	-14.23	9.06	9.22
Fire and allied perils	11.22	10.36	8.27	2.84	4.32	-34.19	4.49	4.56
Damages to property	11.41	10.59	7.78	3.22	2.75	17.15	4.57	4.66
Overall motor insurance	145.91	130.79	11.56	58.79	54.83	7.22	58.39	57.52
Motor Hull	27.44	23.14	18.60	16.09	15.62	2.98	10.98	10.18
MTPL	118.46	107.65	10.04	42.71	39.21	8.91	47.40	47.34
GTPL	3.84	3.21	19.51	0.44	0.55	-20.34	1.54	1.41
Credit insurance	2.16	2.31	-6.40	0.62	0.56	11.26	0.87	1.02
Financial loss	1.90	1.67	13.40	0.23	0.15	57.31	0.76	0.74
Other non-life insurance	0.99	0.79	25.49	0.25	0.10	153.64	0.40	0.35
Of Total market:								
In Federation of Bosnia and Herzegovina								
TOTAL	175.09	159.70	9.64	75.66	72.33	4.60	70.06	70.24
LIFE	43.19	41.91	3.05	23.59	22.99	2.61	17.28	18.43
NON-LIFE	131.90	117.79	11.98	52.07	49.34	5.53	52.78	51.80
In Republika Srpska								
TOTAL	74.81	67.68	10.53	26.59	25.85	2.85	29.94	29.76
LIFE	6.79	6.75	0.47	3.90	4.29	-9.14	2.72	2.97
NON-LIFE	68.02	60.93	11.65	22.69	21.56	5.23	27.22	26.79

1 EUR = 1.95583 Convertible marks - BAM (fixed)

Source: AZOBiH - Insurance Agency of Bosnia and Herzegovina

The FBiH-based insurers ASA Central osiguranje (11% market share), Adriatic osiguranje (9.9%) and Uniqa osiguranje (8.4%), were the top three largest insurers in the country out of 25 market players.

One should note that the two main administrative entities of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) have different supervising authorities and are subjected to different legal provisions. AZOBiH - the Insurance Agency for the entire country, has not any regulatory power over the two separate entities.

This particular market structure is the main reason for the uneven development of the BiH insurance market across its distinct entities. Legislative progress is often made in an uneven way, insurers domiciled in the two main administrative entities of the countries being confronted with a different operating environment when doing business in the other administrative entity than the one they are domiciled in.

A recent development in the MTPL market makes a good example in this respect. While MTPL prices in BiH are state controlled, the tariffs' determination methodology is different and updated at different moments in FBiH and RS. On 16 September, the provisions of NADOS's Decision on amendments to the Decision on the method of determining the premium tariff and price list for MTPL insurance, entered in into force in the FBiH leading to an increase in the basic premium from 396 KM to 420.55 KM. The changes in prices adopted by NADOS came after FBiH motor insurers have been asking for an increase in the basic premium price for MTPL policies for some time, arguing that inflation creates significant pressure on insurance companies' claim funds while parameters used to determine MTPL prices remained unchanged since 1998. An additional argument for changing the price list was that in February AZORS - the Insurance Agency of the Republika Srpska adopted a decision on changing the MTPL prices for vehicles registered in RS, raising the single basis of price calculation by ~18%, to 420.55 KM, effective end of March. (D.G.)

Bosnia and Herzegovina

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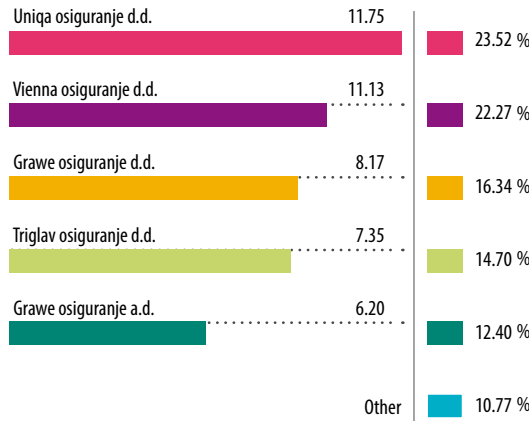
Full market rankings

MSExcel format * in EUR and local currency

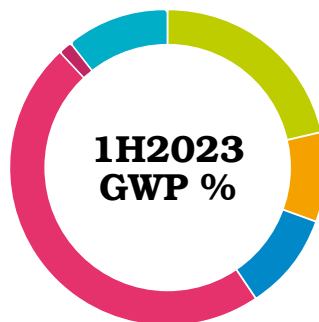
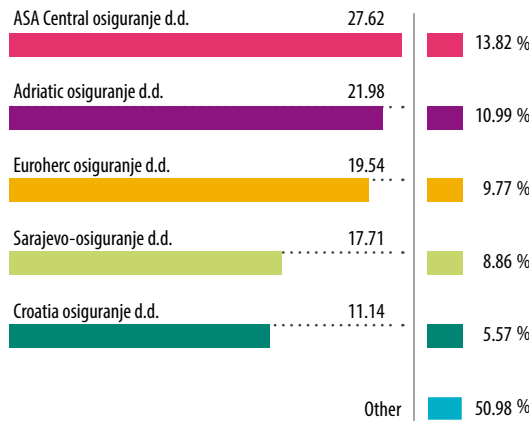
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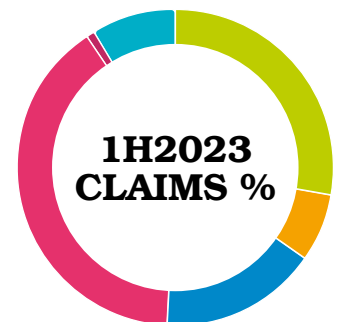
Top 5 Life insurance (GWP, EUR m)



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



Life	20.00
Property	9.06
Motor Hull	10.98
MTPL	47.40
GTPL	1.54
Other	11.02



Life	26.89
Property	5.92
Motor Hull	15.73
MTPL	41.77
GTPL	0.43
Other	9.26

Bulgaria



S&P Rating

BBB, STABLE

Moody's rating

BAA1, STABLE

Fitch Rating

BBB, POSITIVE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Bulgarian National Bank

³ The Financial Supervision Commission of Bulgaria (FSC)

⁴ XPRIMM calculations

The insurance penetration rate in Bulgaria is only 2.4%, which means Bulgarians insure three times less than other Europeans.

The share of insured property in our country is alarmingly low, in the range of 8-10%

The forced exit of the Euroins subsidiary from the Romanian insurance market had a positive impact on the Bulgarian non-life insurance market's growth, as part of the Romanian players' portfolio was transferred to EIG Re.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	BGN billion ¹	109.96	120.40	120.55	139.01	165.38
	EUR billion ⁴	56.22	61.56	61.64	71.08	84.56
GDP per capita, current prices	BGN ¹	15,709	17,319	17,430	20,327	24,329
	EUR ⁴	8,032	8,855	8,912	10,393	12,439
Unemployment rate	% of total labor force ¹	5.27	4.28	5.21	5.35	4.32
Population	Millions ¹	7.00	6.95	6.92	6.84	6.80
BGN/EUR exchange rate	fixed ²	1.95583	1.95583	1.95583	1.95583	1.95583
Gross written premiums	BGN million ³	2,535.71	2,910.82	2,880.25	3,258.75	3,613.05
	EUR million ⁴	1,296.49	1,488.28	1,472.65	1,666.17	1,847.32
Paid claims	BGN million ³	1,119.50	1,212.99	1,208.54	1,296.92	1,436.78
	EUR million ⁴	572.39	620.19	617.92	663.10	734.62
Insurance penetration degree	% in GDP ⁴	2.31%	2.42%	2.39%	2.34%	2.18%
Insurance density	EUR/capita ⁴	185.21	214.11	212.90	243.63	271.75

At the end of June 2023, the insurance market in Bulgaria totaled EUR 1.15 billion, up by 25.9% y-o-y, according to the official quarterly figures from the Financial Supervision Commission - FSC.

Life insurance accounted for 16.15% of the market portfolio, about 1 percentage point less than by the end of June 2022 (17.79%). GWP for life insurance increased y-o-y by 14.4%, to EUR 186.76 million.

The non-life insurance segment was the actual driver of the market growth, with MTPL insurance line being the largest "contributor" to the market advancement. Overall, GWP for non-life insurance amounted to EUR 969 million, up by 28.4% y-o-y. Motor insurance classes' weight in the market portfolio grew by almost 3 percentage points. They currently accounting together for almost 59% of the entire market GWP.

Paid claims increased overall at a higher pace than GWP. At market level, claims expenses totaled EUR 547.3 million, 53.6% more y-o-y. Once again, the highest contribution to the claims expenses

increase belonged to the motor insurance classes, in particular the MTPL insurance one. In fact, claims paid for MTPL accounted for 54% of the total non-life claims.

The expansion of Bulgarian insurance market, especially the non-life segment is partially the result of the forced exit of Euroins subsidiary from the Romanian insurance market. After the ASF Romania withdrew the license of Euroins Romania in March, Euroins transferred the Romanian entity's portfolio (the market leader and the largest MTPL insurer in the country) to EIG Re.

The insurance penetration rate in Bulgaria is only 2.4%, while the European average is about 7.4%, which means Bulgarians insure three times less than other Europeans. The problem with the low share of insured property is especially serious, as there will be more and more natural disasters going forward, as Yuri Kopach, Chairman of the Board of Directors of ABZ (Association of Bulgarian Insurers) said. The chairman of the ABZ noted that it is very important for

Market portfolio at June 30th, 2023

BUSINESS LINE	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,155.66	917.94	25.90	547.31	356.26	53.63	100.00	100.00
TOTAL LIFE	186.76	163.27	14.39	70.65	67.03	5.40	16.16	17.79
Unit-linked	69.38	56.20	23.46	10.21	9.49	7.57	6.00	6.12
Other life insurance	117.38	107.07	9.63	60.44	57.54	5.04	10.16	11.66
TOTAL NON-LIFE	968.90	754.67	28.39	476.66	289.22	64.81	83.84	82.21
Overall property insurance	115.23	95.32	20.89	29.84	13.56	120.04	9.97	10.38
Overall motor insurance	680.25	514.97	32.10	355.66	243.23	46.22	58.86	56.10
Motor Hull	253.03	207.19	22.13	97.45	83.42	16.83	21.89	22.57
MTPL	427.22	307.78	38.80	258.21	159.82	61.56	36.97	33.53
GTPL	19.20	13.55	41.67	3.82	2.09	83.05	1.66	1.48
Other non-life insurance	154.22	130.82	17.88	87.34	30.34	187.86	13.34	14.25

¹ EUR = 1.95583 Leva, BGN (fixed)



Yuri KOPACH
Chairman of the Board of Directors of ABZ

the state to play its role in improving the insurance culture of the Bulgarians. *I was impressed that not a single representative of the state has ever asked why, given that natural disasters are increasingly occurring in Bulgaria, people do not take out insurance,* he added. Yuriy KOPACH emphasized that efforts must be made to increase confidence of potential customers in insurers.

The share of insured property in our country is alarmingly low - it is in the range of 8-10% - and most of these policies are necessarily linked to credit products. The dominant share is occupied by motor insurance, which accounts for about 70% of the market, commented Veselin ANGELOV, member of the Board of Directors of ABZ. He noted that the share of property insurance in Bulgaria is 14%, while the average for Europe is 37%.

A new composition and chairman of the ABZ Board were elected at the Association's annual meeting on May 17, 2023. The new chairman is Yuri KOPACH, Executive Director of Generali Zastrahovane, who took over the position from Konstantin VeleV, executive director of the Armeec company, after his two consecutive mandates. *Over the years, the association has become that market element through which strategic priorities, common policies, and the industry's reputation are formed. It is our responsibility to develop and build on what has been achieved so that, with joint efforts, we can contribute to unfolding the potential of the insurance sector,* said Yuri KOPACH.

Fitch Ratings, one of the largest rating agencies worldwide, in June affirmed its assessment to Eurohold Bulgaria AD's Long Term Issuer Default Rating at 'B' with a stable outlook. In a statement, the agency also pointed out it removed it from its watch list for a possible negative outlook on the rating (Rating Watch Negative, RWN). (M.M.)

Bulgaria

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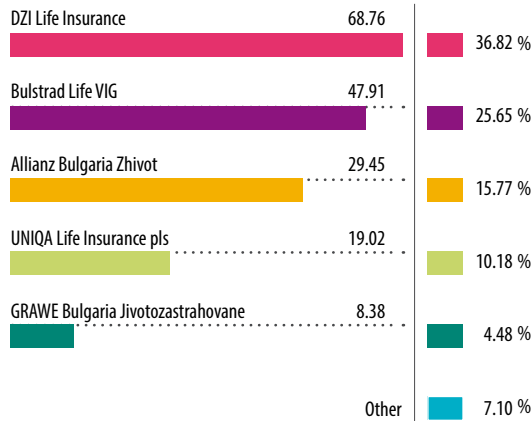
Full market rankings per company & per class

MSEcel format * in EUR and local currency

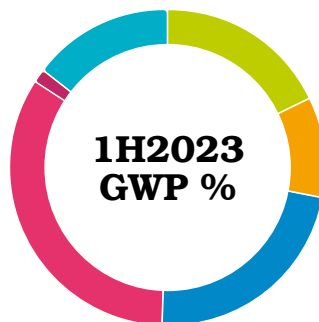
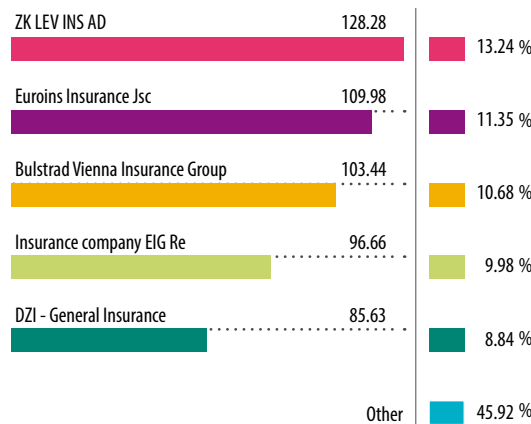
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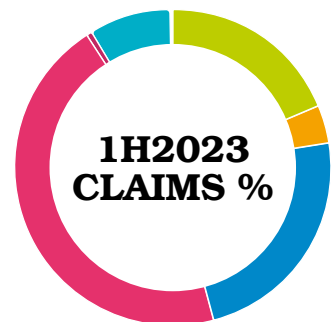
TOP 5 Life insurance (GWP, EUR million)



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



Life	16.16
Property	9.97
Motor Hull	21.89
MTPL	36.97
GTPL	1.66
Other	13.34



Life	12.91
Property	5.45
Motor Hull	17.81
MTPL	47.18
GTPL	0.70
Other	15.96

Croatia



S&P Rating

BBB+ , STABLE

Moody's rating

BAA2, STABLE

Fitch Rating

BBB+, STABLE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Croatian National Bank

³ Croatian Insurance Bureau

⁴ XPRIMM calculations

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	51.93	54.79	50.45	58.21	67.39
GDP per capita, current prices	EUR ¹	12,704	13,477	12,463	15,006	17,485
Unemployment rate	% of total labor force ¹	9.86	7.76	9.00	8.09	6.78
Population	Millions ¹	4.09	4.07	4.05	3.88	3.85
Gross written premiums	EUR million ²	1,328.69	1,416.86	1,389.84	1,558.76	1,682.43
Paid claims	EUR million ²	748.60	807.74	866.50	970.83	1,024.11
Insurance penetration degree	% in GDP ³	2.56%	2.59%	2.75%	2.68%	2.50%
Insurance density	EUR/capita ³	325.02	348.55	343.34	401.85	436.54

Thanks to the positive, double digit growth rate recorded for the non-life segment, which offset the significant fall of the life insurance business, the Croatian insurance market saw in 1Q2023 a very modest, but positive dynamic. GWP increased, overall, by 1.5% y-o-y, to EUR 411.16 million. The data is only available for 1Q2023.

Life insurance fell by almost 30% y-o-y, in GWP terms, mostly because of the decline seen on the Unit-Linked life insurance products. Premiums written on this Lob went down y-o-y by 69.3%.

On the non-life side, the highest contribution to the GWP growth, in absolute terms, came from the motor insurance lines, mostly from the mandatory MTPL class, which saw an almost 21% growth rate, to EUR 116.6 million. With

a similar dynamic, the Motor Hull LoB's contributed by half as much as the MTPL one to the extra GWP volume.

Croatian insurers are ready to face the upcoming macroeconomic, technological, and regulatory challenges, as was said at the 10th edition of the largest annual gathering - Croatian Insurance Days 2023, organized by the Croatian Insurance Office (HUO) and partners in May this year.

In 2023, the insurance market can expect an easing of the pressure of further inflation, but not an end to the rise in interest rates. (...) Insurance companies are currently solidly capitalized and solvent, they have successfully applied new accounting standards with an appropriate level of profitability. This buffer needs to be preserved so that, despite the current uncertainty, they

Half year results of the Croatian market were not available by the publishing date of this report; our comments are based on Q1 data.

Based on Q1 growth rates and trends, XPRIMM estimated for the first half of 2023 a total market GWP of about EUR 929.2 million; with life GWP estimation amounting close to EUR 145 million, while non-life GWP might reach close to EUR 800 million.

Market portfolio at March 31st, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1Q2023	1Q2022	Change	1Q2023	1Q2022	Change	1Q2023	1Q2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	411.16	404.97	1.53	283.53	249.05	13.84	100.00	100.00
TOTAL LIFE	75.53	106.84	-29.31	121.63	106.96	13.72	18.37	26.38
Life insurance	61.93	73.26	-15.46	109.88	90.53	21.37	15.06	18.09
Supplementary insurance	3.97	4.11	-3.44	0.48	0.43	10.89	0.97	1.02
Life insurance and annuities related to investment funds	8.82	28.78	-69.36	10.05	14.94	-32.72	2.14	7.11
Other life insurance	0.81	0.69	16.53	1.23	1.05	16.68	0.20	0.17
TOTAL NON-LIFE	335.63	298.13	12.58	161.90	142.10	13.93	81.63	73.62
Accident insurance	17.52	16.58	5.73	2.78	3.18	-12.65	4.26	4.09
Health insurance	27.80	23.90	16.35	15.80	13.16	20.07	6.76	5.90
Insurance of vessels	7.68	6.34	21.05	4.06	5.11	-20.55	1.87	1.57
Goods in transit	1.73	1.25	38.24	0.48	0.51	-6.64	0.42	0.31
Overall property insurance	65.43	61.89	5.70	23.50	24.74	-5.00	15.91	15.28
Fire and allied perils	33.31	30.15	10.49	8.52	12.18	-30.00	8.10	7.44
Damages to property	32.12	31.75	1.16	14.98	12.56	19.23	7.81	7.84
Overall motor insurance	175.95	145.75	20.72	105.12	85.47	22.99	42.79	35.99
Motor Hull	59.33	49.12	20.78	34.51	27.89	23.76	14.43	12.13
MTPL	116.61	96.63	20.69	70.61	57.59	22.61	28.36	23.86
Liability ins. for the use of vessels	1.01	0.82	23.37	0.28	0.24	16.46	0.24	0.20
GTPL	18.69	19.22	-2.75	7.35	6.91	6.28	4.55	4.75
Credit insurance	4.32	10.30	-58.08	-1.59	-1.08	47.35	1.05	2.54
Financial loss insurance	8.14	5.88	38.51	1.33	1.70	-21.99	1.98	1.45
Travel	5.98	4.76	25.64	2.48	2.01	23.50	1.46	1.18
Other non-life insurance	1.38	1.44	-4.28	0.31	0.13	129.54	0.34	0.36



Ante ŽIGMAN
President of the
HANFA Board of
Directors

can withstand all the needs of the market and strengthen the focus on sustainable investments and protection against cyberattacks, said Ante ŽIGMAN, the president of the Administrative Council of the Croatian Financial Services Supervisory Agency (HANFA), in the introductory part of the Conference.

Croatia lags significantly behind European countries in property insurance coverage, as it is estimated that only 20% of private property is insured. This information is worrying because we live in a time when climatic disasters often leave behind great material damage, as well as human lives. That is why it is extremely important that we all work together in Croatia to raise awareness and educate about the importance of insurance to protect ourselves from potential problems brought by unforeseen situations that we cannot influence, said Vanco BALEN, member of the Management Board of Croatia osiguranje.

Meanwhile, Croatian motor insurers are preparing to face a new Law on compulsory MTPL. Currently the draft Law is going through the legislative process which may be concluded as soon as this fall. According to the Croatian Insurance Bureau (HUO), the changes to the Law relate primarily to the necessity of implementing changes in the Directive on Motor Vehicle Insurance, related to the protection of injured parties in the event of cross-border insolvency, certificates of adverse events, new vehicle definitions and the like. HUO representatives stressed out that the Croatian MTPL insurance compensation system works very well. Every year more than 100,000 compensation claims are settled and over EUR 200 million are paid out in the MTPL segment alone, with a negligible number of court proceedings. Also, the system of out-of-court dispute resolution through the insurance attorney's office and the Center for Conciliation at HUO enables free resolution of possible disputes and objections, so that the numbers of petitions against insurers is rather low. (M.M.)

Croatia

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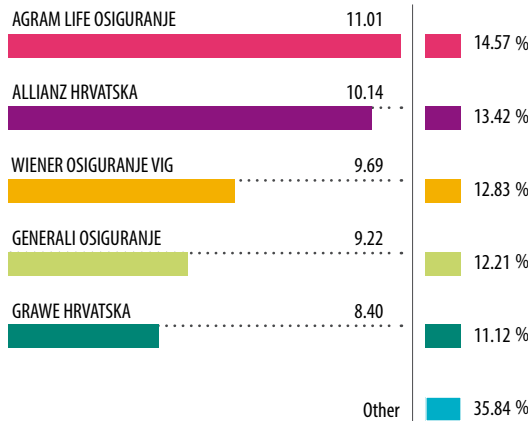
Full market rankings per company & per class

MSEcel format * in EUR and local currency

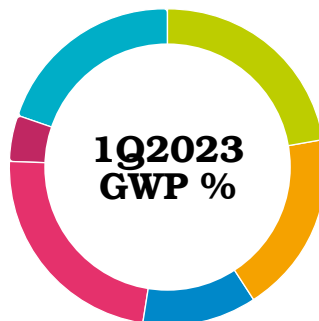
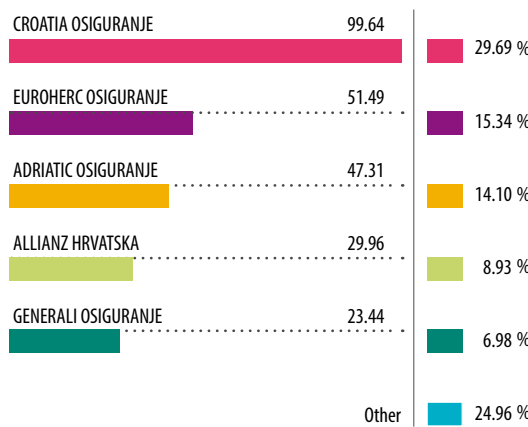


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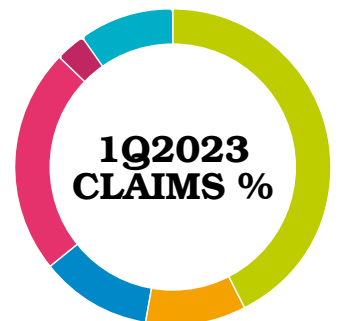
TOP 5 Life insurance (GWP, EUR million)



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



Life	18.37
Property	15.91
Motor Hull	14.43
MTPL	28.36
GTPL	4.55
Other	18.38



Life	42.90
Property	8.29
Motor Hull	12.17
MTPL	24.90
GTPL	2.59
Other	9.14

Czechia



S&P Rating
AA-, STABLE

Moody's rating
AA3, STABLE

Fitch Rating
AA-, NEGATIVE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Czech National Bank (CNB)

³ XPRIMM calculations

While 56% of Czechs have their property insured, underinsurance of real estate property is a real threat especially since the inflation rates were very high. Data of the ČAP members showed that the most common amount of underinsurance is between 20% and 49%.

Growth in the main life insurance segment (regularly paid contracts) is slowing down constantly.

On the MTPL insurance class, paid claims increased faster than the GWP

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	CZK billion ¹	5,410.76	5,791.50	5,709.13	6,108.72	6,782.81
	EUR billion ³	210.33	227.92	217.53	245.72	281.27
GDP per capita, current prices	CZK ¹	509,965	543,813	533,866	570,813	644,955
	EUR ³	19,824	21,402	20,342	22,961	26,745
Unemployment rate	% of total labor force ¹	2.24	2.00	2.54	2.82	2.31
Population	Millions ¹	10.61	10.65	10.69	10.70	10.52
CZK/EUR exchange rate	End of period ²	25.725	25.410	26.245	24.860	24.115
Gross written premiums	CZK million ²	155,610.24	165,927.92	167,976.65	179,716.07	200,072.90
	EUR million ³	6,048.99	6,530.02	6,400.33	7,229.13	8,296.62
Paid claims	CZK million ²	92,557.60	101,201.90	91,999.32	102,036.55	117,029.82
	EUR million ³	3,597.96	3,982.76	3,505.40	4,104.45	4,852.99
Insurance penetration degree	% in GDP ³	2.88%	2.87%	2.94%	2.94%	2.95%
Insurance density	EUR/capita ³	570.12	613.15	598.50	675.49	788.88

The Czech insurance market ended the second quarter of 2023 with GWP worth CZK 107.8 billion (EUR 4.5 billion), up by 6.4% y-o-y, according to the end-June statistics published by the Czech National Bank (CNB). Claims paid by local insurers totaled CZK 53.2 billion (EUR 2.2 billion) down by 10.5 y-o-y, of which 67% related to non-life insurance, the remaining 33% being related to life insurance subclasses. However, on the motor insurance lines claims paid increased by a double-digit rate.

Life insurance accounted for 25.3% of the total GWP, with GWP reaching EUR 1.15 billion, 3.14% more y-o-y. According to the Czech Association of Insurers (ČAP), in the

dominant group of regularly paid contracts, which represent approximately 96% of all life insurance contracts, while the premiums production is slightly increasing, the growth pace is slowing down in what the number of concluded contracts is concerned.

Non-life insurance saw a significantly better dynamic, GWP increasing y-o-y by 13.8%, to EUR 3.39 billion. Several non-life insurance classes saw double-digit growth rates in the first half of the year: Motor Hull (16.96%), property insurance (12.53%), GTPL (20.54%) etc. Yet, one should note that also paid claims grew significantly on some business lines, like the motor insurance ones. Insurers paid for Motor Hull claims 22.5% more y-o-y, while for MTPL insurance, total

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS*			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	4,541.38	4,094.33	10.92	2,240.63	2,401.32	-6.69	100.00	100.00
TOTAL LIFE**	1,151.67	1,116.59	3.14	731.20	975.75	-25.06	25.36	27.27
Insurance with profit participation	252.63	294.23	-14.14	373.24	522.26	-28.53	5.56	7.19
Index-linked and unit-linked	356.04	350.80	1.49	198.26	306.71	-35.36	7.84	8.57
Other	543.01	471.56	15.15	159.70	146.77	8.81	11.96	11.52
TOTAL NON-LIFE***	3,389.70	2,977.75	13.83	1,509.43	1,425.57	5.88	74.64	72.73
Overall motor insurance	1,481.56	1,305.52	13.48	772.34	655.32	17.86	32.62	31.89
Motor Hull	743.36	635.56	16.96	393.42	321.12	22.52	16.37	15.52
MTPL	738.20	669.97	10.18	378.92	334.20	13.38	16.25	16.36
Marine, aviation and transport insurance	28.63	26.57	7.73	3.12	5.56	-43.98	0.63	0.65
Overall property insurance	823.51	731.82	12.53	269.05	299.48	-10.16	18.13	17.87
General liability insurance	296.91	246.32	20.54	97.01	105.05	-7.65	6.54	6.02
Credit and suretyship	50.20	45.18	11.12	64.17	77.92	-17.64	1.11	1.10
Legal expenses	14.73	14.25	3.39	15.59	3.13	398.24	0.32	0.35
Assistance insurance	56.14	45.08	24.54	13.66	10.65	28.26	1.24	1.10
Financial loss	64.52	56.26	14.67	-5.73	36.84	-115.54	1.42	1.37
Other	573.51	506.74	13.18	280.21	231.62	20.98	12.63	12.38

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 Czechia 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 = 23.730 Kronen - CZK (June 30th, 2023)

1 EUR = 24.740 Kronen - CZK (June 30th, 2022)

claims went up by 13.38%, increasing at a higher pace than the premiums production (10.18%).

In fact, as CAP analysts emphasize, the high nominal but actually negative real growth of the written insurance premium may not be sufficient to cover rising damages and liabilities, both in vehicle or property insurance (escalating prices of spare parts, building materials, etc.) and in the context of compensation for a wide variety of health consequences. These often directly respond to nominal wage growth, the further fundamental escalation of which is one of the fundamental risks of the fight against high inflation.

Inflation is a major reason for concern also with regard to property insurance. According to the current ČAP survey, 56% of Czechs have their property insured, but only a third of them are properly insured and 15% have a value set at even less than half. The detailed data of the ČAP members showed that the most common amount of underinsurance is between 20% and 49%, while 15% of contracts reach even 50% or even higher levels of underinsurance. Due to the rising prices of building materials, labor and inflation, the property value is increasing significantly, but many homeowners are not aware that the insured sums are no longer sufficient to allow their property to be rebuilt from the insurance payment. In order for clients to better estimate the value of their home when updating or concluding new insurance contracts, the Czech Association of Insurance Companies has prepared for them the Approximate Property Insurance Value Calculator. ČAP collaborated with the Department of Economics and Construction Management of the Faculty of Civil Engineering of the Czech Technical University in Prague on the calculation methodology. The proposed methodology is based on commonly used cost budgeting rules in the construction industry and consists of three components – construction costs, ancillary and other costs and VAT. The calculator of the approximate insured value of real estate is located on the ČAP website and is freely accessible to the public and insurance companies.

In terms of GWP, the largest life insurers in the country were Kooperativa VIG (30.2% market share), Generali Ceska Pojistovna (20.3%) and NN (9.1%), while the top 3 non-life insurers were formed by Generali Ceska Pojistovna (25.8%), Kooperativa (21%) and Allianz (13.2%). (D.G.)

Czechia

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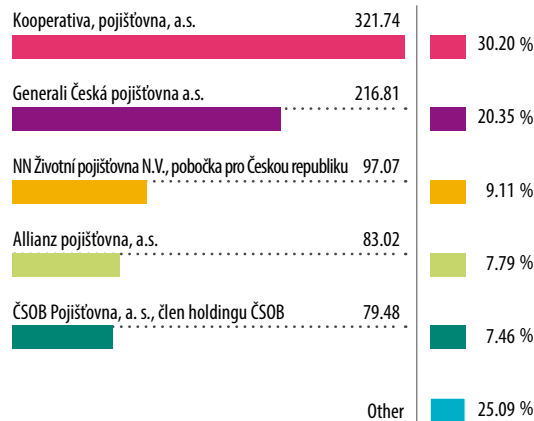
Full market rankings per company & per class

MSExcel format * in EUR and local currency

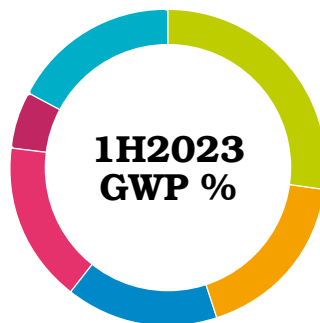
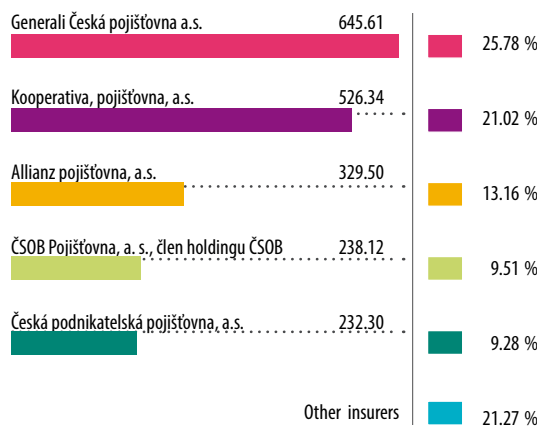
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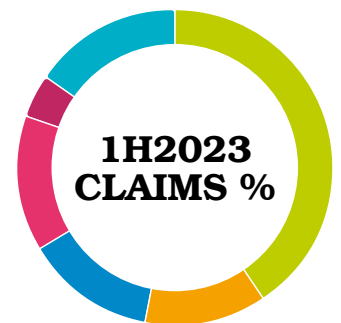
Top 5 Life insurance (GWP, EUR m)



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



Life	25.36
Property	18.13
Motor Hull	16.37
MTPL	16.25
GTPL	6.54
Other	17.35



Life	32.63
Property	12.01
Motor Hull	17.56
MTPL	16.91
GTPL	4.33
Other	16.56

Estonia



S&P Rating
AA-, STABLE

Moody's rating
A1, STABLE

Fitch Rating
A+, STABLE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The Estonian National Statistics Board

³ XPRIMM calculations

The market exceeded EUR 300 million at the end of June 2023

Driver assistance systems reduced the traffic incidents, Estonian Traffic Insurance Fund concluded based on the last five years statistics.

The number of road accidents caused by elderly drivers has increased by 70%, while young drivers have the highest damage frequency.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	25.93	27.77	27.47	31.45	36.18
GDP per capita, current prices	EUR ¹	19,616	20,925	20,658	23,626	27,167
Unemployment rate	% of total labor force ¹	5.37	4.45	6.81	6.18	5.57
Population	Millions ¹	1.32	1.33	1.33	1.33	1.33
Gross written premiums	EUR million ²	552.15	493.83	468.86	486.39	550.90
Paid claims	EUR million ²	261.97	279.10	276.76	355.46	382.57
Insurance penetration degree	% in GDP ³	2.13%	1.78%	1.71%	1.55%	1.52%
Insurance density	EUR/capita ³	417.66	372.14	352.52	365.43	413.59

Estonian insurers reported H1 2023 GWP worth EUR 318.8 million, 18.4% more compared with January-June 2022, according to the market figures published by the Estonian National Statistics Board. At the same time, the value of life & non-life paid claims and indemnities remained approximately around last year's value (~ EUR 200 million)

According to the published statistics, life insurance business was up by 5.1% to EUR 40.9 million (12.8% of total GWP), while the GWP of non-life insurers totaled EUR 277.9 million, 20.6% more y-o-y, due to impressive growths posted by property insurance (+20.8% y-o-y to EUR 76.3 million), MoD (+23.4% y-o-y to EUR 89.1 million), Motor TPL (+28.0% to EUR 64.0 million) and GTPL (+18.1% to EUR 10.0 million).

