National Bank of Serbia

INSURANCE SUPERVISION DEPARTMENT

INSURANCE SECTOR IN SERBIA

First Quarter Report 2026

July 2026

Contents:

List of abbreviations

mn	million
bn	billion
Q1	first quarter (1 January – 31 March)
Q3	three quarters in one year (1 January – 30 September)

1. Insurance market[1]

1.1. Market participants

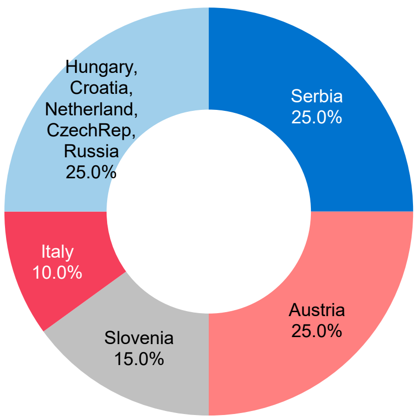
(Re)insurance undertakings

At end-Q1 2026, the insurance market in Serbia comprised 20 (re)insurance undertakings, unchanged in y-o-y terms. Sixteen undertakings engaged in insurance activities only and four in reinsurance activities. Of the insurance undertakings, four were exclusive life insurers, six exclusive non-life insurers, while six provided both life and non-life insurance.

The breakdown by ownership at end-Q1 2026 shows that of 20 undertakings, 15 were in majority foreign ownership.

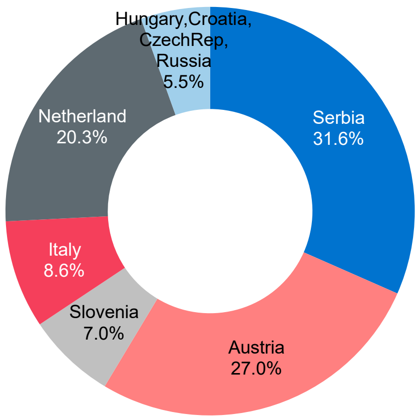
At end-Q1 2026, foreign-owned undertakings held majority shares of life insurance premium (83.3%), non-life insurance premium (61.2%), total assets (68.4%), and employment (66.2%).

Chart 1.1.1. **Structure of (re)insurance undertakings in Serbia by ownership** (in Q1 2026)



Source: National Bank of Serbia.

Chart 1.1.2. **Balance sheet total of (re)insurance undertakings in Serbia by ownership** (in Q1 2026)



Source: National Bank of Serbia.

Other market participants

In addition to (re)insurance undertakings, at end-Q1 2026 the market also consisted of: 15 banks, 12 financial lessors and a public postal operator which are licensed for insurance agency activities, 118 legal persons (insurance brokerage and agency undertakings), 84 insurance agents (natural persons – entrepreneurs) and 4,470 active certified agents/brokers in insurance.

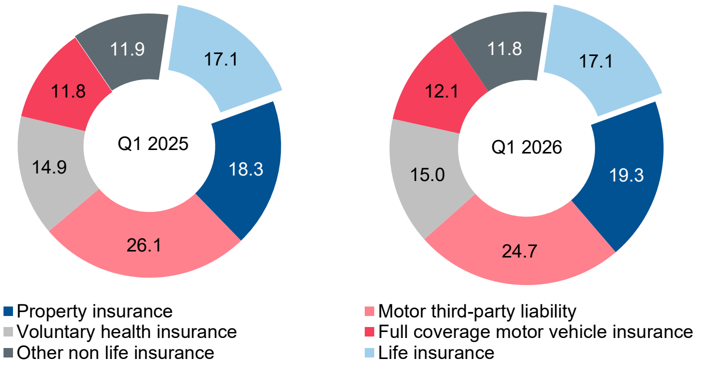
[1] The *Report* is based on data submitted by (re)insurance undertakings to the NBS in line with regulations.

1.2 Insurance portfolio structure

Total premium in Q1 2026 amounted to RSD 50.2 bn (EUR 428 mn or USD 501 mn)[2], a rise of 11.6% relative to the same period last year.

The composition of the total premium stayed broadly the same, the share of life insurance premium was 17.1% in both observed periods.

