

xprimm MOTOR INSURANCE REPORT

by XPRIMM

Year X - No. 1/2022 (10)

Market Results

• CEE • SEE • EX-USSR

FY2021



CEE Motor insurance in 2021
On the way of recovery

Russia & ex-USSR countries 2021
Growth potential hindered by underdevelopment of the legal framework and complexity of claims handling

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xprimm MOTOR INSURANCE REPORT

ISSN 1454-525X

Year X- Issue 1/2022(10)

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XPRIMM Insurance Publications

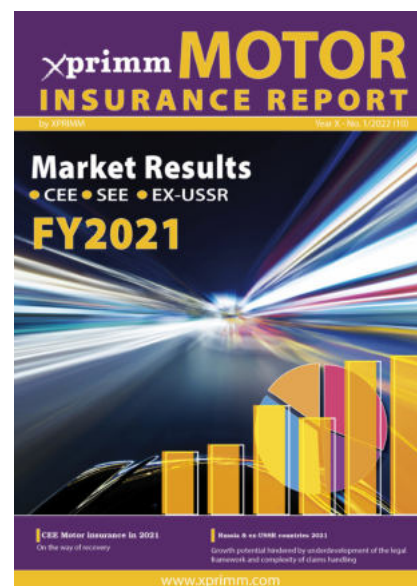
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Closing date: 30 August 2022

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The E change: moving towards an electrically-powered fleet

Despite a record-low base of comparison due to the COVID pandemic, sales of new cars continued to decline in the EU in 2021 because of the microchip shortage. With chip supplies expected to stabilize in 2022, passenger car registrations in the EU are expected to return to growth this year, rising by 7.9% to reach 10.5 million units, the European Automobile Manufacturers' Association (ACEA) forecasted in the beginning of the year, emphasizing that despite the expected positive trend, total figures will still be almost 20% below the pre-crisis sales levels of 2019.

In 2020, there was a historic drop in new car registrations in the EU across all markets due to the outbreak of the COVID-19 pandemic in the spring of the year. A total of 11.7 million new cars were registered in the 27 Member States of the EU and the UK in 2020, about 25% less than in the previous year and the lowest number since 2001, shows the 2021/22 edition of European Vehicle Market Statistics released by the International Council on Clean Transportation (ICCT). At the same time, triggered by the phase-in of the mandatory 2020 CO2 emissions target of 95 grams

per kilometer (g/km), new electric car registrations soared in Europe. Yet, the vast majority of Europe's new cars are powered by gasoline or diesel motors, indicating a significant change that will occur in the EU's cars fleet in the future years.

Against last year's backdrop of a contracting vehicle market hampered by supply chain issues, electrically chargeable cars continued to gain overall market share, now accounting for almost 1 in every 5 new cars sold across the European Union. In fact, the main factor hampering an even faster proliferation of the electrically chargeable cars is lagging behind infrastructure, as over the past five years, sales of electric cars have been growing four times faster than the build-up of charging points. "Electric car sales increased more than 10-fold between 2017 and 2021, whereas the number of public chargers in the EU grew by less than 2.5 times over the same period," said ACEA President and CEO of BMW Group, Oliver Zipse.

Almost 6% of all new car sales were Battery Electric vehicles (BEV) in 2020, while Hybrid Electric Vehicles (HEV) and Plug-In Hybrid Electric Vehicles (PHEV) each accounted for about 5% of the

Note from the editor

This Report considers the CEE Region in the OECD sense, referring to the following countries: **Albania (AL), Bosnia and Herzegovina (BiH), Bulgaria (BG), Croatia (HR), Czech Republic (CZ), Estonia (EE), Hungary (HU), Kosovo (KV), Latvia (LV), Lithuania (LT), North Macedonia (MK), Montenegro (MN), Poland (PL), Romania (RO), Serbia (SB), Slovakia (SK), Slovenia (SI).**

Under the ex-USSR generic name, we have considered all countries of the ex-Soviet space - **Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, Uzbekistan, Turkmenistan.**

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

In all cases, we have given preference to data provided by the national supervisory authorities. Where official data were not available, we have used information provided by the national insurers associations. The sources are indicated next to each table.

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

Passenger cars registrations 2021 vs. 2020			
Countries	Units		Change %
	2021	2020	
Bulgaria	24,537	22,368	+9.7
Croatia	44,915	36,005	+24.7
Czech Republic	206,876	202,971	+1.9
Estonia	22,336	18,750	+19.1
Hungary	121,920	128,021	-4.8
Latvia	14,344	13,522	+6.1
Lithuania	31,371	40,232	-22.0
Poland	446,647	428,347	+4.3
Romania	121,208	126,351	-4.1
Slovakia	75,700	76,305	-0.8
Slovenia	53,988	53,677	+0.6
EUROPEAN UNION	9,700,192	9,939,418	-2.4
CEE (only EU member states)	1,163,842	1,146,549	+1.5

Sources: NATIONAL AUTOMOBILE MANUFACTURERS' ASSOCIATIONS

Passenger cars registrations 1H2022 vs. 1H2021			
Country	Units		% change
	1H2022	1H2021	
Bulgaria	14,639	12,926	+13.3
Croatia	22,869	25,972	-11.9
Czech Republic	98,916	112,805	-12.3
Estonia	11,074	12,940	-14.4
Hungary	57,411	64,816	-11.4
Latvia	8,146	7,682	+6.0
Lithuania	14,004	18,697	-25.1
Poland	212,405	242,123	-12.3
Romania	58,712	47,698	+23.1
Slovakia	39,953	38,449	+3.9
Slovenia	25,847	31,009	-16.6
EUROPEAN UNION	4,608,205	5,361,371	-14.0
CEE (only EU member states)	563,976	615,117	-8.3

Sources: NATIONAL AUTOMOBILE MANUFACTURERS' ASSOCIATIONS

Commercial vehicles registrations 2021 vs. 2020			
Country	Units		% change
	2021	2020	
Bulgaria	9,935	7,295	+36.2
Croatia	9,361	7,798	+20.0
Czech Republic	29,345	25,863	+13.5
Estonia	5,183	4,006	+29.4
Hungary	28,467	25,947	+9.7
Latvia	4,131	2,911	+41.9
Lithuania	11,476	7,362	+55.9
Poland	107,966	81,806	+32.0
Romania	22,772	18,664	+22.0
Slovakia	11,649	8,604	+35.4
Slovenia	11,710	9,477	+23.6
EUROPEAN UNION	1,880,682	1,716,127	+9.6
CEE (only EU member states)	251,995	199,733	+26.2

Sources: NATIONAL AUTOMOBILE MANUFACTURERS' ASSOCIATIONS

Commercial vehicles registrations 1H2022 vs. 1H2021			
Country	Units		% change
	1H2022	1H2021	
Bulgaria	4,429	5,105	-13.2
Croatia	4,614	5,027	-8.2
Czech Republic	14,214	14,372	-1.1
Estonia	2,668	3,555	-25.0
Hungary	12,327	14,797	-16.7
Latvia	2,385	2,105	+13.3
Lithuania	5,820	6,685	-12.9
Poland	47,785	55,341	-13.7
Romania	10,077	11,343	-11.2
Slovakia	6,201	5,687	+9.0
Slovenia	5,355	6,332	-15.4
EUROPEAN UNION	817,090	1,025,799	-20.3
EU14 + EFTA + UK	900,367	1,150,925	-21.8

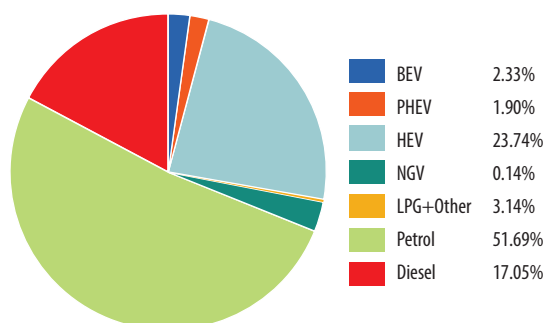
Sources: NATIONAL AUTOMOBILE MANUFACTURERS' ASSOCIATIONS

Passenger cars 2016–2020 in CESEE countries (stock of vehicles)

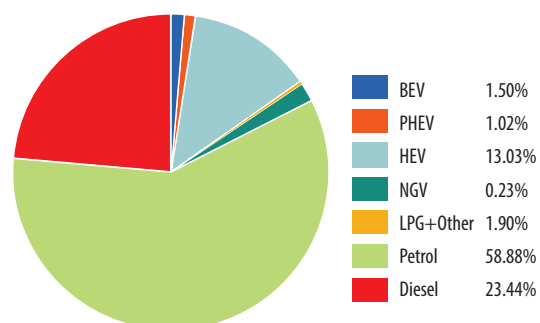
	2016	2017	2018	2019	Total	2020					Passenger cars per 1000 inhabitants
						Less than 2 years	From 2 to 5 years	From 5 to 10 years	From 10 to 20 years	Over 20 years	
CEE countries											
Albania	436,013	422,084	460,027	499,590	539,497	4,077	11,595	31,466	311,525	180,834	191
Bosnia and Herzegovina	828,333	884,569	920,841	940,933	938,114	13,214	30,528	100,836	557,732	235,804	na
Bulgaria	3,143,568	2,770,615	2,773,325	2,829,946	2,866,763	na	na	na	na	na	414
Croatia	1,552,904	1,596,087	1,666,413	1,724,900	1,746,285	122,970	175,932	331,283	880,437	235,663	433
Czech Republic	5,307,808	5,538,222	5,747,913	5,924,995	6,049,255	637,429	667,170	975,381	3,769,275	na	565
Estonia	703,151	725,944	746,464	794,926	808,689	41,643	75,028	125,709	301,860	264,449	608
Hungary	3,313,206	3,471,997	3,641,823	3,812,013	3,920,799	320,738	311,449	473,958	2,158,520	656,134	403
Kosovo	na	168,759	256,880	309,509	na	na	na	na	na	na	na
Latvia	664,177	689,536	707,841	727,164	739,124	28,142	47,573	93,005	409,316	161,088	390
Lithuania	1,298,737	1,356,987	1,430,520	1,498,688	1,565,465	48,615	78,182	168,452	882,536	387,680	560
Montenegro	184,734	193,242	206,453	217,959	na	na	na	na	na	na	na
North Macedonia	394,934	403,316	415,062	426,045	429,196	8,180	14,163	27,583	379,270	na	207
Poland	21,675,388	22,503,579	23,429,016	24,360,166	25,113,862	1,321,677	1,494,219	2,633,232	9,618,885	10,045,849	664
Romania	5,472,423	5,998,194	6,452,536	6,902,984	7,274,728	277,676	391,785	793,042	4,045,846	1,766,379	379
Serbia	na	na	na	na	2,164,818	na	na	na	na	na	315,041
Slovakia	2,121,774	2,223,117	2,321,608	2,393,577	2,439,986	na	na	na	na	na	447
Slovenia	1,096,523	1,117,935	1,143,150	1,165,371	1,170,690	83,596	174,115	295,156	522,543	95,280	555
SEE countries											
Cyprus	508,284	526,617	550,695	572,501	578,158	22,812	58,211	117,506	283,537	96,092	645
Greece	5,160,056	5,235,928	5,282,695	5,406,551	5,492,176	na	na	na	na	na	514
Turkey	11,317,998	12,035,978	12,398,190	12,503,049	13,099,041	857,589	1,981,955	3,477,975	3,181,261	3,600,261	157

Sources: EUROSTAT

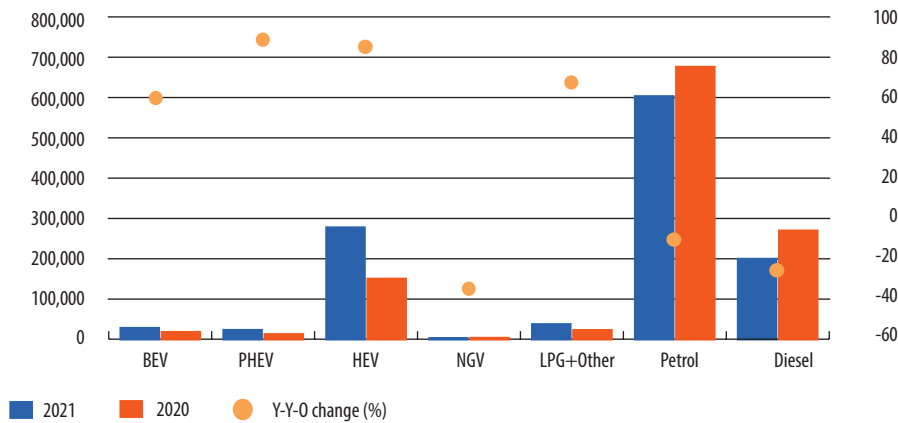
New cars registrations in the CEE by fuel type 2021



New cars registrations in the CEE by fuel type 2020



New passenger car registrations in the EU by fuel type (units)



The share of the electrically chargeable cars in the total new cars registered went from ~14% in 2020 to 27.98% in 2021

market. HEVs were most popular in Finland, where the market share increased to 13% in 2020. Toyota continues to dominate the market for HEVs sold in Europe, with about 65% of all new Toyota vehicles in 2020 being hybrid electric.

Electrically chargeable cars are increasingly popular also in the Central and Eastern Europe. Only in the last two years the number of new BEVs, PHEVs and HEVs registrations increased by about 83% in the 11 CEE countries covered by the ACEA statistics. At the same time registrations of both petrol and diesel cars decreased y-o-y by 11% and 26% respectively. However, the absolute figures remain still modest in the region. While the share of the electrically chargeable cars in the total new cars registered increased from about 14% in 2020 to 27.98% in 2021, the absolute figures remain still low and weight of the “e-cars” in the national fleets’ structure is still small. Yet, the change is already there and visible and if there are some specific issues that may impact on the insurance coverage of these types of cars, they need to be addressed.

What is to be expected for the motor insurance markets in the region with the proliferation of the electrically powered cars? There are several potential effects, some of them expected to attenuate once the number of electric cars on the roads will reach a critical mass.

» Car insurance rates are typically higher for electric cars than those for traditional vehicles, especially for the Motor Hull. This is not surprising, since the cost of repairing electric cars is also high.

The repair costs of an electric or hybrid car are higher compared to conventional vehicles. There are several reasons for this, among which the technological background and expertise for their repair that are available in a narrower circle, which can mean a higher hourly rate. In addition, there are still relatively few electric cars on the roads, so the number of cheaper, aftermarket or dismantled parts for repairs is much more limited. Also, because of the electric drive chain, work steps are necessary (e.g. de-energizing the system) that do not occur with internal combustion engines.

» There might be possible that some insurance companies refuse Motor Hull coverage for models whose official repair cannot be done locally. Other companies only provide cover for certain models based on a unique risk assessment and a case-by-case decision.

» The advanced driving support systems typical of electric cars (emergency brake assistant, intelligent drive distribution, etc.) can make driving safer. The presence of these systems can have a favorable effect on the pricing of casco insurance. Yet, the impact of these systems on damage prevention or reduction cannot yet be demonstrated, and it must also be taken into account that the damage, restoration, and replacement of safety equipment significantly increases the average damage size.

The share of electric vehicles in the companies’ portfolio is still very small and in many cases insurance coverage is offered on a case-by-case basis, as the portfolios are too small to allow pricing based on actuarial criteria. Yet, this situation may change quite fast, considering the increasing demand for electric or hybrid cars.



