

xprimm MOTOR INSURANCE REPORT

by XPRIMM

Year VIII - No. 1/2020(8)

Full Year 2019 | First Half 2020 Market Results



CEE • CIS • SEE

CEE Motor insurance in 1H2020

A wave of an unprecedented challenge

Interview

Jürgen PALMBERGER
Head for Motor Insurance Business, VIG

Interview

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Full Year 2019 | First Half 2020 Market Results



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Motor insurance, as the main non-life business line in the region and also the one generating most of the insurers interactions with their customers, was the theater of the most visible changes, whether determined by the Covid crisis or not. We have found out how the current status and future perspectives of this business line are seen by the largest player in the CEE, Vienna Insurance Group, in an interview with ...

Jürgen PALMBERGER

Head for Motor Insurance Business, VIG



We know how to run our business as it is, we are perfect at this. What we need to learn and to achieve is to attract our clients to stay in contact with us even when there is no claim to report.

XPRIMM: The COVID crisis affected the motor insurance business in many ways – both positive and negative. Being a regional player in the CEE, you are in direct contact with all markets. How do you comment on the motor insurance business' evolution during the first part of 2020?

Jürgen PALMBERGER: The beginning of the year has been very strong for the Vienna Insurance Group where some of the markets e.g. the Czech Republic and Poland exceeded our expectations and this in return helped us to manage the following COVID crisis better. Motor insurance, which was particularly affected by the COVID-19 lockdown and travel restrictions, remained stable with premium volume at the same level as in the previous year. Our local companies adjusted to the situation quickly and in a flexible manner.

XPRIMM: Maintaining the profitability of the motor insurance business is already a "traditional" issue in the CEE markets. Would you say that the current crisis has made this more difficult?

JP: The profitability challenge is something every insurance company active in the CEE region must face. Also, in the current Covid crises to underwrite business at a profitable level remains a challenge, something VIG is always aiming at in order to keep our business sustainable.

XPRIMM: Forced by the lockdown and further challenging conditions, the digitalization process has been accelerated everywhere across the region, and motor insurance was one of the segments for which this trend was very visible. However, at regional level, markets are very different, starting with the technological advancement standpoint. How would you comment on the general progress made? Also, as a regional player, what was your approach in this respect?

JP: I agree that the imposed lockdown accelerated the digitalization in the CEE region and many of our local companies have faced the challenge virtually overnight. Some of the Vienna Insurance Group companies had already well-established systems e.g. online sales, while others had to act quickly to keep the business running and most importantly not to lose the customer. Based on the feedback received, the VIG workforce managed to pull together and to adapt to the arisen situation rapidly. And suddenly, things like obtaining an electronic signature were possible. Our companies were able to adapt to this challenging situation as quickly as they could, and all the solutions put in place in order to stay connected with our clients and salesforce have been running since then.

XPRIMM: Telematic technologies were seen and promoted for some years as a “big promise”, a chance presented to insurers to reach an optimum underwriting in motor insurance. Yet, they were adopted with different levels of enthusiasm and are still in an early stage in the CEE markets. How do you assess the current level of telematics penetration and what are your expectations for the future?

JP: Personally, I am convinced of the topic of telematics because it offers big potential for us to stay connected with our clients and to be of help to them 24/7. Telematics is not just a Tariff that is calculating the premium based on how much you drive, for me, it of course starts with a better risk-based pricing. But on the other hand, in order to make it successful and somehow financeable, especially in the CEE markets, where we have just one third of the average premium to work compared to Western Europe, we need to come up with services which are addressing the daily needs of our customers. If we can achieve that by coming up with solutions the clients want to have, then we will see a big development of ‘Telematics’.

XPRIMM: There is a segment of business related to the changing mobility preferences that is still in its infancy. Although apparently non-dangerous, the light electric vehicles can cause significant damages and therefore, considering their increasing usage, the liability for accidents issue can no longer be ignored. Is this issue considered carefully enough in the CEE countries?

JP: The topic of the electric vehicles is relatively new and undiscovered in the CEE region, with a currently very limited portfolio across the VIG companies. We receive different kinds of messages. In markets where we have a really low penetration of electric vehicles, we observe high average claims. In markets where we have already a bigger, but of course still small portfolio, we can observe a lower claims frequency, for example, due to the lower average mileage driven of such vehicles. In terms of pricing I think that we should compare a Tesla with other exotic

brands on the market, because in both cases we have high prices for their spare parts. Nevertheless, in terms of the liability I think all the markets must learn and gain experience of underwriting electric vehicles. The increasing trend makes us reflect on the way of pricing this type of business. And we need to learn from the experiences from other Western or Northern European markets in order to make this business in the CEE countries, in the future, successful as well. We are in steady contact with our partners throughout Europe in this regard.

In order to make telematics successful and somehow financeable, especially in the CEE markets, where we have just one third of the average premium to work compared to Western Europe, we need to come up with services which are addressing the daily needs of our customers.

XPRIMM: Should you have to rank the main challenges in the motor insurance field, beside those raised by the current crisis, which would list on the first positions?

JP: I see upcoming challenges which are coming from the sales area. The development we see is that we are very often just compared by the price a client has to pay. In order to be better recognized by our clients, we need to become more proactive for them. Services where we can have more frequent contact with our clients are the key to success in this regard. We know how to run our business as it is, we are perfect at this. What we need to learn and to achieve is to attract our clients to stay in contact with us even when there is no claim to report. If we can achieve this, the perception of insurance companies will change totally and will direct us into a more sustainable future.

XPRIMM: From VIG’s standpoint, are there still any underused opportunities in the motor insurance business? What is the Group’s future strategy in this area?

JP: We are currently working on several projects in order to make us fit for the future and which are also supporting what I previously said. The next two years will be really exciting for our Group companies, because we will come up with new ideas and services for our clients which are supporting our slogan “protecting what matters”.

Interview conducted by Daniela GHETU





Daniela GHEȚU
Editorial Director

CEE Motor Insurance in 2019

A calm year before the storm

While the macroeconomic environment continued to cool down globally, in 2019, the Central and Southeastern Europe went through a favorable period of growth. Economic growth was robust, although in comparison with 2018 it slowed down. According to the Erste Group estimations, CEE countries' GDP grew at rates in the 3.7% - 4.9% range, with Hungary, Poland and Romania achieving the best performances.

The CEE saw a strong domestic demand, fueled by the feeling of financial security provided by the stable labor market and the historical minimum levels of unemployment. The Balkan countries also offer stable economic conditions as a whole. The above EU average economic growth, tight labor markets and higher wages of recent years mean the CEE consumer is a force to be reckoned with.

Yet, while consumption has generally increased, in what cars sales area the growth pace slowed down as compared with the previous year. The ACEA (European Automobile Manufacturers' Association) statistics show that new cars registrations were still growing in most CEE countries at higher paces than the EU market. Yet, compared with the 2018/2017 evolution, growth

rates are visibly lower in almost all CEE countries monitored by the association. Moreover, it seems that this y-o-y positive trend is less of an annual trend, but may be largely explained by purchases made in December to get ahead of the new EU emissions regulations that took effect at the beginning of 2020. In fact, according to ACEA statistics for January to November 2019, in most countries the new cars registrations' growth rate was by far inferior to the year-end one or even negative, in some cases. On the commercial fleets side, registrations of new vehicles have recorded a clear negative trend in 2019 almost everywhere across the region. Overall, this means that one of the main growth drivers for the motor insurance industry in the region – especially in what the Motor Hull insurance is concerned -, was less effective or even completely absent throughout the year. On the MTPL side the impact of this stalling trend in new cars registrations was not very strong, especially because in most markets the used cars sales continued to increase or remained at least at the previous year's level. Only Poland saw a number of 929 thousand imported used cars in 2019, while other markets as Romania or Hungary also recorded high numbers.

New vehicles registrations 2019

	New cars registrations			%Change		New commercial vehicles registrations			% change	
	2019	2018	2017	19/18	18/17	2019	2018	2017	19/18	18/17
Bulgaria	35,371	34,332	31,244	+3.0	+9.9	5,985	6,282	5,973	-4.7%	5.2%
Croatia	62,975	59,856	50,412	+5.2	+18.7	10,732	10,522	9,956	2.0%	5.7%
Czech Rep.	249,915	261,437	271,595	-4.4	-3.7	31,508	31,322	30,210	0.6%	3.7%
Estonia	26,589	25,387	24,494	+4.7	+3.6	5,637	6,227	6,004	-9.5%	3.7%
Hungary	157,900	136,594	116,265	+15.6	+17.5	32,184	29,645	26,438	8.6%	12.1%
Latvia	18,235	16,879	16,692	+8.0	+1.1	3,911	4,022	4,048	-2.8%	2.9%
Lithuania	46,461	32,447	25,867	+43.2	+25.4	12,197	12,563	10,590	-2.9%	18.6%
Poland	555,598	531,889	486,352	+4.5	+9.4	100,660	101,376	90,936	-0.7%	11.5%
Romania	161,562	130,919	106,387	+23.4	+23.1	25,372	25,812	23,160	-1.7%	11.5%
Slovakia	101,568	98,080	96,085	+3.6	+2.1	12,295	13,785	12,174	-10.8%	13.2%
Slovenia	73,211	72,835	70,892	+0.5	+2.7	15,874	15,587	14,657	1.8%	6.8%
EUROPEAN UNION	15,340,188	15,158,874	15,136,590	+1.2	+0.1	2,546,830	2,485,492	2,408,683	2.5%	3.2%
EU15	13,838,583	13,745,263	13,827,225	+0.7	-0.6	2,288,081	2,226,413	2,172,404	2.8%	2.4%
EU12	1,501,605	1,413,611	1,309,365	+6.2	+8.0	258,749	259,079	236,279	-0.1%	9.7%

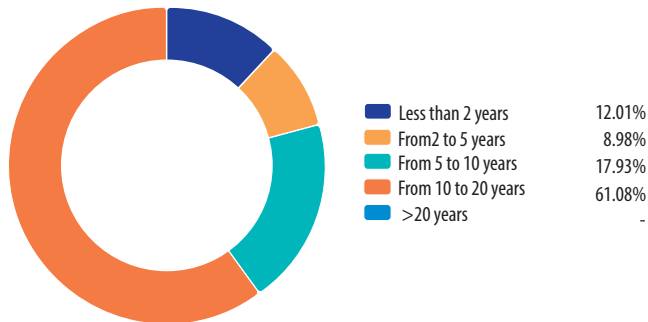
Source: NATIONAL AUTOMOBILE MANUFACTURERS' ASSOCIATIONS

Passenger cars, by age - selected countries (2018 data)

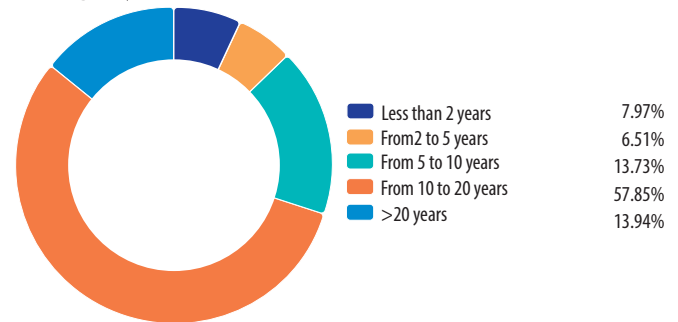
	TOTAL	< 2 years	2 to 5 years	5 to 10 years	10 to 20 years	>20 years
Czechia	690,264	515,985	1,030,571	3,511,093		5,747,913
Estonia	45,960	66,870	105,264	307,388	220,982	746,464
Croatia	126,423	140,657	338,354	844,975	216,004	1,666,413
Latvia	30,131	40,549	81,848	412,330	142,983	707,841
Lithuania	40,830	51,468	137,514	909,289	291,419	1,430,520
Hungary	290,335	237,241	499,936	2,106,737	507,574	3,641,823
Poland	1,306,615	1,148,689	2,777,558	9,636,591	8,559,563	23,429,016
Romania	235,704	302,857	796,395	3,739,255	1,378,325	6,452,536
Slovenia	100,434	150,069	295,841	528,273	68,533	1,143,150
North Macedonia	8,534	11,199	34,947	360,382		415,062
Turkey	1,083,482	2,090,597	2,862,763	3,131,328	3,230,020	12,398,190
Kosovo (under United Nations Security Council Resolution 1244/99)	5,932	7,315		151,079	63,042	227,368

Passenger cars, by age

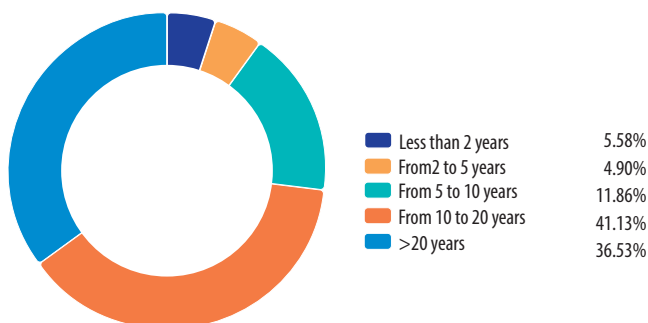
Czechia



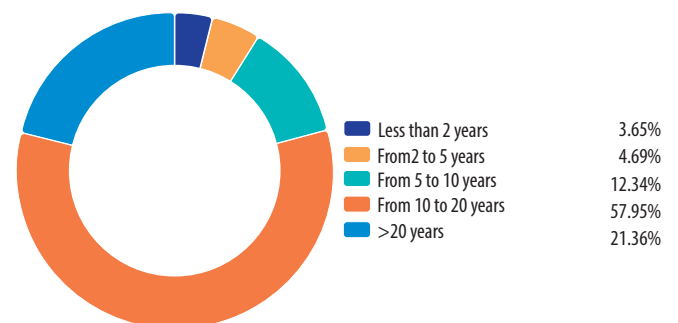
Hungary



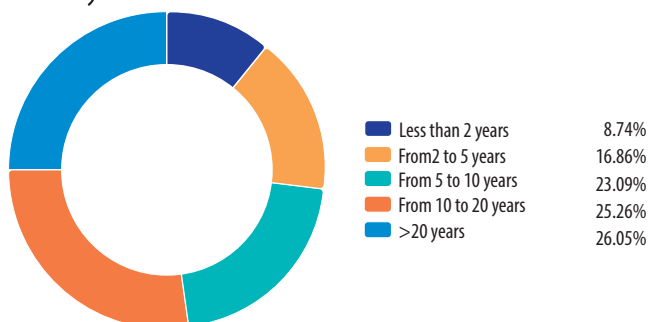
Poland



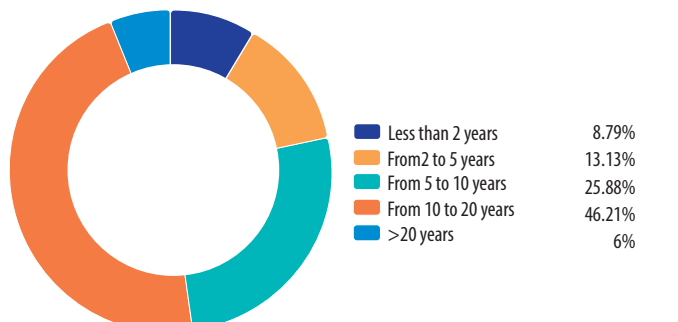
Romania



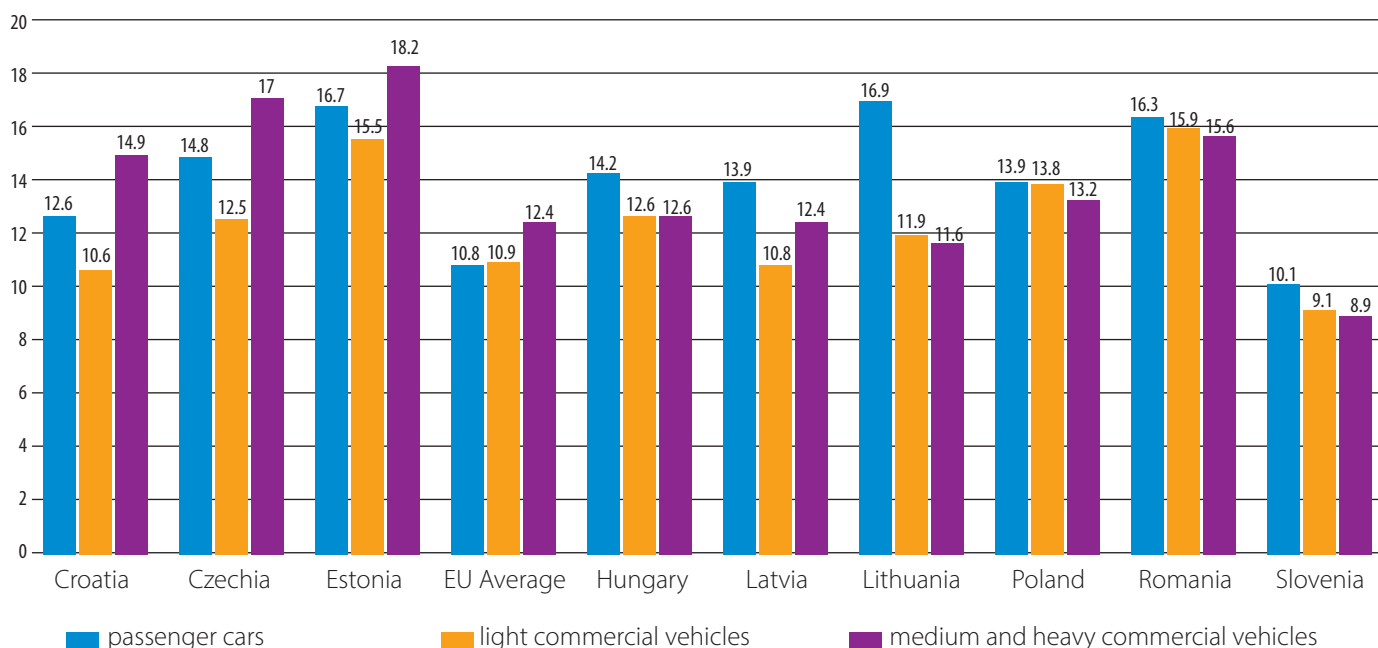
Turkey



Slovenia



Average age of national fleets, on vehicle categories (2018)



Motor insurance remained without any doubt the main business segment in the regional CEE insurance market, accounting for 53.4% of the non-life insurance premiums. Last year, aggregated GWP for motor insurance amounted to EUR 14.2 billion, 5.76% up y-o-y. Unfortunately, paid claims grew at a higher rate, of 9.65% y-o-y, reaching EUR 8.6 billion. Somewhat unusual, the Motor Hull class saw a better dynamic than the MTPL one (GWP up by 6.72% y-o-y vs. 5.17%). Yet, the MTPL business continues to hold a larger share in the regional portfolio – almost 33%, while Motor Hull accounts for 20.4% of the non-life GWP. While growing a little faster than MTPL in GWP terms, the Motor Hull line has significantly outpaced it in what the paid claims are concerned. Claims expenses for Motor Hull increased by 12.48% y-o-y.

The Top 5 markets in the region accounted together for about three quarters of the regional non-life business. For the motor business, their cumulated weight is just a little under this threshold, GWP by Top 5 markets accounting for 72.7% of the motor GWP in the region. However, in paid claims terms, their contribution to the regional total is higher, of about 76%. The group of 5 is obviously the driver in the regional trends, its motor lines' dynamic being in fact the determinant factor for the regional y-o-y changes. In average, MTPL accounts for 33% of the non-life GWP and generates 37% of the non-life claims expenses.

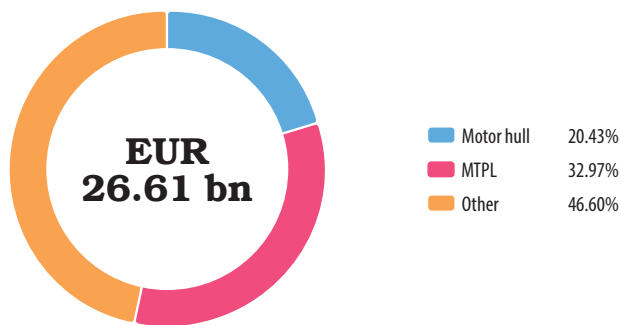
Motor Hull contributes to the regional portfolio with 20.4% of GWP and 25% of the claims costs. However, there are several examples of markets in the CEE where motor insurance lines account for close to or more than half of the non-life business and definitely more than that in what the claims expenses are concerned (most of the West Balkans markets, Bulgaria, Romania).

Looking at the loss/premiums ratios, both for MTPL and Motor Hull, it is worth noting that the Top 5 markets in the region are showing – as a group and individually -, worse values of this indicator than the CEE average ratio, except for Hungary. From this standpoint, Romania shows the worst performance. The ratio deteriorated compared to 2018 in most Top 5 markets – except Slovenia, Hungary (RCA). At the same time, Romania and Poland "won" 5+, respectively 4+ percentage points. The explanation of the worsening balance between premiums and claims expenses lies mostly in the high competitiveness of the motor business. While the price of insurance remained stable or even decreased because of the high price sensitiveness of these business lines, the cost of car repairs has increased (more complex cars, currency effects, etc.). In addition, the fleet renewal rate has slowed, at least in the segment of new passenger cars sales, "pushing" a large number of cars in age categories characterized by higher repair prices.