Chart 3.3 **Total premium according to the types of insurance**
(in Q1 2025 and Q1 2026, in %)



Source: National Bank of Serbia.

Observed by type of insurance, the premium structure in Q1 2026 resembled that recorded in the same period in 2025, with motor third party liability insurance (MTPL) accounting for the largest share of the total premium (24.7%). Next comes property insurance (19.3%), life insurance (17.1%), voluntary health insurance (15.0%) and full coverage motor vehicle insurance – "kasko" (12.1%).

Non-life insurance premium rose by 11.6% in Q1 2026 relative to Q1 2025. MTPL insurance premium went up by 5.6%, property insurance premium by 17.6%, voluntary health insurance premium by 12.9%, and premium of full coverage motor vehicle insurance ("kasko") by 14.8%.

The above-mentioned growth of the voluntary health insurance premium mildly drove up its share in total premium from 14.9% in Q1 2025 to 15.0% in Q1 2026, with four insurance undertakings accounting for 69.2% of this market segment.

Accident insurance, which among other thing comprises mandatory insurance such as accident insurance of passengers in public transport and insurance of employees against occupational injury and illness and occupation-related diseases, grew as much as 30.7%, increasing its share in total premium from 2.4% in Q1 2025 to 2.9% in Q1 2026.

In terms of the total, non-life and life insurance premiums in Q1 2026, there was no change in the ranking of the top five insurance undertakings, which accounted for 73.4%, 73.8% and 80.5% of those categories of premiums, respectively.

[2] At the average value of the NBS middle exchange rate for the period observed.

Table 1.2 **Ranking list of five largest insurance undertakings**
(RSD mn, %)

	31/3/2025			31/3/2026			Ranking change
	Amount	Share	Rank	Amount	Share	Rank	
by total premiums							
Dunav	11338	25.2	1	12843	25.6	1	-
Generali	8999	20.0	2	9946	19.8	2	-
DDOR	4798	10.7	3	5073	10.1	3	-
Wiener	4525	10.1	4	4776	9.5	4	-
Triglav	3715	8.3	5	4218	8.4	5	-
by non-life premiums							
Dunav	10000	26.8	1	11413	27.4	1	-
Generali	7050	18.9	2	7571	18.2	2	-
DDOR	4011	10.7	3	4233	10.2	3	-
Triglav	3516	9.4	4	4008	9.6	4	-
Wiener	3347	9.0	5	3517	8.4	5	-
by life premiums							
Generali	1949	25.3	1	2375	27.7	1	-
Dunav	1338	17.4	2	1431	16.7	2	-
Wiener	1177	15.3	3	1259	14.7	3	-
Grawe	935	12.2	4	997	11.6	4	-
DDOR	786	10.2	5	840	9.8	5	-

Source: NBS.

The Herfindahl Hirschman index (HHI), calculated by summing up the squares of the respective market shares or, in this case, balance sheet totals of all (re)insurance undertakings, points to moderate market concentration. At end-Q1 2026, the HHI was 1,182[3].

