



Народна банка Србије

“SERBIAN INSURANCE DAYS” CONFERENCE

Dr Jorgovanka Tabaković,
Governor of the National Bank of Serbia
Zlatibor, 28 November – 1 December 2023



If not us, then who? If not now, when?

The permanent goal of the NBS and the insurance industry

- ✓ **Modern, efficient and stable financial sector**
- ✓ **Solvent insurance undertakings**
- ✓ **Protected insureds, insurance beneficiaries and third damaged parties**
- ✓ **High-quality and innovative insurance products**



The insurance market has been stable over the past decade – the numbers speak for themselves

Показатељи развијености сектора осигурања ¹⁾

❖ In the observed 2013–2022 period, capital, total assets, technical reserves, and life and non-life insurance premium more than doubled

❖ There is a generally positive trend of premium per capita and the share of premium in GDP

❖ Total premium increased from RSD 64.0 bn in 2013 to RSD 133.9 bn in 2022

❖ Life insurance premium went up from RSD 14.0 bn to RSD 28.7 bn

❖ The amount of settled claims more than doubled in the observed period

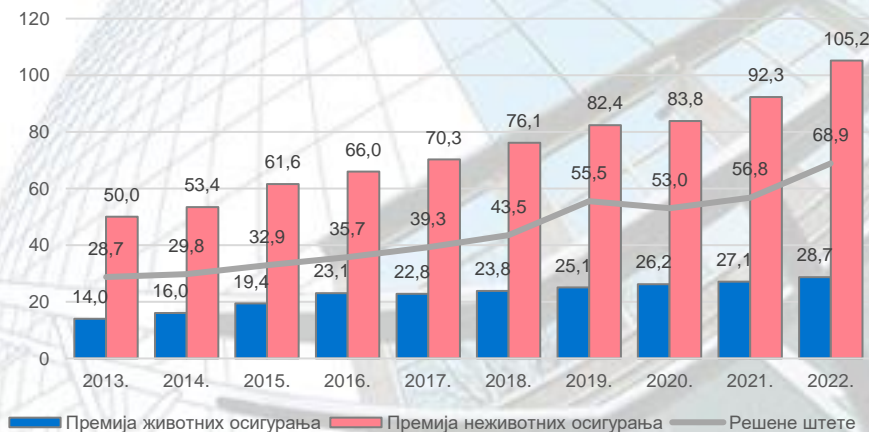
Износи у милијардама динара

	2013.	2014.	2015.	2016.	2017.	2018.	2019.	2020.	2021.	2022.
Укупна премија	64,0	69,4	80,9	89,1	93,1	99,9	107,5	109,9	119,4	133,9
Премија животних осигурања	14,0	16,0	19,4	23,1	22,8	23,8	25,1	26,2	27,1	28,7
Премија неживотних осигурања	50,0	53,4	61,6	66,0	70,3	76,1	82,4	83,8	92,3	105,2
Премија по становнику ²⁾	€ 79	€ 83	€ 94	€ 103	€ 109	€ 121	€ 131	€ 136	€ 149	€ 171
Учешће премије у БДП-у	1,6%	1,7%	1,9%	2,0%	2,0%	2,0%	2,0%	2,0%	1,9%	1,9%
Решене штете	28,7	29,8	32,9	35,7	39,3	43,5	55,5	53,0	56,8	68,9
Укупна имовина	147,8	167,9	191,8	215,6	233,0	279,0	299,7	314,2	334,0	336,6
Капитал	35,0	35,2	44,8	50,8	54,0	61,5	72,1	76,8	81,1	72,0
Техничке резерве	96,2	117,0	131,0	148,4	160,6	197,3	202,5	208,3	219,2	229,7
Број друштава за осигурање	28	25	24	23	21	20	20	20	20	20
Број запослених	11.293	11.287	10.859	10.954	10.813	10.566	11.146	11.358	11.244	11.419

1) Решене штете су са трошковима у вези с решавањем и исплатом штета друштава за осигурање.

