



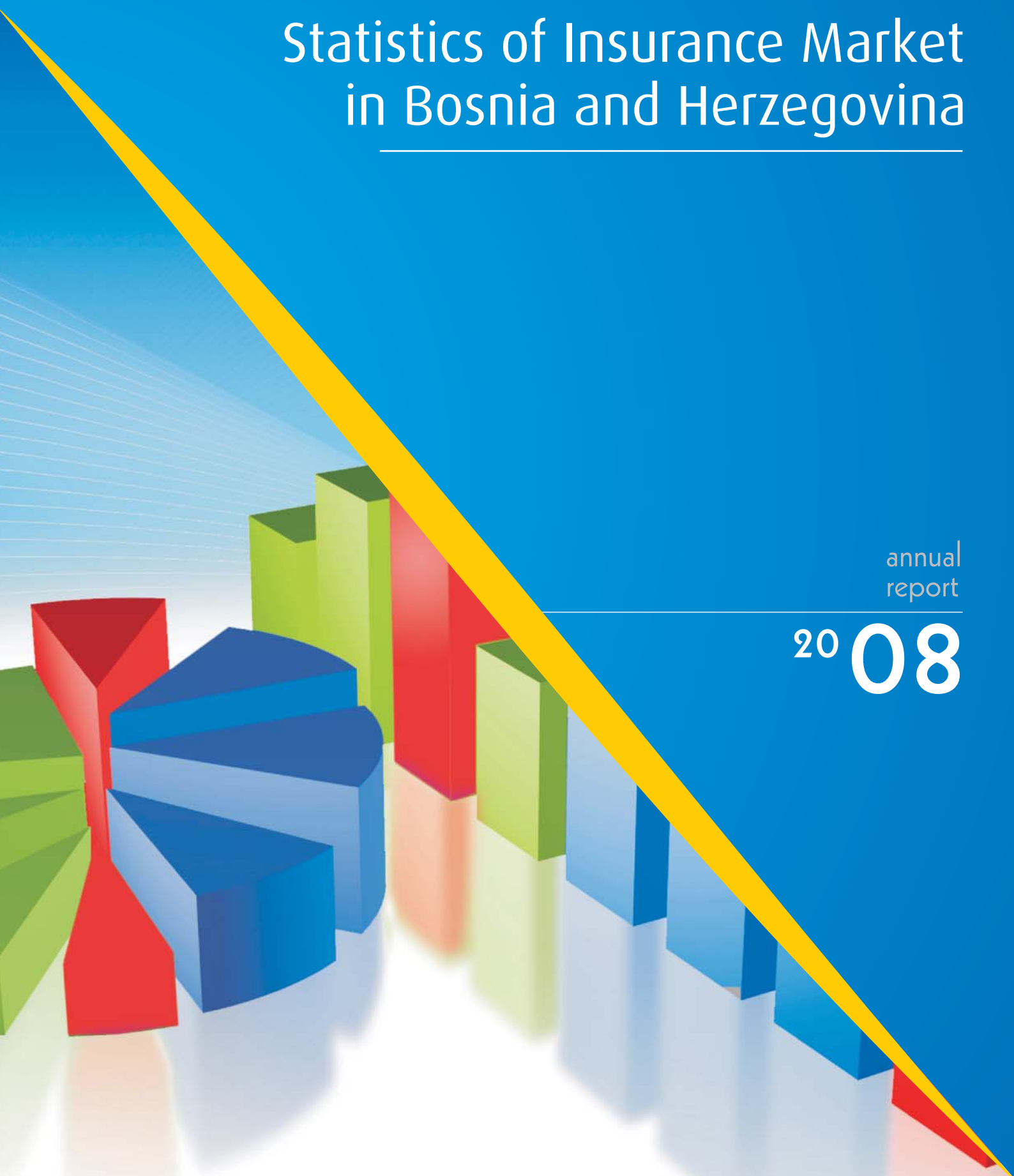
INSURANCE AGENCY OF  
BOSNIA AND HERZEGOVINA

# Statistics of Insurance Market in Bosnia and Herzegovina

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# Statistical bilten of the Insurance market in Bosnia and Herzegovina

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# ACRONYMS

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<b>BIH</b>	Bosnia and Herzegovina
<b>FBIH</b>	Federation of Bosnia and Herzegovina
<b>RS</b>	Republic of Srpska
<b>GDP</b>	Gross Domestic Product
<b>NOE</b>	Non-observed economy
<b>AFIP</b>	Agency for financial information and agency services d.d. Sarajevo
<b>EU</b>	European Union
<b>HANFA</b>	Croatian Agency for supervision of financial services
<b>HHI</b>	Herfindal – Hiršmanov indeks
<b>CEE</b>	Central and Eastern Europe





# Preface

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**Dear Readers,**

According to the available data in our Agency, global financial crisis, as a unavoidable topic in all discussions on financial and capital market, did not have significant impact to the insurance market in BiH in 2008, which, however, does not mean that insurance market is completely immune from global financial turmoil.

Insurance companies in BiH realized the growth of premium in almost all types of insurances in 2008. This statement is supported by the figures which shows that total premium in 2008 was increased for 12,65 % in comparison to 2007, while the rate of life insurance increased for 20,98 % in comparison to 2007. However, negative impact of crises is felt through the significant number of cancelled life insurance policies as a direct result of decrease of purchasing power where the bigger part of population can hardly afford to pay for the basic life necessities, insurance policy not being one.

The complexity and significance of the impact of world crises on the insurance industry inevitably impose the necessity to protect and restore customer confidence in traditional investment methods and models with objective of exploiting potential opportunities for further development of the insurance market and create preconditions for the introduction of new products in the insurance industry.

With regards to this, the Insurance Agency of BiH, together with the Ministry of Finance and Treasury has been involved in negotiations in 2008 with the World Bank on the establishment of systems for disaster risk insurance for the countries of Central and Southeast Europe (SECE CRIF - South-eastern and Central Europe Catastrophe Risk Insurance Facility).

This basis of reinsurance should be established as a genuine model of public/state-private partnership whose primary goal should be to develop disaster insurance market in Southeast Europe and providing access to insurance for households and small and medium enterprises at affordable prices.

The SECE CRIF in the first phase should be organized as a reinsurance company for special purposes, which will reinsure disaster risk taken over from private insurers in the process of selling insurance policy disaster to households and small and medium enterprises.

I would also like to inform you briefly about some of the most important activities that Agency performed in the year 2008.

In September 2008, through the implementation of the joint project with the European Commission in Sarajevo, we organized a Regional Conference on Insurance Markets in Central and South-eastern Europe, where 65 participants from eight countries, as well as other representatives of regulatory and supervisory institutions from BiH and abroad.

The aim of the conference was to exchange opinions and experiences of participants in the insurance market, as well as connecting with regulatory authorities in the field of insurance.

In 2008 the Agency successfully continued to implement the activities on representation of BiH in organizations at the international level dealing with insurance. In this regard, we renew membership in the International Insurance Foundation (IIF) and also the membership in the International Association Supervisors (IAIS) with the status of observer.

In the sphere of international activities of Insurance Agency in BiH, I wish to emphasize that we are currently in the process of drafting of proposals of the Memorandums of Understanding with Austria, Slovenia, Croatian and Serbia, which will certainly be a step forward in improving the relations in the field of insurance with these countries.

Within the framework of the USAID PARE Project (Partnership for Advancing Reforms in the Economy) and in cooperation with entity insurance supervisory agencies, we initiated the process of self-assessment with the key principles of supervision. This will enable us to realize the position of BiH in this important area in order to make decisions which will improve supervision in BiH.

I avail this opportunity to express the gratitude to all who participated in the preparation of this publication.

Sarajevo, august 2009

Director  
Samir Omerhodžić





# Review of *Macroeconomic* Indicators in BIH

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# 1. Review of Macroeconomic Indicators in BIH

## Macroeconomic indicators in BIH (2005-2008)

Indicators	Year			
	2005	2006	2007	2008
Nominal GDP (in KM mlo)	16.928	19.106	21.641	24.716
GDP per capita (in KM)	4.404	4.969	5.633	6.435
Real GDP (growth rate in %)	4,30	6,20	6,84	5,42
Retail prices growth rate (%)	3,80	6,10 <sup>1</sup>	5,00	15,72
Population (in thousands) <sup>2</sup>	3.844	3.845	3.843	3.842
Number of the unemployed	489.869	516.216	515.739	493.405
Number of the employed	644.114	657.715	679.323	694.416
Average gross salary (in KM)	798	869	935	1.113
Average net salary (in KM)	538	586	630	752
Import-Export Ratio (%)	34,50	46,90	42,70	41,20
Government Sector's Foreign Debt (in KM mln)	4.338	4.064	3.904	4.193
Foreign debt (as percentage of the GDP)	27,50	22,60	18,60	16,70
Unemployment rate (%)	35,00	31,10	29,00	23,40
Current Account Deficit	2,93 (17,31%BDP)	1,50 (7,83%BDP)	2,25 (10,40%BDP)	3,67 (14,85%BDP)

Data Sources: BIH Statistics Agency and the Central Bank of BIH

The economy of Bosnia and Herzegovina is facing several negative indicators with some of them - the unemployment rate of 23,4 % (according to Employment Institution, more then 10.000 people lost their jobs from the beginning of 2009) and trade deficit is 14,6 % of GDP. Beside that, we may expect the reduction of capital inflow, foreign investments and reduction in cash inflows from of BH citizens from abroad, which will all have impact on decrease of demand for the product offered at the insurance market.

## 1.1. Macroeconomic Indicators in the FBIH

### Macroeconomic indicators in the FBIH (2005-2008)

Indicators	Year			
	2005	2006	2007	2008
Nominal GDP (in KM mio)	10.831	12.058	13.735	15.657
GDP per capita (in KM)	3.803	4.238	4.821	5.496
Real GDP (growth rate in %)	4,90	11,30	13,10	12,96
Retail prices growth rate (%)	3,00	5,90	7,90	7,70
Population (estimate in thousands)	2.848	2.845	2.849	2.849
Number of the unemployed	338.270	355.102	370.459	430.745
Number of the employed	388.418	389.601	413.676	345.381
Average gross salary (in KM)	820	887	973,68	1.104.85
Average net salary (in KM)	558	603	662,10	751,30
Import-Export Ratio (%)	33,70	45,60	41,89	40,92

Data Source: Federal Statistics Institute

## 1.2. Macroeconomic Indicators for the RS

*Macroeconomic indicators in the RS (2005-2008)*

Indicators	Year			
	2005	2006	2007*	2008
Nominal GDP (in KM mln)	5.617	6.499	7.351	8.468
GDP per capita (in KM)	3.796	4.368	5.106	5.891
Real GDP (growth rate in %)	7,00	7,80	6,20	5,70
Retail prices growth rate (%)	5,20	6,40	7,60	7,20
Population (estimate in thousands)	1.446	1.444	1.440	1.437
Number of the unemployed	151.599	143.219	139.825	135.102
Number of the employed	248.445	257.110	258.236	259.205
Average gross salary (in KM)	707	793	875	1.132
Average net salary (in KM)	465	521	585	755
Import-Export Ratio (%)	39,30	56,40	49,90	46,40

*Data sources: RS Statistics Institute*

*\*In 2007 the data on GDP were corrected in accordance with inputs received from RS Statistics Institute*





# BIH Financial Services Sector

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## 2. BIH Financial Services Sector

### 2.1. Structure of the BIH Financial Services Sector

In 2008 total assets of the sector of financial services was KM 25,76 bln, with share of banking sector of 80,82 %, leasing companies 6,21 %, investments funds 4,82 %, microcredit organizations 4,70 % and insurance 3,45 %.

Financial sector in BiH is still „bank centric“ since the banking sector is still predominant with over 80% share in total assets of entire financial sector of BiH.

Financial results suggest that the banking sector in 2008 remain as the most successful in BiH economy in terms of size of the assets which for that year was KM 20,82 bln, leaving behind the leasing companies, investments funds, microcredit organizations and insurance companies with total assets of KM 1,60 bln, 1,24, 1,21 and KM 0,889 bln respectively.

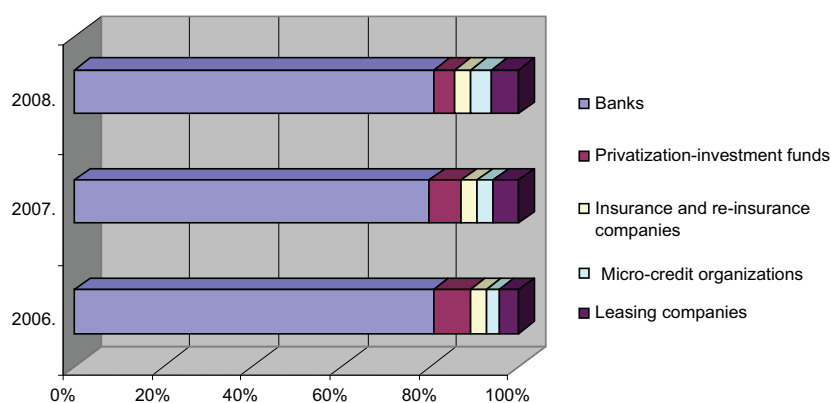
The biggest growth of the total assets in the financial services sector in Bosnia and Herzegovina in 2008, when compared to 2007 was registered in micro-credit organizations with increase of 32,10% and leasing companies with increase of 12,91%. Insurance and reinsurance companies in 2008, when compared to 2007, registered the growth of 4,22%.

*Structure of the BIH Financial Services Sector in 2006, 2007 and 2008.*

Segments of the Financial Services Sector (financial institutions)	2006		2007		2008		Assets growth index 07/06	Assets growth index 08/07
	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)		
Banks	15.231	80,69	19.682	79,90	20.821	80,82	129,22	105,79
Privatization-investment funds	1.553	8,23	1.764	7,16	1.242	4,82	113,59	70,41
Insurance and re-insurance companies	708	3,75	853	3,46	889	3,45	120,48	104,22
Micro-credit organizations	522	2,77	916	3,72	1.210	4,70	175,48	132,10
Leasing companies	862	4,57	1.417	5,75	1.600	6,21	164,39	112,91
<b>Total for the sector</b>	<b>18.876</b>	<b>100</b>	<b>24.632</b>	<b>100</b>	<b>25.762</b>	<b>100</b>	<b>130,49</b>	<b>104,59</b>

*Data sources: FBIH Banking Agency, RS Banking Agency, FBIH Securities Commission, RS Securities Commission, FBIH Insurance Supervisory Agency, RS Insurance Agency, Association of Leasing Companies in BiH, Association of Micro-credit Organizations in BiH.*

*Shares of the financial institutions in the BH financial services sector in 2006, 2007 and 2008*



Significant decrease of the share of of investments funds in total assets of financial sector which is a consequence of global crisis at world financial market (capital market).

