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The Croatian Insurance Market - the role of the Croatian Insurance Bureau





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The Croatian Insurance Market (2014)

Financial Institutions in Croatia - 2014

Financial Intermediary	Assets in HRKmn	%
Commercial Banks	395.898	72.62%
Mandatory Pension Funds	66.282	12.16%
Insurance and Reinsurance Companies	37.446	6.87%
Leasing Companies	19.145	3.51%
UCITS Investment Funds	12.978	2.38%
Housing Savings Banks	7.771	1.43%
Voluntary Pension Funds	3.248	0.60%
Alternative Pension Funds	2.415	0.44%
TOTAL	545.183	100.00%

The Croatian Insurance Industry



25 Insurance Companies

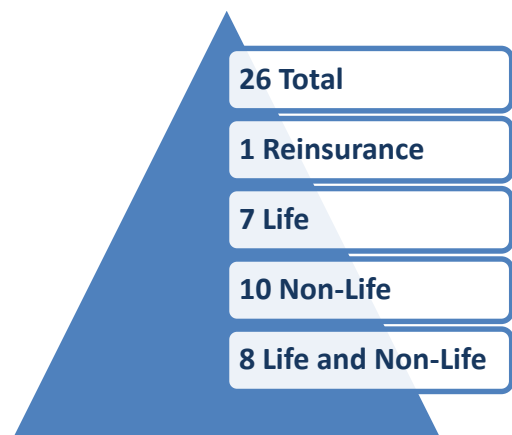
1 Reinsurance Company

41 Brokers

389 Agencies

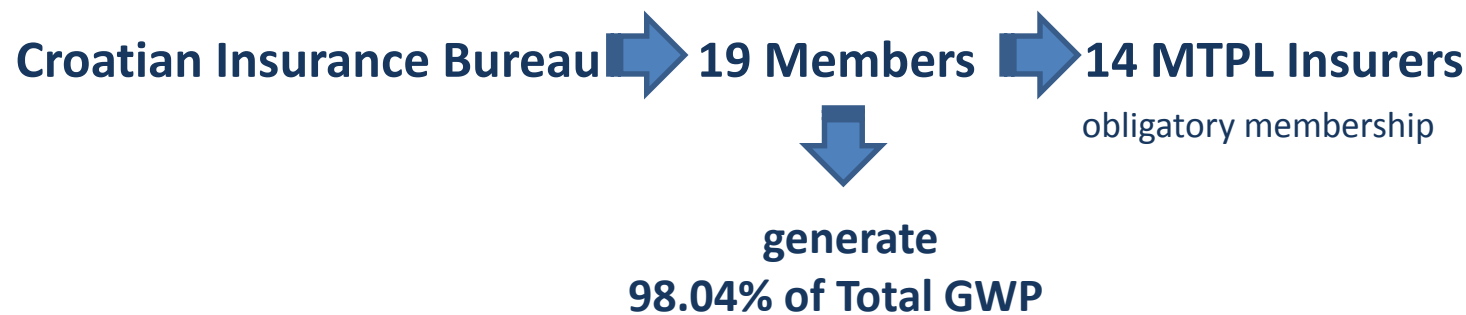
**23 Banks authorised to
conduct insurance
representation activities**

Insurance and Reinsurance Companies as at 31/12/2014



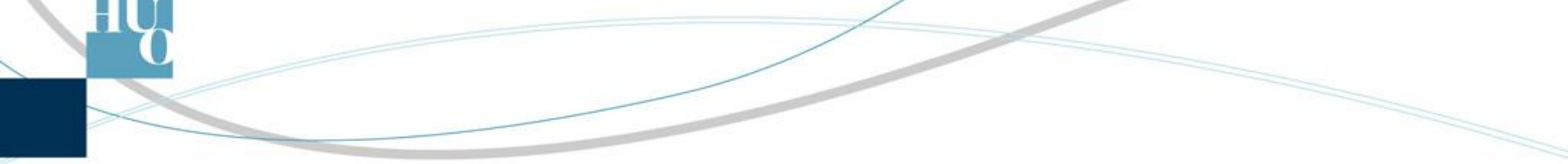
Insurance Companies by Ownership and
Insurance Business Written

2014	Domestic	Foreign	Total
Composite	1	7	8
Non-Life	8	2	10
Life	2	5	7
Reinsurance	1	0	1
Total	12	14	26



15th obligatory Member as from 23/01/2014 Ergo osiguranje d.d.

Take-over of Basler osiguranje Zagreb d.d. by UNIQA osiguranje d.d. on 01/09/2014



Premium Breakdown by Company Ownership – 31/12/2014

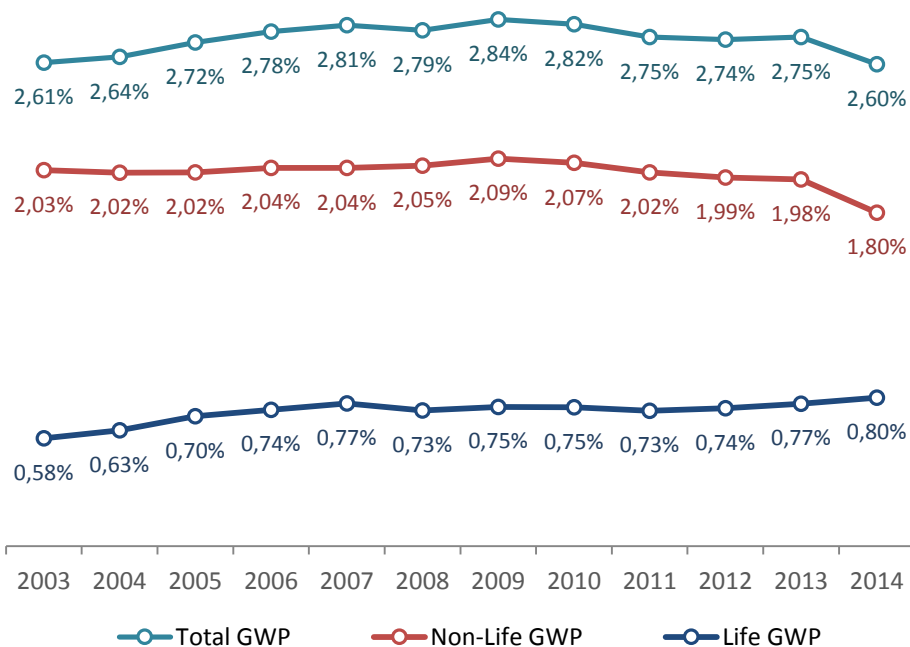
	Domestic Majority Ownership	Foreign Majority Ownership
	11	14
Total	52.01 % of Premium	47.99 % of Premium
Life	22.54 % of Premium	77.46 % of Premium
Non-Life	65.13% of Premium	34.87 % of Premium