In 1H2023, 16,900 traffic insurance events took place in Estonia, of which 12,300 or 73% were caused by passenger vehicles.

According to the analysis of the Estonian Traffic Insurance Fund (LKF), in the last three years, the frequency of damage to newer passenger vehicles is lower for the first time than to vehicles over five years old. The experts believe that this indicates a positive impact of driver assistance systems on road safety.

According to Ulli REIMETS, Head of Damage Prevention at LKF, new passenger vehicles have been equipped with various driver assistance systems for about ten years. *Initially, traffic insurance statistics did not show the effect of driver assistance systems on road safety, the damage frequency of newer*

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	318.78	269.34	18.36	196.96	202.77	-2.86	100.00	100.00
TOTAL LIFE	40.89	38.90	5.11	47.16	58.56	-19.46	12.83	14.44
Term and whole life assurance	10.69	10.03	6.59	0.82	1.29	-36.80	3.35	3.72
Endowment insurance	3.61	4.03	-10.25	10.17	7.40	37.38	1.13	1.49
Pension insurance	4.07	3.02	34.94	5.77	16.20	-64.38	1.28	1.12
Unit linked life insurance	14.22	15.38	-7.52	27.68	31.59	-12.38	4.46	5.71
Supplementary insurance	8.30	6.45	28.56	2.73	2.08	31.48	2.60	2.40
Other life insurance	-	-	-	0.00	0.01	-76.36	-	-
TOTAL NON-LIFE	277.89	230.44	20.59	149.80	144.20	3.88	87.17	85.56
Accident	5.27	5.04	4.38	1.50	1.23	22.74	1.65	1.87
Sickness	7.77	8.39	-7.40	4.58	5.29	-13.47	2.44	3.11
Overall property insurance	76.32	63.18	20.79	32.74	30.58	7.05	23.94	23.46
Overall motor insurance	153.09	122.21	25.27	93.87	87.11	7.76	48.02	45.37
Motor Hull	89.14	72.25	23.39	56.59	51.44	10.01	27.96	26.82
MTPL	63.95	49.96	28.00	37.28	35.67	4.51	20.06	18.55
GTPL	10.05	8.51	18.11	3.03	2.68	12.98	3.15	3.16
Other vehicles insurance	1.07	0.97	10.08	2.88	6.36	-54.66	0.33	0.36
Goods in transit insurance	1.20	1.25	-4.16	0.29	0.24	17.68	0.38	0.46
Vehicles liability insurance	1.77	1.70	4.45	0.63	0.47	33.47	0.56	0.63
Travel insurance	12.31	11.14	10.47	7.25	7.79	-6.95	3.86	4.14
Insurance for pecuniary loss	9.05	8.05	12.46	3.03	2.45	23.60	2.84	2.99

Estonian currency: EURO

vehicles was higher than older vehicles for years. Now, for the first time, we can confirm that driving newer vehicles is safer, he said.

According to Reimets, however, it is worrying that in the last five years, the number of cases of damage to road facilities, buildings, fuel tankers and other things caused by newer passenger vehicles has increased by 57%, which, as he pointed out, is mainly due to drivers' negligence.

Other published statistics by LKF show that the share of road accidents caused by elderly drivers (65+) has increased by 70% over the past 10 years to 1,700 traffic insurance incidents at the end of May 2023, while the damage frequency of traffic accidents is highest among young drivers under 26 - every 7th young driver causes a traffic accident during the year.

LKF pointed out in a statement, that for the total 14,000 traffic accidents occurred until the end of May with a total loss of EUR 28 million, the average loss has reached EUR 2,030.

Half of the traffic accidents are caused by drivers aged 27-49, they are the most in traffic and every 19th of them causes a traffic accident during a year. Young people up to the age of 26 cause 14% of all traffic insurance cases, but their damage frequency is high - every 7th young driver causes a traffic accident. At the same time, traffic accidents caused by drivers aged 50 to 64 account for a quarter of all accidents, and drivers aged 65 and over account for 12%. The damage frequency for these age groups is slightly below average, the LKF's report says.

The Traffic Insurance Fund (LKF) and Telia launched a traffic insurance reminder in the PARGI.EE mobile application (parking payment app) in order to reduce the number of vehicles without traffic insurance in traffic. Using the PARGI.EE app when parking, the driver will receive a notification if the vehicle does not have a valid traffic insurance contract. The driver can sign an insurance contract immediately. The traffic insurance reminder started in the PARGI.EE m-parking application on May 8 and only in the first 10 days the message about the lack of insurance has been sent 120 times. As the most common reason for driving without traffic insurance is forgetting about the policy renewal, the new digital tool is expected to help reducing the number of uninsured vehicles on the Estonian roads. (A.V.)

Estonia

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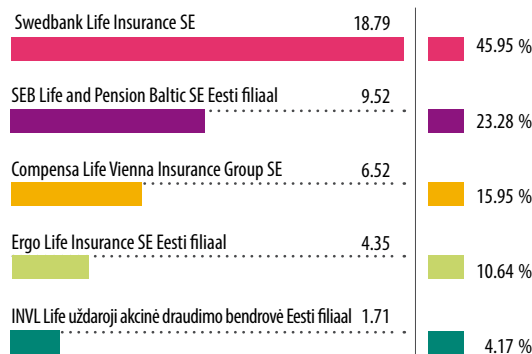
Full market rankings per company & per class

MSExcel format

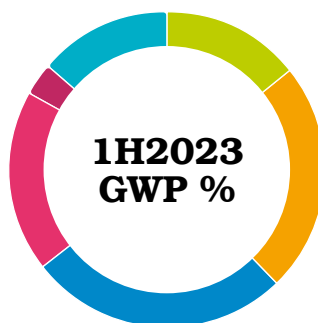
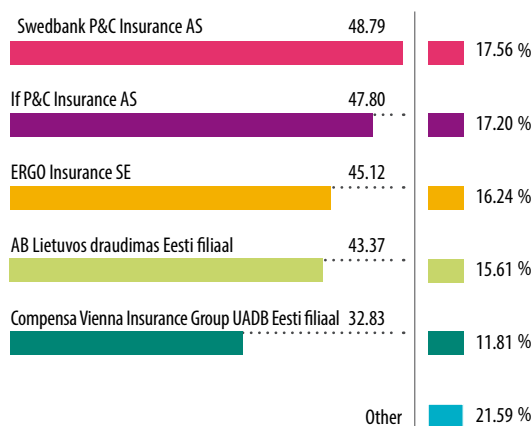
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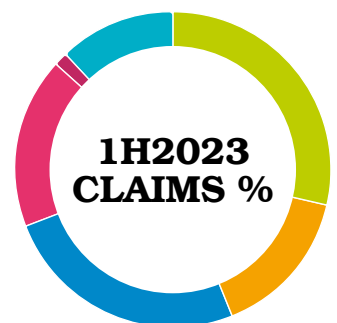
TOP 5 Life insurance ranking (GWP, EUR million)



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



Life	12.83
Property	23.94
Motor Hull	27.96
MTPL	20.06
GTPL	3.15
Other	12.06



Life	23.95
Property	16.62
Motor Hull	28.73
MTPL	18.93
GTPL	1.54
Other	10.24

Hungary



S&P Rating

BBB, STABLE

Moody's rating

BAA2, POSITIVE

Fitch Rating

BBB, NEGATIVE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of Hungary

³ XPRIMM calculation

At the end of June 2023, the aggregate market gross profit of Hungarian insurers was down by 31.08% y-o-y to HUF 19.26 billion the equivalent of EUR 51.92 million

The life insurance segment compressed by 17% y-o-y to HUF 294.6 billion, while non-life GWP rose by 12.5% to HUF 484.4 billion. Overall, GWP decreased by 0.8% y-o-y, to HUF 779 million. However, considering the over 20% inflation rate that persisted for almost a year, the decrease in the premiums income was much more dramatic in real terms.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	HUF billion ¹	43,386.44	47,664.93	48,411.55	55,125.56	62,279.37
	EUR billion ³	134.95	144.21	132.59	149.39	155.60
GDP per capita, current prices	HUF ¹	4,437,148	4,877,205	4,955,363	5,665,076	6,402,526
	EUR ³	13,801	14,756	13,572	15,353	15,996
Unemployment rate	% of total labor force ¹	3.63	3.34	4.16	4.07	3.60
Population	Millions ¹	9.78	9.77	9.77	9.73	9.73
HUF/EUR exchange rate	End of period ²	321.51	330.52	365.13	369.00	400.25
Gross written premiums	HUF million ²	1,024,185.22	1,150,395.47	1,204,156.93	1,329,883.57	1,428,222.43
	EUR million ³	3,185.55	3,480.56	3,297.89	3,604.02	3,568.33
Paid claims	HUF million ²	591,418.94	678,504.20	655,990.91	702,992.14	805,460.02
	EUR million ³	1,839.50	2,052.84	1,796.60	1,905.13	2,012.39
Insurance penetration degree	% in GDP ³	2.36%	2.41%	2.49%	2.41%	2.29%
Insurance density	EUR/capita ³	325.79	356.14	337.55	370.36	366.85

At the end of June 2023, on the Hungarian insurance market were active 22 insurers: 4 specialized life insurers, 9 non-life, and 9 composite insurers.

Hungarian insurers' end-June 2023 GWP decreased by 0.8% y-o-y to HUF 779 billion (EUR 2.1 billion), according to the quarterly statistics published by the National Bank of Hungary (MNB).

MNB H1 statistics show that at the end of June 2023 the aggregate market gross profit of Hungarian insurers was down by 31.08% y-o-y to HUF 19.26 billion the equivalent of EUR 51.92 million (vs. HUF 27.96 billion). At the same time, the value of net profit decreased by 37.3% y-o-y to HUF 16.67 billion (EUR 44.9 million).

The technical result (life and non-life, summed-up) decreased by 4.3% y-o-y to HUF 24.59 billion (~EUR 66.3 million) vs. HUF 25.71 billion a year before.

In terms of GWP, Life insurance segment compressed by 17% y-o-y to HUF 294.6 billion (EUR 794 million), while non-life GWP rose by 12.5% to HUF 484.4 billion (EUR 1.3 billion). About 38% of premium income originated from the life insurance business and 62% from the non-life insurance business.

In terms of claims, total incurred claims (payments and change of reserves summed-up) was down by 6% y-o-y to HUF 389 billion. Life incurred claims decreased by 13% y-o-y to HUF 219.4 billion, while the same indicator in non-life totaled HUF 169.5 billion, 5.1% more y-o-y.

At the end of 2023 Q2, the total contract portfolio of insurance companies rose by 0.3% from its level a year earlier, reflecting a growth of over 44,000 in the number of new contracts to 14,917,777. This mainly resulted from a 0.6% rise in the number of

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,099.03	1,979.85	6.02	1,047.89	1,042.50	0.52	100.00	100.00
TOTAL LIFE	793.89	894.46	-11.24	591.21	636.11	-7.06	37.82	45.18
Unit-linked or index-linked	352.50	366.34	-3.78	338.89	295.19	14.81	16.79	18.50
Other life insurance	441.39	528.12	-16.42	252.32	340.92	-25.99	21.03	26.67
TOTAL NON-LIFE	1,305.14	1,085.39	20.25	456.69	406.39	12.38	62.18	54.82
Overall property insurance	446.41	372.17	19.95	111.33	125.25	-11.11	21.27	18.80
Overall motor insurance	654.32	548.93	19.20	285.12	239.04	19.28	31.17	27.73
Motor Hull	220.67	173.06	27.51	119.85	99.85	20.03	10.51	8.74
MTPL	433.66	375.87	15.37	165.27	139.19	18.74	20.66	18.98
General liability	33.04	27.42	20.51	14.26	10.52	35.62	1.57	1.38
Other	171.37	136.88	25.20	45.97	31.59	45.52	8.16	6.91

¹ EUR = 371.13 Forints - HUF (June 30th, 2023)

¹ EUR = 396.75 Forints - HUF (June 30th, 2022)

non-life insurance contracts to 12,641,662 accompanied by a declining number of life insurance contracts (a decrease of 1.4% to 2,276,115).

One of the reasons for concern is the underinsurance risk, especially in the corporate customers' segment. MBN data show that while the number of contracts slightly decreased for several corporate insurance classes, the GWP volumes went up at rates much inferior to the double-digit inflation experienced by the country. As MABISZ recently commented, the slower increase in property insurance premiums against inflation is only partially a consequence of the increasing competition in the market. The premium income per contract for SME property insurance amounted to HUF 107,000, while for large companies it was HUF 895,000, the increase in the latter round was only 4.6%, indicating that the number of underinsured companies may have increased, especially among large companies.

As a result of the storms during the first week of August, about 20,000 claims based on home insurance contracts were received so far by insurance companies that had sent their data to MABISZ (Association of Hungarian Insurers). MABISZ expects that the sector can count on claim settlements of record amounts, even exceeding HUF 4.5 billion (~EUR 11.76 million).

MABISZ has been collecting damage claim payments for the May-August storm season since 2010. Last year, this totaled HUF 7.5 billion in four months, while in 2018, the entire storm season "cost" was less than HUF 3.2 billion.

Similar to last year, this year too there was a remarkable amount of damage caused by lightning strikes and their secondary induction effects. These form a separate item in the insurance statistics. Here, the totals are for the first eight months of the year. This year, the approx. 21,000 claims correspond in magnitude to last year, in terms of the amounts paid or reserved

Hungary

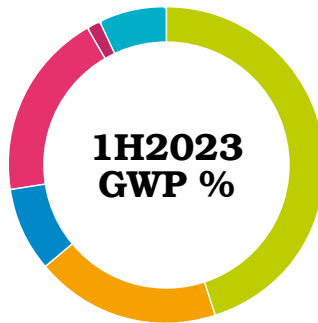
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GWP & claims portfolio per class

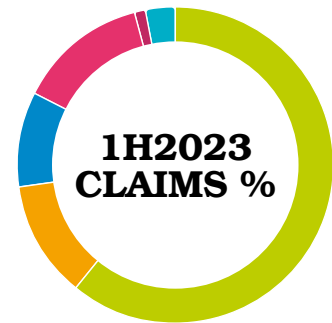
MSExcel format * in EUR and local currency

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Life	37.82
Property	21.27
Motor Hull	10.51
MTPL	20.66
GTPL	1.57
Other	8.16



Life	56.42
Property	10.62
Motor Hull	11.44
MTPL	15.77
GTPL	1.36
Other	4.39

(approx. HUF 3 billion). Regarding the storms, the average damage of over HUF 120,000 is roughly the same as last year, but at the same time, it exceeds that of previous years by 20% to 40%. On the one hand, this indicates the intensity of this year's storms, and on the other hand, it is due to the claims inflation caused by the increased construction and reconstruction costs.


Currently, 73-74% of residential properties in Hungary have home insurance, but a significant part of the existing contracts was concluded several years ago and have not been updated since then in accordance with the actual property situation, or possible expansion or modernization of the property, the source added.




Mihály ERDŐS
CEO of Generali Biztosító

New President of MABISZ

Since 24 March, the Association of Hungarian Insurers (MABISZ) has a new President. The board of the association elected as President Mihály ERDŐS, President & CEO of Generali Biztosító, and Julianna DINSDALE, CEO of UNIQA Biztosító, as the new Vice President.



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Kosovo



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Kosovo Agency of Statistics (KAS)

³ Central Bank of the Republic Kosovo

⁴ XPRIMM calculations

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	6.67	7.06	6.77	7.96	8.92
GDP per capita, current prices	EUR ⁴	3,715	3,959	3,766	4,499	5,039
Unemployment rate	% of total labor force ¹	29.50	25.65	25.95	20.75	n/a
Population	Millions ²	1.80	1.78	1.80	1.77	1.77
Gross written premiums (non-life)	EUR million ³	93.50	101.50	101.52	117.40	134.00
Paid claims (non-life)	EUR million ³	42.80	55.10	51.50	61.00	64.30
Insurance penetration degree	% in GDP ⁴	1.40%	1.44%	1.50%	1.48%	1.50%
Insurance density	EUR/capita ⁴	52.06	56.96	56.46	66.37	75.71

Kosovo's insurers reported an aggregate net profit of EUR 5.9 million at the end of June 2023 vs. EUR 2.5 million a year before, according to data provided by the Central Bank (CBK). At the same time, the total insurers' assets increased to EUR 294.2 million, from EUR 253.6 million a year earlier.

The director of the Kosovo Security Bureau, Sami Mazreku, in an interview for "iSIGURIME", referring to the official market figures commented that in the past years the local insurance market reported double-digit increase in assets, *mainly influenced by the main financing source - premiums written from sold policies. Also, for the third year in a row, the sector operated with positive financial results. (...). So, every day the insurance sector in Kosovo is consolidating even more, offering services like in developed European countries.*

In terms of GWP, the local insurance market totaled EUR 70.2 million in H1 2023 vs. EUR 61.5 million during January-June 2022, of which life insurance EUR 3.6 million (according to the "Financial System - Monthly Information" released on CBK website), while non-life segment GWP increased by almost 15% y-o-y to EUR 66.6 million - according to "The Insurance Companies Activity" published by CBK. Overall gross claims paid increased by 17.2% y-o-y to EUR 36.20 million, due to impressive increases reported by other Voluntary non-TPL insurance (+44.2%) and Border policies (+121% y-o-y).

At the same time, Valon Berisha, Financial Director at the Kosovo Insurance Bureau (BKS) indicates that during the January-June 2023 period, the sale of insurance policies, including mandatory, voluntary and border insurance policies, has

Half-year insurers' profits more than doubled.

The sale of insurance policies increased by 22% y-o-y.

12 insurers were active on the local market, of which seven foreign owned.

Market portfolio at June 30th, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	70.24	61.48	14.26	36.20	30.90	17.15	100.00	100.00
TOTAL LIFE*	3.60	3.40	5.88	na	na	-	5.13	5.53
TOTAL NON-LIFE**	66.64	58.08	14.75	35.64	27.76	28.39	94.87	94.47
MTP	36.32	33.40	8.74	19.19	16.35	17.35	51.71	54.33
Third Party Liability	33.52	30.75	9.00	16.13	14.97	7.77	47.72	50.02
Border policies	2.80	2.65	5.80	3.05	1.38	121.19	3.99	4.31
Other (non TPL)	30.32	24.67	22.88	16.46	11.41	44.21	43.16	40.13

*Life premiums and total paid claims are according to "Financial System - Monthly Information" published by CBK

**Non-life GWP & claims portfolio are according to "Insurance Companies Activity" published by CBK

Kosovo currency: EURO

increased by 22% compared to the same period in 2022 to 628,336 insurance policies. Of this figure, 257,662 are TPL policies, 142,125 are border policies and 228,549 are voluntary policies. If we compare with the same period of 2021, the sale of policies has increased by 41.45%, until compared to the period January-June 2022, then the sale of policies has increased by about 81%. Based on the official statistics of the Central Bank of Kosovo, the insurance market during the last four years has significantly developed in relation to previous years.

12 insurance institutions were active on the local market, of which 10 were non-life insurers and 2 companies were active only in the life segment. According to CBK, seven insurers are foreign-owned and manage about 53.9% 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 June 2022, the number of insurance offices was 454 (vs. 491 in June 2022). By comparison, 12 commercial banks of which 9 foreign owned with 3,908

Kosovo



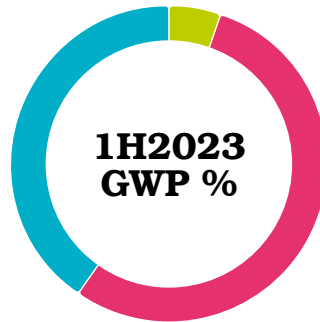
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GWP & claims portfolio per class

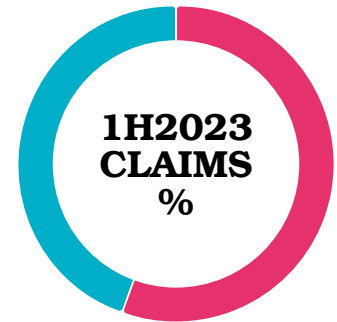
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■	Life	5.13
■	MTPL	51.71
■	Other (non TPL)	43.16



■	MTPL	53.01
■	Other (non TPL)	46.99

employees were active on the Kosovo financial market with 212 offices, 31 microfinance institutions (14 foreign

owned) vs. 30 a year before - with 152 offices (1,361 employees) and 2 pension funds (34 employees). (A.V.)

xprimm publications

Insurance in CEE, SEE and ex-USSR

XPRIMM Insurance Report



PROPERTY Insurance Report



MOTOR Insurance Report



INSURANCE PROFILE



Latvia



S&P Rating

A-, STABLE

Moody's rating

A3, STABLE

Fitch rating

A-, STABLE



Sources:

¹ The Financial and Capital Market Commission of Latvia - FKTK (local an EU branches, added-up)

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	29.15	30.68	30.29	33.59	40.07
GDP per capita, current prices	EUR ¹	15,071	15,979	15,880	17,741	21,205
Unemployment rate	% of total labor force ¹	7.42	6.31	8.10	7.56	6.95
Population	Millions ¹	1.93	1.92	1.91	1.89	1.89
Gross written premiums	EUR million ²	755.76	856.73	797.47	849.41	994.72
Paid claims	EUR million ²	405.76	549.42	501.07	541.36	641.49
Insurance penetration degree	% in GDP ³	2.59%	2.79%	2.63%	2.53%	2.48%
Insurance density	EUR/capita ³	390.78	446.21	417.96	448.71	526.59

Latvian insurers' January-June 2023 aggregate GWP (local and EU branches, summed-up) expanded by 15% to almost EUR 562.3 million, while the amount paid claims and indemnities increased by 6.6% y-o-y to EUR 343 million, according to the half-year figures published by The Financial and Capital Market Commission of Latvia (FKTK).

Of total GWP, branches of EU insurers generated 35.6% - EUR 200 million, or 9.2% more y-o-y, the remaining EUR 362 million +~18% y-o-y being generated by the local insurers. According to FKTK half-year report, at the end of June 2022, there were 4 non-life insurance companies and 2 life insurance companies operating in Latvia, as well as 11 branches of foreign insurers (7 non-life and 4 life units).

In terms of GWP, the largest life insurer in the country is SEB Life and Pension Baltic SE (GWP of EUR 45.8 million, 3.4% market share), while BTA Baltic Insurance Company led the non-life ranking with GWP worth EUR 148 million or 32.9% market share.

According to the presented figures, end-June 2023 insurers' aggregate net profits more than tripled from EUR 8.16 million to EUR 25.18 million. 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 11 EU branches active on the local market.

Per business lines, the two local life insurance companies (SEB Life and Pension Baltic SE and CBL Life) posted aggregate

🌸 Insurers' profits more than tripled from to EUR 25.18 million

🌸 non-life insurer BALTA posted the largest end-June 2023 profits worth EUR 10.10 million

🌸 Mid-August storm damage claims to reach ~EUR 13-14 million

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	562.64	489.57	14.93	342.88	321.50	6.65	100.00	100.00
TOTAL LIFE	111.98	121.13	-7.55	97.19	107.26	-9.38	19.90	24.74
Life insurance with savings	7.09	8.03	-11.69	14.83	18.86	-21.39	1.26	1.64
Unit-linked	48.76	49.79	-2.06	50.23	52.83	-4.91	8.67	10.17
Other life insurance	56.13	63.32	-11.35	32.13	35.57	-9.66	9.98	12.93
TOTAL NON-LIFE	450.66	368.44	22.32	245.69	214.24	14.68	80.10	75.26
Accidents insurance	9.93	8.61	15.23	4.16	3.45	20.59	1.76	1.76
Health insurance	82.02	66.07	24.15	48.42	39.65	22.11	14.58	13.50
Overall property insurance	72.91	61.38	18.79	40.64	36.96	9.97	12.96	12.54
Overall motor insurance	163.62	133.98	22.12	95.91	86.49	10.90	29.08	27.37
Motor hull	105.15	84.36	24.65	62.94	56.03	12.33	18.69	17.23
MTPL	58.46	49.63	17.81	32.97	30.45	8.26	10.39	10.14
Transport ownership liability ins.	76.27	58.54	30.27	42.98	35.51	21.03	13.56	11.96
GTPL	18.08	15.25	18.56	3.66	3.62	1.04	3.21	3.11
Suretyship insurance	9.66	8.10	19.33	2.03	0.83	144.31	1.72	1.65
Assistance insurance	12.27	10.77	13.95	5.07	4.17	21.48	2.18	2.20
Other non-life insurance	5.90	5.73	2.83	2.82	3.56	-20.82	1.05	1.17
Of total market:								
By local insurers, of which:	362.27	306.11	18.35	216.62	202.41	7.02	64.39	62.53
Life	50.38	53.10	-5.13	52.09	62.96	-17.27	8.95	10.85
Non-life	311.89	253.01	23.27	164.53	139.44	17.99	55.43	51.68
By branches of EU insurers	200.37	183.46	9.22	126.27	119.09	6.02	35.61	37.47
Life	61.60	68.03	-9.45	45.11	44.30	1.83	10.95	13.90
Non-life	138.76	115.43	20.22	81.16	74.80	8.50	24.66	23.58

Latvian currency: EURO



Janis ABASINS,
Latvian Insurers'
Association President

net profit worth EUR 8.20 million (vs. net loss worth EUR -4,234 a year before), while the profits reported by the four local general insurers increased to EUR 16.98 million vs. EUR 8.16 million in June 2022. All six local market players ended the first six months of 2023 "in black", the largest profits being reported by non-life insurer BALTA (EUR 10.10 million) and SEB Life and Pension Baltic SE (EUR 7.61 million).

During the summer season, the country faced storms and floods, events that emphasize the necessity of creating a special natural disaster fund created by the state together with insurers, an issue pointed out by the president of the Latvian Insurers Association, Janis ABASINS after the mid-summer storm of August 7. At that time, the president of the Association noted that so far insurers have received approximately 2,500 compensation applications, which make up the total of about EUR 13-14 million *divided as EUR 4-5 million for health damage, EUR 4-5 million for property damage, and about EUR 3-4 million – for Motor Hull*, eng.lsm.lv wrote.

However, the president of the Association pointed out that that few residents insure their properties, and they are often insured for much lower amounts than their fair value. *Entrepreneurs have mostly insured their properties. On average, around 40% of the properties owned by natural persons are insured on the market. In Zemgale, this percentage is higher than average in Latvia – it is 50% to 60%. But for individuals, there is one "disease" — that the property is insured at some mystical value. If the value of the property, the value of the house is, for example, EUR 100,000, the house is insured for EUR 10,000, which means that insurance will only work by 10% and will not work fully.* (A.V.)

Latvia

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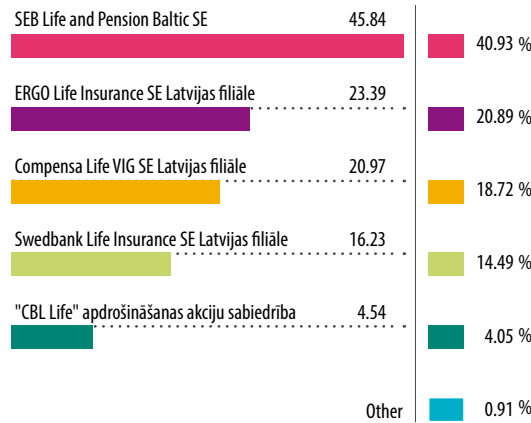
Full market rankings per company & per class

MSExcel format

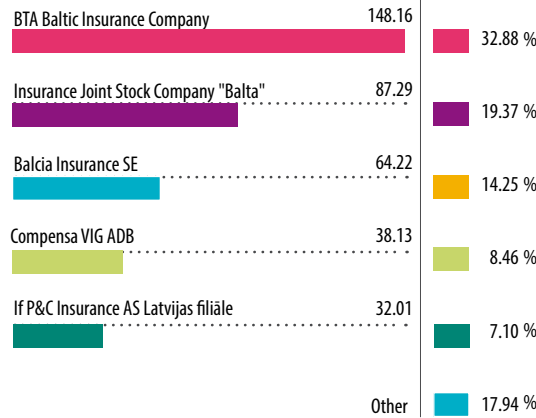


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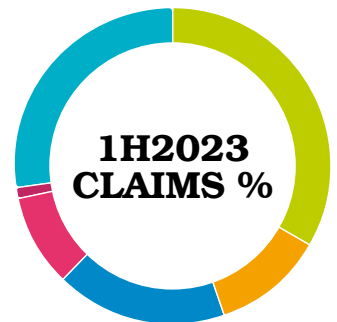
TOP 5 Life insurance (GWP, EUR million)



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



Life	19.90
Property	12.96
Motor Hull	18.69
MTPL	10.39
GTPL	3.21
Other	34.85



Life	28.35
Property	11.85
Motor Hull	18.36
MTPL	9.62
GTPL	1.07
Other	30.76

Lithuania



S&P Rating

A+, NEGATIVE

Moody's rating

A2, STABLE

Fitch Rating

A, STABLE

Sources:

¹ Bank of Lithuania (LB)



Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	45.52	48.91	49.77	56.18	66.92
GDP per capita, current prices	EUR ¹	16,246	17,504	17,807	20,058	23,756
Unemployment rate	% of total labor force ¹	6.15	6.25	8.49	7.11	5.93
Population	Millions ¹	2.80	2.79	2.80	2.80	2.82
Gross written premiums	EUR million ²	878.13	945.87	954.87	1,040.70	1,233.98
Paid claims	EUR million ²	452.59	499.08	500.74	547.23	682.37
Insurance penetration degree	% in GDP ³	1.93%	1.93%	1.92%	1.85%	1.84%
Insurance density	EUR/capita ³	313.39	338.54	341.63	371.55	438.05

The insurance market of Lithuania totaled EUR 712.6 million at end-June 2023, up by 19.1% y-o-y, according to the quarterly market figures published on the Central Bank. "It was driven by positive returns on investments; at the same time some companies adjusted their tariffs", as the Supervisory Authority representatives mentioned in a statement.

During the analyzed period, Lithuanian insurers paid claims for insurance losses worth EUR 301.2 million, up by 21.7% y-o-y.

Due to its specificity, the insurance market reacts to economic phenomena with a certain delay. For example, if the car parts

and repairs become more expensive because of inflation, compensation for damages also becomes more expensive. As a result, it is important that companies properly assess environmental changes and related risks, responsibly comply with solvency capital requirements, says Renata BAGDONIENĖ, Director of the Banking and Insurance Supervision Department of the Bank of Lithuania.

The amount of non-life GWP increased by 24.3% y-o-y to EUR 539.8 million: The most growth was driven by types of insurance related to transport. Payments amounted to EUR 289 million, up by 21.9%. Compulsory

🌸 Insurers' business expanded by almost one fifth during H1

🌸 Insurers profits increased eight times y-o-y to EUR 31.2 million

🌸 9 local insurers, 10 EU branches and 102 insurance brokers were active at the end of June

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	712.64	598.21	19.13	301.18	247.42	21.73	100.00	100.00
TOTAL LIFE	172.80	163.75	5.53	11.95	10.90	9.64	24.25	27.37
Insurance with profit participation	19.20	19.11	0.45	1.20	0.41	189.46	2.69	3.19
Index-linked and unit-linked	136.57	112.60	21.28	6.16	1.89	224.98	19.16	18.82
Health insurance	1.08	22.55	-95.23	0.30	6.51	-95.35	0.15	3.77
Other life insurance	15.96	9.49	68.19	4.29	2.08	106.51	2.24	1.59
TOTAL NON-LIFE	539.84	434.46	24.25	289.23	236.52	22.28	75.75	72.63
Medical expense insurance	63.04	46.44	35.74	45.04	30.78	46.36	8.85	7.76
Income protection insurance	19.71	17.10	15.26	6.89	6.28	9.72	2.77	2.86
Property insurance	119.30	97.22	22.71	48.31	43.97	9.89	16.74	16.25
Overall motor insurance	285.61	231.82	23.21	175.71	144.02	22.00	40.08	38.75
Motor Hull	122.44	98.95	23.74	80.25	66.19	21.25	17.18	16.54
MTPL	163.18	132.87	22.81	95.45	77.83	22.65	22.90	22.21
Marine, aviation and transport insurance	2.74	2.56	6.85	0.43	0.77	-43.40	0.38	0.43
GTPL	20.79	16.87	23.24	5.36	5.84	-8.21	2.92	2.82
Carrier TPL insurance	2.96	2.71	8.99	1.43	1.34	6.76	0.41	0.45
Credit and suretyship	15.82	12.00	31.78	2.12	1.31	61.16	2.22	2.01
Assistance	3.14	2.66	17.87	1.02	0.89	14.81	0.44	0.45
Miscellaneous financial loss	6.69	4.99	34.00	2.70	1.05	157.78	0.94	0.83
Other non-life insurance	0.04	0.08	-49.49	0.21	0.28	-25.97	0.01	0.01

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



Renata BAGDONIENE
 Director, Banking and Insurance Supervision
 Department of the Bank of Lithuania

Lithuania

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Full market rankings per company & per class

MSEXcel format

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vehicle liability insurance premiums increased by 22.8% (up to EUR 163 million), and payments to EUR 95.4 million.

