

The future is in the East



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The CIS insurance market has avoided the crisis in 2010, a reality confirmed by presented figures: in no state has the insurance industry decreased. Thus, if we exclude Russia, the insurance market of the 10 CIS countries accounted for a volume of underwritings of EUR3.6bn, about 21% more than in 2009. If in the total result we also include Russia, the market amounted to EUR29.4bn, with only EUR3.6bn less than the cumulated result of the 17 countries of the CEE region.

With a population double as number, if we compare the CIS insurance market to the one in CEE, the future of this industry sounds promising in the years to come. For example, in Armenia, introducing the mandatory MTPL insurance has led to some structural changes of the insurance market and has created a strong competitive environment. Also, in Belarus, the national insurance market has continued its dynamic growth and the range of insurance products has been diversified, which led to an increase of the number of voluntary insurance classes and a ratio mandatory/voluntary insurance of 50:50 was reached. Meanwhile, in Moldova, the continuous capitalization of the market comes as a result of reforms began in the insurance industry in 2007, with the publishing in the Official Gazette, on April 6th, of Law no. 407, which stipulates among others the change of the

requirements related to the minimum share capital of insurers, that has to reach, gradually, MDL15bn by 2012. For Tajikistan, the insurance market is young, the first private insurance companies have appeared on the profile market in 1992, while in Turkmenistan, one single insurance company activates, that is administered by the state.

Overall, in all markets, it can be seen an active process of merger and acquisitions between insurance companies, and it is noted the entry on the markets of the two Russian giants: ROSGOSSTRAKH and INGOSSTRAKH.

This globalization brings only benefits, creating, at regional level, an increasingly competitive market. Meanwhile, authorities in each state have numerous attempts to attract insurance groups from Western Europe. In this respect a good example is Ukraine, where 115 companies with foreign capital are activating, which, in percentage, represents 26.5% of the share capital of insurance companies active in the market. Another positive example comes from Belarus, where at the end of last year AXA announced that it has acquired a 80% stake in B&B Insurance of Belarus, which occupies the third place on the general insurance market.

So, this globalization, correlated with the reforms started in each insurance market by the supervisory authorities have created all the premises for the development of this industry, even in 2010, despite a difficult year, marked by the international economic crisis.

Commonwealth of Independent States (CIS) insurance markets main indicators

| Nr. | Country | Gross Written Premiums - 2010 | | | 2010 - Overall Paid Claims | Gross Written Premiums - 2009 | GWP change 10/09 | Market Share | | 2010 - Insurance density |
|---------------------------|--------------|-------------------------------|----------------|--------------------|----------------------------|-------------------------------|------------------|--------------|-------|--------------------------|
| | | All insurance lines | Life insurance | Non-life insurance | | | | 2010 | 2009 | |
| | | EUR m. | EUR m. | EUR m. | | EUR m. | | EUR m. | % | |
| 1 | Armenia | 17.16 | 2.22 | 14.94 | 3.62 | 13.08 | 31.1 | 0.5 | 0.4 | 5.5 |
| 2 | Azerbaijan | 147.34 | 1.38 | 145.96 | 46.16 | 142.02 | 3.7 | 4.1 | 4.7 | 17.1 |
| 3 | Belarus | 337.09 | 19.87 | 317.22 | 201.76 | 271.60 | 24.1 | 9.3 | 9.1 | 35.1 |
| 4 | Kazakhstan | 786.24 | 95.51 | 690.73 | NA | 622.42 | 26.3 | 21.7 | 20.7 | 49.1 |
| 5 | Kyrgyzstan | 8.61 | 0.00 | 8.60 | 0.33 | 7.53 | 14.3 | 0.2 | 0.3 | 1.6 |
| 6 | Moldova | 55.78 | 3.28 | 52.50 | 19.68 | 52.38 | 6.5 | 1.5 | 1.7 | 15.5 |
| 7 | Tajikistan | 16.00 | NA | NA | NA | 9.0 | 77.8 | 0.4 | 0.3 | 2.2 |
| 8 | Turkmenistan | 39.63 | NA | NA | NA | 34.43 | 15.1 | 1.1 | 1.1 | 6.6 |
| 9 | Ukraine | 2,137.49 | 87.96 | 2,049.53 | 576.93 | 1,781.83 | 20.0 | 59.0 | 59.4 | 46.6 |
| 10 | Uzbekistan | 79.2 | NA | NA | 12.5 | 66.0 | 20.0 | 2.2 | 2.2 | 2.9 |
| TOTAL CIS | | 3,624.5 | 210.2 | 3,279.5 | 860.9 | 3,000.3 | 20.8 | 100.0 | 100.0 | 27.3 |
| 11 | Russia | 25,812.30 | 558.60 | 25,253.70 | 19,056.06 | 22,540.70 | 14.5 | - | - | 182.8 |
| TOTAL CIS & RUSSIA REGION | | 29,436.8 | 768.8 | 28,533.2 | 19,917.0 | 25,541.0 | 15.3 | - | - | 107.4 |



About Commonwealth of Independent States (CIS)

Commonwealth of Independent States is a regional organization which was created in December 1991 by the former Soviet Republics. In the adopted Declaration the participants of the Commonwealth declared their interaction on the basis of sovereign equality.