Market Concentration

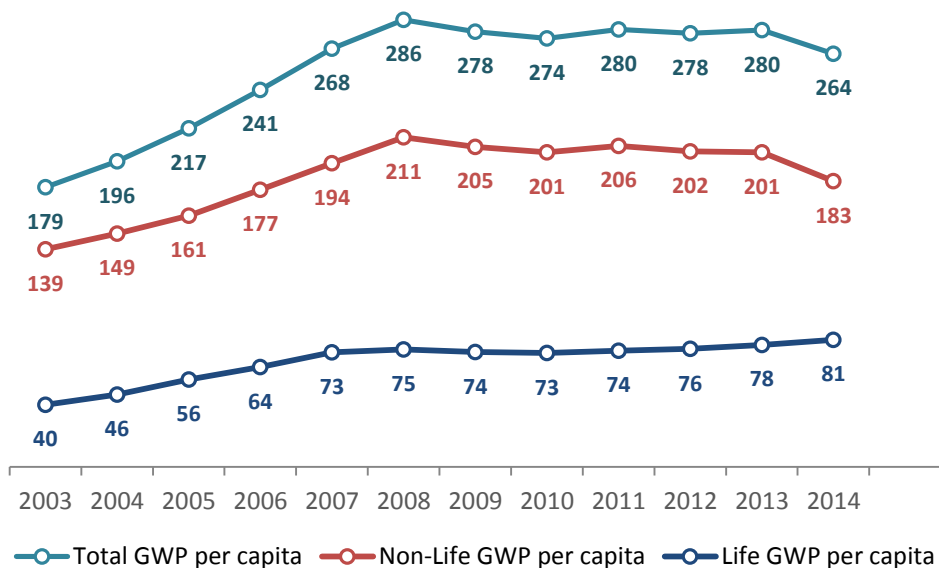
Total				Non-Life				Life			
		2013	2014			2013	2014			2013	2014
1.	Croatia	28.9	26.6	1.	Croatia	34.7	32.3	1.	Allianz	18.6	20.5
2.	Allianz	13.0	14.2	2.	Euroherc	14.8	14.7	2.	Croatia	14.0	13.9
3.	Euroherc	10.7	10.2	3.	Allianz	10.8	11.4	3.	Uniqa	12.6	12.2
4.	Uniqa	7.5	6.9	4.	Jadransko	9.6	9.4	4.	Wiener VIG	10.6	10.7
5.	Wiener VIG	6.1	6.6	5.	Uniqa	5.5	5.6	5.	Grawe	9.7	9.3
Top 5		66.2	65.3			75.4	73.5			65.5	66.6
Top 10		88.4	87.7			93.2	93.0			96.0	96.2

Insurance Density & Insurance Penetration - Croatia

Insurance Penetration (Premium in % of GDP)



Insurance Density (Premium per capita in €)