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Road transport equipment - new registration of vehicles in CESEE countries in 2020 (units)

	Mopeds	Motorcycles	Passenger cars	Motor coaches, buses and trolley buses	Goods vehicles ≤ 3.5 tonnes	Goods vehicles > 3.5 tonnes	Road tractors	Special purpose road vehicles
CEE countries								
Albania	3,410	na	43,661	172	na	na	na	665
Bosnia and Herzegovina	1,182	1,457	41,146	163	3,393	1,308	867	2,743
Bulgaria	444	824	20,429	181	na	4,972	1,529	310
Croatia	2,109	5,971	95,577	230	12,568	2,245	1,719	1,300
Czech Republic	na	21,508	198,400	13	15,045	8,390	2	15
Estonia	497	913	19,295	223	3,302	234	271	na
Hungary	na	4,347	128,196	700	21,972	764	4,655	84
Kosovo	na	na	na	na	na	na	na	na
Latvia	684	1,028	13,725	164	2,164	268	510	89
Lithuania	595	730	40,878	316	2,239	937	3,660	148
Montenegro	na	na	na	na	na	na	na	na
North Macedonia	na	4,103	29,952	191	na	na	543	na
Poland	27,585	81,571	1,179,776	3,778	124,975	18,016	27,422	9,908
Romania	11	5,811	126,329	819	na	na	2,657	931
Serbia	2,072	4,931	167,703	635	na	na	na	na
Slovakia	218	5,211	76,300	297	na	15,442	1,278	955
Slovenia	5,238	3,055	53,367	64	na	na	884	869
SEE countries								
Cyprus	232	2,541	10,237	246	1,440	73	12	97
Greece	na	35,464	79,597	289	na	na	na	na
Turkey	100,546	107,920	601,525	13,018	138,281	9,010	10,487	3,146

Sources: EUROSTAT

Mopeds and motorcycles 2016-2020 in CESEE countries (stock of vehicles)

	Mopeds					Motorcycles				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
CEE countries										
Albania	36,096	31,399	33,663	37,090	41,610	na	na	na	na	na
Bosnia and Herzegovina	2,348	2,768	4,787	na	5,538	8,519	9,615	10,552	na	11,689
Bulgaria	74,690	77,920	80,813	83,715	85,503	99,797	105,988	112,388	118,738	124,311
Croatia	87,507	85,121	83,362	80,738	77,610	65,366	69,148	73,997	78,650	81,305
Czech Republic	485,045	484,957	484,691	484,011	483,956	1,074,880	1,102,392	1,132,085	1,163,140	1,196,354
Estonia	17,579	18,713	19,909	21,085	21,950	31,255	32,978	34,629	36,782	38,707
Hungary	na	na	na	na	na	162,148	167,413	176,070	185,943	194,594
Kosovo	na	na	na	na	na	na	1,240	1,673	1,954	na
Latvia	29,252	30,666	32,185	33,631	34,860	20,329	22,166	23,713	26,785	29,561
Lithuania	10,929	11,018	11,601	13,451	15,028	28,784	31,112	33,666	39,703	45,883
Montenegro	na	na	na	na	na	4,363	4,744	5,655	6,300	na
North Macedonia	na	na	na	na	na	11,697	14,152	13,343	11,999	12,794
Poland	1,292,200	1,327,872	1,349,912	1,375,004	1,400,013	1,355,625	1,427,115	1,502,888	1,587,031	1,669,138
Romania	6,709	6,741	6,783	6,779	6,766	112,825	120,512	129,657	141,608	155,312
Serbia	na	na	na	na	35,487	na	na	na	na	41,535
Slovakia	30,861	30,499	30,318	30,394	30,592	95,267	102,810	110,141	117,104	123,853
Slovenia	42,553	60,797	63,790	65,451	67,709	61,131	64,330	67,145	70,329	72,607
SEE countries										
Cyprus	12,828	12,156	11,581	11,021	10,616	26,414	27,242	28,183	28,682	29,735
Greece	1,316,351	1,398,351	na	na	na	1,653,528	1,656,657	1,583,491	1,609,923	1,637,608
Turkey	516,025	527,683	568,521	625,196	722,793	2,487,708	2,575,117	2,642,807	2,706,130	2,789,783

Sources: EUROSTAT

Motor coaches, buses and trolley buses 2016–2020 in CESEE countries (stock of vehicles)

	2016	2017	2018	2019	Total	2020				
						Mini-buses and mini-coaches	Buses	Trolley buses	Motor coaches	
CEE countries										
Albania	7,050	6,761	7,146	7,535	7,627	-	7,627	-	-	
Bosnia and Herzegovina	na	4,394	5,212	4,458	3,615	1,018	1,523	20	1,054	
Bulgaria	23,365	21,018	20,818	20,687	19,450	na	19,080	370	na	
Croatia	5,513	5,698	5,877	6,041	5,237	911	1,864	na	2,462	
Czech Republic	20,876	21,442	22,027	22,206	19,968	na	19,254	714	na	
Estonia	4,901	5,022	5,026	5,221	5,285	na	5,235	50	na	
Hungary	18,482	18,705	19,134	19,454	16,979	4,365	na	na	na	
Kosovo	na	1,595	2,583	3,091	na	na	na	na	na	
Latvia	4,986	4,955	4,885	4,808	4,383	191	3,914	278	na	
Lithuania	7,326	7,570	7,925	8,142	8,070	na	7,655	415	na	
Montenegro	1,308	1,370	1,459	1,490	na	na	na	na	na	
North Macedonia	3,230	3,188	3,201	3,144	2,612	na	2,612	na	na	
Poland	113,483	116,351	119,471	122,879	124,810	8,839	92,435	284	23,252	
Romania	48,803	50,309	51,802	53,771	54,170	27,922	26,248	na	na	
Serbia	na	na	na	na	9,900	na	na	na	na	
Slovakia	9,091	9,241	9,363	9,262	8,164	na	7,874	290	na	
Slovenia	2,679	2,782	2,834	2,884	2,339	na	na	-	na	
SEE countries										
Cyprus	2,842	2,991	3,084	3,151	2,655	na	na	na	na	
Greece	26,897	26,835	26,743	26,833	26,893	na	na	354	na	
Turkey	684,294	700,503	706,050	706,731	705,802	493,395	212,407	-	-	

Sources: EUROSTAT

Road tractors & Special purpose road vehicles 2016–2020 in CESEE countries (stock of vehicles)

	Road tractors					Special purpose road vehicles				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
CEE countries										
Albania	na	na	na	na	na	13,319	12,342	13,356	14,467	10,615
Bosnia and Herzegovina	na	8,598	9,048	na	9,259	na	5,658	7,300	na	9,480
Bulgaria	51,660	50,396	51,142	50,660	49,400	37,516	34,493	35,481	36,591	38,296
Croatia	10,443	11,334	12,229	12,976	13,781	12,083	12,824	13,548	14,514	15,286
Czech Republic	4,488	4,132	4,360	3,991	3,706	31,886	31,277	30,741	29,926	28,875
Estonia	11,365	11,867	12,197	12,990	12,924	na	na	na	na	na
Hungary	68,117	72,579	76,870	79,379	81,317	11,884	11,069	10,346	9,378	8,462
Kosovo	na	947	1,965	2,346	na	na	156	257	283	na
Latvia	13,541	14,312	14,782	14,886	14,676	4,666	4,759	4,864	4,933	5,952
Lithuania	28,138	30,914	35,923	40,404	41,984	10,348	10,258	10,313	10,755	11,062
Montenegro	1,297	1,405	1,562	1,681	na	751	681	636	585	na
North Macedonia	5,640	5,778	5,613	5,610	5,658	na	na	na	na	na
Poland	361,681	390,445	420,007	447,313	469,451	182,245	191,134	205,917	216,351	227,888
Romania	118,212	128,728	138,881	146,946	152,601	na	39,210	41,645	45,030	47,676
Serbia	na	na	na	na	na	na	na	na	na	na
Slovakia	31,016	31,090	30,769	29,416	28,052	30,678	32,382	34,156	35,534	36,586
Slovenia	12,981	14,330	15,928	16,751	16,803	16,098	17,201	18,234	19,547	20,115
SEE countries										
Cyprus	1,805	1,878	1,998	2,076	2,109	3,121	3,308	3,447	3,625	3,759
Greece	22,301	22,160	22,599	23,524	24,750	21,048	20,454	20,196	na	na
Turkey	225,599	230,195	236,072	238,668	248,691	50,818	60,099	63,359	65,470	70,309

Sources: EUROSTAT

Number of lorries 2016–2020 in CESEE countries (stock of vehicles)

	Goods vehicles <= 3.5 tonnes					Goods vehicles > 3.5 tonnes					Goods transport in 2020 (ths. tonnes)
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
CEE countries											
Albania	na	na	na	na	3,583	17,670	13,406	13,013	13,518	10,236	na
Bosnia and Herzegovina	na	52,433	55,621	57,734	57,742	na	23,470	24,054	24,338	24,183	na
Bulgaria	na	na	na	na	na	405,217	372,851	387,186	401,823	412,031	136,229
Croatia	116,001	125,731	137,049	147,501	154,885	30,229	30,993	32,126	33,173	33,620	80,707
Czech Republic	429,780	436,241	441,303	444,203	446,122	237,925	253,127	264,959	275,484	281,969	459,703
Estonia	71,435	77,118	83,313	90,759	94,746	25,417	25,795	26,102	27,366	27,682	23,281
Hungary	404,204	423,252	444,588	468,274	483,463	44,757	46,696	49,017	50,957	50,923	188,118
Kosovo	na	7,033	7,074	7,534	na	na	4,887	11,927	13,363	na	na
Latvia	53,266	55,557	57,146	59,291	60,696	17,260	17,274	17,283	17,134	17,127	75,660
Lithuania	59,293	61,142	64,345	68,003	71,983	21,965	23,483	25,409	27,461	29,304	107,042
Montenegro	10,982	11,980	13,440	14,727	na	2,487	2,599	2,718	2,767	na	800
North Macedonia	34,669	35,912	na	na	na	na	35,912	37,010	38,048	39,202	4,991
Poland	2,515,751	2,574,312	2,649,198	2,733,004	2,814,490	663,904	674,226	688,968	703,180	715,226	1,500,104
Romania	na	na	753,029	797,135	839,103	794,578	846,472	142,414	145,927	149,888	266,547
Serbia	na	na	na	na	na	na	na	na	na	na	na
Slovakia	308,952	318,027	na	na	na	278,274	285,645	293,907	296,952	298,654	168,653
Slovenia	na	na	na	na	na	na	na	na	na	na	90,870
SEE countries											
Cyprus	94,673	95,705	98,533	101,528	102,951	9,826	10,162	10,511	10,940	11,220	26,041
Greece	na	na	na	na	na	na	na	na	73,087	70,389	289,246
Turkey	3,442,483	3,642,625	3,755,580	3,796,919	3,938,732	599,735	608,523	609,390	605,813	610,979	na

Sources: EUROSTAT

Length of other roads by category of roads in CESEE countries, 2020 (km)

	Total	out of which:			Paved roads	Unpaved roads	Motorways	E-roads
		State roads	Provincial roads	Communal roads				
CEE countries								
Albania	3,654	3,676	na	na	na	na	22	na
Bosnia and Herzegovina	8,892	na	na	na	8,363	529	218	581
Bulgaria	19,111	19,111	na	na	19,599	318	806	2,987
Croatia	25,439	7,137	9,456	8,846	23,578	1,861	1,310	2,255
Czech Republic	129,412	5,808	48,685	74,919	129,412	na	1,298	2,630
Estonia	58,846	16,933	23,515	18,398	na	na	199	950
Hungary	213,777	30,621	183,156	na	78,757	135,020	1,774	2,447
Kosovo	na	na	na	na	na	na	na	na
Latvia	58,269	20,039	29,861	8,369	15,629	42,640	na	202
Lithuania	84,369	20,838	63,532	na	26,995	57,774	400	1,742
Montenegro	na	na	na	na	na	na	na	na
North Macedonia	14,477	897	3,794	9,786	9,242	5,235	335	553
Poland	430,267	19,477	153,586	257,204	313,549	116,718	1,712	na
Romania	85,871	16,993	35,085	33,793	na	na	920	6,178
Serbia	43,980	13,527	na	30,453	29,453	14,527	928	2,167
Slovakia	44,748	3,634	3,632	37,482	na	na	521	1,530
Slovenia	38,068	5,925	na	32,143	38,068	na	616	594
SEE countries								
Cyprus	12,882	5,461	2,431	4,990	8,901	4,238	257	na
Greece	na	na	na	na	na	na	na	na
Turkey	252,805	30,974	34,136	187,695	na	na	3,523	9,353

Sources: EUROSTAT

European fleets' ageing continues

According to European Automobile Manufacturers' Association (ACEA) statistics as of April 2022, passenger cars are now on average 11.8 years old in the European Union versus 11.5 years in the 2020 stats, showing that the ageing process of the European fleets continues. The average age for vans is of 11.9 years, for trucks - 14.1 years and buses - 12.8 years. With decreasing cars sales, the statistics are not at all shocking.

» EU cars are now on average 11.8 years old. Lithuania and Romania have the oldest car fleets, with vehicles almost 17 years old. The newest passenger cars can be found in Luxembourg (6.7 years).

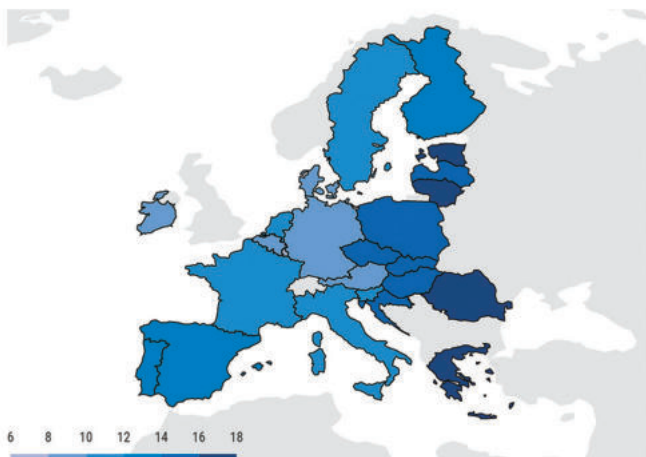
» The average age of light commercial vehicles in the EU is 11.9 years. Of the EU's four major markets, Italy has the oldest van fleet (13.8 years), followed closely by Spain (13.3 years).

» Trucks are on average 13.9 years old in the European Union. With an average age of 21.4 years, Greece has the oldest truck fleet, while the newest ones can be found in Luxembourg (6.7 years) and Austria (7 years).

» Buses on EU roads are on average 12.8 years old. Aged more than 19 years, Greek buses are the oldest in the region. Only six countries in the European Union have a bus fleet that is less than 10 years old.

The maps provided by ACEA show the average age per vehicle type for the fleets of each of the 27 EU member states.

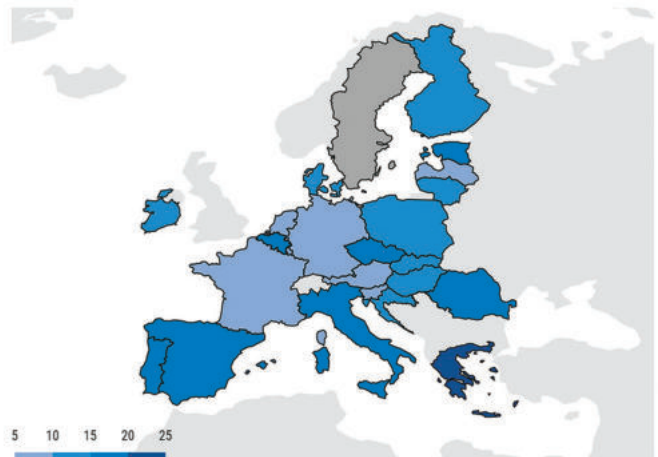
Passenger cars ▾



Created with LocalFocus

Source: ACEA VEHICLES IN USE REPORT 2022

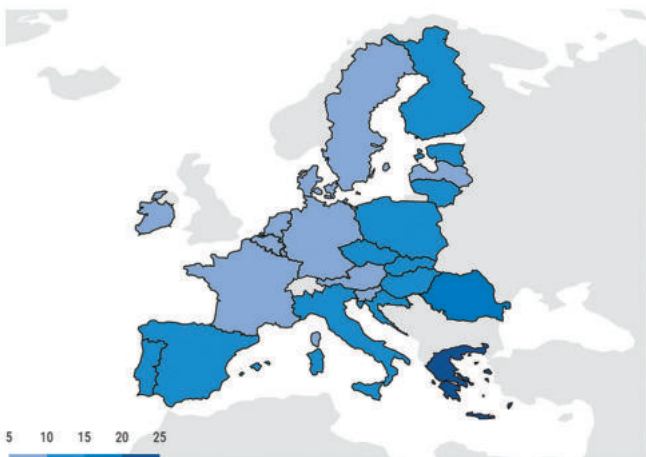
Medium and heavy commercial vehicles ▾



Created with LocalFocus

Source: ACEA VEHICLES IN USE REPORT 2022

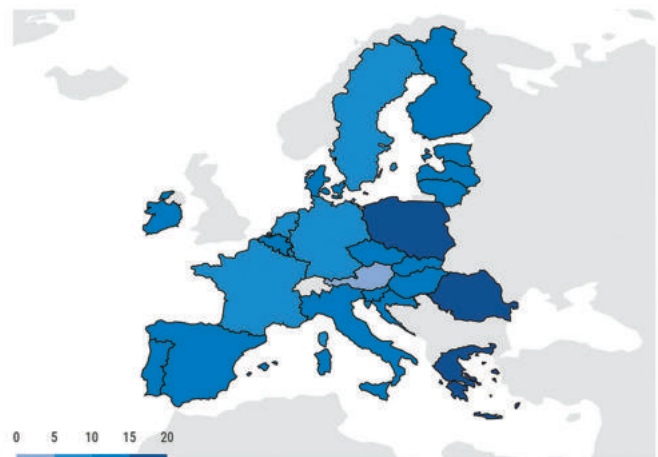
Light commercial vehicles ▾



Created with LocalFocus

Source: ACEA VEHICLES IN USE REPORT 2022

Buses ▾



Created with LocalFocus

Source: ACEA VEHICLES IN USE REPORT 2022

Contrasting picture across EU roads

According to the European Commission's data on road fatalities for 2021, about 19,800 people were killed in road crashes, raising 2020's toll by 1,000 deaths (+5%), but still staying below the pre-pandemic period in 2019 by almost 3 000 (-13%) fewer fatalities. Commissioner for Transport Adina Valean said: *As traffic levels return to normality, we must ensure that we don't return to pre-pandemic numbers of deaths on our roads. At the EU level we will endeavor through financing, legislation and outreach to help deliver the 'safe system' of safer infrastructure, safer vehicles, safer road use and better post-crash care. But this is a shared responsibility with Member States, the industry and road users. Every death and serious injury on our roads is avoidable.*

The Covid-19 pandemics, with the lockdown periods and subsequent travel restrictions led to a decrease in road fatalities, EU-wide, fell by 17%, but once life returned gradually to normality, the road accident statistics reentered on an ascendent pace. Yet, as compared with the 5% increase in the road death number, there are significant differences determined by the traffic level patterns in each country.