### 2.1.1. Structure of the FBiH Financial Services Sector

Structure of the FBiH Financial Services Sector in 2006, 2007 and 2008

Segments of the Financial Services Sector (financial institutions)	2006.		2007.		2008.		Assets growth index 07/06	Assets growth index 08/07
	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)		
Banks	11.499	81,45	14.203	78,24	15.072	78,24	123,52	106,12
Privatization-investment funds	819	5,80	1.198	6,60	1.015	5,27	146,28	84,72
Insurance and re-insurance companies	549	3,89	662	3,65	677	3,51	120,58	102,27
Micro-credit organizations	388	2,75	673	3,71	901	4,68	173,45	133,88
Leasing companies	862	6,11	1.417	7,81	1.600	8,31	164,39	112,91
<b>Total for the sector</b>	<b>14.117</b>	<b>100</b>	<b>18.153</b>	<b>100</b>	<b>19.265</b>	<b>100</b>	<b>128,59</b>	<b>106,13</b>

Data sources: FBiH Banking Agency, FBiH Securities Commission, FBiH Insurance Supervisory Agency, Association of Leasing Companies in BIH, Association of Micro-credit Organizations in BIH

### 2.1.2. Structure of the RS Financial Services Sector

Structure of the RS Financial Services Sector in 2006, 2007 and 2008

Segments of the Financial Services Sector (financial institutions)	2006.		2007.		2008.		Assets growth index 07/06	Assets growth index 08/07
	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)		
Banks	3.732	78,42	5.479	84,55	5.749	88,49	146,81	104,93
Privatization-investment funds	734	15,42	566	8,73	227	3,49	77,11	40,11
Insurance and re-insurance companies	159	3,34	191	2,95	212	3,26	120,13	110,99
Micro-credit organizations	134	2,82	244	3,77	309	4,76	182,09	126,63
Leasing companies	0	0,00	0	0,00	0	0,00	0,00	0,00
<b>Total for the sector</b>	<b>4.759</b>	<b>100</b>	<b>6.480</b>	<b>100</b>	<b>6497</b>	<b>100</b>	<b>136,16</b>	<b>100,26</b>

Data sources: RS Banking Agency, RS Securities Commission, RS Insurance Agency, Association of Leasing Companies in BIH, Association of Micro-credit Organizations in BIH

## 2.2. Comparison of the Banking and Insurance Sectors

In order to highlight the role and significance of the insurance business within the financial services sector – desiring to present its growth over the recent years – below we enclose a comparison of the banking and insurance sectors of BIH and some European countries, as well as a comparison of the mentioned sectors on both BIH and entity level. The analysis was based on two balance sheet values: assets and capital.

Comparison of the banking and insurance sectors of BIH and some European countries in 2007 (in EUR mln)

Country	Banking Sector		Insurance Sector	
	Assets	Capital	Assets	Capital
Croatia	47.100	5.900	3.168	659
BIH	10.645	1.144	454	170
Slovenia	42.340	3.560	4.111	910
Serbia	19.710	4.410	757	264
Bulgaria	30.210	3.180	1.108	448
Czech Republic	139.590	13.360	10.701	2.450
Slovakia	49.670	2.830	4.216	955
Romania	72.060	7.220	1.732	641

Data sources: Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), European Banking Federation (EBF), FBiH Insurance Supervisory Agency, RS Insurance Agency, Banking Agency of FBiH, Banking Agency of RS, National Bank of Croatia, HANFA, National Bank of Serbia

*Assets and capital in the banking and insurance sectors in BIH in 2006, 2007 and 2008 (in KM tsd)*

	2006		2007		2008	
	Banks	Insurance Companies	Banks	Insurance Companies	Banks	Insurance Companies
<b>Assets</b>	15.231.189	707.633	19.682.436	853.339	20.820.631	888.896
<b>Capital</b>	1.612.918	263.776	1.967.104	301.287	2.237.198	332.579

*Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency, FBiH Banking Agency, RS Banking Agency, AFIP*

Compared to 2007, the BIH banking sector's assets in 2008 increased by KM 1,14 bln (5,78%). In the same period, the capital grew for KM 270 bln (13,73%).

On the other hand, the insurance sector's assets in 2008 increased by KM 36 mln (4,1759 %) when compared to 2007. The same period also saw a 10,39% increase of the insurance sector's capital, which translates into an absolute amount of KM 31 mln.

In 2007, the insurance sector's assets represented 4,16% of the banking and insurance sectors' combined assets; at the same time, the insurance sector's capital made up 13,28 % of the two sectors' aggregate capital.

In 2008, the insurance sector's assets accounted for 4,09% of the value of the two sectors' combined assets, therefore, there was a decrease of the insurance sector's share in the structure of the two sectors' aggregate assets. The same situation obtains also in terms of the insurance sector's share in the two sectors' combined capital since the insurance sector's share in combined capital amounted to 12,94 %.

*Assets and capital in the banking and insurance sectors in FBiH and RS in 2006, 2007 and 2008 (in KM tsd)*

	Entity	2006		2007		2008	
		Banks	Insurance Companies	Banks	Insurance Companies	Banks	Insurance Companies
<b>Assets</b>	<b>FBiH</b>	11.499.180	548.904	14.203.507	662.363	15.072.041	676.967
	<b>RS</b>	3.732.009	158.729	5.478.929	190.976	5.748.590	211.929
<b>Capital</b>	<b>FBiH</b>	1.228.093	194.009	1.518.018	217.519	1.638.782	238.038
	<b>RS</b>	384.825	69.767	449.086	83.768	598.416	94.541

*Data sources: FBiH Insurance Supervisory Agency, FBiH Banking Agency, RS Insurance Agency, RS Banking Agency, AFIP*



# Overview of Statistic Indicators for the BIH Insurance Sector

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## 3. Overview of Statistic Indicators for the BiH Insurance Sector

### 3.1. Ownership Structure

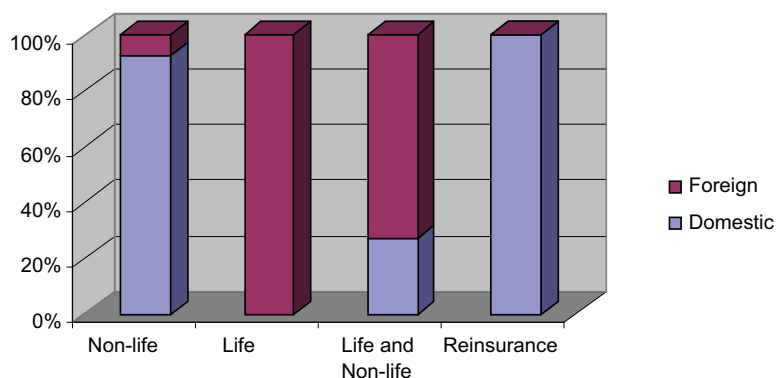
#### 3.1.1. Ownership Structure and Types of Insurance Operations of the BiH Insurance Companies

##### Ownership Structure and Types of Insurance Operations of the BiH Insurance Companies

Ownership	Non-life	Life	Life and non-life	Re-insurance	Total
Domestic	13	0	3	1	17
Foreign	1	1	8	0	10
<b>Total</b>	<b>14</b>	<b>1</b>	<b>11</b>	<b>1</b>	<b>27</b>

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

##### Ownership structure and types of insurance operations of the BiH Insurance Companies



From the total of 27 companies registered for performance of insurance and re-insurance operations, 17 have majority owners from BiH, while 10 have foreign majority owners. Out of 14 companies with the main business focus on non-life insurance, 13 are in majority domestic ownership, while 1 are mostly foreign-owned. There is only one (1) company whose main line of business is life insurance and it is foreign-owned. Out of 11 companies operating both in the area of life and non-life insurance, 3 are in majority domestic ownership, while 8 have foreign majority owners. There is 1 re-insurance company registered in BiH, and it is in majority domestic ownership.

The insurance companies where majority of the capital is ownership of foreign entities increased their share to 52,38 of the total premium in 2008, comparing to 46,74 % in 2007, while share of foreign companies in life insurance market increase to 93,39% in 2008 comparing to 91,73% in 2007.

#### 3.1.2. Ownership Structure and Types of Insurance Operations of the FBiH Insurance Companies

##### Ownership Structure and Types of Insurance Operations of the FBiH Insurance Companies

Ownership	Non-life	Life	Life and non-life	Re-insurance	Total
Domestic	6	0	3	1	10
Foreign	0	0	6	0	6
<b>Total</b>	<b>6</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>16</b>

Data source: FBiH Insurance Supervisory Agency

### 3.1.3. Ownership Structure and Types of Insurance Operations of the RS Insurance Companies

#### Ownership Structure and Types of Insurance Operations of the RS Insurance Companies

Ownership	Non-life	Life	Life and non-life	Re-insurance	Total
Domestic	7	0	0	0	7
Foreign	1	1	2	0	4
<b>Total</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>11</b>

Data source: RS Insurance Agency

#### New feature of the Insurance market in BiH – opening of the branches in other entity

With objective to create single economic space for the operation of insurance companies and in accordance with EC directives, there was opening of the new branches (agencies) of the insurance companies from one entity to another (cross-entitiy).

- The following insurance companies from FBiH opened branches in RS in 2008:  
CROATIA OSIGURANJE D.D.  
MERKUR BH OSIGURANJE D.D.  
CAMELIJA OSIGURANJE D.D.  
BOSAN SUNCE OSIGURANJE D.D.  
EUROHERC OSIGURANJE D.D.
- In February 2009, two additional companies from RS opened Branches in RS:  
VGT OSIGURANJE D.D.  
UNIQA OSIGURANJE D.D.
- The following insurance companies from RS opened branches in FBiH in 2008:  
BOBAR OSIGURANJE A.D.  
DRINA OSIGURANJE A.D.  
KOSIG DUNAV OSIGURANJE A.D.

## 3.2. Total Premium in BiH and the Entities

The total premium in 2008 in BiH amounted to 453.093.773, which is 12,65 % more then in 2007.

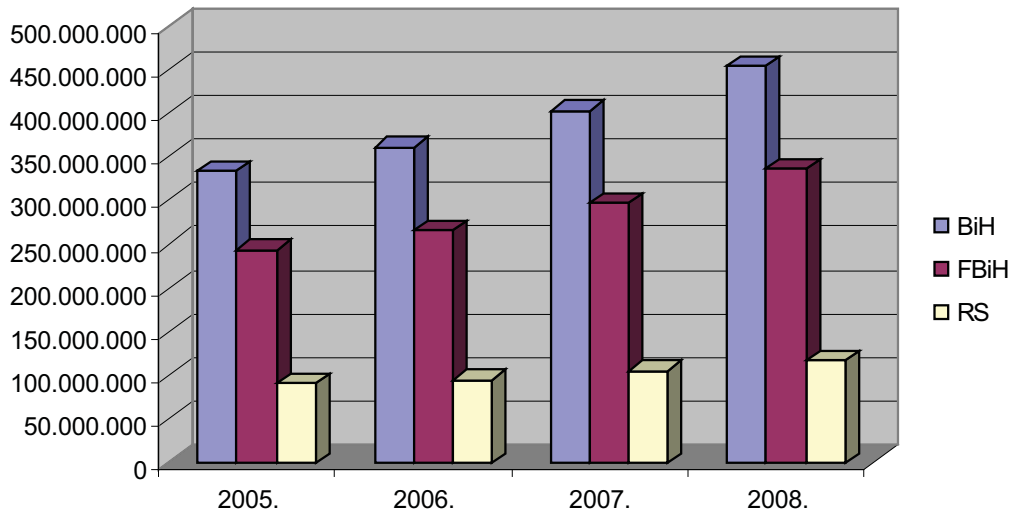
In the structure of the total premium, the share of the companies with registered office (seat) in FBiH amounted to 74,10 %, while the RS-based companies accounted for 25,90 %.

