

OVERVIEW OF THE NEWSPAPER INSURER PRESS ISSUE №23 (12 december - 26 december 2007) WITH AN ACCENT PUT ON THE HIGHLIGHTS, HOT TOPICS AND COMMENTS

Dear readers, in the overview of issue no23 of the newspaper *Insurer Press* we put an accent on the highlights and hot topics news and events. We make you acquainted with the analyses and thoughts expressed by the leading insurers and also keep you informed about all that happened within the period between the last two issues of the newspaper.

We start by our congratulations to **Dimitar Zhelev** - Chairman of the Executive Committee and CEO of Allianz Bulgaria Holding PLC and one of its founders. Mr Dimitar Zhelev was awarded the prize of Professor Gavriiski Foundation for his contribution to the Bulgarian insurance business. Dimitar Zhelev is a well-known figure in our financial elite, a co-founder of the first private insurance company from the new history of our country since 1990. The insurance company Bulgaria was registered on 22 March 1991. Mr Zhelev is the ideologist and the founder of the Association of Bulgarian Insurers as well as of the National bureau of Bulgarian Motor Insurers.

The Foundation handed an exclusive award for gaining prestige for the Bulgarian insurance business to **Petar Andasarov** - director of „Insurer Press“. „All my life I've been doing in the field of the Bulgarian words and it turned out that not only my poetry but the insurance guild is tempted by the words“ - shared Petar Andasarov moved.

For tenth consecutive year the Bulgarian Insurance Foundation, bearing the name of one of the biggest scientists in the field of insurance science prof. Dr Veleoslav Gavriiski, celebrated its creation and handed the awards to the nominated deserving experts for their special contribution to the insurance business and its popularization. The aim of the Foundation is to form, support and enhance the professional qualification in the field of insurance, contribution and financial area, and also to stimulate science researches in the relative areas, to find and promote the development of the new talents. More details and pictures from the event - on page 15.

Within the first half of December birthdays have been celebrated by the charming **Ralitsa Again** - deputy chair of FSC and Insurance Supervision manager, **Apostol Apostolov** - chair of FSC, **George Abadzhiev** - one of the doyens of the Bulgarian insurance. Happy new returns and best wishes to all who celebrate their birthday! Let's wish all lots of love, good health and happiness to our contributors, friends and well-wishers!

Under the regular heading „**Between two issues**“ on page 2 a place is given to some news from the Financial Supervision Commission (FSC) giving the information about the newly approved members of the managing bodies of the insurance companies and the new companies, entered in the Insurer Brokers Register. Here you can read about the newly adopted documents and regulations, issued by FSC. A place has been given here to the information about the national round table on catastrophic risk management, which has taken place on December 10th.

On page 2 there is a material by **Zheni Parpoulova** - General secretary of the Association of Bulgarian Insurers (ABZ), informing that the chair of ABZ, **Orlin Penev** will take a part CEA (the federation of national insurers and reinsurers in Europe) managers election campaign. Bulgaria is a full-member of the Federation since June 2007.

What kind of insured persons' complaints have been considered by FSC and the relative further actions which have been under taken by the Commission - on pages 2 and 6.

Another publication on the same page, continued on page 7 is „**The most modern hospital on the Balkans is Bulgarian one**“. On 28 November Tokuda Hospital Sofia celebrated its

first anniversary. The hospital has been built and equipped with Japanese technologies and the staff is Bulgarian. „Tokuda Health Insurance Fund“ has been also started.

Some short reviews of interesting articles in similar editions treating the Insurance and Social Security issues, published within the period between the two issues of *Insurer Press*“, also start on page 2.

The Cover story „**The holiday abroad runs risks**“ is about the Christmas and New Year tourist travel insurances, is set forth by **Ileana Stoyanova** on full two pages (4 and 8) and also continues in the next issue.

We are again at the end of a calendar year with upcoming Christmas and



New Year holidays. Some of the wealthy Bulgarians plan to celebrate abroad. There are plenty of attractive excursions to the neighboring countries, to Western Europe and even to the ancient Egypt - by plane or by bus, offering sight-seeing all over the world, gala dinners with attractions and parties - just few items from the offers of tourist companies in our country. Unfortunately it is impossible for one who is setting out for a journey to leave nothing to accident. Sometimes the holiday abroad, even being only for a week, runs risks and can embitter the days of the sufferers. That is why it necessitates insurance. Time and again we have been discussing the insurance when traveling outside Bulgaria theme. It still remains obscure whether the lack of money or lack of tradition makes us trusting the tourist company-organizer of the excursion. We are to have in mind that even in case insurance on mass sale, the tourist companies - tour-operators would be abstained from a higher coverage because the price of the insurance is usually calculated in the total price of the package and difficult to sell. The European Health insurance cannot replace the medical insurance and has a lot of shortcomings while not a whole security in a case of accident or disorder. That's how matters stand because the medical services are covering only the health package in the relative country. Bulgarians are to pay the extra cost from their pockets. It will be wiser for the travelers abroad to buy a traditional medical insurance.