2013

7.68%
average insurance
penetration

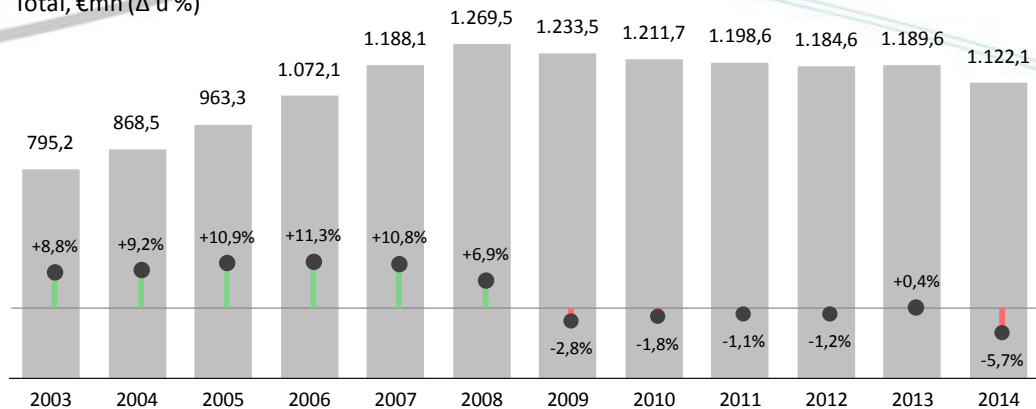


2013

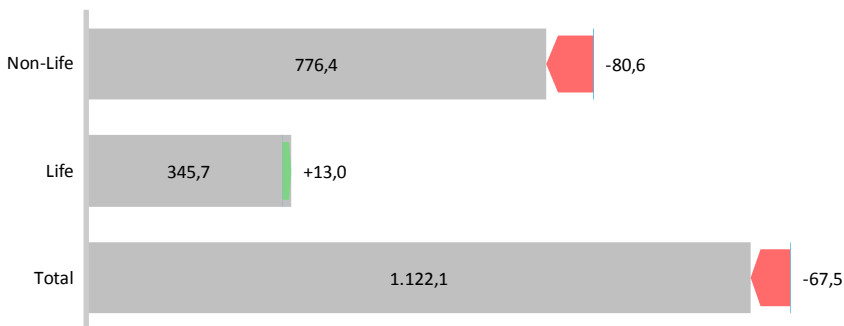
€1 883
per person spent
on insurance

Premium and Growth Rate 2003 - 2014

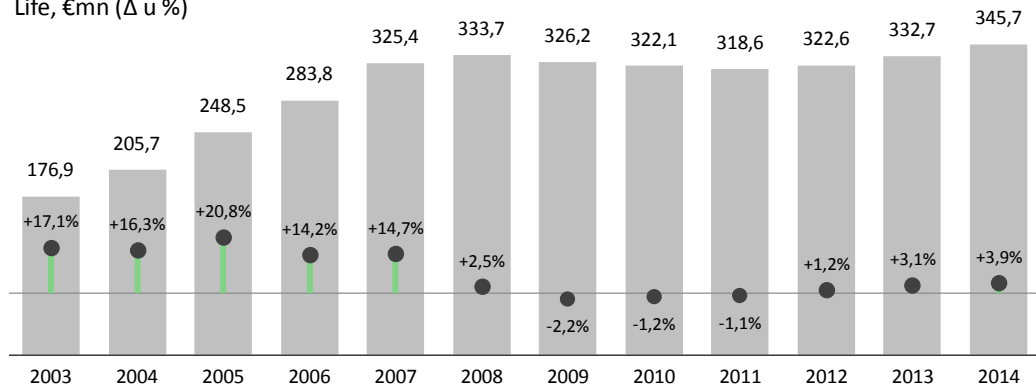
Total, €mn (Δ u %)



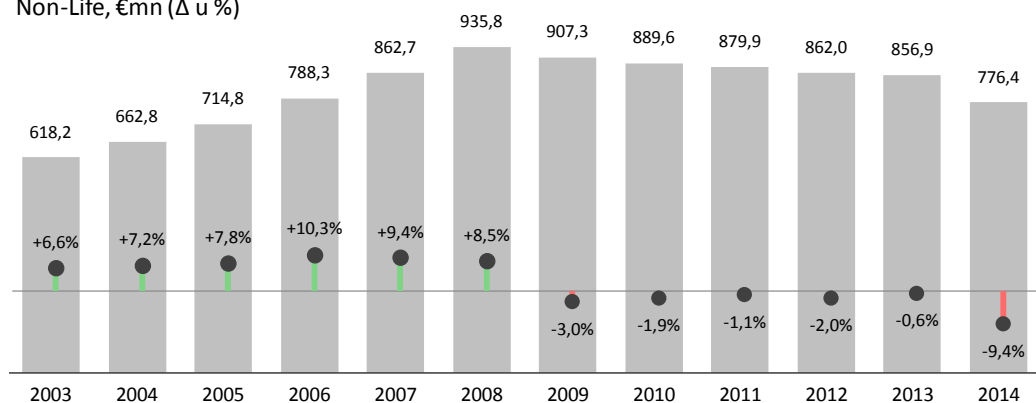
Premium, 2014., €mn, Δ €mn



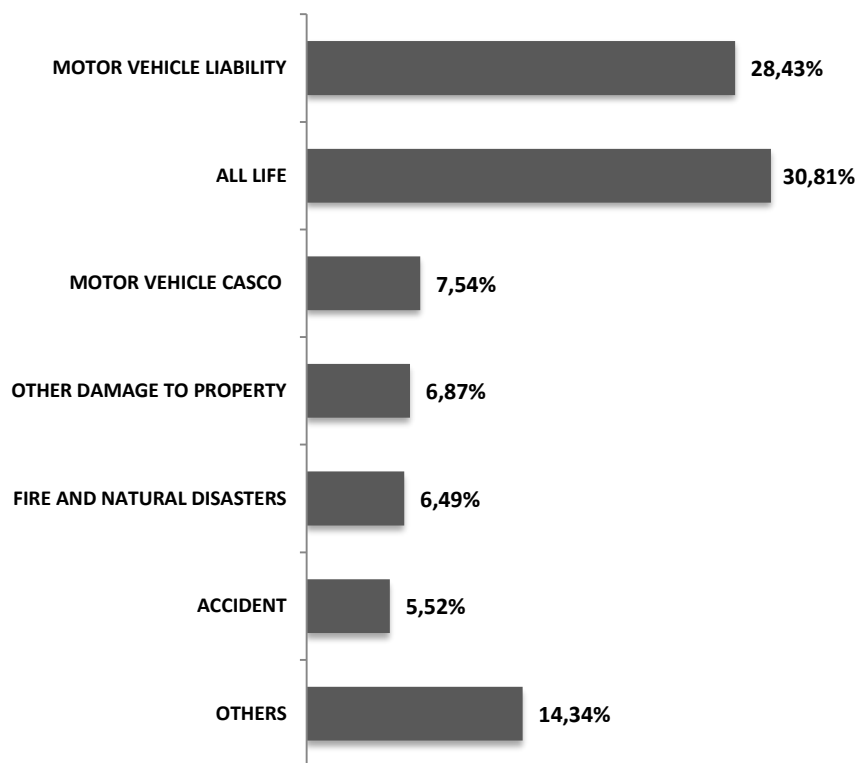
Life, €mn (Δ u %)



