

# NEWSPAPER INSURER PRESS ISSUE №6 (26 March - 16 April 2008) WITH AN ACCENT PUT ON THE HIGHLIGHTS, HOT TOPICS AND COMMENTS

**D**ear readers, in the overview of issue no 6 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.

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!

We start by the words of **Petar Andassarov**, director of „Insurer Press“ newspaper: „The mission goes on ...“ - pages 2 and 19.

Even after 14 years, the mission - possible and necessary - goes on. It was not immediately announced and purposeful officially. It simply emerged in the next issues of the new publication on the newspapers market - the newspaper „Insurer“. It turned out that the mission is possible as far as the newspaper appeared together with the first two or three private insurance companies. Later on, during the years, its pages kept growing together with the parallel increase of the number of the insurance companies. The newborn insurance brokers commenced to emerge. This way the mission became needed. Markedly after the creation of the financial and insurance institutions. You can read the article on pages 2 and 19.

Under the regular heading „Between two issues“ on page 2 a place is given to the news from the Financial Supervision Commission (FSC).

On page 2 the newspaper informs us about the latest news - e-Register the electronic system for disclosure of regulated information to the Commission by the public companies and other issuers of securities. The trademark „Euroins“ is becoming more and more popular in Europe. Insurance history and risk assessment.

The third page is devoted to DZI. **Veselin Tonev** - director of „Actuaries“ and „Long-term life insurance“ departments in insurance and reinsurance company „DZI“ and **Hugo Vershaatse** - life insurance manager with DZI, present the new **fund-linked life insurance product DZI-Elite**.

**What does it mean DZI ELITE?** - on page 3. There is the interview with Hugo Vershaatse who answers the questions: What is the challenge to create unit-linked products such as DZI Leader and DZI Elite? and What are your impressions of the work with your colleagues in DZI?

The cover story is „Bulgarian pension model“. **The Bulgarian pension system already exports know-how and investments abroad**.

Ten years after the beginning of the pension reform in the country, it was found out that the Bulgarian social security model is one of the more intelligent work-outs in Europe. At any rate, this is the opinion of the experts in this branch. At the same time, the number of the voluntary insured Bulgarians is far away the number of

people in the country who are supposed to be interested in this service. Due to the comparatively low payments in so called second pillar, at the present stage the long term goal of the reform seems to be hard-to-reach goal.

In this case, good news is that our pension system continues its development. It stands to reason that this fact does not impede from the of know how and investments abroad.

Recently, the development of pension reform in Macedonia and the concept and the legal frame of the introduction of the voluntary pension insurance in our western neighbor were presented in Sofia. During the meeting, the Macedonian representatives acknowledged that they mostly borrowed from the Bulgarian pension model in view of the fact it is life-like the conditions in their country. They declared that from abroad, our investments are much expected in so called third pillar of the Macedonian pension system.

The founding of the private companies in the field of pension voluntary insurance in Macedonia is expected to start in the middle of this year.

Personally the Macedonian minister of Labour and Social Policy **Ljubcho Meshkov** and **Zornica Apostolska** - director of Macedonian Agency for Supervision of Fully Funded Pension Insurance-MAPAS have taken the job to present the possibilities for investment in so called third pillar (Voluntary Fully Funded Pension Insurance) in their country. They have already made presentation in Slovenia and our country. Their business tour will continue in Croatia and Austria. Their goal is to attract more and more investments to help the development of the Macedonian pension insurance system. The biggest impediment is evolved from the fact that the Macedonian market is too small and is barely to be of interest for the big world financial group. According to the official statistical data, the economically active population in Macedonia is 869 000 persons, in 2005 35% them were out of work. The average salary of the contract employed workers is EUR 230. There are 53 241 employers and 269 981 pensioners registered in the country. The first pillar implies the mandatory government pension fund, and the funds that were collected in the second pillar - about EUR 52 million, for the time being are managed by two companies. The number of the insured people there is 165 000 persons. According to the Macedonian specialists, the realistic expectations are that the companies from the third pillar will

attract 7000 insured persons or one EUR1million in the second half of this year, 24 000 insured persons or EUR12,3 million - towards 2010, and 56 000 insured persons or EUR43 million - towards 2015.

This is the theme of the interviews with the Chairman of the Financial Supervision Commission

**Apostol Apostolov: It is logical for the Bulgarian banks in Macedonia to create pension insurance companies,** page 4

**Bisser Petkov, FSC Deputy Chairman, Head of Pensions and Social Insurance Supervision department: Many countries learned by our experience,** page 4

**Ljubcho Meshkov, Minister of Labour and Social Policy of Macedonia: We are looking for Bulgarian investors in the voluntary pension insurance in Macedonia,** page 6.

**Biljana Petroska, Head of Research & Development department, Macedonian Agency for Supervision of Fully Funded Pension Insurance-MAPAS: The Bulgarian and Croatian systems are very akin to us,** page 6.