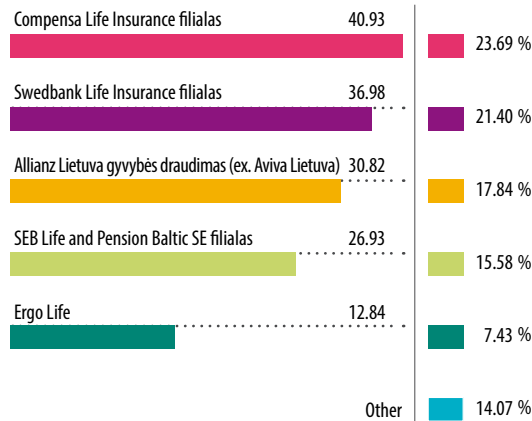
At the same time, the life insurance market grew by 5.5% to EUR 172.8 million: Traditionally, the largest share was made up of investment life insurance premiums, which increased by 21.3%, to EUR 137 million. Life insurance benefits amounted to EUR 99 million and increased by 7.8%.

During the first half of this year, the insurance sector earned EUR 31.2 million in gross profits - almost eight times more than last year in the same period (EUR 4 million). For comparison, the profit for the first half of 2021 amounted to EUR 27.7 million, 2020 - EUR 27.5 million. During the analyzed period, all insurance companies made profits. Life insurance companies earned a total of EUR 11.7 million, while non-life insurance companies – EUR 19.5 million EUR profit.

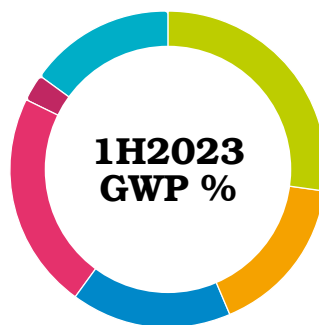
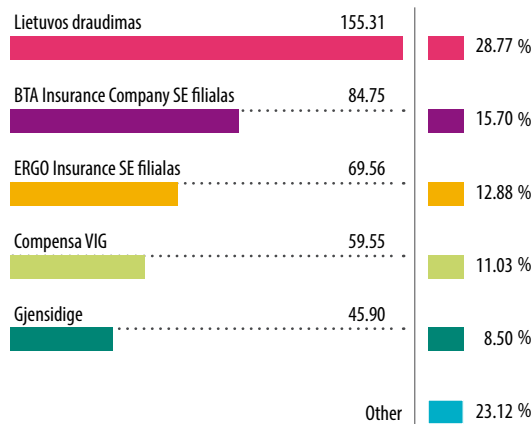
According to the Central Bank's statistics, Compensa Life Insurance (23.7% market share) is the largest life insurer in the country as GWP volume ahead of Swedbank Life Insurance (the former leader, 21.4% market share), and Allianz Lietuva (ex. Aviva Lietuva, 17.8% market share), while Lietuvos draudimas (~EUR 155.3 million, 28.8%market share) is the top non-life insurer.

At the end of the first half of the year, 19 insurers (9 insurance companies registered in Lithuania, 10 branches of insurance companies registered in other European Union countries) and 102 insurance brokerage companies provided insurance services on the domestic market. (A.V.)

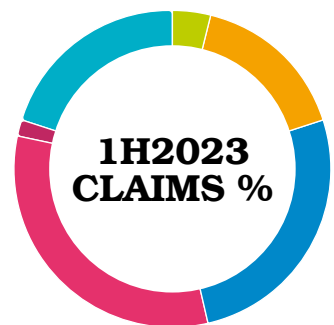
TOP5 Life insurance (GWP, EUR million)



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



Life	24.25
Property	16.74
Motor Hull	17.18
MTPL	22.90
GTPL	2.92
Other	16.02



Life	3.97
Property	16.04
Motor Hull	26.65
MTPL	31.69
GTPL	1.78
Other	19.87

Montenegro



S&P Rating

B, STABLE

Moody's rating

B1, STABLE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Insurance Supervision Agency of Montenegro

³ XPRIMM calculations

5 out of 9 companies operating on the Montenegrin market are part of Austrian insurance groups, and 77% of GWP in life insurance are generated by 3 companies with capital from Austria.

The Montenegrin market went up by 9.1% y-o-y in the first half of 2023, driven by the non-life insurance segment.

The most impressive growth rates were observed in health insurance (up by almost 54%) and Motor Hull (+31.7%).

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	4.66	4.95	4.19	4.96	5.79
GDP per capita, current prices	EUR ¹	7,495	7,959	6,737	7,970	9,310
Unemployment rate	% of total labor force ¹	n/a	n/a	n/a	n/a	n/a
Population	Millions ¹	0.62	0.62	0.62	0.62	0.62
Gross written premiums	EUR million ²	86.83	94.76	93.67	98.81	108.28
Paid claims	EUR million ²	42.07	37.23	36.58	43.31	45.58
Insurance penetration degree	% in GDP ³	1.86%	1.91%	2.24%	1.99%	1.87%
Insurance density	EUR/capita ³	139.60	152.35	150.84	158.86	174.09

The insurance market of Montenegro totaled EUR 59.9 million at the end of 1H2023, up by 9.1% y-o-y (or by EUR 5 million), according to the half-year figures published by the local Insurance Supervision Agency (ISA).

Non-life GWP represents 82.7% of total insurance market - about EUR 49.5 million, up by 10.7% y-o-y while, life business GWP was up by 2.4% y-o-y to EUR 10.3 million. Segment-wise, the most impressive growth rates were observed in health insurance (up by almost 54%) and Motor Hull (+31.7%).

Paid claims on the market reached EUR 22.76 million (up by 8.59%). Many segments recorded an increase, like property insurance, motor insurance, while some saw a drop y-o-y as accident insurance and GTPL.

The largest life insurer in the country was Wiener Staedtsche zivotno osiguranje with a GWP volume of EUR 3.7 million and a market share of 35.5%, while Lovcen osiguranje, a unit of Slovenian insurance group TRIGLAV, was the biggest non-life insurer with GWP of EUR 19.3 million and a market share of 39%.

"Gradual and timely alignment with EU regulations in insurance is the best way to meet the standards and requirements of the new Solvency II regulatory regime", as was emphasized at the meeting of the leadership of the Insurance Supervisory Agency (ANO) and the Austrian Financial Services Supervisory Agency (FMA). The meeting was held in Budva in April. During the meeting, the participants exchanged their opinions on business indicators of the two insurance markets, with a special

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	59.87	54.86	9.14	22.76	20.95	8.59	100.00	100.00
TOTAL LIFE	10.34	10.10	2.37	5.00	4.93	1.46	17.26	18.40
TOTAL NON-LIFE	49.54	44.76	10.66	17.76	16.03	10.78	82.74	81.60
Accident	6.49	5.90	10.02	3.03	3.38	-10.48	10.84	10.75
Health	2.97	1.93	53.79	1.18	0.82	43.50	4.97	3.52
Overall property insurance	8.66	8.02	7.90	2.06	1.51	36.68	14.46	14.63
Fire and allied perils	2.26	2.04	10.78	0.28	0.25	13.55	3.78	3.72
Damages to property	6.40	5.98	6.92	1.78	1.26	41.19	10.68	10.90
Overall motor insurance	26.20	22.95	14.19	10.92	9.54	14.47	43.76	41.83
Motor hull	4.81	3.65	31.70	2.22	1.83	21.07	8.03	6.66
MTPL	21.39	19.30	10.88	8.70	7.70	12.90	35.73	35.17
GTPL	1.32	1.81	-26.97	0.11	0.12	-4.13	2.21	3.30
Other non-life insurance	3.89	4.15	-6.23	0.46	0.66	-30.55	6.50	7.57

Montenegro currency: EURO

emphasis on the business of companies with Austrian capital in Montenegro. It was agreed to develop further cooperation, primarily in joint supervisory activities as well as exchange best practices and experiences in insurance supervision.

Cooperation with the Austrian insurance regulator is particularly important since 5 out of 9 companies operating on the Montenegrin market are part of Austrian insurance groups, and 77% of GWP in life insurance are generated by 3 companies with capital from Austria.

The Insurance Supervisory Agency was also the organizer of the 21st meeting of the CESEE initiative in the field of insurance. This initiative brings together insurance regulators from Central, Eastern and Southeastern Europe, and the meeting was also held in Budva, attended by about 50 participants from 14 European countries. The Montenegrin delegation moderated the meeting segment about unit linked insurance.

The CESEE initiative in the field of insurance is a traditional gathering of insurance supervisors from Central, Eastern and Southeastern Europe, held twice a year. (M.M.)

Montenegro

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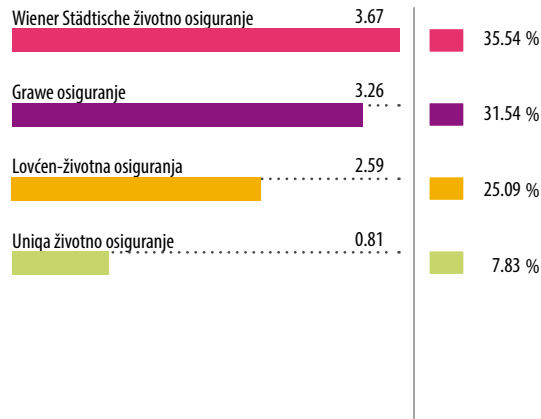
Full market rankings per company & per class

MSExcel format

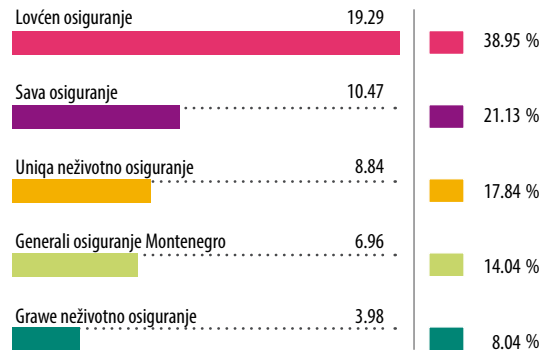
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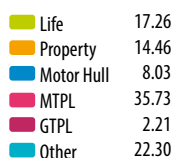
TOP Life insurance ranking (GWP, EUR million)



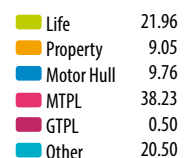
TOP 5 Non-Life insurance ranking (GWP, EUR million)



1H2023 GWP %



1H2023 CLAIMS %



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North Macedonia



S&P Rating
BB-, STABLE

Fitch Rating
BB+, NEGATIVE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of the Republic of Macedonia

³ Insurance Supervision Agency

⁴ XPRIMM calculations

A new player entered the Macedonian life insurance segment, Prva Zivot, owned by the Slovenian PRVA GROUP, increasing the number of life insurers to six.

Two of the three VIG companies in North Macedonia are set to merge: MAKEDONIJA Skopje - VIG will acquire WINNER - VIG Skopje, absorbing it. The two companies currently account for a share of almost 19% of the total market GWP.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	MKD billion ¹	660.88	692.68	669.28	720.41	799.38
	EUR billion ⁴	10.75	11.27	10.85	11.69	13.00
GDP per capita, current prices	MKD ¹	318,168	333,621	323,509	348,226	386,394
	EUR ⁴	5,174	5,426	5,244	5,651	6,284
Unemployment rate	% of total labor force ¹	20.73	17.25	16.38	15.70	14.50
Population	Millions ¹	2.08	2.08	2.07	2.07	2.07
MKD/EUR exchange rate	End of period ²	61.50	61.49	61.69	61.63	61.49
Gross written premiums	MKD million ³	9,927.56	10,583.41	10,065.91	11,629.70	12,785.43
	EUR million ⁴	161.44	172.13	163.16	188.71	207.92
Paid claims	MKD million ³	3,918.51	4,030.95	4,005.50	4,664.39	5,113.01
	EUR million ⁴	63.72	65.56	64.93	75.69	83.15
Insurance penetration degree	% in GDP ⁴	1.50%	1.53%	1.50%	1.61%	1.60%
Insurance density	EUR/capita ⁴	77.73	82.91	78.86	91.21	100.49

Macedonian insurers aggregate half-year GWP reached MKD 7.4 billion (~EUR 119.5 million), 14.1% more y-o-y, according to the market figures published by the Insurance Supervision Agency of Macedonia.

This year, after a break of six years on the Macedonian life insurance market, a new insurance company was established in which Slovenian owners invested EUR 4 million. The ISA (Insurance Supervision Agency) issued a license to operate a new insurance company Prva Zivot. The company will offer life insurance services. The founder and sole owner of the newly established life insurance company is the Slovenian insurance holding PRVA GROUP, which has been managing pension funds in Slovenia, Serbia, Macedonia, and Kosovo for two decades. The group has

an insurance company in Slovenia, and their entry into the North Macedonian insurance market is expected to improve competitiveness and contribute to enriching the offer of life insurance products. Prva Zivot will start operating within six months, and the company's headquarters will be in Skopje. The company will be the sixth company on the Macedonian life insurance market, where Croatia insurance - zivot, Triglav zivot, Grawe, Winner Life VIG and Uniqa Life are currently operating.

In June it was announced that two of the three VIG companies in North Macedonia are set to merge: MAKEDONIJA Skopje - VIG will acquire WINNER - VIG Skopje, absorbing it. No details on the merger's calendar are yet available.

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	119.52	104.72	14.13	45.39	38.37	18.31	100.00	100.00
TOTAL LIFE	18.63	17.25	8.00	7.01	5.60	25.17	15.59	16.47
TOTAL NON-LIFE, of which:	100.89	87.47	15.34	38.38	32.77	17.13	84.41	83.53
Overall property insurance	24.24	21.12	14.76	5.85	4.71	24.32	20.28	20.17
Fire and allied perils	8.46	7.31	15.79	2.11	1.70	24.12	7.08	6.98
Damages to property	15.78	13.81	14.22	3.74	3.01	24.44	13.20	13.19
Overall motor insurance	51.46	46.60	10.41	24.21	22.17	9.20	43.05	44.50
Motor Hull	9.16	7.74	18.37	5.17	4.02	28.51	7.67	7.39
MTPL	42.29	38.86	8.82	19.04	18.15	4.92	35.39	37.11
GTPL	3.01	2.84	5.88	0.15	0.08	102.24	2.52	2.71
Other non-life insurance	22.19	16.91	31.26	8.16	5.81	40.48	18.57	16.14

1 EUR = 61.6950 Denars, MKD (June 30th, 2022)

1 EUR = 61.6320 Denars, MKD (June 30th, 2023)

In 2022, MAKEDONIJA - VIG took the 5th position in the market ranking, with GWP worth EUR 16.22 million, up by almost 10% y-o-y, and a market share of 9.5%. WINNER - VIG ranked 6th, with GWP worth EUR 15.98 million, up by almost 16.11% y-o-y, and a market share of 9.35%. Vienna Insurance Group also owns a life insurance company in North Macedonia, WINNER Life, which holds a 3.13% market share, ranking 3rd in the specialty market.

From January to July 2023 life insurance companies paid out MKD 494 million (EUR 8 million). The five life insurers paid MKD 62.4 million (EUR 1 million) in July alone, which is 19% higher than the same month last year, according to the ISA.

Citizens invested a total of MKD 64.5 million (EUR 1.05 million) in all types of life insurance in July. While in the first seven months of the year, total life insurance investment of the population reached MKD 1.21 billion (EUR 20 million).

All non-life insurance companies paid over 9,800 claims worth MKD 312.5 million (EUR 5.1 million) in August of 2023 alone. The companies paid for damages covered by insurance 22% (MKD 57.3 million) more than in August of 2022, according to the preliminary data submitted to the ISA by all 11 non-life companies.

The biggest increases in paid claims in August this year, compared to the same month last year, were seen in Motor Hull and private health insurance. In August, motor vehicle owners received MKD 63.4 million (EUR 1.03 million) for insured damages, which is 58% higher y-o-y.

For medical expenses covered by private health insurance in August, insured persons were paid MKD 45.1 million (over EUR 733,000), which is 56% more than the same month last year. Half of all claims paid this month refer to private health insurance. Insureds received MKD 21.2 million (EUR 345,000) for damages to insured property in August. In travel insurance the companies paid MKD 6.3 million (over EUR 100,000) to the insureds (+17% y-o-y). As expected, the largest amount was paid in MTPL, which is the largest insurance class. In August, MKD 153.8 million (EUR 2.5 million) were paid in the segment, which is 17% more than last year. (M.M.)

North Macedonia

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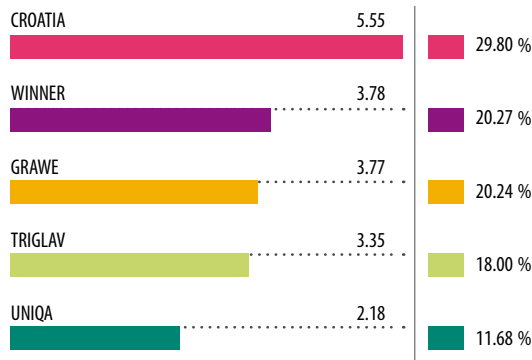
Full market rankings per company & per class

MSEcel format * in EUR and local currency

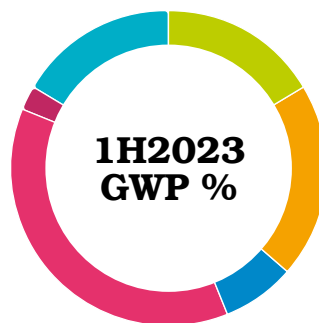
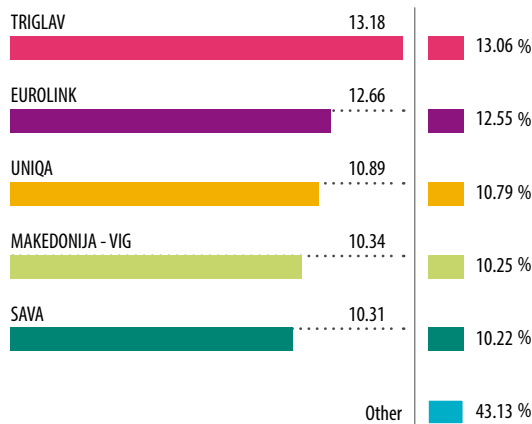
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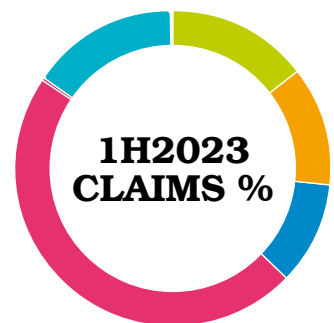
TOP 5 Life insurance ranking (GWP, EUR m)



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



Life	15.59
Property	20.28
Motor Hull	7.67
MTPL	35.39
GTPL	2.52
Other	18.57



Life	15.44
Property	12.89
Motor Hull	11.39
MTPL	41.95
GTPL	0.34
Other	17.98

Poland



S&P Rating
A-, STABLE

Moody's rating
A2, STABLE

Fitch Rating
A-, STABLE

Sources:

¹ National Bank of Poland

² The Polish Financial Supervision Authority (KNF)

³ XPRIMM calculations



Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	PLN billion ¹	2,126.51	2,288.49	2,337.67	2,623.95	3,067.73
	EUR billion ⁴	494.54	537.39	506.56	570.50	654.11
GDP per capita, current prices	PLN ¹	55,995	60,267	61,586	69,343	81,471
	EUR ⁴	13,022	14,152	13,345	15,077	17,372
Unemployment rate	% of total labor force ¹	3.85	3.28	3.16	3.36	2.89
Population	Millions ¹	37.98	37.97	37.96	37.84	37.65
PLN/EUR exchange rate	End of period ²	4.3000	4.2585	4.6148	4.5994	4.6899
Gross written premiums	PLN million ³	62,169.79	63,831.25	63,421.47	69,222.36	72,359.05
	EUR million ⁴	14,458.09	14,989.14	13,743.06	15,050.30	15,428.70
Paid claims	PLN million ³	41,675.34	40,868.61	39,649.71	41,302.77	44,385.67
	EUR million ⁴	9,691.94	9,596.95	8,591.86	8,980.03	9,464.10
Insurance penetration degree	% in GDP ⁴	2.92%	2.79%	2.71%	2.64%	2.36%
Insurance density	EUR/capita ⁴	380.71	394.73	362.06	397.74	409.75

Polish insurance market reported 1H2023 aggregate GWP worth PLN 40 billion (EUR 8.8 billion), 10% more y-o-y according to data published by Polish KNF (Financial Supervision Authority). The life insurance segment was up by 7.6% to PLN 11.3 billion (EUR 2.5 billion). Non-life GWP rose to PLN 27.7 billion (EUR 6.2 billion) in 1H, 11% more y-o-y. The highest contribution to the non-life segment's growth came from the motor insurance lines - especially the Motor Hull class, which saw a 23.8% growth in GWP -, and property insurance.

There were several other non-life business lines that recorded double-digit growth rates, but given their small weight in the market portfolio, their overall impact was rather marginal.

Overall claims and benefits paid by local insurers decreased by 2.9% y-o-y to PLN 21.9 billion (~EUR 4.9 billion). In non-life insurance, payments under motor insurance policies held the largest share in the compensations paid. Motor insurance claims amounted to PLN 3.5 billion, almost 12% more y-o-y. The average

Market portfolio at June 30th, 2023

The average MTPL insurance premium after Q2 2023 amounted to PLN 504, 3% more y-o-y. At the same time, the average damage increased to over PLN 9.2 thousand, 15% more than a year ago.

The average damage in property insurance increased from PLN 3.96 to PLN 4.13 thousand.

Over 70% of the single-family residential buildings are insured against hail and hurricane, and 62% are insured against floods.

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	8,761.81	7,574.02	15.68	4,913.08	4,808.63	2.17	100.00	100.00
TOTAL LIFE	2,532.67	2,237.36	13.20	1,899.65	2,134.89	-11.02	28.91	29.54
Life insurance	1,179.21	972.69	21.23	746.63	755.82	-1.22	13.46	12.84
Unit-linked	428.58	446.55	-4.02	749.82	1,051.73	-28.71	4.89	5.90
Accident and sickness	897.99	792.06	13.37	377.73	302.88	24.71	10.25	10.46
Other life insurance (reins. accepted included)	26.88	26.05	3.17	25.47	24.45	4.18	0.31	0.34
TOTAL NON-LIFE	6,229.14	5,336.66	16.72	3,013.44	2,673.74	12.70	71.09	70.46
Accident	174.68	169.11	3.29	40.96	34.40	19.08	1.99	2.23
Sickness	138.45	97.46	42.05	59.08	42.04	40.51	1.58	1.29
Overall property insurance	1,224.09	1,063.45	15.11	407.03	448.30	-9.21	13.97	14.04
Fire and allied perils	631.14	528.87	19.34	236.23	273.12	-13.51	7.20	6.98
Damages to property	592.95	534.58	10.92	170.80	175.18	-2.50	6.77	7.06
Overall motor insurance	3,169.65	2,748.20	15.34	1,963.50	1,700.82	15.44	36.18	36.28
Motor Hull	1,411.54	1,140.14	23.80	782.49	665.76	17.53	16.11	15.05
MTPL	1,758.11	1,608.05	9.33	1,181.00	1,035.06	14.10	20.07	21.23
Casco insurance (railway, aircraft & navigation, summed)	46.16	32.48	42.11	11.81	11.78	0.25	0.53	0.43
Carriers' liability (aircraft & navigation, summed)	11.21	7.37	52.13	1.52	2.70	-43.79	0.13	0.10
GTPL	419.17	343.54	22.02	146.83	131.37	11.77	4.78	4.54
Credit	86.97	75.67	14.94	28.54	11.33	151.80	0.99	1.00
Suretyship	69.81	53.40	30.71	28.24	10.33	173.31	0.80	0.71
Financial loss	119.23	125.62	-5.09	22.02	22.70	-2.97	1.36	1.66
Travel	240.42	193.64	24.16	110.15	87.61	25.72	2.74	2.56
Other non-life insurance (reinsurance accepted included)	529.30	426.73	24.04	193.75	170.34	13.74	6.04	5.63

1 EUR = 4.4503 Zlots - PLN (June 30th, 2023)

1 EUR = 4.6806 Zlots - PLN (June 30th, 2022)



Jan Grzegorz PRĄDZYŃSKI
President of the PIU
Management Board

MTPL insurance premium after Q2 2023 amounted to PLN 504, 3% more y-o-y. At the same time, the average damage increased to over PLN 9.2 thousand, 15% more than a year ago. *We are observing a constant increase in damage costs. The automotive market is not indifferent to long-lasting inflation. As the costs of parts and services increase, insurers must take these costs into account in their calculations. Motor insurance, especially compulsory insurance, is a very price-sensitive product, which is the main element of competition on the market,* said Jan Grzegorz PRĄDZYŃSKI, President, PIU.

With a milder 2023 in natural catastrophe terms, payments from natural disaster insurance decreased by 18% in 1H 2023. However, the average damage increased from PLN 3.96 to PLN 4.13 thousand. *It is worth emphasizing that Poles are aware of and insure themselves against the risk of natural disasters. In Poland over 70% of the single-family residential buildings are insured against hail and hurricane, and 62% are insured against floods,* added PRĄDZYŃSKI.

According to PIU - The Polish Chamber of Insurance, Polish insurers generated PLN 5.7 billion (~EUR 1.3 billion) in net profit in the first half of 2023, i.e. 150% more than in the previous year. At the end of March 2023, local insurers generated PLN 2.2 billion (~EUR 470.5 million) in net profit, i.e. 190% more than in the previous year. *This is primarily due to increased income from insurers' investments, with rising interest rates due to inflation. At the same time, the decline in mortality compared to the situation during the pandemic is also important, which resulted in smaller payouts from life insurance policies. Insurers paid PLN 0.9 billion (~EUR 0.2 billion) in income tax to the state budget.*

The largest non-life insurer in the country in terms of GWP is PZU SA which accounted for 28.8% of this segment, while the absolute leader of the life insurance segment in terms of GWP is PZU ZYCIE with 39.9% market share. (D.G.)

Poland

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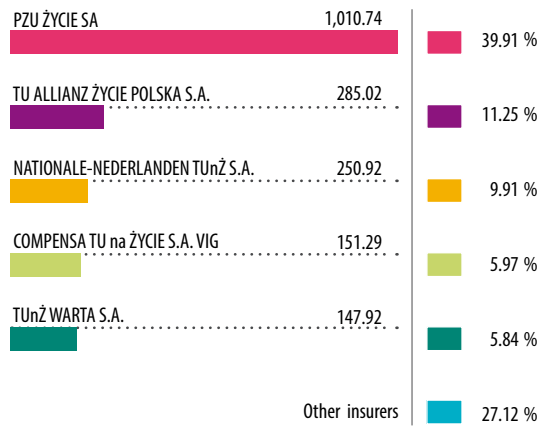
Full market rankings per company & per class

MSEcel format * in EUR and local currency

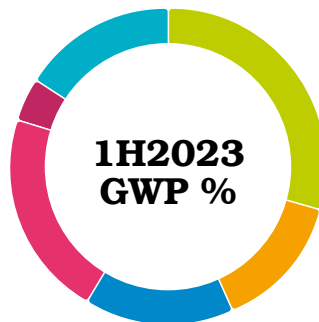
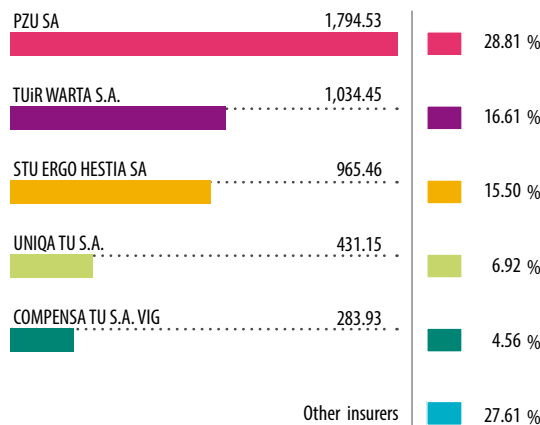
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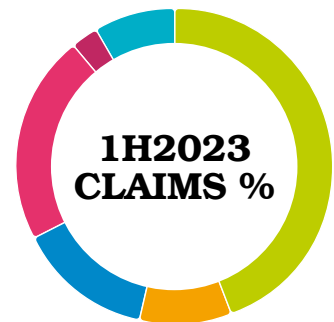
TOP 5 Life insurance (GWP, EUR million)



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



Life	28.91
Property	13.97
Motor Hull	16.11
MTPL	20.07
GTPL	4.78
Other	16.16



Life	38.67
Property	8.28
Motor Hull	15.93
MTPL	24.04
GTPL	2.99
Other	10.10

Romania



S&P Rating

BBB-, STABLE

Moody's rating

BAA3, STABLE

Fitch Rating

BBB-, NEGATIVE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The National Bank of Romania

³ Financial Supervision Authority (FSA)

⁴ XPRIMM calculations

The market exceeded the threshold of EUR 2 billion at the end of June (including premium written both by domestic insurers and foreign insurers operating based on FOE).

The first half of the year was market by several challenges brought by the EUROINS Romania bankruptcy. The first half of year results still include EUROINS Romania results, as the company was active until the end of March.

A cap on MTPL prices was introduced in April, freezing them at the level of the basic prices (B0) practiced by insurers on February 28, 2023; the measure will expire at the end of the year.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	RON billion ¹	959.06	1,063.80	1,066.78	1,187.40	1,412.46
	EUR billion ⁴	205.63	222.58	219.08	239.97	285.49
GDP per capita, current prices	RON ¹	49,098	54,794	55,191	61,839	74,174
	EUR ⁴	10,527	11,465	11,334	12,497	14,993
Unemployment rate	% of total labor force ¹	5.25	4.89	6.08	5.61	5.63
Population	Millions ¹	19.53	19.41	19.33	19.20	19.04
RON/EUR exchange rate	Annual average ²	4.6639	4.7793	4.8694	4.9481	4.9474
Gross written premiums	RON million ³	10,144.53	10,990.23	11,495.60	14,241.12	16,508.19
	EUR million ⁴	2,175.12	2,299.55	2,360.78	2,878.10	3,336.74
Paid claims	RON million ³	5,957.01	6,827.12	6,949.63	7,632.39	7,806.81
	EUR million ⁴	1,277.26	1,428.48	1,427.20	1,542.49	1,577.96
Insurance penetration degree	% in GDP ⁴	1.06%	1.03%	1.08%	1.20%	1.17%
Insurance density	EUR/capita ⁴	111.36	118.45	122.14	149.89	175.23

Romanian insurers ended 1H 2023 with GWP worth EUR 1.83 billion, 3.28% more y-o-y, data provided by the Romanian Financial Supervising Authority (ASF) show. Out of this total GWP volume, life insurance provided EUR 305 million, while non-life insurance classes generated EUR 1.52 billion. The total value also includes the gross premiums subscribed by EUROINS Romania in the first quarter of 2023. Gross premiums written by Romanian insurers abroad account for about 0.6% of the total business volume. Also, one should note that the total figure only includes the premiums production of the insurance

companies under the ASF authority. In addition to that, insurance companies authorized in other EU member states and operating in Romania based on the right of establishment (FOE), wrote GWP worth EUR 276 million, up by 40% y-o-y, thus adding an extra 13% to the total GWP figure. Overall, the market reached EUR 2.1 billion.

Paid claims reached EUR 776.65 million, only 1.9% more y-o-y. In addition, the Insureds' Guarantee Fund has approved payments worth EUR 74.8 million. Finally, foreign insurers operating in Romania

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,829.07	1,770.93	3.28	776.65	762.17	1.90	100.00	100.00
TOTAL LIFE	305.01	299.99	1.68	141.19	166.56	-15.23	16.68	16.94
Annuities and supplementary ins.	171.51	200.53	-14.47	76.25	72.90	4.61	9.38	11.32
Unit-linked	95.08	69.36	37.08	48.00	82.72	-41.98	5.20	3.92
Other life insurance	38.43	30.10	27.67	16.94	10.94	54.91	2.10	1.70
TOTAL NON-LIFE	1,524.06	1,470.94	3.61	635.46	595.61	6.69	83.32	83.06
Accidents and illness	5.42	5.50	-1.36	na	na	na	0.30	0.31
Health	58.61	46.42	26.27	na	na	na	3.20	2.62
Overall property insurance	199.75	171.91	16.20	na	na	na	10.92	9.71
Fire and allied perils	172.15	147.55	16.67	37.07	33.22	11.60	9.41	8.33
Damages to property	27.61	24.35	13.35	na	na	na	1.51	1.38
Overall motor insurance	1,152.34	1,153.84	-0.13	549.82	515.44	6.67	63.00	65.15
Motor Hull	331.36	282.23	17.41	213.16	199.98	6.59	18.12	15.94
MTPL	820.99	871.61	-5.81	336.66	315.47	6.72	44.89	49.22
GTPL	44.23	35.17	25.77	na	na	na	2.42	1.99
Warranties	27.79	28.28	-1.71	na	na	na	1.52	1.60
Travel	17.27	14.60	18.25	na	na	na	0.94	0.82
Other non-life insurance	18.64	15.22	22.41	na	na	na	1.02	0.86

1 EUR = 4.9634 Lei - RON (June 30th, 2023)

1 EUR = 4.9454 Lei - RON (June 30th, 2022)

based on FOE have paid indemnities in an additional EUR 68.3 million volume.

By far, the most important event in the Romanian market was the Euroins failure. The Romanian insurance regulator announced on 17 March that it has withdrawn Euroins Romania's insurance license appointed an interim administrator and that it intends to open bankruptcy proceedings. By the end of June, the company's bankruptcy became an accomplished fact, reducing the number of insurers licensed to provide MTPL insurance to six local companies: Allianz-Tiriac, Asirom-VIG, Generali Romania, Grawe Romania, Groupama and Omnisig-VIG. In addition, there were two other MTPL providers operating on the market on FoE, Axeria IARD and Hellas Direct.

The six domestic MTPL providers wrote premiums worth EUR 821 million, by 5.8% less y-o-y. The foreign subsidiaries added to this total EUR 122.24 million, which is 2.4 times more y-o-y. As such, GWP for MTPL insurance amounted to EUR 943.24 million, about 2% more y-o-y.

The MTPL tariffs were a challenging issue that led to drastic administrative measures in the market. Confronted with a sharp rising trend of the MTPL prices of the EUROINS Romania bankruptcy, the Government decided, in April, to cap MTPL prices, at the level of the basic prices (B0) practiced by insurers on February 28, 2023, to which the price reduction or increase related to the bonus-malus class is applied in which each insured is located. The prices were frozen starting from April 11, 2023, for 6 months, respectively until October 10, 2023. Recently, the measured was extended until 31 December 2023. In this context, the average MTPL premium value grew by only 3% y-o-y despite the inflation impact, to RON 1,190.