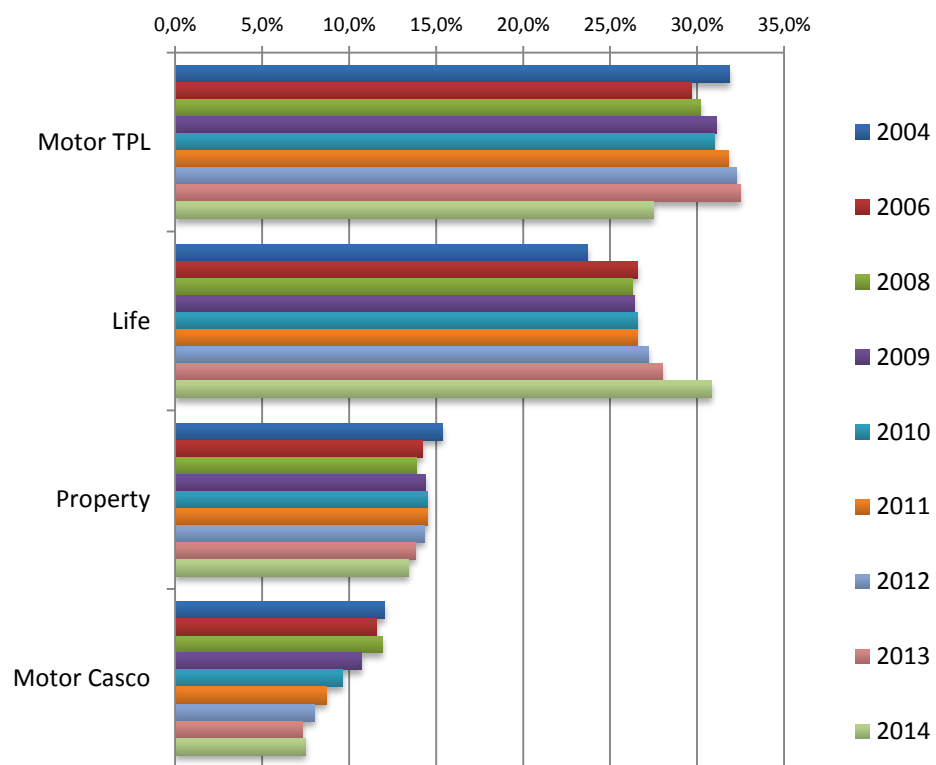
Non-Life, €mn (Δ u %)



Portfolio Breakdown – 2014

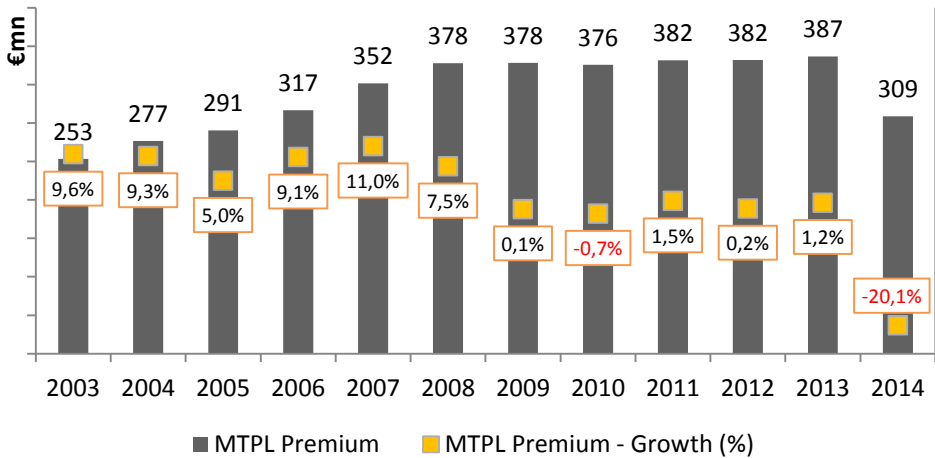


Premium Share of Largest Business Lines (%)