1.3 Balance sheet total and balance sheet structure

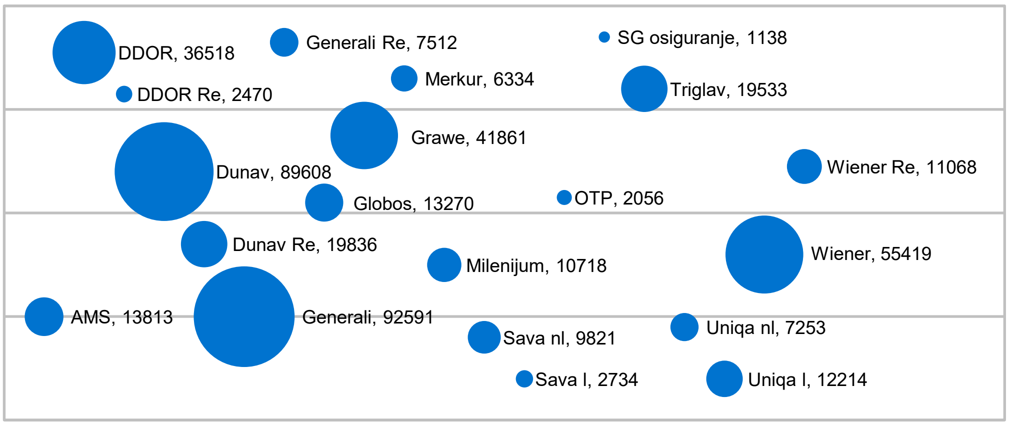
Balance sheet total

Balance sheet total of (re)insurance undertakings increased at end-Q1 2026 to RSD 455.8 bn (EUR 3.88 bn or USD 4.45 bn)[4], going up by 6.4% y-o-y.

In terms of the industry's balance sheet total, there was no change in the ranking of the top five insurance undertakings, which in Q1 2026 accounted for 76.2% of the total.

[3] HHI up to 1,000 indicates that there is no market concentration in the sector; 1,000–1800 indicates moderate concentration; above 1,800 indicates high concentration.
[4] At the NBS middle exchange rate as at 31 March 2026.

Chart 1.3.1 **Balance sheet total of (re) insurance undertakings**
(as at 31/03/2026, in RSD mn)



Source: National Bank of Serbia.

Table 1.3 **Ranking list of five largest insurance undertakings by balance sheet total**
(RSD mn, %)

	31/3/2025			31/3/2026			Ranking change
	Amount	Share	Rank	Amount	Share	Rank	
Generali	86945	22.4	1	92591	22.3	1	-
Dunav	81098	20.8	2	89608	21.6	2	-
Wiener	54912	14.1	3	55419	13.4	3	-
Grawe	40224	10.3	4	41861	10.1	4	-
DDOR	33758	8.7	5	36518	8.8	5	-

Source: NBS.

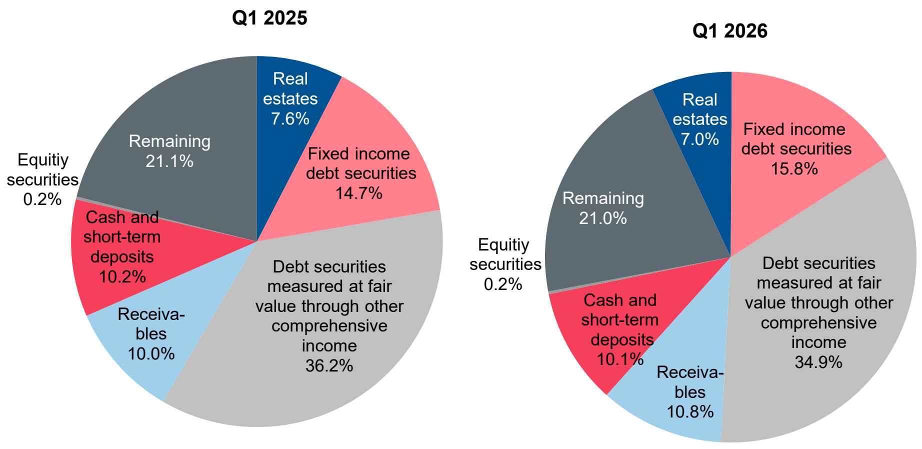
Structure of assets

In the structure of (re)insurance undertakings' assets as at 31 March 2026, the major part were debt securities measured at fair value through other comprehensive income (34.9%) and fixed-income debt securities (15.8%), followed by: receivables (10.8%), cash and short-term deposits (10.1%), technical provisions borne by the coinsurer, reinsurer and retrocessionaire (9.5%, part of the item "Other"[5] in Chart 1.3.2), property, plant and equipment (7.0%) and other.

Relative to end-Q1 2025, we can conclude that receivables increased their share in assets, while the share of real estate declined.

[5] Other includes: intangible investments, goodwill, software and other rights, participating interests, other long-term financial investments (with the exception of fixed income debt securities), other long-term assets, deferred tax assets, inventories, non-current assets held for sale, other securities within financial investments, other short-term financial investments, value added tax, prepayments and accrued income and technical provisions charged to coinsurer, reinsurer and retrocessionaire.