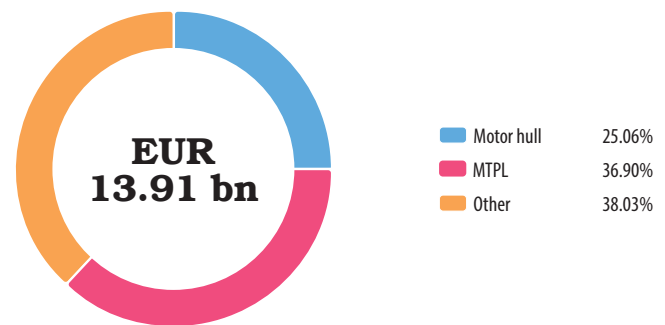
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CEE non-life GWP portfolio, 2019



CEE non-life claims portfolio, 2019



Breakdown of non-life GWP in 2019

	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	134.16	99.32	7.17	92.16	74.03%	5.34%	68.69%	25.97%
BOSNIA	308.87	231.28	37.31	193.97	74.88%	12.08%	62.80%	25.12%
BULGARIA	1,233.18	890.24	333.44	556.80	72.19%	27.04%	45.15%	27.81%
CROATIA	1,004.77	477.58	168.75	308.83	47.53%	16.79%	30.74%	52.47%
CZECH REP.	4,427.87	1,897.05	877.94	1,019.11	42.84%	19.83%	23.02%	57.16%
ESTONIA	397.92	228.25	125.77	102.48	57.36%	31.61%	25.75%	42.64%
HUNGARY	1,937.95	1,003.61	306.84	696.77	51.79%	15.83%	35.95%	48.21%
KOSOVO	98.00	58.97	na	58.97	60.18%	-	60.18%	39.82%
LATVIA	628.52	244.01	135.72	108.30	38.82%	21.59%	17.23%	61.18%
LITHUANIA	674.78	415.07	156.10	258.97	61.51%	23.13%	38.38%	38.49%
MACEDONIA	142.35	88.07	13.63	74.44	61.87%	9.58%	52.29%	38.13%
MONTENEGRO	77.63	44.98	6.97	38.02	57.94%	8.97%	48.97%	42.06%
POLAND	9,995.27	5,540.23	2,035.63	3,504.60	55.43%	20.37%	35.06%	44.57%
ROMANIA	1,825.56	1,318.90	484.92	833.97	72.25%	26.56%	45.68%	27.75%
SERBIA	700.60	388.70	87.89	300.81	55.48%	12.55%	42.94%	44.52%
SLOVAK REP.	1,269.17	703.52	351.43	352.09	55.43%	27.69%	27.74%	44.57%
SLOVENIA	1,763.39	584.61	309.37	275.24	33.15%	17.54%	15.61%	66.85%
Total CEE countries	26,619.99	14,214.40	5,438.88	8,775.52	53.40%	20.43%	32.97%	46.60%
SEE countries								
CYPRUS	510.66	106.98	na	na	20.95%	-	-	79.05%
GREECE	2,096.76	970.80	220.65	750.15	46.30%	10.52%	35.78%	53.70%
TURKEY	8,672.61	4,212.99	1,409.37	2,803.62	48.58%	16.25%	32.33%	51.42%

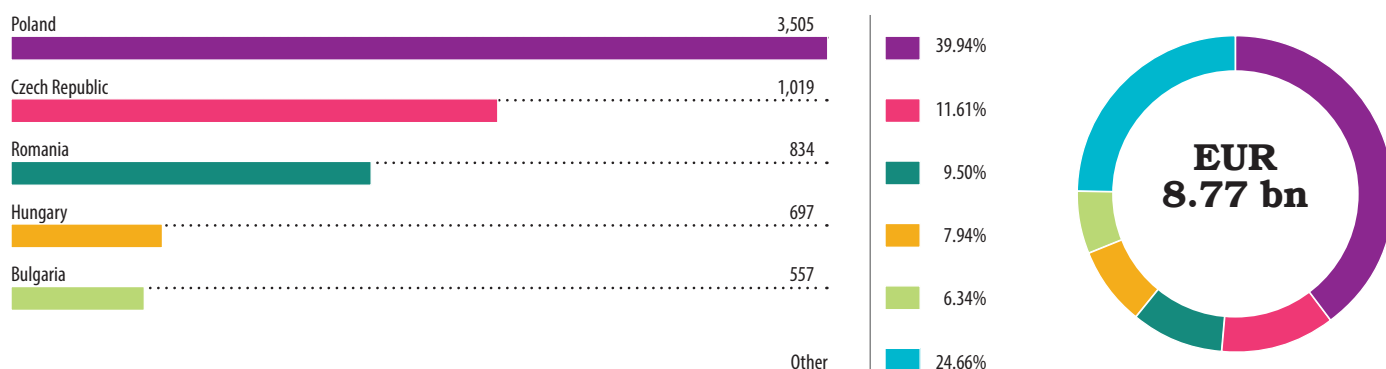
Breakdown of non-life claims in 2019

	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	45.73	28.02	4.65	23.37	61.28%	10.18%	51.11%	38.72%
BOSNIA	122.61	94.29	27.00	67.29	76.90%	22.02%	54.88%	23.10%
BULGARIA	529.27	426.72	157.63	269.09	80.62%	29.78%	50.84%	19.38%
CROATIA	491.01	279.56	106.90	172.67	56.94%	21.77%	35.17%	43.06%
CZECH REP.	2,290.12	1,134.67	573.74	560.93	49.55%	25.05%	24.49%	50.45%
ESTONIA	218.00	143.32	83.52	59.81	65.74%	38.31%	27.43%	34.26%
HUNGARY	771.92	500.68	171.71	328.97	64.86%	22.24%	42.62%	35.14%
KOSOVO	49.98	32.22	na	32.22	64.47%	-	64.47%	35.53%
LATVIA	403.99	140.15	83.52	56.63	34.69%	20.67%	14.02%	65.31%
LITHUANIA	368.79	252.41	106.37	146.04	68.44%	28.84%	39.60%	31.56%
MACEDONIA	59.91	42.33	8.83	33.51	70.66%	14.73%	55.93%	29.34%
MONTENEGRO	30.42	18.25	3.82	14.44	60.00%	12.55%	47.45%	40.00%
POLAND	5,237.27	3,521.46	1,302.07	2,219.39	67.24%	24.86%	42.38%	32.76%
ROMANIA	1,205.44	1,027.55	359.15	668.40	85.24%	29.79%	55.45%	14.76%
SERBIA	338.16	150.89	55.80	95.09	44.62%	16.50%	28.12%	55.38%
SLOVAK REP.	634.68	458.02	240.73	217.29	72.17%	37.93%	34.24%	27.83%
SLOVENIA	1,117.71	372.03	202.29	169.75	33.29%	18.10%	15.19%	66.71%
Total CEE countries	13,914.99	8,622.59	3,487.71	5,134.88	61.97%	25.06%	36.90%	38.03%
SEE countries								
CYPRUS	280.13	23.64	na	na	8.44%	-	-	91.56%
GREECE	na	na	na	na	-	-	-	-
TURKEY	4,329.30	2,384.24	850.37	1,533.87	55.07%	19.64%	35.43%	44.93%

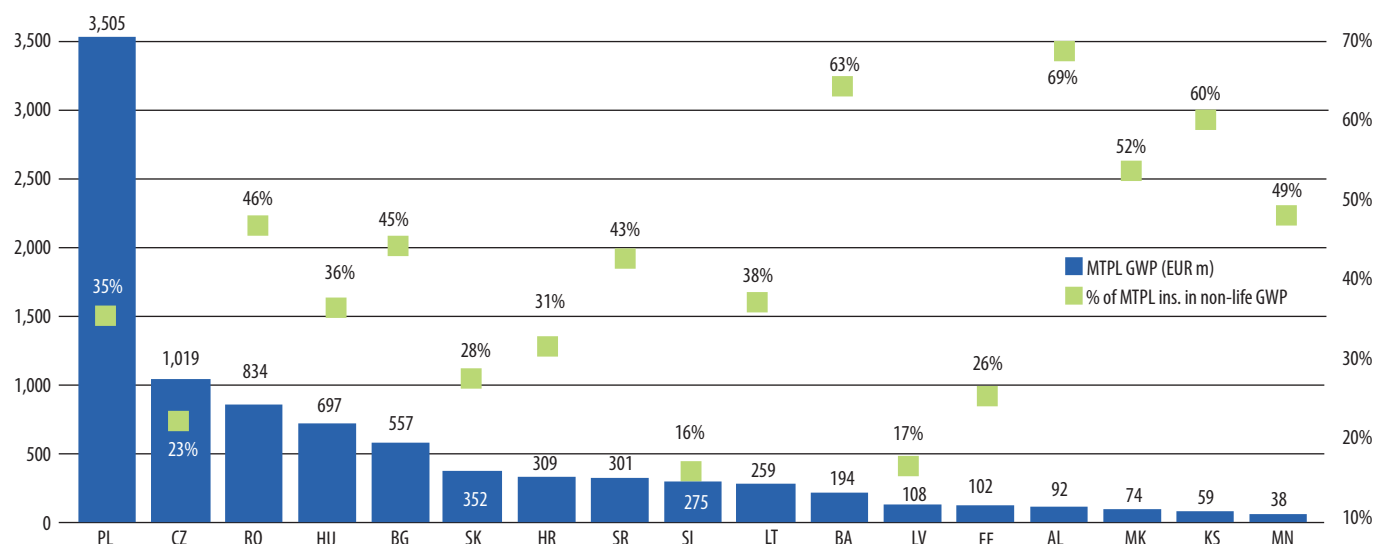
CEE - MTPL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	2019	2018	Change	2019	2018	Change	2019	2018	2019	2018
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	92.16	86.94	6.00	23.37	21.98	6.34	68.42	68.00	1.05	1.04
Bosnia & Herzegovina	193.97	185.42	4.61	67.29	64.59	4.17	62.80	63.68	2.21	2.22
Bulgaria	556.80	478.32	16.41	269.09	259.93	3.53	45.15	44.81	6.34	5.73
Croatia	308.83	293.75	5.13	172.67	149.12	15.79	30.74	32.42	3.52	3.52
Czech Republic	1,019.11	926.43	10.00	560.93	506.81	10.68	23.02	23.98	11.61	11.10
Estonia	102.48	107.21	-4.42	59.81	57.10	4.74	25.75	23.48	1.17	1.28
Hungary	696.77	540.01	29.03	328.97	302.89	8.61	35.95	31.72	7.94	6.47
Kosovo	58.97	56.08	5.15	32.22	28.59	12.71	60.18	61.97	0.67	0.67
Latvia	108.30	110.55	-2.03	56.63	56.27	0.65	17.23	18.10	1.23	1.32
Lithuania	258.97	249.57	3.77	146.04	127.22	14.79	38.38	39.63	2.95	2.99
Macedonia	74.44	70.15	6.12	33.51	31.41	6.69	52.29	52.24	0.85	0.84
Montenegro	38.02	36.73	3.51	14.44	13.41	7.64	48.97	51.30	0.43	0.44
Poland	3,504.60	3,530.27	-0.73	2,219.39	2,083.31	6.53	35.06	37.51	39.94	42.31
Romania	833.97	802.32	3.95	668.40	596.43	12.07	45.68	46.53	9.50	9.62
Serbia	300.81	283.93	5.95	95.09	91.32	4.13	42.94	44.09	3.43	3.40
Slovak Republic	352.09	336.54	4.62	217.29	211.34	2.82	27.74	27.59	4.01	4.03
Slovenia	275.24	249.34	10.39	169.75	161.24	5.28	15.61	15.35	3.14	2.99
Total CEE	8,775.52	8,343.55	5.18	5,134.88	4,762.96	7.81	32.97	33.95	100.00	100.00

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



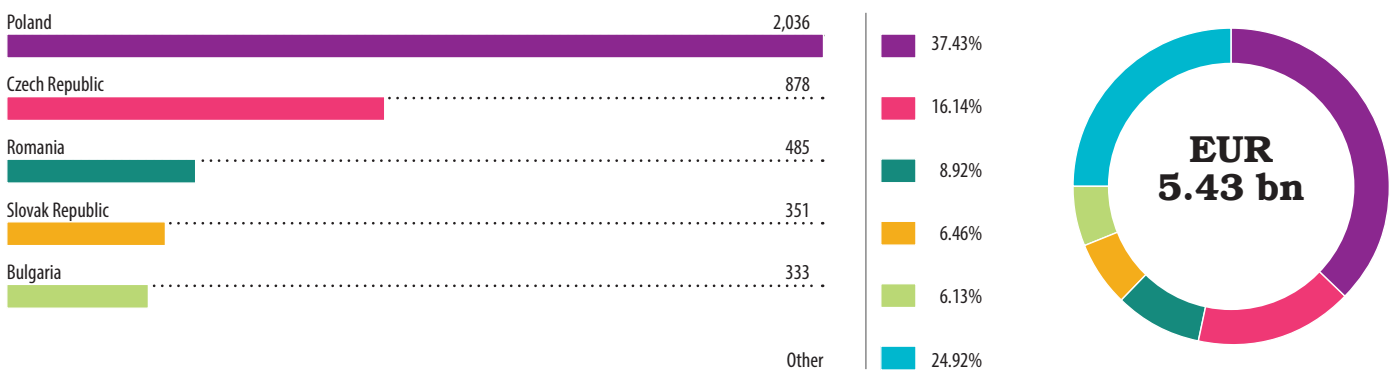
Weight of MTPL GWP in non-life business



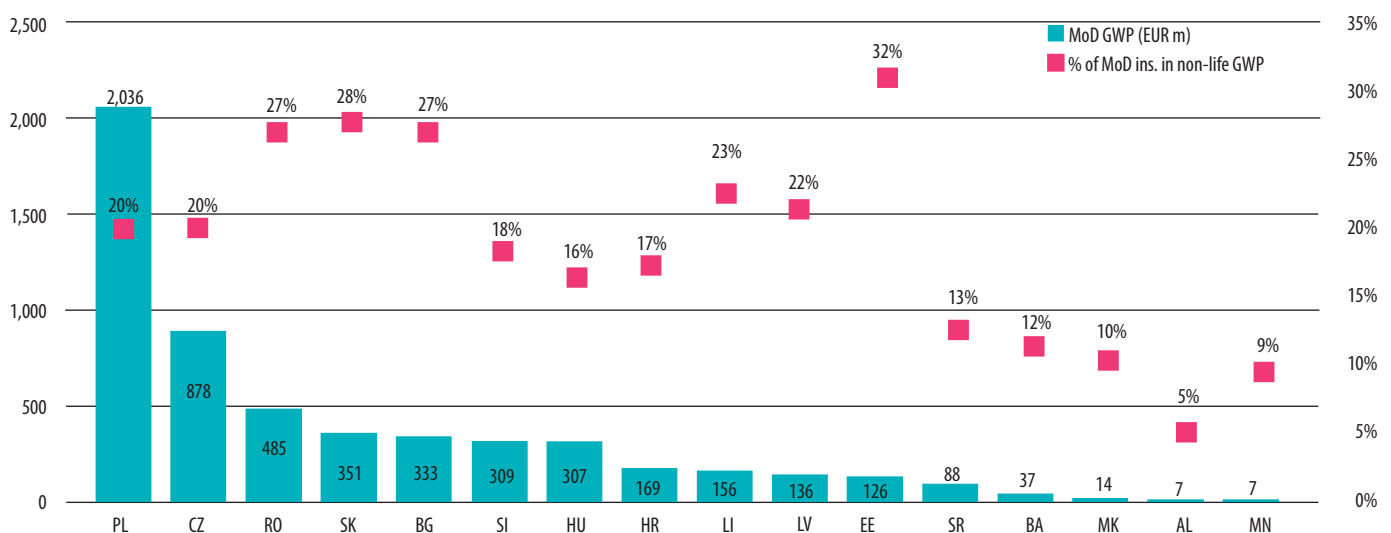
CEE – MOTOR HULL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	2019	2018	Change	2019	2018	Change	2019	2018	2019	2018
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	7.17	6.52	9.90	4.65	5.13	-9.24	5.32	5.10	0.13	0.13
Bosnia & Herzegovina	37.31	33.05	12.90	27.00	24.85	8.63	12.08	11.35	0.69	0.65
Bulgaria	333.44	315.72	5.61	157.63	149.61	5.36	27.04	29.58	6.13	6.20
Croatia	168.75	141.46	19.29	106.90	94.81	12.75	16.79	15.61	3.10	2.78
Czech Republic	877.94	787.02	11.55	573.74	502.42	14.19	19.83	20.37	16.14	15.44
Estonia	125.77	158.04	-20.42	83.52	76.59	9.05	31.61	34.61	2.31	3.10
Hungary	306.84	280.28	9.48	171.71	152.52	12.58	15.83	16.46	5.64	5.50
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	135.72	127.70	6.28	83.52	75.89	10.06	21.59	20.91	2.50	2.51
Lithuania	156.10	148.90	4.83	106.37	92.40	15.11	23.13	23.64	2.87	2.92
Macedonia	13.63	12.97	5.15	8.83	8.47	4.24	9.58	9.66	0.25	0.25
Montenegro	6.97	6.32	10.18	3.82	3.83	-0.31	8.97	8.83	0.13	0.12
Poland	2,035.63	1,930.86	5.43	1,302.07	1,153.80	12.85	20.37	20.52	37.43	37.89
Romania	484.92	444.56	9.08	359.15	305.31	17.63	26.56	25.78	8.92	8.72
Serbia	87.89	76.00	15.66	55.80	49.70	12.28	12.55	11.80	1.62	1.49
Slovak Republic	351.43	340.92	3.08	240.73	208.93	15.22	27.69	27.95	6.46	6.69
Slovenia	309.37	285.75	8.26	202.29	196.41	2.99	17.54	17.59	5.69	5.61
Total CEE	5,438.88	5,096.07	6.73	3,487.71	3,100.66	12.48	20.43	20.74	100.00	100.00

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

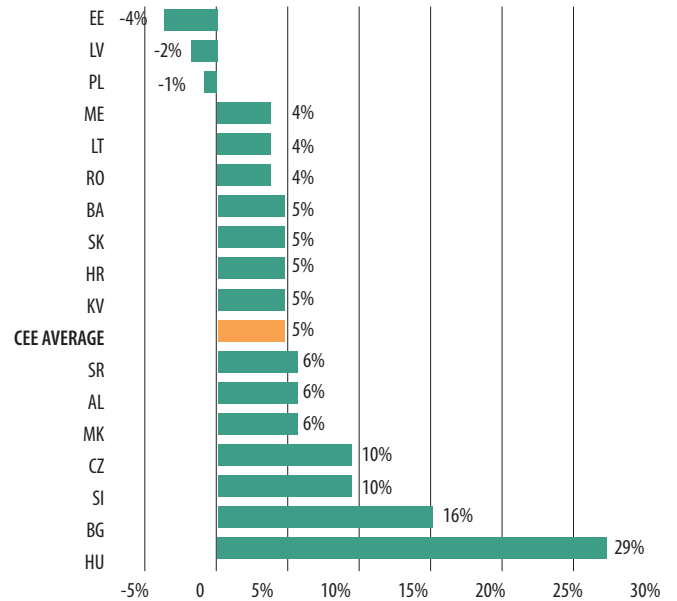
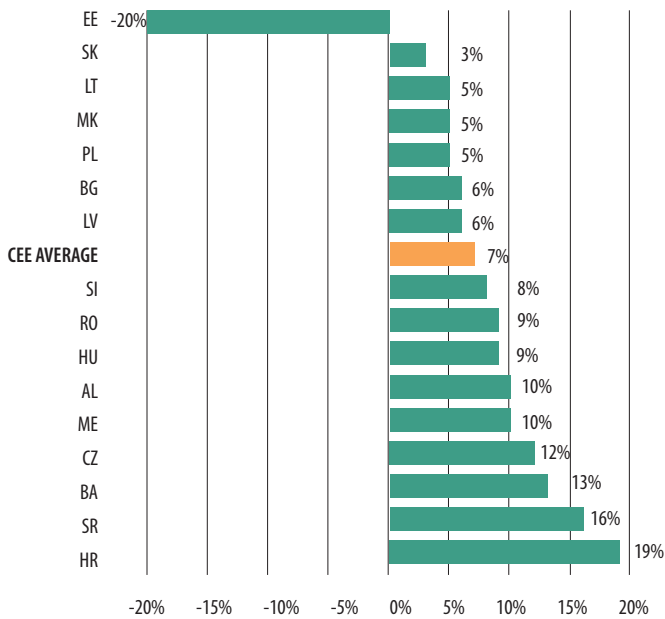


Weight of MoD GWP in non-life business

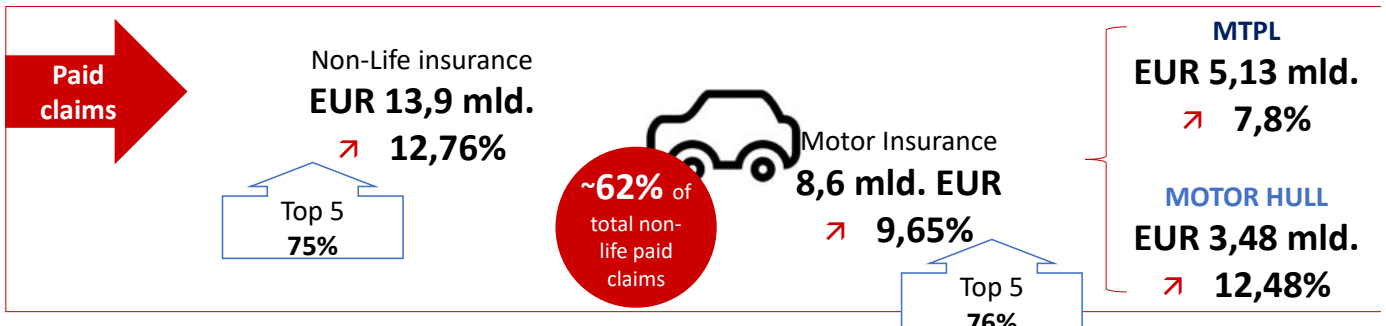
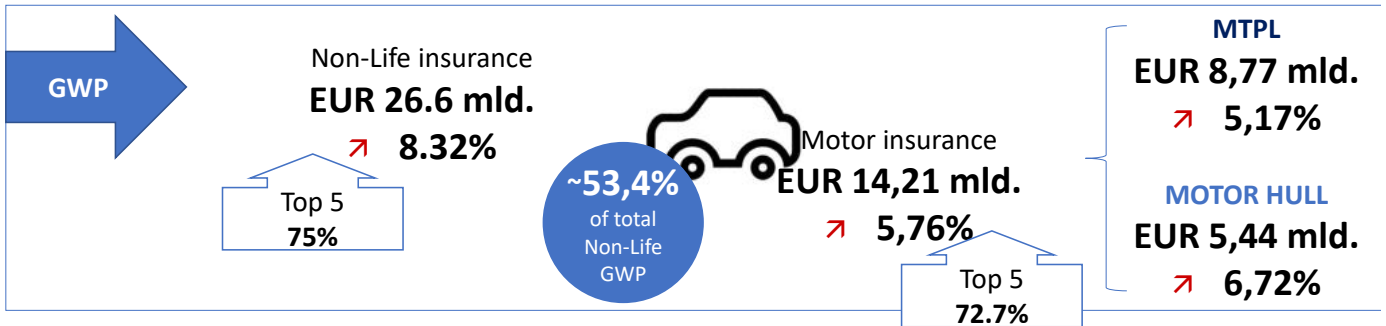


CEE/SEE '19/18 MoD GWP growth rate per countries

CEE/SEE '19/18 MTPL GWP growth rate per countries



Motor insurance place in the CEE non life insurance market 2019



2019 – motor insurance evolution in CEE selected countries



Albania

Motor insurance GWO grew, overall, by 6.27% y-o-y, to EUR 99.32 million, recording a positive dynamic for the classes included in this business segment, except for MTPL border (-5.6% GWP). On the paid claims side, the overall cost went up by 3.39%, to EUR 28 million, with Motor Hull being the only class for which claims expenses decreased by 9.2%. The gross claims ratio for the entire sector decreased from 42.95% in 2018, to 41.66% in 2019. On insurance classes, Motor Hull saw the most significant reduction of this indicator, from 82.95% to 68.95%. As for the profitability ratio of the gross technical activity, the overall value improved from 4.49% in 2018, to 6.3% last year. Motor Hull was the only line which remained in negative territory, although also showing an improvement – from a 28.2% loss in 2018, to a 19.2% loss in 2019. The Domestic MTPL line showed a rather constant profitability rate (6.98% vs. 6.25%).

While on the business side, the Albanian motor insurance market saw no exceptional events, at the beginning of April 2019, ASFA launched the Bonus-Malus system at market level. Although the year 2019 itself was not directly affected by this change, in the long run, the market dynamics could be influenced by this novelty, considering the very high market share of MTPL in the market, one of the biggest within the CEE and SEE region.



Bosnia & Herzegovina

Motor insurance lines maintained their dominant position in the market portfolio, accounting for almost 60% of GWP. Both classes showed a positive dynamic, with Motor Hull GWP increasing by 12.90%, to EUR 37.3 million and MTPL premiums growing by 4.6%, to EUR 193.97 million. While the number of Motor Hull policies went up by 8.86%, the MTPL policies' number grew by 4.46%.

Claims expenses increased at comparable paces: 8.63% for Motor Hull and 4.17% for MTPL. For Motor Hull, the average claim value increased by only about 1.5% (KM 1,745.8 vs. KM 1,720 of EUR 892.62 vs. EUR 879.4). At the same time the average MTPL paid claim value slightly decreased, from KM 2,540.14 to KM 2,532.24 (EUR 1,298.77 to EUR 1,294.73).



Bulgaria

Motor insurance GWP increased y-o-y by 12.12%, to EUR 890.24 million, an achievement owed mainly to the MTPL line (EUR 556.8 million GWP, 16.4% up y-o-y), the class that holds the largest share in the market portfolio. Paid claims for the motor segment went

up by 4.2%, to EUR 426.7 million. On the Motor Hull line, gross claims ratio stood at 49% while the combined ratio was of 86%, two indicators resulting in a total EUR 41.9 million gross technical result. The MTPL efficiency indicators were worse, with a claims ratio of 76% and a combined ratio of 102%, which led to a gross technical loss of EUR 20.46 million. Yet, for both classes the net technical result was positive, of EUR 34.8 million for Motor Hull and EUR 35.7 million for MTPL.