As compared with the overall EU target of halving the number of deaths by 2030 EU-wide, the last decade saw a fall of 36%. In fact, considering the projected curve, the evolution recorded between 2019-2021 showed just a small "detour", and the 2021 figures are in line with the targeted level.

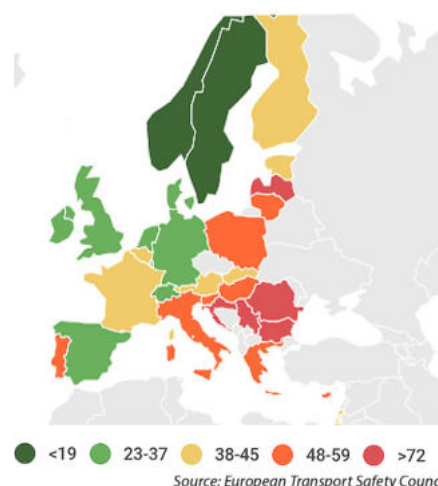
The overall ranking (the ranking excludes countries with fewer than 100 fatalities per year) of countries' fatality rates has not changed significantly with the safest roads being found in Sweden (18 deaths per one million inhabitants) while Romania (93/million) reported the highest rate in 2021. The EU average was 44 road deaths per million inhabitants. Nine Member States (Denmark, Germany, Ireland, Cyprus, Lithuania, Malta, Poland, Portugal and Sweden) registered their lowest ever number of

road fatalities in 2021. In average, there were 45 road deaths per million inhabitants in the EU in 2021.

However, it is worth noting that the Top 10 Road countries by the deaths per million inhabitants data is formed almost exclusively by countries in the Central and Eastern Europe: Romania (93), Croatia (81), Bulgaria (72), Latvia (78), Poland (59), Greece (57), Hungary (56), Slovenia (54), Lithuania (52) and Czechia (50).

Efforts are made in the region for reducing the road accidents incidence, as well as their severity. Moreover, in many countries insurers are actively involved in action aiming to improve road safety and encourage a responsible driving behavior. Also, high hopes are linked to the increasingly intelligent cars, as well as to the positive impact that telematics may have by enabling insurers to monitor drivers' behavior and incentivize prudent driving.

Road deaths per million inhabitants (2021)



Road traffic deaths as rate & numbers 2016–2020 in CESEE countries

	Rate of road traffic deaths per 100 000 persons					Number of road traffic deaths				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
CEE countries										
Albania	na	na	na	na	na	na	na	na	na	na
Bosnia and Herzegovina	na	na	na	na	na	na	na	na	na	na
Bulgaria	9.9	9.6	8.7	9.0	6.7	708	682	610	628	463
Croatia	7.4	8.0	7.7	7.3	5.9	307	331	317	297	237
Czech Republic	5.8	5.4	6.2	5.8	4.8	611	577	656	618	518
Estonia	5.4	3.6	5.1	3.9	4.4	71	48	67	52	59
Hungary	6.2	6.4	6.5	6.2	4.7	607	625	633	602	460
Kosovo	na	na	na	na	na	na	na	na	na	na
Latvia	8.1	7.0	7.7	6.9	7.3	158	136	148	132	139
Lithuania	6.6	6.8	6.2	6.6	6.2	188	191	173	185	173
Montenegro	na	na	na	na	na	na	na	na	na	na
North Macedonia	na	na	na	na	na	na	na	na	na	na
Poland	8.0	7.5	7.5	7.7	6.6	3,026	2,831	2,862	2,909	2,491
Romania	9.7	10.0	9.6	9.6	8.5	1,913	1,951	1,867	1,864	1,644
Serbia	na	na	na	na	na	na	na	na	na	na
Slovakia	5.1	5.1	4.8	5.0	4.5	275	276	260	270	247
Slovenia	6.3	5.0	4.4	4.9	3.8	130	104	91	102	80
SEE countries										
Cyprus	5.4	6.2	5.6	5.9	5.4	46	53	49	52	48
Greece	7.6	6.8	6.5	6.4	5.5	824	731	700	688	584
Turkey	9.2	9.2	8.2	6.6	na	7,300	7,427	6,675	5,473	na

Sources: EUROSTAT



The International Insurance - Reinsurance Forum

had returned in 2022 for its 23rd Edition.

Special thanks to our Partners, Speakers and to all the Participants for keeping the FIAR spirit alive!



See you all in 2023!
Save the date, 21-23 May

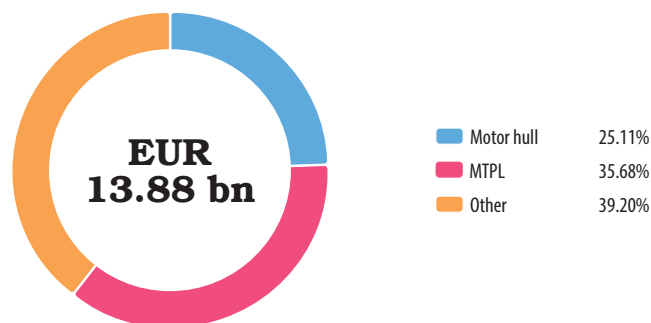


CEE MOTOR INSURANCE MARKETS IN 2021

On the way of recovery

2021 began under uncertain auspices: optimistic or less, most economic forecasts were usually emphasizing that all will depend on the further evolution of the pandemic and its impact on the economy. While the year started under the strain of the devastating second wave of the pandemic that has forced several European countries back into lockdowns in the end in 2020, thus triggering the realization that the pandemic story is far from having exhausted all chapters, thus leaving place for further difficult episodes.

CEE non-life claims portfolio, 2021



Breakdown of non-life claims in 2021

	Non-life CLAIMS (in EUR m)				Non-life CLAIMS portfolio (%)			
	Total	All motor ins. (MTPL+Motor hull)	Motor hull	MTPL	All motor ins. (MTPL+Motor hull)	Motor hull	MTPL	Other
CEE countries								
ALBANIA	52.39	33.01	6.16	26.85	63.00%	11.75%	51.24%	37.00%
BOSNIA	130.95	100.69	30.42	70.27	76.89%	23.23%	53.66%	23.11%
BULGARIA	541.41	458.05	151.19	306.86	84.60%	27.93%	56.68%	15.40%
CROATIA	572.36	299.73	105.11	194.62	52.37%	18.36%	34.00%	47.63%
CZECH REP.	2,507.67	1,111.66	570.20	541.46	44.33%	22.74%	21.59%	55.67%
ESTONIA	243.57	146.61	86.69	59.91	60.19%	35.59%	24.60%	39.81%
HUNGARY	749.38	458.56	189.83	268.73	61.19%	25.33%	35.86%	38.81%
KOSOVO	54.06	33.96	na	33.96	62.83%	-	62.83%	37.17%
LATVIA	374.10	148.00	93.66	54.34	39.56%	25.04%	14.53%	60.44%
LITHUANIA	407.84	254.52	110.14	144.38	62.41%	27.01%	35.40%	37.59%
MACEDONIA	66.03	42.34	8.23	34.11	64.12%	12.46%	51.66%	35.88%
MONTENEGRO	33.12	18.69	3.74	14.95	56.44%	11.30%	45.13%	43.56%
POLAND	4,968.70	3,324.61	1,304.52	2,020.08	66.91%	26.25%	40.66%	33.09%
ROMANIA	1,294.14	1,132.47	407.01	725.45	87.51%	31.45%	56.06%	12.49%
SERBIA	309.08	180.82	64.86	115.95	58.50%	20.99%	37.52%	41.50%
SLOVAK REP.	456.81	342.05	156.73	185.32	74.88%	34.31%	40.57%	25.12%
SLOVENIA	1,120.69	354.21	197.74	156.47	31.61%	17.64%	13.96%	68.39%
Total CEE countries	13,882.30	8,439.97	3,486.23	4,953.74	60.80%	25.11%	35.68%	39.20%
SEE countries								
CYPRUS	219.62	118.95	na	na	54.16%	-	-	45.84%
GREECE	na	na	na	na	-	-	-	-
TURKEY	2,821.65	1,631.18	627.67	1,003.50	57.81%	22.24%	35.56%	42.19%

However, throughout the year the EU's economies grew at increasing paces that resulted in an average annual growth of 5.4%, tending to retrieve their pre-COVID GDP levels. Demand increased over the summer, with retail sales, tourism and leisure services benefiting the most. The labor market revived, and the general sentiment tended to evolve toward optimism. Yet, growth came accompanied by higher inflation and the latest analysis confirmed the high inflation expectations, especially because of the increasing prices of fuels and energy that became very visible in Q3.

Nevertheless, for the regional insurance market 2021 was a recovery year, market by new business initiatives, technical inventiveness, and a rather strong optimism.

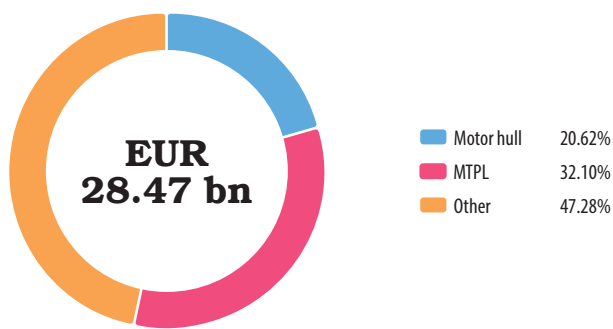
Gross written premiums in the 17 CEE markets under the scope of this report reached EUR 40.82 billion at the end of December 2021, 8.87% more y-o-y and exceeding by almost EUR 2 billion the volume recorded in 2019, the year before the Covid crisis.

Motor insurance remained, no doubt, one of the trend setters for the insurance business in the region, Motor Hull and MTPL insurance classes accounting together for almost 53% of the regional non-life insurance portfolio. However, in a country-by-country approach, it is easily noticeable that in many of region's less developed markets motor insurance lines account for over 60% of even 70% of the non-life business, the largest share of

these heavy weights belonging to the mandatory MTPL insurance (including Green Card and border insurance). Among the largest CEE markets, such a high contribution of motor insurance to the non-life portfolio structure is only visible in Romania (76%) and Bulgaria (~71%). At the other end of the scale, in Slovenia motor insurance makes only 32.35% of the non-life portfolio.

GWP for motor insurance amounted to EUR 15 billion in 2021, by about 8.5% up y-o-y. Out of the total, GWP for Motor Hull insurance reached EUR 5.87 billion, increasing by 9.45% y-o-y, while the MTPL GWP went up by 7.9% y-o-y, to EUR 9.14 billion. Except for Slovenia, which saw a negative trend on the MTPL line, only Slovakia recorded a negative trend on both lines. However, one should take into consideration that Slovakia “lost” one of its major players because of the changing status of the Generali subsidiary from a company registered in Slovakia and under the local’s market authority control, to a branch of a foreign company domiciled in Czechia.

CEE non-life GWP portfolio, 2021



Poland, Czechia and Romania are the Top-3 motor insurance markets in the region, considering Motor Hull and MTPL insurance all together. While Romania ranks 3rd for the Motor Hull insurance lines, it holds the second-best position in Top 5 for the MTPL line. Bulgaria ranks 4th for Motor Hull and 5th for MTPL, while Slovenia completes Top 5 for Motor Hull and Hungary holds the fourth position in the MTPL ranking. For both lines, the Top-5 market provide for about 75% of the total GWP.

One of the drivers for motor insurance GWP growth was increasing cars sales in comparison with the previous year. According to the ACEA (European Automobile Manufacturers' Association) statistics, in the EU member states of the CEE region, the number of new passenger cars registrations increased y-o-y by 1.5%, to over 1,163 thousand units, which is slightly above the number of new cars registration in 2019. At the same time, commercial vehicles sales rose by 26%, to almost 252 thousand units, slightly below the 2019 level.

For comparison, at EU level, sales of new cars in the EU fell by 2.4% to 9.7 million units, while commercial vehicle registrations increased by 9.6% to reach 1,880,682 units, a positive trend partly owed to the record low base of comparison of 2020. Both passenger cars and commercial vehicles registrations were well below the 2019 level.

The post-pandemic momentum in cars sales exhausted its resources because of the semiconductor crisis that led to delayed delivery terms for most car brands, especially in the second half of the year. At the same time, in many CEE countries secondhand cars sales increased at a higher pace, many of them being imported from the Western Europe and registered locally for the first time.

Breakdown of non-life GWP in 2021

	Non-life GWP (in EUR m)				Non-life GWP portfolio (%)			
	Total	All motor ins. (MTPL+Motor hull)	Motor hull	MTPL	All motor ins. (MTPL+Motor hull)	Motor hull	MTPL	Other
CEE countries								
ALBANIA	147.71	107.38	9.02	98.36	72.70%	6.10%	66.59%	27.30%
BOSNIA	329.07	249.76	40.72	209.04	75.90%	12.37%	63.52%	24.10%
BULGARIA	1,349.54	957.36	362.51	594.84	70.94%	26.86%	44.08%	29.06%
CROATIA	1,173.31	580.43	186.98	393.46	49.47%	15.94%	33.53%	50.53%
CZECH REP.	5,145.19	2,299.81	1,100.86	1,198.95	44.70%	21.40%	23.30%	55.30%
ESTONIA	399.51	211.90	125.44	86.45	53.04%	31.40%	21.64%	46.96%
HUNGARY	1,969.68	1,016.79	325.34	691.45	51.62%	16.52%	35.10%	48.38%
KOSOVO	114.33	71.73	na	71.73	62.74%	-	62.74%	37.26%
LATVIA	591.31	215.04	135.50	79.53	36.37%	22.92%	13.45%	63.63%
LITHUANIA	720.69	403.12	169.00	234.13	55.94%	23.45%	32.49%	44.06%
MACEDONIA	156.23	92.92	14.45	78.48	59.48%	9.25%	50.23%	40.52%
MONTENEGRO	78.80	43.87	5.87	38.01	55.67%	7.44%	48.23%	44.33%
POLAND	10,239.35	5,353.88	2,108.45	3,245.42	52.29%	20.59%	31.70%	47.71%
ROMANIA	2,350.56	1,786.33	550.66	1,235.67	76.00%	23.43%	52.57%	24.00%
SERBIA	784.96	416.37	102.68	313.69	53.04%	13.08%	39.96%	46.96%
SLOVAK REP.	1,055.19	600.71	297.60	303.11	56.93%	28.20%	28.73%	43.07%
SLOVENIA	1,868.96	604.56	337.69	266.87	32.35%	18.07%	14.28%	67.65%
Total CEE countries	28,474.38	15,011.95	5,872.76	9,139.19	52.72%	20.62%	32.10%	47.28%
SEE countries								
CYPRUS	512.41	189.36	na	na	36.96%	-	-	63.04%
GREECE	2,263.46	964.00	236.58	727.43	42.59%	10.45%	32.14%	57.41%
TURKEY	5,794.68	2,487.82	945.61	1,542.21	42.93%	16.32%	26.61%	57.07%

MTPL pricing - divergent trends

The decline of the insurance average premiums, especially for the MTPL insurance line, in some countries was a factor of the contrary effect on the total GWP. For example, in Poland the average premium for the compulsory MTPL insurance was PLN 486.8, in 3Q 2021, decreasing by 7% against the 2020 average value. In Slovenia, the average MTPL premium also decreased as compared with 2020 by almost 7%. Decreasing average premiums wouldn't be problematic in themselves if the average claim values wouldn't increase at the same time, accentuating some chronic imbalances in the specialty markets. Sticking to the Polish example, the average loss increased to PLN 8337.7, from PLN 8,200 in 2020 and PLN 7,800 in 2019.

Bulgaria saw a trend of opposite sign in MTPL policies' pricing. After a decline in 2020, a gradual increase in MTPL prices has been observed since the mid-2021, of about 10% compared to the beginning of the year. There is a general apprehension that prices might further increase in 2022, as the current ones are not reflecting the increase in prices of spare parts, car repair services and other elements that form the claims expenses.

