

NEWSPAPER INSURER PRESS ISSUE №10 (28 May - 11 June 2008) WITH AN ACCENT PUT ON THE HIGHLIGHTS, HOT TOPICS AND COMMENTS

Dear readers, in the overview of issue no 10 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 our overview by the important news. Under the regular heading „Between two issues“ on page 2 a place is given to the news from the Financial Supervision Commission (FSC). The most interesting is that FSC reviewed the initial proposals for **Amendment and Supplement Bill to the Social Security Code (SSC)**.

Also important is the information about the newly introduced opportunity for different investment profiles in the supplementary voluntary social insurance.

On page 2 you can read that the regional reinsurance center of the big reinsurer Generali moved from Cyprus to Bulgaria.

On pages 2 and 16 you can read that „Lev Corporation“ reports BGN50 million profit. There also start 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“.

In the column „Cross point“ **Slavimir Genchev** put an accent on the Health reform. „Better late than later“ is the headline of the article, which reflects the personal position of the author (pages 2 and 16).

The forthcoming health reform is also the theme of the „Cover story“ (pages 4 and 9). **Yoanna Stephanova** reminds us that „BGN2.5 billion competition is round the corner. The private insurers and the state Health Insurance Fund will compete for the money from the health contributions of the Bulgarians“.

We have it from the sure source through the conversation with **Antonia Parvanova**, deputy chairperson of the parliamentary health policy committee. **Mrs Parvanova** answered some questions about the different stages of the debates of the forthcoming healthy reform. Regarding the model which was approved by the Council of the Triple Coalition, she shared that: „The most important is that a provision is made for legal opportunity for private companies to enter the Mandatory Health Insurance market. These private funds must meet substantially increased certification requirements and will provide services on the same principles as operates the National Health Insurance Fund (NHIF)“.

The short terms for transition between the different stages of the reform are also mentioned further in the conversation. The first step, the start of certification procedure, will enter into force in the beginning of July 2008.

Mrs Parvanova also explained the joint effort of the private health insurance funds and **NHIF**, and what are the requirements that shall be fulfilled by the private funds to obtain a license for private health insurance fund.

Antonia Parvanova explained how the presently existing health insurance companies fit in the model and whether the insurance companies, that offer health insurances fit in the new scheme.

Mrs Parvanova also broached the subject for the Guarantee Fund and the new Solidarity Fund.

On page 3 is the commentary of **Petar Andassarov** - „Tradition + innovation + long-term policy = stability, success and prosperity for DZI“. These are, according the author, the guarantees for good reputation and confidence, enjoyed by the oldest Bulgarian insurer.

Page 5 is devoted to another big

insurer - „Allianz“. There you can read that the big Bulgarian Life-Insurance company ZAD „Allianz Bulgaria Life“ has launched new product, which is unique for the Bulgarian market. „Allianz Health“ provides upon request an access to medical service at better quality.

The group „Allianz“ gained stable results for the first quarter of 2008. Their operative profit reached EUR1,86 billion

On page 6 is our column „Theme to be continued“ - **Risk management**. The publication by **Slavimir Genchev** „The reinsurance broker WILLIS RE hosts a catastrophic risk modeling seminar“.

In the beginning of April Willis Re, the reinsurance division of global insurance broker Willis Group Holdings, hosted a risk management seminar in Sofia, Radisson SAS Hotel, to highlight the growing challenges facing Bulgarian insurance companies and how risk management can help“.

Catastrophe risk management provides insurance penetration in depth across an array of business sectors and this theme is very discussed together with the insurance pool.

In this issue you find the continuation of the presentation, made by **Matthew Twilly** - leader of business group in **Willis Re** - London and expert in national catastrophe pool - „Modeling of national catastrophe pools“.

On pages 7 and 16 is given place of the next part of last issue article „The Risk Management - the guarantee for security and prosperity of the small companies“. The author - the reader doctor **Ivanka Boneva** put stress on the need of specialized insurance market for regulation and support of the risk management.

In this part, **Mrs Boneva** describes the details of the risk-situation as a basis for implementation of risk management in SME. The article provide a large number of illustrations.

Page 9 is devoted to **Insurance and Reinsurance company „Armeets“ and their new insurance product „Managers and Officers Insurance for Liability and Indemnity“**.

In the column „Selected“ we offer you one of the mostly pleasant reading in the media for the days between the last and the present issue of the newspaper „Insurer Press“ - the interview with **Rumen & Rumen Georgiev**, published in the Sunday issue (135) of 18 May 2008, of the newspaper „24 hours“.

The interview is got by **Dilyana Tsenova** and has a catchy headline: **THE RISK IS REDUCED TO ONE TRIANGLE**.

„THE INSURERS: FATHER AND SON LAUGH AT THE ABSURDITIES AND PARADOXES IN THE LIFE“.

On page 10 you can find the conversation with **Todor Danailov**, manager „International activity and reinsurance“, insurance company „Euroins“ AD.