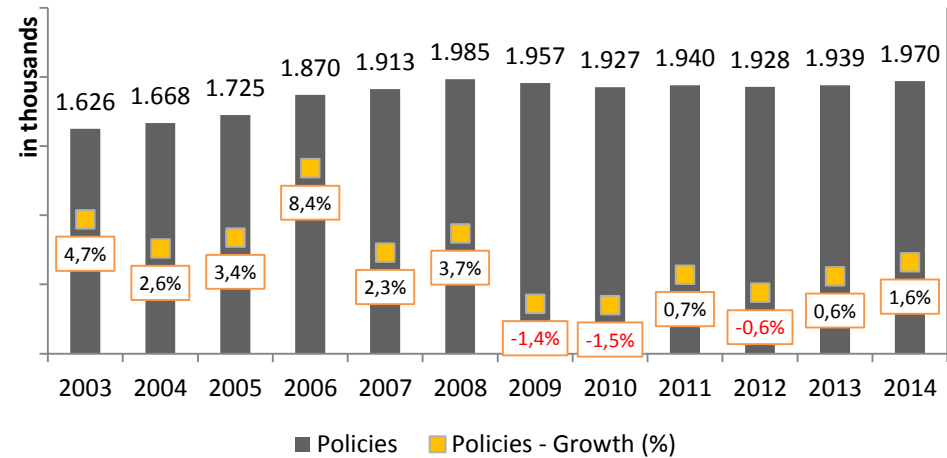


MTPL – Premium, Policies, Average Premium

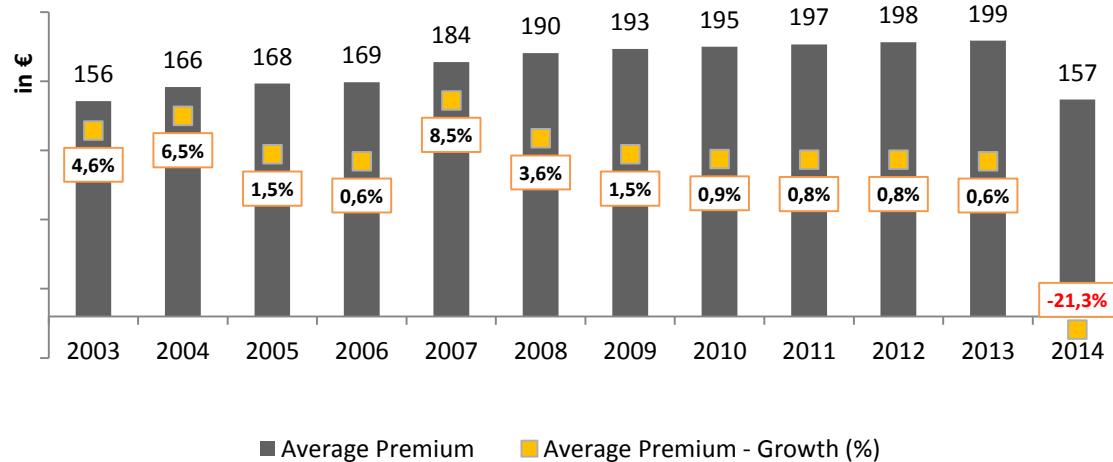
MTPL Premium



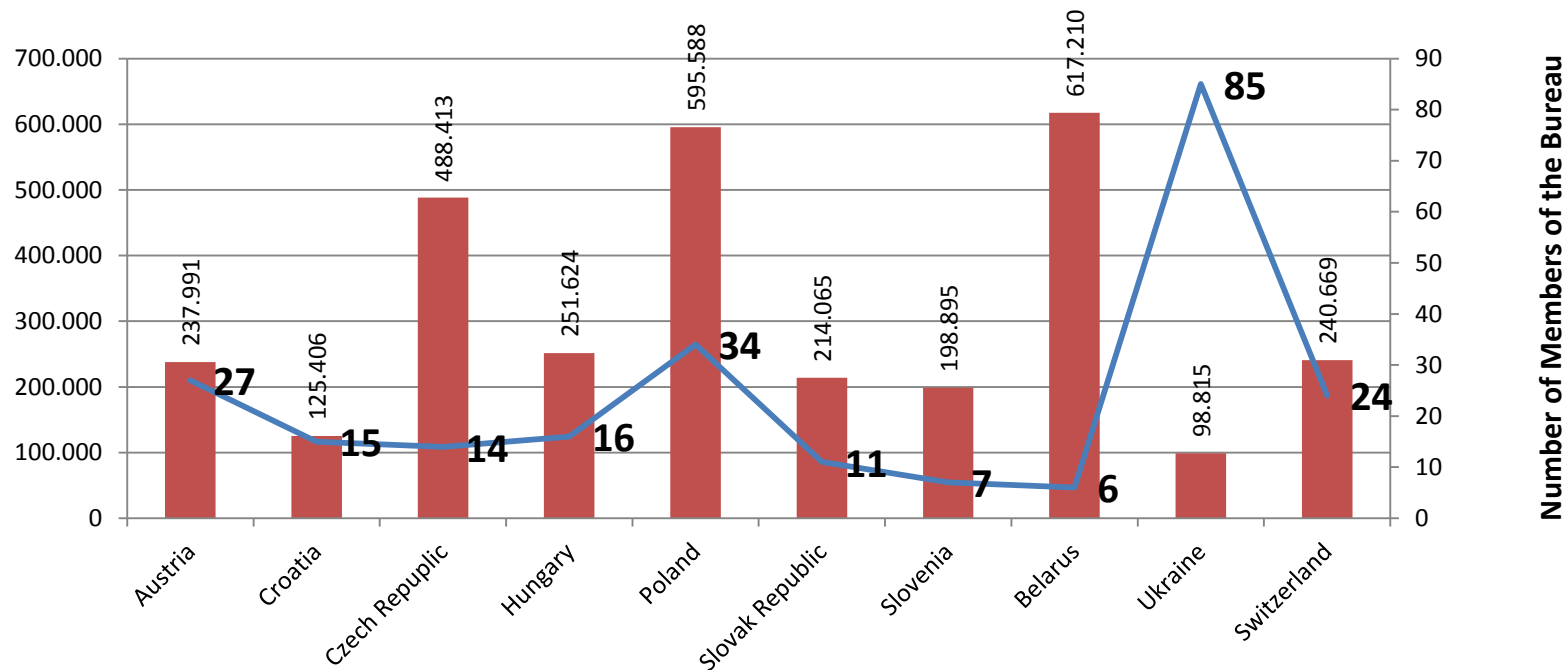
Policies



Average Premium



CEB Group MTPL Market (2013): Number of Insured Vehicles per Insurer



➡ strong market competition



The Croatian Insurance Market in 2015

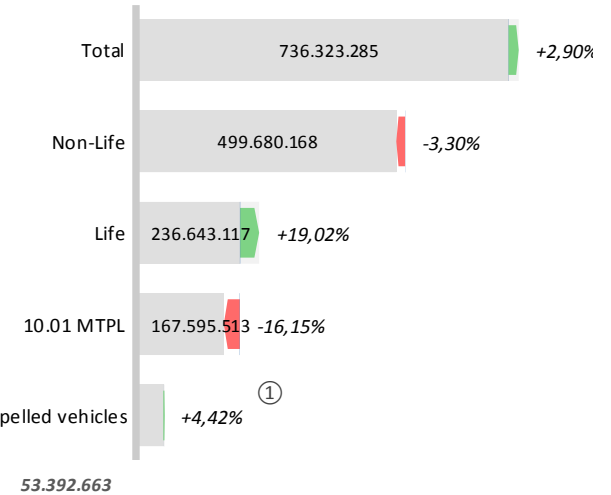
- January-July 2015

Market trends - January-July 2015

- Premium (€), Policies

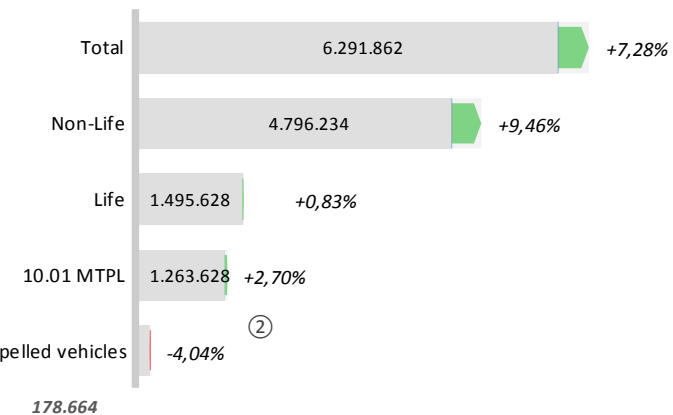
Premium Δ I-VII 2015/2014

	Premium Δ I-VII 2015/2014				
in €	I-VII./2014	I-VII./2015		Δ %	Δ APS
Total	715.539.010	736.323.285	🟢	2,90%	20.784.275
Non-Life	516.717.567	499.680.168	🔴	-3,30%	17.037.398
Life	198.821.444	236.643.117	🟢	19,02%	37.821.673
10.01 MTPL	199.868.492	167.595.513	🔴	-16,15%	32.272.978
03.01 Motor hull insurance for self-propelled vehicles	51.134.557	53.392.663	🟢	4,42%	2.258.107