In fact, for the MTPL line, even if the average premiums went up y-o-y, claims expenses increased at a higher pace, as for example in Romania where the average MTPL premium grew by 3% y-o-y, while the value of the average claim increased by 6% in the first half of the year. Only by the end of year, after the City Insurance bankruptcy, massive price corrections were seen

in the market, so that the average premium value went up y-o-y by about 26%, an increase never witnessed before. At the same time, the average paid claim value increased only by 3% y-o-y, while total reserves (RBNS and IBNR altogether) decreased y-o-y by about 6%. However, the combined rate for MTPL insurance has increased alarmingly in 2021 compared to previous years and is reaching record levels, according to the annual report of the ASF – Financial Supervisory Authority, reaching a record level of over 161.63%.

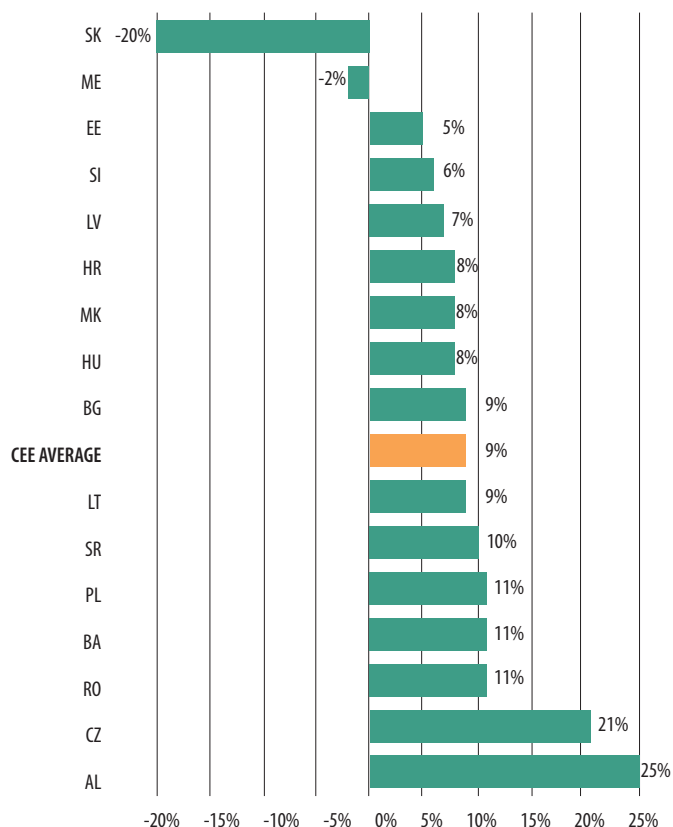
Overall, the MTPL markets in the region remain extremely competitive. The motor insurance business is getting also new aspects, in line with the changing mobility habits and the expansion of the electric/hybrid cars category. While the status of the new electric scooters is still not determined in most of the CEE countries, the use of E-vehicles is expanding fast, requiring adapted underwriting. Cars' increased connectivity also is changing the motor insurance landscape, enabling insurers to offer more personalized products and UBI solutions.

Regulatory changes in the region

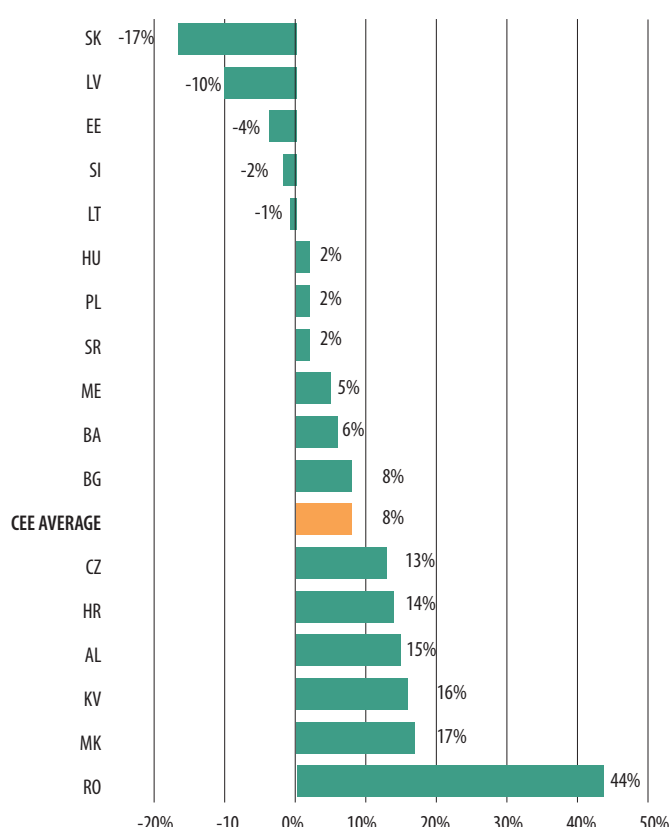
Albania

On July 1, 2021, Law no. 32/2021 "On the provision of mandatory insurance in the transport sector" entered into force, providing for the legal framework to ensure the owner/user of the motor

CEE - 21/20 MoD GWP growth rate per countries



CEE - 21/20 MTPL GWP growth rate per countries



vehicle/aircraft and vessels for damages caused to third parties by use of the respective mean of transportation. The Law also refers to the insurance of passengers from accidents on public transport. Also, according to the provisions of this Law, the AFSA further drafted and adopted the regulations "on the online electronic register of sales of compulsory insurance contracts" and "for determining the rules and methodology of calculating the compensation covered from the compulsory insurance contract in the transport sector.

Bosnia & Herzegovina

One of the top priorities on the Bosnian insurance market's agenda is the liberalization of the MTPL tariffs, a dragging project that was once again postponed in 2021. Government of the Federation of Bosnia and Herzegovina (FBiH) approved an amendment to the Law on Compulsory Traffic Insurance, which extends the use of the common tariff by one year (until end of October 2023), while full tariffs liberalization was pushed until November 1, 2026.

The Law on Compulsory Traffic Insurance, passed in August 2020, provides for a phased deregulation and liberalization of MTPL insurance tariffs over a period of six years, leading to a fully liberalized MTPL market. Yet, both insurers and the market authority considered that MTPL free pricing would be premature. A similar situation was encountered also in the other administrative entity of Bosnia and Herzegovina, Republika Srpska, where amendments to the Law on Traffic Compulsory Insurance from 2015, providing for a postponement of the liberalization process.

Bulgaria

The adoption of the regulation on "Bonus Malus", expected for 2021, was postponed due to the ongoing pandemic.

Montenegro

January 2021 was the moment when entered into force The Law on Amendments to the Law on Insurance and the Law on Amendments to the Law on Compulsory Traffic Insurance.

Also, at the end of 2021, the Council of the Insurance Supervision Agency adopted a Decision on the amount of regular contribution to the Guarantee Fund for 2022. The regular contribution, which companies performing road compulsory insurance have to pay to the Association of National Insurers of Montenegro for 2022, was determined as 3.91% of GWP in 2021 from compulsory accident insurance of passengers in public transport; liability insurance of owners/users of motor vehicles and liability insurance of owners/users of vessels, as well as 0.39% of GWP in 2021 from liability insurance of owners/users of aircraft.

It is also worth noting that starting 2 August 2021, vehicles registered in Montenegro, except for the military ones, are no longer checked for the existence of a valid MTPL insurance when crossing the borders of EU states, the Decision of the European Commission no. 2021/1145 of 30.6.2021 provided. On 6 January 2021, the national insurers' bureaux of the Green System Member States signed an addendum to the agreement by which the 2002 Agreement was amended to include the national insurers' bureau of Montenegro. The addendum provides for the practical arrangements to abolish insurance checks in respect of vehicles normally based in the territory of Montenegro and which are subject to the Agreement.

MTPL technical indicators in CEE selected markets, for 2019–2021

		2019	2020	2021	
Romania	Average MTPL premium value	RON	639	628	676
		EUR	133.7	129	136.64
	Average MTPL claim paid	RON	8,396	9,005	9,112
		EUR	1,756.7	1,849.3	1,841.88
	Bodily injuries	RON	57,797	50,286	59,222
		EUR	12,091	10,325	11,971.05
	Material damages	RON	7,412	7,006	7005
		EUR	1,550	1,438	1,415.98
	Loss ratio MTPL		88.06%	82.83%	99.52%
	Combined ratio for MTPL		119.28%	113.49%	131.94%
Poland	Average MTPL premium value	PLN	500	523	486.8
		EUR	117.41	113.33	105.07
	Average MTPL claim paid	PLN	7,800	8,200	8,367.7
		EUR	1,831.63	1,776.9	1,806.14
	Gross claims ratio		71.15%	74.36%	67.89%
	Combined ratio for MTPL		NA	NA	NA
Bulgaria	Average MTPL premium value	BGN	237.4	222.46	261.67
		EUR	121.38	113.74	133.79
	Average MTPL claim paid	BGN	3,502.33	3,874.85	3,802
		EUR	1,790.7	1,981.2	1,943.9
	Gross claims ratio		76.00%	67.00%	na
	Combined ratio for MTPL		102.00%	94.00%	na
Slovenia	Average MTPL premium value	EUR	129	128	120.54
	Average MTPL claim paid	EUR	2,525	2,744	2,849.14
	Paid claims ratio		62.12%	58.86%	53.22%
	Combined ratio for MTPL		na	na	na

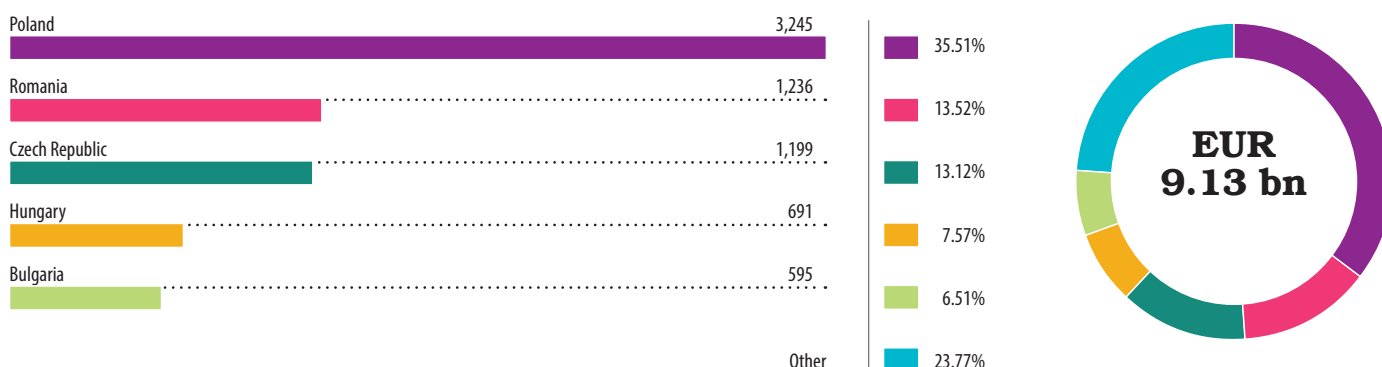
Sources: local supervisory authorities

CEE - MTPL INSURANCE

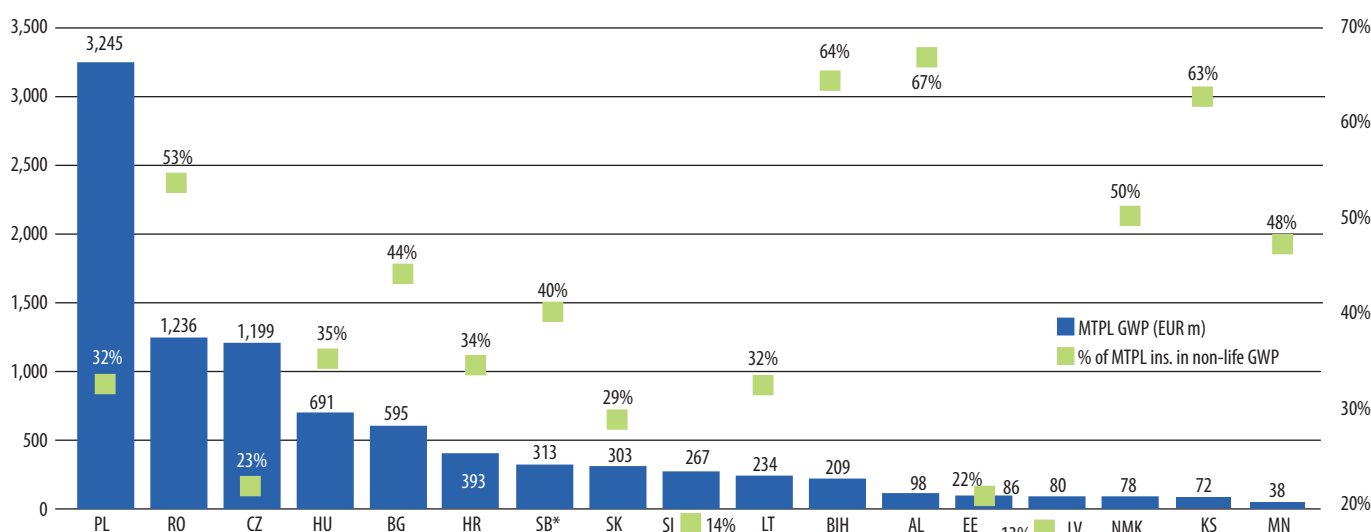
Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	2021	2020			2021	2020			2021	2020	2021	2020
	EUR m.	EUR m.	%		EUR m.	EUR m.	%		%	%	%	%
Albania	98.36	85.69	14.79	26.85	21.79	23.22	66.59	68.64	1.08	1.01		
Bosnia & Herzegovina	209.04	197.57	5.81	70.27	65.99	6.48	63.52	64.39	2.29	2.33		
Bulgaria	594.84	552.17	7.73	306.86	284.54	7.84	44.08	44.28	6.51	6.52		
Croatia	393.46	344.41	14.24	194.62	167.17	16.42	33.53	33.16	4.31	4.07		
Czech Republic	1,198.95	1,060.14	13.09	541.46	501.49	7.97	23.30	23.96	13.12	12.52		
Estonia	86.45	90.06	-4.01	59.91	56.70	5.66	21.64	23.50	0.95	1.06		
Hungary	691.45	676.61	2.19	268.73	299.00	-10.12	35.10	36.67	7.57	7.99		
Kosovo	71.73	61.62	16.40	33.96	30.74	10.48	62.74	62.93	0.78	0.73		
Latvia	79.53	88.14	-9.77	54.34	56.14	-3.20	13.45	15.83	0.87	1.04		
Lithuania	234.13	237.12	-1.26	144.38	146.19	-1.24	32.49	35.70	2.56	2.80		
North Macedonia	78.48	67.05	17.05	34.11	30.48	11.91	50.23	49.68	0.86	0.79		
Montenegro	38.01	36.04	5.46	14.95	13.27	12.69	48.23	48.73	0.42	0.43		
Poland	3,245.42	3,170.50	2.36	2,020.08	1,950.27	3.58	31.70	34.28	35.51	37.43		
Romania	1,235.67	860.09	43.67	725.45	656.75	10.46	52.57	45.15	13.52	10.15		
Serbia*	313.45	306.33	2.33	na	na	-	39.79	43.00	3.43	3.62		
Slovak Republic	303.11	363.33	-16.58	185.32	202.25	-8.37	28.73	28.21	3.32	4.29		
Slovenia	266.87	273.02	-2.25	156.47	159.70	-2.02	14.28	15.00	2.92	3.22		
Total CEE	9,138.95	8,469.88	7.90	4,837.78	4,642.47	4.21	32.09	32.74	100.00	100.00		

*2021 GWP, XPRIMM estimates using the 3Q2021/2020 growth rate in RSD

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



Weight of MTPL GWP in non-life business



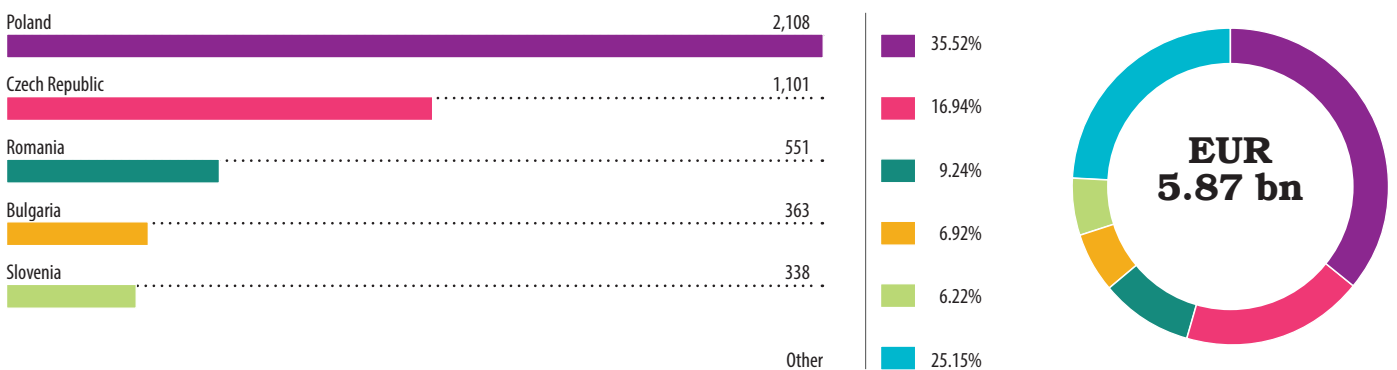
*2021 GWP, XPRIMM estimates using the 3Q2021/2020 growth rate in RSD