On the property insurance side, GWP increased by 16.2% y-o-y, to EUR 199.75 million, most of this growth coming from the "fire and allied perils" class, which includes the mandatory insurance against natural catastrophes, facultative housing insurance and facultative insurance of commercial properties. The number of active contracts by the end of June slightly increased y-o-y both on mandatory policies' side (7%) and the facultative one (1.2%). (D.G.)

Romania

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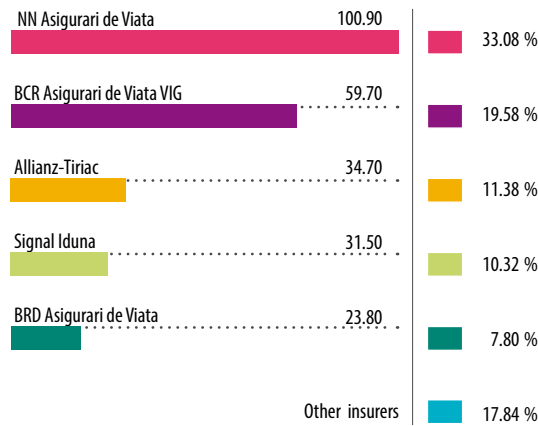
Full market rankings per company & per class



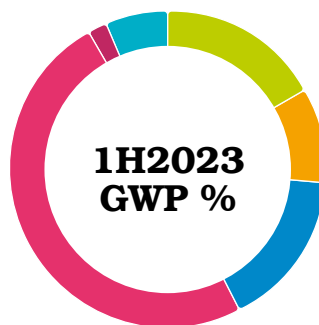
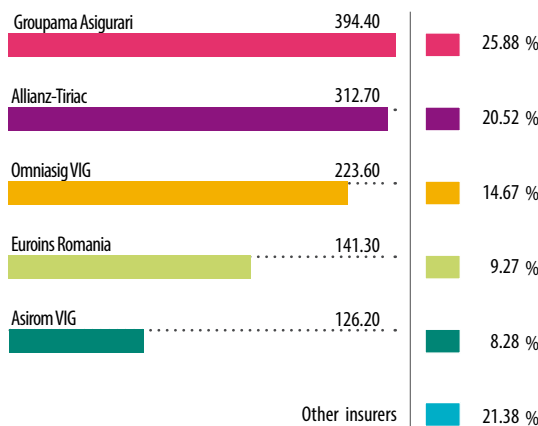
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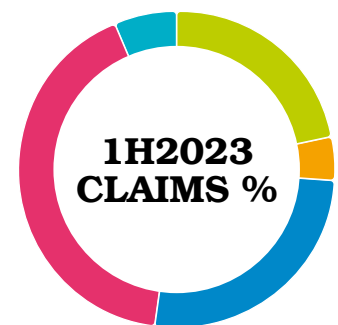
TOP 5 Life insurance (GWP, EUR million)



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



Class	Value
Life	16.68
Property	10.92
Motor Hull	18.12
MTPL	44.89
GTPL	2.42
Other	6.98



Class	Value
Life	18.18
Fire, allied perils	4.77
Motor Hull	27.45
MTPL	43.35
Other	6.25

Serbia



S&P Rating

BB+, STABLE

Moody's rating

BA2, NEGATIVE

Fitch Rating

BB+, NEGATIVE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of Serbia

³ XPRIMM calculations

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	RSD billion ¹	5,072.93	5,421.85	5,504.43	6,270.10	7,090.74
	EUR billion ³	42.92	46.11	46.81	53.33	60.44
GDP per capita, current prices	RSD ¹	726,510	780,658	797,845	912,472	1,036,043
	EUR ³	6,147	6,639	6,786	7,760	8,831
Unemployment rate	% of total labor force ¹	13.67	11.19	9.73	11.01	9.40
Population	Millions ¹	6.98	6.95	6.90	6.87	6.84
RSD/EUR exchange rate	End of period ²	118.1946	117.5928	117.5802	117.5821	117.3224
Gross written premiums	RSD million ²	99,910.59	107,449.87	109,916.74	119,408.67	133,925.04
	EUR million ³	845.31	913.75	934.82	1,015.53	1,141.51
Paid claims	RSD million ²	40,843.52	52,811.24	50,216.91	53,721.01	65,355.26
	EUR million ³	345.56	449.10	427.09	456.88	557.06
Insurance penetration degree	% in GDP ³	1.97%	1.98%	2.00%	1.90%	1.89%
Insurance density	EUR/capita ³	121.05	131.57	135.50	147.78	166.79

The first half of 2023 the insurance market in Serbia ended with an increase of 16.28% y-o-y, having reached RSD 78.56 billion (EUR 670.17 million), according to the statistics published by the National Bank of Serbia (NBS).

The market is non-life oriented, as non-life insurance occupies 81% of the total portfolio. The market share of life insurance even decreased by the end of June, to 18% from 20% a year earlier.

Paid claims of local insurers totaled RSD 33.11 billion (EUR 282.50 million), which is about 16% more y-o-y. Worth noting impressive growth rates of paid claims recorded by some classes like goods in

transit, health insurance, travel insurance. While accidents insurance saw a decrease in paid claims of about 1%.

Top-5 of the overall ranking remained unchanged, with DUNAV being the leader in terms of GWP (26% market share), followed by GENERALI Osiguranje, DDOR, WIENER and TRIGLAV.

The President of the Board of the Association of Serbian Insurers and the President of Dunav osiguranje Ivana SOKOVIC expects this year to be better than the previous one, she said at the panel on insurance at the 30th Kopaonik Business Forum.

🌸 DUNAV remained the market leader in terms of GWP (26% market share), followed by GENERALI Osiguranje, DDOR, WIENER and TRIGLAV.

🌸 The Serbian market grew by 16.3% y-o-y in 1H2023, to EUR 670 million

🌸 Paid claims also increased by 16% y-o-y, to EUR 282.5 million

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023 EUR m	1H2022 EUR m	Change %	1H2023 EUR m	1H2022 EUR m	Change %	1H2023 %	1H2022 %
TOTAL MARKET	670.17	575.47	16.46	282.50	243.30	16.11	100.00	100.00
TOTAL LIFE	124.18	116.04	7.01	85.26	78.34	8.84	18.53	20.16
TOTAL NON-LIFE	545.99	459.43	18.84	197.23	164.96	19.56	81.47	79.84
Accidents insurance	15.07	14.93	0.93	5.69	5.74	-0.82	2.25	2.59
Health insurance	70.06	46.16	51.78	33.17	19.34	71.45	10.45	8.02
Railway, aircraft and ships	2.76	2.37	16.54	0.54	0.37	46.22	0.41	0.41
Goods in transit	5.56	5.08	9.41	1.38	0.59	134.17	0.83	0.88
Overall property insurance	143.54	129.71	10.66	33.99	32.04	6.07	21.42	22.54
Fire and allied insurance	38.78	34.06	13.87	14.89	13.30	11.97	5.79	5.92
Damages to property	104.75	95.65	9.52	19.09	18.74	1.87	15.63	16.62
Overall motor insurance	261.25	219.31	19.13	110.93	99.00	12.05	38.98	38.11
Motor Hull	68.63	58.50	17.32	39.94	35.91	11.22	10.24	10.17
MTPL	192.62	160.81	19.78	70.99	63.09	12.52	28.74	27.94
Carriers' liability (air and sea)	0.68	0.53	26.84	0.04	0.08	-	0.10	0.09
GTPL	16.09	14.64	9.89	2.55	2.11	20.84	2.40	2.54
Credit	8.25	7.01	17.63	2.65	2.03	30.67	1.23	1.22
Financial loss	7.68	8.58	-10.58	1.44	0.98	47.43	1.15	1.49
Travel	13.91	10.39	33.92	3.27	2.09	55.99	2.08	1.81
Other non-life insurance	1.15	0.72	60.77	1.59	0.59	168.88	0.17	0.12

1 EUR = 117.2301 Dinars - RSD (June 30th, 2023)

1 EUR = 117.4055 Dinars - RSD (June 30th, 2022)

Ivana SOKOVIC believes that it's important for the insurance industry to pay more attention at catastrophic risks, as the devastating earthquakes in Türkiye and Syria have shown that we have no influence on nature. She added that introduction of such a policy, which should be mandatory, is difficult from the state's point of view because it would be unpopular for most citizens. But, on the other hand, that policy would be extremely significant because of the great losses that fall on the state, in the last case on all citizens as taxpayers.

Dragan FILIPOVIC, Deputy President of the Association's Board of Directors and President of Generali osiguranje noted that the past few years have been extremely difficult for the entire insurance industry, besides 2022 was the year of inflation, and revenues did not keep pace with it. Although awareness of insurance isn't high in Serbia, last year the company achieved EUR 1 billion in premiums. Dragan Filipovic also believes that this year will be better than the previous one, especially if predictions about stopping inflation during this year and returning to the old level by mid-2024 come true.

The Dean of the Faculty of Law of the University of Belgrade, Zoran MIRKOVIC, and the Secretary General of the Association of Insurers of Serbia, Dusko JOVANOVIC, in September signed a Memorandum of Cooperation that will launch "Studies for Innovation in the Field of Insurance" at that faculty.

With this project, the Faculty of Law and the Association of Insurers meet the needs of the market, because the students will not only study legal, but also economic, marketing, and technical side of insurance. The study program will cover a wide range of topics, starting from business strategy through Solvency II and the latest ESG trends to specific issues raised by digitization and the use of smart contracts, as well as data protection in insurance.

General Secretary of the Association Dusko JOVANOVIC stated that this type of specialized program was initiated in the country for the first time and that the insurance industry had been waiting for such a project for years. (M.M.)

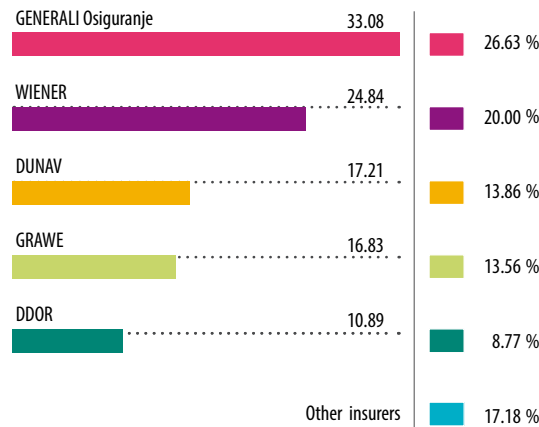
Serbia

Full market rankings per company & per class

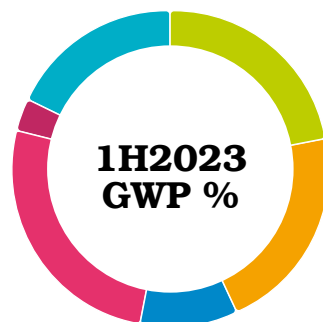
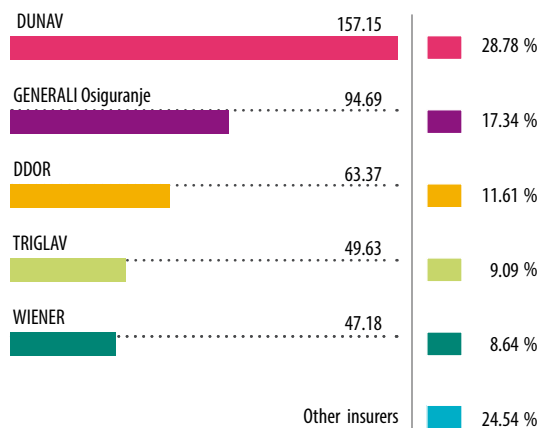
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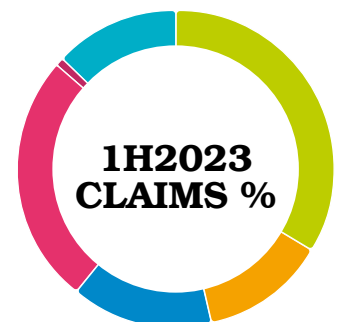
TOP 5 Total market (GWP, EUR million)



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



Life	18.53
Property	21.42
Motor Hull	10.24
MTPL	28.74
GTPL	2.40
Other	18.67



Life	30.18
Property	12.03
Motor Hull	14.14
MTPL	25.13
GTPL	0.90
Other	17.61

Slovakia



S&P Rating

A+, NEGATIVE

Moody's rating

A2, STABLE

Fitch Rating

A, STABLE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of Slovakia

³ XPRIMM calculations

SLASPO insurers' business increased to EUR 1.37 billion

Local insurers posted subunit growth rate to almost EUR 1 billion

Overall market cession degree decreased to 12%

Non-life claims ratio improved to 43.7%

MTPL claims ratio was 57.5%, while MoD claims ratio was 62.8%

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	89.88	94.44	93.41	98.52	107.73
GDP per capita, current prices	EUR ¹	16,512	17,327	17,115	18,045	19,822
Unemployment rate	% of total labor force ¹	6.53	5.73	6.62	6.84	6.13
Population	Millions ¹	5.44	5.45	5.46	5.46	5.44
Gross written premiums	EUR million ²	2,246.93	2,284.04	2,223.61	1,839.10	1,925.48
Paid claims	EUR million ²	1,324.58	1,415.17	1,262.68	1,019.58	1,178.16
Insurance penetration degree	% in GDP ³	2.50%	2.42%	2.38%	1.87%	1.79%
Insurance density	EUR/capita ³	412.81	419.09	407.40	336.83	354.27

According to the quarterly market data published by SLASPO (Slovak Insurance Association), the January-June 2023 business from the members of the association totaled EUR 1.37 billion, up by ~4.6% y-o-y, of which life GWP ~EUR 523 million, the remaining ~EUR 849 million being accounted by the non-life business lines.

It is worth noting that SLASPO's figures includes the results of a lot of EU branches as Generali Poistovňa, UNIQA pojišťovna,

MetLife Europe d. a. c., Youplus Insurance International AG, Groupama poisťovňa, a. s., - which have generated together GWP worth ~EUR 159 million on life segment and ~EUR 231 million – non-life.

Thus, excluding EU branches' figures, local insurance market totaled at the end of June 2023 about EUR 983.5 million (up by 0.9% y-o-y), while gross claims paid by insurers were about ~EUR 459 million (down by 19% y-o-y), according to the 2023 H1 statistics released by NBS. Life

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS**			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	983.54	975.19	0.86	459.04	567.79	-19.15	100.00	100.00
TOTAL LIFE	366.42	392.49	-6.64	211.40	299.08	-29.32	37.26	40.25
Index-linked and unit-linked	71.54	113.39	-36.91	40.26	84.32	-52.25	7.27	11.63
Ins. with profit participation	172.83	167.08	3.44	181.00	168.14	7.65	17.57	17.13
Other life ins.	122.05	112.01	8.96	-10.74	45.64	-123.54	12.41	11.49
TOTAL NON-LIFE*	617.12	582.70	5.91	247.64	268.71	-7.84	62.74	59.75
Medical expense insurance	17.42	11.96	45.70	2.55	3.04	-15.94	1.77	1.23
Income protection insurance	60.16	58.27	3.24	19.93	18.78	6.11	6.12	5.98
Fire and other damages to property	139.76	132.65	5.36	18.19	58.48	-68.90	14.21	13.60
Overall motor insurance	335.39	321.28	4.39	189.48	178.52	6.14	34.10	32.95
Motor Hull	176.28	158.19	11.44	104.60	93.21	12.22	17.92	16.22
MTPL	159.11	163.09	-2.44	84.87	85.30	-0.51	16.18	16.72
Marine, aviation and transport insurance	3.47	3.09	12.41	0.25	0.62	-59.41	0.35	0.32
GTPL	38.06	37.96	0.25	12.80	11.48	11.48	3.87	3.89
Credit and suretyship insurance	1.03	0.30	238.68	-0.03	-4.09	-99.25	0.10	0.03
Legal expenses insurance	1.09	1.11	-2	0.21	0.21	1	0.11	0.11
Assistance	11.53	9.02	27.83	3.59	1.05	242.15	1.17	0.93
Miscellaneous financial loss	9.22	7.06	30.50	0.68	0.63	8.36	0.94	0.72

*Direct business and accepted proportional reinsurance

Slovak currency: EURO

**claims incurred

insurers' GWP decreased by 6.6% to EUR 366.4 million due to the 36.9% negative rate reported by the Index-linked and unit-linked products, while non-life subclasses totaled EUR 617 million, up by 5.9% y-o-y. According to the NBS data, the value of ceded premiums to reinsurers amounted to EUR 118.3 million (out of which EUR 111.2 million was related to non-life insurance classes), down by 13.4% y-o-y, representing 12% of total business generated by local insurers. A year before, the cession degree was 14%. The cession degree on life segment was 2% from almost 7% a year before, while the same indicator calculated for the non-life insurance market was 18% (vs. 18.8% at the end of June 2022).

At the "claims chapter", non-life claims ratio improved from 50.1% at end-June 2022 to 43.7% in June 2023., the largest values being reported by the two motor insurance classes: MTPL – 57.5% and MoD – 62.8% respectively.

In terms of GWP, according to SLASPO statistics, the largest life insurers in the country were KOOOPERATIVA (EUR 159.4 million), Allianz-Slovenska (EUR 92.9 million), Generali Poistovna (EUR 61.7 million). In non-life, the Top 3 companies in terms of premiums were the same three market players: Allianz-Slovenska (EUR 246.3 million), KOOOPERATIVA (EUR 186.3 million) and Generali Poistovna (EUR 117 million). (A.V.)

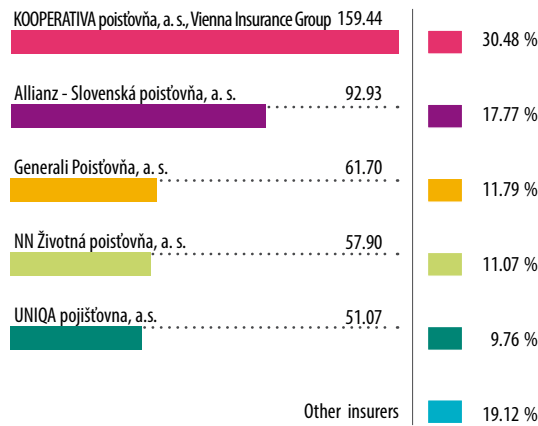
Slovakia



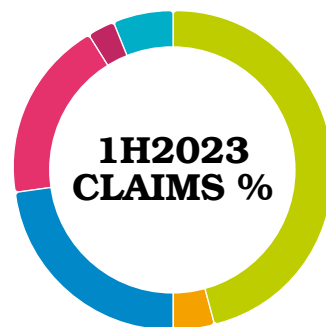
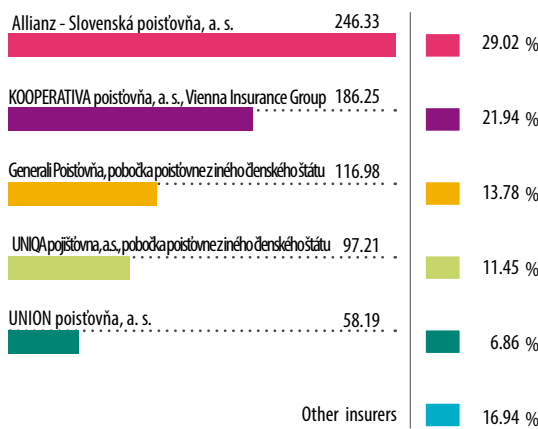
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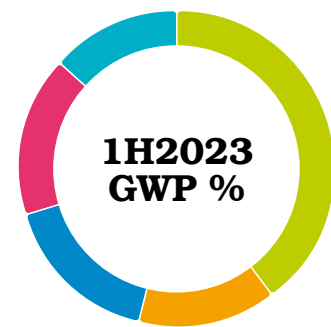
TOP 5 Life insurance (GWP, EUR million)



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



Life	46.05
Property	3.96
Motor Hull	22.79
MTPL	18.49
GTPL	2.79
Other	5.92



Life	37.26
Property	14.21
Motor Hull	17.92
MTPL	16.18
GTPL	3.87
Other	10.57

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Slovenia



S&P Rating
AA-, STABLE

Moody's rating
A3, STABLE

Fitch Rating
A, STABLE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Slovenian Insurance Association

³ XPRIMM calculations

🌸 Slovenian market's results for the first half of the year are still not available. XPRIMM estimates for 1H show GWP at EUR 1.6 billion.

🌸 Economic losses after the July-August floods, initially estimated at about EUR 500 million, are currently expected to reach several billion euros.

🌸 Both reinsurance groups domiciled in Slovenia, Triglav and Sava Re, are expecting a strong financial impact of the floods losses, but maintain their financial strength.

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	45.88	48.53	47.02	52.21	58.99
GDP per capita, current prices	EUR ¹	22,196	23,323	22,435	24,755	27,994
Unemployment rate	% of total labor force ¹	5.13	4.45	5.00	4.73	4.00
Population	Millions ¹	2.07	2.08	2.10	2.11	2.11
Gross written premiums	EUR million ²	2,341.12	2,517.35	2,569.57	2,615.73	2,798.56
Paid claims	EUR million ²	1,579.45	1,643.04	1,617.23	1,633.71	1,812.85
Insurance penetration degree	% in GDP ³	5.10%	5.19%	5.46%	5.01%	4.74%
Insurance density	EUR/capita ³	1,132.62	1,209.68	1,225.94	1,240.27	1,328.22

At the closing time of the present report, Slovenian market's results for the first half of the year were still not available. Based on the Q1 market trends, XPRIMM estimates for the first half of the year GWP worth approx. EUR 1.6 billion, of which EUR 393 million for life insurance and EUR 1.2 billion for non-life insurance.

In Q1, the Slovenian insurance market totaled EUR 825.3 billion, an 8.3% increase y-o-y, according to the Slovenian Insurance Association's quarterly figures. Life insurance GWP posted a negative subunit rate of -0.2% y-o-y to EUR 197.3 million, while the non-life insurance segment increased by 11.2% y-o-y to EUR 628 million - or 76.1% of total GWP.

The aggregate value of paid claims was EUR 506 million, of which about EUR 141.6 million - life indemnities, EUR 172 million - payments related to health insurance contracts, EUR 122 million - motor classes payments (MTPL and MoD, summed), and about EUR 35.5 million - property claims.

Slovenia's largest insurers in terms of GWP were Zavarovalnica TRIGLAV with a 30.6% market share (EUR 252.7million), followed by Zavarovalnica Sava (18.8% market share, EUR 155 million) and GENERALI zavarovalnica (16.2% market share, EUR 133.7 million).

If the first half of year was rather uneventful, in the second half both the country and its insurance industry have

Market portfolio at March 31st, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1Q2023	1Q2022	Change	1Q2023	1Q2022	Change	1Q2023	1Q2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	825.29	762.19	8.28	506.12	451.35	12.13	100.00	100.00
TOTAL LIFE	197.35	197.62	-0.14	141.63	152.09	-6.88	23.91	25.93
Life assurance	53.17	53.04	0.25	52.33	53.79	-2.72	6.44	6.96
Unit-linked	76.68	78.62	-2.47	45.06	55.51	-18.82	9.29	10.32
Other life insurance	0.02	0.02	-19.09	0.03	0.08	-63.07	0.00	0.00
Pension Funds Asset Management	67.48	65.94	2.33	44.21	42.71	3.50	8.18	8.65
TOTAL NON-LIFE	627.94	564.57	11.22	364.49	299.26	21.80	76.09	74.07
Accident insurance	29.63	27.61	7.32	10.09	8.35	20.79	3.59	3.62
Health insurance	174.62	171.23	1.98	172.16	144.28	19.32	21.16	22.47
Overall property insurance	116.29	114.00	2.00	35.56	30.58	16.29	14.09	14.96
Fire and allied perils	54.12	50.81	6.52	19.07	16.65	14.56	6.56	6.67
Damages to property	62.17	63.19	-1.63	16.48	13.93	18.35	7.53	8.29
Overall motor insurance	222.22	185.11	20.05	122.40	99.52	22.99	26.93	24.29
Motor Hull	124.65	104.10	19.74	68.11	55.86	21.93	15.10	13.66
MTPL	97.58	81.01	20.45	54.29	43.66	24.35	11.82	10.63
Railway, aircraft and ships	12.21	4.41	176.89	2.80	0.47	495.82	1.48	0.58
Goods in transit	3.58	2.71	32.06	0.96	0.62	55.37	0.43	0.36
GTPL	37.13	33.07	12.28	5.42	4.98	8.86	4.50	4.34
Carriers' liability (air and sea)	0.66	0.60	9.71	0.08	0.13	-37.39	0.08	0.08
Credit insurance	7.34	7.72	-5.00	2.23	2.91	-23.16	0.89	1.01
Suretyship	1.71	0.94	80.94	0.01	0.17	-91.10	0.21	0.12
Financial loss	4.20	3.44	21.86	1.05	0.52	101.02	0.51	0.45
Legal expenses insurance	1.43	1.36	5.39	0.24	0.26	-5.49	0.17	0.18
Travel insurance	16.92	12.36	36.93	11.48	6.48	77.18	2.05	1.62

faced the effects of a natural catastrophe of rather unprecedented dimensions. Severe storms and heavy rain have caused Slovenia's worst floods on record, also affecting the South of Austria. While economic losses were initially estimated at about EUR 500 million, recently the Government raised its estimations to several billion euros.

For Slovenia, this was a one to 1,000 years event, according to local sources *practically two-thirds of the country being affected in one way or another, and the efforts to enable normal life again very great*. The country saw almost a month's worth of rainfall in only 24 hours causing immense damage to infrastructure, destroying many buildings and leaving tens of thousands of homes without electricity.

Extreme weather events in Slovenia and the region, particularly storms, hailstorms and floods in July and August, resulted in historically high claims for the Triglav Group. The impact is estimated at EUR 150–200 million, the Group said. Taking into account the reinsurance coverage, the negative impact on the Group's profit before tax is estimated between EUR 40 and 50 million. The Group also estimates that due to losses in the health insurance segment and CAT claims its annual profit before tax will be around 80% lower than planned.

SAVA Re, the second largest Slovenian insurance group, said that neighboring markets in which the Group operates, mainly Austria, Croatia and Serbia, also experienced more frequent storms. Based on available data, gross claims are estimated to be close to EUR 100 million. Together with the claims to be covered by Sava Re on reinsurance business accepted outside the Group (written in Austria, Croatia and Serbia) and considering the reinsurance protection, the management board estimates the total impact on the business result will be in the range of EUR 30 to EUR 35 million. As a result, the management board estimates that the profit for 2023 will be approximately 25% lower than planned, or around EUR 40 million. (D.G.)

Slovenia

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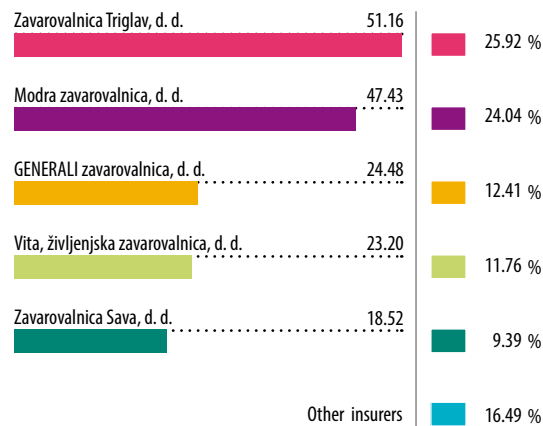
Full market rankings per company & per class

MSExcel format

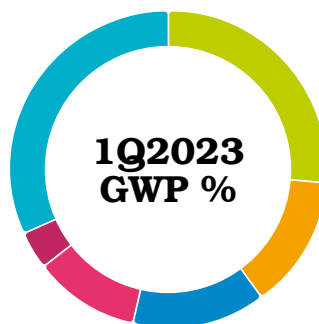
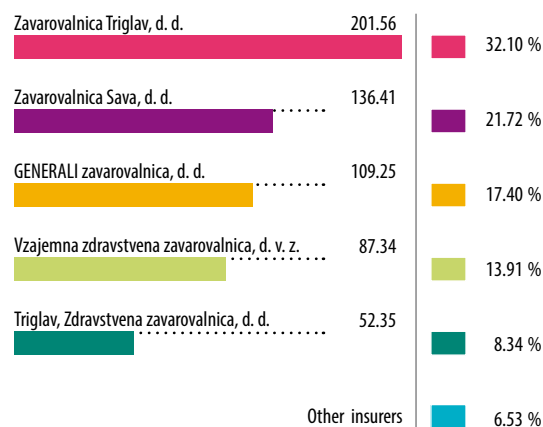
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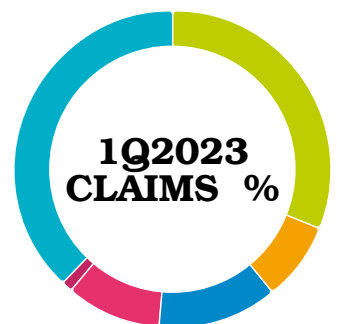
TOP 5 Life insurance (GWP, EUR million)



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



Life	23.91
Property	14.09
Motor Hull	15.10
MTPL	11.82
GTPL	4.50
Other	30.57



Life	27.98
Property	7.03
Motor Hull	13.46
MTPL	10.73
GTPL	1.07
Other	39.74

Moldasig strengthens its leadership position in the insurance market of Moldova and is actively seeking investors.

MOLDASIG, Moldova's insurance market leader, concluded the first half of 2023 with a net profit of MDL 15.98 million, marking an increase of approximately 19% compared to the first half of 2022. The operational result recorded during this period was MDL 7.06 million. As of the end of March 2023, MOLDASIG held a market share of 24.6% in gross written premiums terms, strengthening its position compared to the end of 2022 when it controlled approximately 16.8% of the market.

It is worth noting that MOLDASIG is currently in the midst of a reform process and is offering an 80% stake in the company's share capital for purchase, in a unique package of tradable shares on the regulated market of the Republic of Moldova.

Published on 12 October 2023

World Forum for Catastrophe Programs convenes in Bucharest to discuss global resilience and best practices

The World Forum for Catastrophe Programs, a prestigious gathering of professionals dedicated to enhancing global resilience, recently convened in Bucharest, Romania, from September 19th to 22nd, 2023, the meeting being held at the end of Romania's rotative presidency of the WFCP. This annual event brought together more than 20 professionals from 15 countries, fostering collaboration and knowledge-sharing among experts in the field of catastrophe risk management.

Published on 28 September 2023

POLAND: VIG to merge its Polish companies

Vienna Insurance Group is consolidating its operations on the Polish market, which means that instead of the current six insurance companies, only three will operate. The aim is to make greater use of the Polish market potential as one of the key markets for the group, and to strengthen competitive position. VIG ranks 4th on the Polish market, with a share of 9.3%. After the recent takeover of the Polish business of Aegon, the group includes six companies: three life companies (Compensa Zycie, Vienna Life, Aegon Zycie) and three non-life companies (Compensa TU, InterRisk, Wiener).

Published on 25 September 2023

German insurers worried about accidents caused by rental e-scooters

E-scooters in rental fleets cause significantly more accidents than privately used scooters, an analysis by the German Insurance Association (GDV) shows. Rental scooters are responsible for more than half of all e-scooter accidents, although only one in four scooters in Germany belongs to a rental fleet, statistical data show. According to GDV data, in 2022, around 571,000 insured e-scooters in privately owned caused around 1,850 damages, while 193,000 rental scooters caused around 2,350 damages. "We have a safety problem with e-scooters, and this problem primarily comes from the users of rental fleets in large cities," says GDV Managing Director Joerg Asmussen.

Published on 21 September 2023

Strikes, Riots and Civil Commotion Risks (SRCC) raise growing concerns over accumulation potential and wording ambiguity

Strikes and riots and civil commotions (SRCC) have escalated rapidly in recent years. In Monte Carlo, the big European reinsurers have reiterated their concern with regard to the increasing political volatility that is leading to an increasing incidence of SRCC events, with a serious potential of accumulation. Following the Covid 19 crises, the socio-political environment has further deteriorated, impacting populations across the world. *Incidents appear to no longer be in isolation, instead occurring on a coordinated global scale. Driven by evolving ideologies and changing sociocultural values, localized events are now increasingly gaining momentum across multiple regions*, read a study released by Aon already in 2021, based on data on the precedent years.

Published on 14 September 2023

Czechs lost ~EUR 70 million last year due to uninsured fires

In 2022, firefighters went to almost 21 thousand fires with a total damage of almost CZK 5.3 billion (~EUR 220 million). But, according to an analysis conducted by the Czech Association of Insurance Companies, only a quarter of them were insured. As a result, more than CZK 1.7 billion (EUR 70 million) could have been paid out by insurers.

On the one hand, there were 5,307 fire insurance claims with a total insured loss of CZK 3.6 billion (EUR 150 million), on the other hand, another 15.5 thousand fires for CZK 1.7 billion, which were not insured.

Published on 28 August 2023

VIG sets FY 2023 earnings expectation in a range of EUR 700 - 750 million under IFRS 17/9

Subject to substantial interest rate and market volatilities and in view of the current ongoing weather extremes, Vienna Insurance Group expects a profit before taxes for the Group in a range of EUR 700 - 750 million for the full-year 2023 under IFRS 17/9, as the Austrian insurer informed in a statement.

In the course of the first-time preparation of the 2023 half-year result as of 30 June 2023 in accordance with the accounting standards IFRS 9 and IFRS 17, which have to be applied since 1 January 2023, a profit before taxes of around EUR 460 million is shown for the first half of 2023.

Published on 22 August 2023

SLOVENIA hit by the worst-ever natural disaster in its history; Triglav and Sava Re expect significant claims payments

Severe storms and heavy rain have caused Slovenia's worst floods on record, also affecting the South of Austria. While economic losses are estimated at about EUR 500 million, thousand of people evacuated from their homes and at least 6 died. Local re/insurers expect significant claims expenses. For Slovenia, this was a one to 1,000 years event, according to local sources. The country saw almost a month's worth of rainfall in only 24 hours causing immense damages to infrastructure, destroying many buildings and leaving tens of thousands of homes without electricity.