On the pages of our newspaper we are explaining to our readers some details of both known and new and modified products and offers provided by the insurance companies. It is not unnecessary to be acquainted with the rules and regulations for the conclusion of the insurance contract.

On pages 6 and 7, under the heading „**Analyses**“, **Kalin Dimitrov** is making an analysis of the non-life and life insurance for the last nine months of 2007. A slow growth has been registered.

The gross premiums in the field of non-life insurance companies for the first 9 months of 2007 came to BGN 852 772 thousand, compared to the same period of the previous year (BGN 717 597 thousand), i.e. 18.84% growth on an annual basis, which is a very good result.

As per premium income for the first nine months of 2007, the first place is kept by Bulstrad Insurance and Reinsurance Company with a market share of 15.96%, achieving gross premium income growth on annual basis 17,85%. DZI Insurance and Reinsurance Company came second. The premium income of the company, compared to the same period of 2006, dropped by BGN 6 million, and the market share went down from 17.7% to 14.2%. At the third place is Allianz Bulgaria Insurance and Reinsurance Company. The company achieved 2% growth of the premium income and a market share of 12.59%.

The gross premiums amount in the field of life insurance for the first 9 months of 2007 came to BGN 150 346

thousand, i.e. 27.43% growth on an annual basis. Allianz Bulgaria Life is still the leader with BGN 41 176 thousand and 26,48% market share. Second came DZI Insurance and Reinsurance company with premium income of BGN 27 869 thousand. The Insurance company Uniqua Life came third with market share 14,30% and premium income of BGN 22 242 thousand.

The data for the gross premium income per type of insurance are given in tables on pages 6 and 7.

On page 7 you can find „**Our inquiry**“. Under this heading we ask questions to some leading insurers who have expressed their intention to sell „Border Insurance“ regarding the conditions they offer to their clients. In this issue we addressed **Hristo Sotirov**, manager „Product development“ in „Motor Insurance“ Dpt. of Euroins Insurance company. According to Mr. Sotirov the sales of „Border Insurance“ came up to the expectations

The Theme with continuation from the last issue: **Investments**. The article is named „**Only life-insurers guarantee high interest for long-term period**“. There is a conversation of Yoanna Stephanova with **Plamen Yalamov**, CEO of Allianz Bulgaria Life Insurance and Reinsurance Company. Mr. Yalamov is explaining the instruments the life-insurers use to invest in. He also explains the role of the client in the new, investment funds linked, insurance „Life“ and how well up in the funds profitability is the usual Bulgarian. There is also a question about how durable is the relatively high ROI and the possible guaranteed minimum, which is the age group of clients that prefer risk funds. It is interesting to find out that the biggest investments in risky funds a usually made by 50+ people. During the conversation Mr. Yalamov is giving details about the products „Allianz Best Invest“ and „Allianz Index Extra“, and also explains why the classic life-insurances have the biggest share in the portfolio. You could find out which is the most profitable investment from the point of view of the usual Bulgarian (page 9).

On page 10 you could find information about the discussion forum, which is organized by Finances High School (VUZF). The topic of the forum is „The professional financial consulting“ and it answer the question about the mis-

sion of the „Universal financial consultant“ - possible or not.

On page 11, under „**Forum**“ you can find a material from the Fourth Insurance Conference „Competitiveness of Bulgarian Insurance Companies on the European Market“, named „The profession of the Risk Manager is still exotic for the Bulgarian conditions“. The conference was held on 29 and 30 November in „Novotel Plovdiv“. It was organized by „Banks, Investments, Money“ and Bulstrad Insurance and Reinsurance company together with their media partner - the website www.insurance.bg.

The forum met lecturers from among the Bulgarian financial, insurance and scientific circles and gave them the possibility to discuss and also to make public their views about the development of the Bulgarian Insurance branch under the conditions of the United European market.