CEE - MOTOR HULL INSURANCE

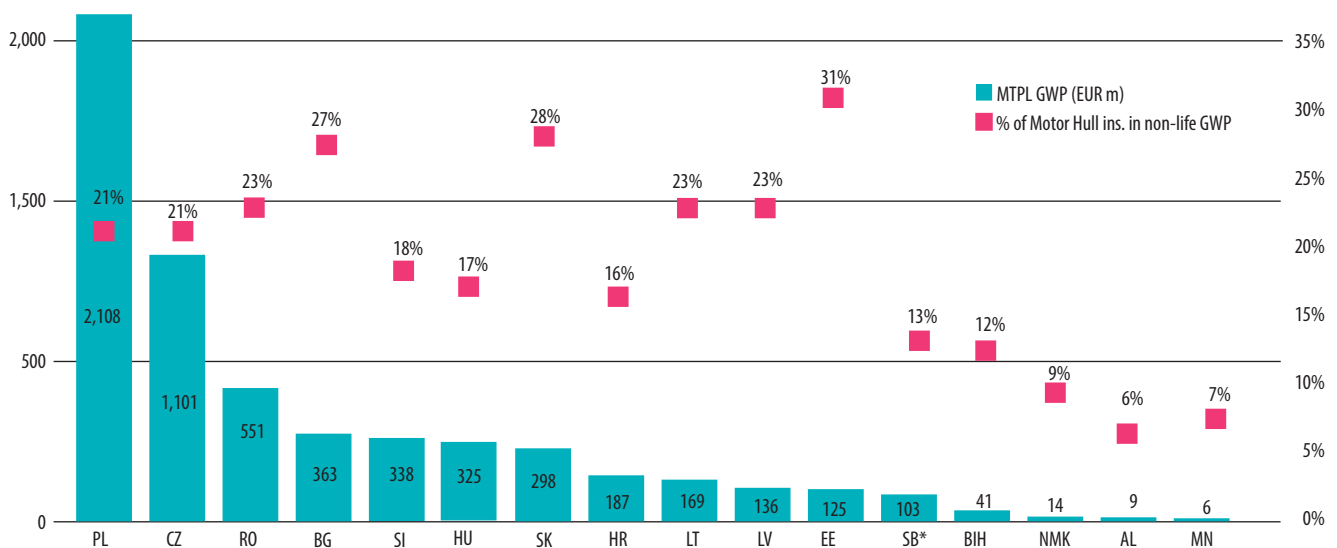
Country	GWP			Claims			Share in non-life GWP		Regional market share	
	2021	2020	Change	2021	2020	Change	2021	2020	2021	2020
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	9.02	7.19	25.43	6.16	5.01		6.10	5.76	0.15	0.13
Bosnia & Herzegovina	40.72	36.81	10.61	30.42	27.88	9.12	12.37	12.00	0.69	0.69
Bulgaria	362.51	333.81	8.60	151.19	151.71	-0.34	26.86	26.77	6.17	6.22
Croatia	186.98	173.13	8.00	105.11	99.77	5.34	15.94	16.67	3.18	3.23
Czech Republic	1,100.86	908.87	21.12	570.20	481.77	18.35	21.40	20.54	18.74	16.94
Estonia	125.44	119.08	5.35	86.69	79.50	9.04	31.40	31.07	2.14	2.22
Hungary	325.34	300.47	8.28	189.83	148.49	27.84	16.52	16.28	5.54	5.60
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	135.50	126.96	6.72	93.66	84.54	10.79	22.92	22.81	2.31	2.37
Lithuania	169.00	154.37	9.48	110.14	100.65	9.43	23.45	23.24	2.88	2.88
North Macedonia	14.45	13.35	8.20	8.23	7.84	4.94	9.25	9.89	0.25	0.25
Montenegro	5.87	5.97	-1.70	3.74	3.24	15.43	7.44	8.07	0.10	0.11
Poland	2,108.45	1,906.30	10.60	1,304.52	1,190.35	9.59	20.59	20.61	35.90	35.52
Romania	550.66	495.75	11.07	407.01	376.81	8.01	23.43	26.02	9.38	9.24
Serbia*	102.86	93.22	10.34	na	na	-	13.06	13.09	1.75	1.74
Slovak Republic	297.60	371.52	-19.90	156.73	198.80	-21.16	28.20	28.85	5.07	6.92
Slovenia	337.69	319.29	5.76	197.74	198.20	-0.23	18.07	17.54	5.75	5.95
Total CEE	5,872.94	5,366.09	9.45	3,421.37	3,154.58	8.46	20.62	20.74	100.00	100.00

*2021 GWP, XPRIMM estimates using the 3Q2021/2020 growth rate in RSD

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

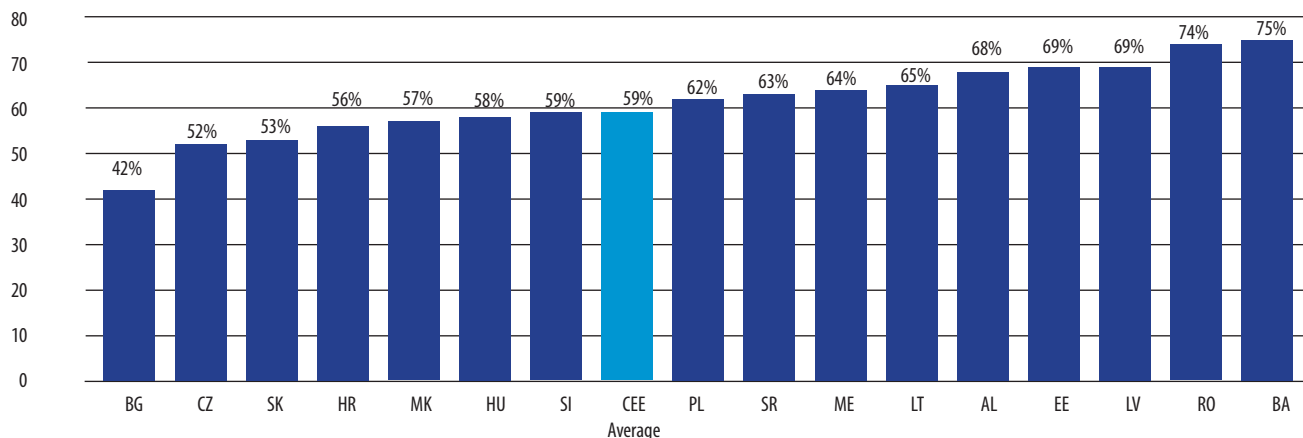


Weight of Motor Hull GWP in non-life business

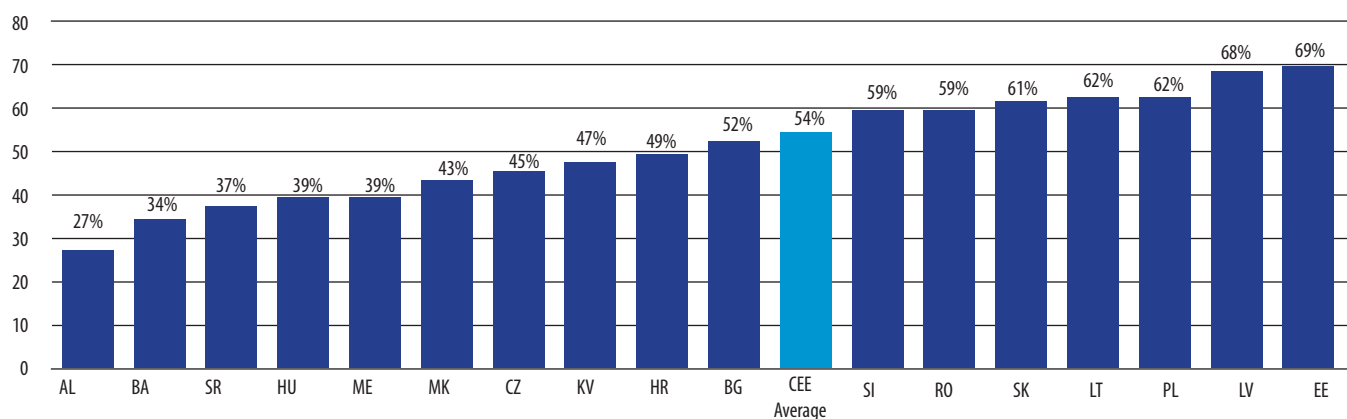


*2021 GWP, XPRIMM estimates using the 3Q2021/2020 growth rate in RSD

CEE 2021 MoD claims/GWP ratio



CEE 2021 MTPL claims/GWP ratio



2021-the year of the biggest bankruptcy

In mid-September, the Romanian Financial Supervisory Authority (ASF) has decided the withdrawal of the operating license and the opening of the bankruptcy procedure against CITY Insurance, the largest motor insurer in the local market, accounting for almost half of MTPL written premiums in the market. Although this was a predictable moment, especially starting June, when ASF appointed FGA – the Insured Guarantee Fund was appointed as temporary administrator replacing the company’s management, the announcement provoked a shock wave for the over 3 million MTPL customers of CITY Insurance. Only seven MTPL insurers remained active on the market after the CITY Insurance bankruptcy and the voluntary exit of the smallest player in the market, UNIQA. January 2022 saw a new player in the MTPL market, the French insurer Axeria IARD, headquartered in Lyon, that entered the Romanian market on the right of the Freedom of Establishment.

Following the bankruptcy of CITY Insurance, EUROINS Romania became the market leader, with a market share of 15.4%, up by 4 percentage points as compared with 2020. ALLIANZ-TIRIAC ranks second, with a 14.3% market share (up by about 3 p.p.

y-o-y), while CITY Insurance dropped on the 3rd place, under the conditions in which the company was active for more than half year, as ASF withdrew

Perspectives

As 2021 was, at large, a recovery year, in the beginning of 2022 the perspectives looked quite bright. Yet, right in the beginning of year the debut of the war in Ukraine added another challenge to the lingering uncertainty with regards to the pandemic evolution throughout 2022. As the statistical data for the first half of 2022 will further show, although the CEE markets are not suffering a direct impact from the war, as they are just little involved in business arrangements with the Ukrainian market or the markets subject to international sanctions, the economic hardships caused by the war are also affects insurers’ business. That puts once again pressure on insurers’ capacity to adapt to hardships and seize any opportunity.

Daniela GHETU



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Road transport & traffic statistics (2020)

	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Czech Republic	Estonia	Hungary	Kosovo	Latvia
Rate of road traffic deaths / 100 000 persons	na	na	6.7	5.9	4.8	4.4	4.7	na	7.3
No. of road traffic deaths	na	na	463	237	518	59	460	na	139
No. of passenger cars	539,497	938,114	2,866,763	1,746,285	6,049,255	808,689	3,920,799	na	739,124
Passenger cars /1000 inhabitants	191	na	414	433	565	608	403	na	390
New Passenger cars registered	43,661	41,146	20,429	95,577	198,400	19,295	128,196	na	13,725
Total length of roads (km)	3,654	8,892	19,111	25,439	129,412	58,846	213,777	na	58,269
Length of motorways (km)	22	218	806	1,310	1,298	199	1,774	na	na
E-roads (km)	na	581	2,987	2,255	2,630	950	2,447	na	202
Goods transport (ths. tonnes)	na	na	136,229	80,707	459,703	23,281	188,118	na	75,660

Albania

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	15.65
GDP per capita, current prices (EUR)	5,448.50
Unemployment rate (of total labor force)	10.60
Population (millions)	2.87
Exchange rate for calculations (end of the period)	120.76

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Bosnia and Herzegovina

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	18.95
GDP per capita, current prices (EUR)	5,445.18
Unemployment rate (of total labor force)	15.80
Population (millions)	3.48
Exchange rate for calculations (fixed)	1.96

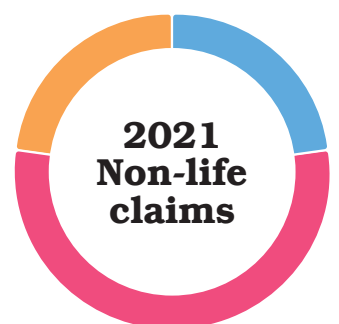
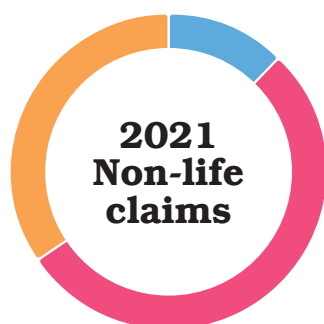
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	124.76	7.19	85.69	55.54	5.01	21.79
1Q2021	30.40	1.91	18.33	15.46	1.56	6.61
1H2021	66.74	4.27	41.43	27.81	3.01	13.92
3Q2021	107.93	6.71	70.69	38.71	4.52	20.37
FY2021	147.48	9.02	98.36	50.16	6.16	26.85

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	306.81	36.81	197.57	121.51	27.88	65.99
1Q2021	77.59	9.74	44.68	29.50	6.89	16.25
1H2021	165.02	20.35	102.45	61.03	14.35	33.01
3Q2021	251.72	30.97	160.17	92.60	21.98	50.42
FY2021	329.07	40.72	209.04	130.95	30.42	70.27



Motor hull 6.11%
 MTPL 66.69%
 Other 27.19%

Motor hull 12.28%
 MTPL 53.52%
 Other 34.20%

Motor hull 12.37%
 MTPL 63.52%
 Other 24.10%

Motor hull 23.23%
 MTPL 53.66%
 Other 23.11%

Lithuania	Montenegro	North Macedonia	Poland	Romania	Serbia	Slovakia	Slovenia	Cyprus	Greece	Turkey
6.2	na	na	6.6	8.5	na	4.5	3.8	5.4	5.5	na
173	na	na	2,491	1,644	na	247	80	48	584	na
1,565,465	na	429,196	25,113,862	7,274,728	2,164,818	2,439,986	1,170,690	578,158	5,492,176	13,099,041
560	na	207	664	379	315.041	447	555	645	514	157
40,878	na	29,952	1,179,776	126,329	167,703	76,300	53,367	10,237	79,597	601,525
84,369	na	14,477	430,267	85,871	43,980	44,748	38,068	12,882	na	252,805
400	na	335	1,712	920	928	521	616	257	na	3,523
1,742	na	553	na	6,178	2,167	1,530	594	na	na	9,353
107,042	800	4,991	1,500,104	266,547	na	168,653	90,870	26,041	289,246	na

Bulgaria

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	67.87
GDP per capita, current prices (EUR)	9,872.09
Unemployment rate (of total labor force)	5.30
Population (millions)	6.88
Exchange rate for calculations (fixed)	1.96

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Croatia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	57.40
GDP per capita, current prices (EUR)	14,229.13
Unemployment rate (of total labor force)	8.17
Population (millions)	4.03
Exchange rate for calculations (end of the period)	7.52

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

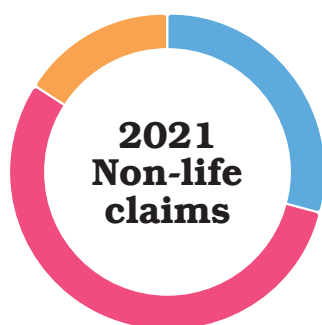
	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	1,246.90	333.81	552.17	517.46	151.71	284.54
1Q2021	656.98	167.52	286.74	256.35	71.59	151.81
1H2021	684.29	180.06	303.59	268.74	72.82	157.77
3Q2021	1,024.09	271.71	460.16	408.07	110.15	237.73
FY2021	1,349.54	362.51	594.84	541.41	151.19	306.86

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	1,038.57	173.13	344.41	497.35	99.77	167.17
1Q2021	326.21	47.45	92.74	136.04	24.82	46.14
1H2021	643.37	95.65	199.84	270.48	50.03	93.64
3Q2021	910.28	141.13	298.30	406.29	75.88	137.41
FY2021	1,173.31	186.98	393.46	572.36	105.11	194.62



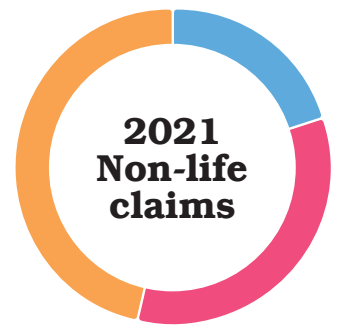
Motor hull 26.86%
 MTPL 44.08%
 Other 29.06%