#### Total premium in Bosnia and Herzegovina in 2005, 2006, 2007 and 2008 (in KM)

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)	Premium growth Indeks		
									06/05	07/06	08/07
<b>BiH</b>	<b>333.947.151</b>	<b>100</b>	<b>360.595.021</b>	<b>100</b>	<b>402.226.015</b>	<b>100</b>	<b>453.093.773</b>	<b>100</b>	<b>107,98</b>	<b>111,55</b>	<b>112,65</b>
<b>FBiH</b>	243.451.197	72,90	265.603.761	73,66	296.914.582	73,82	335.732.260	74,10	109,10	111,79	113,07
<b>RS</b>	90.495.954	27,10	94.991.260	26,34	105.311.433	26,18	117.361.513	25,90	104,97	110,86	111,44

Data source: FBiH Insurance Supervisory Agency, RS Insurance Agency

*Total premium in BiH and its Entities*



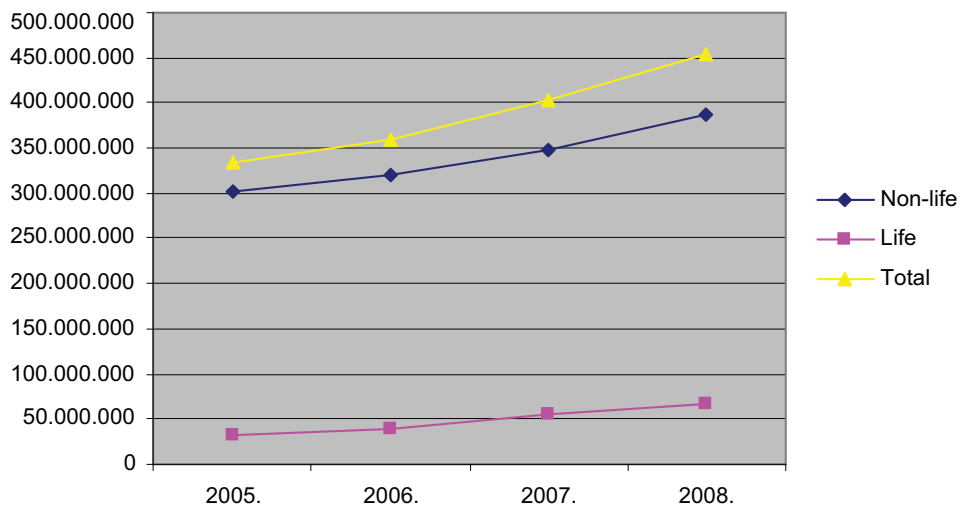
**3.2.1. Total Premium in Life and Non-Life insurance in BiH**

*Total Premium in Non-life and Life Insurance in BiH for 2005, 2006, 2007 and 2008 (in KM)*

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)	Premium growth Index		
									06/05	07/06	08/07
<b>Non-life</b>	302.000.164	90,43	320.650.450	88,92	347.721.898	86,45	387.155.865	85,45	106,18	108,44	111,34
<b>Life</b>	31.946.987	9,57	39.944.571	11,08	54.504.117	13,55	65.937.908	14,55	125,03	136,45	120,98
<b>TOTAL</b>	<b>333.947.151</b>	<b>100</b>	<b>360.595.021</b>	<b>100</b>	<b>402.226.015</b>	<b>100</b>	<b>453.093.773</b>	<b>100</b>	<b>107,98</b>	<b>111,55</b>	<b>112,65</b>

*Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency*

*Trends of growth of premium in Life and Non-life insurance and total premium in BiH*



Insurance companies achieved total premium of KM 453.093.773 in 2008, out of which KM 387.155.865 (85,45 %) is non-life insurance, while 65.937.908 (14,55 %) accounts for life insurance. Total amount of premium in 2008 grew for 12,65 % when compared to 2007 and therefore the trend of growth of premiums continued. In non-life insurance in 2008 there was growth of 11,40 % in comparison to 2007, while in life insurance the growth was 20,98% in comparison to 2007. The average annual growth of non-life insurance in last four years is 8,65% while in case of life insurance average growth rate in for four last years is 27,49%.

### 3.2.2. Total Premium in Life and Non-life Insurance in the FBIH

Total Premium in Non-life and Life Insurance in the FBIH for 2005, 2006, 2007 and 2008 (in KM)

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)	Premium growth Index		
									06/05	07/06	08/07
<b>Non-life</b>	213.375.083	87,65	228.663.103	86,09	247.347.813	83,31	276.787.655	82,44	107,16	108,17	111,90
<b>Life</b>	30.076.114	12,35	36.940.658	13,91	49.566.769	16,69	58.944.605	17,56	122,82	134,18	118,92
<b>TOTAL</b>	<b>243.451.197</b>	<b>100</b>	<b>265.603.761</b>	<b>100</b>	<b>296.914.582</b>	<b>100</b>	<b>335.732.260</b>	<b>100</b>	<b>109,10</b>	<b>111,79</b>	<b>113,07</b>

Data sources: FBIH Insurance Supervisory Agency

The total premium in 2008 in FBIH amounted to KM 335.732.260, which represents a growth of 13,07 % in comparison with 2007. Non-life insurance grew by 11,90 %, while life insurance sector grew by 18,92%. The average annual growth rate of non-life insurance in last four years is 9,08 % while average annual growth rate of life insurance in last four years is 25,31 %.

### 3.2.3. Total Premium in Non-life and Life Insurance in the RS

Total Premium in Non-life and Life Insurance in the RS for 2005, 2006, 2007 and 2008 (in KM)

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)	Premium growth Index		
									06/05	07/06	08/07
<b>Non-life</b>	88.625.081	97,93	91.987.347	96,84	100.374.085	95,31	110.368.210	94,04	103,79	109,12	109,96
<b>Life</b>	1.870.873	2,07	3.003.913	3,16	4.937.348	4,69	6.993.303	5,96	160,56	164,36	141,64
<b>TOTAL</b>	<b>90.495.954</b>	<b>100</b>	<b>94.991.260</b>	<b>100</b>	<b>105.311.433</b>	<b>100</b>	<b>117.361.513</b>	<b>100</b>	<b>104,97</b>	<b>110,86</b>	<b>111,44</b>

Data sources: RS Insurance Agency

The total premium in 2008 the RS amounted to KM 117.361.513, which is 10,86 % increase from 2007. Non-life insurance increased by 9,96 % and life insurance by 41,64 %. The average annual growth rate of non-life insurance in last four years in RS amounts to 7,62 % while average annual growth rate of life insurance in last four years is 55,52 %.

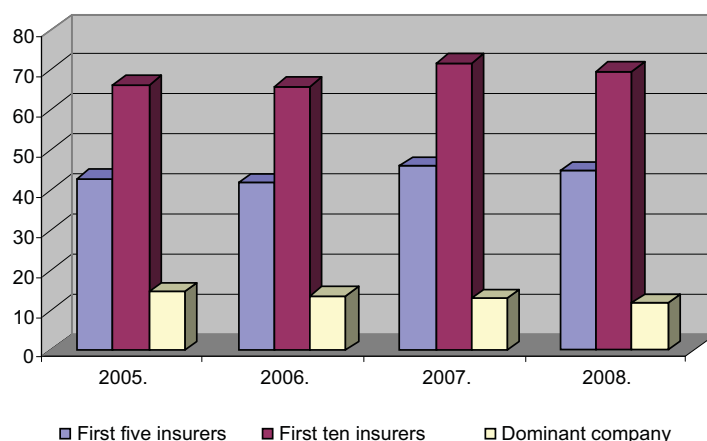
### 3.2.4. Concentration of Premium in BiH

Concentration of premium in BiH for 2005, 2006, 2007 and 2008

Share in total premium (%)	2005	2006	2007	2008
<b>First five insurers</b>	42,95	41,93	45,98	44,79
<b>First ten insurers</b>	66,30	65,87	71,74	69,69
<b>Dominant company</b>	14,62	13,72	13,08	11,85

Data sources: FBIH Insurance Supervisory Agency, RS Insurance Agency

### Concentration of premium in BiH for 2005, 2006, 2007 and 2008



### 3.2.5. Herfindahl - Hirschman Index (HHI)

HHI (Herfindahl-Hirschman Index) is widely accepted measure of the concentration of market. The value of this index is calculated when the market shares of each company on the market are separately squared and then summed up. HHI index may have various values in intervals from 0 to 10.000. When index is getting closer to zero means that the market is comprised of large number of participants (companies) of similar size. HHI index is higher when the number of participants (companies) is reduced or there is considerable disproportion in their size. With increase of the market concentration, the competition and efficiency are decreased which may result in monopoly and secret arrangements.

#### Ranges of index:

0 – 1.000	non-concentrated market (high level of competition)
1.000 – 1.800	moderately concentrated market
1.800 – 10.000	concentrated market (monopoly)

#### HHI Index for the market of life insurance in BiH

Insurance companies	2005			2006			2007			2008		
	Premium (in 000)	Market share	HHI	Premium (in 000)	Market share	HHI	Premium (in 000)	Market share	HHI	Premium (in 000)	Market share	HHI
Grawe Sarajevo	10.273	32,16	1.034	11.809	29,56	874	15.163	27,82	774	16.850	25,55	653
Merkur BH	2.903	9,09	83	5.739	14,37	206	10.112	18,55	344	15.038	22,81	520
Uniqa	5.066	15,86	251	6.550	16,4	269	8.645	15,86	252	11.784	17,87	319
Grawe Banja Luka	1.871	5,86	34	3.004	7,52	57	4.937	9,06	82	6.993	10,61	112
Croatia	5.327	16,68	278	5.956	14,91	222	7.082	12,99	169	6.054	9,18	84
Triglav BH	1.032	3,23	10	1.147	2,87	8	2.371	4,35	19	2.986	4,53	21
Sarajevo	2.058	6,44	42	2.167	5,42	29	2.393	4,39	19	2.578	3,91	15
BSO							1.684	3,09	10	1.877	2,85	8
Hercegovina	1.591	4,98	25	1.514	3,79	14	1.348	2,47	6	1.138	1,73	3
Helios	1.324	4,14	17	911	2,28	5	770	1,41	2	640	0,97	1
Sunce BiH	501	1,57	2	1.149	2,88	8						
<b>TOTAL</b>	<b>31.946</b>	<b>100</b>	<b>1.777</b>	<b>39.946</b>	<b>100</b>	<b>1.694</b>	<b>54.505</b>	<b>100</b>	<b>1.676</b>	<b>65.938</b>	<b>100</b>	<b>1.737</b>

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

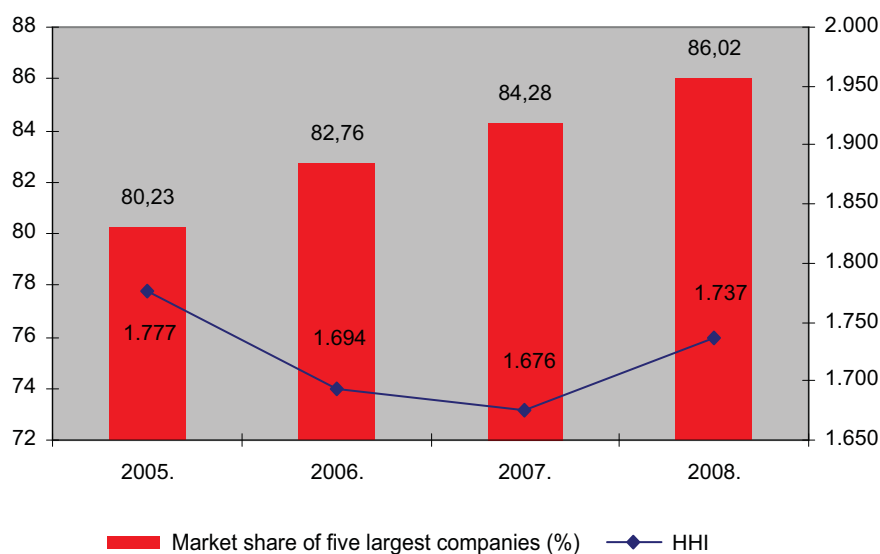
### Market share of five largest companies in the life insurance market in BiH (u %) and HHI Index

	2005	2006	2007	2008
Market share of four largest companies (%)	80,23	82,76	84,28	86,02
HHI	1.777	1.694	1.676	1.737

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Life insurance market in the observed period is moving within the limits of moderately concentrated market. In 2005, 2006, 2007 and 2008, the values of HHI Index are 1.777, 1.694, 1.676 and 1.737 respectively, which suggests that the market is moderately concentrated since the above mentioned values of HHI Indexes during all these years are within the range of 1.000 – 1.800.

### HHI index for life insurance market in BiH



HHI index for the market of non-life insurance market in BiH

Insurance companies	2005			2006			2007			2008		
	Pre-mium (in 000)	Market share	HHI	Pre-mium (in 000)	Market share	HHI	Pre-mium (in 000)	Market share	HHI	Pre-mium (in 000)	Market share	HHI
Sarajevo	46.763	15,48	240	47.313	14,76	218	50.228	14,44	209	51.111	13,20	174
BSO							37.901	10,9	119	44.578	11,51	133
Euroherc	21.179	7,01	49	24.092	7,51	56	28.191	8,11	66	31.782	8,21	67
Croatia	28.489	9,43	89	26.705	8,33	69	27.748	7,98	64	30.937	7,99	64
Triglav BH	21.338	7,07	50	22.715	7,08	50	27.331	7,86	62	29.573	7,64	58
VGT	14.495	4,80	23	17.617	5,49	30	20.611	5,93	35	24.040	6,21	39
Uniqa	11.991	3,97	16	14.557	4,54	21	17.997	5,18	27	21.458	5,54	31
Kosig Dunav	16.798	5,56	31	17.665	5,51	30	19.282	5,55	31	20.994	5,42	29
Bobar	17.229	5,71	33	17.818	5,56	31	20.719	5,96	36	18.232	4,71	22
Jahorina	16.155	5,35	29	15.308	4,77	23	16.355	4,7	22	17.789	4,59	21
Lido	11.018	3,65	13	12.717	3,97	16	13.697	3,94	16	13.519	3,49	12
Nešković	9.597	3,18	10	10.460	3,26	11	11.964	3,44	12	12.917	3,34	11
Drina	9.411	3,12	10	10.784	3,36	11	11.851	3,41	12	12.449	3,22	10
Camelija	5.782	1,91	4	8.981	2,8	8	9.489	2,73	7	10.300	2,66	7
Krajina Kopaonik	7.113	2,36	6	6.719	2,1	4	7.312	2,1	4	9.645	2,49	6
Brčko-gas	4.412	1,46	2	5.442	1,7	3	5.930	1,71	3	7.990	2,06	4
Krajina	7.744	2,56	7	7.487	2,33	5	6.893	1,98	4	7.898	2,04	4
Hercegovina	6.956	2,3	5	6.780	2,11	4	7.043	2,03	4	7.261	1,88	4
Zovko	5.485	1,82	3	6.313	1,97	4	6.359	1,83	3	6.799	1,76	3
ASA							163	0,05	0	4.594	1,19	1
Aura							67	0,02	0	1.632	0,42	0
Mikrofin										817	0,21	0
Grawe Sarajevo	720	0,24	0	803	0,25	0	171	0,05	0	482	0,12	0
Merkur BH	288	0,1	0	704	0,22	0	275	0,08	0	295	0,08	0
Helios	697	0,23	0	535	0,17	0	144	0,04	0	60	0,02	0
Sunce BiH	12.681	4,2	18	16.295	5,08	26						
Bosna	13.491	4,47	20	15.795	4,93	24						
Bosansko-Njemačko	10.131	3,35	11	6.376	1,99	4						
Una-Sana	1.869	0,62	0	367	0,11	0						
Grawe Banja Luka	165	0,05	0	305	0,1	0						
<b>TOTAL</b>	<b>301.997</b>	<b>100</b>	<b>668</b>	<b>320.653</b>	<b>100</b>	<b>649</b>	<b>347.721</b>	<b>100</b>	<b>734</b>	<b>387.152</b>	<b>100</b>	<b>702</b>

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

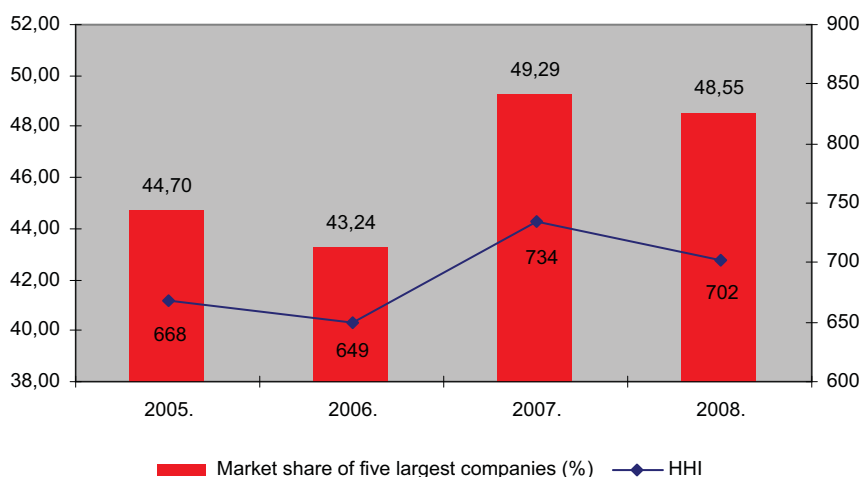
Market share of five largest companies in Non-life insurance market in BiH (u %) and HHI index

	2005	2006	2007	2008
Market share of four largest companies (%)	44,70	43,24	49,29	48,55
HHI	668	649	734	702

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

In the non-life insurance market, for the observed period, the values of HH Index are below 1.000. Therefore the non-life insurance market in BiH shows characteristics of the market with high level competition (non-concentrated market).

