

# Promises for better



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The region of the Commonwealth of Independent States offers important potentials for future growth of the insurance market. This statement is reinforced if we compare the figures recorded in the first six months of this year to those recorded in Central and Eastern Europe.

Thus exploring the total lines, the insurance market in CEE recorded a gross written premium volume by just EUR950m more, given that in CEE, unlike CIS, there is, especially in EU member states, a more developed insurance products culture. Also, the presence of major insurance groups in Western Europe, as well as annual growth of importance of groups based in CEE (TRIGLAV or PZU) perhaps helped the CEE insurance market growth.

At a brief glance over CIS, it is noticeable that the potential is high, as the CIS population is two times the one in CEE. Furthermore, it is also one of the explanations for the CIS insurance density being half the value of the CEE one.

If we analyze the insurance market in CIS excluding Russia, which is the largest insurance market in the region, the number of residents is similar to that of CEE, and this makes figures to be much lower as compared to CEE. The average insurance density would be EUR12.1 per capita.

Three other important insurance markets are Ukraine, Kazakhstan and Belarus, in the rest of the countries gross written premiums being under EUR100m. Moreover, in many of the CIS countries, there are already strong insurance groups from CEE and Russia, such as ROSGOSSTRAKH and INGOSSTRAKH, these two being the most important ones.

There is growth potential for all insurance markets. In almost all countries of the region, laws regarding insurance were recently reformed or are in progress of being modified. Also, the number of insurance companies is increasing, and so are the ones of insurance products distribution channels, of insurance brokers and of specialized agents.

Thus, greater competition and a better defined legal framework can only help the insurance industry evolution.

## Commonwealth of Independent States (CIS) insurance markets main indicators

Nr.	Country	OVERALL GWP	OVERALL PAID CLAIMS	MARKET SHARE	POPULATION	Insurance density
		1H 2010	1H 2010	1H 2010	Inhabitants m.	EUR/capita
		EUR m.	EUR m.	%		
1	Armenia	9.8	1.6	0.6	3.1	3.1
2	Azerbaijan*	84.4	25.5	5.3	8.6	9.8
3	Belarus	166.2	97.8	10.3	9.6	17.3
4	Kazakhstan	416.4	NA	25.9	16.0	26.0
5	Kyrgyzstan	2.6	0.1	0.2	5.3	0.5
6	Moldova	26.2	9.2	1.6	3.6	7.3
7	Tajikistan**	5.5	NA	0.3	7.3	0.8
8	Turkmenistan**	20.0	NA	1.2	6.0	3.3
9	Ukraine	836.4	NA	52.1	45.9	18.2
10	Uzbekistan	38.8	6.1	2.4	27.5	1.4
<b>TOTAL CIS</b>		<b>1,606.2</b>	<b>140.4</b>	<b>100.0</b>	<b>132.9</b>	<b>12.1</b>
11	Russia	13,644.9	9,617.1	-	141.2	96.6
<b>TOTAL CIS &amp; RUSSIA REGION</b>		<b>15,251.2</b>	<b>9,757.5</b>	<b>-</b>	<b>274.1</b>	<b>55.6</b>

\* Related to January-July 2010

\*\* PRIMM estimations, based on 2009 figures published by SAIPRO



## 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 leaves the organization.