Motor hull 27.93%
 MTPL 56.68%
 Other 15.40%



Motor hull 15.94%
 MTPL 33.53%
 Other 50.53%



Motor hull 18.36%
 MTPL 34.00%
 Other 47.63%

Czech Republic

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	246.47
GDP per capita, current prices (EUR)	23,030.34
Unemployment rate (of total labor force)	2.82
Population (millions)	10.70
Exchange rate for calculations (end of the period)	24.86

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Estonia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	30.66
GDP per capita, current prices (EUR)	23,051.52
Unemployment rate (of total labor force)	6.18
Population (millions)	1.33
Currency	EUR

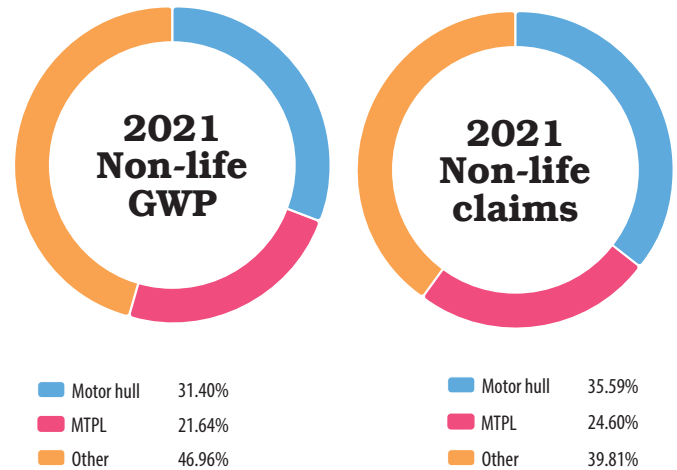
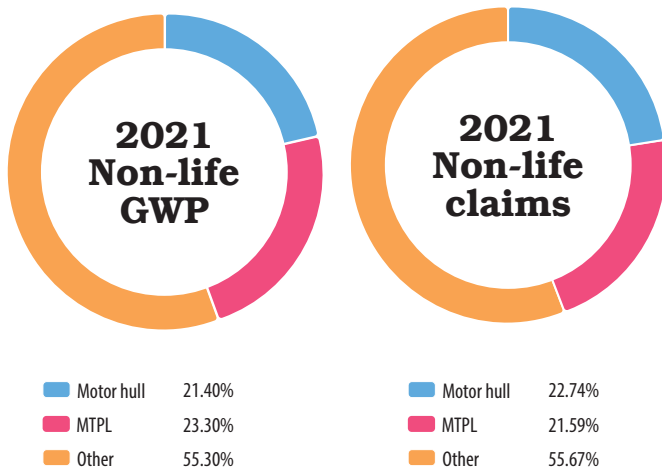
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	4,425.19	908.87	1,060.14	2,075.74	481.77	501.49
1Q2021	1,196.79	235.32	280.13	462.00	117.93	140.67
1H2021	2,423.88	500.12	590.75	1,161.02	272.27	271.05
3Q2021	3,739.61	770.26	887.37	1,844.42	424.21	393.54
FY2021	5,145.19	1,100.86	1,198.95	2,507.67	570.20	541.46

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	383.30	119.08	90.06	213.58	79.50	56.70
1Q2021	97.93	29.95	21.28	56.76	21.66	14.81
1H2021	200.71	61.85	44.23	114.24	41.63	29.25
3Q2021	298.59	93.82	65.71	177.62	63.77	42.77
FY2021	399.51	125.44	86.45	243.57	86.69	59.91



Hungary

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	149.18
GDP per capita, current prices (EUR)	15,330.35
Unemployment rate (of total labor force)	4.07
Population (millions)	9.73
Exchange rate for calculations (end of the period)	369

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Kosovo

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	7.64
GDP per capita, current prices (EUR)	4,250.89
Unemployment rate (of total labor force)	25.80
Population (millions)	1.80
Currency	EUR

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)*		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	1,845.22	300.47	676.61	715.80	148.49	299.00
1Q2021	578.27	86.48	218.18	139.77	11.41	69.55
1H2021	1,072.75	170.72	391.71	358.70	83.45	141.50
3Q2021	1,542.83	248.68	546.79	601.00	212.15	148.40
FY2021	1,969.68	325.34	691.45	749.38	189.83	268.73

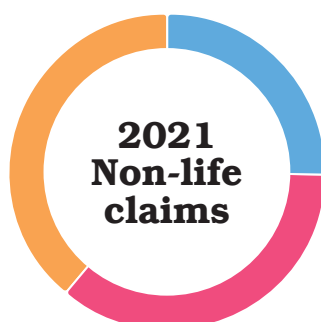
*incurred claims

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	97.92	na	61.62	47.01	na	30.74
1Q2021	24.65	na	14.84	15.82	na	11.43
1H2021	53.06	na	31.85	28.87	na	20.14
3Q2021	84.81	na	53.57	45.20	na	29.62
FY2021	114.33	na	71.73	54.06	na	33.96



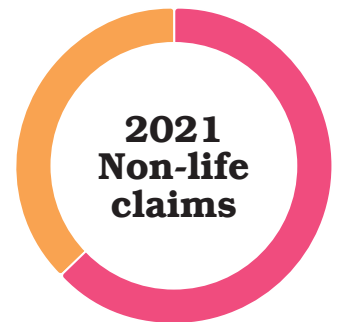
Motor hull 16.52%
 MTPL 35.10%
 Other 48.38%



Motor hull 25.33%
 MTPL 35.86%
 Other 38.81%



MTPL 62.74%
 Other 37.26%



MTPL 62.83%
 Other 37.17%

Latvia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	32.92
GDP per capita, current prices (EUR)	17,389.66
Unemployment rate (of total labor force)	7.56
Population (millions)	1.89
Currency	EUR

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Lithuania

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	55.33
GDP per capita, current prices (EUR)	19,832.99
Unemployment rate (of total labor force)	7.12
Population (millions)	2.79
Currency	EUR

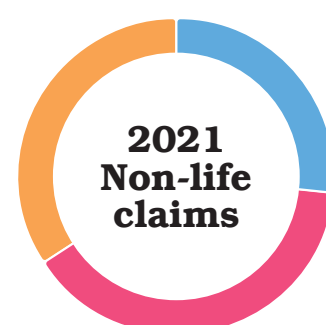
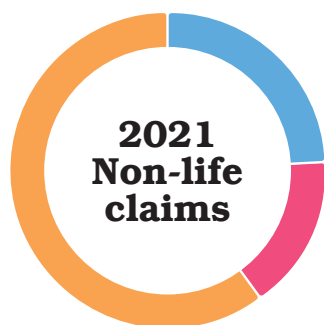
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	556.73	126.96	88.14	349.56	84.54	56.14
1Q2021	157.19	35.55	19.08	90.45	22.61	14.07
1H2021	296.38	68.86	39.22	176.32	43.31	26.23
3Q2021	443.54	102.27	59.28	274.59	68.09	39.17
FY2021	591.31	135.50	79.53	374.10	93.66	54.34

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	664.13	154.37	237.12	374.22	100.65	146.19
1Q2021	174.35	39.53	53.91	89.03	24.77	34.50
1H2021	350.34	82.48	111.32	183.43	49.90	67.66
3Q2021	531.88	124.88	174.86	291.80	78.49	103.15
FY2021	720.69	169.00	234.13	407.84	110.14	144.38



Montenegro

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	4.91
GDP per capita, current prices (EUR)	7,900.31
Unemployment rate (of total labor force)	n/a
Population (millions)	0.62
Currency	EUR

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

North Macedonia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	11.74
GDP per capita, current prices (EUR)	5,672.70
Unemployment rate (of total labor force)	15.70
Population (millions)	2.07
Exchange rate for calculations (end of the period)	61.63

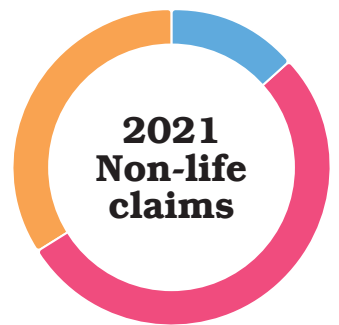
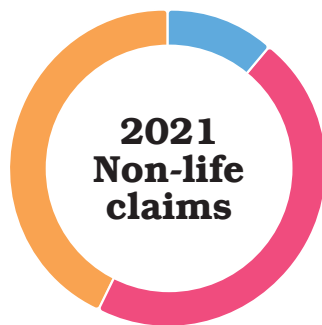
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	73.95	5.97	36.04	28.77	3.24	13.27
1Q2021	19.76	1.35	7.90	7.97	0.88	3.33
1H2021	39.82	3.10	18.54	15.98	1.67	7.09
3Q2021	60.84	4.47	28.94	23.50	2.44	10.61
FY2021	78.80	5.87	38.01	33.12	3.74	14.95

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	134.95	13.35	67.05	57.84	7.84	30.48
1Q2021	36.89	3.24	16.14	14.98	1.78	8.53
1H2021	80.97	6.98	36.08	31.39	3.63	16.88
3Q2021	121.60	10.67	59.71	46.82	5.94	24.33
FY2021	156.23	14.45	78.48	66.03	8.23	34.11



Poland

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	565.97
GDP per capita, current prices (EUR)	14,956.84
Unemployment rate (of total labor force)	3.50
Population (millions)	37.84
Exchange rate for calculations (end of the period)	4.60

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Romania

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	238.35
GDP per capita, current prices (EUR)	12,332.25
Unemployment rate (of total labor force)	5.30
Population (millions)	19.33
Exchange rate for calculations (annual average)	4.95

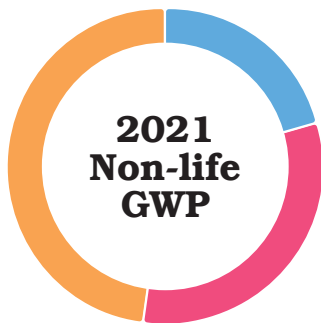
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

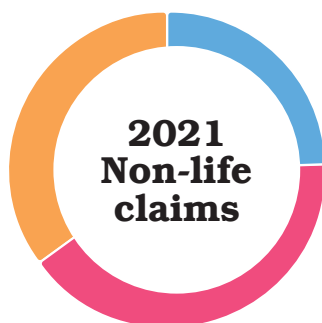
	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	9,247.62	1,906.30	3,170.50	4,817.93	1,190.35	1,950.27
1Q2021	2,592.06	510.56	797.42	1,173.31	310.44	508.20
1H2021	5,175.45	1,046.05	1,645.76	2,347.68	622.19	1,007.66
3Q2021	7,414.61	1,529.69	2,412.80	3,615.58	948.41	1,465.70
FY2021	10,239.35	2,108.45	3,245.42	4,968.70	1,304.52	2,020.08

Motor insurance statistics

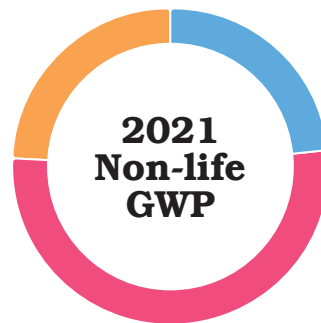
	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	1,905.02	495.75	860.09	1,204.80	376.81	656.75
1Q2021	508.93	123.18	237.77	323.95	101.68	184.01
1H2021	1,025.43	252.44	478.44	633.51	197.41	367.20
3Q2021	1,570.97	405.33	740.73	946.57	299.17	535.93
FY2021	2,350.56	550.66	1,235.67	1,294.14	407.01	725.45



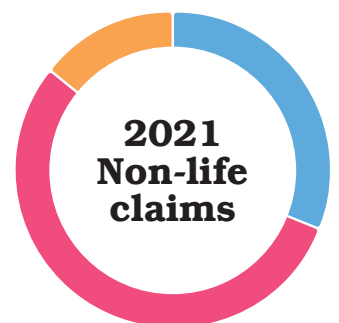
Motor hull 20.59%
 MTPL 31.70%
 Other 47.71%



Motor hull 26.25%
 MTPL 40.66%
 Other 33.09%



Motor hull 23.43%
 MTPL 52.57%
 Other 24.00%



Motor hull 31.45%
 MTPL 56.06%
 Other 12.49%

Serbia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	53.31
GDP per capita, current prices (EUR)	7,758.59
Unemployment rate (of total labor force)	10.09
Population (millions)	6.87
Exchange rate for calculations (end of the period)	117.58

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Slovak Republic

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	97.12
GDP per capita, current prices (EUR)	17,788.72
Unemployment rate (of total labor force)	6.78
Population (millions)	5.46
Currency	EUR

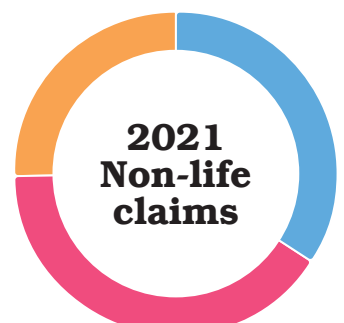
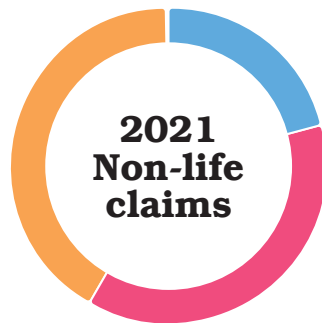
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	712.31	93.22	306.33	305.93	57.68	99.35
1Q2021	181.69	22.97	65.53	62.05	13.90	26.20
1H2021	402.62	50.10	154.52	130.34	29.34	53.31
3Q2021	589.18	76.05	234.60	214.25	45.59	81.54
FY2021	784.96	102.68	313.69	309.08	64.86	115.95

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	1,287.92	371.52	363.33	624.23	198.80	202.25
1Q2021	378.71	97.71	104.83	131.08	44.88	48.10
1H2021	693.73	192.92	195.53	277.34	95.83	100.89
3Q2021	937.36	267.52	268.74	403.89	141.18	148.09
FY2021	1,055.19	297.60	303.11	456.81	156.73	185.32



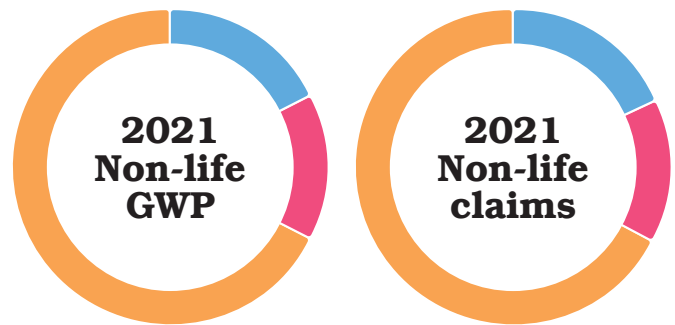
Slovenia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	52.02
GDP per capita, current prices (EUR)	24,665.99
Unemployment rate (of total labor force)	4.73
Population (millions)	2.11
Currency	EUR

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	1,820.35	319.29	273.02	1,087.58	198.20	159.70
1Q2021	530.29	97.23	77.50	254.20	45.84	37.24
1H2021	1,020.55	188.31	148.71	531.51	91.29	75.78
3Q2021	1,464.82	265.98	209.67	802.92	139.87	111.59
FY2021	1,868.96	337.69	266.87	1,120.69	197.74	156.47



Motor hull 18.07%
 MTPL 14.28%
 Other 67.65%

Motor hull 17.64%
 MTPL 13.96%
 Other 68.39%

xprimm publications

Insurance in CEE, SEE and ex-USSR

XPRIMM Insurance Report



PROPERTY Insurance Report



MOTOR Insurance Report



INSURANCE PROFILE



Cyprus

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	23.35
GDP per capita, current prices (EUR)	26,063.19
Unemployment rate (of total labor force)	7.48
Population (millions)	0.90
Currency	EUR

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Greece

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	182.83
GDP per capita, current prices (EUR)	17,114.83
Unemployment rate (of total labor force)	15.00
Population (millions)	10.68
Currency	EUR

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)		Non-life claims (in EUR m)*	
	Total	Motor	Total	Motor
FY2020	506.87	182.01	242.91	116.42
1Q2021	131.79	49.33	52.32	23.99
1H2021	257.73	94.50	110.04	55.47
3Q2021	378.07	140.57	129.55	83.55
FY2021	512.41	189.36	219.62	118.95

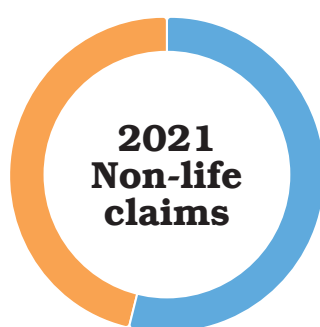
*incurred claims

Motor insurance statistics

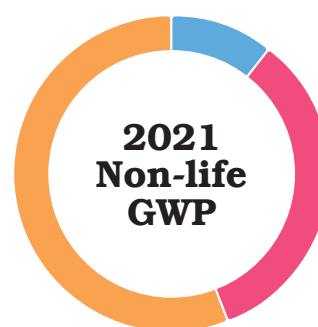
	Non-life GWP (in EUR m)		
	Total	Motor hull	MTPL
FY2020	2,140.77	225.74	734.78
1Q2021	556.99	57.44	177.45
1H2021	1,099.00	116.12	358.16
3Q2021	1,660.05	172.52	531.32
FY2021	2,263.46	236.58	727.43



MTPL 36.96%
 Other 63.04%



MTPL 54.16%
 Other 45.84%



Motor hull 10.45%
 MTPL 32.14%
 Other 57.41%

MOTOR INSURANCE IN TURKEY

Impacted by high inflation and currency devaluation

According to the Turkish Insurers Association report, GWP in the land vehicles liability branch, increased to TRY 23,32 billion (EUR 1.54 billion) in 2021, increasing y-o-y by 13.8% at current prices and local currency. In mandatory MTPL, which accounts for about 95%, GWP grew by 12.6%. Given the high inflation and the about 60% devaluation of the Turkish Lira against Euro, denominated in European currency, the market results show an about 31% decrease in written premiums.