At present the CIS member states are: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine. In 2008, Georgia left the organization.

Top 100 insurance companies in CIS Region (all insurance lines / without Russia and Ukraine)

| No. | Company | Country | GWP 2010 | CLAIMS 2010 |
|-----|-------------------------|--------------|----------|-------------|
| | | | EUR m. | EUR m. |
| 1 | BELGOSSTRAKH | Belarus | 175.03 | 115.83 |
| 2 | EUROASIA | Kazakhstan | 96.89 | 11.72 |
| 3 | KAZKOMMERTS Policy | Kazakhstan | 85.17 | 5.52 |
| 4 | HALYK Bank Kazakhstan | Kazakhstan | 75.58 | 23.05 |
| 5 | OIL Insurance Company | Kazakhstan | 46.87 | 7.81 |
| 6 | State Ins. Organization | Turkmenistan | 39.63 | NA |
| 7 | ALLIANZ Kazakhstan | Kazakhstan | 39.19 | 3.44 |
| 8 | NOMAD Insurance | Kazakhstan | 34.92 | 3.50 |
| 9 | STATE ANNUITY Company | Kazakhstan | 32.38 | 10.10 |
| 10 | CHARTIS Ins. Company | Kazakhstan | 30.05 | 2.40 |
| 11 | LONDON ALMATY | Kazakhstan | 27.14 | 3.71 |
| 12 | AMANAT Insurance | Kazakhstan | 26.01 | 1.72 |
| 13 | VICTORIA | Kazakhstan | 25.29 | 1.65 |
| 14 | TASK | Belarus | 25.05 | 16.07 |
| 15 | KASPI Bank | Kazakhstan | 24.80 | (3.61) |
| 16 | SENTRANS Insurance | Kazakhstan | 23.95 | 5.03 |
| 17 | AZERSIGORTA | Azerbaijan | 22.91 | 10.14 |
| 18 | B&B Insurance | Belarus | 22.31 | 20.88 |
| 19 | PromTransInvest | Belarus | 20.88 | 9.72 |
| 20 | BELNEFTESTRAKH | Belarus | 17.76 | 8.30 |
| 21 | HALYK Life | Kazakhstan | 17.32 | 7.10 |
| 22 | KAZROMMERTS Life | Kazakhstan | 16.86 | 5.21 |
| 23 | MOLDASIG | Moldova | 15.99 | 6.27 |
| 24 | EXIMGARANT OF BELARUS | Belarus | 15.64 | 6.79 |
| 25 | ALLIANCE Life | Kazakhstan | 15.11 | 3.97 |
| 26 | STRAVITA | Belarus | 14.84 | 0.03 |
| 27 | AZSIGORTA | Azerbaijan | 14.80 | 1.28 |
| 28 | KOMMESK Omir | Kazakhstan | 14.37 | 3.33 |
| 29 | BTA Life | Kazakhstan | 14.22 | 4.52 |
| 30 | ALLIANZ Policy | Kazakhstan | 14.02 | 5.31 |
| 31 | ATESHGAIH | Azerbaijan | 13.80 | 4.98 |
| 32 | INTER Teach | Kazakhstan | 13.24 | 7.82 |
| 33 | UZAGRO Insurance | Uzbekistan | 13.05 | NA |
| 34 | PASHA Insurance | Azerbaijan | 12.36 | 2.31 |
| 35 | BELKOOPTSSTRAKH | Belarus | 11.87 | 5.58 |
| 36 | BTA Insurance | Kazakhstan | 11.84 | 3.91 |
| 37 | ASITO | Moldova | 11.65 | 3.91 |
| 38 | AZAL SIGORTA | Azerbaijan | 11.47 | 3.86 |
| 39 | UZBEKINVEST | Uzbekistan | 10.73 | NA |
| 40 | PANA Insurance | Kazakhstan | 10.65 | 1.05 |
| 41 | INTERNATIONAL | Azerbaijan | 9.64 | 4.87 |
| 42 | TSACO | Kazakhstan | 9.59 | 0.18 |
| 43 | STANDART Insurance | Azerbaijan | 8.16 | 2.10 |
| 44 | TRANS OIL | Kazakhstan | 8.11 | 1.84 |
| 45 | ASTANA Finance | Kazakhstan | 8.09 | 1.68 |
| 46 | MBASK | Azerbaijan | 7.95 | 3.35 |
| 47 | UVT Insurance | Uzbekistan | 7.92 | NA |
| 48 | EKO Policy | Kazakhstan | 7.91 | 1.26 |
| 49 | BELROSSTRAKH | Belarus | 7.58 | 5.37 |
| 50 | TOJKSUGURTA | Tajikistan | 7.57 | 1.78 |

