



Народна банка Србије

# 6th SERBIAN INSURANCE DAYS

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# FUGURES CONFIRM A DECADE OF STABLE GROWTH OF THE INSURANCE INDUSTRY

❖ In the period from 2012 until 2021 the amounts of capital, total assets, technical provisions and life insurance premium more than doubled.

❖ A generally positive trend of premium per capita and premium to GDP ratio is also observed in the same period.

❖ Total premium rose from RSD 61.5 bn in 2012 to RSD 119.4 bn in 2021.

❖ Life insurance premium increased from RSD 11.9 bn to RSD 27.1 bn.

❖ The amount of damage claims settled in the observed period doubled – from RSD 27 bn to RSD 56.8 bn.

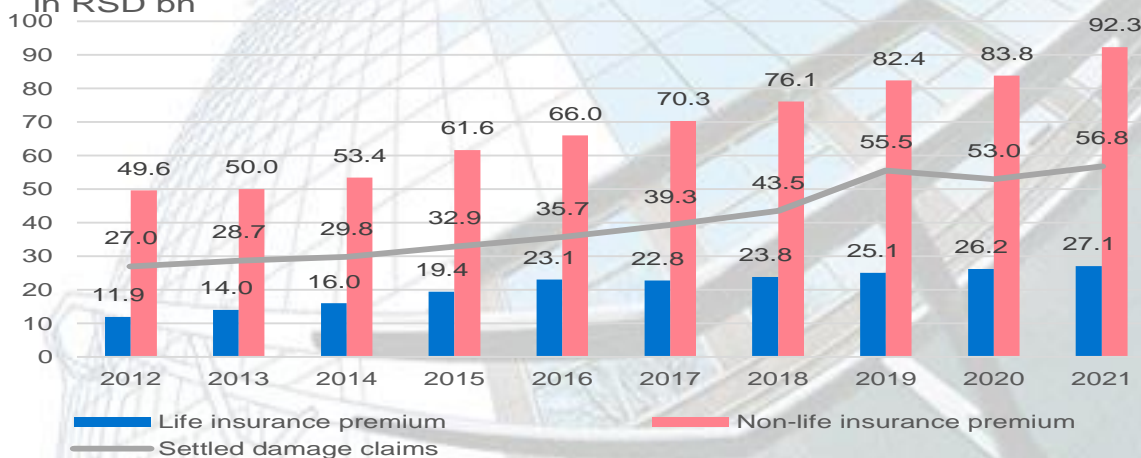
Amounts in RSD bn

|                                  | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total premium                    | 61.5   | 64.0   | 69.4   | 80.9   | 89.1   | 93.1   | 99.9   | 107.5  | 109.9  | 119.4  |
| Life insurance premium           | 11.9   | 14.0   | 16.0   | 19.4   | 23.1   | 22.8   | 23.8   | 25.1   | 26.2   | 27.1   |
| Non-life insurance premium       | 49.6   | 50.0   | 53.4   | 61.6   | 66.0   | 70.3   | 76.1   | 82.4   | 83.8   | 92.3   |
| Premium per capita <sup>2)</sup> | € 75   | € 79   | € 83   | € 94   | € 103  | € 109  | € 121  | € 131  | € 136  | € 149  |
| Premium to GDP ratio             | 1.6%   | 1.6%   | 1.7%   | 1.9%   | 2.0%   | 2.0%   | 2.0%   | 2.0%   | 2.0%   | 1.9%   |
| Settled damage claims            | 27.0   | 28.7   | 29.8   | 32.9   | 35.7   | 39.3   | 43.5   | 55.5   | 53.0   | 56.8   |
| Total assets                     | 140.5  | 147.8  | 167.9  | 191.8  | 215.6  | 233.0  | 279.0  | 299.7  | 314.2  | 334.0  |
| Capital                          | 35.6   | 35.0   | 35.2   | 44.8   | 50.8   | 54.0   | 61.5   | 72.1   | 76.8   | 81.1   |
| Technical provisions             | 87.9   | 96.2   | 117.0  | 131.0  | 148.4  | 160.6  | 197.3  | 202.5  | 208.3  | 219.2  |
| Number of insurance undertakings | 28     | 28     | 25     | 24     | 23     | 21     | 20     | 20     | 20     | 20     |
| Number of employees              | 11,408 | 11,293 | 11,287 | 10,859 | 10,954 | 10,813 | 10,566 | 11,146 | 11,358 | 11,244 |

<sup>1)</sup> Settled damage claims including the expenses related to the settling and payout of damage claims of insurance undertakings.