Published on 8 August 2023

BUSINESS NEWS

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VIENNA INSURANCE GROUP

Cyprus



S&P Rating
BBB-, POSITIVE

Moody's rating
BA1, STABLE

Fitch Rating
BBB-, STABLE



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2022

² Insurance Association of Cyprus Annual Reports

³ XPRIMM calculations

Life insurers gross underwriting profit increased to EUR 25.87 million

The underwriting result in non-life increased by 12.7% y-o-y to EUR 29.5 million

Non-life gross combined ratio improved to 77.4%

Average premium for motor policies was EUR 313.5, while the claim frequency was 13.4%

the "right to be forgotten" for the people with a history of cancer entered into force.

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	21.68	23.18	21.90	24.02	27.01
GDP per capita, current prices	EUR ¹	25,080	26,460	24,656	26,806	29,857
Unemployment rate	% of total labor force ¹	8.35	7.08	7.58	7.48	6.73
Population	Millions ¹	0.86	0.88	0.89	0.90	0.91
Gross written premiums	EUR million ²	860.29	892.06	917.14	961.92	1,053.25
Paid claims	EUR million ²	481.93	497.75	477.35	428.26	466.65
Insurance penetration degree	% in GDP ³	3.97%	3.85%	4.19%	4.00%	3.90%
Insurance density	EUR/capita ³	995.70	1,018.33	1,032.82	1,073.57	1,163.81

Cypriot insurers posted H1 2023 aggregate GWP of EUR 585.9 million, up by EUR 57 million (or by 11.8% y-o-y), according to the half-year market figures report published by the Insurance Association of Cyprus - IAC. Non-life insurance segment totaled EUR 292.5 million (up by 9.8% y-o-y), while the life insurance segment generated premiums of EUR 293.3 million, or 11.8% more y-o-y. The value of gross claims incurred was EUR 248 million (up by 8.4% y-o-y), of which EUR 118 million related to life insurance, EUR 68.8 million - motor, EUR 36.1 million - accidents & health, EUR 15.6 million - fire.

For the non-life segment, the average gross claims ratio was 47.7% (vs. 46.1% in 1H2022), while the gross combined ratio improved to 77.4% (vs. 79.6%) after the decrease of 2.1% of 1H2023 expense ratio

to 9%. On insurance classes, the highest values of the gross combined ratio were reported in case of motor insurance: 105.3%, as follows: claims ratio - 68.1%, acquisition cost ratio - 27.1%, expense ratio - 10.1%.

For motor policies, during January-June 2023 the average premium was EUR 313.5, while in case of fire insurance contracts, the same indicator was EUR 503.7. The claim frequency was 13.4% - in the case of motor segment, while for the fire policies it was 3.9%.

In terms of profitability, the life insurance market reported a gross underwriting profit of EUR 25.87 million vs. EUR 19.42 million at the end of June 2022, while the net underwriting profit was EUR 23.80 million vs. EUR 15.68 million. Universal Life posted the largest net profits (~ EUR 8

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS**			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	585.87	528.90	10.77	248.04	228.86	8.38	100.00	100.00
TOTAL LIFE	293.30	262.33	11.81	118.15	111.71	5.77	50.06	49.60
TOTAL NON-LIFE	292.57	266.58	9.75	129.88	117.15	10.87	49.94	50.40
Accident & health*	69.76	67.17	3.85	36.09	32.19	12.12	11.91	12.70
Motor	108.02	97.28	11.04	68.79	62.18	10.63	18.44	18.39
MAT	2.30	2.04	12.81	0.45	0.36	22.85	0.39	0.39
Fire	71.07	61.39	15.77	15.64	13.07	19.69	12.13	11.61
Liability	37.19	34.15	8.90	8.51	8.90	-4.28	6.35	6.46
Credit	0.07	0.21	-69.24	-0.01	-0.04	-81.26	0.01	0.04
Miscellaneous	4.16	4.34	-4.06	0.40	0.50	-18.90	0.71	0.82

* Including A&H premiums by Life Companies

** gross claims incurred

Cyprus currency: EURO

million), while ALTIUS was the only one life insurer that ended the first half of the year “in red” with ~EUR -127 k net loss.

The underwriting result in non-life insurance increased by 12.7% y-o-y to EUR 29.5 million vs. EUR 26.2 million at the end of June 2022. Fire policies generated the largest positive result worth EUR 12.9 million, while Motor policies generated the largest negative underwriting result: EUR-2.4 million.

One of the main changes in financial markets of Cyprus is that starting January 1st, 2023, entered into force the agreement on “the right to be forgotten” after the agreement was concluded last year by the Ministry of Health, insurance companies and other relevant entities. Thus, people with a history of cancer are eligible for financial facilities regardless of their medical history, just like other citizens, including insurance benefits.

(...) From 1/1/2023 persons with a history of cancer will be entitled to receive services from insurance companies for the purpose of loans, construction of a first home. This goal, which we set in May (2022) and thought was unattainable, is now feasible. Our tiny island of Cyprus is one of the first countries in the European Union to implement this measure, said Michael HADJIPANTELAS, The Health Minister, wrote kathimerini.com.

Evangelos ANASTASIADES, President of the Insurance Association of Cyprus (IAC), explained that the agreement “on the right to be forgotten” comes from a European directive which is included in the consumer credit act, wrote cyprustimes.com. He adds that the EU directive makes it possible to secure credit facilities for those who have been cured of cancer. At the meeting we had last year on the issue of the right to be forgotten with the Minister of Health, Europa Donna Cyprus and the Association of Banks, the IAC submitted a 6-point proposal, which was fully accepted, he says.

He also points out that the current agreement is valid for 3 years, after which it will be re-evaluated, adding that “then we will see whether corrective actions are needed”, informed cyprustimes.com. (A.V.)

Cyprus

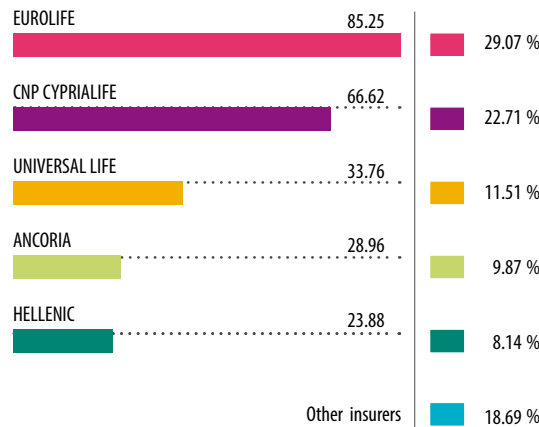
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Full market rankings per company & per class

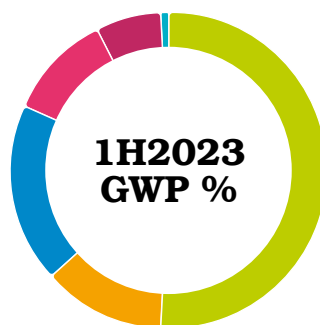
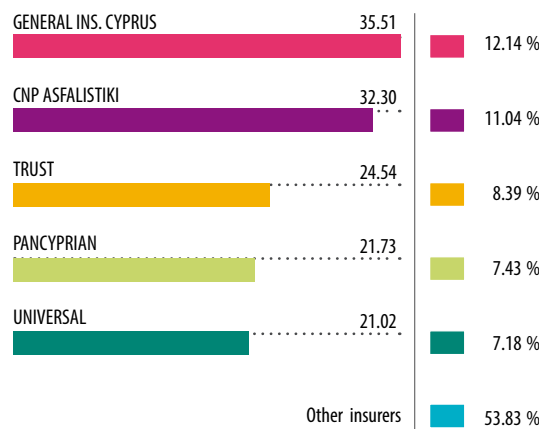
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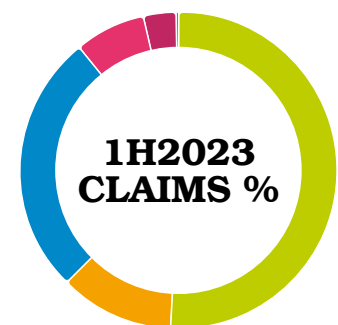
TOP 5 Life insurance (GWP, EUR million)



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



Life	50.06
A&H	11.91
Motor	18.44
Fire	12.13
Liability	6.35
Other	1.11



Life	47.64
A&H	14.55
Motor	27.74
Fire	6.31
Liability	3.43
Other	0.34

Greece



S&P Rating
BB+, STABLE

Moody's rating
BA3, STABLE

Fitch Rating
BB, POSITIVE



Sources:

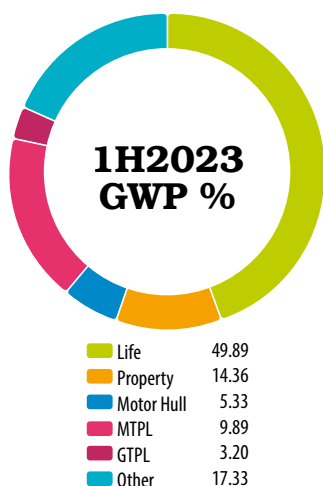
¹ International Monetary Fund, World Economic Outlook Database, April 2022

² Hellenic Association of Insurance Companies

³ XPRIMM calculations

Insurance market posted double digit increase in H1

Mandatory insurance back on table



Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	EUR billion ¹	179.56	183.35	165.41	181.68	208.03
GDP per capita, current prices	EUR ¹	16,717	17,096	15,432	17,013	19,561
Unemployment rate	% of total labor force ¹	19.30	17.33	16.33	14.78	12.20
Population	Millions ¹	10.74	10.73	10.72	10.68	10.64
Gross written premiums	EUR million ²	3,746.18	4,073.00	3,959.12	4,640.40	4,835.90
Insurance penetration degree	% in GDP ³	2.09%	2.22%	2.39%	2.55%	2.32%
Insurance density	EUR/capita ³	348.77	379.77	369.36	434.54	454.72

Half year premiums underwritten by Greek insurers members of Hellenic Association of Insurance Companies (HAIC) totaled EUR 2.65 billion, up by 14% y-o-y according to end-June 2023 figures.

The life insurance business line was up by 16.4% to EUR 1.32 billion – due to the over 28% growth rate reported by the life unit-linked products (EUR 536.70 million). The GWP generated by the traditional life policies increased by 8.40% y-o-y to EUR 591 million.

At the same time, the non-life insurance segment increased by 11.6% y-o-y to EUR 1.32 billion (or 50.1% of total market), of which EUR 380.5 million – Motor TPL, EUR 262.3 million (+11% y-o-y)– property lines, EUR 141.4 million – MoD.

Local media informed that the latest natural disaster during this summer, on the agenda of the public debate is the introduction of compulsory property insurance. "The issue was brought to the table by the prime minister's economic adviser Alexis Patelis, as the need for universal insurance is also dictated by the low percentage of insured homes, which according to insurance market estimates is between 16% and 20%. The low insurance rate, which is even lower in provincial areas, has left the vast majority of properties in the country exposed to damage from natural phenomena, despite the high proportion of owner-occupied properties and the fact that the cost of insurance is low.", ekathimerini.com wrote. (A.V.)

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2023 EUR m	1H2022 EUR m	Change %	1H2023 %	1H2022 %
TOTAL MARKET	2,650.64	2,326.20	14.00	100.00	100.00
TOTAL LIFE	1,322.36	1,136.00	16.40	49.89	48.84
Life insurance	591.00	545.20	8.40	22.30	23.44
Life insurance linked to investment funds	536.70	418.60	28.20	20.25	18.00
Other	194.66	172.20	13.04	7.34	7.40
TOTAL NON-LIFE	1,328.28	1,190.20	11.60	50.11	51.16
Accident	22.64	25.10	-9.80	0.85	1.08
Sickness	237.79	182.90	30.00	8.97	7.86
Overall motor insurance	521.90	494.40	5.56	19.69	21.25
MTPL	380.53	373.10	2.00	14.36	16.04
Motor hull	141.37	121.30	16.50	5.33	5.21
Overall property insurance	262.25	236.10	11.08	9.89	10.15
Fire and natural forces	174.87	159.60	9.60	6.60	6.86
Other damage to property	87.38	76.50	14.20	3.30	3.29
GTPL	84.87	66.40	27.80	3.20	2.85
Assistance	72.45	67.10	8.00	2.73	2.88
Other	126.39	118.20	6.93	4.77	5.08

*1H2021 figures were determined by using the y-o-y growth rates published by HAIC.

Greek currency: EURO

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Interview

Mehmet Akif EROĞLU

Chairman, IPRSA - Insurance and Private Pension Regulation and Supervision Authority, Türkiye



XPRIMM: 2022 was a difficult year globally: high socio-political volatility, the supply chains crises, high inflation etc. All the factors impacted on insurers' business everywhere. How did Turkish insurers cope with the difficult macroeconomic environment? How do you comment on the 2022 results of the insurance market?

Mehmet Akif EROĞLU: I think 2022 was very difficult for all the insurance market. Maybe for all countries, but for Türkiye's experience it was very much harder.

Let me remind you that we have a large market. There are 74 insurance companies, pension and reinsurance companies operating in the market: 50 companies are operating in the

non-life industry, 20 are life and pension companies and there are also four reinsurance companies. And we also have pension companies and a pension system in Türkiye - auto enrollment and third pillar pension -, and on the pension side, we have 15 million participants. It is really growing.

When we look at the last decade, I can happily and satisfactorily say that as a market, we don't have any growth problems. In the last decade, the annual growth rate was over 20% and over the inflation rate. Our market is gradually growing every year, which is very good, but we still have a penetration rate problem. It's very low, compared to the developing countries or Europe and actually, when we compare our real economic situation, it's not in the place that the insurance market deserves. We estimate that the penetration rate should be of around 3.5%, but right now it's around 2%. As such, while our economy is among the first 20 big economies, our insurance industry is within the first 40 countries, ranking 38.

In the past year and part of this year, the Motor Third-Party Liability (MTPL) insurance sector was significantly more affected compared to previous years. During these two years, we experienced a high inflation rate while the interest rates remained very low, resulting in a negative gap between them. Typically, insurers invest the funds they collect, including the interest earned. This situation had a more pronounced impact on MTPL.

Furthermore, in the last year, due to a combination of factors such as a high inflation rate, increased exchange rates, rising spare parts costs, and minimum wage hikes, there were both external and internal influences affecting the industry. These challenges were unique to the years 2021 and 2022.

Since then, Türkiye's economy has been on a path to recovery, and they have implemented rational policies. The gap between the interest rate and inflation has narrowed, which, in turn, has contributed to more stable exchange rates. This development is positive news for the insurance market.

XPRIMM: While 2023 brought signs of economic recovery, it also brought from its very beginning, a natural catastrophe of particular large dimensions in Türkiye. How do you comment on insurers' activity and results in the first half of 2023?

M.A.E.: In the beginning of 2023, a catastrophic event occurred in Kahramanmaraş, affecting not only this city but also 10 other

cities in the region. This event was a powerful earthquake of significant magnitude. It had a profound impact on our economy, the affected region, and, naturally, on the insurance companies as well. However, we successfully managed the situation, as all sectors and individuals, including the insurance industry, collaborated to aid in the recovery and restoration of the earthquake-affected zone.

As of June, our total premium income had reached an impressive USD 8 billion, and during the same period, the combined assets on the industry's balance sheet nearly touched USD 40 billion. Profitability has been on the mend, with a notable increase in Return on Equity (ROE), particularly.

Despite the significant challenges posed by the earthquake's impact on our economy, we've witnessed a robust start to the third quarter of the year. Total premium production surged by an impressive 131% compared to the same period in the previous year, reaching TRY 211 billion. This substantial growth in real terms exceeded inflation, representing a remarkable achievement over the last decade. Furthermore, compensation payments also experienced a substantial increase, rising by 138% in the same period and reaching TRY 90 billion.

A significant improvement was noted in the Return on Equity (ROE), which soared from 5% to 29% by September. Additionally, the capital adequacy ratio displayed a substantial increase, rising from 108% to 133%.

At SEDDK, ensuring the sustainability of profitability remains our top priority.

XPRIMM: The Kahramanmaraş earthquakes were particularly challenging for Türkiye, as a country, but also for the Turkish insurance industry. Please share the main information on the earthquakes' impact on the insurance industry, as well as the main lessons you have learned from these events of unprecedented severity.

M.A.E.: Earthquakes can have a widespread impact, their impact is not localized as with other natural disasters such as floods or war. The earthquake in Kahramanmaraş affected an extensive area, encompassing 11 cities, which is of considerable size. It presented a significant challenge for us, but both our government and our people have experience in dealing with catastrophic events, although nothing on this scale. Over the past decade, we have faced six earthquakes with high magnitudes, but none of them can be compared to this one. The recent earthquake had 65 times more strength and impacted a broader area.

Nevertheless, our recovery has been commendable. For instance, in terms of the Turkish Catastrophic Insurance Pool (TCIP), as of September 10th, we have disbursed TRY 33 billion in claims and allocated TRY 37 billion for outstanding claims reserves. The insurance penetration rate was quite low in the affected area, but there were 1.5 million TCIP earthquake compulsory policies in place for all 11 cities. After the earthquake, TCIP received approximately 500,000 damage claims. We estimate that the total financial impact on the insurance sector, excluding TCIP, will reach TRY 75 billion when considering new claims yet to be filed. Excluding reinsurance companies, we anticipate that companies will bear a cost of TRY 2.5 to 3 billion. However, a significant portion of this loss will be covered by equalization reserves, and the impact on the capital adequacy of companies within the sector will be limited.

The government allocated significant funds, providing protection and accommodation to aid those affected. As insurers, we must acknowledge the swift and efficient response of both TCIP and our insurance companies, particularly in promptly addressing civil damages. Our loss adjuster resources were stretched thin due to the magnitude of the disaster, so we relied on the damage reports from our Ministry.

Our urban Ministries have reported extensive losses in the region. Unfortunately, this area falls within rural Türkiye, where the insured loan amounts are not as high as those in more developed cities. Consequently, the insurance penetration rate was considerably lower compared to other regions in Türkiye.

It's worth noting that TCIP has demonstrated effectiveness on a national scale within Türkiye.

In the upcoming period, as a regulatory authority, we are planning significant reforms in earthquake coverage and revisions to the Turkish Catastrophe Insurance Pool (TCIP) and voluntary insurance. Additionally, we will intensify our efforts to enhance building inspections and promote professional liability insurance. The preparations that are expected for a possible Marmara earthquake include:

- » Fire regulation tariff measures
- » Stress tests for financial soundness
- » A redesign of TCIP and switching to compulsory disaster insurance
- » Ensuring catastrophic risk models are updated and reflect the current situation
- » Reinsurance Capacity & Financial Structure.

XPRIMM: Motor insurance – especially the MTPL line -, is a challenging business line for the Turkish market since many years. Moreover, in all markets, motor insurance business was mostly impacted by inflation and currency devaluation. How did Turkish insurers cope with these trends? Also, what measures were taken to preserve the market's stability?

M.A.E.: Motor Third-Party Liability (MTPL) insurance is an ever-present and persistent concern for our market, making it a chronic issue that requires continuous attention.

About five or six years ago, as a regulatory body, we imposed a cap on Motor Third-Party Liability (MTPL) insurance. This cap has led to a situation where, compared to the actual damages, the premiums are insufficient. Consequently, this line of business has been generating losses, and insurance companies are not particularly enthusiastic about underwriting these policies. However, it's essential to emphasize that MTPL coverage is mandatory for both companies and drivers, which creates a significant challenge for both parties. As a result, managing this situation is indeed quite challenging for us.

On a positive note, over the last two decades, our government has made substantial investments in highways, leading to a 30% decrease in traffic accident frequency compared to a decade or six years ago. This is a noteworthy achievement. Furthermore, our legal professionals are well-versed in MTPL policies and accidents. Hence, whenever an accident occurs, it's a common practice for the involved parties to turn to the court to pursue their claims against the insurance company.

Indeed, a decade ago, the situation was different, but the current landscape has brought greater awareness of the actual costs involved. Nowadays, when an accident occurs, the insurance

company promptly takes notice, and legal professionals representing the affected individuals swiftly come into action. This results in a streamlined process with fewer gray areas.

For instance, within a span of three years, we can disburse approximately 60% of the total compensation, which is a commendable practice. However, it's important to acknowledge that there are associated costs. Consequently, both insurance companies and the market are inclined to seek higher premiums to offset these expenses.

We have unveiled our business plan to address the enduring issues in Motor Third-Party Liability (MTPL) insurance. Our plan includes measures such as staged revisions, raising the maximum premium ceiling, altering premium refunds, restricting increases in installment sales, and promoting the use of equivalent parts. With the comprehensive roadmap we've devised for MTPL, our goal is to effectively resolve these longstanding and chronic problems.

XPRIMM: As far as we know, there is a multi-annual SEDDK program in place to improve the MTPL market's results. Please tell our readers what was done already and what are the next steps?

M.A.E.: In November 2022, we introduced our business plan for Motor Third-Party Liability (MTPL). The MTPL costs are substantial, and the main contributor is often poor driving behavior. Our infrastructure is of high quality, meeting European standards. However, when we analyze the causes of accidents, we find that approximately 90% of accidents are attributable to bad drivers or reckless driving practices. This group constitutes around 6,000 bad drivers or policyholders.

Our aim is to instill discipline in this group of high-risk drivers. We intend to first address and rehabilitate these risky drivers before transitioning to a more open tariff system. To achieve this, we have established a separate category, called the "risky drivers pillar," which identifies these high-risk drivers. We are currently in the process of amending the highway law to introduce psychological assessments, temporary license suspension, and educational programs as part of the measures for this risky driver's pillar.

Additionally, we have set a significantly higher premium level for this pillar, distinguishing it from other drivers. We have communicated to the public that these are not ordinary, responsible drivers but rather represent a category we refer to as "traffic monsters" due to the disruptive impact of bad driving behavior on the market.

We've identified a solution to address the root causes of these extensive damages. In comparison to Europe, our accident frequency has doubled over the past six years, and this has led to a higher number of fatalities. For instance, when compared to Europe, our region experiences around 50% more fatalities. Therefore, I believe that imposing economic penalties and consequences is of paramount importance.

XPRIMM: What are SEDDK's priorities for the next period, besides the MTPL program? Are there any eventual changes in the market structure to be expected (new players, exits, M&As etc.)?

M.A.E.: Numerous investors are expressing strong interest in establishing new companies within our industry, and I believe this attraction is driven by three key factors.

Firstly, our economy exhibits remarkable strength within the region, and it dominates with significant economic dynamics. For instance, our economic growth consistently surpasses the world average, with the Turkish economy expanding by 3.9% in the third quarter of 2022. This sustained growth over the last 13 quarters results in increased production, job opportunities, and investments. Naturally, this economic vigor also has a positive impact on the insurance sector because insurance tends to grow in tandem with a flourishing economy.

Secondly, we have a notably low insurance penetration rate, leaving substantial room for market expansion.

The third factor is our youthful population, which outnumbers that of Europe. This demographic advantage translates to a strong and growing demand for various services, including insurance.

For these three compelling reasons, investors continue to express a keen interest in our market, with numerous companies seeking to obtain insurance licenses.

XPRIMM: Speaking about the future – are there any business lines that Turkish insurers are considering growth opportunities for the near future?

M.A.E.: As the regulatory and supervisory authority for insurance and pensions, we are actively working to find constructive solutions to longstanding issues, such as Motor Third-Party Liability (MTPL) and health insurance. Additionally, we are dedicated to enhancing the penetration rate in other lines of business, including financial insurance and coverage for cyber risks.

One of our primary focuses is on digitalization, given the youthful demographic of our population. The younger generation is highly tech-savvy, with a strong affinity for smartphones, the internet, and digital technology. Our market has traditionally been more conventional, with private agents accounting for 65% of total production and a primary focus on MTPL.

In light of this, our agenda for the digitalization process is aimed at capturing the potential of this young generation. We are actively exploring new digitalization initiatives, innovative business models, and novel insurance products to better cater to their preferences and needs.

Furthermore, our small and medium-sized enterprises (SMEs) represent a significant untapped market, as half of our SMEs do not have fire insurance coverage. Post-earthquakes in Kahramanmaraş, we realized the low penetration rate and its adverse impact. In response, we are actively working on designing and redefining our distribution channels, with a specific focus on the individual segment. Our goal is to engage individual private agents more proactively, akin to commercial sites. They should act as brokers to provide vital information, as many SMEs aren't fully aware of their risks.





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Türkiye



S&P Rating

B+ , STABLE

Moody's rating

B2, NEGATIVE

Fitch Rating

B, STABLE

Sources:

¹ 1 International Monetary Fund, World Economic Outlook Database, April 2023

² Central Bank of the Republic of Türkiye

³ Insurance Association of Türkiye

⁴ XPRIMM calculations

Life insurers gross underwriting profit increased to EUR 25.87 million

The underwriting result in non-life increased by 12.7% y-o-y to EUR 29.5 million

Non-life gross combined ratio improved to 77.4%

Average premium for motor policies was EUR 313.5, while the claim frequency was 13.4%

the "right to be forgotten" for the people with a history of cancer entered into force.

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	TRY billion ¹	3,758.77	4,311.73	5,048.22	7,248.79	15,006.57
	EUR billion ⁴	620.98	646.04	552.75	479.61	751.43
GDP per capita, current prices	TRY ¹	45,836	51,852	60,375	85,602	175,968
	EUR ⁴	7,573	7,769	6,611	5,664	8,811
Unemployment rate	% of total labor force ¹	10.91	13.73	13.15	11.96	10.47
Population	Millions ¹	82.00	83.16	83.61	84.68	85.28
TRY/EUR exchange rate	End of period ²	6.0530	6.6741	9.1329	15.1139	19.9708
Gross written premiums	TRY million ³	54,656.03	69,242.17	82,575.66	104,901.51	234,998.63
	EUR million ⁴	9,029.58	10,374.76	9,041.56	6,940.73	11,767.11
Paid claims	TRY million ³	26,821.91	32,387.66	33,024.41	47,231.47	87,578.22
	EUR million ⁴	4,431.18	4,852.74	3,615.98	3,125.04	4,385.31
Insurance penetration degree	% in GDP ⁴	1.45%	1.61%	1.64%	1.45%	1.57%
Insurance density	EUR/capita ⁴	110.11	124.76	108.13	81.96	137.98

The GWP of Turkish-based insurers increased by more than two times (+131.3%) on the year in the first six months of 2023, reaching TRY 210.53 billion (EUR 7.45 billion) vs. TRY 90.98 billion (EUR 5.23 billion), data of the Insurance Association of Türkiye show. In European currency, due to the dramatic depreciation of TRY by over 62% y-o-y, from 17.4014 TRY for 1 EUR (June 30th, 2022) to 28.2048 TRY for 1 EUR (June 30th, 2023) the GWP y-o-y growth rate was 42.7% y-o-y.

Non-life premiums increased by 139% on the year to TRY 185.89 billion (88.3% of

total GWP), while Life premiums increased by 85.8% y-o-y to TRY 24.6 billion.

The unprecedented high inflation remained one of the main challenges for Turkish insurers. Although in the first half of 2023 the inflation rates lowered as compared to the over 80% rates seen in the end of 2022, they still took record values between 57.7% in January to 38.2% in June. However, the Turkish central bank predicts inflation will soar close to 60% by year-end, meaning that the challenging economic conditions will continue.

The difficulties raised by the economic environment were increased by the

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	7,464.33	5,228.48	42.76	3,188.27	2,174.90	46.59	100.00	100.00
Life insurance	873.60	761.36	14.74	172.71	181.53	-4.86	11.70	14.56
Non-life insurance	6,590.73	4,467.12	47.54	3,015.56	1,993.38	51.28	88.30	85.44
Accidents	169.18	103.25	63.86	9.87	9.03	9.36	2.27	1.97
Sickness and health	1,115.95	695.57	60.44	498.05	374.25	33.08	14.95	13.30
Overall motor insurances	3,079.53	1,987.42	54.95	1,256.61	1,190.71	5.53	41.26	38.01
Motor hull	1,265.98	846.31	49.59	455.81	460.74	-1.07	16.96	16.19
Motor vehicle liability	1,813.54	1,141.11	58.93	800.80	729.97	9.70	24.30	21.82
Casco insurance of aircraft	15.80	15.01	5.29	3.40	2.54	34.05	0.21	0.29
Casco insurance of ships	62.13	62.39	-0.41	21.49	25.56	-15.91	0.83	1.19
Goods on transit	103.88	101.86	1.98	29.33	25.50	15.01	1.39	1.95
Overall property insurance	1,653.18	1,244.64	32.82	1,137.69	306.94	270.66	22.15	23.80
Fire and allied perils	914.16	630.68	44.95	994.66	199.18	399.38	12.25	12.06
Other damages to property	739.02	613.96	20.37	143.03	107.76	32.73	9.90	11.74
Aircraft liability	10.60	10.26	3.30	4.74	1.39	240.79	0.14	0.20
Liability for ships	9.78	7.09	37.92	2.20	1.97	11.81	0.13	0.14
General liability	173.04	149.36	15.86	25.74	32.41	-20.58	2.32	2.86
Credit	25.79	28.89	-10.72	1.32	2.85	-53.79	0.35	0.55
Suretyship	11.63	6.11	90.31	2.54	8.86	-71.33	0.16	0.12
Financial losses	108.04	36.24	198.10	22.51	11.27	99.77	1.45	0.69
Legal Expenses	35.89	13.27	170.48	0.05	0.08	-36.03	0.48	0.25
Assistance	16.29	5.78	182.01	-	-	-	0.22	0.11

1 EUR = 17.4014 Turkish lira - TRY (June 30th, 2022)

1 EUR = 28.2048 Turkish lira - TRY (June 30th, 2023)



Mehmet Akif
EROĞLU
Chairman of SEDDK

extreme series of earthquakes that hit Türkiye on 6 February causing a catastrophe of epic dimensions. The quake affected an area about the size of Germany and about 16% of the country's population, with a confirmed death toll of 59,259 victims. Following the earthquakes, the Turkish Catastrophe Insurance Pool - TCIP handled over 500.000 claim files. In the housing sector, paid claims so far reached about EUR 1.15 billion and may further increase to about EUR 2.3 billion. However, while the total economic loss is officially reported as USD 103.6 billion, several reputed international modelling entities estimated the total insured losses may reach about EUR 5 billion.

Motor insurance, particularly the MTPL line, remains an ongoing source of concern in the Turkish insurance market. *Motor insurance accounts for over 40% of the insurance premiums written in the Turkish market; while out of this total more than half belongs to the mandatory MTPL branch*, Mehmet Akif EROĞLU, Chairman SEDDK - Insurance and Pension Regulation and Supervision Authority told XPRIMM. He explained that loss ratio on the MTPL line is very bad and that means the line is practically supported by the other business lines, some of the main reasons behind this situation being the cap on tariffs, the costs of mediation, but also the high frequency of road accidents. *The plan created by the market authority concerns reducing road accidents frequency, removing in a middle-term perspective the tariff cap, improving regulation etc. Linking the MTPL policies not only to the vehicles, but also to drivers is meant to encourage responsible behavior on roads and thus, reducing claims frequency*, EROĞLU said.

During the first six months of the year, there were active 68 insurers according to the statistics presented by the Insurance Association of Türkiye. The largest insurers in the country in terms of GWP were Türkiye Sigorta (11.6% market share), followed by Allianz Sigorta (9.8%) and Anadolu Anonim Turk Sigorta Sirketi (8.7%). (D.G.)

Türkiye

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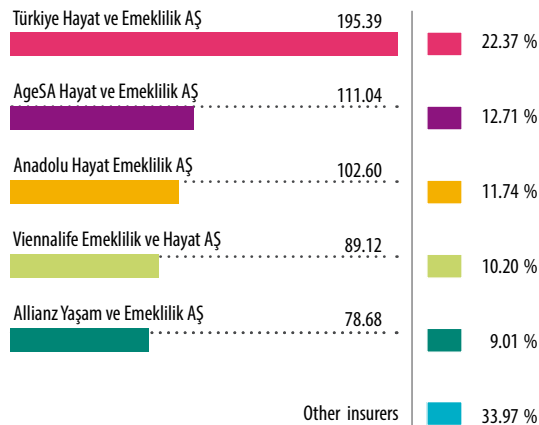
Full market rankings per company & per class

MSEcel format * in EUR and local currency

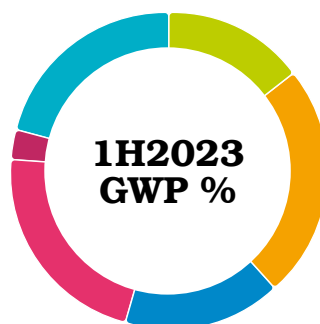
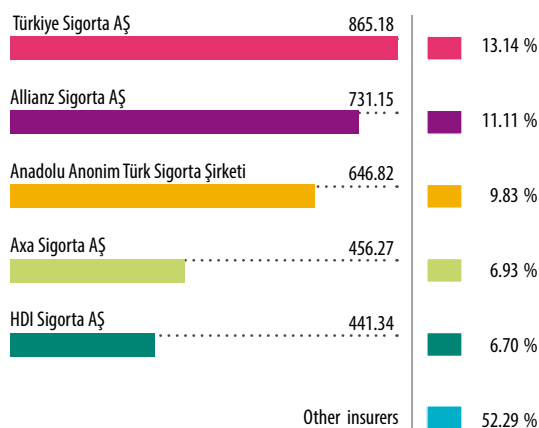
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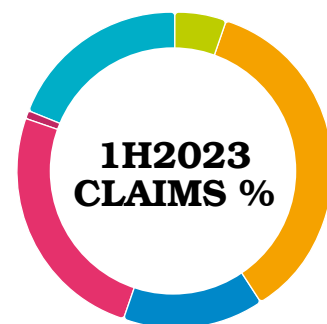
TOP 5 Life insurance (GWP, EUR million)



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



Life	11.70
Property	22.15
Motor Hull	16.96
MTPL	24.30
GTPL	2.32
Other	22.57



Life	5.42
Property	35.68
Motor Hull	14.30
MTPL	25.12
GTPL	0.81
Other	18.68

Armenia



S&P Rating

B+, POSITIVE

Moody's rating

BA3, NEGATIVE

Fitch Rating

B+, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Central Bank of Armenia

³ ArmInfo News Agency

⁴ XPRIMM calculations

MTPL loss ratio in Armenia stabilized at 64%, much improved in comparison to previous years, an improvement attributed to the MTPL tariffs liberalization, in April 2023

GWP went by 22% y-o-y, while paid claims grew at a higher pace, leading to a decrease in the overall market profitability

Total balance sheet profit (pre-tax) increased by 39.2% y-o-y, exceeding AMD 3.4 billion, while net profit amounted to AMD 2.9 billion (+38.9%)

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	AMD billion ¹	6,017.04	6,543.32	6,181.90	6,982.96	8,496.78
	EUR billion ⁴	10.87	12.18	9.64	12.87	20.23
GDP per capita, current prices	AMD ¹	2,026,600	2,208,539	2,087,359	2,357,370	2,868,188
	EUR ⁴	3,660	4,111	3,256	4,345	6,828
Unemployment rate	% of total labor force ¹	19.00	18.30	18.20	15.30	12.50
Population	Millions ¹	2.97	2.96	2.96	2.96	2.96
AMD/EUR exchange rate	End of period ²	553.65	537.26	641.11	542.61	420.06
Gross written premiums	AMD million ³	41,016.80	49,133.80	44,548.23	49,383.75	61,083.74
	EUR million ⁴	74.08	91.45	69.49	91.01	145.42
Paid claims	AMD million ³	22,802.42	25,006.06	23,192.41	28,508.65	29,429.90
	EUR million ⁴	41.19	46.54	36.18	52.54	70.06
Insurance penetration degree	% in GDP ⁴	0.68%	0.75%	0.72%	0.71%	0.72%
Insurance density	EUR/capita ⁴	24.95	30.86	23.46	30.73	49.09

The insurance sector ended the first half of 2023 with an increase of 22%, reaching AMD 41.28 billion (EUR 98.55 million). At the same time, the growth of paid claims led to a noticeable decrease in the growth rate of profits of insurance companies in Armenia. Nevertheless, the current semi-annual GWP volume is a record.

