

# NEWSPAPER INSURER PRESS ISSUE NO 17 (10-24 SEPTEMBER 2008) WITH AN ACCENT PUT ON THE HIGHLIGHTS, HOT TOPICS AND COMMENTS

Dear readers, in the overview of **issue no 17** 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!

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

The same page also offers hot news and information from the last events in the field of insurance.

On page 5 you can read the conversation of **Petar Andassarov** with **Jan Vanhevel**, General Manager for Central and Eastern Europe, KBC Group. Mr. **Vanhevel** shares:

*We are especially proud that we succeeded to integrate DZI and ElBank (aka C Bank) with the family of KBC. DZI is a leader on the insurance market in Bulgaria. This is a market of great importance for our strategy in Eastern Europe. Therefore we are happy to invest in your country. We believe that we have fine prospects here, in Bulgaria. We are gratified with the fact that through the development of DZI and ElBank we will be able to practice the successful model of KBC Bankassurance on the Bulgarian market.*

Mr. **Vanhevel** also noted that KBC is the one and only group in Europe to offer bankassurance in all countries the group has subsidiaries therein, and Bulgaria makes no exception. He also revealed

the differences between the „doing business“ in Bulgaria and the business in Belgium. In conclusion Mr. **Vanhevel**, shared his expectations from the employees of DZI and the managers of the company.

In our **Cover Story** (pages 4, 8-9) we focus on **„Casco“ Insurance products.**

**Leader Disease medicine is wanted and will the franchise play the bitter pile role? Yoanna Stephanova** is trying to answer these questions in her publication page 4.

Since many years the Casco Insurance products are the indisputable Income Premium leaders on the Bulgarian General Insurance market. For the year 2007 the revenues, generated only by these policies got to 44,15% market share. Comparable to them but half as much are the revenues from Motor third-party liability (MTPL) insurance products for drivers. In Romania, in the springs of 2007, the insurance companies amended their General conditions and added the Self-participation clause - participation of the insured in each damage. In result and almost immediately the Casco damages quota dropped up to 20% in the separate companies. Sure, the Romanian clients were scarcely happy with the introduction of the franchise, but in spite of all the market of this insurance did not shrink.

It stands to reason that now nobody takes upon himself to prognosticate the starting date of this „healing“ of the Casco market in our country. It is hardly probable to happen in 2008.

This is also the theme of the interview with **Plamen Yalamov**, Ph.D., Member of the Board, Executive Director, ZAD Allianz Bulgaria (pages 4, 8-9).

**Mr. Yalamov**, thinks that: *The market is well growing together with the growth of the imported new and second-hand cars. Lately there is a trend for some companies to drag down their Casco tariffs as they do with the Motor third-party liability insurance. But they are to pay attention because Casco insurances do cover the „theft“ risk also and the frequency of the small damages is too high - a little bit under 100%. In case of Casco insurance the insurance policy settlement is a very important process. The clients will receive SMS-messages with information about the stage of the damage settlement process.*

**Plamen Yalamov** also answered some questions, connected with the motor vehicle thefts that became more frequent the later years, and about the tariff numbers which are lower Western Europe. He indicated the two biggest problem with Casco insurances - the still missing self-participation of the client in the most part of Casco policies and the thefts.

The materials on page 5 are dedicated to **Allianz**. The company is sustaining its growth in the countries of Central and Eastern Europe. By the end of the first half of 2008 grew by 10.5% up to EUR 2.1 billion.

The column **Analises** (pages 6 and 7) carries the analysis of the Gross Pre-

mium Income data, the Net Technical Result, the aggregate assets and the relative shares of the General Insurance and Life Insurance for the period January-June, 2008.

Under the same column **Analises**, but on page 10 you can find the analysis of the Voluntary Health Insurance results for the first half of 2008. The higher growth of the pay-offs, compared to those in the Gross results.

In **Forum** на page 11 under the pretentious heading **„About the Babylon tower, the polyphony and the diversity in the Insurance“** a place is given to the lecture of **Larissa Orlanuk-Malitskaya, Prof. Dr. EcS.**, Head, Faculty of Insurance Business, Financial Academy under Government of Russian Federation. The theme of her lecture, delivered before the **Seventh National Conference with international participation: „Social Security and Insurance in Bulgaria under the conditions of eurointegration: challenges before the yet continuing adaptation“** is **„Innovative practices on the Insurance market in Russia“.**

Russia determined the Insurance as one of the strategic branches. Nevertheless the growth of the Premium Income is still due to the policies, required by the banks.

On page 12 in the column **Look back, Look forth**, **Tsvetanka Krumova**, Member of the Board, Executive Director, Armeec JSC, answers the questions of **Petar Andassarov**. Ms Krumova is making an analysis of the results, achieved by the company for the first half of 2008 and outlines the strategy and the trend of its future development. She also brings to our notice the Product Policy and shares her opinion about the range of the Motor third-party liability insurance. According to her the solution is a matter only of investments in a technology for collection and generalization of the information. Furthermore she emphasizes: *I hope this will make us forget for a first time the word „campaign“ in relation with Motor third-party liability“.*

On page 13 you can find the conversation of **Yoanna Stephanova** with **Bogdan Stan**, Executive manager, Euroins Romaniq, Insurance and Re-Insurance, the one and only company on the Romanian insurance market which was acquired by Bulgarian investor.