<sup>2)</sup> Premium data calculated by applying the annual middle exchange rate of the NBS for the respective year, while the number of the population is the estimated number of the population (annual average).

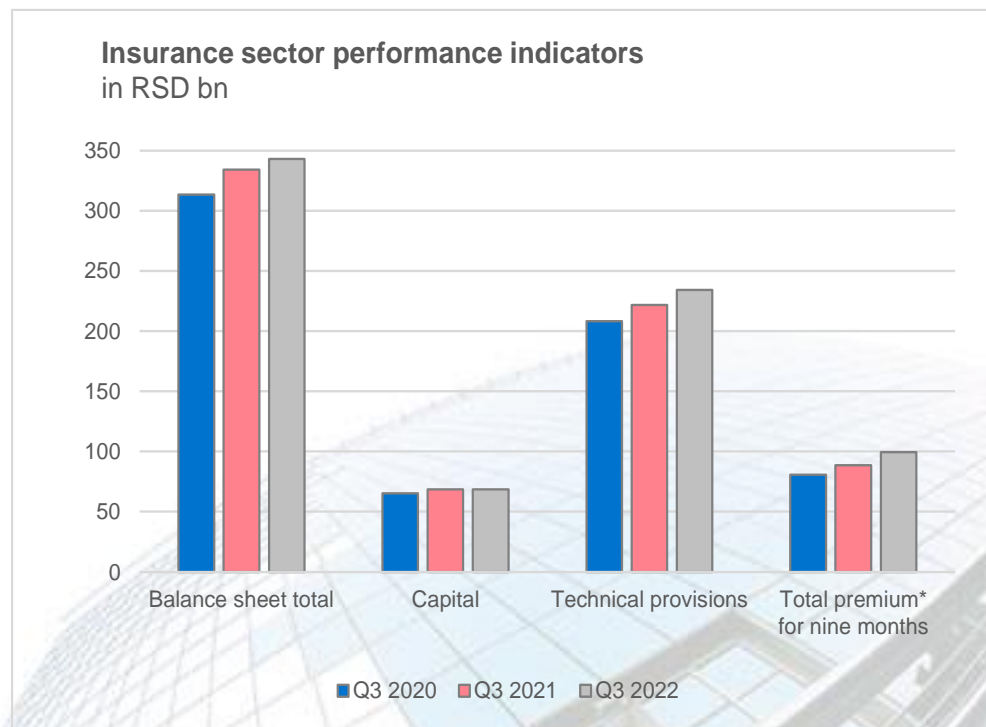
**Total premium and settled damage claims in the insurance market, in RSD bn**



Source: National Bank of Serbia.

# STABILITY OF INSURANCE MARKET WAS ALSO MAINTAINED AMID PRONOUNCED GLOBAL UNCERTAINTY

- ❖ The first three quarters of 2022 saw a **positive interim net result of RSD 5.8 bn.**
- ❖ In the three quarters of 2022 **total premium went up by 12.2% y-o-y, to RSD 99.4 bn**, a rate which exceeds the average growth rate for the same period in the past ten years.
- ❖ In figures: Comparing Q3 2022 with Q3 2021, the following indicator changes are noted:
  - **Balance sheet total** of the insurance sector increased **by 2.7%, to RSD 343.2 bn**;
  - **Capital** rose **by 0.1%, to RSD 68.5 bn**;
  - **Technical provisions** gained **5.7%, coming at RSD 234.3 bn.**