Chart 1.3.2 **Structure of assets**
(as at 31/03/2025 and 31/03/2026)



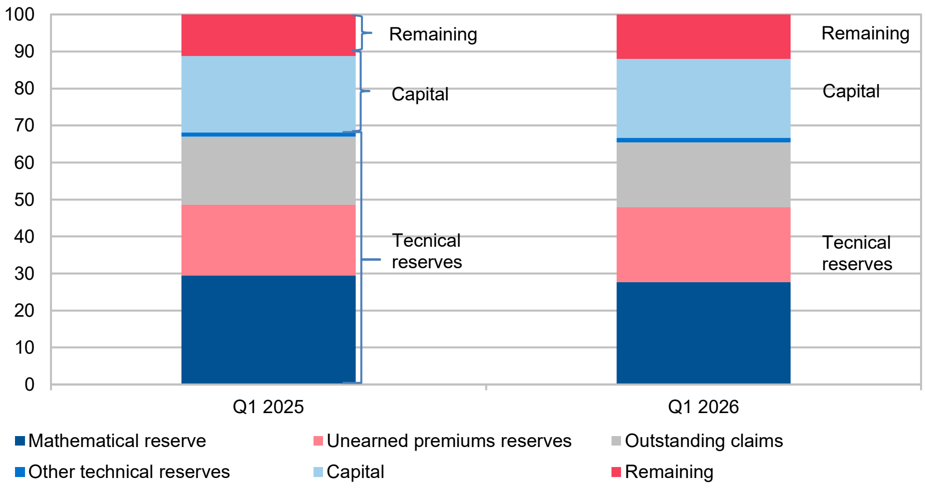
Source: National Bank of Serbia.

Structure of liabilities

In the structure of liabilities of (re)insurance undertakings at end-Q1 2026, technical provisions accounted for 66.7%, and capital for 21.3%.

Capital amounting to RSD 96.1 bn recorded a y-o-y growth rate of 9.4%. Technical provisions amounted to RSD 301 bn, posting a mere 4.1% y-o-y growth at end-Q1 2026, due mainly to the settling of a large property damage reported in Q3 2024. Mathematical reserve kept the dominant share in technical provisions, despite a mild y-o-y decline of 0.2% in Q1 2026.

Chart 1.3.3 **Structure of liabilities**
(in %)



Source: National Bank of Serbia.

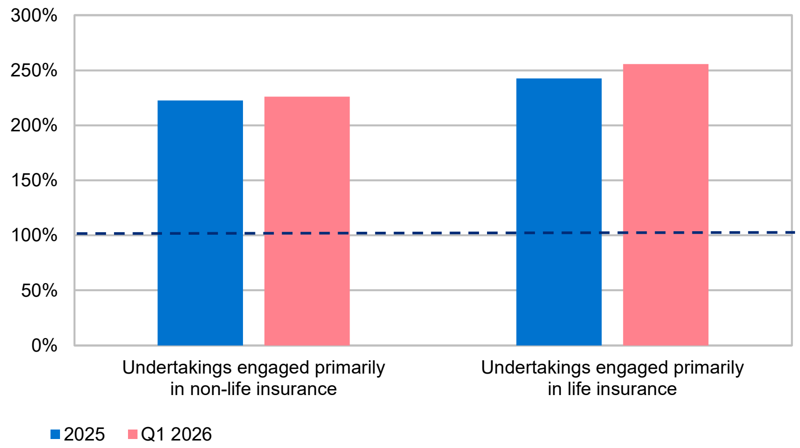
2 Performance indicators

2.1 Capital adequacy

The solvency of (re)insurance undertakings largely depends on the sufficiency of technical provisions for undertaken obligations and on meeting the conditions related to capital adequacy, which have been established as the ratio of the required and available solvency margin.

The available solvency margin of the (re)insurance undertakings in Serbia as at 31 March 2026 amounted to RSD 73.6 bn, and the required solvency margin to RSD 31.9 bn. In undertakings engaged mainly in *non-life insurance*, the **main capital adequacy ratio** (the ratio of the available to required solvency margin) was 226.2%, and for all predominantly *life insurers* in Serbia it equalled 255.6%

Chart 2.1 **Capital adequacy of insurance undertakings**



Source: National Bank of Serbia.