While the share of land vehicles liability branch in total premium production was 24.8% in 2020, this ratio decreased to 22.2% in 2021. As far as the number of contracts is concerned, the number of policies in force for mandatory MTPL grew from 19.2 million at the end of 2020, to 20.4 million by the end of 2021.

In the land vehicles liability branch, the gross paid claims reached TRY 15.17 billion (EUR 2.24 billion), out of which over 96% came from the mandatory MTPL insurance. After the 25% decrease in claims paid for motor insurance in 2020 vs. 2019, due to travel restrictions, in 2021 insurers paid by 52% more for motor claims, an effect caused not only by the increased claims frequency, but also by the claims inflation caused by the rampant inflation. The loss/premium ratio, increased from 87.26% in 2020, to 111.2% in 2021. Moreover, considering only the mandatory segment, the loss ratio reached 113.9% in 2021 from 87.69% in 2020.

Travel restrictions caused by the pandemics in 2020 allowed for less road accidents and, consequently for lower claims expenses that resulted in a technical profit of TRY 1.04 billion. In 2021, claims figures went up and technical profit fell in negative territory, the technical loss amounting TRY 2.05 billion. In fact, the technical loss for the mandatory MTPL amounted to TRY 2.7 billion in 2021, from a technical profit of TRY 825.3 million. In 2022, due to the increase in spare parts costs due to the fluctuations in exchange rates and

the effect of the increase in the accident frequency, the sector is expected to disclose even higher losses and thus an increase in the total loss.

As for the near future, the main challenges in the motor insurance market for this year are inflation and the currency depreciation, both of them putting pressure on the insurance tariffs. *We are in a period where costs do not match premiums, and which works against premiums*, said Atilla Benli, President of the Insurance Association of Turkey (TSB). He explained that because of the high inflation and deteriorating exchange rates, insurers need calculate prices by taking into consideration the foreseeable effect of these changes in the period between underwriting the policy and the eventual occurrence of a claim. In addition, the operational problems caused by the chip crisis are sometimes more difficult than the financial issues. Overall, 2022 remains a difficult year.

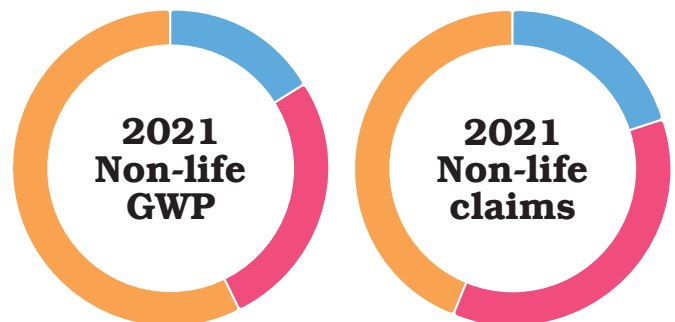
(D.G.)

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	7,461.35	1,175.68	2,243.23	3,159.03	637.41	1,142.39
1Q2021	2,192.79	316.12	517.87	na	na	na
1H2021	3,810.77	576.56	977.08	1,713.56	350.84	616.33
3Q2021	5,650.67	914.06	1,552.63	na	na	na
FY2021	5,794.68	945.61	1,542.21	2,821.65	627.67	1,003.50

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	473.33
GDP per capita, current prices (EUR)	5,589.65
Unemployment rate (of total labor force)	11.96
Population (millions)	84.68
Exchange rate for calculations (end of the period)	15.11

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com



■ Motor hull 16.32%
■ MTPL 26.61%
■ Other 57.07%

■ Motor hull 22.24%
■ MTPL 35.56%
■ Other 42.19%

2021 – MOTOR INSURANCE MARKETS OF THE EX-USSR COUNTRIES

Growth potential hindered by underdevelopment of the legal framework and complexity of claims handling



The dynamics of the general insurance industry in the ex-Soviet countries is much more modest than the life insurance, however, it is general insurance that forms the basis of the existing insurance portfolio.

Russia has the highest level of insurance penetration. This is because Russia has the most mature, most diversified product structure, both retail and corporate types being developed. In Azerbaijan and Kazakhstan, corporate types of insurance related to industry and real estate are well represented. In Belarus, a significant amount of general insurance is related to worker accident insurance, which is supported by one state-owned company and guaranteed by the state. There is a huge development potential in Uzbekistan, associated primarily with retail types, because they are rather poorly developed.

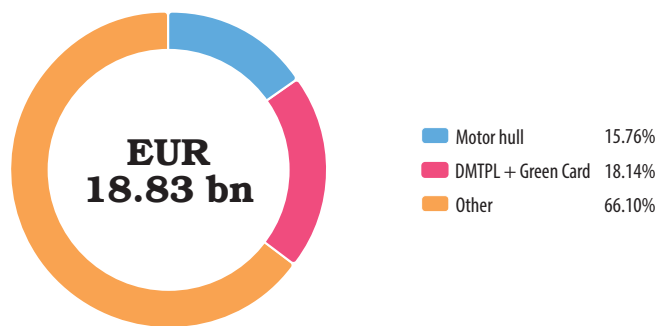
Among the countries under the scope of this report, the cheapest MTPL policy is in Uzbekistan, both in absolute terms and as a percentage of the average annual nominal value. At the same time, Uzbekistan has the lowest percentage of policyholders who claim for compensation and receive it.

In terms of liberalization, both in terms of tariffs and claim settlement, Russia has somewhat overtaken the other ex-USSR countries in recent years as it has the largest market. The increase in tariffs in Russia occurred simultaneously with the increase in the limits of liability, both for material damages and for bodily injuries. In Kazakhstan, experts expect significant positive changes after a large-scale change in insurance legislation in July 2018. Belarus is characterized by the fact that losses are somewhat underestimated compared to their real size. In Azerbaijan, the situation is rather similar to Kazakhstan in terms of complexity of the loss settlement.

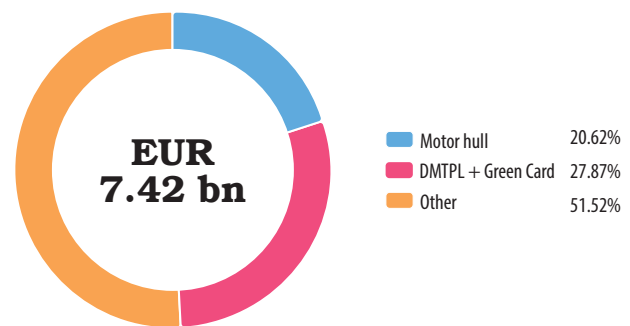
In 2021, fewer MTPL contracts were concluded in Armenia than in 2019 (1.023 million units vs 1.202 million units). At the same time, the number of claim files in 2021 reached 78,255, which is 17.5% more y-o-y. MTPL loss ratio increased in 2021 to 79% from 65% in 2020, exceeding the level of 74% in 2019.

According to the Bureau of Motor Insurers of Armenia, the number of vehicles with MTPL policy increased by 9.6% in 2021 (after a decline of 12.4% in 2020), however, it is still far from the

EX-USSR non-life GWP portfolio, 2021



EX-USSR non-life claims portfolio, 2021



Breakdown of non-life GWP in 2021

	Non-life GWP (in EUR m)				Non-life GWP portfolio (%)			
	Total	All motor ins. (MoD + MTPL)	Motor hull	DMTPL + Green Card	All motor ins. (MoD + MTPL)	Motor hull	DMTPL + Green Card	Other
ARMENIA	91.01	47.65	5.28	42.38	52.36%	5.80%	46.56%	47.64%
AZERBAIJAN	239.18	72.28	20.59	51.68	30.22%	8.61%	21.61%	69.78%
BELARUS	522.12	97.52	na	97.52	18.68%	-	18.68%	81.32%
GEORGIA	203.39	53.55	40.87	12.68	26.33%	20.09%	6.24%	73.67%
KAZAKHSTAN	1,024.59	281.89	75.32	206.57	27.51%	7.35%	20.16%	72.49%
KYRGYZSTAN	na	na	na	na	-	-	-	-
MOLDOVA	90.86	63.25	20.80	42.45	69.61%	22.89%	46.72%	30.39%
RUSSIA	15,271.73	5,146.03	2,463.16	2,682.88	33.70%	16.13%	17.57%	66.30%
TAJIKISTAN	na	na	na	na	-	-	-	-
TURKMENISTAN	na	na	na	na	-	-	-	-
UKRAINE	1,390.91	623.36	342.84	280.52	44.82%	24.65%	20.17%	55.18%
UZBEKISTAN	na	na	na	na	-	-	-	-
Total ex-USSR countries	18,833.80	6,385.53	2,968.85	3,416.69	33.90%	15.76%	18.14%	66.10%

Breakdown of non-life claims in 2021

	Non-life GWP (in EUR m)				Non-life GWP portfolio (%)			
	Total	All motor ins. (MoD + MTPL)	Motor hull	DMTPL + Green Card	All motor ins. (MoD + MTPL)	Motor hull	DMTPL + Green Card	Other
ARMENIA	52.54	30.64	2.29	28.35	58.32%	4.36%	53.96%	41.68%
AZERBAIJAN	113.65	46.69	8.23	38.46	41.08%	7.24%	33.84%	58.92%
BELARUS	313.99	63.30	na	63.30	20.16%	-	20.16%	79.84%
GEORGIA	116.38	31.58	27.38	4.20	27.13%	23.53%	3.61%	72.87%
KAZAKHSTAN	209.77	98.77	21.17	77.60	47.08%	10.09%	36.99%	52.92%
KYRGYZSTAN	na	na	na	na	-	-	-	-
MOLDOVA	31.25	27.54	11.32	16.22	88.12%	36.23%	51.89%	11.88%
RUSSIA	6,050.29	3,007.23	1,299.65	1,707.58	49.70%	21.48%	28.22%	50.30%
TAJIKISTAN	na	na	na	na	-	-	-	-
TURKMENISTAN	na	na	na	na	-	-	-	-
UKRAINE	538.93	295.09	161.00	134.09	54.75%	29.87%	24.88%	45.25%
UZBEKISTAN	na	na	na	na	-	-	-	-
Total ex-USSR countries	7,426.81	3,600.84	1,531.04	2,069.80	48.48%	20.62%	27.87%	51.52%

pre-Covid growth of 18.5% in 2019. The renewed growth in the number of concluded MTPL contracts is also much far behind the pre-Covid growth rates. In 2021, their number increased by 9.9% (vs a decline of 12.9% a year earlier and an increase of 23.5% in 2019). GWP in the reporting period exceeded AMD 22.92 billion/EUR 42.17 million.

MTPL loss ratio in **Armenia** in the first half of 2022 decreased to 65% from 81% in the same period of 2021, which is even lower than the pre-Covid level of 73% in 2019. The decrease was due to a 19.7% annual increase in the number of contracts concluded, which led to an increase in premiums by 21.4%, while paid claims decreased by 8.7%.

In **Azerbaijan**, in 2021 for the first time after the economy faced challenges related to the fall in global oil prices and the coronavirus pandemic, MTPL amounted to AZN 843.9 million, which is 15.8% more than in 2020. Chairman of the Supervisory Board of the Azerbaijan Insurers Association (AIA) Azer Aliyev noted that he is optimistic about the future, since the increase in premiums by almost 16%, suggests that the Azerbaijani economy has coped with the negative consequences of the COVID-19 pandemic.

In **Belarus** MTPL and health insurance continued to lead the market. In 2021 MTPL segment in Belarus reached BYN 206.77 million (+10.2%)/~EUR 71.73 million. Paid claims in the segment amounted to BYN 152.2 million (+15.5%), according to the Belarusian Association of Insurers. According to the Belarusian Bureau for Transport Insurance, in 2021, 92,338 compulsory civil liability insurance contracts for vehicle owners were concluded electronically in the Republic of Belarus, which is 76.5% more than in 2020.

The **Georgian** motor insurance market in 2021 increased by almost 21%, GWP in the segment reached GEL 187.65 million. The insurance sector of Georgia has been waiting for the approval of the draft law on MTPL introduction for more than three years now. Georgia is one of the few countries in the world that does not yet have a law on mandatory insurance, said Devi KHECHINASHVILI, Chairman of the Board of the Association of Insurance Companies of Georgia. *Mandatory liability insurance of vehicle owners is one way to increase the market size and protect the population and the economy. Insurance of vehicle owners will give us an additional GEL 200 million, which will directly contribute to the development of insurance culture and work on other services,* KHECHINASHVILI explained. Currently, approximately 1.5 million cars are registered in Georgia, and their insurance is voluntary. Only 7% of vehicles registered in Georgia are insured. Total number of active insurance policies is 105,454.

In **Kazakhstan** the pandemic had a positive impact on the results of the motor insurance market - Motor Hull increased by 7% to KZT 28 billion (~EUR 54.18 million), and MTPL - by 6% to KZT 81.1 billion (~EUR 156.93 million) last year. Motor Hull growth was supported by an increase in demand for new cars in early 2020. The quarantine measures, which severely limited movement of vehicles, had a positive effect on the loss ratio of motor insurance - the loss ratio of Motor Hull decreased by 2.5%, and for MTPL insurers - by 3%. Thus, motor insurers expanded their incomes both through GWP increase and loss reduction. As the largest non-life class motor insurance in the country grew by 16% in the first six months of 2022, with the most impressive growth rates recorded by Motor Hull.

In **Moldova** in 2021 motor insurance remained the main segment, accounting for over 66% of the market. MTPL y-o-y growth was almost 27%, while Green Card growth rate exceeded 50%.

In Russia, the largest market in the region, in 2021 there was an increase in Motor Hull cost due to an increase in car prices and spare parts. The situation in the MTPL segment was rather stable with the growth rate at 2.51%. At the same time, the growth in MTPL paid claims outpaced the growth in premiums and amounted to 4.5% in 2021. This led to an increase in MTPL unprofitability for insurers. In the first quarter of 2022 all key property types of insurance and MTPL grew, according to a review of key performance indicators of insurers prepared by the Central Bank.

In 2021, the highest loss ratios in Ukraine were observed in MTPL, health insurance and Motor Hull. The Green Card insurance segment in 2021 grew both in terms of the number of contracts concluded and in terms of GWP. The number of contracts concluded in January-December 2021 increased by 28.4% y-o-y, amounting to 766.3 thousand units, while total GWP reached UAH 1.6 billion (EUR 51.74 million), which is 32.8% more than a year earlier. The number of claims under international insurance contracts settled during the period amounted to 5.3 thousand, and total amount of payments on them was EUR 13.7 million. From January to May 2022, MTPL market in Ukraine decreased by 18.24% to UAH 2.218 billion (~EUR 70.10 million). In the first 5 months of the year, MTIBU member insurance companies concluded 32.25% fewer MTPL contracts than in the same period a year earlier. The number of electronic MTPL contracts decreased by 17%. Total paid claims under domestic insurance contracts in January-May decreased by 24.8% to UAH 1.089 billion. MTIBU (Motor Transport Insurance Bureau of Ukraine) also recorded a 33.5% reduction in the number of settled insurance claims over the period.