**Mr. Stan** answers questions about the working mode after the change of ownership. He shared that the most developed products are the motor vehicle insurances. Each year Euroins Romania is offering something new. For the first 6 months of 2008 the company Euroins Romania registered a Premium Income of EUR18 million, and the growth is about 25%. The company is targeting to reach, by the end of 2009, the ninth place in the rank of Romanian Insurance companies, and Premium Income of EUR60 million.

And again in Forum, but on page 15, **Dochka Velkova**, Institute of Economics at BAS, makes us acquainted with the influence of the Public Pension System on the Labor Market. In the publication you will find out the main EU challenges with respect of the requirements for the Pension Systems in relation with the functioning of the Labor Market.

The news of this issue /page 16/ is **The European Parliament passed by great majority vote the report of Nikolai Mladenov, Bulgarian member of the European Parliament.**

The central theme of the report is **Article 4, paragraph 6 of the Fourth Motor Insurance Directive which governs the reasoned offer procedure, whereby victims of car accidents abroad have the**

*right to apply for compensation to the claims representative of the insurer appointed in the country of the victim's residence.*

The report raises three set of questions: 1. whether the national penalty provisions are effectively implemented across the European Union; 2. how the claims representative system set up under the directive functions and whether there is a need to harmonise across the European Union; and 3. the most important and controversial issue that is intimately connected to questions raised by consumers which is whether the current availability of voluntary legal expenses schemes for motor insurance in Europe should be converted into a compulsory scheme to cover cross-border accidents across the European Union.

On the same page you can find the information about **„The Biggest Deal in the European Bank Sector for 2008“** and also, **„Marines International on the two banks of Danube river“** (continuation from page 2).

On page 17, in our **Theme with continuation** we continue the publication of the articles of the reader doctor **Ivanka Boneva** on the theme **„The Risk Management - the guarantee for security and prosperity of the small companies“**. In the previous article Dr Boneva examined the first two steps of Risk Management process - risk analysis and assessment. The obtained results are grounds for the next **Step 6. Risk treatment** - the process of selecting and implementing measures to modify the risk. There is an example of Risk Treatment Model that makes clearer the theoretical essence.

Page 20 cares the conversation with **Nikolay Logofetov**, Chair of the Managing Board and Executive Manager of Grave Bulgaria Life Insurance EAD. Mr **Logofetov** emphasized that the Premium Income of Grave Bulgaria AD for the first half of 2008 is about BGN5,740 million. The growth, compared to the same period of the last year, is 29%.

The sales of Casco and MTPL insurances are planned for the year 2010.

*„For the present year our goal is to start offering our products through brokers instead of selling them only through our own channels. Agreements with some banks are also possible“* Mr. **Logofetov** said.

On page 21 we are making you acquainted with the **Insurance Security Association - ISA** and its Chairman **Yurii Todorov**.

Four years after its establishment (and about three of real activity) the ISA management reported 157 cases of investigation of claim frauds. The assigners were eight Bulgarian Insurance companies and the National Bureau „Green Card“.

In the conversation **Mr. Todorov** gives the reasons and advantages of working with ISA and the results of their work and prospective for development.

We will finish the overview of issue 17 with some interesting news from our column **In the World**. **„Insurers face test as the hurricane Gustav bears down“** is the quick-witted heading of the article

by **Iva Ivanova**.

The Hurricane Gustav who stroke the Gulf of Mexico on 31<sup>st</sup> August, may reveal whether insurers took adequate steps to limit risk related to coverage for offshore oil rigs in the wake of hurricanes Katrina and Rita in 2005.

**Selection: VANIA PETROVA  
Translation:  
ALBENA DIMITROVA**

## Застрахователно еднолично акционерно дружество „ЦКБ ЖИВОТ“ търси да назначи

### ЕКСПЕРТ „МАРКЕТИНГ И ПРОДАЖБИ“

#### КОМПАНИЯТА ПРЕДЛАГА:

- работа в застрахователно дружество с амбиции на пазара на застраховки „Живот“;
- трудов договор;
- обучение и възможност за развитие;
- допълнителни квалификационни обучения, тренинги и тимбилдинги

#### ОСНОВНИ ИЗИСКВАНИЯ:

- висше образование - маркетинг, икономика, застрахователно дело;
- опит в застраховането е предимство;
- познаване на нормативната база, касаеща застрахователния процес;
- отлично владеене на английски език;
- отлична компютърна грамотност, работа със застрахователен софтуер е предимство.

#### ОСНОВНИ ЗАДЪЛЖЕНИЯ:

- следва маркетинговата стратегия на дружеството;
- промотира и предлага на пазара продуктите на дружеството;
- анализира пазара и отношенията между фирмата и клиентите;
- отговаря за връзките с корпоративни клиенти.

#### ЗА ПРЕДИМСТВО ЩЕ СЕ СЧИТАТ:

- приспособимост към динамиката на работа;
- позитивна нагласа към промени и нови технологии;
- добри социални умения, комуникативност, желание за работа в екип;
- инициативност и креативност.

**Документите ви ще бъдат разгледани при пълна конфиденциалност съгласно изискванията на ЗЗЛД.**

За интервю ще бъдат поканени само одобрените кандидати.

**Моля, изпращайте автобиография и мотивационно писмо на email: chukovski@ccb-life.bg**

**Краен срок за подаване на документи: 23.10.2008 г.**