## HHI Index for Non-life insurance market in BiH



## HHI index for the Life and Non-life insurance market in BiH

Insurance companies	2005			2006			2007			2008		
	Premium (in 000)	Market share	HHI	Premium (in 000)	Market share	HHI	Premium (in 000)	Market share	HHI	Premium (in 000)	Market share	HHI
Sarajevo	48.821	14,62	214	49.480	13,72	188	52.621	13,08	171	53.688	11,85	140
BSO							39.585	9,84	97	46.455	10,25	105
Croatia	33.816	10,13	103	32.660	9,06	82	34.830	8,66	75	36.991	8,16	67
Uniqa	17.057	5,11	26	21.107	5,85	34	26.641	6,62	44	33.242	7,34	54
Triglav BH	22.371	6,70	45	23.862	6,62	44	29.702	7,38	55	32.559	7,19	52
Euroherc	21.179	6,34	40	24.092	6,68	45	28.191	7,01	49	31.782	7,01	49
VGT	14.495	4,34	19	17.617	4,89	24	20.611	5,12	26	24.040	5,31	28
Kosig Dunav	16.798	5,03	25	17.665	4,90	24	19.282	4,79	23	20.994	4,63	21
Bobar	17.229	5,16	27	17.818	4,94	24	20.719	5,15	27	18.232	4,02	16
Jahorina	16.155	4,84	23	15.308	4,25	18	16.355	4,07	17	17.789	3,93	15
Grawe Sarajevo	10.993	3,29	11	12.612	3,50	12	15.334	3,81	15	17.331	3,83	15
Merkur BH	3.192	0,96	1	6.442	1,79	3	10.387	2,58	7	15.332	3,38	11
Lido	11.018	3,30	11	12.717	3,53	12	13.697	3,41	12	13.519	2,98	9
Nešković	9.597	2,87	8	10.460	2,90	8	11.964	2,97	9	12.917	2,85	8
Drina	9.411	2,82	8	10.784	2,99	9	11.851	2,95	9	12.449	2,75	8
Camelija	5.782	1,73	3	8.981	2,49	6	9.489	2,36	6	10.300	2,27	5
Krajina Kopaonik	7.113	2,13	5	6.719	1,86	3	7.312	1,82	3	9.645	2,13	5
Hercegovina	8.547	2,56	7	8.294	2,30	5	8.390	2,09	4	8.399	1,85	3
Brčko-gas	4.412	1,32	2	5.442	1,51	2	5.930	1,47	2	7.990	1,76	3
Krajina osiguranje	7.744	2,32	5	7.487	2,08	4	6.893	1,71	3	7.898	1,74	3
Grawe Banja Luka	2.036	0,61	0	3.309	0,92	1	4.937	1,23	2	6.999	1,54	2
Zovko	5.485	1,64	3	6.313	1,75	3	6.359	1,58	2	6.799	1,50	2
ASA							163	0,04	0	4.594	1,01	1
Aura							67	0,02	0	1.632	0,36	0
Mikrofin										817	0,18	0
Helios	2.021	0,61	0	1.446	0,4	0	913	0,23	0	700	0,15	0
Sunce BiH	13.182	3,95	16	17.444	4,84	23						
Bosna	13.491	4,04	16	15.795	4,38	19						
Bosansko-Njemačko	10.131	3,03	9	6.376	1,77	3						
Una-Sana	1.869	0,56	0	367	0,1	0						
<b>TOTAL</b>	<b>333.945</b>	<b>100</b>	<b>627</b>	<b>360.597</b>	<b>100</b>	<b>600</b>	<b>402.223</b>	<b>100</b>	<b>656</b>	<b>453.093</b>	<b>100</b>	<b>624</b>

Data sources: FBIH Insurance Supervisory Agency, RS Insurance Agency

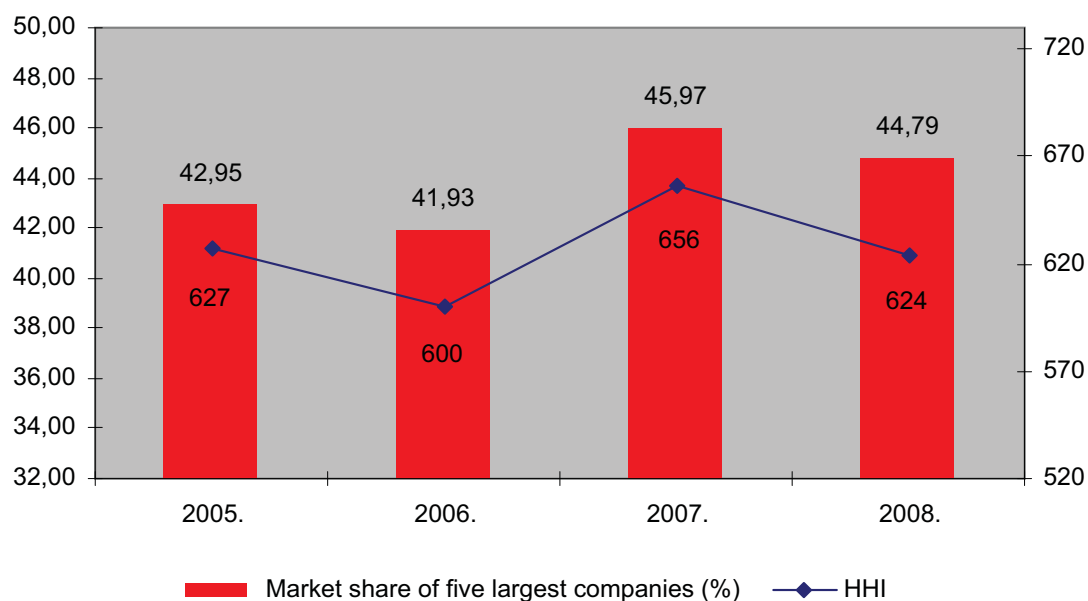
### Market share of five largest companies in Life and Non-life insurance market in BiH (u %) and HHI index

	2005.	2006.	2007.	2008.
Market share of four largest companies (%)	42,95	41,93	45,97	44,79
HHI	627	600	656	624

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

If premiums in total amount (life and non-life insurance premiums) are taken as variables, the HHI Index for all four years shows the characteristics of the market with high level of competition (non-concentrated market).

### HHI Index for Life and Non-life insurance market in BiH



## 3.3. Premiums per Insurance Type

### 3.3.1. Premiums per Insurance Type in BiH

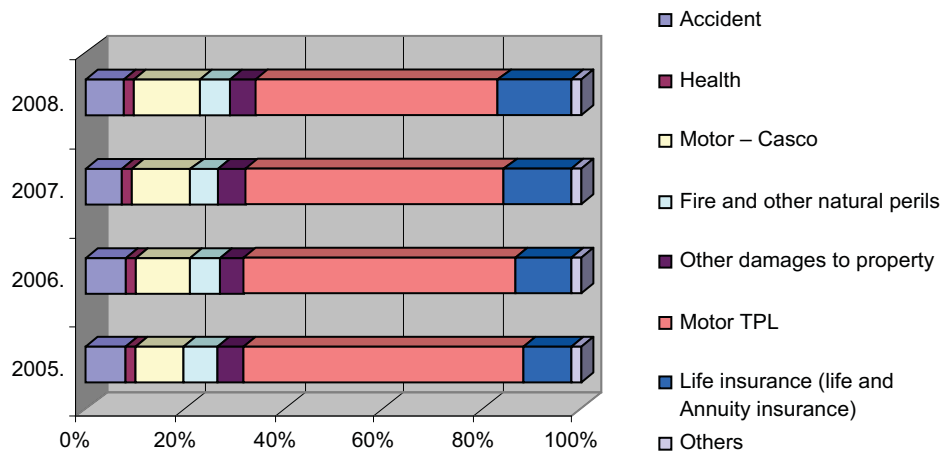
#### Premiums per Insurance Type in BiH (in KM)

No.	Insurance Type	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)
1	Accident	26.381.282	7,90	29.483.640	8,18	29.249.801	7,27	34.855.530	7,69
2	Health	7.029.352	2,10	6.655.597	1,85	7.543.227	1,88	9.174.094	2,02
3	Motor Casco	32.672.471	9,78	39.052.373	10,83	48.185.016	11,98	60.489.814	13,35
4	Railway Rolling Stock Casco	0	0,00	5.773	0,00	0	0,00	0	0,00
5	Aircraft Hull Damage	12.999	0,00	6.531	0,00	25.021	0,01	380.065	0,08
6	Sea, Lake and River Vessels Hull Damage	1.021	0,00	18.868	0,01	20.799	0,01	55.766	0,01
7	Goods in Transit	3.205.448	0,96	2.672.089	0,74	2.955.745	0,73	3.996.783	0,88
8	Fire and other natural perils	22.568.775	6,76	22.112.037	6,13	22.494.378	5,59	26.171.664	5,78
9	Other damage to property	17.988.715	5,39	17.887.546	4,96	22.837.279	5,68	24.041.300	5,31
10	Motor TPL (third-party liability)	188.515.973	56,45	198.101.764	54,94	209.653.241	52,12	222.824.888	49,18
11	Aviation TPL	623.881	0,19	705.867	0,20	730.657	0,18	444.644	0,10

12	Marine TPL	7.490	0,00	51.660	0,01	9.573	0,00	18.612	0,00
13	General Liability	1.883.876	0,56	2.370.968	0,66	3.054.500	0,76	3.251.026	0,72
14	Credit	1.008.063	0,30	757.340	0,21	464.731	0,12	597.438	0,13
15	Suretyship	57.159	0,02	71.356	0,02	23.191	0,01	94.415	0,02
16	Financial Loss	42.870	0,01	696.543	0,19	471.768	0,12	748.266	0,17
17	Legal Protection	0	0,00	0	0,00	0	0,00	0	0,00
18	Assistance – other insurance types	789	0,00	498	0,00	2.970	0,00	11.560	0,00
	<b>Total non - life insurance types</b>	<b>302.000.164</b>	<b>90,43</b>	<b>320.650.450</b>	<b>88,92</b>	<b>347.721.897</b>	<b>86,45</b>	<b>387.155.865</b>	<b>85,45</b>
19	Life (life insurance and annuity insurance)	31.946.987	9,57	39.944.571	11,08	54.504.118	13,55	65.937.908	14,55
	<b>Grand total (insurance types 1-19)</b>	<b>333.947.151</b>	<b>100</b>	<b>360.595.021</b>	<b>100</b>	<b>402.226.015</b>	<b>100</b>	<b>453.093.773</b>	<b>100</b>

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

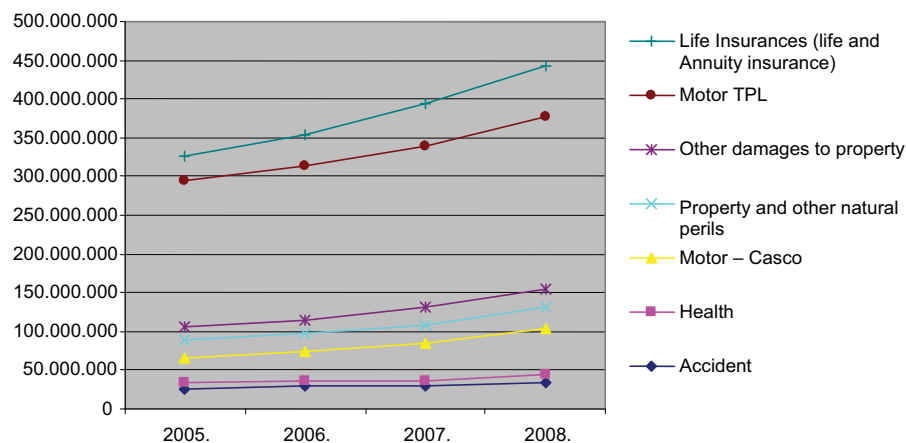
### Percentage of the various types of the insurance in total premium in BiH



Note: The item „Other“ refers to insurance types with annual share in the total premium is less than 2%.

The structure of total insurance portfolio in BiH in 2008 shows unequal distribution of the shares of various types of insurance in total portfolio due to the fact that 7 types of insurance (out of total of 19) represents 97,88 % of the total insurance portfolio. In the structure of the premium of Non-life insurance the biggest percentage has motor TPL insurance with 49,18 %, motor casco 13,35%, accident 7,69% and others.