A new legislative proposal for the Bonus-Malus system in Bulgaria was published at the end of 2019, aiming to replace the much-criticized draft legislative amendments of 2018. The new BM system is intended to become fully effective as of 1 January 2021.

According to it, the maximum discount of the premium is 25%, while the largest possible increase is 400%. About 21,000 drivers will pay more (about 4 times) for their civil liability insurance, as the data of the Insurers Association shows. Based on the project, insurance cost will rise in cases of accidents, in the most severe ones the price might reach BGN 1200/ ~EUR 613 (vs. BGN 300/ ~EUR 153 as of now). Good behavior may reduce the price by maximum 25%, but it will take years for drivers to reach this stage. According to insurers, about 80% of drivers may get discounts and the maximum price reduction is possible for about 1.5 million of them.



Croatia

Motor insurance lines reported an aggregated growth rate of 9.7%, GWP reaching EUR 477.6 million. In fact, the best performance was seen on the Motor Hull line (19.4% y-o-y GWP growth). While the number of contract increased by about 50 thousand units, the average premium also increased, in average, by about EUR 24. Among the several subcategories listed in the Motor Hull insurance for vehicles (class III), Motor Hull policies for own-propelled road motor vehicles saw the highest appreciation, both in the number of policies and average premium increase (from EUR 363 to EUR 393). On the mandatory MTPL line (class X), the GWP growth (5.13%) came entirely from the increase in the number of policies, while the average premium value remained at about EUR 104/year. Starting December 2019, the Croatian Insurance Bureau (HUO) and Croatian Vehicle Center (CVH) announced the launch of a digitalization project that will allow MTPL and Green Card policies to go digital and will provide different stakeholders with instant access to full information on them.



Czech Republic

Motor insurance lines have both recorded positive double-digit rate growth, reaching a GWP grand total of EUR 1.89 billion. The increasing business volume is attributable in part to the slightly

rising prices.

According to Czech Insurers' Bureau (CKP), in the past years the MTPL tariffs started to rise slightly, thus, in 2019 the average premium was CZK 2,969 (~EUR 115), up by about 4.1% y-o-y, while the average claim for material damages increased by 6.9%. At the same time, compensations related to injuries expanded by 8%. According to CKP, in average, Czech drivers payed about CZK 100 more this year for MTPL insurance. The highest increase in tariffs was felt by risky clients, with one in five drivers aged 18 years causing an accident.



Estonia

As in previous reporting periods, one of the largest general insurance subclasses in terms of GWP and claims– remained the Motor TPL segment. According to the statistics of the Estonian Motor Insurance Bureau (LKF), in 2019, the average annual premium for motor third party liability (MTPL) insurance was EUR 134, decreasing by EUR 8 (-5%) year-on-year.

According to market representatives, the highly competitive market led to a decline in motor insurance prices. Thus, although the number of insured vehicles continued to grow, and the number of insured events increased, motor insurance prices declined. While the average annual motor insurance premium rose 9% to 142 euros the year before, it dropped 5% last year to 134 euros.

Last year, a total number of 36,134 MTPL insurance events were registered, of which 32,950 in Estonia and 3,150 caused by Estonian vehicles abroad. The average claim was EUR 1,889 in 2019. At the same time, in GWP terms, the MTPL market reported a negative change, the profit generated by this product was EUR 6 million, increasing by roughly 50% year-on-year.



Hungary

Motor insurance lines saw an impressive growth rate, of 22.3%, most of it coming from the MTPL line, for which GWP increased by 29% y-o-y. According to Central Bank report, the sharp increase in premium income reflected the fact that instead of the accident tax, which was meanwhile phased out, from 1 January 2019 the insurance tax replaced the previous accident tax in case of MTPL insurance (at a tax rate of 23%), which is payable as part of the insurance premium. Paid claims only grew by 8.6% y-o-y for the MTPL line, but saw a 12.6% increase for the Motor Hull class, outpacing the GWP dynamic.

In support of the motor insurance customers, the Association of Hungarian Insurance Companies (MABISZ) has developed, in cooperation with all MTPL insurers, a digital accident claim report - the e-Claim report application, launched in January 2019. The E-Claim offers an alternative to the traditional paper-based "blue-yellow" accident claim and can handle a whole variety of situations, including customers being insured by a foreign insurer or damages produced by non-insured drivers. The app was further developed in 2020, by adding to it new features.



Kosovo

The MTPL business lines (internal and border insurance) continue to weigh heavily in the market portfolio, representing 58.1% of the total GWP and 58.5% of the overall claims paid. This compares to 60.0% of total GWP and 66.8% in 2018, meaning that MTPL lost some of its weight in 2019. MTPL weight reduction is reflected in other non-life business lines growths, which began getting traction starting with 2013, growing year by year at consistent rates.

In November 2019, Central Bank of the Republic of Kosovo, based on the International Monetary Fund review over the stability of financial sector of Kosovo, initiated the evaluation process over risk premiums on the MTPL business line. CBK now permits insurance companies to adjust their premiums to inflationary conditions, subtracting the 5% turnover tax, which was eliminated in July 2019. The old MTPL tariffs were in force since July 2001 and considered outdated.



Macedonia

The MTPL GWP rose by 6%, to EUR 74.44. Out of the total, domestic MTPL premiums accounted for almost 75%, Green Card for 23%, the remaining 2% coming from the Border Insurance subclass. While the total number of MTPL policies increased by about 42.5 thousand units, the domestic MTPL subclass provided for the highest amount (26 thousand units), out of which those issued for passenger cars are totaling about 23.5 thousand units. The Motor Hull class saw a 5.15% increase in GWP, to EUR 13.6 million. Only about 49 thousand policies were issued for this class in 2019, which is about 2 thousand units more than 2018, but very little compared with the number of insurable vehicles in the country.

Claims expenses grew for both motor lines, although the number of claims files (liquidated and reserved) remained at a rather stable level as compared with 2018, increasing by only about 3%. Motor TPL paid claims accounted for 56% of the total non-life claims.



Poland

MTPL was the only non-life insurance line recording a negative dynamic. GWP for the MTPL line amounted to EUR 3.5 billion, down by 0.7% y-o-y. Yet, MTPL remained the main non-life insurance class, accounting for more than 23% of the non-life GWP. At the same time, paid claims increased by 6.5% y-o-y, to EUR 2.22 billion. The average claim cost raised, according to our calculations, by about 3% y-o-y, to PLN 7,396 (EUR 1,736), while for every 100 insured cars there recorded about 5 claims. According to the Polish Insurance Guarantee Fund's estimations, about 0.4 - 0.5% of all registered vehicles may lack a valid MTPL policy.

Last year also brought a regulatory novelty for the MTPL activity: the Insurance Guarantee Fund of Poland (UFG) announced it will be compensating the victims of accidents entitled to receive long term financial support in case the payments were ceased because the coverage limits valid at the time of the event were already exceeded. This will fix the problem of insurers' liability level from the past years, much lower than today's ones. The UFG might have to cover additional costs of about EUR 3.5 billion throughout the next decade.

The Motor Hull insurance line's evolution in 2019 remained in line with that of the previous year, with GWP increasing by 5.4%, to EUR 2.03 billion, while paid claims went up by over 13%, to EUR 1.3 billion. While insurers have recorded 11 claims for any 100 insured cars, the average cost of claims raised by about 5%, to EUR 1,617.



Romania

Motor insurance lines provided about 70% of the EUR 101 million positive difference in GWP recorded on the non-life GWP: Motor Hull (+EUR 40 million, 9% increase y-o-y, to EUR 485 million); MTPL (+EUR 32 million, 3.95% increase y-o-y, to EUR 834 million). Yet, one should also note that motor lines also have seen an almost 14% increase in the claims paid. On both motor lines, claims expenses increased significantly at a higher pace than premiums (17.6% vs. 9% for Motor Hull and 12% vs. 3.95% for MTPL).

On the Motor Hull line, the loss rate grew from 77.03% (2018) to 86.6% (2019), while the aggregated combined ratio worsened, from 111.37% (2018) to 122.11% (2019). Loss ratios also depreciated on the MTPL line: loss rate increased from 81.96% (2018) to 85.14% (2019), while the aggregated combined ratio went up from 111.75% (2018) to 116.60% (2019). It is also worth noting that while the average MTPL premium increased by 3.1% y-o-y, to RON 631.



Turkey

Motor insurance lines' weight in the market portfolio decreased by about 3 percentage points y-o-y, to 40.6%, two thirds of this "slice" belonging to the MTPL line. The Turkish Ministry of

Treasury and Finance has maintained the ceiling on MTPL tariffs also in 2019, insurers being allowed according the Law to a 1.5% monthly increase in the MTPL prices. Yet, most insurers didn't fully take advantage of this indexation rule, so that in the end, MTPL prices have increased, in average, by 15% throughout the year. Since May 2019, MTPL tariffs calculation takes into account drivers history, using a 7 ranks Bonus-Malus system. By the end of the year, the average MTPL premium value was of TRY 650 (~EUR 100).

One of the bad news in the MTPL insurance field is the high percentage of uninsured vehicles. According to data from the Statistical Institute of Turkey, the total number of registered vehicles was of 23,156,975, while the number of policies in force according to the official data was of 18,473,647, which meaning that only 79.7% of the vehicles crowding Turkey's roads are insured. According to the Insurance Information and Monitoring Center (SBM) data, as of April 2020, for the passenger cars, the percentage of uninsured cars is of about 7.5%; motorcycles have the worst statistics, 68% of them being used without insurance. The uninsured vehicles rate is also high for tractors (47%), trucks (26%), buses (28.6%) and minibuses (22.4%). The situation is uneven across Turkey's regions. Big cities, as Istanbul or Ankara, have a better coverage rate (of over 86%, 88% respectively), but there several regions where the uninsured vehicles may account for almost half of all registered vehicles. Yet, considering the difference in size, the higher coverage rate of Istanbul, for example, still leaves a number of almost 600 thousand of uninsured vehicles on the roads.

The second bad news in the MTPL is its lack of profitability. In 2019, the aggregated technical loss was of TRY 926.630,544 (~EUR 139 million), continuing the trend of several years. To this, the Green Card subclass added another TRY 100.8 million (~EUR 15.7 million) of technical loss. Throughout the last decade, the MTPL line has produced a technical loss of about TRY 9 billion.

Overall, non-life lines reported a decreasing aggregate loss rate vs. 2018, from 75.9% to 68.1%, the latest report of the Turkish General Directorate of Insurance reads. On the main insurance lines, the loss premium ratio is 67.5% in the Motor Hull class, 75.4% in the disease / health branch, 144.6% in the general responsibility branch, 37.4% in the fire and natural disasters branch, 38.4% in the general losses branch, it was 46.6% in the credit branch and 89.2% in the motor vehicle liability insurance class.



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Christopher MERL

Senior Solutions Manager, EMEA, Swiss Re

Telematics – a set of technological tools whose development, initiated some years ago, has started a sort of “silent revolution” in the motor insurance industry, enabling insurance providers to know better, come closer and offer improved services to their customers. Yet, despite the general high expectations, not all markets have embraced telematics with the same enthusiasm. What are the ingredients that make telematics a success factor in a world where customers are increasingly demanding and the need for a correct and fair underwriting is becoming instrumental for the financial effectiveness are the main topics of the following interview.



Business models that were limited to premium reduction only and required aftermarket devices limited the acceptance of telematics so far.

XPRIMM: Telematics has become a few years ago almost a buzz word, as expectations from the telematic technologies were very high. In your opinion, did these technologies really fulfill the high expectations regarding the benefits provided both to the insurance industry and to customers?

Christopher MERL: I believe that business models that were limited to premium reduction only and required aftermarket devices limited the acceptance of telematics so far. First movers however, who are in the forefront to extract the potential of TMX, where those who realized the full potential of the mobility data. In the last 2 years we have observed a shift in consumer behavior, possibly fueled by the share economy, where clients demand more individual scoring of their driving capabilities, being for acting more economically or safer. The latter is more

and more used in the insurance space, where not only savings are of importance but also the ability to collect points to use it somewhere else, similar to airmiles. The importance of car manufacturers is increasing, and we are working closely with them on the next generation of usage-based models.

XPRIMM: Although adopted on a large scale in some markets, telematics are less popular in some other, for example Germany. Which is the differentiating factor, in your opinion? Which are the factors that make a market fit for a successful use of telematics?

C.M.: That's possibly a multimillion euro question – Nonetheless it could be anchored in Germany's tendency to be more careful

in the usage of new technologies as well as having the feeling of being observed by third parties. If these issues are addressed and trust is built by data protection and demonstrating the benefits of the technology, the situation changed quite quickly. As people tend to change their behavior swifter by the ease of doing things opposed to being forced, clients need to be offered the better choice e.g. simpler use or cheaper prices when using the technology.

In the recent month we see a very strong pickup rate of telematic services in Germany, which will soon surpass other markets, demonstrating that some technologies need some proof of concept but once realized they can extract the full power of the market.

The use of telematic will render portfolios more profitable as premiums are adjusted to the behavior of the driver, who by statistics is the most influential factor on the claims side.

XPRIMM: How can, in fact, telematics contribute to easing customers acquisition and also increase customers' loyalty?

C.M.: Pretty much so. Those who feel thrown in the pond with other, whereas themselves feel different will move to providers of telematic solutions to be treated on an individual basis. If companies want to capture this part of the market, they are basically left with no option of doing so in order to not lose out to competition. This also affects the loyalty of a customer, who will find it hard to move to a competitor not offering such individual scoring and premium implication, once they use it. The prior mentioned possibility to collect points and use it for other services is more appealing than most insurance companies currently recognize. An example for this is really the airmiles program of airlines, which glues customers more to airlines than minor price differences.

XPRIMM: On the business side, beside improving customers management, what other benefits can provide the use of telematic technologies?

C.M.: If you think of the reckless driver who knows his behavior will be punished in a telematic solutions will for sure change to another insurer, hence being a positive anti-selection. Although this seems to be an extreme example, the use of telematic will render portfolios more profitable as premiums are adjusted to the behavior of the driver, who by statistics is the most influential factor on the claims side. The steering of this portfolio becomes a quasi-live adjusting mechanism, where insurance companies could make the tarification more precise. If clients agree, the data could also be used for upselling purposes, offering clients additional services or insurances according to their habits.

As people tend to change their behavior swifter by the ease of doing things opposed to being forced, clients need to be offered the better choice e.g. simpler use or cheaper prices when using the technology.

XPRIMM: Besides telematics, which can help in many aspects, what other technologies/factors should be considered to really provide customers an enjoyable experience with their motor insurance?

C.M.: We came a long way from a pure statistical portfolio approach that takes the amount of driving, type of driver and the type of car into consideration to a now behavioral adjusted approach. As now we can score the driver, we can also score the individual car as even the same model can differ by its individual advanced driving assistance systems or ADAS. Ultimately it results in an individual score that differs from the next driver and car but provides the best picture of its combined individual risk.

Those [customers] who feel thrown in the pond with other, whereas themselves feel different will move to providers of telematic solutions to be treated on an individual basis.

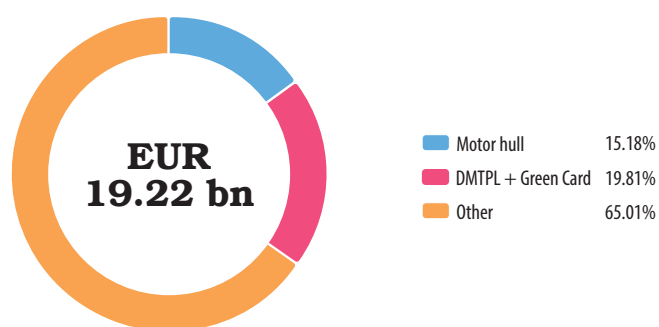
XPRIMM: Can we speak about an "ideal" mix of technologies enabling insurers to really offer their customers smooth and price attractive motor insurance?

C.M.: The transition will be the most critical factor as you will always have a legacy part of our portfolio that need to be priced and handled differently than the new technologies. However, if you can be able to demonstrate to the driver how is behavior can lead to an increase or decrease in premiums and ultimately less accidents or claims, this will certainly be more attractive for everyone in the value chain.

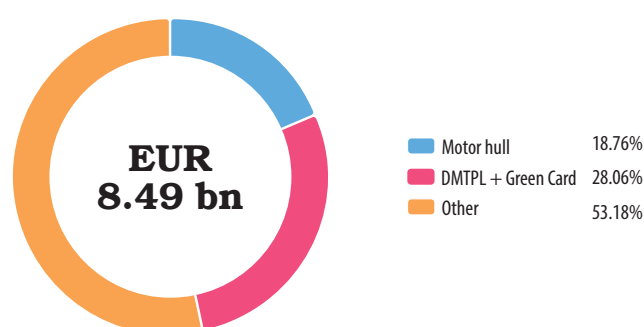
Interview conducted by Daniela GHETU



CIS non-life GWP portfolio, 2019



CIS non-life claims portfolio, 2019



Breakdown of non-life GWP in 2019

	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	91.45	50.01	4.76	45.25	54.69%	5.21%	49.48%	45.31%
AZERBAIJAN	217.33	71.82	19.06	52.76	33.05%	8.77%	24.28%	66.95%
BELARUS	524.60	109.81	na	109.81	20.93%	-	20.93%	79.07%
GEORGIA	180.50	52.18	34.90	17.28	28.91%	19.34%	9.57%	71.09%
KAZAKHSTAN	843.95	241.70	61.97	179.74	28.64%	7.34%	21.30%	71.36%
KYRGYZSTAN	na	na	na	na	-	-	-	-
MOLDOVA	79.11	53.29	17.94	35.35	67.36%	22.68%	44.68%	32.64%
RUSSIA	15,457.08	5,559.45	2,459.55	3,099.90	35.97%	15.91%	20.05%	64.03%
TAJIKISTAN	na	na	na	na	-	-	-	-
TURKMENISTAN	na	na	na	na	-	-	-	-
UKRAINE	1,830.94	587.72	320.00	267.72	32.10%	17.48%	14.62%	67.90%
UZBEKISTAN	na	na	na	na	-	-	-	-
Total CIS countries	19,224.98	6,725.99	2,918.18	3,807.81	34.99%	15.18%	19.81%	65.01%

Breakdown of non-life claims in 2019

	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	46.54	29.56	1.82	27.75	63.51%	3.90%	59.61%	36.49%
AZERBAIJAN	92.80	42.19	6.87	35.32	45.46%	7.40%	38.06%	54.54%
BELARUS	272.99	60.25	na	60.25	22.07%	-	22.07%	77.93%
GEORGIA	161.97	24.49	21.07	3.41	15.12%	13.01%	2.11%	84.88%
KAZAKHSTAN	478.40	85.33	15.80	69.54	17.84%	3.30%	14.54%	82.16%
KYRGYZSTAN	na	na	na	na	-	-	-	-
MOLDOVA	33.34	24.90	10.29	14.62	74.69%	30.85%	43.83%	25.31%
RUSSIA	6,885.76	3,455.22	1,401.89	2,053.33	50.18%	20.36%	29.82%	49.82%
TAJIKISTAN	na	na	na	na	-	-	-	-
TURKMENISTAN	na	na	na	na	-	-	-	-
UKRAINE	520.87	254.13	135.34	118.79	48.79%	25.98%	22.81%	51.21%
UZBEKISTAN	na	na	na	na	-	-	-	-
Total CIS countries	8,492.67	3,976.08	1,593.08	2,383.00	46.82%	18.76%	28.06%	53.18%

CIS Motor Insurance in 2019

A market still under construction

The ex-Soviet space gathered motor insurance GWP worth EUR 6.72 billion in 2019, out of which the Russian market accounts for a share of almost 83%. Beside the size discrepancies, the markets composing the region differ also by structure – in some of them there is still no mandatory MTPL system, also there are still countries that are not members of the Green Card system. Nevertheless, motor insurance plays a significant role all over the region that is expected to develop and modernize in the future years.

To the extent that they were available, we are presenting the most relevant information concerning the motor insurance business in the region's markets.



Armenia

Motor Hull and MTPL insurance are among the classes that recorded the highest growth rates (together increased by almost 22%). One of the key segments, MTPL, is improving from a digitalization point of view. According to the Armenian Motor Insurers Bureau's data, the number of e-MTPL contracts increased 3.6 times in 2019 and reached 5% of the total MTPL contracts. While the total number of MTPL contracts grew by 33.2% y-o-y, GWP went up by 23.5%. The average MTPL premium value last year dropped by 7.3%, a trend attributable to the discounts provided when concluding contracts online. The number of claims in 2019 increased by 17%, and the total amount of claims paid grew by 11.6% y-o-y. In the same context, MTPL loss ratio remained almost unchanged, at 74% (vs. 73% in 2018).

According to the Bureau, in 2019 total number of vehicles with valid MTPL policies increased by 18.5%. Among the growth drivers there are: the introduction in March 2016 of the procedure for processing insurance claims based on European Accident Statement (since February 2020, also available through the ASWA mobile application); the beginning of the transition to a single window system and a single platform for the insurance market within the project "Armenian Single Window for Automotive - ASWA" in 2017; the advent of online sales; MTPL policies sales also at payment terminals.



Belarus

The specific feature of this market is that the most popular product, mandatory MTPL insurance, is still fully controlled by state insurers. The novelty of 2019 was that insurers finally provided their customers with an opportunity to buy MTPL policies in electronic format.



Georgia

At the request of the EU, compulsory motor insurance was supposed to be introduced in 2019, but it did not happen, since transition to compulsory insurance is a complex process, both for vehicle owners and the market. Thus, introduction of MTPL in Georgia, which was expected to increase the share of motor insurance business by 150 to 200 million GEL within the next few years, was delayed for an indefinite period. Georgia is currently one of the few countries that do not have compulsory motor insurance, with only about 6% of the registered vehicles having a MTPL coverage.



Kyrgyzstan

In December 2019, the draft law "On amending the law of Kyrgyz Republic "On compulsory insurance of civil liability of motor vehicle owners" was considered, which provides for establishment of liability for non-fulfillment of the obligation for compulsory MTPL. According to the regulator, this bill will allow the introduction of MTPL, with a transitional period until 2021. During the transition period the market will carry out necessary outreach activities among population and prepare the infrastructure to ensure availability of insurance services in all regions of the country.



Russia

Among the declining line, the weakest performance was seen in third-party liability for nonperformance, which was severely affected by the finally completed transition to the new mechanism for protecting the rights of shared construction housing investors (homebuyers). In addition, MTPL decreased by about 5%, to RUB 214 billion, in the context of the beginning of tariff liberalization, which resulted in increased competition and a lowering of the average premium.



Ukraine

GWP of insurers members of the Motor (transport) Insurance Bureau of Ukraine (MTIBU) in 2019 increased by 13.46% y-o-y, to UAH 5.1 billion (EUR 0.19 billion). The Bureau noted that the total number of MTPL contracts in 2019 was a record one for the whole period of MTIBU activity (8 million units).