According to the 1H results, the MTPL loss ratio in Armenia stabilized at 64%, having slightly decreased from 65% in the same period of 2022, while much lower than 81% in 2021, and 73% in 2019. Market experts attribute this loss ratio decrease to the transition from April 2023 to MTPL price liberalization, which slowed down the growth in the number of concluded contracts - from 19.7% to 16.3%, and GWP growth - from 21.4% to 6.5%, while paid

claims returned to growth of 9.8%.

The activity of e-MTPL sales has noticeably decreased - growth in 1H2023 decreased from 53.5% to 10.4%. The share of such policies in the total number of MTPL contracts dropped over the year from 26% to 24%.

In 1H2023, the Armenian insurance sector increased tax payments to the state treasury by 10%, providing total of AMD 1.010 billion (~EUR 2.40 million), of which AMD 855.1 million were direct taxes, with an annual growth of 9.2%. According to the State Revenue Committee, the list of 1000 largest taxpayers in Armenia in the reporting period included three insurance companies out of six operating in the market: Liga Insurance, Nairi Insurance, and INGO Armenia, same as a year earlier.

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	98.55	79.87	23.39	37.27	31.13	19.72	100.00	100.00
Accidents	2.89	2.59	11.68	0.21	0.40	-47.40	2.93	3.24
Health	33.62	28.97	16.08	14.82	11.57	28.05	34.12	36.27
Overall property insurance	16.46	10.08	63.23	0.92	0.59	54.80	16.70	12.62
Fire and allied perils	14.87	9.13	62.86	0.57	0.45	27.35	15.09	11.43
Other damages to property	1.58	0.95	66.82	0.35	0.15	139.60	1.61	1.19
Overall motor insurance	36.00	32.50	10.77	19.79	18.25	8.43	36.52	40.69
Motor Hull	4.91	3.54	38.52	1.34	1.20	11.63	4.98	4.43
MTPL	31.09	28.95	7.38	18.44	17.05	8.20	31.55	36.25
CARGO	2.36	1.29	82.47	0.37	0.14	169.72	2.39	1.62
GTPL	1.33	1.44	-7.63	0.04	0.04	-0.41	1.35	1.80
Travel	1.47	1.03	42.63	0.19	0.13	48.67	1.49	1.29
Other	4.43	1.98	124.08	0.93	0.01	13,479.47	4.50	2.48

¹ EUR = 418.95 Dram - AMD (June 30th, 2023)

¹ EUR = 423.54 Dram - AMD (June 30th, 2022)

Liga Insurance (formerly Rosgosstrakh Armenia) became the leader among insurance companies in terms of tax payments, having taken the 369th place (vs 596th a year earlier) and paid AMD 442.6 million to the state budget. It is followed by Nairi Insurance, which ranked 527th and paid AMD 323.6 million to the state budget, and INGO Armenia, which ranked 716th and paid AMD 243.8 million.

According to the Financial Rating of Insurance Companies of Armenia as of June 30, 2023, prepared by ArmlInfo, the insurance sector of Armenia ended the first half of this year with a net profit, and all insurers managed to increase it during the reporting period. Total balance sheet profit (pre-tax) increased by 39.2% y-o-y, exceeding AMD 3.4 billion, while net profit amounted to AMD 2.9 billion (+38.9%). The leader in terms of net profit is Nairi Insurance, followed by INGO Armenia and Armenia Insurance.

At its plenary session on June 13, the National Assembly of the Republic of Armenia started discussions on the draft agreement on the establishment of the Eurasian Reinsurance Company (ERC) presented by the Armenian government.

The agreement was signed on October 20, 2020, in Yerevan. ERC is being created as an international financial organization with appropriate regulations by five countries - Armenia, Russia, Belarus, Kazakhstan, and Kyrgyzstan. The goal of the company is to provide insurance support in mutual trade, stimulate development of investment cooperation, provide export loans, and interact with credit agencies and insurance companies, as the Minister of Economy Vahan Kerobyan explained.

The Minister stressed that the head office of ERC will be in Yerevan, which will be a very serious achievement for the country. According to the minister, after February 24, 2022, a number of international reinsurance companies refused to provide insurance coverage to cargoes heading from Armenia to Russia, which led to difficulties for Armenian exporters. ERC will help to create an additional tool for reinsurance of the risks of the export insurance agency of Armenia. (M.M.)

Armenia

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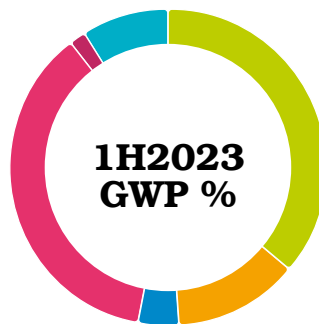
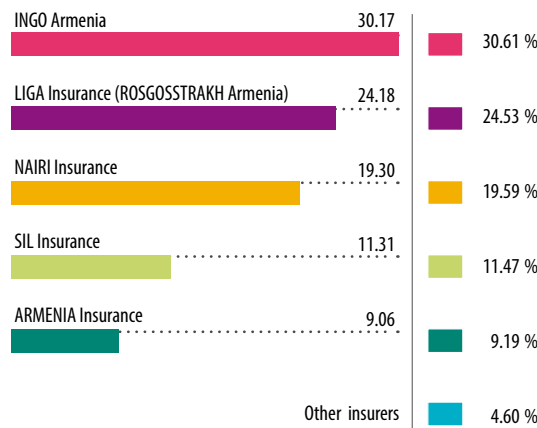
Full market ranking

MSExcel format * in EUR and local currency

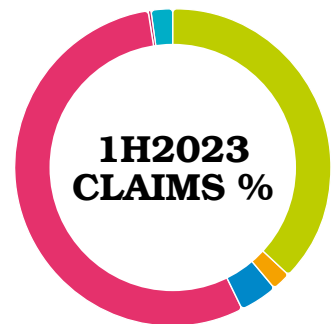
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Top 5 Total market (GWP, EUR m)



Health	34.12
Property	16.70
Motor Hull	4.98
MTPL	31.55
GTPL	1.35
Other	11.31



Health	39.77
Property	2.47
Motor Hull	3.61
MTPL	49.49
GTPL	0.10
Other	4.56

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Azerbaijan



S&P Rating

BB+, STABLE

Moody's rating

BA2, POSITIVE

Fitch Rating

BB+, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Central Bank of Azerbaijan Republic

³ Financial Markets Supervision Authority of the Republic of Azerbaijan (FIMSA)

⁴ XPRIMM calculations

🌸 GWP grew by 32% y-o-y in the first half of 2023, to EUR 350.38 million, while paid claims increased by almost 29%, to EUR 121.50 million

🌸 the number of insurance contracts issued within the Green Card system in Azerbaijan increased 2.4 times; about 9,000 insurance contracts were issued for vehicles registered in Kazakhstan and Georgia

🌸 An area of about 130,000 hectares of insured crop areas were affected by heavy rains, hail, mudflows, and floods that were observed in May and June

Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	AZN billion ¹	80.09	81.90	72.58	92.86	118.84
	EUR billion ⁴	41.14	43.02	34.74	48.20	65.61
GDP per capita, current prices	AZN ¹	8,092	8,205	7,209	9,176	11,605
	EUR ⁴	4,156	4,310	3,451	4,763	6,407
Unemployment rate	% of total labor force ¹	4.94	4.85	7.16	5.95	5.89
Population	Millions ¹	9.90	9.98	10.07	10.12	10.24
AZN/EUR exchange rate	End of period ²	1.9468	1.9035	2.0890	1.9265	1.8114
Gross written premiums	AZN million ³	727.95	681.18	728.63	843.90	970.82
	EUR million ⁴	373.92	357.85	348.80	438.05	535.95
Paid claims	AZN million ³	240.33	301.54	465.15	458.73	433.20
	EUR million ⁴	123.45	158.41	222.67	238.11	239.15
Insurance penetration degree	% in GDP ⁴	0.91%	0.83%	1.00%	0.91%	0.82%
Insurance density	EUR/capita ⁴	37.78	35.85	34.65	43.29	52.33

Azerbaijan's insurance market ended 1H2023 with an increase of 32%, reaching AZN 648.95 million (EUR 350.38 million). At the same time, the growth of paid claims was less significant (+28.65%), their total volume reaching AZN 225.03 million (EUR 121.50 million), according to the data published by the National Bank.

In the first half of the year, 29,516 insurance contracts were issued within the Green Card system in Azerbaijan, which is 2.4 times more y-o-y. During the reporting period, GWP collected within this system increased 5.8 times compared to the same period last year and reached AZN 7.33 million (~EUR 3.94 million).

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	350.38	276.63	26.66	121.50	98.43	23.44	100.00	100.00
TOTAL LIFE INSURANCE	179.94	138.37	30.04	69.41	47.70	45.51	51.36	50.02
Voluntary life insurance	155.92	115.67	34.80	68.72	46.71	47.14	44.50	41.81
Compulsory life insurance*	24.02	22.70	5.79	0.69	0.99	-30.97	6.85	8.21
TOTAL NON-LIFE INSURANCE	170.44	138.26	23.27	52.09	50.73	2.68	48.64	49.98
Accident and diseases (V)	1.02	0.69	47.88	0.05	0.08	-42.33	0.29	0.25
Medical insurance (V)	44.06	43.95	0.25	18.98	21.04	-9.81	12.58	15.89
Travel insurance (V)	1.48	1.04	41.38	0.06	0.10	-38.48	0.42	0.38
Fire and other perils insurance (V)	20.84	15.71	32.70	0.92	0.45	102.81	5.95	5.68
Aircraft insurance (V)	1.06	4.00	-73.40	-	-	-	0.30	1.45
Ships insurance (V)	1.87	1.60	16.94	0.06	-	-	0.53	0.58
Cargo insurance (V)	1.70	1.44	17.99	0.04	0.00	1,193.25	0.49	0.52
Aircraft liability insurance (V)	0.04	2.18	-98.29	0.00	-	-	0.01	0.79
Ships liability insurance (V)	0.05	0.05	-5.81	-	-	-	0.01	0.02
GTPL (V)	4.30	4.50	-4.33	0.04	0.01	416.43	1.23	1.63
Professional liability (V)	0.54	0.34	58.23	-	-	-	0.15	0.12
Overall motor insurance	54.28	38.21	42.06	29.93	28.24	5.97	15.49	13.81
Motor Hull (V)	12.08	10.61	13.88	4.82	4.71	2.28	3.45	3.84
Motor Vehicle liability (V)	0.69	0.34	104.45	0.01	0.02	-74.28	0.20	0.12
Liability for owners of motor vehicles (M)	41.51	27.26	52.25	25.10	23.51	6.79	11.85	9.86
Immovable property (M)	30.30	19.88	52.43	1.18	0.30	288.04	8.65	7.18
Other non-life insurance (V)+(M)	8.90	4.67	90.59	0.85	0.50	69.70	2.54	1.69
TOTAL VOLUNTARY INSURANCE	254.12	206.35	23.15	94.39	73.29	28.79	72.53	74.59
TOTAL MANDATORY INSURANCE	96.26	70.29	36.96	27.11	25.14	7.84	27.47	25.41

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

(V) - Voluntary insurance 1 EUR = 1.8521 Manat - AZN (June 30th, 2023)

(M) - Mandatory insurance 1 EUR = 1.7771 Manat - AZN (June 30th, 2022)



Ulviya JABBAROVA
Chairman of the
Association of
Insurers of Azerbaijan

Azerbaijan

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Full market ranking

MSEcel format * in EUR and local currency

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Also, for vehicles registered in Kazakhstan and Georgia, about 9,000 insurance contracts were issued and about AZN 5 million were collected in Azerbaijan. For the first time within the Green Card system, Azerbaijani insurers exported about AZN 5 million of insurance services.

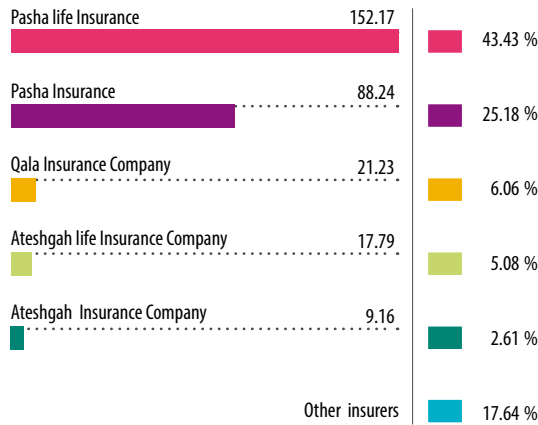
In 2023, about 420,000 hectares of sown areas were insured in Azerbaijan. The number of appeals to the Agricultural Insurance Fund in connection with damage to sown areas, according to Fuad SADYGOV, Chairman of the Board of the Fund, has reached 7,000 to date. Soon, compensation payments will begin to be paid for farms and crop areas affected by heavy rains, hail, mudflows, and floods that were observed in May and June. About 1,000 applications were received from insured farmers because of floods and rains alone.

The crop areas of some of our farmers have been damaged several times during the season in various forms - hail in the field, strong hurricane winds and so on, he said. A total of 125,000–130,000 hectares of insured crop areas were affected to varying degrees. The production volumes of these territories, insured by us, amount to about AZN 135 million (~EUR 72.58 million), SADYGOV explained.

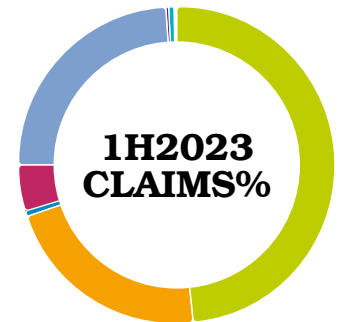
The Central Bank of Azerbaijan (CBA) predicts that by the end of 2023, the insurance market will amount to AZN 1.2-1.3 billion (~EUR 0.68 billion), as was stated by CBA Director General Ziya ALIYEV at the scientific and practical conference Successful Ways to Resolve Insurance Disputes. *In 2019, AZN 650 million of premiums were collected in Azerbaijan. In 2023, this figure will be AZN 1.2–1.3 billion, which will mean an almost two-fold growth in the insurance market in four years, the CBA Director General explained.*

At the same time, capitalization of the insurance market is still very small and thus is a factor limiting the ability of insurance companies to take risks, as Zahid ORUJ, head of the Center for Social Research, said at the conference.

Top 5 Total market (GWP, EUR m)



Life	51.36
Medical (V)	12.58
Fire & other perils (V)	5.95
GTPL (V)	1.23
Motor Hull (V)	3.45
MTPL (M)	11.85
Immovable property (M)	8.65
Other	4.95



Life	57.12
Medical (V)	15.62
Fire & other perils (V)	0.76
GTPL (V)	0.03
Motor Hull (V)	3.97
MTPL (M)	20.66
Immovable property (M)	0.97
Other	0.87

In March 2023 a new chairman has been elected to the Supervisory Board of the Azerbaijan Insurers Association (ASA). Ulviya JABBAROVA, chairman of the board of directors of PASHA Sigorta (Insurance), the market leader, replaced the former chairman of Ateshgah Sigorta, Azer ALIYEV, who was appointed HR Advisor to the Chairman of the Agency for Sustainable and Operative Social Security (DOST) of the Ministry of Labor and Social Protection of the Population.

On 25 July 2023, to provide professional insurance services to the population

living in Nakhchivan, the official offices of the country's leading life and non-life insurance companies, PASHA Life Insurance and PASHA Insurance, were opened. *Providing quality insurance services to the population in all economic regions of Azerbaijan is one of our main goals. I believe that the opening of our new representative offices will play an important role in the regional growth of the insurance industry in addition to the implementation of our development strategy, Ulviya JABBAROVA said at the event. (M.M.)*

Belarus



S&P Rating

CC, negative watch

Moody's rating

CA, NEGATIVE

Fitch Rating

RD, N/A

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of the Republic of Belarus

³ Ministry of Finance of the Republic of Belarus

⁴ XPRIMM calculations

🌿 The membership of Belarus in the Green Card international insurance system was suspended on June 30, 2023

🌿 A new law on insurance activities is under preparation. The law should ensure equal conditions for insurance organizations of various forms of ownership, differentiation of the minimum size of the charter capital depending on the lines of business of insurers

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	BYN billion ¹	122.32	134.73	149.72	173.15	193.50
	EUR billion ⁴	49.45	57.27	47.26	60.07	66.37
GDP per capita, current prices	BYN ¹	12,947	14,289	15,911	18,519	20,799
	EUR ⁴	5,234	6,074	5,022	6,424	7,134
Unemployment rate	% of total labor force ¹	4.83	4.19	4.08	3.93	4.50
Population	Millions ¹	9.45	9.43	9.41	9.35	9.30
BYN/EUR exchange rate	End of period ²	2.4734	2.3524	3.1680	2.8826	2.9156
Gross written premiums	BYN million ³	1,226.04	1,403.42	1,510.20	1,726.57	1,840.12
	EUR million ⁴	495.69	596.59	476.70	598.96	631.13
Paid claims	BYN million ³	624.75	710.60	814.71	1,065.09	1,235.12
	EUR million ⁴	252.59	302.07	257.17	369.49	423.63
Insurance penetration degree	% in GDP ⁴	1.00%	1.04%	1.01%	1.00%	0.95%
Insurance density	EUR/capita ⁴	52.47	63.27	50.66	64.06	67.84

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	331.66	343.01	-3.31	195.28	228.60	-14.57	100.00	100.00
TOTAL LIFE (V)	34.52	45.22	-23.67	31.59	42.29	-25.31	10.41	13.18
Life insurance	19.60	30.05	-34.76	22.29	35.31	-36.87	5.91	8.76
Supplementary pension ins.	14.91	15.17	-1.72	9.30	6.98	33.18	4.50	4.42
TOTAL NON-LIFE (V)+(M)	297.15	297.79	-0.22	163.70	186.31	-12.14	89.59	86.82
VOLUNTARY INS. (V), OF WHICH:	190.39	180.58	5.43	101.38	114.84	-11.72	57.40	52.65
Medical expenses insurance	42.97	44.18	-2.74	27.55	33.34	-17.38	12.96	12.88
Accidents	14.47	17.23	-16.02	4.73	8.75	-45.94	4.36	5.02
Property of legal entities	51.69	51.66	0.06	31.37	38.55	-18.62	15.59	15.06
Property of individuals	29.09	33.01	-11.89	14.99	20.40	-26.51	8.77	9.62
Cargo	3.38	2.03	66.42	0.23	0.16	39.91	1.02	0.59
Business risks	21.04	8.97	134.60	16.15	8.53	89.47	6.34	2.61
Construction risks	9.28	3.26	184.27	0.30	0.68	-56.03	2.80	0.95
Liability insurance	11.03	12.11	-8.87	2.77	2.45	12.97	3.33	3.53
Blanket insurance	7.43	8.13	-8.53	3.30	1.98	66.80	2.24	2.37
MANDATORY INS. (M), OF WHICH:	106.76	117.21	-8.91	62.31	71.47	-12.81	32.19	34.17
Real estate property of individuals	5.74	5.78	-0.54	1.37	1.81	-24.00	1.73	1.68
Ins. with State support of agricultural crops, livestock and poultry	4.80	4.95	-3.13	5.86	3.25	80.51	1.45	1.44
Medical ins. for foreign citizens	1.27	1.33	-4.83	0.38	0.40	-4.93	0.38	0.39
Accidents at work and occupational diseases	42.02	46.13	-8.92	26.13	30.20	-13.46	12.67	13.45
Compulsory state insurance	0.10	0.31	-66.04	0.16	0.20	-16.89	0.03	0.09
MTPL	50.71	56.47	-10.20	28.18	35.41	-20.40	15.29	16.46
Green Card insurance	0.80	0.82	-1.78	0.21	0.20	2.60	0.24	0.24
Carriers' liability	0.06	0.06	3.38	0.00	0.00	115.03	0.02	0.02
Commercial organizations engaged in real estate activities	0.04	0.05	-15.93	0.01	0.01	-0.81	0.01	0.01
Temporary managers in case of economic insolvency (bankruptcy)	1.18	1.26	-6.86	0.00	0.00	-74.94	0.35	0.37
Civil liability of legal persons and individual employers for damages caused by activities related to the operation of certain facilities	0.04	0.05	-22.43	0.00	0.00	-79.19	0.01	0.01
Civil liability of the carrier for the carriage of dangerous goods	0.05	0.04	15.43	0.00	0.00	202.29	0.01	0.01

1 EUR = 3.3098 Ruble - BYN (June 30th, 2023)

1 EUR = 2.6630 Ruble - BYN (June 30th, 2022)

In January-June 2023, total GWP of the insurance sector of the republic amounted to BYN 1,097.74 million (EUR 331.66 million), which indicates an increase of 20.18% y-o-y in local currency, according to data published by the Ministry of Finance of Belarus. While in euros the market result was negative (-3.31%).

Since June 1, Belarus relations in the Green Card insurance system were ceased with about 30 countries, then 13 more countries were added to this list. The membership of Belarus and Russia in the Green Card international insurance system were suspended on June 30, 2023. Green Card policies issued by Belarusian insurance organizations are not valid in countries such as Albania, Andorra, Azerbaijan, Bosnia and Herzegovina, Iran, Moldova, Montenegro, Morocco, Macedonia, Serbia, Russia, Tunisia, and Türkiye. Earlier, Belarus relations in the Green Card system were ceased with more than 30 countries, including Austria, Belgium, Bulgaria, Hungary, Germany, Greece, Denmark, Ireland, Iceland, Spain, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, United Kingdom of Great Britain and Northern Ireland, Finland, France, Croatia, Czechia, Switzerland, Sweden, Estonia. From June 1, owners of Belarusian vehicles entering these countries must buy policies on their territory.

Belarus plans to change the regulation in the field of insurance (currently, insurance activities are regulated by decrees of the President of the Republic of Belarus), which is designed to ensure consistency, complexity, and stability of insurance activities.

Speaking about the prospects of the country's insurance market in the light of the upcoming draft law "On Insurance Activities", Lyudmila NIZHEVICH, Chairman of the Standing Committee on Budget and Finance of the House of Representatives, noted that the law would be a fundamental legislative act regulating only issues directly related to the procedure of carrying

Belarus

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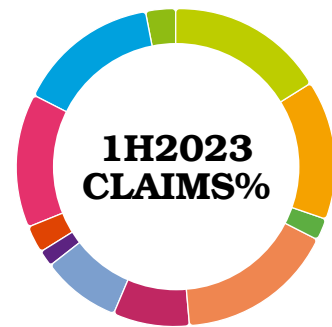
Full market rankings per company & per class

MSExcel format * in EUR and local currency

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■ Total life	10.41
■ Medical expenses	12.96
■ Accidents	4.36
■ Property of legal entities	15.59
■ Property of individuals	8.77
■ Business risks	6.34
■ Liability insurance	3.33
■ Mandatory agricultural ins.	1.45
■ Occupational diseases	12.67
■ MTPL	15.29
■ Other	8.84



■ Total life	16.18
■ Medical expenses	14.11
■ Accidents	2.42
■ Property of legal entities	16.06
■ Property of individuals	7.68
■ Business risks	8.27
■ Liability insurance	1.42
■ Mandatory agricultural ins.	3.00
■ Occupational diseases	13.38
■ MTPL	14.43
■ Other	3.05

out insurance activities. *Regulation of relations on compulsory insurance will remain with the President of the Republic of Belarus*, the deputy emphasized.

First, the law will ensure equal conditions for insurance organizations of various forms of ownership, differentiation of the minimum size of the charter capital depending on the lines of business of insurers. *A new form of insurance is being*

introduced - imputed insurance, a distinctive feature of which is legal requirement for insurance contracts as a prerequisite for implementation of a particular activity or receipt of certain benefits. At the same time, the conditions of insurance and insurance rates are determined by an insurer, in other words, there is an opportunity to choose the most acceptable and profitable, explained Lyudmila NIZHEVICH. (M.M.)

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Georgia



S&P Rating

BB, STABLE

Moody's rating

BA2, NEGATIVE

Fitch Rating

BB, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The National Bank of Georgia

³ State Insurance Supervision Service of Georgia

⁴ XPRIMM calculations

The introduction of the mandatory MTPL insurance is in preparation, the system being expected to become operational in 2024. According to the head of the State Insurance Supervision Service, after that the insurance market will grow by 30%.

Property insurance take-up in the country is very low, mostly commercial properties being insured, which leaves Georgia with a huge insurance gap

There are about 700,000 corporate health insurance policies in the country and up to 50,000 private ones in total

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	GEL billion ¹	44.60	49.25	49.27	60.00	71.75
	EUR billion ⁴	14.53	15.35	12.25	17.12	24.88
GDP per capita, current prices	GEL ¹	11,958	13,228	13,255	16,093	19,453
	EUR ⁴	3,895	4,121	3,295	4,593	6,744
Unemployment rate	% of total labor force ¹	19.20	17.60	18.50	20.60	18.69
Population	Millions ¹	3.73	3.72	3.72	3.73	3.69
GEL/EUR exchange rate	End of period ²	3.0701	3.2095	4.0233	3.5040	2.8844
Gross written premiums	GEL million ³	542.20	625.00	667.28	772.66	909.63
	EUR million ⁴	176.61	194.74	165.85	220.51	315.36
Paid claims	GEL million ³	301.86	532.52	385.48	435.73	495.06
	EUR million ⁴	98.32	165.92	95.81	124.35	171.63
Insurance penetration degree	% in GDP ⁴	1.22%	1.27%	1.35%	1.29%	1.27%
Insurance density	EUR/capita ⁴	47.35	52.29	44.62	59.13	85.49

In 1H2023, the market grew by 17%, reaching GEL 590.99 million (EUR 206.70 million), according to the Georgian Insurance Supervision Service. The largest classes in the market portfolio are health insurance (GEL 279.80 million), Motor Hull (GEL 102.61 million), and property insurance.

In the first six months of 2023, property insurance amounted to GEL 65.86 million. The result did not actually change compared to 2022. Among 18 companies, the leader in property insurance is Aldagi - the company collected GEL 31 million, which is 47% of the segment. It is followed by TBC Insurance (GEL 10.8 million), and Unison (GEL 8 million).

Chairman of the Board of the Insurance Association Devi KHECHINASHVILI noted that users of property insurance services in Georgia are either corporate clients or citizens who are insured by banks as part of their mortgage lending obligations. *Property insurance in Georgia is 3 times less than in Europe and we still do not have this insurance culture. Except for isolated cases, no one insures property voluntarily in Georgia, so it is difficult to imagine what will happen if a strong earthquake occurs in the country, especially in cities, he emphasized.*

As of now, approximately 50,000 private health insurance policies are effective on the Georgian insurance market. At the same time, the demand for private

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	206.70	163.74	26.24	92.36	73.83	25.10	100.00	100.00
TOTAL LIFE	15.39	11.92	29.05	4.65	4.39	5.91	7.44	7.28
TOTAL NON-LIFE	191.32	151.82	26.02	87.71	69.44	26.32	92.56	92.72
Accidents	2.78	2.67	4.31	0.08	0.07	24.85	1.35	1.63
Health	97.86	75.03	30.43	53.26	41.19	29.32	47.35	45.82
Overall motor insurance	48.24	36.34	32.75	25.13	20.84	20.60	23.34	22.19
Motor Hull	35.89	27.45	30.76	20.89	17.72	17.88	17.36	16.76
MTPL	12.35	8.89	38.87	4.24	3.12	36.02	5.97	5.43
Property	23.03	21.02	9.56	4.76	2.16	120.35	11.14	12.84
CARGO	2.37	1.77	33.83	0.19	0.27	-27.61	1.15	1.08
Aviation hull ins.	3.31	2.13	55.66	-	1.58	-	1.60	1.30
Aviation TPL	2.74	1.99	37.97	-	-	-	1.33	1.21
GTPL	5.06	5.28	-4.15	0.32	0.21	54.60	2.45	3.23
Financial Risks	1.67	2.02	-17.25	0.11	0.18	-37.61	0.81	1.23
Suretyship	2.24	1.90	17.85	3.70	2.87	28.93	1.09	1.16
Travel	1.77	1.49	18.71	0.14	0.08	85.55	0.86	0.91
Other	0.23	0.18	28.16	0.00	0.00	-55.80	0.11	0.11

1 EUR = 2.8591 Lari - GEL (June 30th, 2023)

1 EUR = 3.0821 Lari - GEL (June 30th, 2022)



David ONOPRISHVILI
Head of the State
Insurance Supervision
Service



Devi KHECHINASHVILI
President of the
Georgian Insurance
Association

policies has significantly decreased after introduction of the state insurance system, as noted by Devi KHECHINASHVILI. *There are about 700,000 corporate health insurance policies in the country and up to 50,000 private ones in total*, said the President of the Association.

According to him, representatives of the insurance market have been requesting for years introduction of an insurance package that can be used in parallel with state insurance - in such a situation, people wouldn't have to choose between private and state insurance, respectively, they will be able to use both options.

The share of insurance in Georgia's GDP is just over 1%, which is 2-3 times less than in Eastern European countries, while in developed countries this figure is even higher - about 6-7%, the head of the State Insurance Supervision Service David ONOPRISHVILI stated.

For the development of the insurance industry, it is important to introduce such a mandatory standard as civil liability insurance for vehicle owners. According to my information, this initiative will be implemented in 2024, he added. According to the head of the State Insurance Supervision Service, after that the insurance market will grow by 30%. *Now we are working on implementation of this standard in Georgia. We are also considering possible introduction of liability insurance for builders and architects*, says David ONOPRISHVILI. So far, in Georgia, according to him, only 10% of cars are insured. (M.M.)

Georgia

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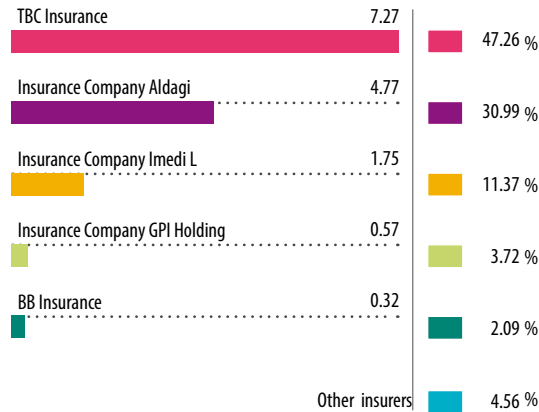
Full market rankings per company & per class

MSEcel format * in EUR and local currency

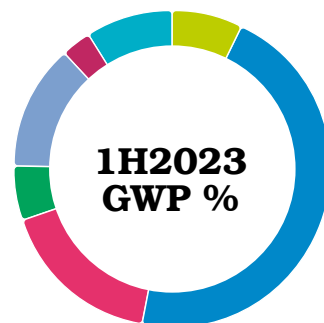
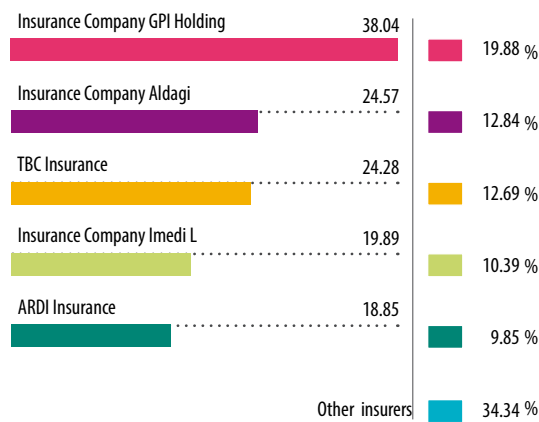


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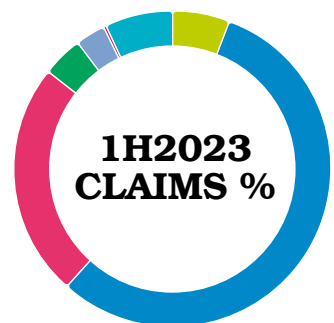
Top 5 Life insurance (GWP, EUR m)



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



Life	7.44
Health	47.35
Motor Hull	17.36
MTPL	5.97
Property	11.14
GTPL	2.45
Other	8.28



Life	5.04
Health	57.67
Motor Hull	22.62
MTPL	4.59
Property	5.16
GTPL	0.35
Other	4.59

Interview

Archil MORCHILADZE

General Director, Insurance Group of Georgia



The strategy of our company is not only about writing premiums, but also maintaining the company's profitability

complicated by a non-competitive environment where the profits of insurance companies affiliated with the banks are significantly higher than those of others operating on the local market.