### Trends of growth of premiums in various types of the insurance



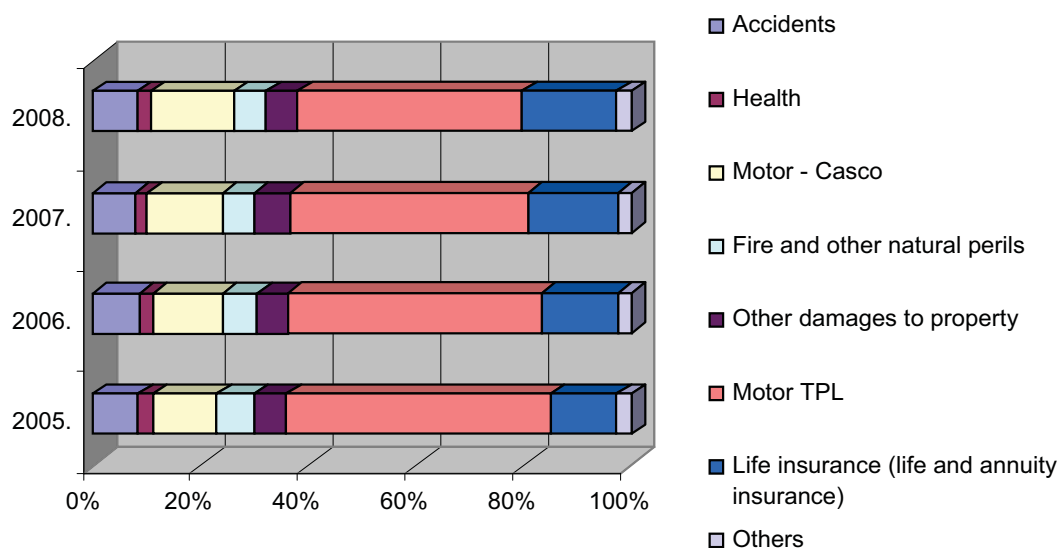
### 3.3.2. Premiums per Insurance Type in the FBIH

Premiums per insurance type for companies headquartered in the FBIH (in KM)

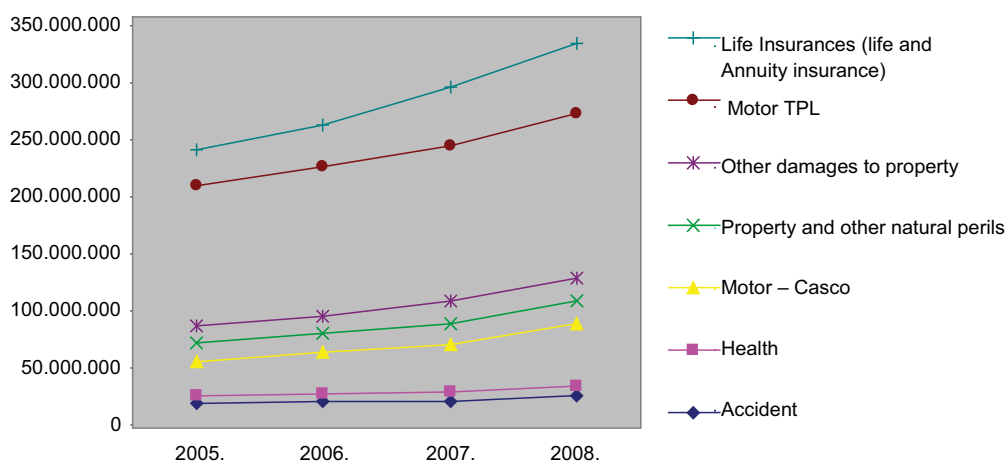
No.	Insurance Type	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)
1	Accident	20.547.012	8,44	23.265.029	8,76	23.016.959	7,75	27.568.043	8,21
2	Health	6.577.988	2,70	6.219.655	2,34	7.060.778	2,38	8.500.136	2,53
3	Motor casco	29.097.540	11,95	34.389.699	12,95	41.496.125	13,98	51.960.135	15,48
4	Railway Rolling Stock Casco	0	0,00	5.773	0,00	0	0,00	0	0,00
5	Aircraft Hull Damage	1.969	0,00	3.175	0,00	21.686	0,01	380.065	0,11
6	Sea, Lake and River Vessels Hull Damage	1.021	0,00	11.997	0,00	20.174	0,01	53.108	0,02
7	Goods in Transit	2.765.510	1,14	2.298.082	0,87	2.598.384	0,88	3.642.871	1,09
8	Fire and other natural perils	16.399.920	6,74	17.383.220	6,54	17.736.795	5,97	20.400.345	6,08
9	Other damage to property	15.096.354	6,20	14.679.346	5,53	19.193.840	6,46	19.459.398	5,80
10	Motor TPL (third-party liability)	119.373.474	49,03	125.940.633	47,42	131.596.806	44,32	140.126.930	41,74
11	Aviation TPL	620.398	0,25	701.786	0,26	726.720	0,24	441.296	0,13
12	Marine TPL	7.490	0,00	51.660	0,02	9.573	0,00	18.612	0,01
13	General Liability	1.785.467	0,73	2.247.419	0,85	2.933.737	0,99	3.055.038	0,91
14	Credit	1.000.122	0,41	697.232	0,26	455.536	0,15	358.365	0,11
15	Suretyship	57.159	0,02	71.356	0,03	23.191	0,01	94.415	0,03
16	Financial Loss	42.870	0,02	696.543	0,26	457.508	0,15	728.498	0,22
17	Legal Protection	0	0,00	0	0,00	0	0,00	0	0,00
18	Assistance – other insurance types	789	0,00	498	0,00	0	0,00	400	0,00
	<b>Total non - life insurance types</b>	<b>213.375.083</b>	<b>87,65</b>	<b>228.663.103</b>	<b>86,09</b>	<b>247.347.812</b>	<b>83,31</b>	<b>276.787.655</b>	<b>82,44</b>
19	Life (life insurance and annuity insurance)	30.076.114	12,35	36.940.658	13,91	49.566.770	16,69	58.944.605	17,56
	<b>Total non - life insurance types</b>	<b>243.451.197</b>	<b>100</b>	<b>265.603.761</b>	<b>100</b>	<b>296.914.582</b>	<b>100</b>	<b>335.732.260</b>	<b>100</b>

Data sources: FBIH Insurance Supervisory Agency

Percentage of the various types of the insurance in total premium in FBIH



### Trends of growth of premiums in various types of the insurance



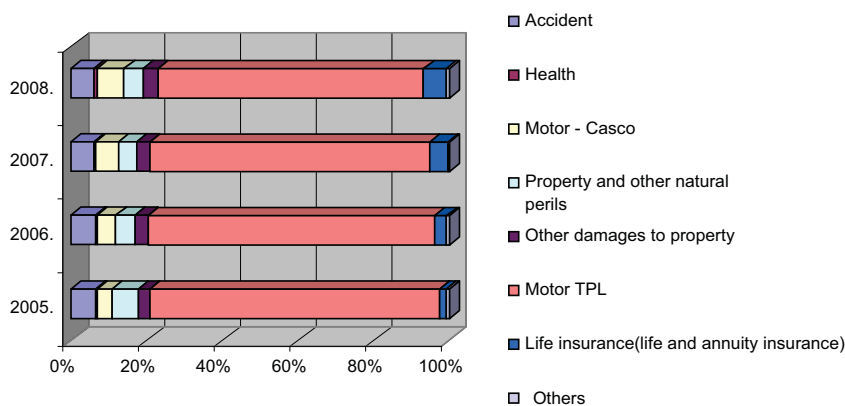
### 3.3.3. Premiums per Insurance Type in the RS

Premiums per insurance type for companies headquartered in the RS (in KM)

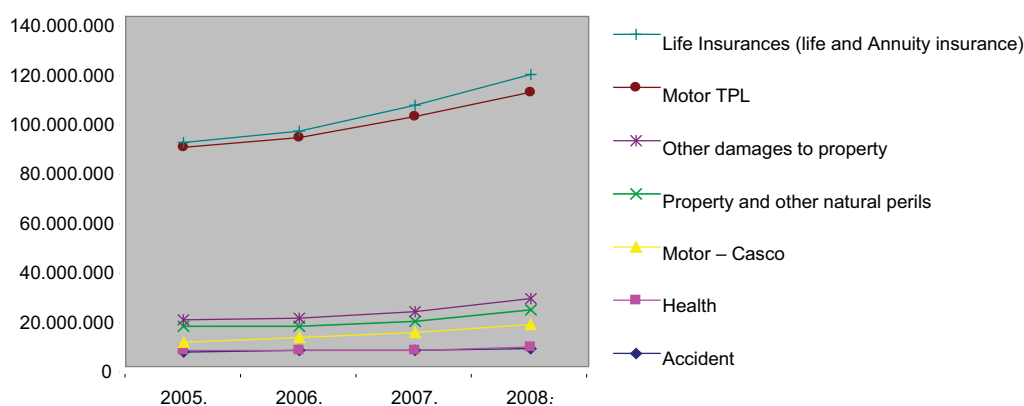
No.	Insurance Type	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)
1	Accident	5.834.270	6,45	6.218.611	6,55	6.232.842	5,92	7.287.487	6,21
2	Health	451.364	0,50	435.942	0,46	482.449	0,46	673.958	0,57
3	Motor casco	3.574.931	3,95	4.662.674	4,91	6.688.891	6,35	8.529.679	7,27
4	Railway Rolling Stock Casco	0	0,00	0	0,00	0	0,00	0	0,00
5	Aircraft Hull Damage	11.030	0,01	3.356	0,00	3.335	0,00	0	0,00
6	Sea, Lake and River Vessels Hull Damage	0	0,00	6.871	0,01	625	0,00	2.658	0,00
7	Goods in Transit	439.938	0,49	374.007	0,39	357.361	0,34	353.912	0,30
8	Fire and other natural perils	6.168.855	6,82	4.728.817	4,98	4.757.583	4,52	5.771.319	4,92
9	Other damage to property	2.892.361	3,20	3.208.200	3,38	3.643.439	3,46	4.581.902	3,90
10	Motor TPL (third-party liability)	69.142.499	76,40	72.161.131	75,97	78.056.435	74,12	82.697.958	70,46
11	Aviation TPL	3.483	0,00	4.081	0,00	3.937	0,00	3.348	0,00
12	Marine TPL	0	0,00	0	0,00	0	0,00	0	0,00
13	General Liability	98.409	0,11	123.549	0,13	120.763	0,11	195.988	0,17
14	Credit	7.941	0,01	60.108	0,06	9.195	0,01	239.073	0,20
15	Suretyship	0	0,00	0	0,00	0	0,00	0	0,00
16	Financial Loss	0	0,00	0	0,00	14.260	0,01	19.768	0,02
17	Legal Protection	0	0,00	0	0,00	0	0,00	0	0,00
18	Assistance – other insurance types	0	0,00	0	0,00	2.970	0,00	11.160	0,01
	<b>Total non - life insurance types</b>	<b>88.625.081</b>	<b>97,93</b>	<b>91.987.347</b>	<b>96,84</b>	<b>100.374.085</b>	<b>95,31</b>	<b>110.368.210</b>	<b>94,04</b>
19	Life (life insurance and annuity insurance)	1.870.873	2,07	3.003.913	3,16	4.937.348	4,69	6.993.303	5,96
	<b>Total non - life insurance types</b>	<b>90.495.954</b>	<b>100</b>	<b>94.991.260</b>	<b>100</b>	<b>105.311.433</b>	<b>100</b>	<b>117.361.513</b>	<b>100</b>

Data sources: RS Insurance Agency

### Percentage of the various types of the insurance in total premium in RS



### Trends of growth of premiums in various types of the insurance



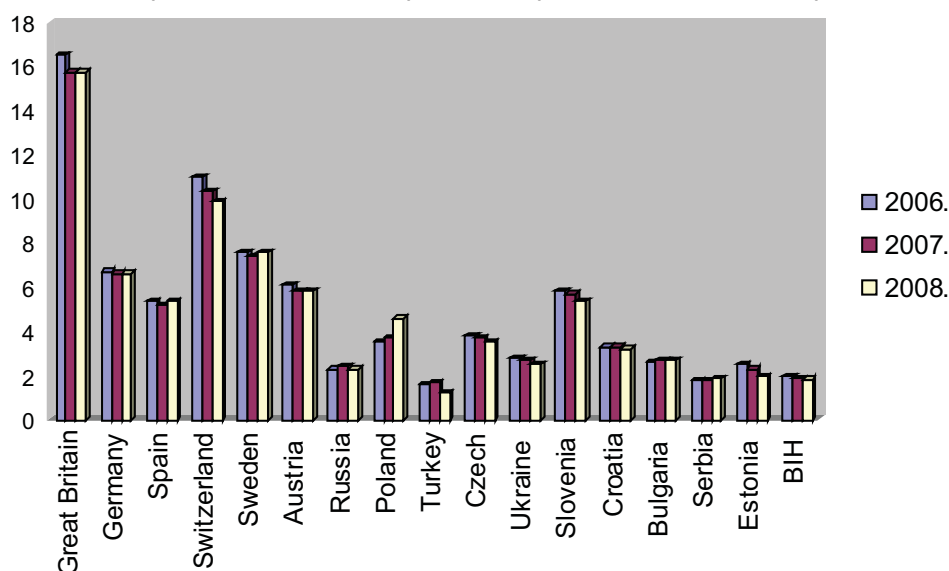
## 3.4. Comparison of Indicators of Some European Countries and BIH