Policies Δ I-VII 2015/2014

	Policies Δ I-VII 2015/2014				
	I-VII./2014	I-VII./2015		Δ %	Δ APS
Total	5.864.950	6.291.862	🟢	7,28%	426.912
Non-Life	4.381.610	4.796.234	🟢	9,46%	414.624
Life	1.483.340	1.495.628	🟢	0,83%	12.288
10.01 MTPL	1.230.457	1.263.628	🟢	2,70%	33.171
03.01 Motor hull insurance for self-propelled vehicles	186.190	178.664	🔴	-4,04%	7.526



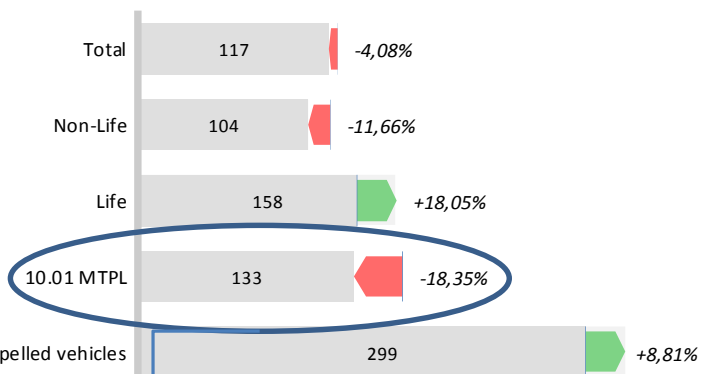
Market trends - January-July 2015

- Average premium (€)

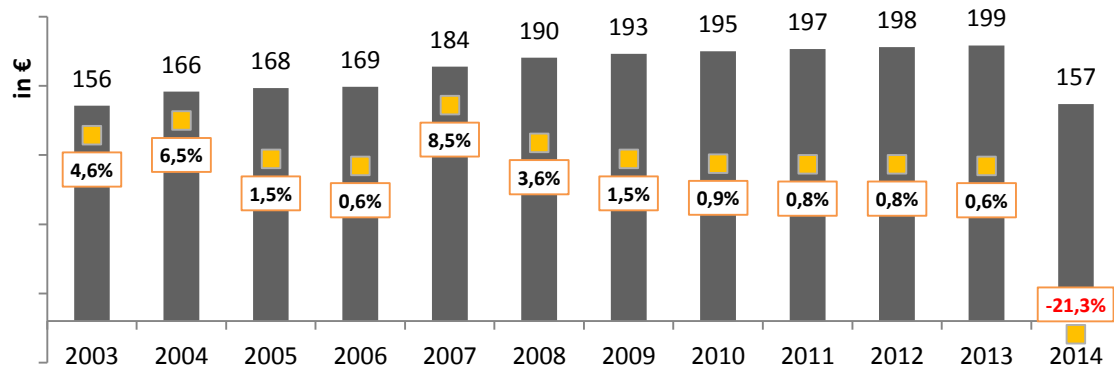
Average Premium Δ
I-VII 2015/2014

in €	I-VII./2014	I-VII./2015	Δ %	Δ APS
Total	122	117	-4,08%	5
Non-Life	118	104	-11,66%	14
Life	134	158	+18,05%	24
10.01 MTPL	162	133	-18,35%	30
03.01 Motor hull insurance for self-propelled vehicles	275	299	+8,81%	24

Average Premium Δ I-VII 2015/2014



Average MTPL Premium

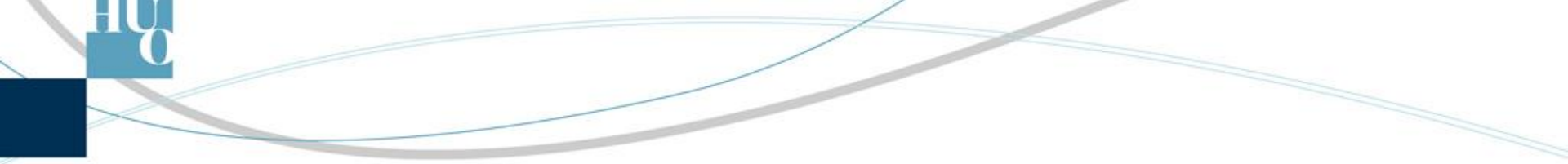


■ Average Premium ■ Average Premium - Growth (%)



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The Croatian Insurance Bureau



Croatian Insurance Bureau Responsibilities and Activities

- ❑ The Croatian Insurance Bureau was established in 1992 as the National Insurance Bureau of the Republic of Croatia
- ❑ The responsibilities of the Croatian Insurance Bureau have expanded considerably over the past two decades and today comprise, as specified in the Insurance Law, the Compulsory Traffic Insurance Law and the Statutes of the Croatian Insurance Bureau, carrying out activities of:
 - the Association of Insurance Companies having their head offices in the Republic of Croatia;
 - the National Green Card Bureau and other activities envisaged under international agreements on insurance against third-party liability of motor vehicle owners;
 - the Guarantee Fund;
 - the Information Centre;
 - the Compensation Body (assumed its responsibilities upon Croatia's accession to the European Union).