| No. | Company | Country | GWP 2010 | CLAIMS 2010 |
|-----|---------------------------|------------|----------|-------------|
| | | | EUR m. | EUR m. |
| 51 | ASKO | Kazakhstan | 7.37 | 0.98 |
| 52 | ASTANA Finance - Life | Kazakhstan | 7.03 | 1.03 |
| 53 | KHALQ Insurance | Azerbaijan | 6.91 | 1.70 |
| 54 | ORIEN Insurance | Tajikistan | 6.70 | 0.37 |
| 55 | QARANT Sigorta | Azerbaijan | 6.70 | 2.35 |
| 56 | A-QROUP | Azerbaijan | 6.66 | 4.96 |
| 57 | GENERALI LIFE | Kazakhstan | 6.41 | 0.54 |
| 58 | GRAWE CARAT | Moldova | 6.39 | 1.43 |
| 59 | INGO Uzbekistan | Uzbekistan | 6.12 | NA |
| 60 | ALATAU | Kazakhstan | 5.98 | 0.24 |
| 61 | KAFOLAT | Uzbekistan | 5.40 | NA |
| 62 | BELINGOSSTRAKH | Belarus | 5.12 | 3.00 |
| 63 | AZERBAIJAN Senaye Sig. | Azerbaijan | 4.89 | 1.58 |
| 64 | ALFA Invest | Uzbekistan | 4.25 | NA |
| 65 | DONARIS-GROUP | Moldova | 4.24 | 1.58 |
| 66 | ATASIGORTA | Azerbaijan | 4.01 | 1.00 |
| 67 | INGO Armenia | Armenia | 4.00 | 1.00 |
| 68 | ASIA Insurans | Uzbekistan | 3.94 | NA |
| 69 | ROSGOSSTRAKH Armenia | Armenia | 3.85 | 0.67 |
| 70 | KAPITAL Insurance | Uzbekistan | 3.82 | NA |
| 71 | National Belorussian Ins. | Belarus | 3.70 | 2.33 |
| 72 | AUB Insurance | Kyrgyzstan | 3.69 | 0.00 |
| 73 | KUPALA | Belarus | 3.62 | 1.75 |
| 74 | ALSKOM | Uzbekistan | 3.22 | NA |
| 75 | MOLDCARGO | Moldova | 2.93 | 1.15 |
| 76 | GENERALI | Belarus | 2.84 | 0.00 |
| 77 | BELVNEESHTRAKH | Belarus | 2.71 | 1.38 |
| 78 | ISG | Armenia | 2.52 | 0.05 |
| 79 | BASHAK INAM | Azerbaijan | 2.46 | 1.43 |
| 80 | BAKI Insurance | Azerbaijan | 2.45 | 1.12 |
| 81 | TRANSINSURANCE Plus | Uzbekistan | 2.38 | NA |
| 82 | CASCADE Insurance | Armenia | 2.36 | 0.72 |
| 83 | ALFA Insurance | Azerbaijan | 2.15 | 0.27 |
| 84 | ACORD-GRUP | Moldova | 2.10 | 0.05 |
| 85 | ZEPTER Insurance | Belarus | 2.07 | 1.29 |
| 86 | ERA-TRANS Company | Azerbaijan | 2.02 | 0.98 |
| 87 | EUROASIG | Moldova | 1.96 | 0.65 |
| 88 | KENTAVR | Belarus | 1.91 | 0.93 |
| 89 | CHARTIS Azerbaijan | Azerbaijan | 1.65 | 0.26 |
| 90 | NAIRI Insurance | Armenia | 1.61 | 0.25 |
| 91 | RAVAN Insurance | Azerbaijan | 1.60 | 1.01 |
| 92 | EXIM-ASINT | Moldova | 1.35 | 0.70 |
| 93 | MOLDOVA-ASTROVAZ | Moldova | 1.33 | 0.69 |
| 94 | KLASSIKA Asigurări | Moldova | 1.28 | 0.59 |
| 95 | ERGO | Belarus | 1.25 | 0.81 |
| 96 | TRANSELIT | Moldova | 1.22 | 0.35 |
| 97 | SEDYMAIA LINYA | Belarus | 1.13 | 0.19 |
| 98 | GARANTYA | Belarus | 1.12 | 0.11 |
| 99 | VICTORIA Asigurări | Moldova | 1.07 | 0.63 |
| 100 | RESO | Armenia | 1.00 | 0.36 |