Albania

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	14.00
GDP per capita, current prices (EUR)	4,880.25
Unemployment rate (of total labor force)	13.72
Population (millions)	2.87
Exchange rate for calculations (end of the period)	121.77
Traffic infrastructure 2019	
Roadways (km)	18,000
Expressways (km)	177
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.36
Diesel	1.36
LPG	0.49
National road vehicles fleet's structure (2016, units)	
Mopeds	na
Motorcycles	36,096
Passenger cars	436,013
Motor coaches, buses and trolley bus	7,050
Trailers	7,504
Trucks	74,973
Road traffic deaths	
Reported number of road traffic deaths	269
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	39.40%
Drivers/Passengers of 2- or 3- wheelers	11.90%
Cyclists	7.80%
Pedestrians	38.70%
Other or unspecified users	2.20%

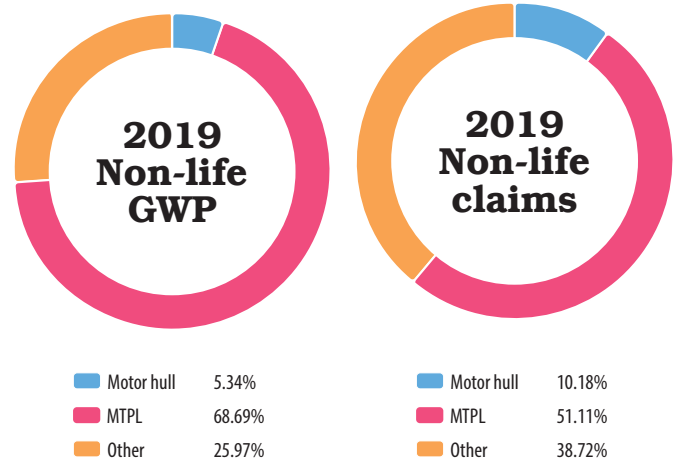
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
 Motor insurance statistics - www.xprimm.com

Bosnia and Herzegovina

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	17.82
GDP per capita, current prices (EUR)	5,088.72
Unemployment rate (of total labor force)	18.00
Population (millions)	3.50
Exchange rate for calculations (fixed)	1.96
Traffic infrastructure 2018	
Roadways (km)	23,897
Expressways (km)	200
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.94
Diesel	0.93
LPG	0.47
National road vehicles fleet's structure (2016, units)	
Mopeds	2,348
Motorcycles	8,519
Passenger cars	828,333
Motor coaches, buses and trolley bus	3,945
Trailers	26,294
Trucks	76,577
Road traffic deaths	
Reported number of road traffic deaths	318
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	na
Drivers/Passengers of 2- or 3- wheelers	na
Cyclists	na
Pedestrians	na
Other or unspecified users	na

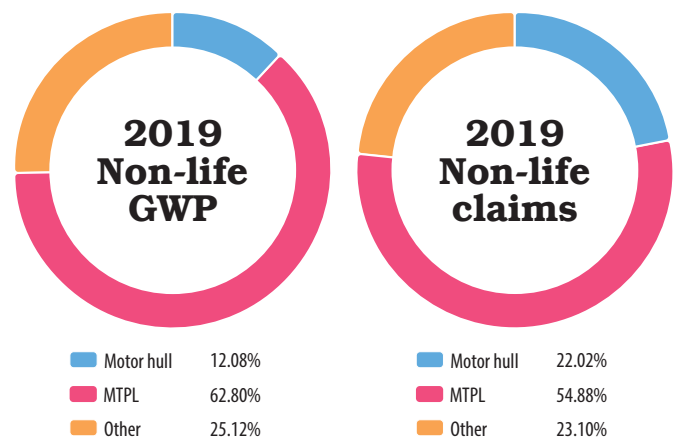
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	127.42	6.52	86.94	46.47	5.13	21.98
1Q2019	29.07	1.45	18.39	9.97	1.04	5.48
1H2019	60.71	3.48	39.89	19.14	2.40	10.85
3Q2019	97.50	5.22	66.43	30.04	3.57	17.83
FY2019	134.16	7.17	92.16	45.73	4.65	23.37



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	291.19	33.05	185.42	112.33	24.85	64.59
1Q2019	na	na	na	na	na	na
1H2019	156.46	19.34	95.94	59.73	12.90	32.49
3Q2019	na	na	na	na	na	na
FY2019	308.87	37.31	193.97	122.61	27.00	67.29



Bulgaria

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	58.99
GDP per capita, current prices (EUR)	8,475.12
Unemployment rate (of total labor force)	4.90
Population (millions)	6.96
Exchange rate for calculations (fixed)	1.96
Traffic infrastructure 2011	
Roadways (km)	41,250
Expressways (km)	807
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.89
Diesel	0.88
LPG	0.42
National road vehicles fleet's structure (2017, units)	
Mopeds	77,920
Motorcycles	105,988
Passenger cars	2,770,615
Motor coaches, buses and trolley bus	21,018
Trailers	50,396
Trucks	372,851
Road traffic deaths	
Reported number of road traffic deaths	708
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	63.80%
Drivers/Passengers of 2- or 3- wheelers	7.80%
Cyclists	4.90%
Pedestrians	16.70%
Other or unspecified users	6.80%

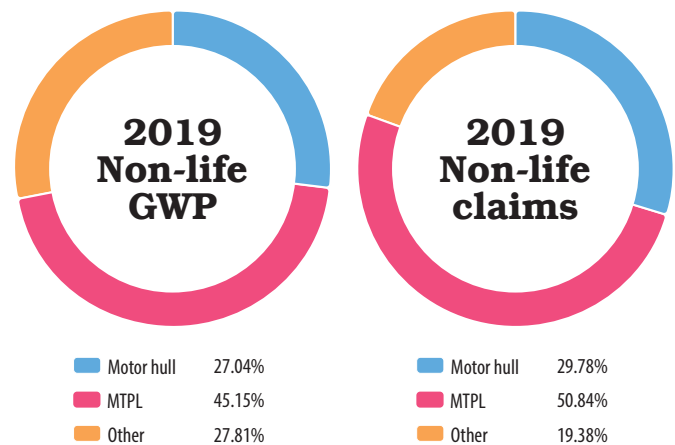
Sources:
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 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
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Croatia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	53.84
GDP per capita, current prices (EUR)	13,259.74
Unemployment rate (of total labor force)	9.00
Population (millions)	4.06
Exchange rate for calculations (end of the period)	7.44
Traffic infrastructure 2019	
Roadways (km)	29,410
Expressways (km)	1,325
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.19
Diesel	1.15
LPG	0.54
National road vehicles fleet's structure (2017, units)	
Mopeds	85,121
Motorcycles	69,148
Passenger cars	1,596,087
Motor coaches, buses and trolley bus	5,698
Trailers	11,334
Trucks	156,724
Road traffic deaths	
Reported number of road traffic deaths	307
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	48.20%
Drivers/Passengers of 2- or 3- wheelers	16.00%
Cyclists	8.80%
Pedestrians	21.80%
Other or unspecified users	5.20%

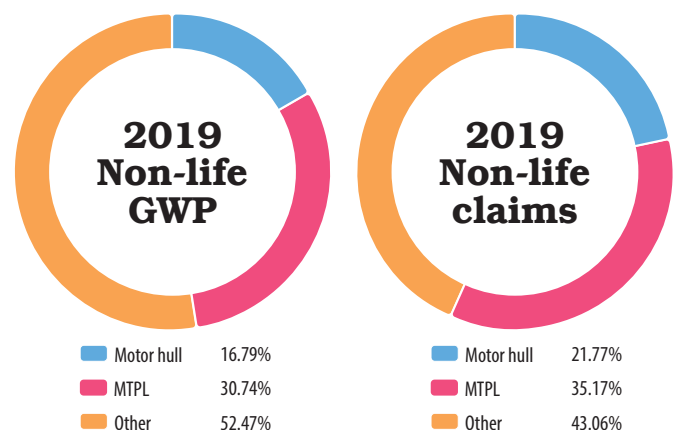
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	1,067.46	315.72	478.32	489.41	149.61	259.93
1Q2019	309.78	78.78	142.87	123.27	37.58	66.22
1H2019	619.83	166.20	283.27	256.41	75.74	133.48
3Q2019	923.97	248.09	426.25	387.46	114.84	202.78
FY2019	1,233.18	333.44	556.80	529.27	157.63	269.09



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	906.15	141.46	293.75	436.84	94.81	149.12
1Q2019	283.40	41.00	73.03	121.64	26.10	41.82
1H2019	557.01	89.67	160.61	235.96	52.12	87.44
3Q2019	783.16	128.72	235.84	354.71	78.22	128.93
FY2019	1,004.77	168.75	308.83	491.01	106.90	172.67



Czech Republic

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	220.57
GDP per capita, current prices (EUR)	20,734.15
Unemployment rate (of total labor force)	2.20
Population (millions)	10.64
Exchange rate for calculations (end of the period)	25.41
Traffic infrastructure 2016	
Roadways (km)	130,671
Expressways (km)	1,247
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.05
Diesel	1.03
LPG	0.46
National road vehicles fleet's structure (2017, units)	
Mopeds	484,957
Motorcycles	1,102,392
Passenger cars	5,538,222
Motor coaches, buses and trolley bus	21,442
Trailers	4,132
Trucks	689,368
Road traffic deaths	
Reported number of road traffic deaths	611
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	53.70%
Drivers/Passengers of 2- or 3- wheelers	10.30%
Cyclists	8.70%
Pedestrians	21.30%
Other or unspecified users	6.10%

Sources:

Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019

Traffic Infrastructure - CIA World Factbook

National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics

Fuel prices - globalpetrolprices.com

Road traffic deaths - WHO, Global Status Report on Road Safety 2018

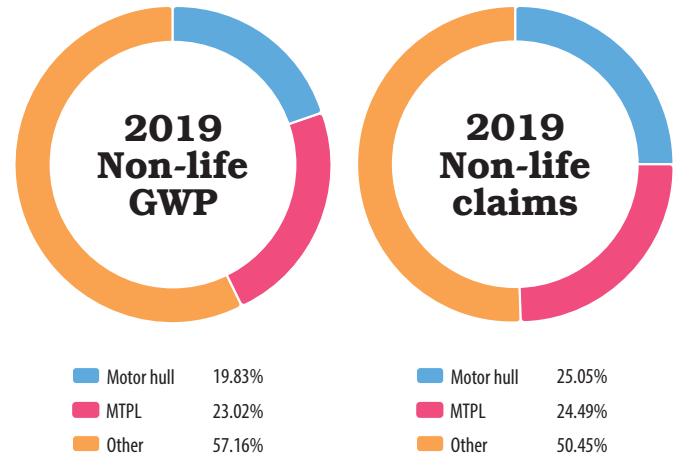
Motor insurance statistics - www.xprimm.com

Estonia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	27.64
GDP per capita, current prices (EUR)	20,945.50
Unemployment rate (of total labor force)	4.69
Population (millions)	1.32
Currency	EUR
Traffic infrastructure 2011	
Roadways (km)	58,412
Expressways (km)	115
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.26
Diesel	1.00
LPG	0.57
National road vehicles fleet's structure (2017, units)	
Mopeds	18,713
Motorcycles	32,978
Passenger cars	725,944
Motor coaches, buses and trolley bus	5,022
Trailers	11,867
Trucks	102,913
Road traffic deaths	
Reported number of road traffic deaths	71
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	52.10%
Drivers/Passengers of 2- or 3- wheelers	1.40%
Cyclists	7.00%
Pedestrians	31.00%
Other or unspecified users	8.50%

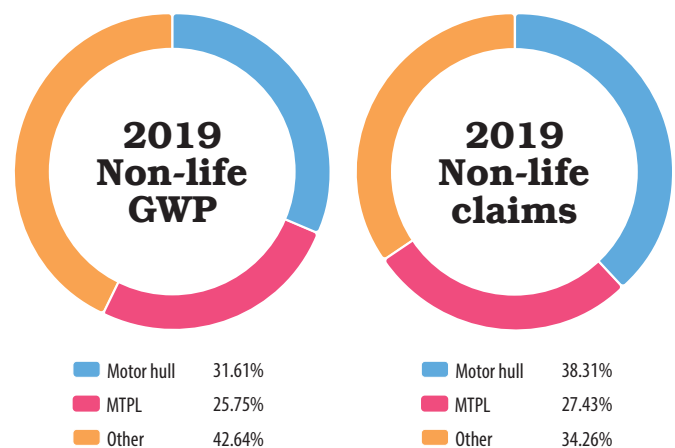
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	3,863.12	787.02	926.43	1,918.69	502.42	506.81
1Q2019	1,045.11	209.13	251.42	496.73	133.73	137.70
1H2019	2,097.20	439.74	518.96	1,060.38	275.74	280.35
3Q2019	3,073.01	644.03	752.50	1,580.86	425.17	408.90
FY2019	4,427.87	877.94	1,019.11	2,290.12	573.74	560.93



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	456.65	158.04	107.21	199.44	76.59	57.10
1Q2019	98.14	31.07	26.00	57.11	20.93	16.21
1H2019	202.32	64.60	54.22	112.01	42.50	31.04
3Q2019	299.96	95.43	78.77	162.46	62.81	44.56
FY2019	397.92	125.77	102.48	218.00	83.52	59.81



Hungary

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	137.14
GDP per capita, current prices (EUR)	14,054.32
Unemployment rate (of total labor force)	3.53
Population (millions)	9.76
Exchange rate for calculations (end of the period)	330.52
Traffic infrastructure 2018	
Roadways (km)	210,791
Expressways (km)	1,481
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.04
Diesel	1.04
LPG	0.65
National road vehicles fleet's structure (2017, units)	
Mopeds	na
Motorcycles (2015)	167,413
Passenger cars	3,471,997
Motor coaches, buses and trolley bus (2015)	18,705
Trailers	72,579
Trucks	469,948
Road traffic deaths	
Reported number of road traffic deaths	607
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	44.30%
Drivers/Passengers of 2- or 3- wheelers	10.50%
Cyclists	12.00%
Pedestrians	25.00%
Other or unspecified users	8.10%

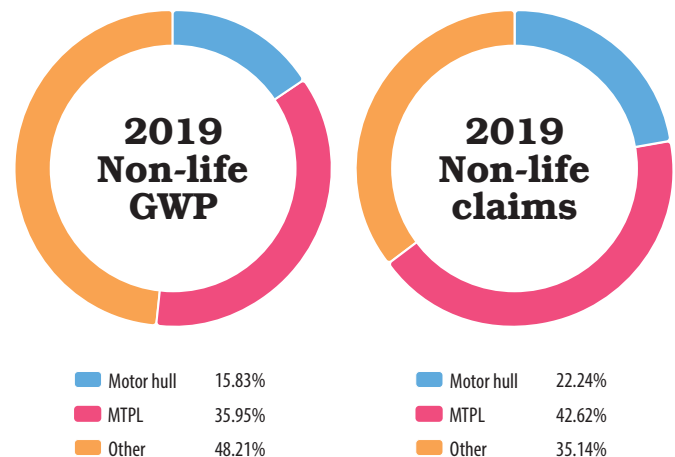
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
 Motor insurance statistics - www.xprimm.com

Kosovo

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	7.12
GDP per capita, current prices (EUR)	3,955.50
Unemployment rate (of total labor force)	na
Population (millions)	1.80
Currency	EUR
Traffic infrastructure 2019	
Roadways (km)	6,955
Expressways (km)	140
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	na
Diesel	na
LPG	na
National road vehicles fleet's structure (2016, units)	
Mopeds	na
Motorcycles	1,790
Passenger cars	260,291
Motor coaches, buses and trolley bus	1,916
Trailers	2,916
Trucks	49,248
Road traffic deaths	
Reported number of road traffic deaths	na
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	na
Drivers/Passengers of 2- or 3- wheelers	na
Cyclists	na
Pedestrians	na
Other or unspecified users	na

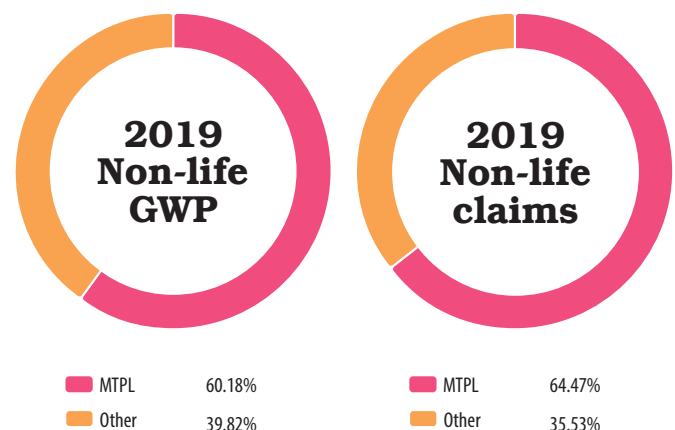
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	1,702.58	280.28	540.01	687.93	152.52	302.89
1Q2019	575.07	223.63	81.82	162.91	74.31	41.46
1H2019	1,031.19	156.27	381.34	371.50	85.30	150.35
3Q2019	1,515.22	233.08	543.97	612.95	-	-
FY2019	1,937.95	306.84	696.77	771.92	171.71	328.97



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	90.50	na	56.08	42.77	na	28.59
1Q2019	21.43	na	11.83	10.79	na	7.38
1H2019	46.64	na	26.78	22.05	na	14.82
3Q2019	73.30	na	44.33	33.93	na	22.53
FY2019	98.00	na	58.97	49.98	na	32.22



Latvia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	31.21
GDP per capita, current prices (EUR)	16,180.11
Unemployment rate (of total labor force)	6.50
Population (millions)	1.93
Currency	EUR
Traffic infrastructure 2020	
Roadways (km)	70,437
Expressways (km)	20
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.13
Diesel	1.02
LPG	0.51
National road vehicles fleet's structure (2017, units)	
Mopeds	30,666
Motorcycles	22,166
Passenger cars	689,536
Motor coaches, buses and trolley bus	4,955
Trailers	14,312
Trucks	72,831
Road traffic deaths	
Reported number of road traffic deaths	158
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	44.90%
Drivers/Passengers of 2- or 3- wheelers	12.00%
Cyclists	4.40%
Pedestrians	34.80%
Other or unspecified users	3.80%

Sources:

Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019

Traffic Infrastructure - CIA World Factbook

National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics

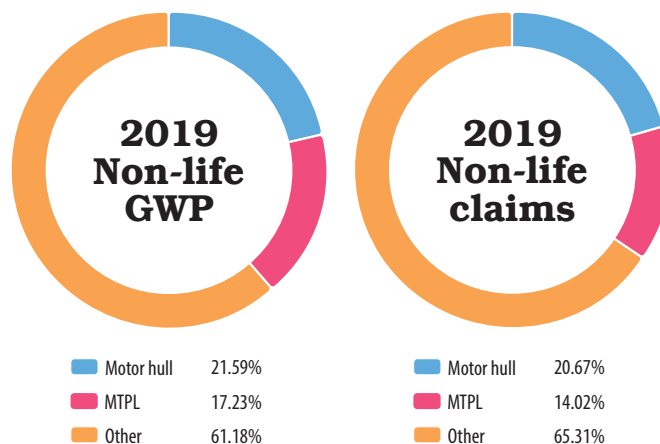
Fuel prices - globalpetrolprices.com

Road traffic deaths - WHO, Global Status Report on Road Safety 2018

Motor insurance statistics - www.xprimm.com

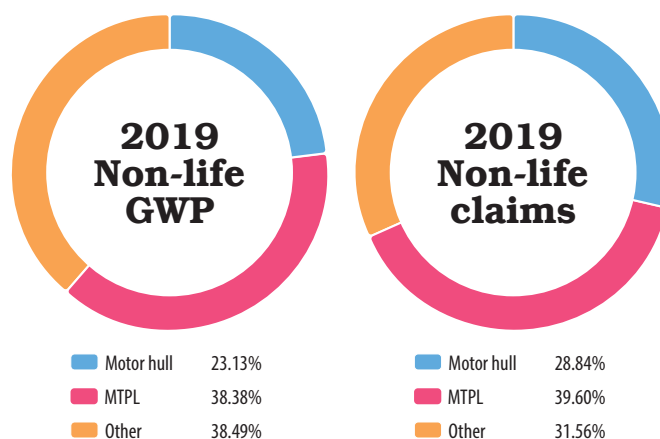
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	610.59	127.70	110.55	315.11	75.89	56.27
1Q2019	171.00	35.56	26.22	94.56	20.07	15.15
1H2019	322.80	70.17	53.41	216.60	40.11	29.01
3Q2019	481.36	103.52	80.91	312.14	61.40	42.40
FY2019	628.52	135.72	108.30	403.99	83.52	56.63



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	629.80	148.90	249.57	323.66	92.40	127.22
1Q2019	169.17	38.31	58.30	91.56	26.24	35.74
1H2019	341.69	79.22	125.24	181.26	50.97	71.80
3Q2019	511.53	117.47	197.20	274.15	78.25	107.69
FY2019	674.78	156.10	258.97	368.79	106.37	146.04



Lithuania

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	47.76
GDP per capita, current prices (EUR)	17,155.22
Unemployment rate (of total labor force)	6.11
Population (millions)	2.78
Currency	EUR
Traffic infrastructure 2014	
Roadways (km)	84,166
Expressways (km)	309
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.04
Diesel	0.93
LPG	0.50
National road vehicles fleet's structure (2017, units)	
Mopeds	11,018
Motorcycles	31,112
Passenger cars	1,356,987
Motor coaches, buses and trolley bus	7,570
Trailers	30,914
Trucks	84,625
Road traffic deaths	
Reported number of road traffic deaths	192
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	46.40%
Drivers/Passengers of 2- or 3- wheelers	5.70%
Cyclists	8.90%
Pedestrians	38.00%
Other or unspecified users	1.00%

Macedonia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	11.30
GDP per capita, current prices (EUR)	5,436.21
Unemployment rate (of total labor force)	17.93
Population (millions)	2.08
Exchange rate for calculations (end of the period)	61.49
Traffic infrastructure 2018	
Roadways (km)	14,742
Expressways (km)	317
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.97
Diesel	0.82
LPG	0.44
National road vehicles fleet's structure (2017, units)	
Mopeds	na
Motorcycles	14,129
Passenger cars	403,316
Motor coaches, buses and trolley bus	3,188
Trailers	5,778
Trucks	35,912
Road traffic deaths	
Reported number of road traffic deaths	148e
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	46.60%
Drivers/Passengers of 2- or 3- wheelers	9.50%
Cyclists	6.10%
Pedestrians	33.10%
Other or unspecified users	4.70%

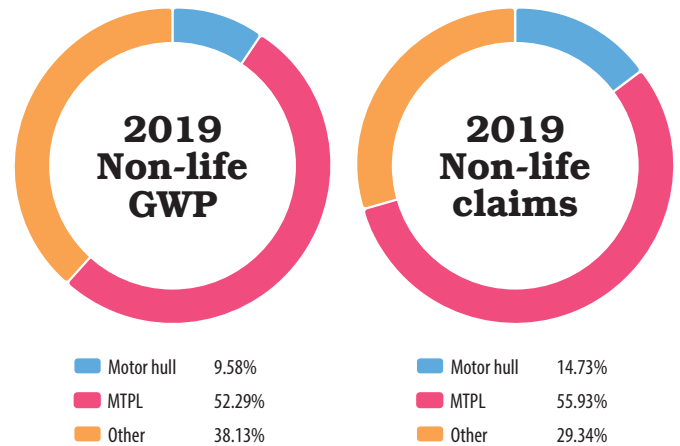
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
 Motor insurance statistics - www.xprimm.com

Montenegro

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	4.81
GDP per capita, current prices (EUR)	7,713.97
Unemployment rate (of total labor force)	na
Population (millions)	0.62
Currency	EUR
Traffic infrastructure 2010	
Roadways (km)	7,763
Expressways (km)	-
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.14
Diesel	1.00
LPG	na
National road vehicles fleet's structure (2016, units)	
Mopeds	na
Motorcycles	4,363
Passenger cars	184,734
Motor coaches, buses and trolley bus	1,308
Trailers	2,413
Trucks	13,469
Road traffic deaths	
Reported number of road traffic deaths	65
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	64.60%
Drivers/Passengers of 2- or 3- wheelers	15.40%
Cyclists	1.50%
Pedestrians	13.80%
Other or unspecified users	4.60%