2.2.Quality of assets

The share of types of assets that can qualify as difficult to collect (intangible investments, real estate, investment in non-tradable securities and receivables) in total assets of undertakings engaged primarily in *non-life insurance*, i.e. **the ratio of less marketable assets**, came at 19.9% at end-Q1 2026, compared to slightly lower 19.7% at end-2025.

For undertakings engaged primarily in *life insurance*, this ratio edged down from 7.2% at end-2025 to 6.9% at end-Q1 2026.

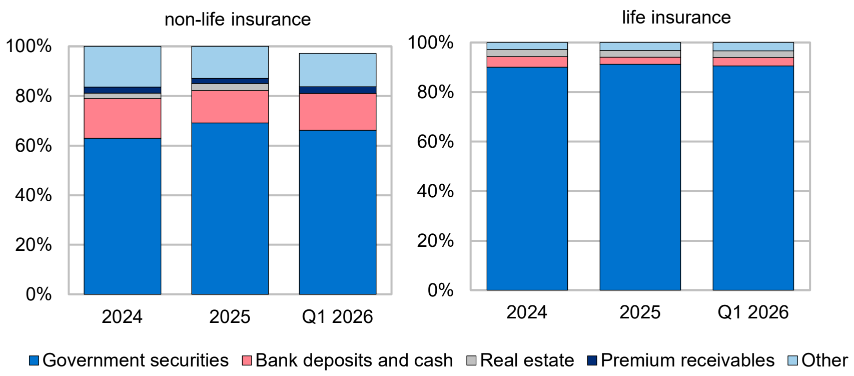
2.3 Investment of technical provisions

In order to protect the interests of the insured and third damaged parties and to ensure timely payment of damage claims, insurance undertakings need not only allocate adequate technical provisions, but also invest these assets to ensure that their real value is maintained and increased, so that the undertaken insurance obligations may be fully and timely met, both at present and in the future period. To be able to meet its liabilities, an undertaking must invest its assets taking due account of the risk profile and risk tolerance limits (qualitative and quantitative), in line with its investment policy. It shall also continuously monitor changes in the level of exposure to the risk of changes in the value of the assets covering technical provisions, as well as changes in the value of the technical provisions themselves, and shall regularly review the manner in which these risks are managed.

In Q1 2026, technical provisions were fully invested in the prescribed types of assets, in both insurance and *reinsurance undertakings*.

Non-life insurance technical provisions of all Serbian insurance undertakings were mostly invested in government securities (66.1%), bank deposits and cash (14.9%), technical provisions charged to coinsurer, reinsurer and retrocessionaire (12.5%), real estate (2.8%) and insurance premium receivables not yet due (2.7%). Compared to last year's end, on the one hand, the share of government securities contracted, while on the other, the share of deposits and cash, insurance premium receivables and technical provisions charged to coinsurer, reinsurer and retrocessionaire (part of the category "Other" in Chart 2.3) increased.

Chart 2.3 **Structure of investment of technical reserves**



Source: National Bank of Serbia.

Relative to end-2025, there was no major change in the structure of investment of *life* technical provisions – investment in government securities edged down mildly, to 90.6%, while the share of bank deposits and cash increased slightly, to 3.3%.

2.4 Profitability

A measure of profitability of an insurance undertaking is the **net combined ratio** (the sum of net claims and underwritten expenses, net of reinsurance and retrocession commissions, relative to earned net premium). A ratio below 100% indicates that an undertaking can cover damage claims and expenses out of the premium written, while a ratio above 100% means that in premium pricing it takes into account potential income from investments in the financial and real estate market, which exposes it to inherent market risks and counterparty risk. In undertakings primarily engaged in non-life insurance, the combined ratio went up from 89.2% in Q1 2025 to 89.9% in Q1 2026, as a result of a somewhat stronger growth of the earned net premium relative to the sum of net claims and underwritten expenses reduced by the reinsurance and retrocession commission.