### Comparison of Indicators of Some European Countries

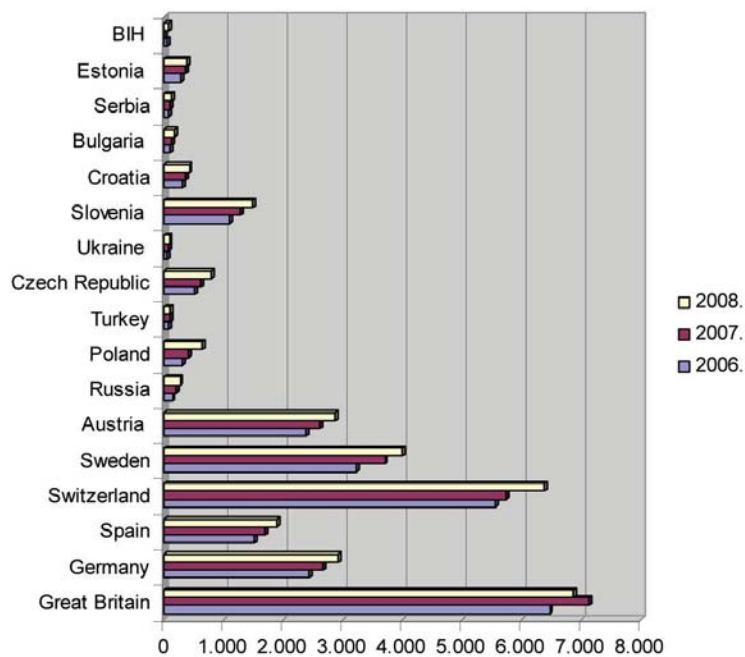
Country	2006			2007			2008		
	Premium (USD mln)	Premium as % of GDP	Premium per capita (in USD)	Premium (USD mln)	Premium as % of GDP	Premium per capita (in USD)	Premium (USD mln)	Premium as % of GDP	Premium per capita (in USD)
Great Britain	418.366	16,50	6.467	463.686	15,70	7.113	450.152	15,70	6.858
Germany	204.544	6,70	2.437	222.825	6,60	2.662	243.085	6,60	2.919
Spain	65.813	5,40	1.515	74.696	5,20	1.699	87.038	5,40	1.909
Switzerland	41.758	11,00	5.562	43.580	10,30	5.740	48.718	9,90	6.379
Sweden	29.182	7,60	3.226	33.646	7,40	3.705	36.432	7,60	3.996
Austria	19.568	6,10	2.397	21.748	5,80	2.620	23.925	5,80	2.866
Russia	21.504	2,30	151	29.846	2,40	209	38.778	2,30	274
Poland	11.947	3,50	310	15.626	3,70	411	24.403	4,60	643
Turkey	6.618	1,60	89	8.297	1,70	110	8.807	1,20	116
Czech Republic	5.304	3,80	520	6.419	3,70	631	8.168	3,50	804
Ukraine	2.739	2,80	60	3.469	2,70	75	4.299	2,50	94
Slovenia	2.164	5,80	1.101	2.592	5,70	1.294	2.971	5,40	1.484
Croatia	1.403	3,30	308	1.689	3,30	370	1.960	3,20	431
Bulgaria	774	2,60	101	1.064	2,70	139	1.354	2,70	179
Serbia	574	1,80	77	766	1,80	103	937	1,90	126
Estonia	375	2,50	283	493	2,30	369	518	2,00	389
<b>BIH</b>	<b>231</b>	<b>2,00</b>	<b>60</b>	<b>281</b>	<b>1,90</b>	<b>73</b>	<b>334</b>	<b>1,83</b>	<b>86,17</b>

Data source: Swiss Re

Ratio of the amount of premium and GDP expressed in percents for some European countries and BiH



Premium per capita for some European countries and BiH



Basic indicators for EU27, neighboring countries and BiH

Basic indicators in 2007	EU 27	Croatia	Serbia	Montenegro	BiH
Number of Insurance companies	4.891	29	24	11	27
Total Premium (mln euro)	1.066.731	1.340	589	60	231
Life (mln euro)	668.369	352	72	7	33
Premium total per inhabitant (euro)	2.540	302	80	96	60
Life insurance per inhabitant (euro)	1.592	79	10	12	9
Non-life insurance per inhabitant (euro)	949	223	70	84	52
Share of premium in GDP (%)	8,6	2,9	1,9	1,8	1,8

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency, National Birou of Insurers of Monte Negro, Assotiation of Insurers of Croatia, Slovenian Insurers Assotiation, National Bank of Serbia

From the table presented above it is evident that in the EU countries, the share of life insurance premium per inhabitant in proportion to the share of non-life insurance per inhabitant is considerably higher then in region.

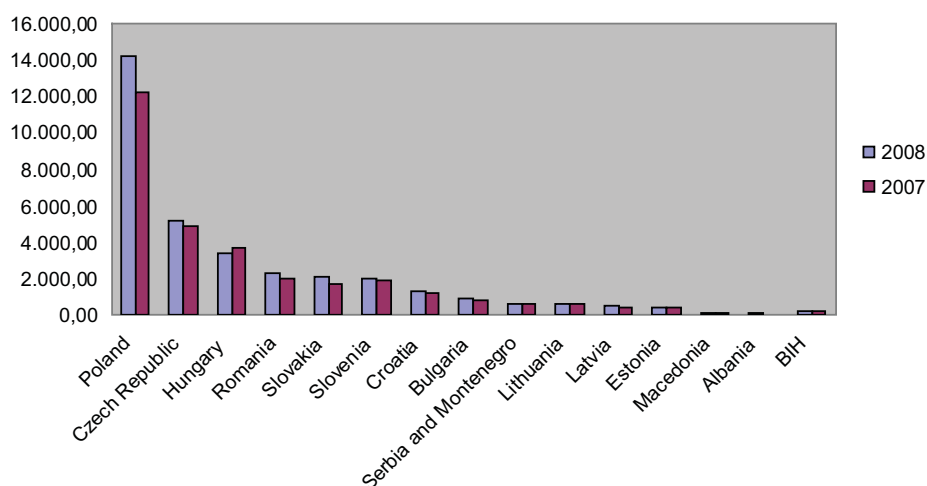
Gross premium in the countries of Central and Eastern Europe in 2007 and 2008 (million EUROS)

Country	Gross premiums					
	Total		Life		Non-life	
	2008	2007	2008	2007	2008	2007
Poland	14.205,32	12.208,93	9.343,78	7.121,56	4.861,55	5.087,37
Czech Republic	5.131,51	4.886,16	2.131,91	2.023,40	2.999,60	2.862,76
Hungary	3.367,39	3.675,01	1.756,85	2.016,65	1.610,54	1.657,14
Romania	2.258,58	1.987,64	463,95	396,65	1.794,62	1.591,00
Slovakia	2.108,16	1.714,98	1.105,85	857,12	1.002,31	857,85
Slovenia	2.019,58	1.891,51	642,90	606,67	1.376,68	1.284,85
Croatia	1.320,61	1.236,02	346,87	337,55	973,74	898,48
Bulgaria	925,89	777,36	142,35	128,73	783,54	648,63
Serbia and Monte Negro	589,01	565,15	71,64	62,34	517,37	502,81
Litvania	576,32	563,49	154,80	201,30	421,52	362,18
Latvia	459,16	421,00	27,17	36,80	431,98	384,20
Estonia	370,56	360,28	106,38	122,28	264,18	238,00
Macedonia	104,56	99,82	4,34	2,80	100,22	97,02
Albania	57,02	48,56	4,18	3,36	52,83	45,20
Bosnia and Herzegovina	231,66	205,66	33,71	27,87	197,95	177,79
<b>TOTAL</b>	<b>33.725,33</b>	<b>30.641,57</b>	<b>16.336,68</b>	<b>13.945,08</b>	<b>17.388,63</b>	<b>16.695,28</b>

Data sources: Insurance profile: Romanian insurance market 2008; www.insuranceprofile.ro;

In the region of Central and Eastern Europe, in terms of gross computed premiums, there was registered aggregate size of the business operation in amount of 33.5 bln EUR. In comparison to 2007, this represent the nominal increase of 9,3 %. Life insurance recorded significantly high growth rates, almost 17 %, while business lines of general insurance grew just 3 % in whole CEE region.

Gross premiums in the countries of Central and Eastern Europe in 2007 and 2008

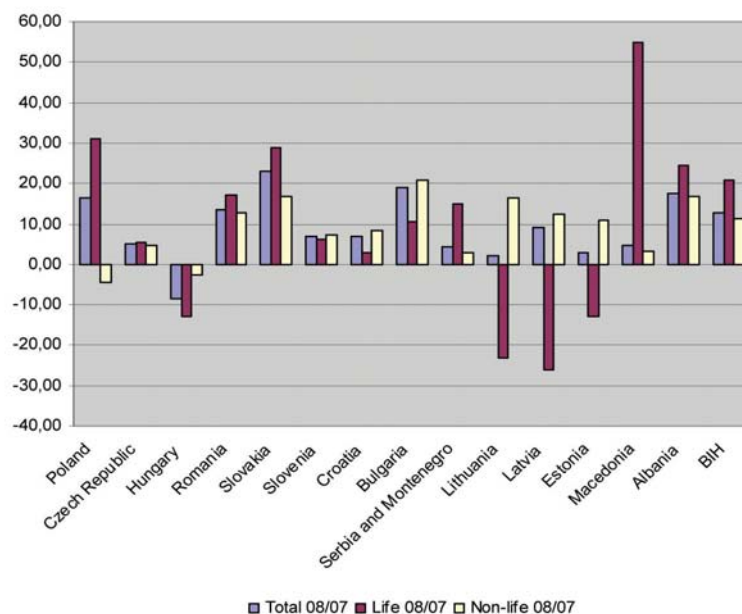


Poland remains the most significant market of life insurance in region, with size of premiums calculated in 2008, in amount of 9,3 bln Eur and with share of cca 42 % in regional market, which is more then in 2007.

Hungary is only country in region registered decrease of gross premiums in 2008 for 8 % comparing to 2007.

Within the region, the share of life insurance is 49 %. This percentage is significantly influenced enormous presence this lines of business in some most significant markets in region: Poland (65 %), Hungary (59 %), and Slovakia (52 %).

### Nominal changes in Euros of gross premiums in 2007 and 2008



Other type, according to the ranking based on the share in regional aggregate portfolio, is motor third party liability (insurance) which is total 29,3 % of calculated premiums. In the countries of the CEE region, it is obvious that third party liabilities increase disproportionately to the size of the market. The only exception from this 'rule' is Romania where in upper part of the ranking, the share of the auto insurance (motor) is above 60 %.

### Damages paid in the countries of Central and Eastern Europe in 2007 and 2008 (millions EUROS)

Country	Damages paid					
	Total		Life		Non-life	
	2008	2007	2008	2007	2008	2007
Poland	7.096,77	5.481,32	4.647,35	2.911,76	2.449,42	2.569,56
Hungary	1.935,40	1.825,53	1.151,56	1.040,65	783,84	784,89
Romania	4.284,69	3.278,67	38,00	51,99	1.037,16	856,18
Slovakia	0,00	709,14	0,00	316,33	0,00	392,91
Slovenia	1.124,96	1.023,30	169,08	161,83	955,88	861,47
Croatia	0,08	0,08	0,00	0,00	0,08	0,07
Bulgaria	351,72	270,78	48,06	40,03	303,66	230,75
Serbia and Monte Negro	17,70	13,50	14,86	12,47	2,83	1,03
Litvania	293,14	184,62	78,44	17,33	214,70	167,29
Latvia	245,62	177,76	8,97	4,06	236,65	173,69
Estonia	197,63	166,53	38,65	35,14	158,98	131,39
Macedonija	0,73	2,26	0,02	2,22	0,71	0,04
Albania	12,52	10,77	0,36	0,34	12,16	10,43
Bosnia and Herzegovina	100,67	80,23	13,84	6,30	86,83	73,93
<b>UKUPNO</b>	<b>15.661,63</b>	<b>13.224,49</b>	<b>6.209,19</b>	<b>4.600,45</b>	<b>6.242,90</b>	<b>6.253,63</b>

Data sources: Insurance profile: Romanian insurance market 2008; [www.insuranceprofile.ro](http://www.insuranceprofile.ro);

In CEE region the damages paid in 2008 in total amounted to over 12 bln EUR. In comparison to 2007, it is possible to notice the significant increase of the amount of paid damages for life insurance, especially in Poland. As far as the insurance in general is concerned, the amounts paid as the damages, for the countries concerned, remain at the same level. Even though in countries such as Bulgaria, Serbia and Baltic countries, there is registered significant increase of the size of amounts paid out in general, with the negative variations of 4,7 % in Poland was compensated for these trends at regional level.

### 3.5. Total Revenue

Total revenue generated in the BIH insurance sector in 2005, 2006, 2007 and 2008

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)
<b>BiH</b>	<b>453.023.150</b>	<b>100</b>	<b>462.252.521</b>	<b>100</b>	<b>427.068.073</b>	<b>100</b>	<b>464.803.778</b>	<b>100</b>
<b>FBiH</b>	355.838.093	78,55	355.061.044	76,81	308.762.324	72,33	342.096.399	73,60
<b>RS</b>	97.185.057	21,45	107.191.477	23,19	118.305.749	27,67	122.707.379	26,40

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Total revenue in 2008 in BiH is KM 464.803.778, which is for KM 37.735.705 (8,84%) less than in 2007. Insurance companies in FBiH in 2008 achieved the total revenues of KM 342.096.399 which is for KM 33.334.075 (10,80%) less than in 2007. Insurance companies in RS in 2008 achieved the total revenues of KM 122.707.379 which is for KM 4.401.630 (3,72%) increase when compared to 2007.

### 3.6. Reported and Paid Claims

Claims paid in 2007 and 2008

	2007				2008			
	Reported claims	Paid claims		% Paid claims	Reported claims	Paid claims		% Paid claims
	Number	Number	Value		Number	Number	Value	
<b>BiH</b>	<b>96.216</b>	<b>80.896</b>	<b>156.921.092</b>	<b>84,08</b>	<b>108.303</b>	<b>88.843</b>	<b>196.885.419</b>	<b>82,03</b>
<b>FBiH</b>	75.737	64.535	124.485.567	85,21	84.103	68.301	157.331.782	81,21
<b>RS</b>	20.479	16.361	32.435.525	79,89	24.200	20.542	39.553.637	84,88

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

The amount total of the damages paid in 2008 is KM 196.885.419 which is for 25,47% more than the amount damages paid in 2007. The percentage of the total of the paid in relation to the reported damages (in numbers) in 2008 is 82,03 %, which is decrease for 2,05% in comparison to 2007.