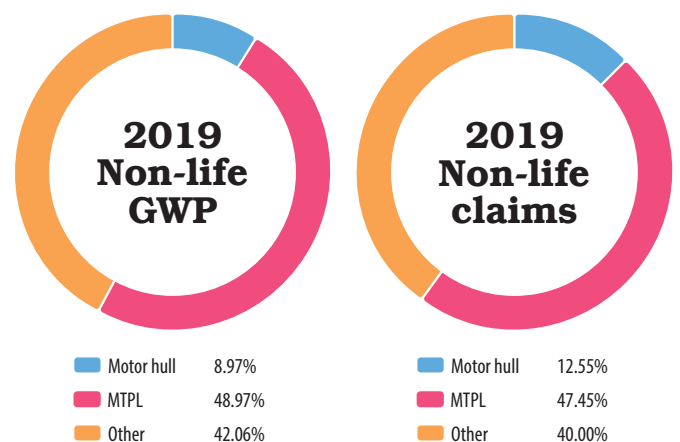
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	134.28	12.97	70.15	58.35	8.47	31.41
1Q2019	33.66	3.31	15.09	14.02	2.24	8.10
1H2019	71.59	6.91	34.46	28.97	4.39	16.47
3Q2019	108.92	10.27	56.38	44.17	6.57	24.45
FY2019	142.35	13.63	74.44	59.91	8.83	33.51



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	71.60	6.32	36.73	36.59	3.83	13.41
1Q2019	18.66	1.49	7.93	6.66	0.85	2.85
1H2019	38.88	3.79	18.64	13.85	1.72	6.22
3Q2019	60.59	5.35	29.09	21.13	2.61	9.74
FY2019	77.63	6.97	38.02	30.42	3.82	14.44



Poland

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	529.93
GDP per capita, current prices (EUR)	13,955.49
Unemployment rate (of total labor force)	3.77
Population (millions)	37.97
Exchange rate for calculations (end of the period)	4.26
Traffic infrastructure 2020	
Roadways (km)	423,997
Expressways (km)	4,146
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.00
Diesel	0.99
LPG	0.45
National road vehicles fleet's structure (2017, units)	
Mopeds	1,327,872
Motorcycles	1,427,115
Passenger cars	22,503,579
Motor coaches, buses and trolley bus	116,351
Trailers	390,445
Trucks	3,248,538
Road traffic deaths	
Reported number of road traffic deaths	3026
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	46.80%
Drivers/Passengers of 2- or 3- wheelers	11.20%
Cyclists	9.00%
Pedestrians	28.70%
Other or unspecified users	4.30%

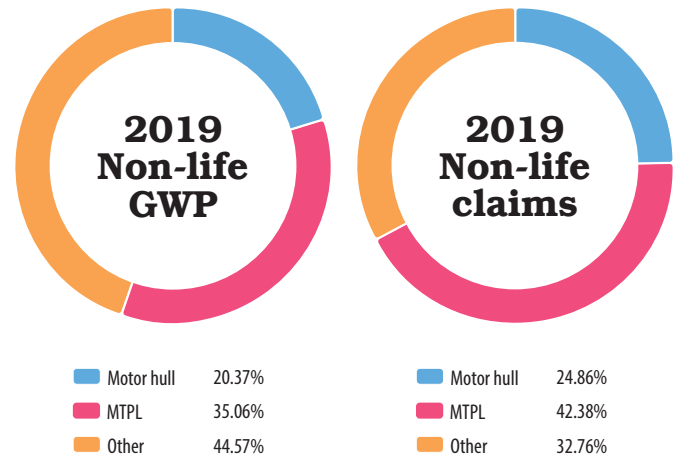
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
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Romania

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	215.00
GDP per capita, current prices (EUR)	11,012.80
Unemployment rate (of total labor force)	4.30
Population (millions)	19.52
Exchange rate for calculations (annual average)	4.78
Traffic infrastructure 2019	
Roadways (km)	86,494
Expressways (km)	850
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.92
Diesel	0.92
LPG	0.52
National road vehicles fleet's structure (2017, units)	
Mopeds	6,741
Motorcycles	120,512
Passenger cars	6,452,536
Motor coaches, buses and trolley bus	50,309
Trailers (2014)	128,728
Trucks (2014)	846,472
Road traffic deaths	
Reported number of road traffic deaths	1913
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	46.10%
Drivers/Passengers of 2- or 3- wheelers	4.40%
Cyclists	9.00%
Pedestrians	37.20%
Other or unspecified users	3.30%

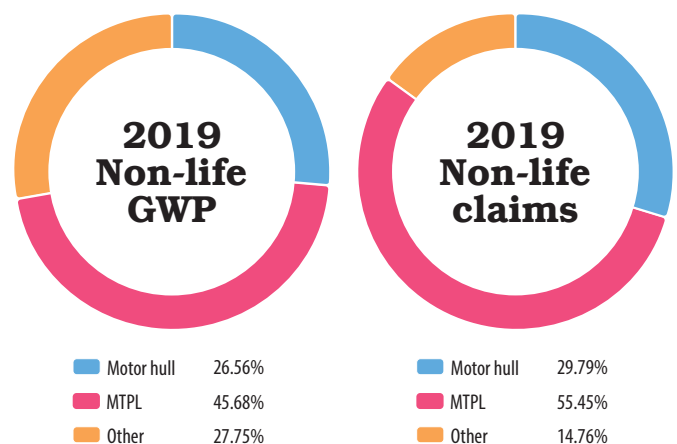
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	9,410.46	1,930.86	3,530.27	4,695.01	1,153.80	2,083.31
1Q2019	2,585.03	515.89	868.76	1,191.32	316.05	545.60
1H2019	5,068.53	1,037.37	1,790.80	2,533.64	634.06	1,099.54
3Q2019	7,107.24	1,466.63	2,571.35	3,768.81	941.33	1,599.79
FY2019	9,995.27	2,035.63	3,504.60	5,237.27	1,302.07	2,219.39



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	1,724.32	444.56	802.32	1,057.19	305.31	596.43
1Q2019	449.26	109.68	214.66	281.98	82.45	166.73
1H2019	911.06	231.48	425.05	595.50	171.42	334.47
3Q2019	1,360.57	360.57	625.18	877.67	254.41	491.06
FY2019	1,825.56	484.92	833.97	1,205.44	359.15	668.40



Serbia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	45.99
GDP per capita, current prices (EUR)	6,602.68
Unemployment rate (of total labor force)	13.12
Population (millions)	6.97
Exchange rate for calculations (end of the period)	117.59
Traffic infrastructure 2019	
Roadways (km)	45,419
Expressways (km)	980
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.16
Diesel	1.22
LPG	0.59
National road vehicles fleet's structure (2016, units)	
Mopeds	23,641
Motorcycles	37,897
Passenger cars	1,824,628
Motor coaches, buses and trolley bus	9,128
Trailers	145,528
Trucks	204,130
Road traffic deaths	
Reported number of road traffic deaths	607
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	46.30%
Drivers/Passengers of 2- or 3- wheelers	8.70%
Cyclists	9.40%
Pedestrians	23.10%
Other or unspecified users	12.50%

Sources:

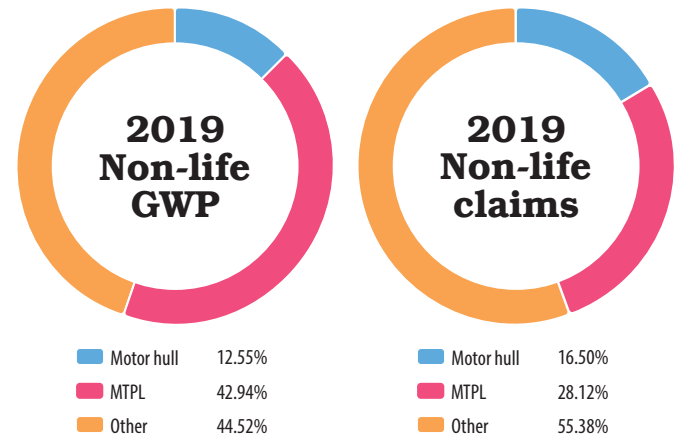
Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
 Motor insurance statistics - www.xprimm.com

Slovak Republic

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	94.88
GDP per capita, current prices (EUR)	17,405.31
Unemployment rate (of total labor force)	5.95
Population (millions)	5.45
Currency	EUR
Traffic infrastructure 2018	
Roadways (km)	38,985
Expressways (km)	765
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.15
Diesel	1.02
LPG	0.54
National road vehicles fleet's structure (2017, units)	
Mopeds	30,499
Motorcycles	102,810
Passenger cars	2,223,117
Motor coaches, buses and trolley bus	9,241
Trailers	31,090
Trucks	318,027
Road traffic deaths	
Reported number of road traffic deaths	275
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	50.20%
Drivers/Passengers of 2- or 3- wheelers	8.70%
Cyclists	7.60%
Pedestrians	29.10%
Other or unspecified users	4.40%

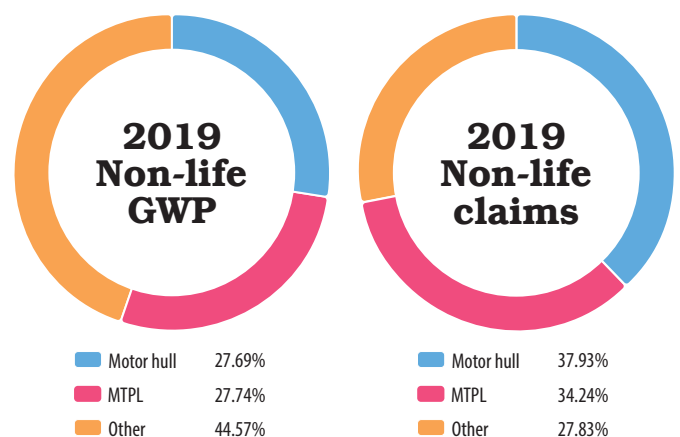
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	644.04	76.00	283.93	252.34	49.70	91.32
1Q2019	162.64	19.66	62.10	78.06	12.93	22.78
1H2019	356.55	43.67	144.84	136.27	26.29	44.94
3Q2019	521.47	64.81	223.77	253.22	40.19	67.86
FY2019	700.60	87.89	300.81	338.16	55.80	95.09



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	1,219.95	340.92	336.54	582.26	208.93	211.34
1Q2019	363.98	90.25	103.56	150.43	54.26	52.97
1H2019	662.64	175.81	184.40	314.85	112.19	114.57
3Q2019	959.91	261.90	264.33	483.64	182.51	162.73
FY2019	1,269.17	351.43	352.09	634.68	240.73	217.29



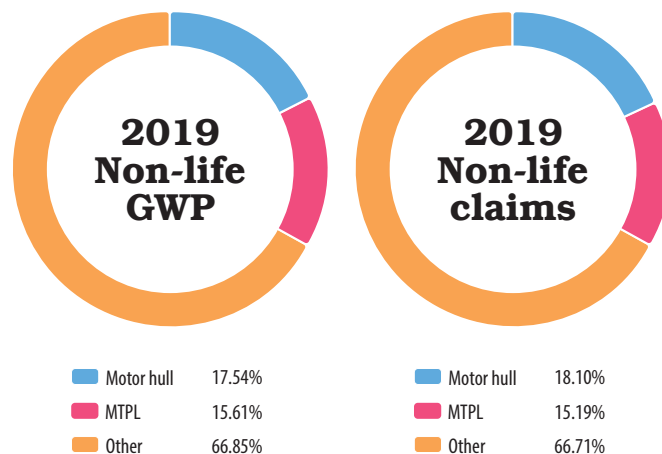
Slovenia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	48.22
GDP per capita, current prices (EUR)	23,302.09
Unemployment rate (of total labor force)	4.45
Population (millions)	2.07
Currency	EUR
Traffic infrastructure 2018	
Roadways (km)	43,670
Expressways (km)	781
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.00
Diesel	1.00
LPG	0.57
National road vehicles fleet's structure (2017, units)	
Mopeds	60,797
Motorcycles	64,330
Passenger cars	1,117,935
Motor coaches, buses and trolley bus	2,782
Trailers	14,330
Trucks	na
Road traffic deaths	
Reported number of road traffic deaths	130
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	46.90%
Drivers/Passengers of 2- or 3- wheelers	19.20%
Cyclists	10.00%
Pedestrians	16.90%
Other or unspecified users	6.90%

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
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Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	1,624.41	285.75	249.34	1,086.25	196.41	161.24
1Q2019	485.64	88.78	76.43	263.63	49.12	42.05
1H2019	943.26	174.61	153.57	535.20	96.49	85.14
3Q2019	1,352.06	242.99	215.52	810.63	147.33	124.97
FY2019	1,763.39	309.37	275.24	1,117.71	202.29	169.75



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Cyprus

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	21.62
GDP per capita, current prices (EUR)	24,681.72
Unemployment rate (of total labor force)	7.01
Population (millions)	0.88
Currency	EUR
Traffic infrastructure 2011	
Roadways (km)	20,006
Expressways (km)	249
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.09
Diesel	1.11
LPG	na
National road vehicles fleet's structure (2017, units)	
Mopeds	12,156
Motorcycles (2015)	27,242
Passenger cars	526,617
Motor coaches, buses and trolley bus	2,991
Trailers	1,878
Trucks	105,867
Road traffic deaths	
Reported number of road traffic deaths	46
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	34.80%
Drivers/Passengers of 2- or 3- wheelers	21.70%
Cyclists	4.30%
Pedestrians	30.40%
Other or unspecified users	8.70%

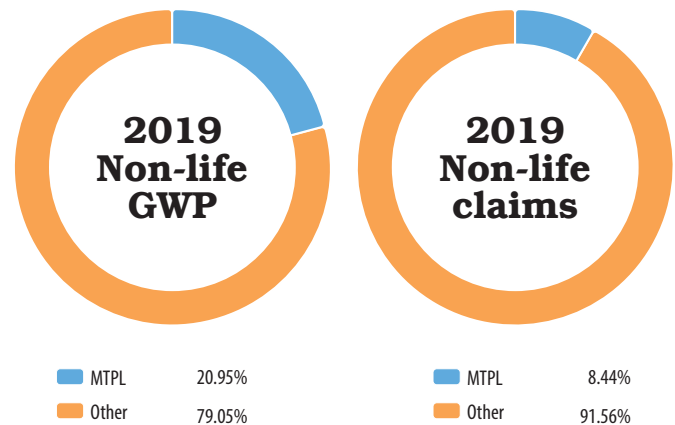
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
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Greece

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	190.02
GDP per capita, current prices (EUR)	17,734.93
Unemployment rate (of total labor force)	17.80
Population (millions)	10.71
Currency	EUR
Traffic infrastructure 2017	
Roadways (km)	116,986
Expressways (km)	2,503
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	1.45
Diesel	1.17
LPG	0.72
National road vehicles fleet's structure (2017, units)	
Mopeds	1,398,351
Motorcycles	1,656,657
Passenger cars	5,235,928
Motor coaches, buses and trolley bus	26,835
Trailers	na
Trucks	na
Road traffic deaths	
Reported number of road traffic deaths	824
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	40.30%
Drivers/Passengers of 2- or 3- wheelers	32.40%
Cyclists	2.20%
Pedestrians	18.10%
Other or unspecified users	7.00%

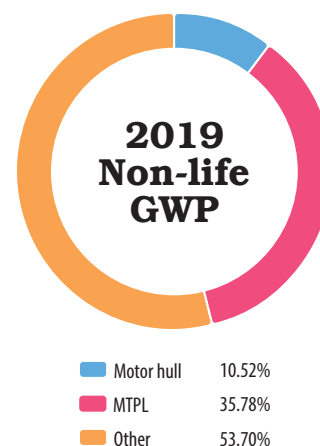
Motor insurance statistics

	Non-life GWP (in EUR m)		Non-life claims (in EUR m)	
	Total	Motor	Total	Motor
FY2018	481.42	107.22	268.91	24.09
1Q2019	136.28	48.40	77.41	29.68
1H2019	267.80	90.05	153.24	57.15
3Q2019	394.08	133.08	219.32	85.46
FY2019	510.66	106.98	280.13	23.64



Motor insurance statistics

	Non-life GWP (in EUR m)		
	Total	Motor hull	MTPL
FY2018	2,055.65	205.06	769.38
1Q2019	524.53	53.64	187.97
1H2019	1,054.05	109.17	381.77
3Q2019	1,556.38	161.86	560.03
FY2019	2,096.76	220.65	750.15



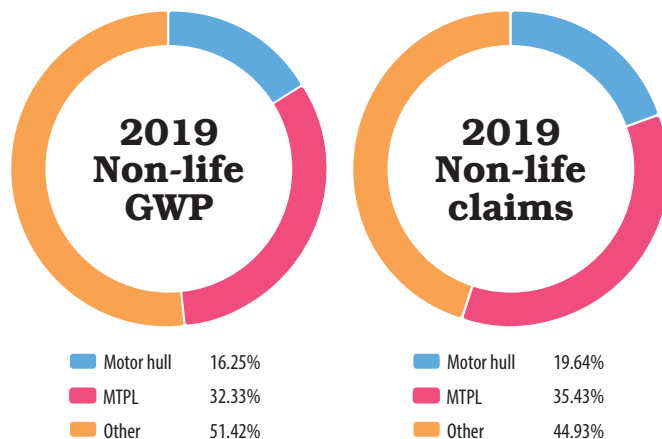
Turkey

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	640.17
GDP per capita, current prices (EUR)	7,710.73
Unemployment rate (of total labor force)	13.83
Population (millions)	83.02
Exchange rate for calculations (end of the period)	6.67
Traffic infrastructure 2010	
Roadways (km)	426,906
Expressways (km)	2,542
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.76
Diesel	0.70
LPG	0.44
National road vehicles fleet's structure (2017, units)	
Mopeds	527,683
Motorcycles	2,575,117
Passenger cars	12,035,978
Motor coaches, buses and trolley bus	700,503
Trailers	230,195
Trucks	3,642,625
Road traffic deaths	
Reported number of road traffic deaths	7300
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	21.70%
Drivers/Passengers of 2- or 3- wheelers	14.90%
Cyclists	1.90%
Pedestrians	23.40%
Other or unspecified users	38.00%

Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
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Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	7,886.21	1,295.71	2,619.29	3,994.64	990.81	1,422.85
1Q2019	2,381.24	335.42	648.78	1,146.24	230.10	402.08
1H2019	4,364.23	672.96	1,331.80	2,139.95	410.95	756.62
3Q2019	6,639.02	1,059.54	2,157.22	3,373.75	1,194.60	410.80
FY2019	8,672.61	1,409.37	2,803.62	4,329.30	850.37	1,533.87



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Armenia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	12.17
GDP per capita, current prices (EUR)	4,100.25
Unemployment rate (of total labor force)	17.70
Population (millions)	2.97
Exchange rate for calculations (end of the period)	537.26
Traffic infrastructure 2013	
Roadways (km)	7,792
Expressways (km)	-
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	na
Diesel	na
LPG	na
National road vehicles fleet's structure (2015, units)	
Passenger cars	457,878
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims (2014)	
Road accidents (events)	2,900
Killed persons	276
Road traffic deaths	
Reported number of road traffic deaths	267
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	59.60%
Drivers/Passengers of 2- or 3- wheelers	1.50%
Cyclists	0.40%
Pedestrians	34.80%
Other or unspecified users	3.70%

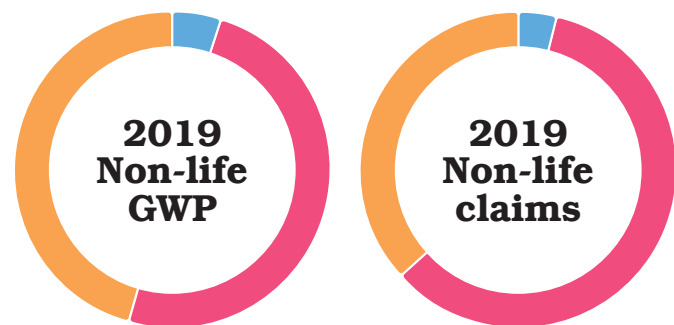
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 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
 Motor insurance statistics - www.xprimm.com

Azerbaijan

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	42.13
GDP per capita, current prices (EUR)	4,188.04
Unemployment rate (of total labor force)	4.98
Population (millions)	10.06
Exchange rate for calculations (end of the period)	1.90
Traffic infrastructure 2016	
Roadways (km)	58,395
Expressways (km)	1,800
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.40
Diesel	0.30
LPG	0.32
National road vehicles fleet's structure (2016, units)	
Passenger cars	1,136,983
Buses	30,958
Trucks/Freight motor road transport vehicles	141,525
Number of road accidents and victims (2016)	
Road accidents (events)	2,006
Killed persons	759
Road traffic deaths	
Reported number of road traffic deaths	759
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	51.80%
Drivers/Passengers of 2- or 3- wheelers	0.90%
Cyclists	0.90%
Pedestrians	42.00%
Other or unspecified users	4.30%

Motor insurance statistics

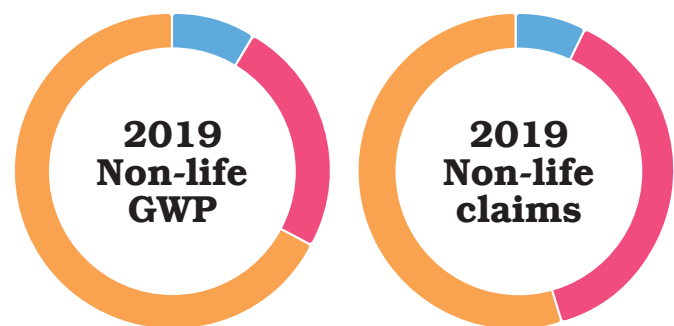
	Overall GWP (in EUR m)			Overall paid claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	74.08	3.63	36.17	41.19	2.45	24.46
1Q2019	30.28	1.11	10.64	10.93	0.46	6.80
1H2019	48.52	2.12	20.71	21.86	0.92	13.11
3Q2019	70.26	3.45	33.24	34.94	1.35	20.79
FY2019	91.45	4.76	45.25	46.54	1.82	27.75



Category	Percentage	Category	Percentage
Motor hull	5.21%	Motor hull	5.95%
MTPL	49.48%	MTPL	59.38%
Other	45.31%	Other	34.67%

Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	198.77	14.61	49.02	73.05	4.92	27.48
1Q2019	78.38	3.06	10.57	15.93	1.34	7.15
1H2019	116.96	8.50	24.45	40.19	2.91	15.53
3Q2019	171.19	13.91	40.98	64.04	4.92	26.19
FY2019	217.33	19.06	52.76	92.80	6.87	35.32



Category	Percentage	Category	Percentage
Motor hull	8.77%	Motor hull	7.40%
MTPL	24.28%	MTPL	38.06%
Other	66.95%	Other	54.54%

Belarus

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	55.79
GDP per capita, current prices (EUR)	5,887.85
Unemployment rate (of total labor force)	0.53
Population (millions)	9.48
Exchange rate for calculations (end of the period)	2.35
Traffic infrastructure 2014	
Roadways (km)	94,797
Expressways (km)	505
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.57
Diesel	0.57
LPG	0.30
National road vehicles fleet's structure (2016, units)	
Passenger cars	2,951,400
Buses	10,947
Trucks/Freight motor road transport vehicles	138,388
Number of road accidents and victims (2016)	
Road accidents (events)	3,635
Killed persons	581
Road traffic deaths	
Reported number of road traffic deaths	588
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	48.50%
Drivers/Passengers of 2- or 3- wheelers	0.00%
Cyclists	9.20%
Pedestrians	41.30%
Other or unspecified users	1.00%