Marina MAGNAVAL



Armenia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	12.87
GDP per capita, current prices (EUR)	4,344.04
Unemployment rate (of total labor force)	18.50
Population (millions)	2.96
Exchange rate for calculations (end of the period)	542.61

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Azerbaijan

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	48.20
GDP per capita, current prices (EUR)	4,763.29
Unemployment rate (of total labor force)	5.95
Population (millions)	10.12
Exchange rate for calculations (end of the period)	1.93

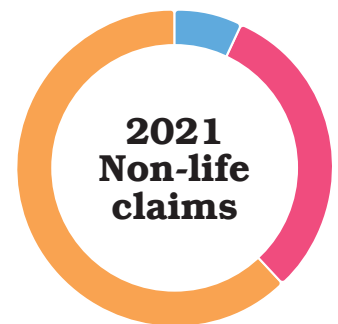
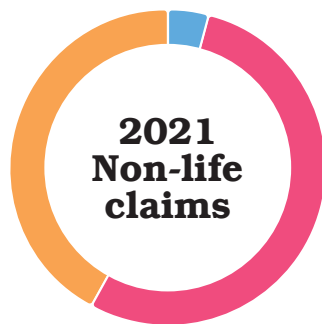
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	69.49	3.66	33.06	36.18	1.64	21.20
1Q2021	26.25	0.92	8.91	11.23	0.51	6.67
1H2021	45.06	1.99	17.75	23.04	0.96	13.15
3Q2021	68.14	3.47	29.77	36.29	1.47	20.29
FY2021	91.01	5.28	42.38	52.54	2.29	28.35

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	203.39	17.65	44.66	87.20	6.24	27.08
1Q2021	90.57	3.77	10.47	30.70	1.65	7.43
1H2021	127.83	8.95	23.11	52.72	3.59	15.85
3Q2021	185.23	14.83	37.94	85.35	5.66	26.94
FY2021	239.18	20.59	51.68	113.65	8.23	38.46



Belarus

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	60.07
GDP per capita, current prices (EUR)	6,424.53
Unemployment rate (of total labor force)	3.93
Population (millions)	9.35
Exchange rate for calculations (end of the period)	2.88

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Georgia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	17.19
GDP per capita, current prices (EUR)	4,610.14
Unemployment rate (of total labor force)	20.30
Population (millions)	3.73
Exchange rate for calculations (end of the period)	3.50

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

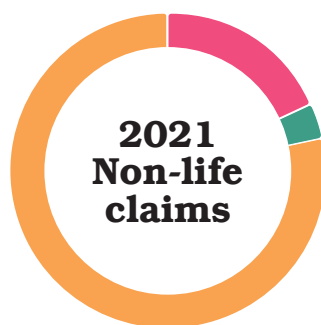
	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	DMTPL	Green Card	Total	DMTPL	Green Card
FY2020	413.89	64.05	18.45	233.25	42.75	8.22
1Q2021	127.70	17.96	4.64	67.97	12.64	2.11
1H2021	253.58	39.37	9.51	146.67	25.82	4.06
3Q2021	395.41	59.24	15.40	226.14	39.45	6.35
FY2021	522.12	76.89	20.63	313.99	54.60	8.70

Motor insurance statistics

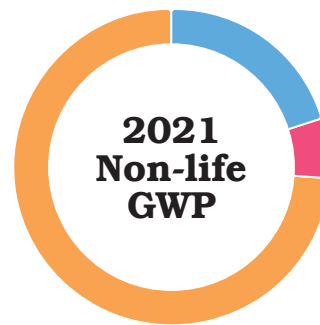
	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	153.32	29.00	9.63	91.15	18.54	2.66
1Q2021	53.88	10.33	2.70	20.57	5.62	0.87
1H2021	110.97	19.81	5.60	47.41	12.34	1.80
3Q2021	154.15	29.72	8.98	80.22	18.67	2.87
FY2021	203.39	40.87	12.68	116.38	27.38	4.20



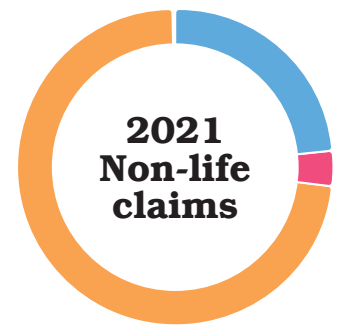
DMTPL 14.73%
 Green Card 3.95%
 Other 81.32%



DMTPL 17.39%
 Green Card 2.77%
 Other 79.84%



Motor hull 20.09%
 MTPL 6.24%
 Other 73.67%



Motor hull 23.53%
 MTPL 3.61%
 Other 72.87%

Kazakhstan

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	166.61
GDP per capita, current prices (EUR)	8,711.20
Unemployment rate (of total labor force)	4.88
Population (millions)	19.13
Exchange rate for calculations (end of the period)	487.79

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Moldova

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	12.04
GDP per capita, current prices (EUR)	4,653
Unemployment rate (of total labor force)	3.46
Population (millions)	2.59
Exchange rate for calculations (annual average)	20.09

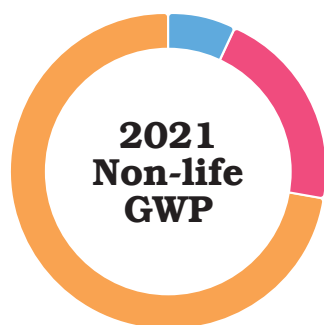
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

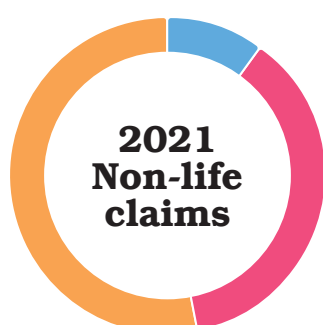
	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	761.26	54.71	157.12	248.60	13.35	56.79
1Q2021	283.84	14.56	43.08	44.36	4.70	17.68
1H2021	537.83	31.51	92.32	92.97	9.13	36.12
3Q2021	754.79	50.57	148.77	147.75	14.47	54.85
FY2021	1,024.59	75.32	206.57	209.77	21.17	77.60

Motor insurance statistics

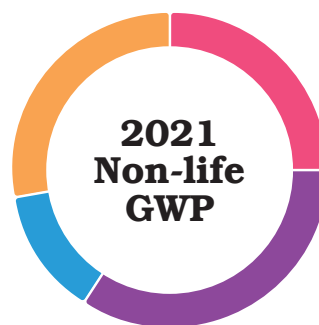
	Non-life GWP (in EUR m)				Non-life claims (in EUR m)			
	Total	Motor hull	DMTPL	Green Card	Total	Motor hull	DMTPL	Green Card
FY2020	63.99	16.05	21.83	8.42	26.97	8.58	9.17	3.53
1Q2021	17.20	4.16	5.61	2.55	7.15	2.45	2.92	0.75
1H2021	38.89	8.78	12.34	5.51	13.55	5.02	5.64	1.36
3Q2021	66.51	14.45	20.93	9.94	21.48	7.93	9.32	1.98
FY2021	90.86	20.80	29.13	13.32	31.25	11.32	13.29	2.93



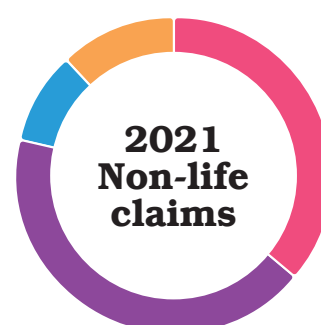
Motor hull	7.35%
MTPL	20.16%
Other	72.49%



Motor hull	10.09%
MTPL	36.99%
Other	52.92%



Motor hull	22.89%
DMTPL	32.06%
Green Card	14.66%
Other	30.39%



Motor hull	36.23%
DMTPL	42.53%
Green Card	9.36%
Other	11.88%

Russia

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	1,555.80
GDP per capita, current prices (EUR)	10,688.52
Unemployment rate (of total labor force)	4.83
Population (millions)	145.56
Exchange rate for calculations (end of the period)	84.07

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

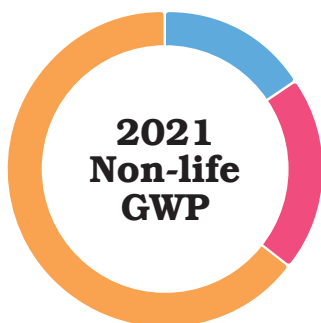
Ukraine

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	175.32
GDP per capita, current prices (EUR)	4,268.01
Unemployment rate (of total labor force)	9.78
Population (millions)	41.08
Exchange rate for calculations (end of the period)	30.92

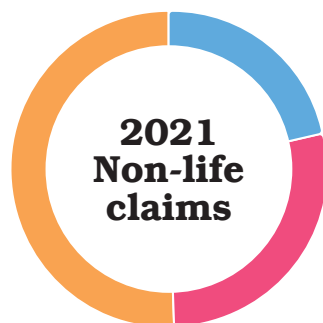
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2020	12,220.49	1,934.48	2,426.28	5,006.37	1,080.51	1,514.86
1Q2021	3,976.59	501.58	562.28	1,295.32	275.60	418.34
1H2021	7,643.93	1,081.04	1,269.82	2,861.82	606.21	864.81
3Q2021	11,507.10	1,743.71	2,026.35	4,436.92	953.49	1,311.02
FY2021	15,271.73	2,463.16	2,682.88	6,050.29	1,299.65	1,707.58



Motor hull 16.13%
 MTPL 17.57%
 Other 66.30%



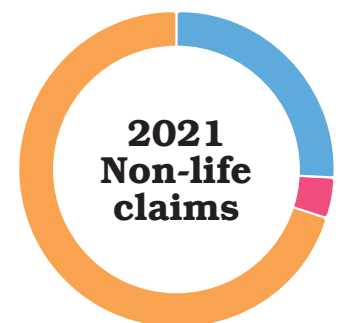
Motor hull 21.48%
 MTPL 28.22%
 Other 50.30%

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	DMTPL&Green Card	Total	Motor hull	DMTPL&Green Card
FY2020	1,155.96	245.24	214.55	409.24	108.28	102.94
1Q2021	327.19	70.36	60.38	128.16	35.64	30.59
1H2021	683.55	155.39	129.97	257.80	72.12	61.62
3Q2021	1,093.80	257.61	210.07	414.60	117.57	94.94
FY2021	1,390.91	342.84	280.52	538.93	161.00	134.09



Motor hull 24.65%
 DMTPL & Green Card 20.17%
 Other 55.18%



Motor hull 22.08%
 DMTPL & Green Card 3.44%
 Other 59.07%

Kyrgyzstan

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	7.55
GDP per capita, current prices (EUR)	1,134.49
Unemployment rate (of total labor force)	6.61
Population (millions)	6.65
Exchange rate for calculations (end of the period)	95.79

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Turkmenistan

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	56.12
GDP per capita, current prices (EUR)	9,122.75
Unemployment rate (of total labor force)	na
Population (millions)	6.15
Exchange rate for calculations (end of the period)	3.96

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Tajikistan

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	7.49
GDP per capita, current prices (EUR)	775.86
Unemployment rate (of total labor force)	n/a
Population (millions)	9.66
Exchange rate for calculations (end of the period)	12.80

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

Uzbekistan

Macroeconomic indicators, 2021	
GDP, current prices (EUR billion)	60.09
GDP per capita, current prices (EUR)	1,738.76
Unemployment rate (of total labor force)	9.50
Population (millions)	34.56
Exchange rate for calculations (end of the period)	12224.88

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2021
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Motor insurance statistics - www.xprimm.com

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OUTLOOK

Views on the future

Inflation – an enemy with strong impact on motor insurers' business

Getting out of the pandemic crisis in early 2022, the Russian aggression on Ukraine, on 24 February 2022 market the beginning of a new period of economic distress, potentially forcing entire Europe to rethink its energy politics and supply sources. In short, we moved from one crisis to another.

As such, the macroeconomic evolution is market by volatility, slowdown of economic growth and high inflation. According to the European Commission's summer economic forecast, "the EU economy will grow by 2.7% in 2022 and 1.5% in 2023. Growth in the euro area is expected at 2.6% in 2022, moderating to 1.4% in 2023. Annual average inflation is projected to peak at historical highs in 2022, at 7.6% in the euro area and 8.3% in the EU, before easing in 2023 to 4.0% and 4.6%, respectively." This forecast was visibly more pessimistic than the spring one, but might still prove rather optimistic if cut-off of gas supplies from Russia and further intensification of the supply bottlenecks due to China's Covid-zero policy and subsequent substantial increase of risk premia will trigger in a more severe impact with double digit inflation figures.

For the insurance field, inflation seems the worst enemy. "For insurers, the main inflation impact will show in rising claims costs, more in non-life than life insurance in which policy benefits are

defined at inception. Motor and liability lines of business will likely be most immediately impacted. Accident, and motor and general liability will also be impacted, with inflation feeding into bodily injury claims," Swiss Re Institute's analysts said in the July issue of its sigma publication. In the Central and Southeastern Europe, where many countries are already experiencing double-digit inflation rates, the pressure on a line of business that holds a large share of the portfolio – motor insurance -, might require strong efforts for maintaining the business stability and, for certain, will put additional pressure on insurers' profitability.

Motor insurance – a business that needs rethinking

According to Allianz, there are some common trends that will affect all motor insurers, regardless the market they are operating on. "The introduction of new safety features in vehicles, emerging autonomous technologies and changing vehicle ownership behaviors, not to mention new methodologies for determining vehicular risk, mean that insurers are reassessing commonly held assumptions about risk and indemnification," the German insurer said in a recent article.

The white paper "Rethinking Auto Insurance: From a Transactional

Relationship to Mobility Customer Experience" released by the insurance sector software provider Majesco lists the following trends that exert tremendous pressure and threat on the traditional auto insurance business:

- » The growing use of non-owned vehicles and mobility options like rideshare, rentals (traditional and shared economy) and other local rental options like scooters and bicycles, reducing the market size for individual auto insurance purchases.
- » Non-insurance providers (like Tesla) are offering / embedding insurance for vehicles and other mobility options, potentially cutting off traditional carriers from these opportunities.
- » Increased effectiveness of safety technology is putting more emphasis on prevention and less on traditional indemnification, potentially putting downward pressure on auto insurance premiums. It is estimated that advanced driving assistance systems (ADAS) features and enabling technologies increasingly included in new vehicles can reduce losses 20-30%.²
- » Connected devices, beyond telematics, are enabling mileage, location, weather-related and driving behavior-based underwriting and pricing, which could lower premium volume or make it less predictable.
- » Increasingly, auto manufacturers are leveraging their customer relationships and data to offer insurance, repairs and services (Porsche, Volvo, Tesla, Ford, GM, etc.) as "mobility companies".
- » The rise of on-demand insurance, expected to increase 30% increase by 2026, will impact auto insurance.
- » The rise in testing and use of self-driving vehicles and robots due to the COVID-19 pandemic for contactless deliveries could accelerate a shift to a future of autonomous/ semi-autonomous mobility marked by fewer accidents.

In addition to the above, an increasing powerful change driver is the shift in generational views on transportation, mobility, and product expectations for auto insurance. The increasing preference for a non-owned vehicles and the rise of alternative mobility options such as rideshare vehicles and rentals, the strong preference for online purchases and use of available digital services are only a few of the new generations of customers' characteristics that will trigger a new way doing business in insurance.

More daring drivers, more inventive insurers

Almost every third of the drivers that responded to the latest driver awareness survey organized by the Polish Chamber of Insurance (PIU) consider that speeding by 30 km/h is not dangerous despite being one of the main causes of road accidents, right after forcing the right of way. This result is good illustration of a trend that asserted itself post-pandemic, with many drivers becoming more "daring" in their own view, more reckless by the common standard.

Distracted driving and speeding are the top causes of road accidents, followed by drunk driving and reckless driving. Disregarding driving rules – as running stop lights or stop signs, priority rules etc. – is another important cause for road accidents.

The Polish survey shows, as well as other similar surveys in other countries, that the number of drivers that consider themselves better than average and more skilled than their road partners is increasing. Despite speeding rules tightening throughout the last years, there are more and more powerful vehicles on the road, which is only increase the speeding temptation. Moreover, as cars are becoming safer thanks to technology that presumably can assist drivers in avoiding perilous situations, many drivers place excessive trust in safety systems and don't pay enough attention to the road while driving.

Several surveys show that drivers have a lot of tolerance for breaking the rules. Enforcing rules more firmly may be part of the solution. Insurers have also some instruments in hand to contribute to disciplining drivers by using telematics to monitor their behavior in traffic and incentivize safe driving. The expansion of telematics from rather costly dedicated in-built devices to mobile phones made the use of technology significantly more affordable. "Pay as you drive" motor insurance (PAYD) is one of the solutions in which customers are most interested in. The share of customers that would agree having their driving behavior monitored is increasing even in markets where people previously reluctant to allow telematic devices on their cars because of privacy issues. Cost and convenience are two of the most important aspects that would determine clients to buy PAYD products.

AN interesting use case is implemented by Amodo, its technology being successfully used to provide various pay-as-you-drive initiatives all over the world, including in the CEE markets. Offering potential customers the possibility of testing the technology before buying insurance is a successful initiative - the user downloads the app and uses it, after 30 days he/she gets a personalized insurance quote, based on his/her behavior during that month, which allows a well informed buying decision, as well as an objective self-assessment of his/her driving behavior.

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