2) Податак о премији је обрачунат према просечном годишњем курсу Народне банке Србије за односну годину, док је за број становника примењен проценен број становника (годишњи просек).

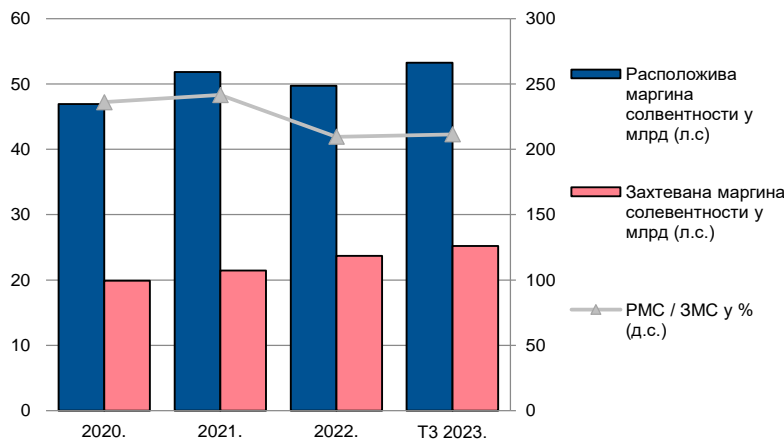
Укупна премија и решене штете тржишта осигурања у милијардама динара



Извор: Народна банка Србије.

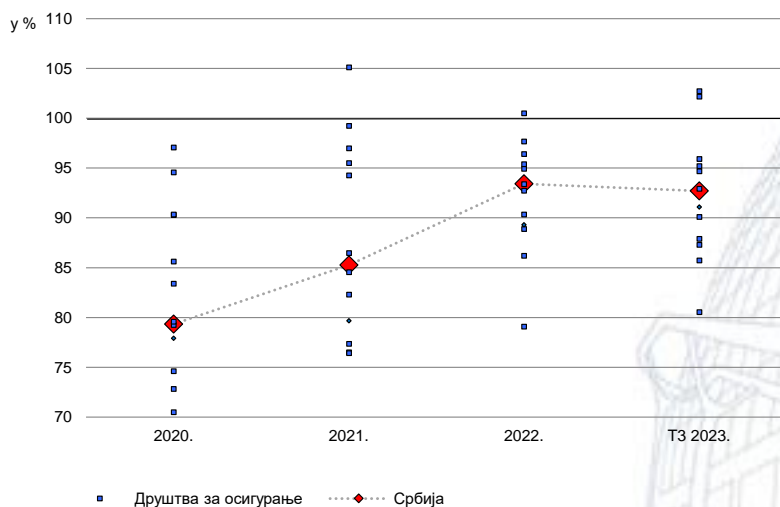
The stability of the insurance market has been maintained in the last four years, in the conditions of multiple, increased risks (1/2)

Адекватност капитала сектора осигурања



Извор: Народна банка Србије.

Комбиновани ратио неживотних осигурања у самопридржају



Извор: Народна банка Србије.

At the end of the first three quarters of the year, the sector is:

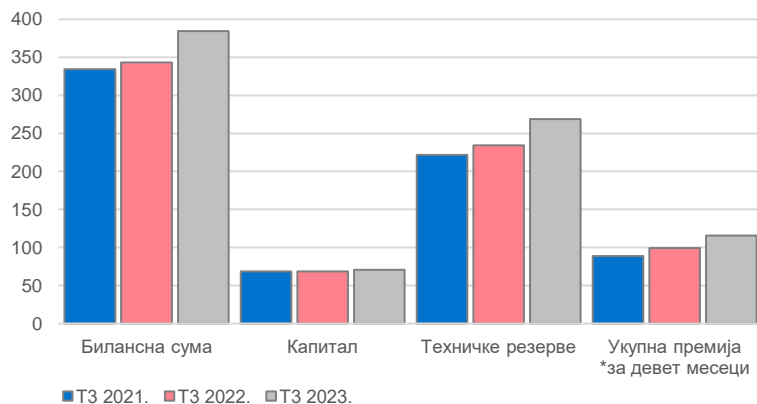
- ❖ Well-capitalised – **the capital adequacy ratio is 211.4%**, which is more than at end-2022
- ❖ Profitable

✓ A **positive interim net result** was achieved in the amount of **RSD 6.6 bn**, which is **13.0%** more than in the same period of 2022

✓ **The net combined ratio** of non-life insurance is **below 100%**.