In such a challenging environment, JSC Insurance Group of Georgia – IGG focuses on promoting products in which we can compete effectively, notably corporate health insurance and motor insurance. Presently, approximately 40,000 beneficiaries are enrolled in our health insurance plans, while about 3,000 individuals have chosen our retail auto insurance offerings.

Notably, Insurance Group of Georgia was listed as the top motor transport insurance company in 2019, receiving the prestigious Golden Brand award, one of the most influential business accolades in the country.

Furthermore, it is worth highlighting that since 2018, our company has consistently maintained its registration on the whitelist of the State Procurement Agency of Georgia. This whitelist is exclusively comprised of companies that have diligently fulfilled all their obligations in good faith, further demonstrating our commitment to ethical and responsible business practices.

XPRIMM: How do you assess the company's current status and position in the market and what are the strategic goals for its further development?

A.M.: The primary objective of our company is to uphold sustainable growth and foster customer loyalty. In fact, JSC Insurance Group of Georgia is one of the few insurance companies that operates independently of banks and financial institutions, and yet, it has achieved substantial capital growth. Since IGG entered the Georgian Market, every year, it has consistently yielded favorable financial results, contributing to the sustained profitability of the company. It should be noted that IGG was able to increase its capital fourfold solely through its earnings.

XPRIMM: How would you describe in general the Georgian insurance market's development this year? What were the main challenges so far and how did your company overcome them?

Archil MORCHILADZE: The Georgian insurance market maintains a growth trajectory consistent with previous years, but without any significant expansion. Its primary challenge lies in the absence of mandatory insurance schemes. As for health insurance, unlike Georgia, many countries have compulsory medical insurance. The situation on the market is further

XPRIMM: Which were the business lines that saw the best evolution? Apart from the introduction of the mandatory MTPL insurance, do you see other business lines that may play a strategic role in the future development of your company?

A.M.: The development of new products in the field of insurance significantly depends on legislative regulations. The insurance industry has been waiting for the development of the mandatory MTPL insurance for the last 20 years. Significant steps have already been taken by the government: in particular, the motor liability of automobile owners at the border has begun, products of public facilities and agro-insurance are being implemented, but the introduction of Third Party Liability insurance of automobile owners is of extreme significance, as it is one of the EU-directives to be fulfilled.

To understand how the sector meets their needs requires a deeper analysis, but it definitely will not be difficult to predict their response to the fact that Georgia is the only country in Europe where compulsory third party liability insurance on motor vehicles is not enforced.

Together with other insurance companies, IGG has already requested the government to cease the expansion of the banking sector in our field and to institute specific regulations to restrict the banking sector's involvement and insurance and banking product tying resulting in enormous disparities in competitive advantages in the insurance field.

It is important to note that the strategy of Insurance Group of Georgia is not only about writing premiums, but also maintaining the company's profitability.

The strategy of Insurance Group of Georgia is not only about writing premiums, but also maintaining the company's profitability.

XPRIMM: In the context of the imminent implementation of the law on mandatory MTPL insurance, how do you assess the market potential of this line of business? Also, what are the main concerns regarding the debut of this new market segment?

A.M.: The implementation of mandatory Motor Third-Party Liability (MTPL) insurance should be executed in a manner that safeguards the integrity of the insurance industry. Fortunately, all insurance companies are considering a synchronized initiation of this process to emphasize the significance of insurance in general, to Georgian people. This, in turn, is anticipated to foster a broader awareness of insurance products and consequently facilitate the promotion of other offerings within the industry.

XPRIMM: The motor insurance segment's success is largely linked, in all markets, to the opportunities brought by digitalization in terms of improving underwriting, streamlining back-office operations etc. How do you assess your company's progress in technological terms? Is your company prepared to offer modern value-added services to its customers by using telematics, IoT etc.?

A.M.: Undoubtedly, digital services are important within the insurance industry, with the pandemic having served as a catalyst for their adoption. Our ability to issue policies online and facilitate online reimbursement for our consumers exemplifies our commitment to this digital transformation. In this regard, our company, along with the broader Georgian insurance system, has achieved notable success.

Over the past five years, IGG was able to increase its capital fourfold solely through its earnings.

XPRIMM: An important regulatory change going on in the Georgian market is the transition to the Solvency II regime. In your opinion, is the market prepared for this change?

A.M.: This newly proposed regulation certainly holds the potential to enhance the stability of the insurance system in Georgia. While it is evident that not all insurance companies are currently preparing for its implementation, we firmly advocate for the enactment of Solvency II regime in the near future.

XPRIMM: What are your expectations for the Georgian insurance market evolution by the end of this year and the next one?

A.M.: The enactment of legislation mandating Compulsory Motor Third-Party Liability - MTPL insurance is certainly going to invigorate the insurance sector. The law has already been submitted to the parliament for consideration. We hope that the parliament will pass this legislation no later than this year, with the law coming into force by the conclusion of 2024.

We think that passing this law will serve as a catalyst for the development of additional insurance product offerings.

We further hope, in a broader context, that this will transform the Georgian insurance market to a degree analogous to what is observed in other European countries.

Interview conducted by Daniela GHETU



Kazakhstan



S&P Rating

BBB-, STABLE

Moody's rating

BAA2, STABLE

Fitch Rating

BBB, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The National Bank of Kazakhstan

³ XPRIMM calculations

Liabilities of the insurance sector amounted to KZT 1.5 trillion (+17.2%) in June 2023.

Net profit amounted to KZT 108.5 billion tenge.

In March 2023 EURASIA paid the first ~EUR 0.27 million for damages caused by the devastating earthquakes in the south-east of Türkiye in early February. EURASIA's payments are expected to reach over USD 10 million.

Of the 25 insurers active on the market as of July 1, EURASIA holds the lead, followed by HALYK and HALYK-Life.

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	KZT billion ¹	61,819.54	69,532.62	70,649.03	83,951.59	103,883.15
	EUR billion ³	140.70	162.90	136.88	172.11	210.78
GDP per capita, current prices	KZT ¹	3,360,561	3,731,953	3,742,579	4,304,503	5,263,307
	EUR ³	7,649	8,743	7,251	8,825	10,679
Unemployment rate	% of total labor force ¹	4.83	4.79	4.93	4.90	4.90
Population	Millions ¹	18.40	18.63	18.88	19.50	19.74
KZT/EUR exchange rate	End of period ²	439.37	426.85	516.13	487.79	492.86
Gross written premiums	KZT million ²	384,845.93	508,512.27	568,134.50	814,816.36	899,597.78
	EUR million ³	875.90	1,191.31	1,100.76	1,670.42	1,825.26
Paid claims	KZT million ²	95,176.77	221,498.52	149,916.23	130,604.49	196,339.08
	EUR million ³	216.62	518.91	290.46	267.75	398.37
Insurance penetration degree	% in GDP ³	0.62%	0.73%	0.80%	0.97%	0.87%
Insurance density	EUR/capita ³	47.61	63.94	58.31	85.65	92.48

Total GWP in 1H2023 amounted to KZT 588.05 billion (EUR 1.18 billion), which means an increase of almost 32% y-o-y, according to data published by the National Bank. The main driver of growth is voluntary property insurance.

In terms of compulsory and voluntary types of insurance, compulsory insurance increased by 31.44% to KZT 107.24 billion, and voluntary insurance - by almost 32% to KZT 480.80 billion. It should be noted that the shares of these segments in the total market volume remained virtually unchanged compared to 1H2022.

There was a decline in some classes of insurance, such as credit insurance (-74%) and financial losses (-14%).

Since the beginning of 2023, the number of concluded insurance contracts with individuals and legal entities amounted to 7,687 thousand units, which is 31.9% more y-o-y. The main growth is provided by accident insurance (by 112.1% or 809 thousand units) and civil liability insurance of vehicle owners (by 20.5% or 564 thousand units).

Paid claims in 1H2023 amounted to KZT 119.29 billion (EUR 240.67 million), which

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET*	1,186.35	912.31	30.04	240.67	165.35	45.55	100.00	100.00
TOTAL LIFE	303.56	258.25	17.55	37.79	33.12	14.12	25.59	28.31
Life insurance (v)	189.89	172.77	9.90	19.90	10.83	83.73	16.01	18.94
Annuity (v)	113.67	85.48	32.99	17.89	22.28	-19.73	9.58	9.37
TOTAL NON-LIFE	882.79	654.06	34.97	202.88	132.24	53.42	74.41	71.69
Accidents (v)	50.79	31.57	60.87	5.25	3.12	68.54	4.28	3.46
Sickness (v)	69.35	62.13	11.62	30.45	24.30	25.30	5.85	6.81
Property insurance (v)	267.73	216.21	23.83	58.98	15.69	275.91	22.57	23.70
Overall motor insurance	225.04	150.35	49.68	84.29	63.19	33.39	18.97	16.48
Motor Hull (v)	107.10	44.74	139.39	22.17	14.63	51.57	9.03	4.90
MTPL (c)	117.94	105.61	11.67	62.12	48.56	27.91	9.94	11.58
Railway, air and water transport (v)	21.90	14.87	47.24	0.82	2.06	-60.14	1.85	1.63
CARGO (v)	34.30	19.66	74.44	1.13	1.47	-23.55	2.89	2.16
Carriers' liability (v)	6.84	6.18	10.56	-	0.03	-	0.58	0.68
GTPL (v)	57.53	53.52	7.50	1.36	0.61	123.69	4.85	5.87
Credit insurance (v)	1.77	6.86	-74.12	3.90	10.86	-64.12	0.15	0.75
Financial losses (v)	16.92	19.95	-15.17	0.12	3.47	-96.54	1.43	2.19
Worker against accidents (c)	84.00	50.04	67.87	14.31	5.93	141.15	7.08	5.48
Carrier liability ins. for passengers (c)	3.09	2.78	11.25	0.35	0.26	37.47	0.26	0.30
Ecological insurance (c)	3.90	3.71	4.92	0.04	0.01	283.09	0.33	0.41
Others (c)+ (v)	39.63	16.23	144.20	1.87	1.22	52.89	3.34	1.78
TOTAL COMPULSORY INSURANCE	216.36	166.94	29.60	78.27	55.70	40.53	18.24	18.30
TOTAL VOLUNTARY INSURANCE	969.99	745.37	30.14	162.39	109.65	48.10	81.76	81.70

*insurance premiums accepted on insurance and reinsurance contracts, summed (v) - voluntary insurance / (c) - compulsory insurance
 1 EUR = 488.75 Tenge - KZT (June 30th, 2022)
 1 EUR = 495.68 Tenge - KZT (June 30th, 2023)

is 47.61% more y-o-y. The increase was mainly driven by property insurance and civil liability insurance of vehicle owners.

The assets of insurance (reinsurance) companies grew by 14.1% since the beginning of 2023, mainly because of an increase in income from insurance activities. As of July 1, 2023, the largest share in the asset structure is occupied by securities - 69.9% (KZT 1.6 trillion).

Liabilities of the insurance sector in June 2023 amounted to KZT 1.5 trillion (+17.2%). Equity capital increased to KZT 845 billion mainly due to the profit received from insurance activities (+9.0%). Net profit amounted to KZT 108.5 billion tenge.

Of the 25 insurers active on the market as of July 1, EURASIA holds the lead (KZT 121.33 billion), the second and third places are still occupied by HALYK (KZT 82.15 billion) and HALYK-Life (KZT 71.96 billion).

From 2024, the insurance market regulator will adjust regional coefficients when calculating MTPL tariffs depending on regional unprofitability, and thus the tariffs for the most massive type of insurance will reflect actual risks of vehicle owners in a particular region of Kazakhstan.

According to a study on the MTPL market, which was conducted by specialists from the EURASIA insurance company, MTPL is the most popular type of insurance. At the end of 2022, insurance companies collected in the segment over KZT 112 billion (~EUR 0.23 billion) and paid out more than KZT 49 billion (~EUR 0.1 billion). Thus, the loss ratio was 43.8%.

At the same time, in the first half of 2023, the MTPL loss ratio jumped to 67.9% due to a sharp increase in paid claims. The specialists also note that MTPL unprofitability is heterogeneous across the country and differs from region to region.

In March 2023 the leader of the insurance sector of Kazakhstan, EURASIA paid the first KZT 132 million (~EUR 0.27 million) for damages because of a series of devastating earthquakes in the south-east of Türkiye in early February. This was the first documented claim for reinsurance payment from the Turkish side. Experts expected payments to continue for several months, and according to preliminary estimates, the share of EURASIA may exceed USD 10 million.

As an international reinsurer, EURASIA participates in several Turkish earthquake insurance programs (voluntary and mandatory) - the Turkish Catastrophe Insurance Pool (TCIP) national program. (M.M.)

Kazakhstan

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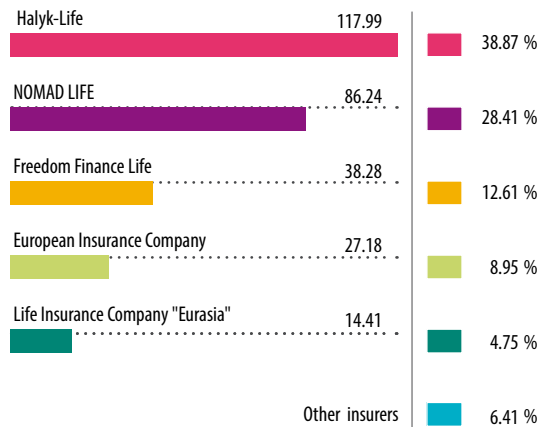
Full market rankings per company & per class

MSEcel format * in EUR and local currency

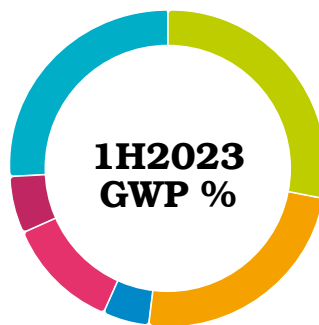
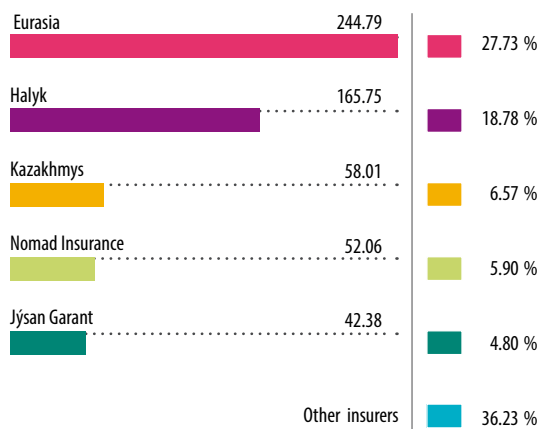
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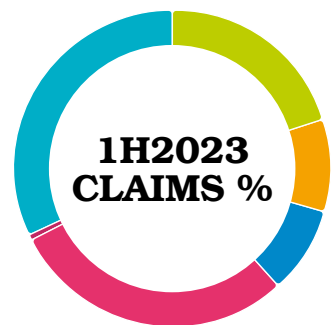
TOP 5 Life insurance (GWP, EUR million)



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



Life	25.59
Property	22.57
Motor Hull	9.03
MTPL	9.94
GTPL	4.85
Other	28.03



Life	15.70
Property	24.51
Motor Hull	9.21
MTPL	25.81
GTPL	0.57
Other	24.20

Kyrgyzstan



Moody's rating

B3, under review

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of the Kyrgyz Republic

³ FSA - Gosfinaadzora

⁴ XPRIMM calculations

The Kyrgyz insurance market grew by 48% y-o-y, to about EUR 16 million

Paid claims increased by 61%, to EUR 3.32 million

The balanced financial result of insurance organizations amounted to EUR 3.07 million, which means an increase of almost 124% y-o-y in local currency

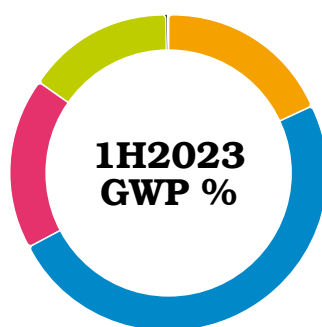
Market's main indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	KGS billion ¹	569.39	619.10	601.82	739.82	919.45
	EUR billion ⁴	7.11	7.94	5.94	7.72	10.06
GDP per capita, current prices	KGS ¹	91,004	96,905	92,348	111,177	135,314
	EUR ⁴	1,137	1,243	911	1,161	1,480
Unemployment rate	% of total labor force ¹	6.92	6.92	8.66	9.01	9.01
Population	Millions ¹	6.26	6.39	6.52	6.65	6.80
KGS/EUR exchange rate	End of period ²	80.0446	77.9803	101.3204	95.7857	91.4377
Gross written premiums	KGS million ³	1,098.78	1,332.74	1,334.76	1,261.85	2,159.08
	EUR million ⁴	13.73	17.09	13.17	13.17	23.61
Paid claims	KGS million ³	128.29	180.67	184.21	263.92	340.02
	EUR million ⁴	1.60	2.32	1.82	2.76	3.72
Insurance penetration degree	% in GDP ⁴	0.19%	0.22%	0.22%	0.17%	0.23%
Insurance density	EUR/capita ⁴	2.19	2.68	2.02	1.98	3.47

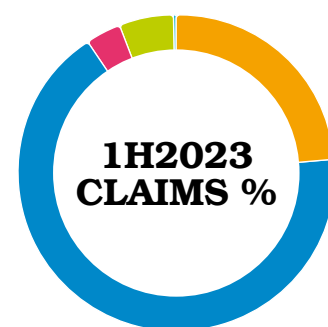
The growth of the insurance sector in 1H2023 amounted to 48.10%, GWP reached KGS 1.47 billion (EUR 16.21 million). Paid claims increased even more - by 61%, to KGS 303.03 million (EUR 3.32 million), according to data published by the State Service of regulation and supervision of the financial market at the government of the Kyrgyz Republic.

The total revenues of the insurance sector in January-June 2023 in Kyrgyzstan amounted to KGS 1.8 billion (EUR 18.90 million), which is approximately 54% more y-o-y (KGS 1.16 billion), according to the National Statistical Committee of the Kyrgyz Republic.

At the same time, total expenses in the reporting period rose to KGS 1.52 billion,



Personal	16.22
Property	54.20
Liability	13.17
Mandatory	16.39
Life	0.02



Personal	14.30
Property	79.25
Liability	2.57
Mandatory	3.88
Life	0.00

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	16.21	11.94	35.71	3.32	2.25	47.69	100.00	100.00
Personal	2.63	2.17	21.05	0.48	0.54	-11.57	16.22	18.19
Property	8.79	5.88	49.31	2.63	1.51	74.97	54.20	49.27
Liability	2.13	2.07	3.10	0.09	0.08	7.45	13.17	17.33
Mandatory	2.66	1.82	46.34	0.13	0.13	0.62	16.39	15.20
Life	0.00	0.00	-	-	-	-	0.02	0.02

1 EUR = 95.1905 Som - KGS (June 30th, 2023)

1 EUR = 83.5625 Som - KGS (June 30th, 2022)

Kyrgyzstan

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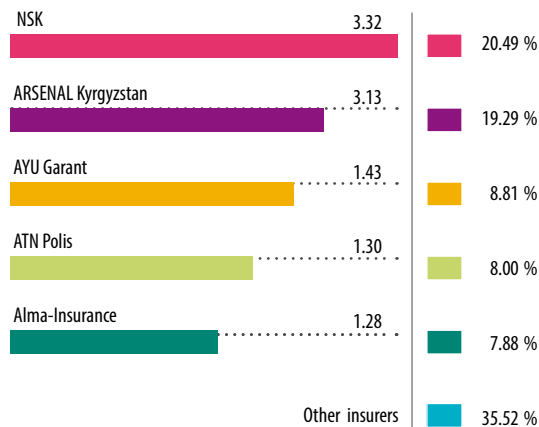
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from KGS 1.04 billion in the first half of 2022, which indicates an increase of 46%.

The balanced financial result of insurance organizations amounted to KGS 277.5 million, which means an increase of almost 124% y-o-y (vs KGS 123.9 million).

“Reinsurance Café CIS” LLC, the first reinsurance brokerage company in the history of Kyrgyzstan, started its operations on January 1st, 2023. The company focuses on reinsurance business of Central Asia & Europe, reinsurance placement of Indian & Asian businesses in Central Asian markets and getting involved in Direct Insurance Business in Kyrgyzstan in the nearest future. (M.M.)

Top 5 Total market (GWP, EUR m)



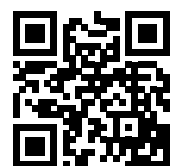
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Moldova



Moody's rating

B3, NEGATIVE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The National Bank of Moldova

³ The National Commission of Financial Market (NCFM)

⁴ XPRIMM calculations

The insurance sector grew by 18.29%, reaching EUR 70.03 million, entirely driven by the non-life insurance segment; paid claims went up by 15%

Starting July 1st, 2023, the NBM - The National Bank of Moldova took over from CNPF - The National Commission of the Financial market the control of non-banking financial markets, including the insurance segment.

In March 2023, the license of the insurance company GARANTIE SA (non-life) was withdrawn, and the insolvency procedure was started.

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	MDL billion ¹	189.06	206.26	199.73	241.87	272.92
	EUR billion ⁴	9.69	10.71	9.45	12.04	13.39
GDP per capita, current prices	MDL ¹	69,244	76,912	75,830	93,493	107,407
	EUR ⁴	3,547	3,993	3,589	4,653	5,270
Unemployment rate	% of total labor force ¹	3.05	5.13	3.83	3.25	2.59
Population	Millions ¹	2.73	2.68	2.63	2.59	2.54
MDL/EUR exchange rate	End of period ²	19.5212	19.2605	21.1266	20.0938	20.3792
Gross written premiums	MDL million ³	1,518.14	1,624.66	1,452.91	1,926.35	2,471.17
	EUR million ⁴	77.77	84.35	68.77	95.87	121.26
Paid claims	MDL million ³	548.99	653.79	596.39	662.14	905.68
	EUR million ⁴	28.12	33.94	28.23	32.95	44.44
Insurance penetration degree	% in GDP ⁴	0.80%	0.79%	0.73%	0.80%	0.91%
Insurance density	EUR/capita ⁴	28.49	31.45	26.11	37.06	47.72

In the first half of 2023, the Moldovan insurance sector grew by 18.29%, reaching MDL 1.39 billion (EUR 70.03 million), according to data published by the National Bureau of Statistics of the Republic of Moldova.

Life insurance decreased by 3.60%, while non-life insurance, which occupies almost 97% of the market portfolio, increased by 19% y-o-y. The most rapid growth is demonstrated by motor insurance classes - this segment generates over half of all gross premiums (67.61%, MTPL and Motor Hull summed).

Paid claims of local insurers amounted to MDL 420.42 million (EUR 24.13 million), which is about 15% more y-o-y. It is noteworthy that, unlike premiums, paid claims in life insurance rose almost 12% in 1H2023.

In January-June 2023, income and expenses of insurers expanded by 27.4% and 25.9%, respectively, from the level in 1H2022. The total income amounted to MDL 2.26 billion (~EUR 0.11 billion), while total expenses reached MDL 2.03 billion (~EUR 0.10 billion). Profit before tax increased by 44.5%, amounting to MDL 232.9 billion.

The number of farmers buying insurance coverage for their land is growing in Moldova. The amount of compensation to farmers is 70% of the premium, while for cattle breeders the amount is even higher, said Minister of Agriculture and Food Industry Vladimir BOLEA. *We have very serious subsidy measures, that is, we pay 70% of the insurance policy. Most producers of perennial crops have insured their land, especially if they are in the subsidized period,*

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	70.03	58.78	19.15	24.13	20.90	15.45	100.00	100.00
TOTAL LIFE	2.30	2.37	-2.90	1.37	1.21	12.62	3.28	4.03
TOTAL NON-LIFE	67.73	56.41	20.07	22.76	19.69	15.62	96.72	95.97
Overall health insurance	3.28	2.80	17.33	1.63	1.13	44.48	4.69	4.76
Overall property insurance	8.77	9.28	-5.59	1.05	1.11	-4.78	12.52	15.80
Overall motor insurance	47.35	36.12	31.10	19.55	15.54	25.78	67.61	61.45
Motor Hull	12.72	10.50	21.18	7.21	6.35	13.47	18.17	17.87
MTPL	34.63	25.62	35.17	12.34	9.19	34.30	49.44	43.58
Other non-life insurance	8.33	8.21	1.51	0.53	1.91	-72.11	11.90	13.97

¹ EUR = 19.9690 Lei - MDL (June 30th, 2023)

¹ EUR = 20.1130 Lei - MDL (June 30th, 2022)

they are all insured. We have about 100%, if we talk about cattle farms, where we pay, since this year, subsidies per liter of milk. I strongly believe that farmers would switch to insurance way faster, because they all understand that it is much easier to work this way if in all these 30 years in the Republic of Moldova, a real working insurance system has been developed, the minister explained.

Starting July 1st, 2023, the NBM - The National Bank of Moldova took over from CNPF - The National Commission of the Financial market the control of non-banking financial markets, including the insurance segment. There is a transition period for the NBM to organize its activity under the supervision of the new sectors. These are related to the licensing, authorization issuance of approval for state registration, regulation, and supervision of the activity of insurers, reinsurers, and intermediaries in these fields, as well as the National Bureau of Motor Vehicle Insurers of the Republic of Moldova, savings and loan associations, credit offices of and non-bank lending organizations.

In March 2023, the Board of Directors of the CNPF approved a decision regarding withdrawal of the license of the insurance company GARANTIE SA (non-life) and submission to the insolvency court of the introductory request regarding filing of the insolvency procedure. According to the CNPF, the insurer was in a deplorable financial situation, and the owner would not have made sufficient efforts to save the company from bankruptcy. CNPF cited the report of the insurer's special administrator,



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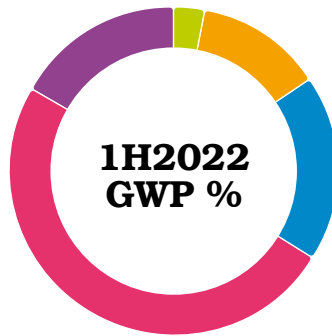
Full market rankings per company & per class

MSEXcel format * in EUR and local currency

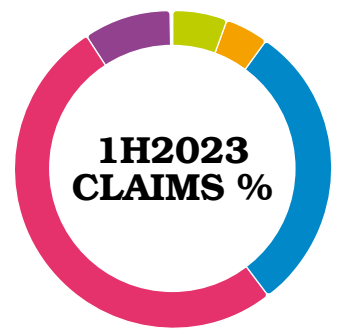
AVAILABLE FOR XPRIMM.COM PREMIUM AND GOLD SUBSCRIBERS

Moldova





■ Life	3.28
■ Property	12.52
■ Motor Hull	18.17
■ MTPL	49.44
■ Other	16.59



■ Life	5.67
■ Property	4.37
■ Motor Hull	29.88
■ MTPL	51.14
■ Other	8.95

which says that the company ended 2022 with losses of MDL 79.4 million. And based on the market ranking for FY2022, out of 10 companies operating on the Moldovan insurance market, GARANTIE SA ranked last. The company's total debts of MDL 51.7 million were ahead of the total assets of MDL 25.5 million, thus, at the end of 2022

the company registered a negative value of net assets of MDL 26.2 million, which in the regulator's opinion was a legal basis for filing the insolvency procedure as the insurer can't fulfill its obligations due to deep financial instability. (M.M.)



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Russia



Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The Central Bank of the Russian Federation

³ Financial Markets Service of the Bank of Russia

⁴ XPRIMM calculations

UNIQA announced, in August, it completely withdraws from the Russian market by selling its 75% participation in the insurer Raiffeisen Life

The market GWP increased by 24% y-o-y, in rubles, but in European currency the change was negative, of -29%

According to the Central Bank, the high growth rate in rubles is mostly owed to the low base of comparison, mostly in the second quarter of 2022

The concentration of the Russian insurance market has remained virtually unchanged. The share of the top 20 in terms of premiums was 88.7%

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	RUB billion ¹	103,861.70	109,608.30	107,658.20	135,295.00	151,455.60
	EUR billion ⁴	1,307.09	1,580.72	1,187.20	1,609.32	2,001.92
GDP per capita, current prices	RUB ¹	707,596	746,910	736,522	929,492	1,055,866
	EUR ⁴	8,905	10,772	8,122	11,056	13,956
Unemployment rate	% of total labor force ¹	4.80	4.60	5.78	4.83	3.94
Population	Millions ¹	146.78	146.75	146.17	145.56	143.44
RUB/EUR exchange rate	End of period ²	79.4605	69.3406	90.6824	84.0695	75.6553
Gross written premiums	RUB million ³	1,479,501.13	1,481,177.59	1,538,700.73	1,808,289.28	1,816,747.64
	EUR million ⁴	18,619.33	21,360.90	16,968.02	21,509.46	24,013.49
Paid claims	RUB million ³	522,468.01	610,865.42	658,485.52	796,973.85	893,218.78
	EUR million ⁴	6,575.19	8,809.64	7,261.45	9,479.94	11,806.43
Insurance penetration degree	% in GDP ⁴	1.42%	1.35%	1.43%	1.34%	1.20%
Insurance density	EUR/capita ⁴	126.85	145.56	116.08	147.77	167.41

The insurance market ended the first half of 2023 with RUB 1,073.12 billion (EUR 11.28 billion), which is 24% more y-o-y in rubles. However, in euros, it decreased by 29% due to a sharp y-o-y depreciation of the ruble against euro. Paid claims reached RUB 494.68 billion rubles (+17%) or EUR 5.20 billion, as data published by the Central Bank show.

In its market review, the Central Bank notes that GWP in 2Q2023 was over a quarter higher compared to 2Q2022, reaching RUB 555.4 billion. This relates to the low base of the second quarter of 2022 and is the result of a general recovery in economic activity (increasing demand in the segments of credit life insurance, investment life and accumulative life insurance), as well as an

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	11,283.54	16,009.83	-29.52	5,200.41	7,848.07	-33.74	100.00	100.00
LIFE INSURANCE*	3,603.76	4,053.38	-11.09	2,367.27	2,989.69	-20.82	31.94	25.32
OVERALL NON-LIFE INSURANCE	7,679.78	11,988.36	-35.94	2,833.13	4,864.08	-41.75	68.06	74.88
VOLUNTARY NON-LIFE INSURANCE	5,965.59	9,421.04	-36.68	1,980.61	3,340.06	-40.70	52.87	58.85
Personal insurance, of which:	2,489.71	4,084.09	-39.04	997.66	1,663.70	-40.03	22.06	25.51
Accidents and diseases	1,174.37	1,484.63	-20.90	158.60	316.09	-49.82	10.41	9.27
Health	1,315.34	2,599.46	-49.40	839.06	1,347.61	-37.74	11.66	16.24
Property insurance, of which:	2,935.95	4,470.01	-34.32	909.21	1,550.98	-41.38	26.02	27.92
Motor Hull	1,266.91	1,918.50	-33.96	653.43	1,141.04	-42.73	11.23	11.98
Railway, aircraft and ships insurance	135.04	210.29	-35.78	44.29	65.58	-32.45	1.20	1.31
CARGO insurance	184.30	251.31	-26.66	37.95	33.70	12.61	1.63	1.57
Real estate property insurance, of which:	1,288.71	1,983.89	-35.04	163.65	281.69	-41.91	11.42	12.39
Property of legal entities	752.86	1,289.83	-41.63	109.71	182.10	-39.75	6.67	8.06
Property of individuals	535.85	694.05	-22.79	53.94	99.59	-45.84	4.75	4.34
Agricultural insurance	60.98	106.02	-42.48	9.89	28.98	-65.86	0.54	0.66
Civil liability insurance**	263.78	393.62	-32.99	39.25	64.02	-38.69	2.34	2.46
Business risks	104.99	193.34	-45.70	17.90	18.65	-3.99	0.93	1.21
Financial risks	171.16	279.98	-38.87	16.59	42.72	-61.16	1.52	1.75
MANDATORY INSURANCE	1,714.19	2,567.32	-33.23	855.73	1,524.02	-43.85	15.19	16.04
Personal insurance***	91.41	321.45	-71.56	11.26	18.73	-39.91	0.81	2.01
Compulsory MTPL	1,597.48	2,190.94	-27.09	839.02	1,496.24	-43.92	14.16	13.68
Dangerous installations ⁴ owners TPL insurance	14.62	32.83	-55.49	1.26	3.18	-60.41	0.13	0.21
Other	10.68	22.10	-51.66	4.20	5.86	-28.42	0.09	0.14
OTHER****	-	-31.91	-	-	-5.70	-	-	-0.20

*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

1 EUR = 95.1052 RUB (June 30th, 2023); 1 EUR = 53.8580 RUB (June 30th, 2022)

increase in prices for cars and spare parts, which directly affects the cost of Motor Hull.

The number of concluded contracts increased by 16% y-o-y. Growth was recorded in almost all key types of insurance. The maximum increase was in accident insurance and illnesses (+5.7 million units) and MTPL (+0.7 million units).

Paid claims in 2Q2023 grew slower than premiums. First, this is because, unlike premiums, the dynamics of paid claims is not affected by the low base. As a result of faster growth of earned premiums relative to losses incurred, the loss ratio decreased to 49.8%. The reduction in business costs and loss ratio led to a decrease in the combined loss ratio to 90.3%. This indicates profitability of the insurance activities of insurers.

At the end of 1H2023, the profits of Russian insurers increased almost seven times y-o-y, to RUB 306.9 billion. This was facilitated by an increase in results from investment activities - due to transactions with foreign currency and financial instruments (in 1H2022, insurers received a loss on such transactions). Profits from insurance activities decreased due to a drop in financial results from life insurance. The result from non-life insurance increased against the backdrop of an increase in earned premiums.