**Nikola Abadjiev, Chairman, Bulgarian Association of Supplementary Pension Security Companies: Bulgaria is leader in the pension insurance reforms. Many countries already use the example of our pension reform model - pages 6 and 21.**

On page 5 we narrate the story of the Culture project of „Allianz Bulgaria Holding“ - **National Awards „Allianz Bulgaria 2008“ for Painting, Sculpture and Graphic Arts.**

Page 7 is devoted to „Theme to be continued - **Investment fund linked life insurance products**“. This is a detailed examination of the combined products of the insurance company „KD Life“ Plc - FONDPOLICA (fund policy) - life insurance linked to investments in KD investment funds. With the investment package Fondpolica the client can achieve three important objectives at the same time: --- insurance protection (guaranteed paying off in case of fatal end); --- professional management of the selected investment funds portfolio; -- - combined classic life insurance with higher returns, depending on fluctuations in the prices of securities held by an investment fund.

**The main advantage** of Fondpolica with investment package is the fact the you can invest small sum and to take part in the growth of several funds for better redistribution of the invested money. At the same time, you are not engaged to monitor the market - the financial experts, who manage your assets, will take care for. Fondpolica with investment package is an attractive product which have many advantages compared to the classic life insurance. When classic life insurance the money you deposited is invested in state securities, managed by the company and the insur-



ance sum remains the same for the whole maturity period, almost equal to the invested money.

The advantages of the Investment fund-linked life insurance compared to the classical variant of life insurance are listed in the article.

The advantages of this insurance product, offered by „KD Life“ Plc, did not pass unnoticed by the specialists and it was pronounced Financial Product of 2007.

As we already announced in our last issue, at Sixth International Financial Fair „Banks, Investment, Money“, that has taken place a month ago (from 27 to 29 february), in the city of Plovdiv. In the life insurance products category the award for 2007 has gone to the Slovenian KD Life, that has started his activity on the local market only last year. The managers of the company were honoured for the product „fundpolicy with investment package“. After the ceremony representative of our editorial office had a discussion with Stephan Stephanov, Chief Director of „Marketing and Sales“ of „KD Life“. Mr. Stephanov noticed: „**Bulgarian turned out to be not that conservative we considered him**“. Details and the conversation with Stephan Stephanov on page 12.

On page 8 and 9 is published the first part of the materials from the Sixth Financial Exhibition „**Banks, Investment, Money**“. The most interesting for the auditory the newspaper „**Insurance Press**“ module - „Potential for development of the insurance and social security market in Bulgaria in high competitive environment“ was attended by representatives of FSC **Valentina Dinkova** and **Zhivka Slavkova** and also of the business - **Rick Jansen**, **Stephan Stephanov** and **Ivo Gruev**.

**Valentina Dinkova**, director of the FSC social insurance supervision division, spoke about „Pension funds - potential and possibilities for investments“. „Pension funds were also expected to see fast growth, especially if the Government made the relevant legal changes“, said Dinkova. She dwelled upon the role of the supplementary Pension Insurance in Bulgaria and its current state and prospectives. The presented results by the end of 2007 and the projected figures by 2010 are illustrated with tables.

On page 10 is reflected the

Annual meeting „Professor Gavriiski Foundation, held on 13 march 2008. The article is named „**Consolidation of the insurance society and solidarity**“.

On the same page is placed the information about the General annual meeting of the Association of the insurance brokers.

In „Legal advisor“ - page 11, lawyer **Alexander Stoikov** makes us acquainted with the „**Property insurance. New Issues**“.

On page 13, in the publication „**With the feeling of leadership and wellness**“,

**Yoanna Stephanova** narrates about **ZAD „Bulstrad Life“** and the prizes the company bestowed on its most successful people at the Night of Awards. One of the biggest successes of **ZAD „Bulstrad Life“** is related with the establishment and development of the good corporative culture and creation of a team of people who have the potential and capacity to realize the long-term goals of the company.

In the regular column „**Women in the insurance business**“ (page.14) you can read the interview with **Valentina Nikolova** - Director of Tokuda Health

On page 15 is published the conversation with **Madejda Gotzeva**, Product development manager, Personal Accident Insurance and Liabilities Department, ZD Euroins. Mrs Gotzeva emphasized: „We carefully consider the market trends and endeavour opportunely to upgrade our products as far as the competition is getting bigger simultaneously with the highest requirements of the market“.

In the column „**Gallery „Insurer**““ (page 20) you can find the conversation of **Petar Andassarov** with **Tzvetanka Krumova** Deputy Chair of the Board and Executive Director of ZPAD „Armeets“.

**Mrs Krumova** answers questions about the difficult profession of the insurer, the values in life, happiness, individual tastes and preferred things.

We will finish our overview with an accent put on the curious materials in the column „**In the world**“ „**The narrowing of the economic gap of XXI century**“ analysis by **Stephan Parente** - page 16, and „**Future Risk Models**“ by **Iva Ivanova** - on page 19.

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