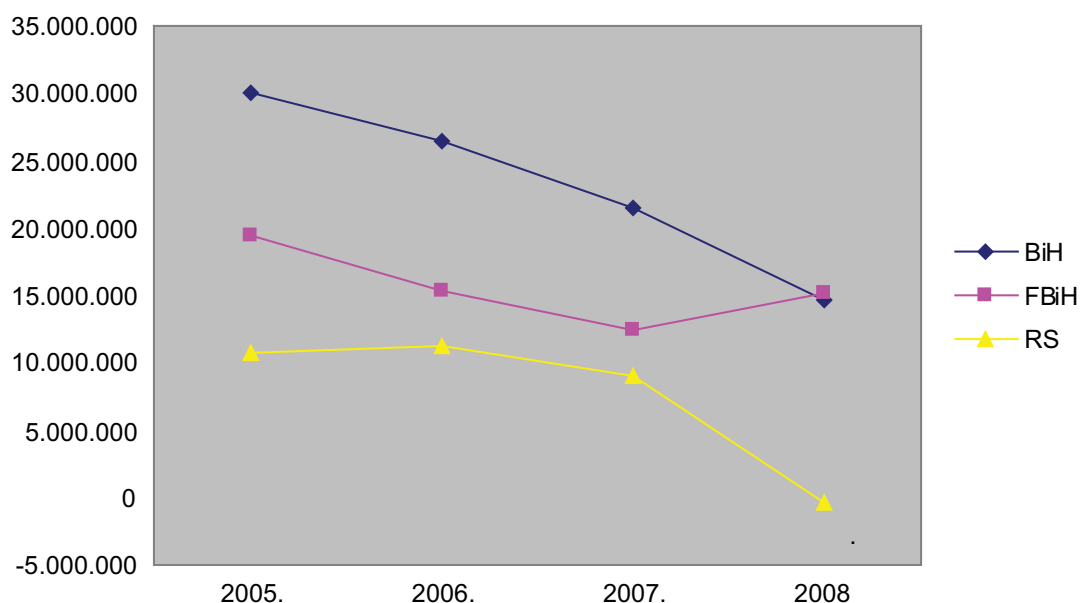
### 3.7. Profit<sup>1</sup>

Sum of the total profit reported in BiH, FBiH and RS for 2005, 2006, 2007 and 2008 (in KM)

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)	Profit Growth Index		
									06/05	07/06	08/07
<b>BiH</b>	<b>30.084.190</b>	<b>100</b>	<b>26.516.220</b>	<b>100</b>	<b>21.436.348</b>	<b>100</b>	<b>14.725.587</b>	<b>100</b>	<b>88,14</b>	<b>80,84</b>	<b>68,69</b>
<b>FBiH</b>	19.365.197	64,37	15.336.127	57,84	12.397.337	57,80	15.176.691	103,06	79,19	80,84	122,42
<b>RS</b>	10.718.993	35,63	11.180.093	42,16	9.039.011	42,20	-451.104	-3,06	104,30	80,85	-4,99

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Profit growth trends in BiH, FBiH and RS for 2005, 2006, 2007 and 2008



Total profit in 2008 in BiH amounts to KM 14.725.587 which is KM 6.710.761 (31,31 %) less than in 2007. The profit of the insurance companies in FBiH in 2008 was KM 15.176.691 which is KM 2.779.354 (22,42 %) more than in 2007. Insurance companies in RS in 2008 registered loss in amount 451.104 KM which is decrease for 9.490.115 (-104,99 %) less than in 2007.

### 3.8. Capital

Sum of the total capital in 2005, 2006, 2007 and 2008

	2005	Share (%)	2006	Share (%)	2007	Share (%)	2008	Share (%)
<b>BiH</b>	<b>234.187.059</b>	<b>100</b>	<b>252.983.239</b>	<b>100</b>	<b>306.292.406</b>	<b>100</b>	<b>332.579.146</b>	<b>100</b>
<b>FBiH</b>	164.512.204	70,25	183.215.654	72,42	222.523.981	72,65	238.038.463	71,57
<b>RS</b>	69.674.855	29,75	69.767.585	27,58	83.768.425	27,35	94.540.683	28,43

Data sources: AFIP, RS Insurance Agency

Total capital in 2008 in BiH amounts to KM 332.579.146 which is increase for KM 26.284.740 (8,58%) in comparison to 2007. The capital in insurance companies in FBiH in 2008 is KM 238.038.463 which is increase for KM 15.514.482 (6,97%) in comparison to 2007. The capital in insurance companies in RS in 2008 is KM 94.540.683 which is increase for KM 10.772.258 (12,86%) in comparison to 2007.

1. Data about the profit in this publication express profit before tax.

### 3.9. Business Performance Indicators in 2007

Business performance indicators for the insurance sector in 2008 (KM)

	Premium per employee in insurance company (in KM)	Total revenue per employee in insurance company (in KM)	Profit per employee in insurance company (in KM)	Profit/Capital (%)	Profit/Total revenue (%)	Claims paid/Premium (%)
BiH	134.769	138.252	4.380	4,43	3,17	43,45
FBiH	134.778	137.333	6.093	6,38	4,44	46,86
RS	134.743	140.881	-518	-0,48	-0,37	33,70

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

### 3.10. Educational Structure of Employees

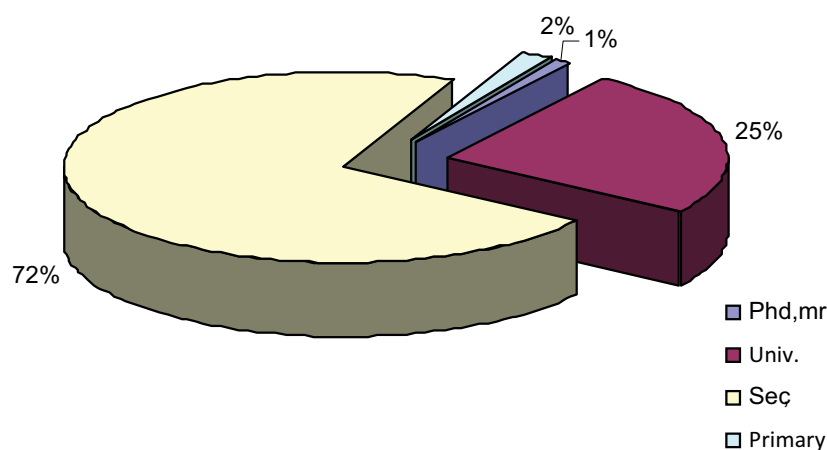
Educational structure of employees of the BIH insurance sector in 2008

	Education level – title				Total
	PhD, MSc	University level (4-year or 2-year course of studies)	Secondary education	Primary education	
BIH	29	846	2.423	64	3.362
FBiH	15	619	1.805	52	2.491
RS	14	227	618	12	871

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Educational structure of employees in insurance industry clearly shows that in this part of financial services sector, the majority of employed are persons with secondary education. Insurance sector, however, requires the presence and engagement of, as much as possible, the highly educated persons who are able to introduce new products in fast and efficient manner and improve the sales by using the knowledge's acquired in high schools. At the same time it is necessary to work continuously on improvement and further education of existing stuff.

Educational structure of employees of the BIH insurance sector in 2008





# Performance Indicators of the Insurance Companies with registered office in FBiH and RS

annual  
report

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## 4. Performance Indicators of Companies with registered office in the FBiH and RS

### 4.1. Premium per Companies

#### 4.1.1. Premium for Companies with seat in the FBiH

Premium for Companies with the seat in the FBiH (in KM)

Short name of the Company	2005		2006		2007		2008	
	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)
Sarajevo	48.821.250	20,05	49.480.340	18,63	52.621.041	17,72	53.688.182	15,99
BSO*					39.584.959	13,33	46.455.255	13,84
Croatia	33.816.102	13,89	32.660.228	12,30	34.830.065	11,73	36.991.035	11,02
Uniqa	17.057.033	7,01	21.106.856	7,95	26.641.389	8,97	33.241.974	9,90
Triglav BH	22.370.768	9,19	23.861.923	8,98	29.702.409	10,00	32.559.247	9,70
Euroherc	21.178.914	8,70	24.091.584	9,07	28.191.297	9,49	31.781.504	9,47
VGT	14.494.902	5,95	17.616.712	6,63	20.611.133	6,94	24.039.827	7,16
Grawe	10.993.399	4,52	12.611.826	4,75	15.333.768	5,16	17.331.455	5,16
Merkur BH	3.191.749	1,31	6.442.380	2,43	10.386.903	3,50	15.332.190	4,57
Lido	11.018.336	4,53	12.717.135	4,79	13.696.779	4,61	13.519.231	4,03
Camelija	5.782.131	2,38	8.980.601	3,38	9.489.066	3,20	10.300.238	3,07
Hercegovina	8.547.104	3,51	8.293.664	3,12	8.390.410	2,83	8.399.486	2,50
Zovko	5.485.342	2,25	6.312.714	2,38	6.358.857	2,14	6.798.895	2,03
ASA					163.172	0,05	4.593.609	1,37
Helios	2.021.072	0,83	1.445.612	0,54	913.334	0,31	700.132	0,21
Sunce BiH*	13.182.353	5,41	17.444.484	6,57				
Bosna*	13.490.617	5,54	15.794.698	5,95				
Bosansko-Njemačko**	10.131.368	4,16	6.376.358	2,40				
Una-Sana***	1.868.757	0,77	366.646	0,14				
<b>TOTAL</b>	<b>243.451.197</b>	<b>100</b>	<b>265.603.761</b>	<b>100</b>	<b>296.914.582</b>	<b>100</b>	<b>335.732.260</b>	<b>100</b>

Data sources: FBiH Insurance Supervisory Agency

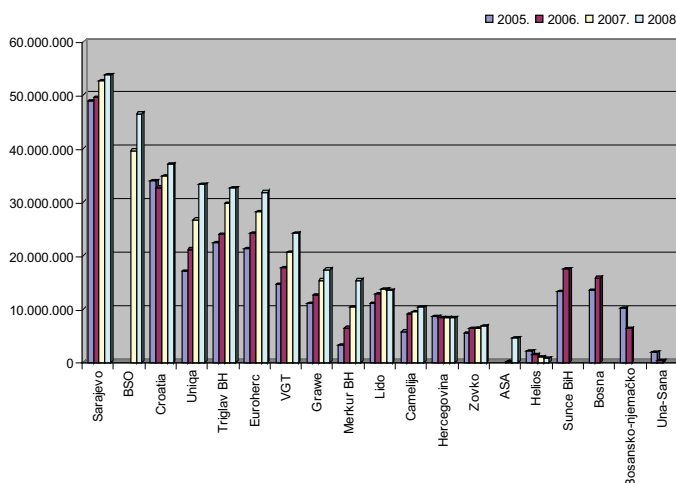
\* BSO osiguranje was formed in 2007 as a result of merger of Sunce osiguranje d.d. Sarajevo to the Bosna osiguranje d.d. Sarajevo. The company conduct its business pursuant to the Resolution of the FBiH Insurance Supervision Agency number: 1.0.-021-802/07 and 1.0.-021-802-1/07 from August 9, 2007.

\*\*The licence was revoked from the Bosansko-Njemačko osiguranje d.d. Tuzla at August 1, 2006

Asa osiguranje was established in 2007. The company was granted the permission to conduct insurance business by the Decision of the FBiH Insurance Supervision Agency number: 1.0.-021-1394/07 from August 14, 2007.

\*\*\* The license was revoked from the Una Sana osiguranje d.d. Bihać at February 10, 2006

## Premium of insurance companies with the headquarter in FBiH



### 4.1.2. Premium for Companies with the seat in the RS

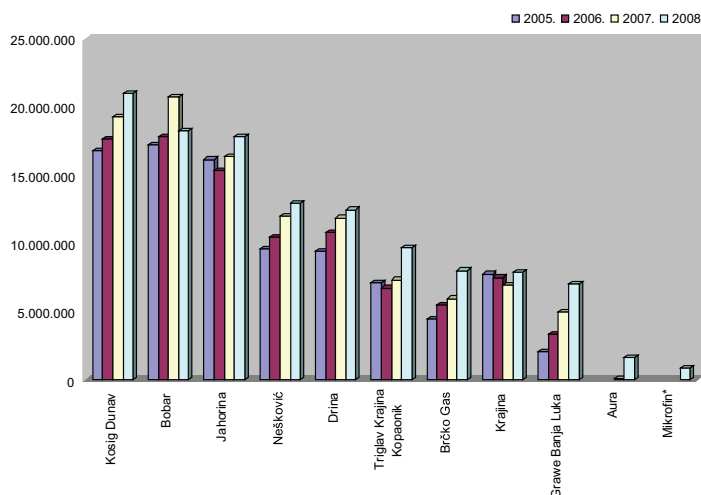
Premium for Companies with the seat in the RS (in KM)

Short name of the Company	2005		2006		2007		2008	
	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)
Kosig Dunav	16.798.382	18,56	17.664.754	18,60	19.281.956	18,31	20.993.957	17,89
Bobar	17.228.786	19,04	17.817.531	18,76	20.719.041	19,67	18.232.459	15,54
Jahorina	16.155.143	17,85	15.308.084	16,12	16.355.251	15,53	17.788.745	15,16
Nešković	9.597.176	10,61	10.460.009	11,01	11.964.268	11,36	12.916.734	11,01
Drina	9.411.328	10,40	10.783.940	11,35	11.850.756	11,25	12.449.149	10,61
Triglav Krajina Kopaonik	7.113.353	7,86	6.719.395	7,07	7.312.137	6,94	9.644.604	8,22
Brčko gas	4.411.789	4,88	5.441.675	5,73	5.929.765	5,63	7.990.130	6,81
Krajina	7.744.169	8,56	7.486.791	7,88	6.893.447	6,55	7.898.259	6,73
Grawe Banja Luka	2.035.828	2,25	3.309.081	3,48	4.937.348	4,69	6.998.819	5,96
Aura					67.464	0,06	1.631.681	1,39
Mirkofin*							816.976	0,70
<b>TOTAL</b>	<b>90.495.954</b>	<b>100</b>	<b>94.991.260</b>	<b>100</b>	<b>105.311.433</b>	<b>100</b>	<b>117.361.513</b>	<b>100</b>

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

\* Mirkofin osiguranje was established in 2007 and it started the operation in 2008.. The company conduct business pursuant to Decision of the RS Insurance Agency number: 05-493-5/07 from December 3, 2007.