Thanks to the increase in profits, the profitability of insurance companies has improved. Return on equity amounted to 40.4% and return on assets – to 10.1% - these are the maximum values since 2015. In 2Q2023, total capital of insurers reached RUB 1.3 trillion. The amount of insurance reserves rose to RUB 3.1 trillion (+2.1%), mainly supported by life insurance reserves. The value of insurers' assets at the end of June 2023 exceeded RUB 4.9 trillion. The number of insurance companies in the second quarter decreased by 1, totaling 135 by the end of June 2023. At the same time, concentration of the Russian insurance market has remained virtually unchanged. The share of the top 20 in terms of premiums was 88.7%.

In August UNIQA announced sale of its 75% share in the Russian company Raiffeisen Life to the Russian insurance company Renaissance Life, along with Raiffeisenbank, which belongs to the Raiffeisen Bank International Group and owns the

Russia

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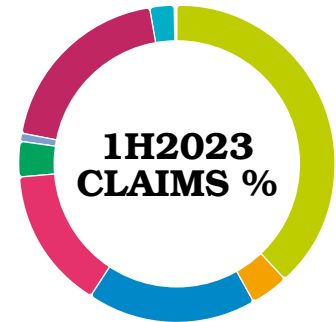
Full market rankings per company & per class

MSExcel format* in EUR and local currency

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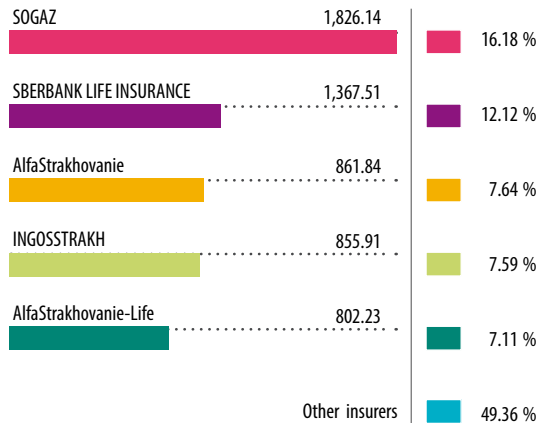



Life	31.94
Accidents & diseases	10.41
Health	11.66
Motor Hull	11.23
Real estate	11.42
Civil liability	2.34
CMTPL	14.16
Other	6.85

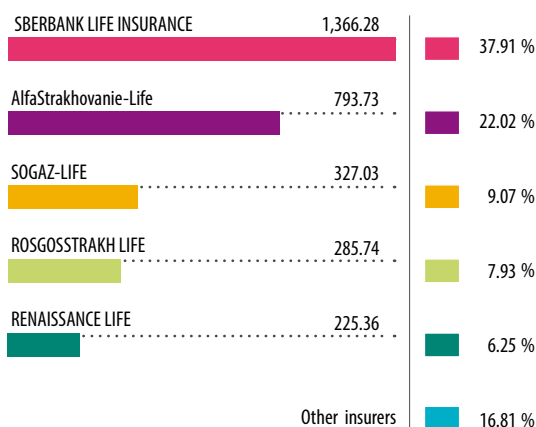


Life	45.52
Accidents & diseases	3.05
Health	16.13
Motor Hull	12.56
Real estate	3.15
Civil liability	0.75
CMTPL	16.13
Other	2.69

Top 5 Total Market (GWP, EUR m)

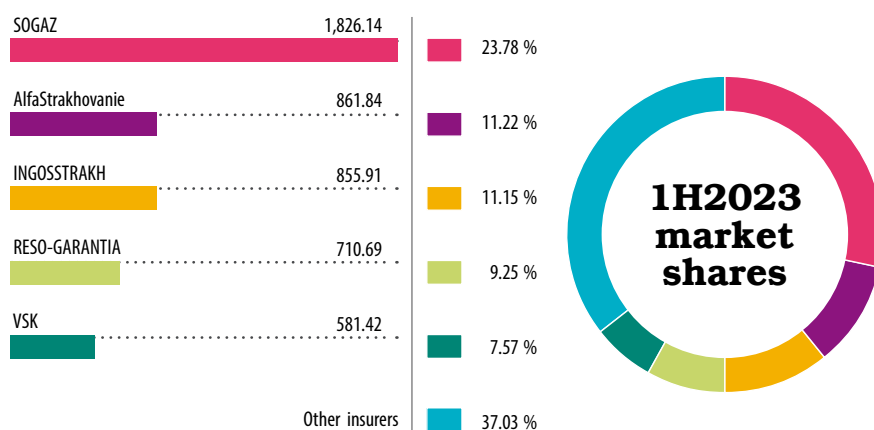


Top 5 Life insurance (GWP, EUR m)

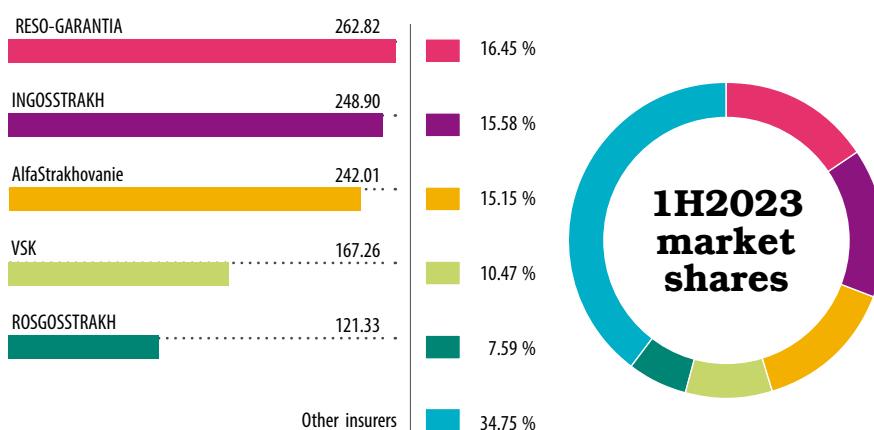


remaining 25% of the shares. We largely halted any new business operations in Russia right after the war began and refrained from making any further investments. Working together with our joint venture partner Raiffeisenbank, we examined all options in this environment last year, which is also a complex one from a legal point of view. We are now taking the final logical step by selling our Russian subsidiary, which is responsible for significantly less than one per cent of Group revenue and has therefore played a minor role in our portfolio. This means we are withdrawing from Russia, said Wolfgang KINDL, Management Board Member for Customers & Markets International. (M.M.)

TOP 5 Overall non-life insurance: Voluntary + Mandatory (GWP, EUR m)



TOP 5 Compulsory MTPL insurance (GWP, EUR m)



Turkmenistan Macroeconomic indicators - timeline



Fitch Rating
B+, POSITIVE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² Central Bank of Turkmenistan

³ XPRIMM calculations

		2018	2019	2020	2021	2022
GDP, current prices	TMT billion ¹	170.40	185.36	186.18	225.28	273.01
	EUR billion ⁴	42.52	47.39	43.40	56.95	73.19
GDP per capita, current prices	TMT ¹	29,534	31,213	30,718	36,621	43,750
	EUR ⁴	7,370	7,980	7,160	9,258	11,729
Unemployment rate	% of total labor force ¹	n/a	n/a	n/a	n/a	n/a
Population	Millions ¹	5.77	5.94	6.06	6.15	6.24
TMT/EUR exchange rate	End of period ²	4.0075	3.9113	4.2900	3.9557	3.7300

Tajikistan



S&P Rating

B-, STABLE

Moody's rating

B3, NEGATIVE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023² The National Bank of Tajikistan³ XPRIMM calculations

Total GWP increased y-o-y by 16.8%, to approx. EUR 16.32 million

The aggregated net profit of insurers reached almost EUR 6 million, which is 24.3% up in comparison with 1H2022

Tajikistan

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Macroeconomic indicators - timeline

		2018	2019	2020	2021	2022
GDP, current prices	TJS billion ¹	71.06	79.11	83.96	101.08	115.74
	EUR billion ⁴	6.58	7.29	6.04	7.90	10.63
GDP per capita, current prices	TJS ¹	7,803	8,514	8,861	10,467	11,767
	EUR ⁴	722	785	638	818	1,080
Unemployment rate	% of total labor force ¹	n/a	n/a	n/a	n/a	n/a
Population	Millions ¹	9.11	9.29	9.48	9.66	9.84
TJS/EUR exchange rate	End of period ²	10.8007	10.8448	13.8934	12.7973	10.8911
Gross written premiums	TJS million ³	234.20	234.27	n/a	n/a	n/a
	EUR million ⁴	21.68	21.60	n/a	n/a	n/a
Paid claims	TJS million ³	10.62	15.28	n/a	n/a	n/a
	EUR million ⁴	0.98	1.41	n/a	n/a	n/a
Insurance penetration degree	% in GDP ⁴	0.33%	0.30%	-	-	-
Insurance density	EUR/capita ⁴	2.38	2.32	-	-	-

In 1H2023, the insurance market in Tajikistan totaled TJS 194.3 million (EUR 16.32 million). According to the National Bank, premiums tend to grow compared to 1H2022 by TJS 27.9 million or 16.8%.

The net profit of insurance organizations reached TJS 70.7 million, which indicates an increase of TJS 13.8 million (+24.3%) compared to 1H2022. Insurance reserves amounted to TJS 252.1 million (+57.9%). This rise indicates financial stability and an increase in the level of solvency of insurance companies.

The return on assets (ROA) of the country's insurance system in 1H2023 averaged 9.2%, and the return on equity (ROE) - 16.2%. Total assets of the insurance sector reached TJS 766.8 million, increasing by 33.3%, demonstrating stable development and reaching the highest level. The share of assets of the insurance system in relation to the total assets of the country's financial system for this period reached 2.2%, amounting to 0.6% of GDP.

Total liabilities of insurers amounted to TJS 331.5 million (+53.0%). Total equity of the country's insurance system reached TJS 435.4 million (+21.4%). The charter capital as of June 30, 2023, amounted to TJS 333.4 million (+19.3%), according to the report of the National Bank.

In June, the insurance company Spitamen Insurance received a golden award "For Labor and Valor" from the Eurasian Union of States, which is a significant event in the history of the insurance market in Tajikistan. It is noted that the award "For Labor and Valor" was established to reward especially outstanding achievements and success in the field of economic, scientific, technical, and socio-cultural development, professional achievements, a significant contribution to the socio-economic development of the country, strengthening peace and development of cooperation with international organizations. (M.M.)

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL GWP, out of which:	16.32	15.03	8.58	0.82	0.91	-9.78	100.00	100.00
Voluntary	13.07	na	-	na	na	-	80.10	-
Mandatory	3.18	na	-	na	na	-	19.50	-
State mandatory	0.07	na	-	na	na	-	0.40	-

1 EUR = 11.9083 TJS (June 30th, 2023)1 EUR = 11.073 TJS (June 30th, 2022)

Ukraine



S&P Rating

CCC+, NEGATIVE

Moody's rating

CAA3, NEGATIVE

Fitch Rating

CCC, n/a

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² National Bank of Ukraine

³ League of Insurance Organizations of Ukraine, Insurance Top Magazine

⁴ XPRIMM calculations

Despite operating under the war hardship, Ukrainian insurers' business increased in the first half of 2023 by 21.33%, reaching EUR 533.86 million

The number of market players decreased over the year, totaling by the end of August 109 companies. Out of the total 99 non-life insurers, about 50 companies are actively operating, 10 of the 11 licensed life insurers are active.

Life insurers' assets increased in Q2 by 4% while the assets of risk insurers decreased slightly due to the exit of seven participants from the market.

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	UAH billion ¹	3,560.30	3,977.20	4,222.03	5,459.57	4,900.00
	EUR billion ⁴	112.26	150.53	121.53	176.56	125.80
GDP per capita, current prices	UAH ¹	84,802	95,301	101,935	133,168	140,645
	EUR ⁴	2,674	3,607	2,934	4,306	3,611
Unemployment rate	% of total labor force ¹	9.00	8.50	9.15	9.84	24.53
Population	Millions ¹	41.98	41.73	41.42	41.00	34.84
UAH/EUR exchange rate	End of period ²	31.7141	26.4220	34.7396	30.9226	38.9510
Gross written premiums	UAH million ³	49,367.52	53,001.19	45,185.20	48,892.53	39,615.70
	EUR million ⁴	1,556.64	2,005.95	1,300.68	1,581.13	1,017.07
Paid claims	UAH million ³	12,863.38	14,338.36	14,852.71	17,447.96	13,001.36
	EUR million ⁴	405.60	542.67	427.54	564.25	333.79
Insurance penetration degree	% in GDP ⁴	1.39%	1.33%	1.07%	0.90%	0.81%
Insurance density	EUR/capita ⁴	37.08	48.07	31.40	38.57	29.19

The insurance market of Ukraine in 1H2023, according to data published by the National Bank (NBU), saw an increase of 21.33%, reaching UAH 21.35 billion (EUR 533.86 million).

Stagnation was observed in life insurance, as the sector didn't show any growth in local currency, while non-life insurance grew by 24%, taking over 89% of the market premium portfolio. Total liabilities of Ukrainian insurers exceeded UAH 49 billion, and the number of insurance contracts concluded in the first six months reached about 40.8 million units.

According to the NBU, the number of companies decreased over the year - by the end of August, 109 insurers remained on the insurance market: 99 non-life insurers (about 50 companies actively operating - with paid claims of more than UAH 1 million) and 11 life insurers (10 companies actively working on the

market). 13 insurance companies were excluded from the state register during the first half of the year.

Total assets of the insurance sector, according to the NBU, increased from UAH 65.7 billion to UAH 70.8 billion. Insurance reserves increased from UAH 36.6 billion to UAH 42.5 billion.

In 2Q2023 the non-bank financial sector of Ukraine underwent a variety of changes, with most sectors reporting a growth of their assets. NBU's review said that the insurance sector posted profit, GWP rose slightly compared to 1Q2023, mainly in risk insurance.

The volume of assets of life insurers in the second quarter increased for the second time in a row - by 4%. At the same time, the assets of risk insurers decreased slightly due to the exit of seven participants from the market.

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	533.86	571.84	-6.64	195.43	191.08	2.28	100.00	100.00
TOTAL LIFE	56.50	73.11	-22.72	14.40	10.10	42.62	10.58	12.78
TOTAL NON-LIFE, of wich:	477.36	498.74	-4.29	181.03	180.98	0.03	89.42	87.22
Accident	16.44	22.74	-27.72	3.26	2.92	11.40	3.08	3.98
Health	92.33	115.34	-19.95	38.08	50.69	-24.87	17.30	20.17
Motor Hull	127.08	109.82	15.71	55.58	60.11	-7.54	23.80	19.20
MTPL & Green Card	155.09	140.69	10.24	67.34	52.31	28.73	29.05	24.60
CARGO	16.12	13.65	18.11	1.06	0.97	9.16	3.02	2.39
Property	41.55	38.66	7.46	5.43	5.20	4.54	7.78	6.76
Financial risks	12.90	15.92	-18.97	5.89	5.85	0.79	2.42	2.78
Liability	11.05	25.99	-57.48	1.80	2.60	-30.83	2.07	4.55
Other	4.80	15.92	-69.87	2.59	0.32	695.83	0.90	2.78

1 EUR = 40.0006 Hryvnia - UAH (June 30th, 2023)

1 EUR = 30.7776 Hryvnia - UAH (June 30th, 2022)



Oleksandr Bernazyuk
General Director of
MTIBU

Life GWP remained almost unchanged during the quarter, while non-life GWP increased by 12%, up to the level of the 4Q2021. Motor insurance increased by 21% and exceeded the pre-war level. The share of motor insurance during the hostilities exceeded half of the non-life premium portfolio.

The insurance market is profitable: the return on capital of risk insurers is commensurate with previous years (6%), while life insurers received a record quarterly profit, the NBU notes in its non-bank financial sector review.

The MTPL market in Ukraine in January-June 2023 grew by 32.3% y-o-y, amounting to UAH 3.8 billion (~EUR 94.81 million). The number of MTPL contracts concluded reached 3.6 million units, up 14% y-o-y.

Insurance companies settled 62 thousand claims, which is 10.5% more than in 1H2022, but 26.6% less than in 1H2021. MTPL insurers paid almost UAH 1.8 billion to road accident victims (+38.8% from 1H2022 and +6.1% from 1H2021).

The number of e-MTPL policies exceeded 2.3 million units (+29%), and the amount of premiums on e-MTPL contracts reached UAH 1.8 billion (+48.1%). The share of electronic policies in the total number of contracts is 66.3%, in the total amount of premiums - 72.9%, these are the highest figures since e-MTPL was introduced in Ukraine.

The paid claims' ratio (total amount of paid claims to the total amount of premiums) in the first half of 2023 is slightly higher than in the same period last year (48% vs. 45.8%), but lower than in 2021 (51.8%).

The claim settlement results over the last quarter are even better than before the start of the Russian aggression. Insurers began to pay faster; the level of complaints is at a minimum. All thanks to innovations introduced by insurance companies to optimize business processes related to claim settlement in difficult war conditions, explained Oleksandr BERNAZYUK, General Director of MTIBU (Motor (Transport) Insurers of Ukraine). (M.M.)

Ukraine

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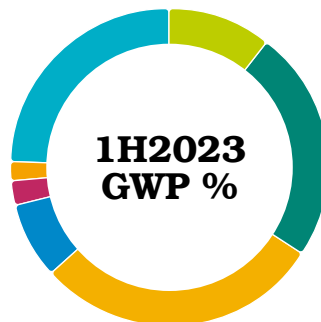
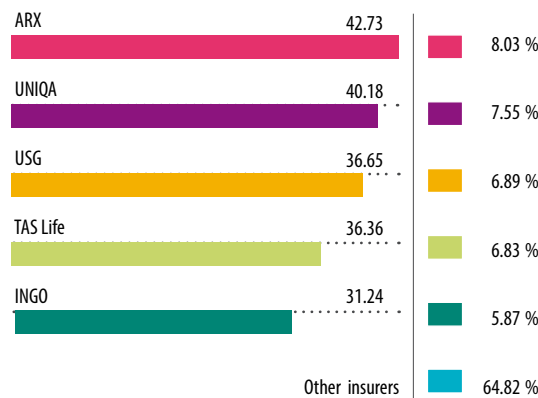
Full market rankings per company & per class

MSEcel format * in EUR and local currency

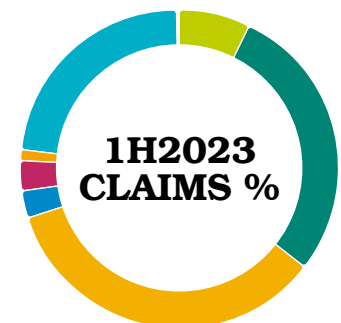
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TOP 5 Total Market (GWP, EUR million)



Life	10.58
Motor Hull	23.80
MTPL & Green Card	29.05
Property risks	7.78
Financial risks	2.42
Liability	2.07
Other	24.29



Life	7.37
Motor Hull	28.44
MTPL & Green Card	34.46
Property risks	2.78
Financial risks	3.02
Liability	0.92
Other	23.02

Uzbekistan



S&P Rating
BB-, STABLE

Moody's rating
B1, POSITIVE

Fitch Rating
BB-, STABLE

Sources:

¹ International Monetary Fund, World Economic Outlook Database, April 2023

² The Central Bank of the Republic of Uzbekistan

³ Ministry of Finance of the Republic of Uzbekistan

⁴ XPRIMM calculations

🌸 GWP increased by 36.34%, exclusively supported by the non-life insurance sector, while life insurance continued its declining trend

🌸 The Uzbek government intends to increase its efforts to develop agricultural insurance.

Market's main indicators-timeline

		2018	2019	2020	2021	2022
GDP, current prices	UZS billion ¹	426,641.02	532,712.49	605,514.90	738,425.20	888,349.23
	EUR billion ⁴	45.01	50.14	47.36	60.40	74.27
GDP per capita, current prices	UZS ¹	13,064,426	16,018,779	17,859,057	21,367,150	25,186,178
	EUR ⁴	1,378	1,508	1,397	1,748	2,106
Unemployment rate	% of total labor force ¹	9.35	8.98	10.53	9.63	8.85
Population	Millions ¹	32.66	33.26	33.91	34.56	35.27
UZS/EUR exchange rate	End of period ²	9,479.57	10,624.70	12,786.03	12,224.88	11,961.85
Gross written premiums	UZS million ³	1,635,206.55	1,635,206.55	1,635,206.55	3,732,024.00	6,231,725.85
	EUR million ⁴	172.50	153.91	127.89	305.28	520.97
Paid claims	UZS million ³	460,817.29	813,510.42	735,110.36	1,235,061.05	2,596,925.95
	EUR million ⁴	48.61	76.57	57.49	101.03	217.10
Insurance penetration degree	% in GDP ⁴	0.38%	0.31%	0.27%	0.51%	0.70%
Insurance density	EUR/capita ⁴	5.28	4.63	3.77	8.83	14.77

1H2023 results show that the insurance sector of Uzbekistan saw a significant growth - by 36.34%, reaching UZS 3,778.18 billion (EUR 301.81 million), according to data published by the Insurance Market Development Agency under the Ministry of Finance. It is worth noting that the market is exclusively supported by non-life insurance, while life insurance continues to fall.

On March 25, the second International Conference AgrolInsurance 2023 was held in Tashkent, where important issues were raised to ensure stable development of the

agro-industrial sector of Uzbekistan. The conference addressed issues of insurance, financing, as well as investment and risk management in the field of agriculture.

The strategy for the development of agriculture in Uzbekistan for 2020-2030 provides for improvement of mechanisms for insurance and lending to relevant areas of agriculture and the food sector. About 90 thousand farms, over 500 thousand individual dehqan farms and about 5 million subsidiary farms operate in Uzbekistan. About 70% of all fruit and vegetable products of the republic are produced in

Market portfolio at June 30th, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2023	1H2022	Change	1H2023	1H2022	Change	1H2023	1H2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET of which:	301.81	242.78	24.31	70.54	101.05	-30.19	100.00	100.00
Life insurance, including:	15.69	69.30	-77.36	21.70	63.18	-65.66	5.20	28.55
Compulsory	1.02	0.86	18.32	0.47	0.36	29.41	0.34	0.36
Voluntary	14.67	68.44	-78.57	21.22	62.82	-66.21	4.86	28.19
Non life, including:	286.12	173.47	64.93	48.84	37.86	29.00	94.80	71.45
Compulsory of wich:	27.37	21.15	29.46	9.21	9.39	-1.86	9.07	8.71
Employer's civil liability	5.99	6.98	-14.22	3.17	2.37	33.56	1.98	2.87
Civil liability of vehicle owners	10.81	10.04	7.67	5.65	6.68	-15.38	3.58	4.14
Voluntary of wich:	258.74	152.33	69.86	39.63	28.47	39.18	85.73	62.74
Accidents	2.32	1.50	54.62	0.22	0.24	-7.34	0.77	0.62
Illnesses	2.47	2.01	22.88	1.48	1.16	27.88	0.82	0.83
Motor Hull	50.73	20.85	143.36	3.31	2.18	51.64	16.81	8.59
Cargo	5.07	3.35	51.35	0.13	0.17	-21.15	1.68	1.38
Fire and natural disasters	0.06	0.10	-44.44	0.00	0.00	-28.59	0.02	0.04
Property damage	5.23	3.90	33.98	0.88	3.48	-	1.73	1.61
GTPL	48.90	33.24	47.09	25.45	15.37	65.58	16.20	13.69
Credit insurance	23.05	3.35	587.27	2.29	0.93	144.77	7.64	1.38

1 EUR = 12518.60 Som - UZS (June 30th, 2023)

1 EUR = 11414.12 Som - UZS (June 30th, 2022)

their territories. (...) Activities in agriculture are quite risky. It is important for agricultural producers to insure their property and agricultural products in time, said Umid MAMADAMINOV, Deputy Minister of Agriculture of the Republic of Uzbekistan.

In Uzbekistan, on July 1, 2023, the health insurance system was launched in Tashkent, while TJS 30 billion (~EUR 2.69 billion) was allocated for digitalization of medical institutions. Health insurance will be fully introduced throughout Uzbekistan by the end of 2026, according to the Presidential Decree. By the end of 2023, the Ministry of Health has been instructed to ensure the development of the National Strategy "Public Health – 2030" with involvement of international organizations and foreign consulting companies based on advanced foreign experience. (M.M.)

Uzbekistan

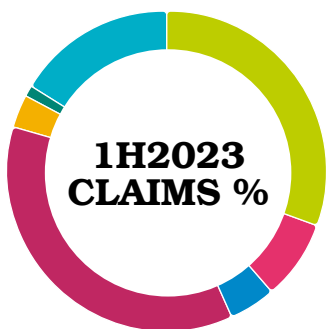
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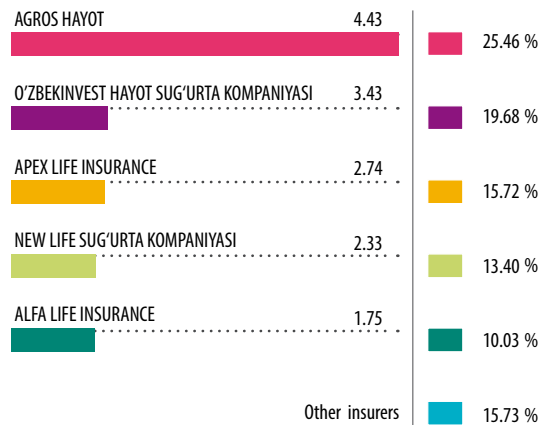



Life	5.20
Civil liability of vehicle owners	3.58
Motor Hull	16.81
GTPL	16.20
Credit insurance	7.64
Property	1.75
Other	48.82

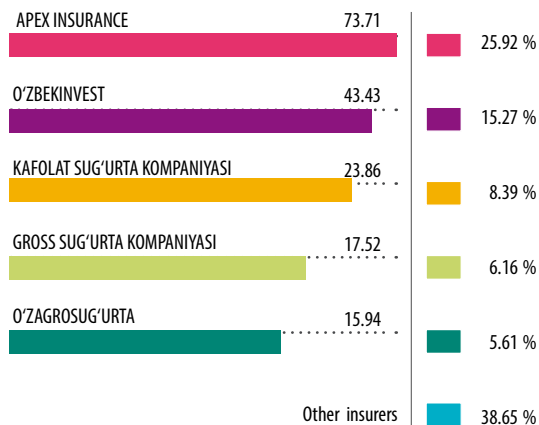


Life	30.76
Civil liability of vehicle owners	8.02
Motor Hull	4.69
GTPL	36.09
Credit insurance	3.24
Property	1.25
Other	15.95

Top 5 Life insurance (GWP, EUR m)

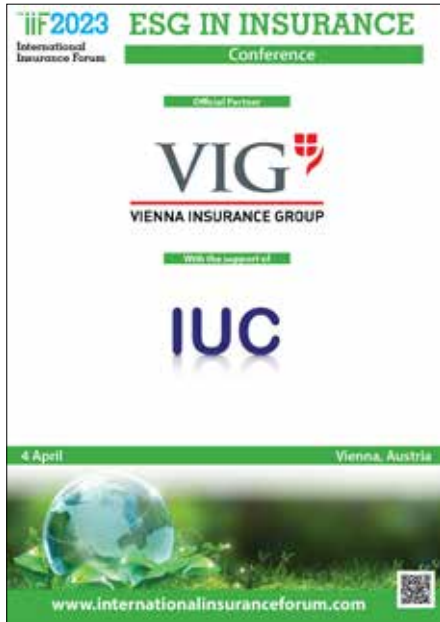


Top 5 Non-life insurance (GWP, EUR m)



International Insurance Forum 2023

ESG IN INSURANCE Conference



Vienna hosted the first edition of the international conference "ESG IN INSURANCE" organized by XPRIMM on April 4, 2023. The event had the Vienna Insurance Group (VIG) as the Official Partner, with support from the Turkish IUC Group and VVO - the Austrian Insurance Association.

The conference brought together insurers, reinsurers, top representatives from EIOPA (European Insurance and Occupational Pensions Authority), professional associations, and supervisory authorities from 18 countries, as well as renowned audit and consultancy firms from the European market.

We are talking about the survival of the planet; it is important to learn about ESG and how to raise public awareness on this issue. ESG represents a change in mindset, and today we will discuss how insurers should get involved in this change, said the conference moderator, Prof. Karel van HULLE, from KU Leuven - Goethe University in Frankfurt, in his opening remarks.

Sustainability is a matter of strategic importance for VIG - we want to actively contribute to building a future in which we can live in good conditions, emphasized Liane HIRNER, CFRO of Vienna Insurance Group.

From a regulatory perspective, Pamela SCHUERMANS, leader of the ESG interdepartmental group at EIOPA,

emphasized that in addressing ESG risks, there are challenges, but also opportunities. The need for mitigation and adaptation to climate change has never been stronger than it is now. She explained that the failure of this endeavor would deepen social inequalities, especially since only a quarter of the damages caused by natural disasters are currently covered by insurance, leaving the rest burdened on governments or an increasingly economically strained population.

The Conference participants extensively discussed the implications of aligning with ESG objectives for insurers' businesses, practical aspects, transition risks, and costs.



International Insurance Forum 2023

MOTOR INSURANCE Conference Reshaping the Future



On April 5, 2023, the international conference "MOTOR INSURANCE - Reshaping the Future" took place in Vienna, organized by XPRIMM. BAAR - the Romanian Motor Insurers' Bureau, was actively involved in the organization of the event as the Official Partner, while HELLAS Direct and RECREX supported the conference as partners. The 2023 edition of the annual meeting of auto insurance professionals also received support from IUC Group in Türkiye.

Experts from 18 motor insurance markets discussed the current issues related to the Green Card system and the overall development of motor insurance. They also discussed the impact of technological advancements on the operational aspects and the development of new services for car owners.

The conflict in Ukraine and the large number of refugees who have left Ukraine for European countries because of it require adaptation measures from Green Card insurers, emphasized Sandra SCHWARZ, President of the Bureau Council. She explained that there are issues that, while having practical solutions, still need a widely accepted legal resolution, and many countries are lagging behind in this regard. Furthermore, although the border insurance system is functioning and serves the situation, it is not yet sufficiently integrated with the rest of the Green Card system, leading to situations where guarantee funds have to pay compensation simply because they cannot verify the existence of an insurance policy issued at the border.

Alin ENESCU, Director of the Special Projects Department and Project Manager at BAAR, along with Mihai NECRELESCU, Risk Manager at BAAR, initiated the discussions regarding the contribution of technology to the development of the auto insurance sector. The topics covered

a wide range of concerns, from the use of telematics technologies (Matteo CARBONE, Founder and Director of the IoT Insurance Observatory, Italy), scoring methods (Orsolya HEGEDUS, Lead Automotive Sales & Delivery at Swiss Re, Switzerland), and the opportunities, risks, and limitations of using Artificial Intelligence (Eran TIRER, Founder and CEO of Ledgertech AG; Arndt GOSSMANN, CEO of DGTAL). They also discussed the impact of the rapid proliferation of electric and interconnected vehicles (Frederic BRUNETEAU, General Director of Ptolemus Consulting Group; Luka PRELEVIC, Head of International Growth at Hellas Direct; Christoph KONASZ, Professional Insurance Non-Life Retail at VIG Versicherungstechnik Retail; and Maria ALTHUBER-GRIESMAYR, Head of the Motor Insurance Department at VVO).

The challenges posed by the current economic environment to the auto insurance industry were not overlooked, especially given that these challenges have disproportionately affected this segment of the industry, which holds a significant share in the portfolios of insurers in emerging markets. Mehmet Akif EROĞLU, Chairman of the Insurance and Pension Regulation and Supervision Authority, and Menekşe UÇAROĞLU, CEO of IUC Group, provided their insights on these matters based on their experiences in Türkiye.



International Insurance Conference of Georgia 2023

GEORGIAN
International Insurance Conference

With the Official Support: Insurance State Supervision Service Georgia

Official Partners: GPI, ALDAGI

Main Partner: BINSURANCE GROUP

Partners: ARDI, BENEFITS, IMEDI, NEW VISION, PSP, Insurance Company Ltd.

With the Support: IUC

Media Partner: xprimm.com

4 - 5 May Tbilisi, Georgia

Organizer: xprimm



Over the course of the two days, discussions focused on two major topics for the local insurance market: the introduction of mandatory Motor Third-Party Liability Insurance (RCA) and the transition to the Solvency II regulatory regime.

The event was organized with the support of numerous players in the Georgian insurance market and IUC Group from Türkiye.

Georgia is preparing to transition to the Solvency II regime, as well as to institute a mandatory Motor Third-Party Liability Insurance system and other insurance-related reforms. To prepare for this, the supervisory authority closely cooperates with various international bodies such as the World Bank or European professional associations, emphasized David ONOPRISHVILI, Chairman of the Insurance State Supervision Service of Georgia.

Robert WASNER, Head of Insurance Life & Non-Life Retail at VIG, highlighted the benefits of introducing mandatory

Motor Third-Party Liability Insurance for third-party damage: *Motor third-party liability insurance protects both the vehicle owner and driver against legal liability claims in case the vehicle causes damage to third parties. While the third party can be assured of receiving proper compensation, the responsible party incurs fixed costs determined by the insurance premium.* Irakli DVALI, Director of Non-Life Insurance at GPI Holding, emphasized: *In Georgia, there are 1.1 million registered vehicles, but only 13% of them are covered by third-party liability insurance. Every year, over 43,000 accidents are recorded, resulting in thousands of injuries and hundreds of fatalities. With the introduction of mandatory RCA, millions of citizens will be better protected.*

Expressing the perspective of market operators, Devi KHECHINASHVILI, President of the Insurance Association of Georgia, drew attention to the fact that most statistical data is currently unreliable for use in MTPL, including data about the national fleet and road accidents.



A new insurance experience

In recent years, an insurance group in Türkiye has transformed the perception of insurance: Quick Sigorta and Corpus Sigorta. With their innovative approaches, they are shaping the future of the sector, addressing both current and future needs, and distinguishing themselves in the realms of insurance and finance. They offer more than just a new insurance experience; they also stand out due to their innovative initiatives in the financial field.

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