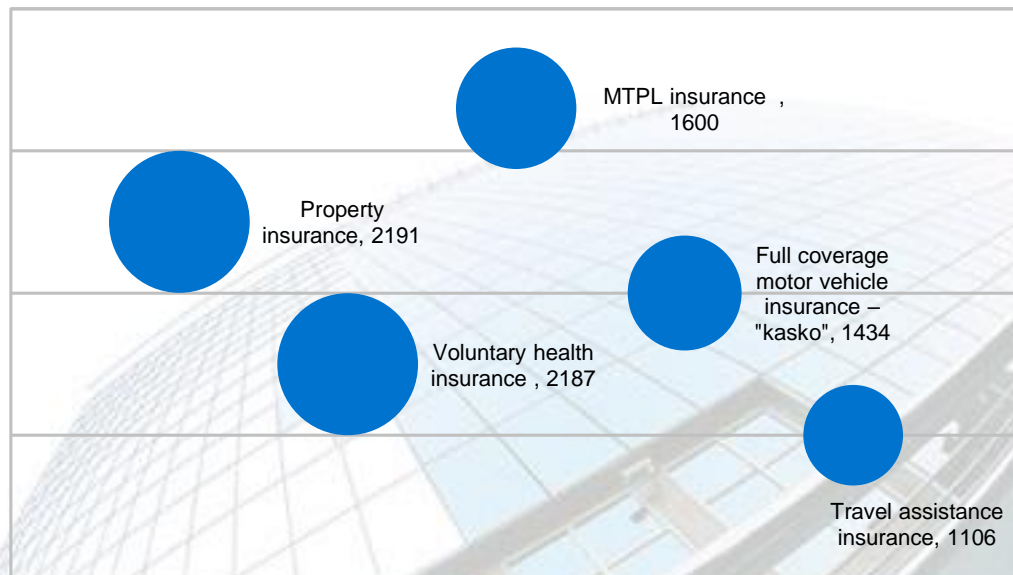
# CURRENT RISKS HEIGHTENED THE AWARENESS ABOUT THE IMPORTANCE OF INSURANCE

❖ **Almost all types of insurance recorded growth in total premium** (except two types which do not have a significant impact on movement in total premium).

❖ **The sharpest absolute growth relative to the same period in the year before was recorded for:**

- property insurance,
- voluntary health insurance,
- motor third party liability insurance,
- full coverage motor vehicle insurance – „kasko“,
- and travel assistance insurance.

The greatest increase in total premium, in absolute amounts, by type of insurance, in Q3 2022 relative to Q3 2021, in RSD mn



Source: National Bank of Serbia.

# NBS AS THE SUPERVISOR AND REGULATOR OF THE INSURANCE MARKET – in the service of citizens and corporates

## ❖ **Decision on Application of the Sex Factor in Insurance**

- *Insurance undertakings can no longer use the sex factor in pricing which entails differences in individual premiums and benefits.*

## ❖ **Amendments to the Decision on Reporting by Insurance/Reinsurance Undertakings**

- *Undertakings are required to timely submit information to the National Bank of Serbia about profit distribution and planned dates of dividend payment to shareholders.*

## ❖ **Decision on the System of Governance in an Insurance/Reinsurance Undertaking**

- *The Decision regulates the decision-making procedure in insurance undertakings relating to conditions and tariff of compulsory insurance.*



# ESTABLISHING BEST BUSINESS STANDARDS IS IMPERATIVE

- ❖ With its supervisory and regulatory activities, guidelines and recommendations, the NBS indicated the necessary adjustments in order to achieve the highest business standards.
- ❖ With our supervisory activities we ensured a turn in insurance undertakings' approach to the manner of contracting *life insurance* (verifying the health status of the insured before acceptance into insurance or paying out the claims when such verification was not conducted) and the *collective insurance of pensioners* (providing information necessary for exercising rights in insurance), and at the same time we detected and recognised good business practice in MTPL insurance (proper provision of information and just resolution of damage claims), and gave an impetus for this segment to be improved.

# GOOD-QUALITY PRODUCTS LEAD TO SATISFIED INSURANCE SERVICE USERS

- ❖ Improving the quality of insurance products is a task to which we should go back over and over again, re-examining the justification of objections and comments (causes of objections), and determining whether adequate value is offered for the price demanded.
- ❖ A key to the better understanding of insurance products is a well-composed and easy-to-view *notification on pre-contractual information* which pertains to a specific contractual relation and, in addition to other, mandatory information, also contains all the relevant information on the risks covered, as well as exceptions to those risks, including the scope of the insurer's obligations.
- ❖ Satisfied and protected insurance service users are the only way towards further sound development of the insurance market.

# IT'S NOT ALL IN ITS TIME, BUT ALL IN OUR TIME!

- ❖ With ten successful years behind us, we continue to raise standards in the insurance market with the same zeal.
- ❖ As the supervisor, the NBS expects understanding and support from market participants so that together we can respond to future challenges. A turbulent time is ahead of us, in which we must stand together in all major areas, because only united can we fight uncertainty, bleak outlooks and growing global risks.
- ❖ We expect insurance and reinsurance undertakings to manage their capital responsibly so that the current risks and those that might become relevant are insured not only by active management, but also by the sufficient amount of core capital.
- ❖ We believe that only through understanding, joint action and cooperation can we achieve wellbeing in a general public interest, which is a basis for further individual growth and development.
- ❖ While joining forces against public interest is not allowed, joining them in the general interest – especially in times of crises – is our imperative!
- ❖ Only in this way can we make sure that this time is OUR time and that time works in our favour!





I wish you success in the sixth  
Serbian Insurance Days!