Croatian Insurance Bureau

Responsibilities and Activities

☐ as well as activities relating to

- Frontier Insurance;
- the representation of Croatian insurance companies in international organisations (Insurance Europe, Council of Bureaux, IUMI);
- the resolvment of complaints (Insurance Ombudsman);
- the out-of-court settlement of disputes (Mediation Centre);
- other activities in the common and mutual interest of the insurance industry (e.g. liaison with governmental bodies, especially the Supervisory Agency at the Ministry of Finance, printing of newsletters and bulletins etc.);
- providing professional educational programmes across all insurance lines (Insurance Education Centre);
- Croatian insurance market statistics;

 **High Consumer Protection**

- Green Card Bureau
- Guarantee Fund
- Information Centre
- Compensation Body
- Insurance Education Centre
- Mediation Centre
- Insurance Ombudsman

**AREAS OF
ACTIVITY**

- Croatian Financial Services Supervisory Agency - HANFA
- Croatian Actuarial Association - HAD
- Ministry of Finance

**CO-OPERATION
WITH
INSTITUTIONS IN
CROATIA**



**ONGOING
PROJECTS**

- Solvency II
- Insurance Fraud
- Uninsured Driving
- Financial Education
- Level-playing field for insurers in the Pension Reform

**MEMBERSHIP
OF
INTERNATIONAL
ASSOCIATIONS**

- Insurance Europe
- CoB
- IUMI

Croatian Insurance Bureau Organization Chart

Assembly

Management Board

Managing Director

Insurance
Ombudsman

Green Card Bureau

Compensation
Body

Guarantee Fund

Information Centre

Mediation Centre

Insurance Education
Centre
CEDOH



HR, EU.
01 | 07 | 2013

The Croatian Insurance Bureau on the Road to the EU

- activities within the Green Card System & 4th MID Bodies Structure



The Croatian Insurance Bureau applied for **Membership of the Council of Bureaux** on 22 May 1992, the same day Croatia was accepted to the UN, and became a Member of the CoB on **1 December 1992**.



Another important milestone was our **adherence to the Multilateral Guarantee Agreement** - a primarily European System, the only other non-EU/EEA Members being Switzerland and Andorra - as from **1 February 1999**.



By applying to join the **4th MID Bodies Structure** at the Council of Bureaux in 2010, the Croatian Insurance Bureau wished to formalize Croatia's position in the Green Card System as EU Candidate country. The **Information Centre** at the Croatian Insurance Bureau was already prepared to meet the requirements of the EU MID, which was confirmed by the positive reaction to our membership request of more than 75% of the Signatories of the Agreement on the exchange of Information between Information Centres under Article 23 of Directive 2009/103/EC, enabling the Information Centre at the Croatian Insurance Bureau to become Signatory to this EEA Information Centres Structure on **4th November 2010**.



The Coordination Committee at the same time decided to invite the Croatian Insurance Bureau as a permanent guest to the Annual Conference of Compensation Bodies and Guarantee Funds to ensure the smooth integration of the **Compensation Body** at the Croatian Bureau within the CoB 4th MID Structure to the benefit of the other 4th MID Bodies.



2014- **members of the Management Committee and the position of Vice President**





Croatian Insurance Bureau Guarantee Fund

- ❑ In accordance with the Insurance Law and the Compulsory Traffic Insurance Law, the Croatian Insurance Bureau operates the Guarantee Fund. The Guarantee Fund at the Croatian Insurance Bureau was established on 27 February 1997.
- ❑ The Guarantee Fund covers
 - claims arising from accidents caused by Croatian registered vehicles abroad and guaranteed by the Croatian Insurance Bureau;
 - claims arising from accidents caused in the territory of the Republic of Croatia by uninsured and untraced motor vehicles, motor boats and aircrafts;
 - claims arising from accidents in an uninsured public transport vehicle;
 - Frontier Insurance claims;
 - obligations under the 4th MID Agreements (as from 1st July 2013).

The Croatian Insurance Bureau's Commitment to Reducing the Number of Uninsured Vehicles in Croatia

– “Stop Uninsured Driving” National Educational Campaign

➤ Addressing the issue of uninsured vehicles is one of the most important projects of the Croatian Insurance Bureau. The project was launched at the end of 2009.

➤ The Croatian Insurance Bureau initiated a massive media campaign in co-operation with the Ministry of the Interior to inform the public about the consequences of uninsured driving. This primarily educational media campaign together with other measures introduced through our Information Centre proved to be efficient in reducing the level and impact of uninsured driving in Croatia.

➤ Recent figures show a **79.73% decrease in uninsured claims** since the beginning of the Campaign.



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Croatian Insurance Bureau

Guarantee Fund

- The Guarantee Fund intervenes also in the event of winding-up of an insurance company transacting compulsory traffic insurance lines.
 - Against the background of developments in the EU and the bankruptcy of IIC Ineas, and in order to protect the MTPL market in case of insolvency of a MTPL insurer, the Croatian Insurance Bureau proposed an amendment to the Compulsory Traffic Insurance Law to limit the annual payments of the GF in case of insolvency to 0.5% of the MTPL market premium, as it is the case in Germany. The proposal was accepted and included in the 2013 Law on Amendments to the Compulsory Traffic Insurance Law.