Yoanna Stephanova and **Todor Danailov** are discussion questions, relative to the expended scope of activity of „Euroinsurance Group“ abroad. There are some interesting facts about the development of „Euroins Romania“ - the oldest foreign company of „Euroins“. The conversation throws light upon the Romanian market and specific characteristics of the franchise.

„Euroins“ has newly acquired a company in Macedonia - a very perspective market as a whole. **Todor Danailov** considers that the main strategy of the company in Macedonia shall be the priority development of the prop-

erty insurance.

The „Analyses“ on page 11 examine the pension insurance. The main conclusion, drawn by the author **Ani Dimitrova** is:

PENSION FUNDS SUFFER EQUITY LOSSES FOR THE FIRST QUARTER OF 2008 - FIRST DROP.

The crisis on the world capital markets and the correction of the Stock exchange here influenced the development of the pension branch.

As from the start of the pension reform in the country, this is the first quarter with registered negative capital gain. The reason for this drop is not an isolated occurrence as it reflects the effect of the drop of the price of the financial instruments, traded on the financial markets in the world. The companies commented that this drop was insignificant and the losses were already covered.

On page 12, we are telling you about the Patron Celebration at the Higher School of Insurance and finance. During the School Holiday on 12 May, this year there was a special ceremony in occasion of the bestowment of the insignia of honor **Doctor Honoris Causa** in the Higher School of Insurance and finance (VUZF) to Mr. **Luka Dokov**. The details about the bestowment and the address of Mr. Dokov are published in column „Recognition“ on page 13.

On page 14, in the column „Document“, you can find the material „The National Bureau „Green Card: reported difficult but successful year“. On the base of the data provided in the report, the material gives information about the liquidation activity of the **National Bureau of Bulgarian Motor Insurers - NBBMI**.

On page 15 is reflected the opening of the new part of the Head office of „**QBE Insurance (Europe) Limited**“ - Sofia branch.

You can read the information that **„ALLIANZBANK BULGARIA IS KEEPING UNCHANGED ALL ITS MORTGAGE RATES“** on page 16.

On page 17 is our regular column „Women in the insurance business“. There Mr. **Petar Andassarov** meets us with Reader Doctor **Diana Ivanova** - secretary-in-chief of „Prof. Dr. Velislav Garriiski“ foundation for several mandates.

Mrs Ivanova is telling about her carrier path, her insurance involvement and the creation of the foundation „Prof. Dr. Velislav Garriiski“. **Mrs. Ivanova** answers questions about the difficult profession of the insurer, the values in life, happiness, individual

tastes and preferred things.

On page 19, in the column „In the Word“ you can read the curious article by **Iva Ivanova**, entitled **Bahrain's Fund Seeks U.S. Insurer Stakes**. Bahrain Mumtalakat Holding Co., the Gulf kingdom's \$10 billion sovereign wealth fund, plans to buy stakes in U.S. insurance companies while shunning the bank shares favored by its regional peers.

„We are looking at several opportunistic deals in the U.S.“, Chief Executive Officer **Talal al-Zain** said in an interview at the World Economic Forum meetings in Egypt today. „We are looking at the insurance space,“ he said, adding that he doesn't want to invest in U.S. banks „right now.“

On page 20, under the headline „**Look back, Look forth**“ is the interview with

Kosta Cholakov, CEO of „Interamerican Bulgaria“ ZEAD. **Mr. Cholakov** is dwelling upon the insurance activity of „Interamerican Bulgaria“ ZEAD in 2007 and the important moment - the newly granted life-insurance license and the development of



the main distribution channel - a network of agents.

Further in the interview **Kosta Cholakov** answers questions about the Product Policy of the company and also expresses his point of view with regards of the low prices of the MTPL insurance. The correct name of the company will be „**Interamerican Bulgaria Life**“ and **Mr. Cholakov** is appointed as CEO. The company will be selling Life and Annuity insurance, Marriage and Children Insurance, unit-linked life insurance and supplementary insurance with or without investment element. And again „In the world“, this time on page 21 found place some materials from the website www.zastrahovatel.com : **I Berkshire Hathaway and Allianz have pulled out of the bidding for the Royal Bank of Scotland Insurance business I AIG said it plans to raise about \$12.5 billion in capital I Berkshire Hathaway Net Falls 64% On Paper Derivative „Losses“ I Zurich Financial Services Group reported a first-quarter net**

profit of \$1.427 billion I ING to Acquire CitiStreet for EUR 578 million I Ford also reports a drop in Q1 ? American insurer says 1Q profit down 94 percent.

Ona page 22 in the column „We introduce to you ...“ is the interview of **Petar Andassarov** with **Momchil Andreev**, Director of „Raiffeisen“ for Bulgaria, Chair of the Board and CEO of „Raiffeisen Bank Bulgaria“ EAD.