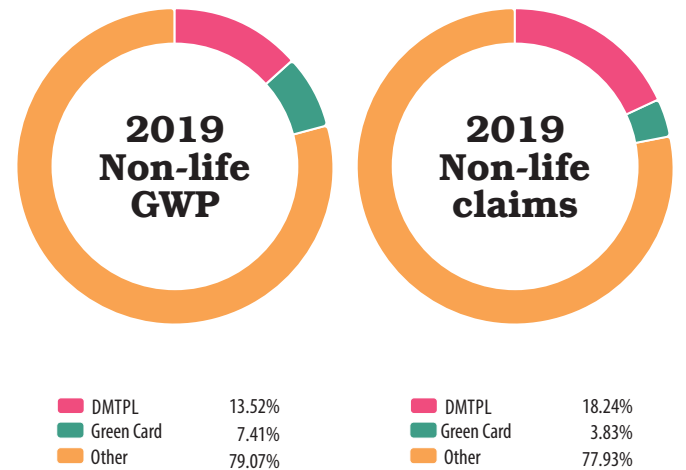
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
 Traffic Infrastructure - CIA World Factbook
 National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics
 Fuel prices - globalpetrolprices.com
 Road traffic deaths - WHO, Global Status Report on Road Safety 2018
 Motor insurance statistics - www.xprimm.com

Georgia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	13.94
GDP per capita, current prices (EUR)	3,755.30
Unemployment rate (of total labor force)	na
Population (millions)	3.71
Exchange rate for calculations (end of the period)	3.21
Traffic infrastructure 2018	
Roadways (km)	20,424
Expressways (km)	145
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.59
Diesel	0.59
LPG	0.36
National road vehicles fleet's structure (2016, units)*	
Passenger cars	1,200,000
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims (2016)	
Road accidents (events)	6,939
Killed persons	581
Road traffic deaths	
Reported number of road traffic deaths	581
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	44.90%
Drivers/Passengers of 2- or 3- wheelers	0.50%
Cyclists	0.70%
Pedestrians	26.50%
Other or unspecified users	27.40%

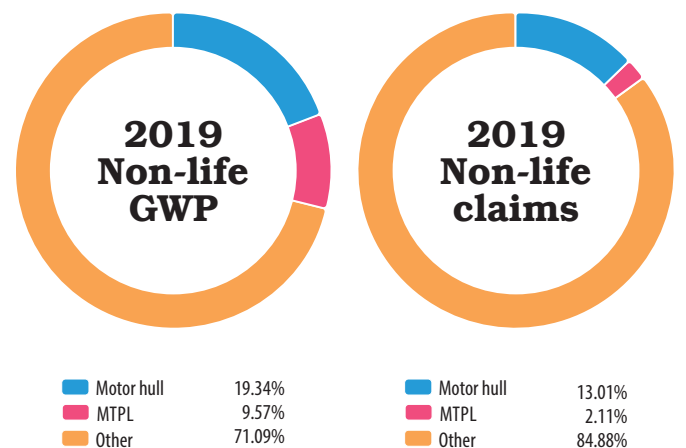
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	DMTPL	Green Card	Total	DMTPL	Green Card
FY2018	446.05	66.62	38.69	231.04	42.71	9.84
1Q2019	125.74	16.74	8.92	61.21	12.29	2.46
1H2019	263.64	37.52	19.17	129.78	24.17	5.46
3Q2019	395.29	56.37	30.94	204.29	37.30	8.32
FY2019	524.60	70.93	38.89	272.99	49.79	10.45



Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	164.41	27.94	13.98	94.87	16.82	2.68
1Q2019	54.93	8.21	3.63	24.58	5.06	0.76
1H2019	98.38	17.71	7.59	60.53	9.65	1.42
3Q2019	138.55	26.14	12.92	131.49	15.05	2.36
FY2019	180.50	34.90	17.28	161.97	21.07	3.41



Kazakhstan

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	153.31
GDP per capita, current prices (EUR)	8,225.95
Unemployment rate (of total labor force)	4.85
Population (millions)	18.64
Exchange rate for calculations (end of the period)	426.85
Traffic infrastructure 2002	
Roadways (km)	97,267
Expressways (km)	490
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.35
Diesel	0.39
LPG	na
National road vehicles fleet's structure (2016, units)	
Passenger cars	3,850,869
Buses	98,652
Trucks/Freight motor road transport vehicles	439,167
Number of road accidents and victims (2016)	
Road accidents (events)	17,974
Killed persons	2,390
Road traffic deaths	
Reported number of road traffic deaths	2625
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	59.80%
Drivers/Passengers of 2- or 3- wheelers	4.30%
Cyclists	1.70%
Pedestrians	30.90%
Other or unspecified users	3.30%

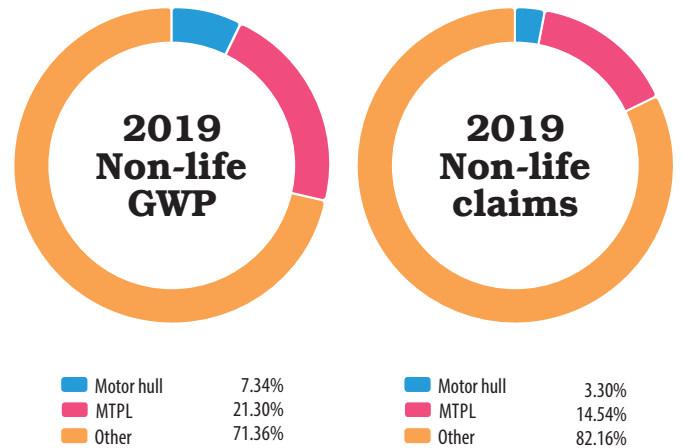
Sources:
 Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019
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Moldova

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	10.76
GDP per capita, current prices (EUR)	3,039
Unemployment rate (of total labor force)	3.02
Population (millions)	3.54
Exchange rate for calculations (annual average)	19.26
Traffic infrastructure 2012	
Roadways (km)	9,352
Expressways (km)	
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.79
Diesel	0.67
LPG	0.46
National road vehicles fleet's structure (2016, units)*	
Passenger cars	546,781
Buses	20,968
Trucks/Freight motor road transport vehicles	168,618
Number of road accidents and victims (2016)	
Road accidents (events)	2,445
Killed persons	308
Road traffic deaths	
Reported number of road traffic deaths	346
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	17.60%
Drivers/Passengers of 2- or 3- wheelers	4.30%
Cyclists	1.40%
Pedestrians	18.50%
Other or unspecified users	58.10%

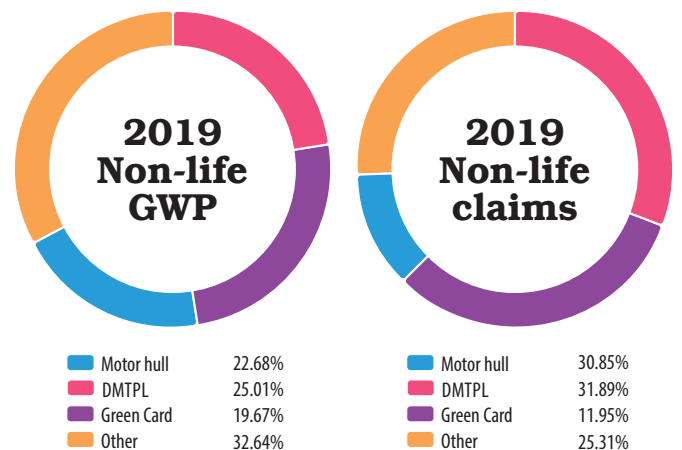
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	672.85	46.10	138.15	190.37	13.49	50.12
1Q2019	222.65	12.92	37.69	54.33	3.71	16.18
1H2019	434.48	28.85	84.24	153.28	7.75	33.43
3Q2019	650.18	46.17	134.64	242.25	11.46	50.38
FY2019	843.95	61.97	179.74	478.40	15.80	69.54



Motor insurance statistics

	Non-life GWP (in EUR m)				Non-life claims (in EUR m)			
	Total	DMTPL	Green Card	Motor hull	Total	DMTPL	Green Card	Motor hull
FY2018	72.65	15.83	18.66	17.03	27.37	9.95	9.62	3.40
1Q2019	16.43	3.72	4.11	3.48	10.38	2.42	2.62	0.72
1H2019	35.07	7.83	8.56	6.69	16.58	4.74	4.71	1.55
3Q2019	59.26	12.81	14.60	11.78	25.22	7.58	7.63	2.80
FY2019	79.11	17.94	19.79	15.56	33.34	10.29	10.63	3.98



Russia

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	1,573.36
GDP per capita, current prices (EUR)	10,722.82
Unemployment rate (of total labor force)	4.62
Population (millions)	146.73
Exchange rate for calculations (end of the period)	69.34
Traffic infrastructure 2019	
Roadways (km)	1,529,373
Expressways (km)	6,768
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.52
Diesel	0.52
LPG	0.27
National road vehicles fleet's structure (2016, units)	
Passenger cars	45,163,000
Buses (2015)	873,000
Trucks/Freight motor road transport vehicles	6,300,000
Number of road accidents and victims (2016)	
Road accidents (events) - 2015	184,000
Killed persons	20,308
Road traffic deaths	
Reported number of road traffic deaths	20308
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	57.60%
Drivers/Passengers of 2- or 3- wheelers	5.90%
Cyclists	2.00%
Pedestrians	29.20%
Other or unspecified users	5.30%

Sources:

Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019

Traffic Infrastructure - CIA World Factbook

National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics

Fuel prices - globalpetrolprices.com

Road traffic deaths - WHO, Global Status Report on Road Safety 2018

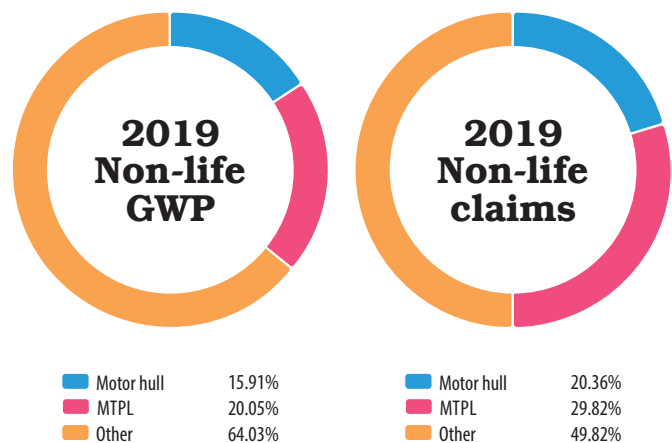
Motor insurance statistics - www.xprimm.com

Ukraine

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	152.27
GDP per capita, current prices (EUR)	3,636.77
Unemployment rate (of total labor force)	8.68
Population (millions)	41.87
Exchange rate for calculations (end of the period)	26.42
Traffic infrastructure 2010	
Roadways (km)	169,496
Expressways (km)	193
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.70
Diesel	0.69
LPG	0.37
National road vehicles fleet's structure (2016, units)*	
Passenger cars	9,121,000
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims (2015)	
Road accidents (events)	25,493
Killed persons	4,003
Road traffic deaths	
Reported number of road traffic deaths	4687
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	34.00%
Drivers/Passengers of 2- or 3- wheelers	8.70%
Cyclists	7.10%
Pedestrians	41.90%
Other or unspecified users	8.40%

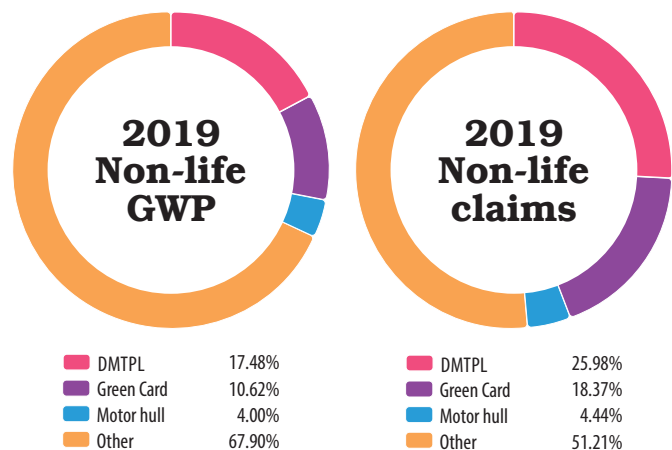
Motor insurance statistics

	Non-life GWP (in EUR m)			Non-life claims (in EUR m)		
	Total	Motor hull	MTPL	Total	Motor hull	MTPL
FY2018	12,925.94	2,122.96	2,843.74	5,731.12	1,047.74	1,735.48
1Q2019	4,033.90	494.50	620.41	1,583.25	294.22	496.28
1H2019	7,735.56	1,089.93	1,414.53	3,260.13	640.80	993.36
3Q2019	11,566.78	1,728.00	2,189.92	4,908.43	1,004.19	1,466.85
FY2019	15,457.08	2,459.55	3,099.90	6,885.76	1,401.89	2,053.33



Motor insurance statistics

	Non-life GWP (in EUR m)				Non-life claims (in EUR m)			
	Total	DMTPL	Green Card	Motor hull	Total	DMTPL	Green Card	Motor hull
FY2018	1,433.47	228.80	143.24	48.56	383.38	99.29	67.62	16.96
1Q2019	402.70	58.88	36.57	17.50	103.54	29.97	19.65	3.59
1H2019	847.63	131.70	82.89	35.25	214.70	59.30	40.40	9.61
3Q2019	1,415.18	231.42	142.12	59.20	357.64	99.85	69.29	17.20
FY2019	1,830.94	320.00	194.48	73.24	520.87	135.34	95.67	23.12



Kyrgyzstan

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	7.51
GDP per capita, current prices (EUR)	1,175.43
Unemployment rate (of total labor force)	6.61
Population (millions)	6.39
Exchange rate for calculations (end of the period)	77.98
Traffic infrastructure 2007	
Roadways (km)	34,000
Expressways (km)	-
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.40
Diesel	0.39
LPG	0.26
National road vehicles fleet's structure (2015, units)	
Passenger cars	1,150,000
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims (2016)	
Road accidents (events)	5,868
Killed persons	938
Road traffic deaths	
Reported number of road traffic deaths	812
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	27.60%
Drivers/Passengers of 2- or 3- wheelers	2.10%
Cyclists	0.20%
Pedestrians	40.00%
Other or unspecified users	30.00%

Sources:

Macroeconomic Indicators - IMF, World Economic Outlook Database, April 2019

Traffic Infrastructure - CIA World Factbook

National road vehicles fleet's structure - EUROSTAT, UNECE, the national offices of statistics

Fuel prices - globalpetrolprices.com

Road traffic deaths - WHO, Global Status Report on Road Safety 2018

Motor insurance statistics - www.xprimm.com

Turkmenistan

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	41.77
GDP per capita, current prices (EUR)	6,994.11
Unemployment rate (of total labor force)	na
Population (millions)	5.97
Exchange rate for calculations (end of the period)	3.91
Traffic infrastructure 2012	
Roadways (km)	59,623
Expressways (km)	-
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.36
Diesel	0.33
LPG	na
National road vehicles fleet's structure	
Passenger cars	na
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims	
Road accidents (events)	na
Killed persons	na
Road traffic deaths	
Reported number of road traffic deaths	543
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	na
Drivers/Passengers of 2- or 3- wheelers	na
Cyclists	na
Pedestrians	na
Other or unspecified users	na

Tajikistan

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	7.17
GDP per capita, current prices (EUR)	771.11
Unemployment rate (of total labor force)	na
Population (millions)	9.29
Exchange rate for calculations (end of the period)	10.84
Traffic infrastructure 2000	
Roadways (km)	27,767
Expressways (km)	-
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	na
Diesel	na
LPG	na
National road vehicles fleet's structure	
Passenger cars	na
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims	
Road accidents (events)	na
Killed persons	na
Road traffic deaths	
Reported number of road traffic deaths	427
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	57.40%
Drivers/Passengers of 2- or 3- wheelers	0.00%
Cyclists	2.30%
Pedestrians	40.30%
Other or unspecified users	0.00%

Uzbekistan

Macroeconomic indicators, 2019	
GDP, current prices (EUR billion)	49.26
GDP per capita, current prices (EUR)	1,491.55
Unemployment rate (of total labor force)	na
Population (millions)	33.03
Exchange rate for calculations (end of the period)	10624.7
Traffic infrastructure 2014	
Roadways (km)	183,496
Expressways (km)	70
Fuel prices (EUR/liter), September 7 th , 2020	
Gasoline	0.65
Diesel	0.54
LPG	na
National road vehicles fleet's structure	
Passenger cars	na
Buses	na
Trucks/Freight motor road transport vehicles	na
Number of road accidents and victims (2016)	
Road accidents (events)	na
Killed persons	na
Road traffic deaths	
Reported number of road traffic deaths	2496
Road user death:	
Drivers/ Passengers of 4-wheeled vehicles	na
Drivers/Passengers of 2- or 3- wheelers	na
Cyclists	na
Pedestrians	na
Other or unspecified users	na

A wave of an unprecedented challenge

In the CEE countries, the lockdown affected only the last 2 weeks of Q1 and about 4 to 6 weeks of Q2. Many of the industries most affected are operating much below capacity even after the ease of restrictions. Carriers of all sorts – cargo & passengers – are also operating below their capacity. Despite supporting measures adopted by governments for the most affected economic sectors, unemployment is increasing. Bank lending has decreased, discouraging acquisition of expensive goods as passenger cars. The perspective of a possible second wave is rather scary in economic terms for businesses and people, in general. As such, customers tend to concentrate on the essentials and cut expenses considered unnecessary, while insurers' and insurance intermediaries' efforts are directed towards demonstrating insurance products are a necessity, especially in hard times. As motor insurance lines' growth perspectives are closely linked to the sales of cars or commercial vehicles via leasing arrangements or bank lending, the industry has also to cope with a visible narrowing of its usual growth resources.

Motor insurance, that makes up the largest part of the non-life business in the region, faced both positive and negative effects from the pandemic crisis. On the positive side, about two months of "empty" roads across the region have provided for a visible decrease in the number of claims. Yet, claims did not completely cease to exist, and their severity has not decreased. Among the factors with a negative impact on written premiums, the fall in car sales, the inactive commercial fleets asking for a temporary freeze of their contracts or the already existing pressure on prices are only the most obvious. Yet, the 1H2020 results were better than originally expected, in most countries not entering the double digit negative territory.

Both motor insurance classes recorded a negative change in GWP, at regional level – Motor Hull GWP went down by 2.5% y-o-y, while MTPL premiums volume decreased by 3.69%. Yet, in the CEE non-life portfolio, motor insurance classes still account together for an over 52% share in the GWP volume. In most countries, insurers managed to maintain their motor insurance corporate portfolio despite the cease of carriers' activity due to the lockdown and international road transportation restrictions; in many cases this was the result of the adoption by insurers of flexible/delayed payments policies for the insurance premiums.

However, given the fall in new cars sales, the Motor Hull line saw a negative trend almost in most countries. The Slovak Republic (+5.7% y-o-y), Slovenia (+3.06%) and Czechia (+1.76%) are the only big regional markets that saw a positive trend on the Motor Hull line. Hungary also remained in positive territory, but saw a rather steady evolution for this line of business. Out of the EU league, only Serbia (+3.98%) reported an increase of the Motor Hull Business. The positive trend may be explained by the cars sales revival in the second half of May and June, after a 38% y-o-y drop in the first four and a half months of the year, according to the Association of Serbian Motor Vehicle Importers data.

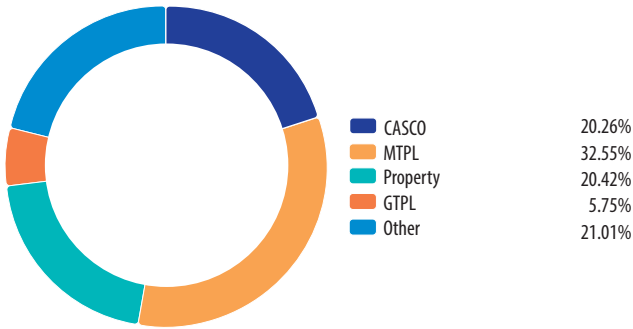
The mandatory nature of the MTPL insurance helped maintain business at a rather stable level. In this context, seven of the CEE markets have recorded a slightly positive trend: Bulgaria (+0.72%), Croatia (+5.43%), the Czech Rep. (+2.07%), Romania (+0.4%), Serbia (+2.59%), the Slovak Rep. (+2.89) and Slovenia (+2.71%). At the other end of the ladder, all three Baltic markets, as well as Poland have seen rather significant negative growth rates. In the non-EU countries of the Western Balkans space, an additional pressure factor on the MTPL segment's business turnover was the loss of relevance of the MTPL Border insurance line, caused by the

New vehicles registrations 1H 2020

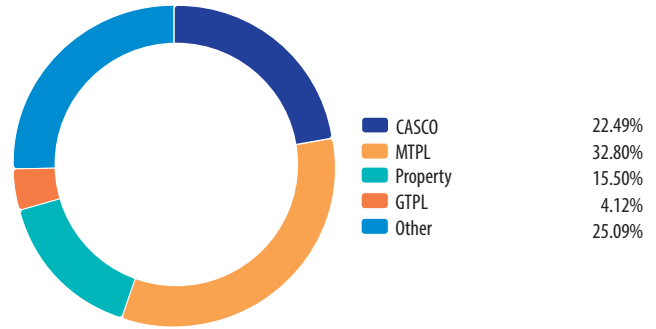
Country	Passenger cars			Commercial vehicles		
	1H2020	1H2019	20/19	1H2020	1H2019	20/19
BULGARIA	10,161	18,323	-44.5%	3,335	5,225	-36.2%
CROATIA	17,423	38,216	-54.4%	3,664	6,084	-39.8%
CZECH REPUBLIC	95,029	128,498	-26.0%	11,276	16,926	-33.4%
ESTONIA	9,133	13,933	-34.5%	2,015	3,310	-39.1%
HUNGARY	55,674	74,541	-25.3%	11,839	16,698	-29.1%
LATVIA	6,569	9,485	-30.7%	1,270	2,062	-38.4%
LITHUANIA	16,821	23,374	-28.0%	3,475	7,861	-55.8%
POLAND	179,821	278,332	-35.4%	33,451	53,384	-37.3%
ROMANIA	49,616	71,620	-30.7%	8,557	13,509	-36.7%
SLOVAKIA	34,015	52,075	-34.7%	3,952	6,732	-41.3%
SLOVENIA	28,005	41,122	-31.9%	4,607	7,449	-38.2%
EUROPEAN UNION (EU)	4,281,549	6,915,760	-38.1%	748,421	1,128,681	-33.7%
EU14	3,774,369	6,159,663	-38.7%	660,020	988,243	-33.2%
EU12	507,180	756,097	-32.9%	88,401	140,438	-37.1%

Source: NATIONAL AUTOMOBILE MANUFACTURERS' ASSOCIATIONS

CEE non-life GWP portfolio



CEE non-life claims portfolio



international traffic cease during the lockdown and the farther period of reduced international road transportation.

Registrations of new cars decreased in the first half of 2020 for the EU12 markets by 33%, for passenger cars, and 37% for commercial vehicles, the ACEA (European Automobile Manufacturers Association) statistics show. According to different sources, sales and registrations of second hand cars have also decreased significantly. In this context, the most important market driver of the motor insurance business was almost lost.

As expected, the number of road incidents decreased sharply. Yet, considering the long tail character of the MTPL insurance, for example, the decrease in claims paid was not so spectacular as maybe expected. Paid claims decreased, at regional level, by 7,2% y-o-y for Motor Hull and 9.5% for MTPL. This helped motor

insurers to improve technical rates (loss ratios/combined ratios). In some markets, as for example the Romanian one, this would be a very good news should insurers manage to maintain the improved indicators also after the resumption of road traffic. the motor insurance business was almost lost.