The stability of the insurance market has been maintained in the last four years, in the conditions of multiple, increased risks (2/2)

Показатељи пословања сектора осигурања
у милијардама динара



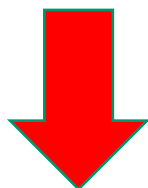
❖ **Total premium** in the first three quarters of the year rose to RSD 115.6 bn, which is an increase of **16.3% y-o-y**; this growth rate is higher than the average rate achieved during the same period in the past ten years.

❖ In numbers, the following changes are noted in Q3 this year relative to the end of the same period in 2022:

- ✓ Insurance sector's **balance sheet total rose by 12.0% to RSD 384.2 bn**
- ✓ **Capital increased modestly by 3.3% to RSD 70.7 bn**
- ✓ **Technical reserves gained 14.7% to RSD 268.8 bn**

Current risks / potential for insurance

Geopolitical tensions, catastrophe claims caused primarily by climate change



- ❖ for **life insurance**: the impact of factors resulting from imported inflation could have a negative effect on exposure to the liquidity risk – e.g. terminations, redemptions
- ❖ for **non-life insurance**: higher inflation and catastrophe claims push up costs and claims (need to build up provisions for claims), affecting profitability
- ❖ for **reinsurance**: possible escalation of geopolitical uncertainty could make it more difficult to provide reinsurance coverage



Potential for insurance sector growth:

The need to carry on continuous work on providing more accessible and affordable insurance, both in terms of creating insurance products adapted to the needs of the insureds (e.g. new coverage), and in terms of improving the sales network, but taking into account the risks and the protection of service users

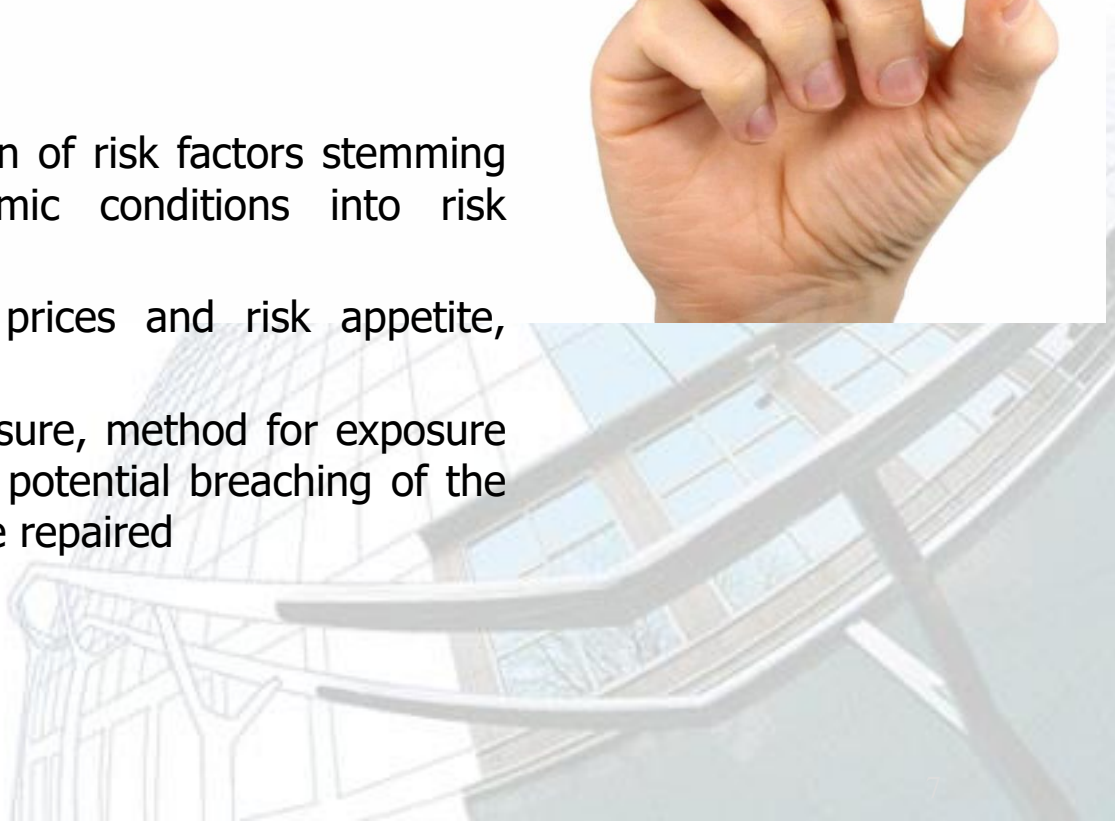
The highest absolute growth in insurance premiums relative to the same period last year is recorded in:

- ❖ motor third party liability insurance
- ❖ voluntary health insurance
- ❖ property insurance
- ❖ motor vehicle insurance – full coverage

A possible response to the challenges

RISK MANAGEMENT



- ❖ Full understanding and integration of risk factors stemming from the changed socioeconomic conditions into risk management models
 - ❖ Product redesign, matching of prices and risk appetite, improved cost efficiency
 - ❖ Establishing total maximum exposure, method for exposure monitoring and manner in which potential breaching of the maximum exposure limit would be repaired
- 



Protection of citizens

TARGET INSURANCE FUNCTION:
Ensuring protection of the insured, insurance beneficiaries and third damaged parties

- **OUR TASK** – to ensure that insurance undertakings are at all times financially viable and capable of meeting their liabilities toward the insured, insurance beneficiaries and third damaged parties, and that persons carrying out insurance distribution are fully capable of meeting insurance needs of households and corporates.



A responsible supervisor

Effects of the supervision of market behaviour



Immediate financial effect on insurance service users of around RSD 200 mn

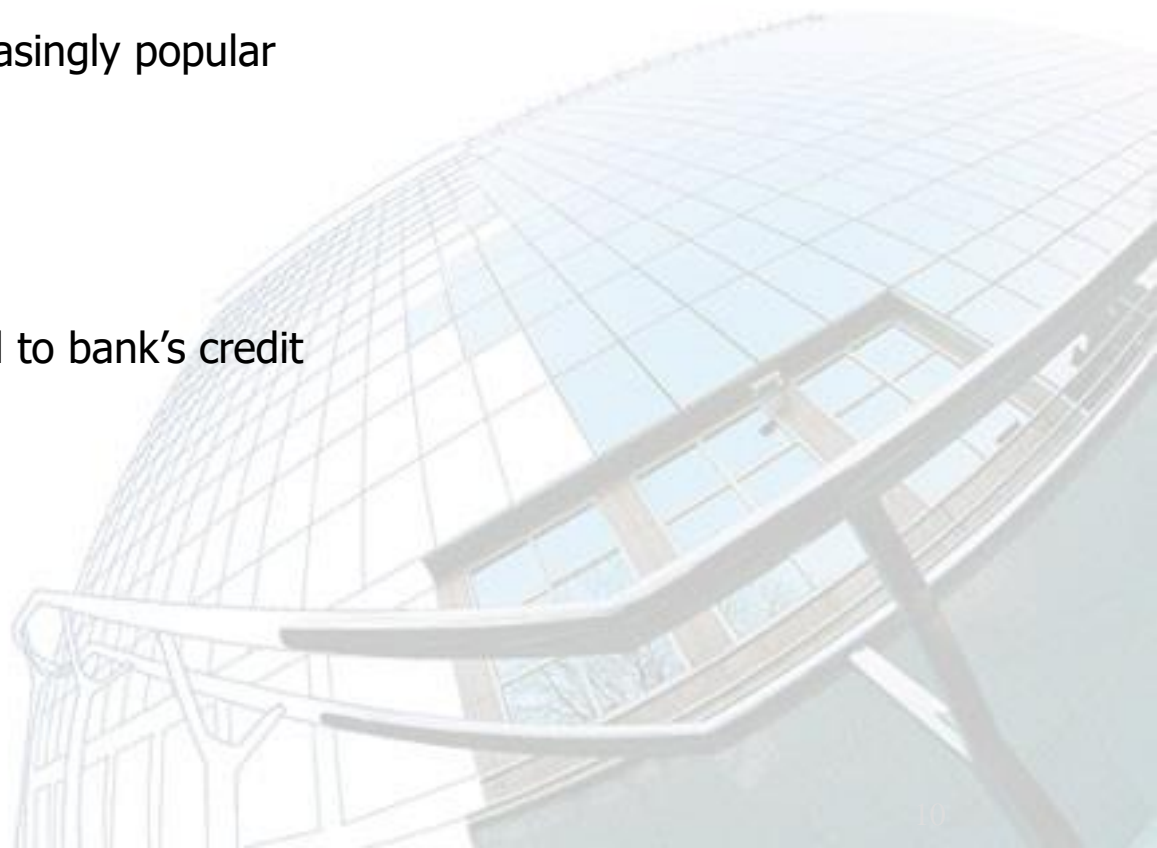
Insurance service users indemnified against insolvency of travel agencies – travellers who did not realise their travels

- Pensioners – collective insurance users indemnified due to omissions in information provision in the pre-contractual and contractual phase
- Bank clients indemnified because they concluded loan insurance contract without being informed about changed insurance terms

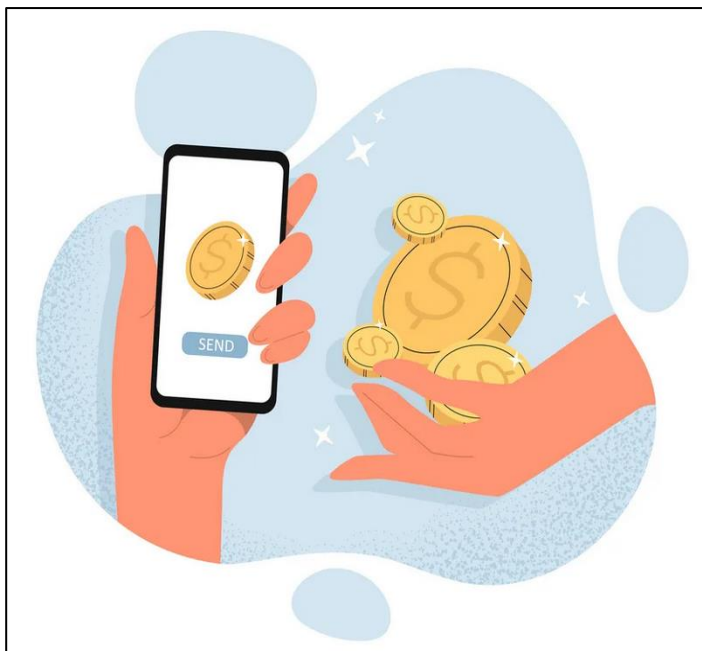


Comprehensiveness of insurance sales

- Insurance is more available owing to automatised sale of financial services
- Banks are becoming an increasingly popular insurance sale channel
- Significant client base
- Insurance as a product linked to bank's credit products
- Insurance as a collateral



Digitalisation of the insurance service



- Digital transformation of business – insurance is increasingly available on digital platforms and social networks
- Improving client relations
- Introducing customer video identification procedure





Народна банка Србије

Thank you for your attention!