The reason for this interview is a lucky hit. In the issue (8) before the last newspaper „Insurer Press“ published the table with the results - premium income and market share for the year 2007 - of the top 6 insurers. It turned out that At the second place is „**Raiffeisen Insurance Broker**“ EOOD that has premium income of BGN 29 345 552 which represents 7,29% market share. **Mr. Momchil Andreev presented the structure of Raiffeisen Group Bulgaria:**

Besides „Raiffeisen Bank Bulgaria“ EAD, the group is also represented by another companies, active in the field of finances and real estate - „Raiffeisen Leasing“ with 25% stake of the bank;

„**Raiffeisen Insurance Broker**“ EOOD with a 100% stake of the bank; „**Raiffeisen Services**“ - property assessment company, independent construction supervision, and again the bank is 100% owner. In addition to the few local funds „**Raiffeisen Asset Management Bulgaria**“ EAD, offers the international funds of „Raiffeisen Group“.

„**Raiffeisen Real Estate**“ EOOD real estate agency opened housing centers in 8 towns. The centers offer real estate brokerage, funding and insurance „under one roof“. The newly opened „**Raiffeisen Factoring**“ EOOD, offers financing of business invoices with deferred payment and collection of business debts, and financial and business consultations.

Mr. Momchilov emphasized that the broker serve all structures of the group in Bulgaria and the result of BGN29 million premium income is an evidence for the power of the name **Raiffeisen** and the market positions of the company.

Further, in the interview **Mr. Andreev** makes some comments about the approach when offering of the mandatory MTPL insurance.

We finish this overview with the conversation of **Vania Toshevska** with the beloved singer **Stefka Berova**. We meet her in our regular column „Insurance and Personalities“ on page 23.

**Selection
VANIA PETROVA
Translation
ALBENA DIMITROVA**

СРОДНИ ИЗДАНИЯ ...

(Продължава от стр. 2)

Ще отбележим и анализа на **Найден Недялков** за резултатите от дейността на застрахователните дружества през първото тримесечие на 2008 година със следното заглавие „Булстрад успя да завладее една пета от пазара“. Поместена е и голяма снимка на председателя на УС и изпълнителен директор на дружеството **Румен Янчев** и текст под нея: „Първото тримесечие е най-силно за нас по отношение на полицата Гражданска отговорност“.

А подзаглавието е „Лев инс отбелязва най-динамично развитие“.

Вторият материал по темата катастрофичен пул е всъщност интервю на **Маряна Златанова** със **Стефка Генчева**, сътрудник към парламентарната комисия при бедствия и аварии; съставител на Законопроект за Катастрофичен фонд,

публикувано в брой 22/30 май 2008 г. на в. „КЕШ“. Заглавието е „Природните бедствия са Божие дело, загубите от тях - човешко“. Посочени са два основни извода от интервюто: „Застрахователно покритие срещу катастрофични природни бедствия да

се осигурява чрез въвеждане на допълнително покритие към всички полицы за недвижимото имущество на физическите лица“ и „Застрахователите превеждат пълния размер на допълнителната премия към предложения за създаване Национален катастрофичен пул“ (НКФ).

В бр. 106 от 4.VI.2008 г. на в. „Пари“ присъства темата за животозастраховането. Публикувана е голяма снимка на **Георги Георгиев** със заглавие над нея „Инвестицията Застраховка Живот“ със следния текст: „За една година животозастрахователният сектор отбелязва ръст от над 22%. „Уника живот“, управлявана от **Георги Георгиев**, за поредна година продължава да печели позиции и да се изкачва към върха.“

На следващите две страници на същия брой е анализът за животозастраховането през I тримесечие на 2008 г. със заглавие „Алианц Живот остава лидер на пазара“ и подзаглавие „Четири компании от челната петица в сектора сменят местата си“. Поместена е и снимка на **Георги Момчилов**, изпълнителен директор на ЗАД „Алианц България Живот“, и неговото предвиждане, че „ръстът в животозастраховането ще е в рамките на

30%“. Автор е **Иван Маджаров**.

На тези страници има и две информации: „Обсъждат промени при Гражданска отговорност“, и третият за пула - „Има нови идеи за Катастрофичен пул“.

Анализ за общото застраховане има в бр. 23 от 6 юни 2008 г. на в. „КЕШ“ под заглавие „Общото застраховане събра 361 млн. лв. за 3 месеца“. Информация за това, че КД „Живот“ е влязъл в ТОП 3 по пазарен дял, има и в бр. 107 от 5 юни 2008 г. в същия вестник „Пари“.

На здравното осигуряване са посветени два материала през този период. Първият е във в. „Пари“, бр. 101 от 28 май 2008 г. от **Найден Недялков** и е със заглавие „Здравните фондове събраха 25,3 млн. лв.“ И вторият - в бр. 23 от 6 юни 2008 г., от **Албена Алексиева**, заглавен „ЕК: Здравното осигуряване е застрахователна дейност“. Подзаглавието гласи: „КФОН е с възрани ръце по отношение на жалбите срещу здравноосигурителните дружества“.

**Прегледа направи
ПЕТАР АНДАСАРОВ**