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Country by country view



Bosnia & Hergovina

Motor insurance lines maintained their dominant position in the market, in fact increasing their total market share by almost 1 percentage point, to 59.7%. The driving factor of this trend was the MTPL segment. Starting this autumn, an important change will occur, as Bosnia & Herzegovina became a member of the "License Plate Subsystem" and Bosnian drivers will no longer need a Green Card when traveling abroad, as well as vehicles from about thirty other European countries will no longer need a "green card" to enter BiH.



Bulgaria

While claims paid for motor insurance lines by the Bulgarian insurers grew at higher rates than the gross written premiums, it is worth noting that the aggregate gross technical result reported for 1H2020 showed MTPL as being the most profitable insurance class (more than EUR 50 million) followed by MoD (EUR 37.4 million), according statistical data provided by the market authority.



Croatia

Motor insurance lines, along with property insurance provided for the largest part of the non-life premiums growth. The MTPL line provided for the most consistent premium growth in absolute terms, with GWP increasing by 5.4% y-o-y, to EUR 169.3 million. With an increase of about 2% of the number of policies, the market MTPL premiums production grew mostly because of the increasing prices. Thus, the average MTPL premium went up from approx. EUR 106 in 1H2019, to EUR 109.5 in 1H2020, data published by the Croatian Insurers' Bureau.



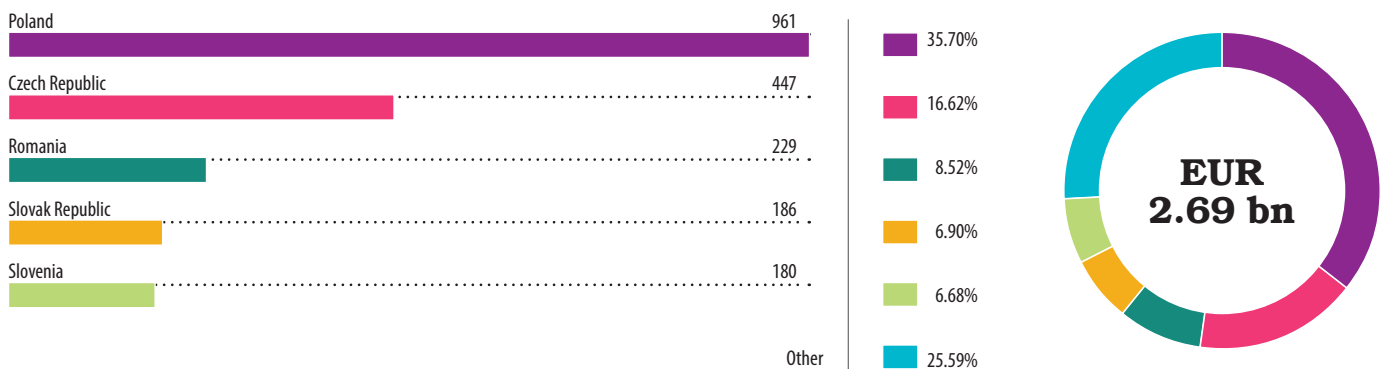
Czech Republic

Motor insurance lines recorded a slightly positive trend, supported in part by the increasing number of insured vehicles, by 2.5% as far as MTPL insurance is concerned and by 6.3% for Motor Hull.

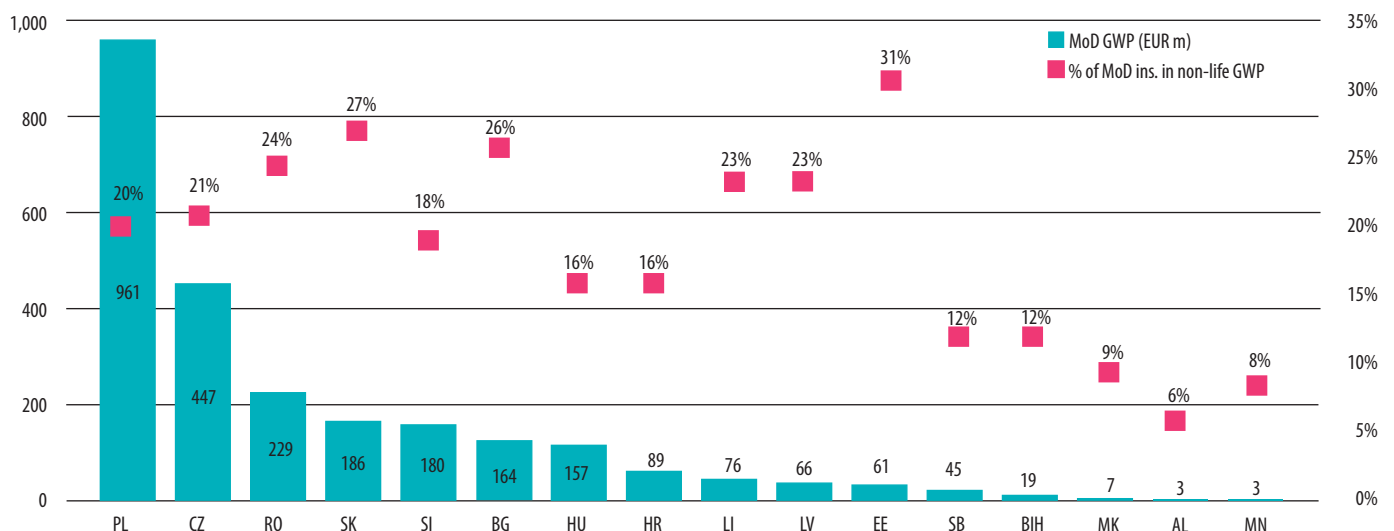
CEE - MOTOR HULL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	1H2020	1H2019	Change	1H2020	1H2019	Change	1H2020	1H2019	1H2020	1H2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	3.22	3.48	-7.38	2.33	2.40	-2.87	5.68	5.71	0.12	0.13
Bosnia & Herzegovina	18.66	19.34	-3.54	13.44	12.90	4.23	12.14	12.36	0.69	0.70
Bulgaria	164.31	166.20	-1.14	76.03	75.74	0.38	26.34	26.81	6.10	6.02
Croatia	88.58	89.67	-1.22	48.94	52.12	-6.12	15.71	16.10	3.29	3.25
Czech Republic	447.49	439.74	1.76	243.79	278.99	-12.62	20.68	20.89	16.62	15.92
Estonia	60.61	64.60	-6.18	39.35	42.50	-7.43	31.25	31.93	2.25	2.34
Hungary	156.65	156.27	0.25	74.16	85.30	-13.07	15.79	15.15	5.82	5.66
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	66.03	70.17	-5.90	39.85	40.11	-0.65	22.55	21.74	2.45	2.54
Lithuania	75.83	79.22	-4.27	48.74	50.97	-4.36	23.00	23.18	2.82	2.87
Macedonia	6.56	6.91	-5.15	3.78	4.39	-13.93	9.36	9.65	0.24	0.25
Montenegro	3.04	3.79	-19.82	1.66	1.72	-3.75	8.13	9.75	0.11	0.14
Poland	961.11	1,037.37	-7.35	599.10	634.11	-5.52	20.10	20.47	35.70	37.55
Romania	229.28	231.48	-0.95	188.35	170.00	10.79	24.41	25.41	8.52	8.38
Serbia	45.41	43.67	3.98	27.08	26.29	3.00	12.19	12.25	1.69	1.58
Slovak Republic	185.84	175.81	5.70	99.08	112.19	-11.68	27.38	26.53	6.90	6.36
Slovenia	179.95	174.61	3.06	93.21	96.49	-3.40	18.12	18.51	6.68	6.32
Total CEE	2,692.56	2,762.33	-2.53	1,598.87	1,686.22	-5.18	20.26	20.47	100.00	100.00

TOP 5 CEE motor hull insurance markets as GWP (EUR million) & market shares (%)



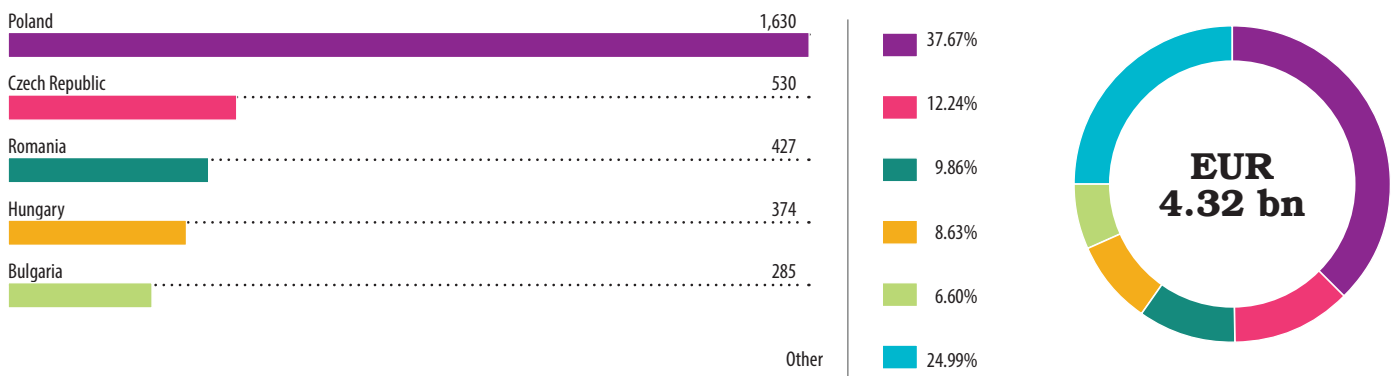
Weight of MoD GWP in non-life business



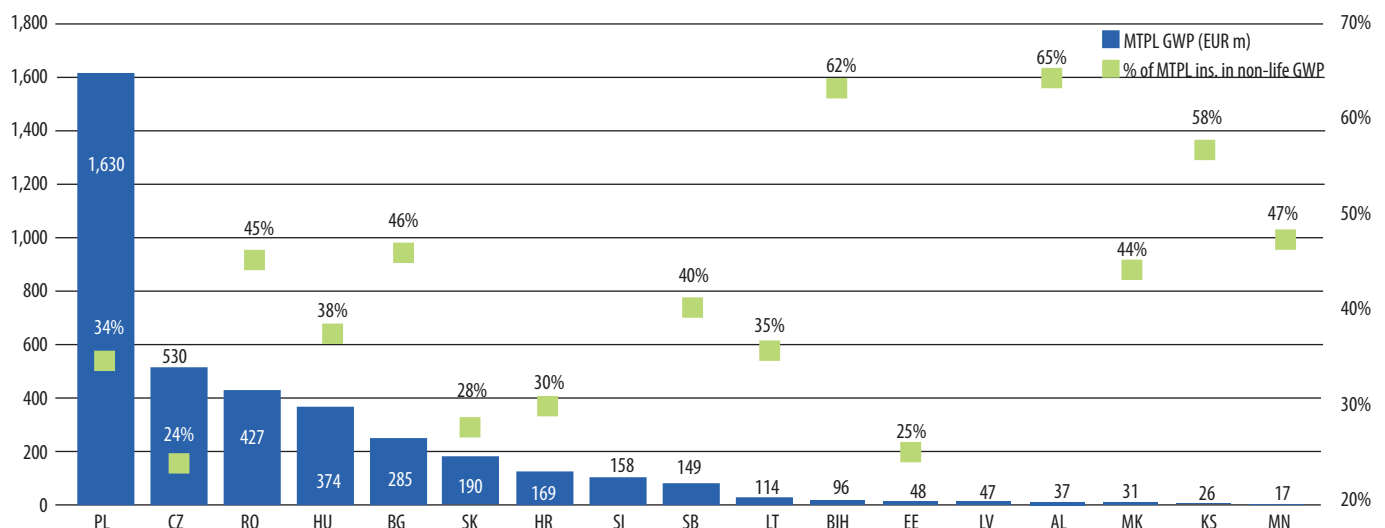
CEE - MTPL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	1H2020	1H2019	Change	1H2020	1H2019	Change	1H2020	1H2019	1H2020	1H2019
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	36.63	39.82	-8.00	8.72	10.86	-19.72	64.57	65.36	0.85	0.89
Bosnia & Herzegovina	95.90	95.94	-0.04	31.65	32.49	-2.59	62.41	61.32	2.22	2.14
Bulgaria	285.30	283.27	0.72	144.74	133.48	8.43	45.73	45.70	6.60	6.31
Croatia	169.33	160.61	5.43	78.10	87.44	-10.69	30.03	28.83	3.91	3.58
Czech Republic	529.68	518.96	2.07	228.74	280.35	-18.41	24.48	24.66	12.24	11.55
Estonia	47.81	54.22	-11.81	28.51	31.04	-8.16	24.65	26.80	1.11	1.21
Hungary	373.52	381.34	-2.05	119.81	150.35	-20.31	37.66	36.98	8.63	8.49
Kosovo	26.09	26.78	-2.58	14.67	14.82	-1.00	58.41	57.42	0.60	0.60
Latvia	46.92	53.41	-12.14	29.16	29.01	0.53	16.02	16.55	1.08	1.19
Lithuania	114.22	125.24	-8.80	71.48	71.80	-0.45	34.65	36.65	2.64	2.79
Macedonia	30.64	34.46	-11.09	13.94	16.47	-15.33	43.74	48.14	0.71	0.77
Montenegro	17.39	18.64	-6.66	5.92	6.22	-4.92	46.52	47.93	0.40	0.41
Poland	1,629.59	1,790.80	-9.00	1,002.49	1,099.70	-8.84	34.07	35.33	37.67	39.87
Romania	426.73	425.05	0.39	329.62	329.95	-0.10	45.43	46.65	9.86	9.46
Serbia	148.59	144.84	2.59	46.90	44.94	4.36	39.90	40.62	3.44	3.22
Slovak Republic	189.72	184.40	2.89	96.21	114.57	-16.02	27.95	27.83	4.39	4.11
Slovenia	157.73	153.57	2.71	79.77	85.14	-6.31	15.88	16.28	3.65	3.42
Total CEE	4,325.79	4,491.32	-3.69	2,330.40	2,538.61	-8.20	32.55	33.28	100.00	100.00

TOP 5 CEE MTPL insurance markets as GWP (EUR million) & market shares (%)



Weight of MTPL GWP in non-life business





Estonia

The motor insurance segment (MoD and MTPL, summed) was the driver of the non-life insurance market's decrease in 1H, due to more than EUR 10 million decrease reported. In absolute values, the largest decreases in non-life payments were also reported by the two motor insurance LoBs: MoD (EUR-3.16 million and MTPL (-2.53 million). In fact, this new reality is due the decrease by a quarter recorded by the number of accidents during the emergency period. Yet, claims expenses have not decreased to the same extent. On one hand, heavy traffic accidents still happened, and the value of the losses is significant. On the other hand, the number of minor accidents reported in the parking lot, a segment that brought the largest number of payments, decreased considerably during the pandemic, largely as a result of the large shopping centers' closing. Parking places near apartment buildings and grocery stores became the main scenes port the minor accidents segment.



Hungary

While in financial results terms, motor insurance lines demonstrated no significant events in the first half of the year, on the legislative side, one of the most notable "movements" is the central bank's intention to change the premiums paid by customers on MTPL insurance (kgfb in Hungarian) by January 1, 2021. In mid-September, it called local insurers to review the tariffs taking into account the "kgfb database" which has been accessible to insurers now for three quarters. Thus, MNB expects from MTPL insurers the premiums to be calculated on statistics even from market players without their own databases and informed that it will not accept lack of data as justification for increasing premiums on clients.

Excessive tariffs, which are even two to three times bigger than the MTPL base fee, are also considered to be a bad practice, detached from damage statistics. This is because they can override the risk-based tariff calculation and can affect the bonus-malus system, representatives of the MNB explained. Thus, MNB called on MTPL insurers to review their tariffs and, if necessary, to amend them so that they comply with the mentioned principles from 1 January 2021. MNB announced it will start to check the MTPL fees after a six-month grace period, from July 1, 2021.



Poland

Motor insurance classes saw a negative dynamic, but on the paid claims side, as stressed out by PIU (Polish Chamber of Insurance) representatives, despite the pandemic and restrictions in vehicle traffic, payments were at a level similar to last year's.

An important change was brought, in July 2020, by the amendments to the Act on compulsory insurance, the Insurance Guarantee Fund and the Polish Motor Insurers' Bureau, as well as the Act on insurance and reinsurance activity, introducing new rules for the supervision of foreign insurers. In short, besides

several administrative tools, in case of an urgent case, in order to immediately remove or prevent the occurrence of further irregularities, the Act allows the Polish Financial Supervision Authority (KNF) to treat the foreign insurers as the domestic ones, while notifying the authority in the country of origin about the emergency procedure.



Romania

Motor classes, MTPL and Motor Hull, continued to hold the largest market share, accounting together for 56.5% (-0.7 pp.) of the total GWP. Despite the restrictions on movement, caused by the pandemic, motor insurance GWP remained at the 1H2019 level of EUR 656 million. At the same time, fewer claims in the second quarter resulted in a significant improvement of the motor lines' combined ratio, to 108.48% (120.46% in 1H2019) for Motor Hull and 107.39% (116.43% in 1H2019) for MTPL. Yet, only the year-end results will confirm if the improvement reflects a long-lasting trend or not. In a period of decreasing cars sales, the motor insurance market grew slightly rather due to a combination of conjunctural factors, as the increased preference for half-year MTPL policies of the retail customers etc.



Serbia

No doubt, motor insurance remains the largest market segment, accounting for over 40% of the market GWP. In 1H2020, the total motor business amounted to EUR 194 million in 1H, increasing y-o-y by 2.91%. On the paid claims side, the lockdown caused by the Coronavirus outbreak helped reducing the high pace of the claims expenses growth from 16.4% in Q1, to 3.86% in H1. The decrease of about 25% of the expenses with motor insurance claims in Q2, as compared with Q1, has contributed also to the improvement of the aggregated non-life combined ratio in self-retention, from 83.3% in Q2 2019 to 77.5% in Q2 2020. Other factors that have helped improving insurers' profitability were the growth of the relevant premium in self-retention and the lower operating costs.



Turkey

Motor insurance lines hold together the largest share of the non-life portfolio. Both saw a positive evolution in local currency, but not at high enough paces to offset the currency effect. Thus, in Euro their dynamics were negative, which led to a reduction of the motor insurance segment's weight from 39.6% to 35% in 1H2020.

As of 1 April, new provisions were introduced in the general rules related to compulsory MTPL, providing for standardized criteria for the compensations calculation. The new calculation method takes into account previous judicial decisions relating to motor insurance compensation and provides for a unitary approach in the compensations calculations, including depreciation calculation and establishing the value of compensations for bodily injuries. In addition, the list of documents requested for processing accident compensation payments was also made clearer.

CIS MOTOR INSURANCE MARKET 1H2020

Delayed reforms

CIS motor insurance markets were also affected by the pandemic crisis, although to a different extent as compared with the CEE region, as onset of the crisis occurred later in time. Nevertheless, similar to the non-EU CEE markets, Green card and border insurance were the most impacted motor insurance lines because of the traffic restrictions. However, most probably the third quarter of the year will show a more relevant image of these markets in crisis' impact terms.

One should note that, despite the challenging business environment, in many of these markets the process of modernization of the motor insurance business continued. Yet, there are also examples of markets where long awaited regulatory changes were postponed, their importance being shadowed in the eyes of the legislative power by the emergency situation.



Armenia

Restrictions on movement and use of vehicles has led to a GWP decrease in MTPL and Motor Hull as well, nevertheless, motor insurance continued to dominate the Armenian market portfolio, accounting for almost 47% of the total GWP.

The share of electronic MTPL policies within the total number of MTPL insurance contracts in Armenia, as of June 2020, increased to 13% from 4% a year ago, according to the Bureau of Motor Insurers of Armenia. At the same time, the total number of all concluded MTPL contracts, on the contrary, dropped by 13.3%.



Azerbaijan

This year's insurers' agenda is made by the necessary changes in insurance legislation, especially related to compulsory insurance. MTPL rates, controlled by the state, remained unchanged since 2011, while the overall market conditions changed a lot. As a result, this market segment became highly loss-making. The bonus-malus system also needs to be reviewed, since it has already led to 40% decrease of the average premium amount, and insurers do not have enough reserves to sell this product in an effective way.



Georgia

The introduction of compulsory third party liability insurance was again postponed and, presumably, this issue will appear in next year's agenda, said David ONOPRISHVILI, Chairman, Insurance State Supervision Service of Georgia, noting that the new

coronavirus prevented the adoption of the law.

Insurers, through their Association offered the government different terms for the law to come in force. In particular, they have suggested that the adoption should take place in stages, just like it was done with the regulation on technical inspection of vehicles.



Russia

The decreasing bank loans and sales of new cars led to a decrease in Motor Hull GWP. But the loss ratio decreased as well due to reduction in the number of insured events. MTPL volumes hardly changed y-o-y due to the compulsory nature of this insurance type. At the same time, thanks to restrictive measures during the pandemic, paid claims dropped by 6.2%.

The total number of MTPL contracts concluded during the period decreased by 1.3%. However, in June the trend reversed, after most of the quarantine restrictions were lifted. In GWP terms, the pressure on prices is expected to increase as the amendments to the law on MTPL, aimed at tariff individualization, are increasing competition.



Kazakhstan

Domestic MTPL is one of the very few non-life insurance classes recording a positive growth rate. At the same time, the number of Green Card policies dropped by 40.8% y-o-y, to 296.9 thousand units, mostly because of the restrictions on the international transport due to the Coronavirus pandemic. However, despite all challenges, MTIBU (Motor (Transport) Insurance Bureau of Ukraine) representative believe that the sector demonstrates stable performance and has even improved service quality.



Kyrgyzstan

At the end of June 2020, the lower house of the Tajik Parliament approved the law "On compulsory insurance of liability of vehicle owners", aimed at increasing competition in the segment. Previously, there were only two insurers providing MTPL insurance. The new law provides for higher compensation amounts for damage to life and health (from ~USD 580 to over USD 3160), and similarly for damages to property of victims.



Jens Kawelke

Competence Unit Manager – Requirements Engineering | Financial Services, NTT DATA Germany & the **BAT** (Business Analysis Team)

Jens Kawelke is the head of the business analysis team in the insurance section at NTT DATA in Germany. The team consults insurance clients and mainly supports in agile software development projects. It consists of experts in requirements engineering, user interface and user experience design, supplemented with deep knowledge of insurance and reinsurance processes and divisions. This article is a result of a joint effort of the team. Apart from Jens, Jan Pensel, Josephine Tan, Sarah Lempert, Janika Pelz, Elisa Olalde and Tim Looke were the main contributors.

This article is based on a research on motor insurance portals in Germany, Switzerland and Austria by the NTT DATA team. They analysed the reasons for poor customer experience in some of those portals and share their experience with developing successful websites.

You want more customers to sign up online! This is how...

The Customer Journey Funnel

A customer journey is the end-to-end process of a customer looking to meet their needs. It includes all points of interaction between existing or potential customers and a brand, product or service. These touch points must be clearly identifiable so that a strategy and its measures can be derived from them. The focus is to optimise the customer journey, so that the needs of existing or potential customers are fully met, while generating positive experiences. In the end, this approach should lead to customer loyalty.

How can this approach be implemented in practice?

According to the current GDV (Association of Insurers in Germany) sales statistics, almost 20% of all car insurance policies are concluded online.

It is therefore important for insurance providers to take a closer look at this customer journey and to optimise it if necessary.

The Customer Journey progresses through five stages, shown here as the Customer Journey Funnel. At each stage, the insurance provider tries to gain new and retain existing customers. In order to achieve this, each stage must be fully comprehended and measures must be taken to build loyalty, so that customer loss is minimal.

The Customer Journey starts at the **Discovery** stage, where potential customers explore the brand and its business.

Is the customer aware of your business and credibility through positive experiences?

At the second stage – **Advice**, potential customers examine the offer and compare similar products.