2.5 Liquidity

To be able to meet its liabilities, an insurance undertaking must ensure an asset-liability maturity match and make sure its assets are marketable and of adequate quality. As the size and timing of individual damage claims cannot be predicted, an insurance undertaking must carefully plan the composition of its assets in order to be able to meet first its liabilities under damage claims, and then all other liabilities.

Liquid assets to liquid liabilities ratio[6] for all (re)insurance undertakings measured 104.3% in Q1 2026, suggesting that liquid assets were sufficient for servicing short-term liabilities of the insurance sector.

3 Motor third party liability

At end-Q1 2026, 11 insurance undertakings engaged in compulsory MTPL insurance – unchanged from the same period last year.

In Q1 2026, the MTPL premium rose by 5.8% y-o-y, with the number of concluded insurance contracts increasing by 5.3%.

Portfolio concentration in this segment was almost unchanged, bearing in mind that three insurance undertakings with the largest share in the MTPL premium accounted for 57.8% of the market in Q1 2026, compared to 57.6% in the same period last year.

4 Conclusion

The comparison of indicators between Q1 2026 and the same quarter of 2025 points to the following changes:

[6] For the purposes of this *Report*, liquid assets comprise: financial investments, cash and deposits with banks and other long-term financial investments, while liabilities refer to: short-term liabilities, accrued costs and deferred revenues, outstanding claims and other technical provisions in insurance up to one year.

- a total of 20 (re)insurance undertakings operated in Serbia, unchanged from the same period of the previous year, with a slightly increased employment in the sector rising by 0.9%, to 11,398 persons;
- the insurance sector balance sheet total rose by 6.4% to RSD 455.8 bn;
- capital went up by 9.4% to RSD 96.1 bn;
- technical provisions gained 4.1%, coming at RSD 301 bn, and were fully invested in the prescribed types of assets;
- total premium gained 11.6% and came at RSD 50.2 bn;
- non-life insurance continued to account for the dominant share of total premium (82.9%). Non-life insurance premium rose by 11.6%, with more prominent insurance types, such as: property insurance, voluntary health insurance and full coverage motor vehicle insurance ("kasko") recording a two-digit percentage growth;
- the share of life insurance remained unchanged in both periods observed.

The current insurance regulations in Serbia have laid the legislative groundwork for a further substantial convergence of the Serbian insurance sector to that of the EU.

Still, major changes in the insurance supervision regulatory framework are yet to be made with the full alignment with the Insurance Distribution Directive (IDD) and implementation of Solvency II. In 2025, the NBS devoted considerable efforts to preparing a new Law on Insurance and the accompanying secondary legislation, and drafted the new Law on Insurance.

The adoption of the new Law on Insurance will comprehensively regulate the insurance market in the Republic of Serbia through the transposition of the provisions of the Solvency II and IDD into the domestic legal system, while ensuring a balanced approach to the key areas governed by the Law and the more detailed regulation of specific matters through secondary legislation.

The solutions introduced by the new Law are expected to have a positive impact on all entities to which they apply, primarily: citizens and businesses in their capacity as policyholders, beneficiaries and third injured parties (through enhanced protection of their rights and interests, as well as improved access to information); insurance and reinsurance undertakings (through strengthened financial stability and improved market discipline, operational efficiency and quality of business operations); insurance distributors (through a further clarified role and regulatory framework for doing business); and the NBS (through more effective and higher-quality supervision of entities operating in the insurance sector).

Amid heightened global uncertainty, particularly the escalation of the conflict in the Middle East, which has resulted in a significant increase in global energy and other commodity prices and has affected supply chains and capital flows to emerging economies, including Serbia, the NBS is pursuing a cautious monetary policy and, in coordination with the Government, is striving to preserve – and has succeeded in preserving – the country's macroeconomic stability, which constitutes the cornerstone of the domestic economy's resilience to external shocks. Bearing in mind the importance of the insurance sector for protecting citizens and ensuring the continuity of insurance services, the NBS will take all necessary measures within its remit to mitigate the effects of the existing risks in this sector. Its activities will be focused on preserving the stability of the insurance sector through the implementation of its on-site examination plan, the continuous off-site supervision of insurance and reinsurance undertakings and other supervised entities, as well as through the above-mentioned amendments to the regulatory framework, while further strengthening its supervisory function.