Croatian Insurance Bureau

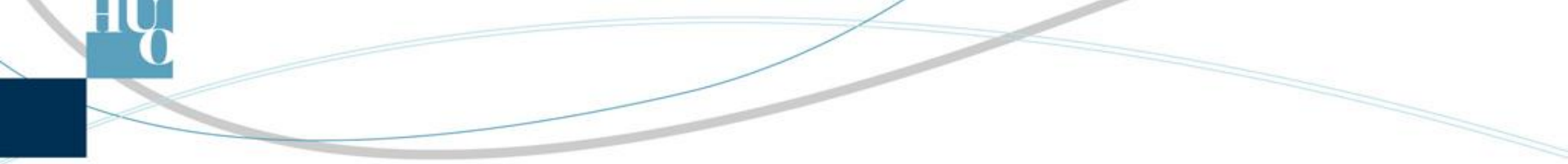
Information Centre – WEB Services and Databases

Databases

- IC database
- Guarantee Fund database
- Database of shortened versions of police reports
- Frontier insurance database
- Insurance statistics database (all insurance classes)
- MTPL insurance statistics database
- International claims database
- Anti-fraud insurance database

WEB Services

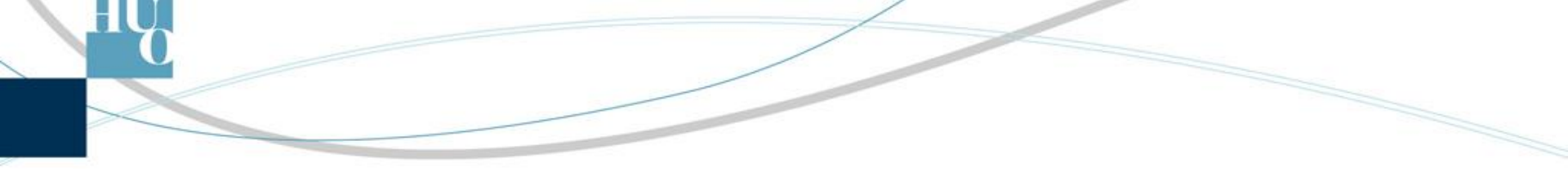
- IC WEB service
- WEB service for data transfer between Croatian Insurance Bureau and insurance companies
- WEB service for international claims
- WEB service that enables online selling of MTPL insurance policies
- WEB service for exchange of statistic insurance data



Consumer Protection

Alternative Dispute Resolution Mechanisms – Mediation Centre and Ombudsman

- ADR mechanisms are becoming more prominent on the Croatian market.
- The **Mediation Centre** – established based on a common position of member companies that reflects their readiness to promote and the need to support the out-of-court settlement of disputes.
- Confirmed its status as the Centre with best results compared to other mediation centres in the Republic of Croatia.
- In February 2014, the Mediation Centre at the Croatian Insurance Bureau became **Member of FIN-NET**, the financial dispute resolution network of national out-of-court complaint schemes in the European Economic Area.
- Similar to other European countries, the **Insurance Ombudsman Service** - an autonomous and independent dispute resolution body to facilitate the settlement of disputes between consumers and insurance companies with a view to achieving a higher standard of consumer protection.



Insurance Education Centre (CEDOH)

➤ **CEDOH** is a special service established at the Croatian Insurance Bureau at the end of 2008 with a view to fostering the insurance business by improving the training and promoting higher competence levels of the insurance profession.

➤ The primary mission of the Center is promoting and improving the insurance profession and insurance business, developing higher competency levels of insurance professionals as well as increasing their efficiency. This mission CEDOH pursues by carrying out different types of educational activities in all fields of insurance.

➤ The core activity of CEDOH is focused on organizing seminars and workshops on different topics of interest to Croatian insurance market.

➤ In October 2012, CEDOH became Member of the European Financial Certification Organisation **EFICERT**.

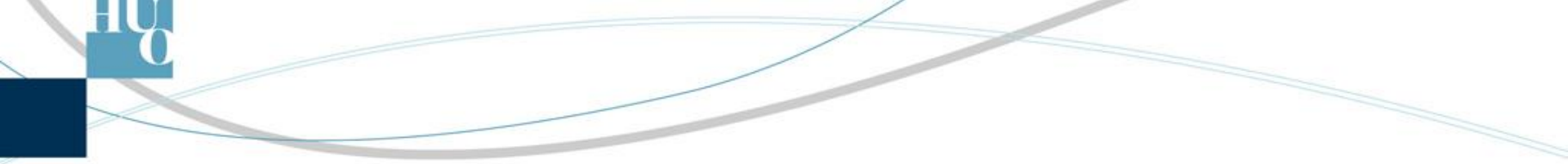
The Croatian Insurance Bureau in its Role as Insurance Association



➤ **Project Financial Literacy in the Republic of Croatia** - an initiative of the Croatian Insurance Industry
Improving the financial literacy in Croatia will remain one of the most important tasks of the government supported by the insurance industry with the aim of increasing awareness of the social importance of insurance in providing protection against risks and economic consequences of damage.



➤ active participation of the CIB and its Members



The Croatian Insurance Bureau in its Role as Insurance Association



Representation of Croatian Insurance Market at national and European level;
informing Members of key issues



CIB Committees and Working Groups – to reach a common position of the industry



Support for Members – Workshops, Seminars; Insurance Market Statistics; Fraud Contact Point



Lobbying Activities – to promote the position of the Croatian insurance industry and draw attention to issues of strategic interest to the insurance industry; legislative proposals; initiatives of the insurance industry



Media activities – promoting the reputation of the insurance industry; Protection of Visitors (4th MID), Consumer Protection - Financial Education



The Croatian Insurance Bureau in the EU

- further activities

Further activities aimed at ensuring a smooth integration of the Croatian Insurance market into the EU Single Market:



Stronger cooperation with Insurance Europe - representation of Croatian Insurance Market at European Level, informing Members of key issues



Further cooperation with Insurance Associations of the neighbouring countries – exchange of information, knowledge and experiences



Support for Members – Workshops, Seminars



Lobbying Activities



Media activities – Protection of Visitors (4th MID), Consumer Protection - Financial Education, promoting the reputation of the insurance industry



Croatian Insurance Bureau

Projects – towards operational excellence



Industry

- Compliance Program – competition law
- Strategy Day – recognizing the key issues

Future 2015/2016



HUO

- Human Resources
- Planning and Reporting
- Risk Management

Ongoing 2015

Opatija, 04.-06.11.2015.



Dani hrvatskog osiguranja 2015.

Croatian Insurance Days 2015

Najznačajnije okupljanje hrvatskih osiguratelja

most important annual gathering of the
Croatian Insurance Industry – over 400
participants in 2014