Is the customer able to access and compare all the relevant and convincing information to consider purchasing your product with minimum effort?

Next, at the **Quote** stage, customers evaluate the results of the Advice stage.

CUSTOMER JOURNEY FUNNEL



Is the customer reassured and happy before the final step is taken?

At the **Sign-up** stage, a potential customer becomes an existing customer by accepting a convincing offer.

Is it easy for the customer to make the purchase on the spot with minimum risk or hassle?

If the customer is enthusiastic about the product, add-ons or other products at the **Repeat Purchase** stage are made and the insurer is recommended to others.

Is it easy for the customer to modify the product or purchase additional products as required anytime and anywhere?

Accompanying existing or potential customers on their online journey is a challenge that requires a sophisticated user interface and a user experience concept, starting with an attractive website.

What makes a successful website

There are two well-known website design principles to keep in mind in order to deliver enjoyable customer experience:

- ▶▶ Meeting the needs of your customers
- ▶▶ Making the workflow completely intuitive

Those websites, which incorporate the above principles, are easy and fun to use. Also, a clear structure, which takes the customer's natural and cultural behaviour into account, is important, such as size, colour, hierarchy, placement, behaviour of user interface (UI) elements etc.. All elements have their function and purpose. Let us consider them in more detail.

Navigation must be effortless and easily understood, so that potential customers or users do not feel lost. A lost user will simply leave. Users visit platforms and websites with a clear goal, so it is particularly important that the navigation structure does not confuse them. The main navigation must be always visible, without the need to scroll up or down. In addition, using animated scroll anchors is likely to attract the user's eye and lead them to the next element.

Another point to keep in mind is our need for safety or risk reduction. As insurance insiders, we are aware that individual

needs for safety can differ, but in general, people tend to avoid taking risks. This is also the case when dealing with unknown companies, products and services. Customers trust other customers' product feedback if they have no experience with the product under review. Prominently displayed reviews, certificates and assurances that the statutory standards are maintained help people build mutual trust. This means that communication between customers is crucial and should be enabled and maintained.

The third point may be a hard pill to swallow: we rarely commit to in-depth reading online. We scan. Thank you for staying with us for so long... According to the Nielsen Norman Group, website visitors only read 28% of the text and leave after 10-20 seconds. With this in mind, all website text must be kept as short as possible. Online users have a short attention span, and smart calculators and tables can help users find suitable products and quickly grasp the most suitable insurance premium. Where long paragraphs of text are inevitable, break them up with graphics and images to help users stay focused. Ask yourself: are the advantages of my selling point summarized enough for any potential customers to make their decision to join at the Quote stage within 10-20 seconds of looking at the offer? Does your customer go from Advice stage to the Quote stage in 10 to 20 seconds?

Finally, if, despite all the effort you put into the customer experience, your user gets lost, make support straightforward with one easy click. Build in chat functions or even chatbots which will provide answers automatically and efficiently at any time.

Naturally, the product has to appeal to the potential customers but this is something the product experts are responsible for. However, the possibilities offered by web design allow integration of non-traditional elements so that the platform is not just a tedious digital replacement for a paper brochure.

How can we increase the chances of our insurance portal "converting" prospective customers into actual customers? Summarized, below are some properties and examples found on successful portals:

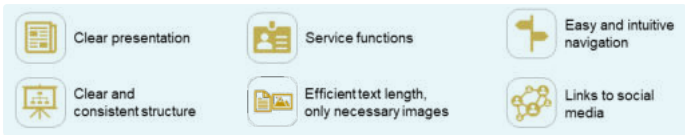
Property	Example
Easy and fun usage	Icons, Scales, Comics
Intuitive Navigation	Breadcrumbs
Reduced Risk and uncertainty for the customer	References and customer ratings
Detailed visualisation	Graphical elements
Help with specific questions	Contact details, chat functions, chatbots, FAQs
Moderate social media links	Show them discreetly at the bottom
Transparent info on products and pricing	Must be easily accessible and clearly arranged
Clear comparison of options and products	Comparison tables or charts

Motor insurance portals: quality analysis

What are motor insurance portals good at and how can they be optimised?

To clarify this question, NTT DATA evaluated and analysed the websites of various motor insurance providers in Germany, Austria and Switzerland. The analysis was conducted in three stages.

1. The first stage was all about defining the criteria used to analyse websites. Based on the considerations above, twenty analysis criteria were selected, further subdivided into six categories. One example is the "Easy and intuitive navigation" category. The criteria "Users can see where on the website they are at any time" and "Users can easily navigate to their destination" are part of that category. Below is the chart representing six different website analysis categories.



2. The selection of motor insurance providers, whose portals were analysed, was the aim of the second stage. The focus was on the companies, which are established on the DACH market. The selection was based both on the analysis of the Kölner Institut für Versicherungsinformation & Wirtschaftsdienste and on the market share data of the Austrian motor insurance market from 2019.

3. The analysis was performed as part of the third stage, where the analysis criteria from stage one were applied to the portals of the motor insurance providers selected in stage two. To achieve the best quality results, the evaluation was undertaken exclusively by the experts with relevant experience in the area of UX and UI.

The most striking about the outcomes of the analysis where only established providers were taken into account was the range of distribution of quality of different motor insurance portals. While top-performers implemented nearly 94% of the analysis criteria, the worst performing portals boasted only 44% of the criteria. On average, the selected motor insurance portals were positively evaluated only at 73% of the criteria. The following figure shows three key takeaways of the analysis.



Only in the categories of "Service functions" and "Links to social media" over half of the analysed websites performed well. The worst performance could be observed in the category "Easy and intuitive navigation", while the categories "Clear presentation", "Clear and consistent structure" and "Efficient text length, only necessary images" also showed great potential for optimisation. The percentage of the companies who scored well for each analysis category is displayed below.

Category	% of portals with positive evaluation
Clear presentation	31%
Clear and consistent structure	31%
Easy and intuitive navigation	8%
Efficient text length, only necessary images	46%
Service functions	69%
Links to social media	69%

Motor insurance portals: objective analysis

In addition to a subjective analysis of motor insurance portals, user behaviour and the portal performance can also be analysed objectively. Various analytics tools are used to measure performance and uncover the portals' weak points.

With the help of sophisticated analytics tools that record user errors, behavioural anomalies and other relevant events directly in the clients browser, NTT DATA and their technology partners are able to measure performance and analyse user experience of any website in real-time. With such advanced Java Script instrumentation, we would filter errors or frustrating user experiences and drop offs and analyse their root causes.

First, hypotheses are set up and questions are raised. These are checked and answered, respectively, by tracking and analytics. In cooperation with our partners, session recordings, form analytics, click paths, time, number of clicks, anger clicks, scrolling behavior, heat maps and error detection are collected, filters applied and used to test the hypotheses. These different analytics and tracking tools are selected and used depending on the hypotheses and questions raised.

To illustrate, here are two examples of the benefits, these analytics tools can deliver:

1. A hypothesis that there is a certain point where most users drop out of the journey can be tested by analysing the drop-off rate at that point.

2. If, on the other hand, a new UX design is to be tested with A/B testing, it can be hypothesised, that with the new UX design users will need only half as much time to get to a product, compared to the old design. The testing of this hypothesis could be done by time tracking the journey, comparing the timings for the old website and the optimised UX version.

Therefore,

- » the hypotheses are tried by tracking and analytics, resulting in confirmations or refutations;
- » adjustments to the portal are made;
- » conclusions are drawn about their success.

The process of objective analysis is iterative. After testing, new hypotheses are again established and verified by data. With this iterative approach we evaluate the website's performance with each new release and make sure that the development leads to increased user experience and simplified customer journeys.

The basis for success

To be successful, the right approach in the software development of the project is crucial.

Before going into detail, let us consider very important roles on the project: requirements engineers (RE) and designers.

In RE, the focus is on elaboration, documentation, validation and management of requirements. There are functional and quality requirements as well as requirements related to boundary conditions. The documentation can be produced in a text or model-based format, ideally using a combination of both. Modelling languages, such as the UML (Unified Modeling Language) and BPMN (Business Process Model and Notation), are used.

In design, the main goals are creating and optimising the system design. Here, design can be split again in user experience (UX) and user interface (UI) design. Apart from some traditional aspects of software development, the UX design features ergonomics and psychology. International standards are summarised in the Web content accessibility guidelines. The basis for UI design elements is the so-called "Design System" that should be specifically defined for a company.

Coming back to the qualitative portal analysis, each of the negative findings was placed in one of three categories:

- » Not enough investment in requirements engineering;
- » Not enough investment in design;
- » Not enough collaboration between RE and designers

Not enough investment in requirements engineering

It took many years to establish professional RE in software development because the return on investment was hard to quantify. However, in the first decade of the century, the importance of RE was widely recognized as this was also the time when a triumphal march of mobile devices and apps started and with them the importance of an easy-to-use user interface was established.

User Experience and User Interface Design for mobile apps and

web applications quickly gained traction. With this, willingness to invest in professional RE, which has a much more specialised understanding of the underlying business background, declined. As it became clear from the analysis, there are motor insurance platforms in Austria and Germany, where this lack of business understanding is obvious.

Lack of product presentation on a website is one of the classic examples of not enough RE. However, a potential client can only make a purchase if the product is clearly laid out and is easy to buy.

Missing premium calculators for customer-specific quotes lead to low engagement and missed contracts, which serves as another example seen on some car insurance portals. Instead, users have to download additional information or request a callback.

Not enough investment in design

On the other hand, there are still insurance providers, who tend to believe that their products speak for themselves and their lead in the market share will never be challenged. They show a failure to invest in professional UX design on their platforms. They might employ front-end developers who have experience in designing web interfaces but no deep knowledge of UX or even use cheap customised templates for their needs.

One example of insufficient UX design is the lack of layout adjustment for the mobile versions of some providers' online portals. When this happens, contact details are overlaid with text and tables are not optimised for mobile devices.

Not enough collaboration between requirements engineers and designers

Straightforward investment in requirements engineering and design is not enough. Sometimes very experienced design agencies are taken onboard to design a very modern website or app interface. After they delivered, the requirements engineers add the necessary business underpinnings without ever talking to the designers. At the final stage, the front-end developers merge both aspects for publishing. The result is predictably far from a coherent product, expected by the client with so many experts involved but instead feels unstructured and difficult to use.

Insufficient use of a well-known design element called "breadcrumbs" is one example of such poor collaboration between UX & RE. Breadcrumbs enable the user to find the way back to the homepage easily, or to quickly navigate to different website levels.

On one of the analysed portals, some breadcrumb elements were clickable and some were not. This might result from reusing the hierarchy of the navigation sidebar.

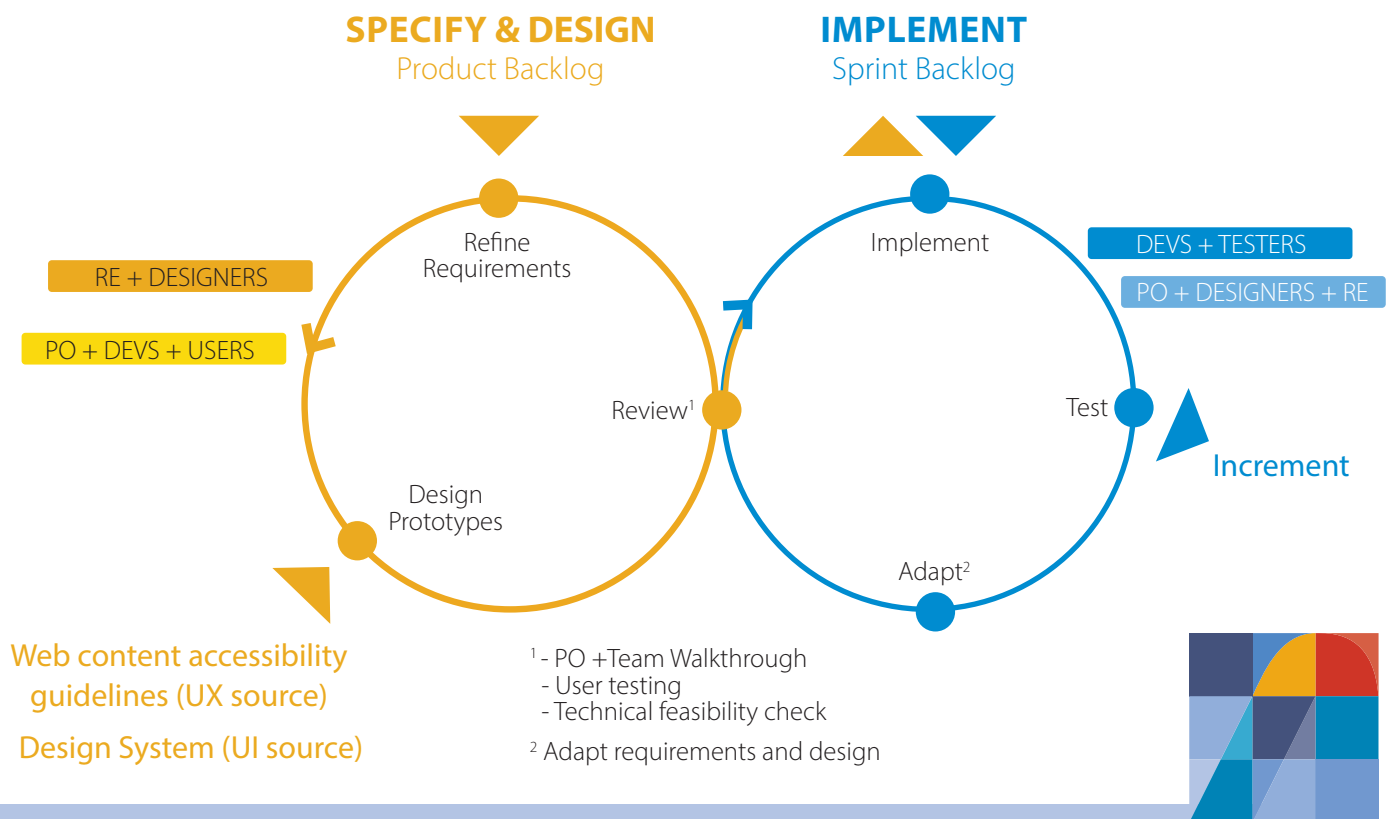


What is the solution?

How should a good collaboration work? First, make sure that requirement engineers and designers are integrated in your project from the outset. We have had good experience with splitting the agile development of User Stories from the product backlog into a “specify and design sprint” and an “implementation sprint” (see graph below). At the beginning of the “specify and design sprint”, the requirements engineers start by elaborating,

analysing and documenting the requirements on a high level. All visual prototypes created by the designers are based on these requirements. They are used again to refine the requirements further through a close collaboration of RE’s and designers with the product owner. Technical feasibility is under constant review by the developers. In addition, user acceptance tests using prototypes are performed with potential users for early feedback. This continuously applied approach is the basis for a successful application or portal.

USER STORY IMPLEMENTATION CYCLE



Summary

Encouraging customers to sign a contract requires a clearly structured website, intuitive navigation, convincing product presentation and an easy-to-use portal design. Only then prospective customers can be convinced of signing up to your offer. Motor insurance portals are only successful with a high completion rate, if they meet a set of criteria. These are worked out and implemented only as a result of cooperation between developers, requirements engineers, designers and users and supported by the appropriate tools.

Implement our success ABC in order to develop and maintain a proficient system to bring in more customers:

By applying these principles, a successful portal to drive your business forward will be developed. Remember the Customer Journey Funnel? Let us work together to widen it, making it a clear pathway for every user from the first visit to a successful sign-up.

A

Use of **A**nalytics tools

B

Invest in **B**oth, RE and design

C

Close **C**ollaboration of requirements engineers and designers in an agile project



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The Inevitable Future: Digital (R)Evolution in Business Models

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Berk BACAĞOĞLU is known as an experienced, disciplined and highly-motivated Chief Information Officer who has worked in Telecom, Finance and Insurance industries. AbBank, Turkcell, Bt-Group It Corp, Acibaden Healthcare Group are some of his career's milestones. Berk has a bachelor degree in computer engineering from Bilkent University and an MBA degree from the Yeditepe University.



Technology alone is not enough. If not supported with enterprise transformation, technology's success will be limited. Insurance companies need to align their to-be technology transformation with their business value.

As well known, the main businesses of Insurance Companies are revolving around Policy Creation, Claims Management, Billing and Collection. You might add some supporting businesses like Channel Management to that.

As such, the main concern and the main business is not technology. And on the other hand there are new competitive threats, cost pressures, aging technology, new online distribution channels pushing businesses to make significant changes. Also there are some external changes like new technology companies emerged as competitors in insurance sector or IOT devices like wearables, sensors in household appliances and connected vehicles may disrupt existing insurance business models. These are the realities of the insurance companies are facing today.

According to a research, half of the insurance leaders think that, in the future, "most existing insurers will not survive, at least in their current form." So Digital Transformation is a must to some extent. With the rise of Artificial Intelligence, it is not possible to think of digital transformation without artificial intelligence.

As Google research director Peter Norvig said in an interview about artificial intelligence "We don't have better algorithms. We just have more data ". In order to reveal the real value of Artificial Intelligence, it is necessary to have big data and to invest in technological infrastructure and data scientists that can process this data.

According to Elon Musk, "The pace of progress in artificial intelligence is incredibly fast. Unless you have direct exposure to groups like Deepmind, you have no idea how fast—it is growing at a pace close to exponential."

Gartner defines artificial intelligence as "Amazing Innovations" It plays a key role in achieving new and previously unattained values.

While artificial intelligence studies continue in sub-branches such as Machine Learning, Natural Language Processing, Image Processing, Speech Analysis, Robotics it continues to affect the Insurance Sector as in other sectors.

As Insurance Information and Monitoring Center (SBM), we closely monitor technological developments and deliver new products and services to the market. As known, SBM was established in 2003 by Republic of Turkey Ministry of Treasury and Finance, as a legal entity within the body of Turkish Insurance

and Reinsurance Companies Union. SBM's goal is collecting the insurance sector data in a single center (annually transaction volume passes through SBM is TRY 50 Billion) to provide reliable, meaningful information and statistics to ensure that the sector is able to make healthy pricing.

The other goal is to increase the trust in the insurance system by preventing fraud and to help enable public oversight. As SBM, our vision is being a global brand with innovative products and services that give benefit to insurance sector. In order to support this vision, we present many products and services to the sector. Such an example is **Claim Inquiry Service** that SBM offers; the goal is to help users to access information of a vehicle without having to contact an agent.

With the project initiated in cooperation with GSM Operators, users can send an SMS message to a short number to get information such as the claim history of their vehicle, vehicle details, parts replaced based on the expert report and the latest status of their accident report if they were involved in an accident.

Couple of months ago we enhanced the service using NLP (Neuro Linguistic Programming). SMS Channel receives millions of queries every month. Statistics show 9-10 percent of all car insurance and damage queries received through the SMS channel are bad/mistyped queries (approx. 100K monthly). Those queries cannot be replied with the desired information.

As a solution; we analyzed bad query patterns and implemented an intent classification NLP (Neuro Linguistic Programming) module. Now, Claim Inquiry Correction Software for Car Insurance and Damage Query Service understands the intent of the client and processes the bad query and regenerate the good ones. Business impact was huge;

- » 98 percent of the bad queries are corrected;
- » as a result of corrected queries, 85.000 customers are satisfied every month by providing them the information they needed.

Besides all, better customer experience is established from scratch. With this study, SBM was awarded the third prize in the Future of Work category at the IDC CIO Awards 2020.

In terms of **fraud detection**, all insurance data is collected cumulatively and we identify organized frauds using machine learning technology. Then a criminal complaint is made on behalf of the insurance companies and the task of coordination is undertaken on behalf of the sector. In Motor branch, we have started to make predictive models using machine learning technology which we have provided business value since 2015 (only in Motor branch we have detected 125.000 fraud files and

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saved millions of Turkish Liras). Now we are expanding the fraud calculations firstly on fire branch then all other branches.

Another AI powered new product that SBM provides is the **Mobile Accident Report Application 2.0 (MAR 2.0)**. Turkey met the Mobile Accident Report (MAR) Application in 2014. Without the need for a pencil or paper, you can fill out the report in 5 minutes by taking photos and/or videos of the accident.

Accident Reports are immediately forwarded to Insurance Companies for their evaluation. And this reduces the accident report conclusion time to 2 days. Currently, studies on MAR 2.0 are continuing. When the development will be completed, the



system will calculate the estimated damage amount with the help of image processing techniques. MAR 2.0 will support a chatbot feature. Depending on the severity of the accident, an emergency call will be made and ambulance or assistance service will be directed to the accident location.

The above mentioned features can only be available through learning systems. To achieve that it is very important to train the system with the right and adequate data. We are fortunate that hundreds of thousands of accident data (accident reports, defect rates, expert reports) are available in SBM. By using them as training data, we will be able to increase efficiency with the help of machine learning algorithms.

Digital transformation will continue to be a defining trend for insurance companies over the next decade because it improves almost all aspects of the value chain.

In 2021, as SBM, we want to focus on Digitally Engineered Underwriting, Intelligent Process Automation, Usage Based Insurance, Insurance Wallets and Wearables technologies.

A serious technology infrastructure is being created in SBM for these projects planned to be carried out in the future. With the introduction of 5G in our lives in the upcoming period, the number of smart devices that can connect to the internet will continue to increase. These devices can learn user habits by themselves through machine learning and deep learning techniques, and able to make decisions and take actions on their own without any directions given to them. In addition, thanks to Internet of Things (IoT) technology the data obtained from these devices will populate Big Data environments.

We are talking about a great potential here so it is not a coincidence that tech giants have great interest and investment in insurance sector. Google invests in a lot of insuretechs. Autonomous vehicles are not a distant future anymore. Companies like Tesla also sell insurance along with vehicles. IoT will be among the factors affecting the industry, turning the sector into a proactive structure. With the help of IoT, insurance companies must reach the position of avoiding risk before the claim ever happens. Insurance Companies should improve their business with partnerships such as Google and Amazon. Of

course, the use of technology alone is not enough. If we do not support technology with enterprise transformation, success will be limited. Insurance companies should align their to-be technology transformation with their business value.

We all know that a technology without business value output does not last very long. Therefore, whether it is Artificial Intelligence or a different technology related to digitalization, it should first set out to serve business purposes.

Artificial Intelligence and the business value it provides should be evaluated under two main topics. The first topic is capitalizing on the power of technology to revisit business models. Insurers that digitize the enterprise in this way can replace slow, error-prone and expensive processes with increased speed and accuracy with the help of the technologies under the umbrella of artificial intelligence. The second topic is to commission new business models that have not been done before or could not receive priority due to technical constraints. It may also be useful to look at pioneer projects such as GPT-3 to see where Artificial Intelligence has reached.

For all of the topics mentioned, data on hand should be analyzed deeply. If your data is not sufficient enough, it is necessary to enrich data by creating different channels (mobile applications, web applications etc.) by obtaining location and behavior information that may come from these channels. Public data available outside can also be used. Sharing data on the basis of micro segments with some banks or telecom operators is also another way to increase the volume of data which will make your artificial intelligence engines work much more efficiently.

Today's insurance companies face a time of tremendous change, thanks to changing customer expectations and increased competition from new players in the market. To meet these challenges, the insurance sector is turning to digital transformation. It seems Digital transformation will continue to be a defining trend for insurance companies over the next decade because it improves almost all aspects of the value chain. It improves customer retention. It aids in improving employee satisfaction. It reduces costs, provides better insight.

And of course there are some challenges like cultural change and re-modernizing all processes of the company which are just as important as technology upgrades.



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Our Group is celebrating 30 years in CEE. In 1990, we began expanding into Eastern Europe and this first-mover advantage laid the foundations for our market leadership. This has enabled us to become the number one in CEE, a region which now accounts for more than half of our profit and premium income. To find out what also matters to us, visit www.vig.com