On page 12, under the heading „**Glance backward, glance forward**“ is the conversation of Yoanna Stephanova with **Anton Pironski**, CEO of „Euroins“ Insurance Company - „Euroins Insurance Group will be the first international insurance holding, based in Bulgaria“.

What is the reason for this serious development of the company? Which are its priority products and are there some new products that will be offered on Bulgarian market. Should be the MTPL price go up and how much? A general meeting of „Eurohold Bulgaria“ shareholders that took place on 27th November adopted a resolution to create a subsidiary Euroins Insurance Group (EIG), that will consolidate the insurance operations of the holding. What was the reason for this restructuring? What are the differences and similarities between the insurance markets in Bulgaria and Romania? These are some of the questions that are answered in this publication.

On page 14 there is an article named „**ABZ and FSC with a new proposal about the catastrophic pool**“. The main highlights are: The Association of Bulgarian Insurers asks the state company to cover the earthquake and flood risk. The mayors and the owners of reservoirs should be bound to insure their liability.

After the last autumn floods in the country the question about the catastrophic pool is to the agenda again. Mr **Vesselin Uzunov**, chair of the parliamentary commission for accidents and disasters policy, called a special session of the commission - hearing of the positions of the Association of Bulgarian Insurers (ABZ), Financial Supervision Commission (FSC) and the civil organization „National Program for Catastrophic Risk Management Initiative“.

Before this audience was presented the legislation study „Compulsory insurance of the citizens against disas-

ter“, made following the program „Students in training in the parliament“. It was ordered in relation with the work for the preparation of the regulatory basis of the legislation for the creation of National Program for Catastrophic Risk Management. ABZ offered its own study of the of the EU legislation in the field of the coverage of natural hazards damages.

On page 16 prof. **drHristo Draganov** is expressing „**One more opinion about the classification in insurance**“.

In this article Mr. Draganov is making a critical analysis of the offered classification in insurance and presents his own point of view.

And something curious - on page 17 we bring together the art, the architecture and the finances in an **artistic interpretation of the architectural space of the financial institutions in Switzerland** - a conversation of Ileana Stoyanova with the Master of Arts **Ivona Shishkova**.

Banking and insurance a just a part of the world civilization process for many centuries. In XIX century the offices of the banks and the insurance companies in the bigger European cities became distinctive and sharply outlined with their appearance, style and arrangement and became this way emblematic. Enriched by the art this urbanistic tradition is observed even today. One of our designers, specialized in Switzerland, studied many examples of the modern architecture and the artistic installations in the interior of the big financial institutions: banks and insurance companies.

Under the regular heading „**In the world**“ the reader doctor Irena Misheva makes us acquainted with the „**Foreign experience in the field of personal insurance**“.

In the countries with well developed market economy the personal insurance is very important for the development of the national insurance markets. The personal insurance within the big variety of insurance products offered by insurers, specialized in life-insurance, accident insurance and health insurance, have a very strong social impact.

The article gives information about the insurance demand and sales trends on the personal insurance markets in some countries.

A table presents the structure of life-insurance demand in USA and Germany.

And we finish the overview of **issue 23** of „**Insurance press**“ newspaper by the congratulations that leading insurers addressed to their colleagues, partners, clients and friends for Merry Christmas Holiday and Happy New Year! (pages 13 and 22)

Merry Christmas and Happy New Year!
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ЗА ДА ПОЛУЧИШ ПОДАРЪК ОТ ДЯДО КОЛЕДА, ТРЯБВА ДА БЪДЕШ ЩЕДЪР

(Продължава от стр. 5)

„Алианс България Холдинг“ е избрал ТК „Левски София“ за свой партньор, защото клубът е с най-дълги традиции в този спорт и авторитетът му е изграждан с целенасочена последователност и с приоритетната цел да се популяризира тенисът на корт в България и да се изградят млади и надеждни кадри за него.

Седемнадесетгодишната традиция на тенис турнира Allianz Cup утвърди и съпътстващи прояви, тясно свързани със социалната ангажираност на „Алианс България“ - например възможност за хора със

специфични потребности да играят тенис в дните на турнира, като за целта се предоставят специализирани автомобили и специални спортни колички, без които състезанията са невъзможни. Предвижда се от септември 2008 г. съпътстващият турнир по тенис за хора със специфични потребности да прерасне в международен.

По традиция в рамките на Allianz Cup ще бъдат организирани и PRO AM турнири с участието на публични личности: журналисти, бизнесмени, политици, хора на изкуството.