### Premium for companies with seat in RS-u



## 4.2. Life Insurance Premium

### 4.2.1. Life Insurance Premium in the FBiH

Life insurance premium for companies with the seat in the FBiH (in KM)

Short name of the Company	Life insurance premium and companies' share in the total premium per year							
	2005		2006		2007		2008	
	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)
Grawe Sarajevo	10.273.084	34,16	11.809.003	31,97	15.162.793	30,59	16.849.618	28,59
Merkur BH	2.903.354	9,65	5.738.717	15,53	10.112.197	20,40	15.037.589	25,51
Uniqa	5.066.040	16,84	6.549.776	17,73	8.644.572	17,44	11.783.573	19,99
Croatia	5.326.959	17,71	5.955.718	16,12	7.082.127	14,29	6.054.025	10,27
Sarajevo	1.032.456	3,43	1.146.765	3,10	2.371.257	4,78	2.986.402	5,07
Triglav BH	2.058.451	6,84	2.167.201	5,87	2.392.935	4,83	2.577.676	4,37
BSO					1.683.599	3,40	1.877.264	3,18
Hercegovina	1.590.818	5,29	1.513.569	4,10	1.347.542	2,72	1.138.454	1,93
Helios	1.323.809	4,40	910.586	2,46	769.748	1,55	640.004	1,09
Sunce BiH	501.143	1,67	1.149.323	3,11				
<b>TOTAL</b>	<b>30.076.114</b>	<b>100</b>	<b>36.940.658</b>	<b>100</b>	<b>49.566.770</b>	<b>100</b>	<b>58.944.605</b>	<b>100</b>

Data sources: FBiH Insurance Supervision Agency

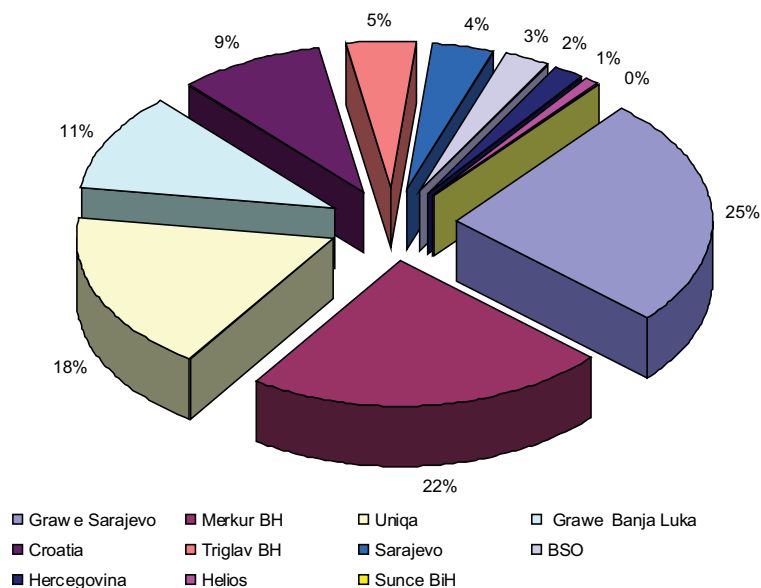
### 4.2.2. Life insurance premium in the RS

Life insurance premium for companies with the seat in the RS

Short name of the Company	Life insurance premium per years			
	2005	2006	2007	2008
Grawe Banja Luka	1.870.873	3.003.913	4.937.348	6.993.303
<b>TOTAL</b>	<b>1.870.873</b>	<b>3.003.913</b>	<b>4.937.348</b>	<b>6.993.303</b>

Data source: RS Insurance Agency

Life insurance premium for companies in total life insurance premium in BiH for 2008



## 4.3. Total Revenue

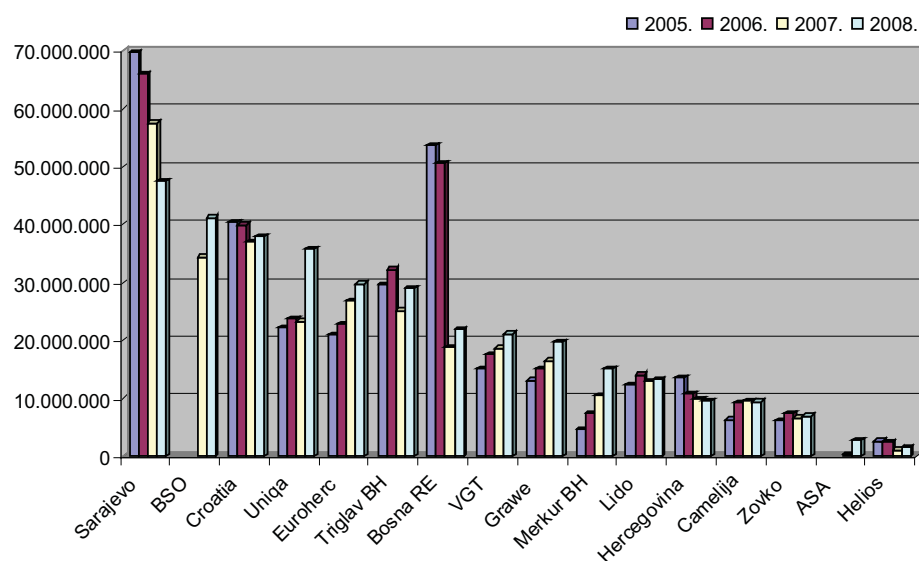
### 4.3.1. Total revenue for companies with the seat in the FBiH

Total revenue for companies with the seat in the FBiH (in KM)

Short name of the Company	2005		2006		2007		2008	
	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)
Sarajevo	69.717.126	19,59	65.955.185	18,58	57.552.798	18,64	47.404.717	13,86
BSO					34.371.744	11,13	41.177.636	12,04
Croatia	40.507.088	11,38	39.919.316	11,24	37.022.426	11,99	37.895.348	11,08
Uniqa	22.135.139	6,22	23.627.946	6,65	23.289.438	7,54	35.673.247	10,43
Euroherc	21.039.226	5,91	22.802.339	6,42	26.806.992	8,68	29.729.148	8,69
Triglav BH	29.590.071	8,32	32.219.743	9,07	25.102.190	8,13	29.036.987	8,49
Bosna RE	53.729.683	15,10	50.682.548	14,27	18.889.901	6,12	21.837.640	6,38
VGT	15.089.388	4,24	17.592.558	4,95	18.678.728	6,05	21.082.821	6,16
Grawe	13.064.560	3,67	15.081.615	4,25	16.471.635	5,33	19.708.674	5,76
Merkur BH	4.511.863	1,27	7.350.660	2,07	10.408.059	3,37	15.051.417	4,40
Lido	12.232.245	3,44	13.966.220	3,93	12.912.139	4,18	13.327.453	3,90
Hercegovina	13.466.353	3,78	10.810.902	3,04	9.832.460	3,18	9.629.364	2,81
Camelija	6.264.598	1,76	9.256.708	2,61	9.540.976	3,09	9.395.421	2,75
Zovko	6.199.026	1,74	7.395.189	2,08	6.636.196	2,15	6.875.289	2,01
ASA					240.215	0,08	2.677.711	0,78
Helios	2.581.774	0,73	2.348.524	0,66	1.006.427	0,33	1.593.526	0,47
Sunce BiH	14.197.081	3,99	17.937.312	5,05				
Bosna	16.174.335	4,55	18.114.279	5,10				
Bosansko-Njemačko	10.693.909	3,01						
Una-Sana	4.644.628	1,31						
<b>TOTAL</b>	<b>355.838.093</b>	<b>100</b>	<b>355.061.044</b>	<b>100</b>	<b>308.762.324</b>	<b>100</b>	<b>342.096.399</b>	<b>100</b>

Data sources: FBiH Insurance Supervisory Agency

Total revenue for companies with the seat in FBiH



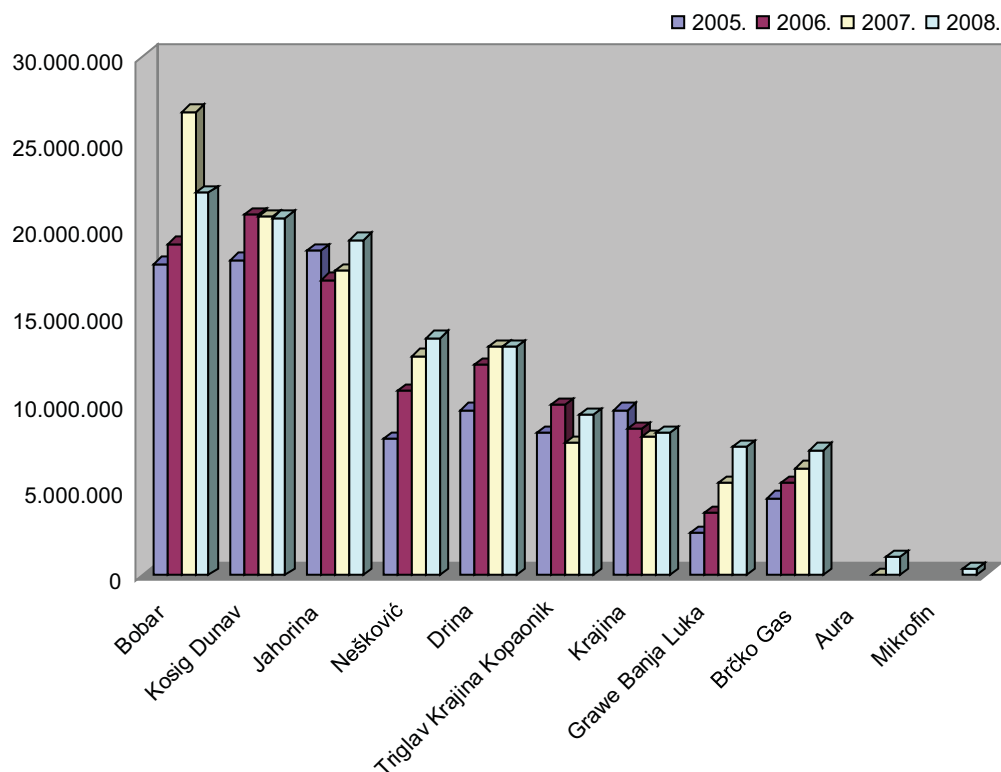
### 4.3.2. Total revenue for companies with the seat in the RS

Total revenue for companies headquartered in the RS (in KM)

Short name of the Company	2005		2006		2007		2008	
	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)
Bobar	18.023.085	18,55	19.182.015	17,90	26.786.952	22,64	22.102.971	18,01
Kosig Dunav	18.214.516	18,74	20.848.187	19,45	20.699.353	17,50	20.679.587	16,85
Jahorina	18.783.061	19,33	17.062.616	15,92	17.593.844	14,87	19.410.138	15,82
Nešković	7.886.949	8,12	10.663.807	9,95	12.706.855	10,74	13.731.522	11,19
Drina	9.564.793	9,84	12.168.394	11,35	13.234.686	11,19	13.176.211	10,74
Triglav Krajina Kopaonik	8.242.228	8,48	9.859.883	9,20	7.678.612	6,49	9.273.823	7,56
Krajina	9.559.898	9,84	8.460.323	7,89	8.031.987	6,79	8.254.998	6,73
Grawe Banja Luka	2.444.000	2,51	3.628.000	3,38	5.368.873	4,54	7.416.865	6,04
Brčko Gas	4.466.527	4,60	5.318.252	4,96	6.196.389	5,24	7.275.325	5,93
Aura					8.198	0,01	1.044.078	0,85
Mirkofin							341.861	0,28
<b>TOTAL</b>	<b>97.185.057</b>	<b>100</b>	<b>107.191.477</b>	<b>100</b>	<b>118.305.749</b>	<b>100</b>	<b>122.707.379</b>	<b>100</b>

Data source: RS Insurance Agency

Total revenue for companies with the seat in RS



## 4.4. Claims Paid

### 4.4.1. Claims paid by companies with the seat in the FBiH

Number and value of claims paid by companies with the seat in the FBiH

Short name of the Company	2007				2008			
	Reported claims	Claims paid		% Paid claims	Reported claims	Claims paid		% Paid claims
	Number	Number	Value		Number	Number	Value	
ASA	0	0	0	0,00	480	270	504.578	56,25
Bosna Sunce	9.865	8.296	15.003.436	84,10	12.094	9.895	20.502.292	81,82
Camelija	2.660	2.034	3.841.691	76,47	2.729	2.161	5.193.570	79,19
Croatia	8.438	7.215	23.690.587	85,51	8.848	7.775	35.384.706	87,87
Euroherc	6.673	5.960	13.305.721	89,32	8.133	7.219	13.732.030	88,76
Grawe	851	690	2.155.368	81,08	1.033	893	2.807.958	86,45
Helios	44	0	0	0,00	55	25	120.181	45,45
Hercegovina	2.378	1.813	4.544.594	76,24	2.325	1.804	3.838.212	77,59
Lido	4.045	2.636	4.607.416	65,17	4.449	3.173	5.866.100	71,32
Merkur BH	504	308	637.318	61,11	735	548	1.192.916	74,56
Sarajevo	19.190	17.417	25.308.489	90,76	19.763	14.628	32.097.317	74,02
Triglav BH	7.550	6.933	10.443.451	91,83	8.606	7.896	12.147.480	91,75
Uniq	4.973	4.351	9.197.659	87,49	5.331	4.720	9.510.062	88,54
VGT	6.505	5.316	8.840.576	81,72	7.421	5.720	11.099.726	77,08
Zovko	2.061	1.566	2.909.261	75,98	2.101	1.574	3.334.654	74,92
<b>TOTAL</b>	<b>75.737</b>	<b>64.535</b>	<b>124.485.567</b>	<b>85,21</b>	<b>84.103</b>	<b>68.301</b>	<b>157.331.782</b>	<b>81,21</b>

Data source: FBiH Insurance Supervisory Agency

### 4.4.2. Claims paid by companies with the seat in the RS

Number and value of claims paid by companies with the seat in the RS

Short name of the Company	2007				2008			
	Reported claims	Claims paid		% Paid claims	Reported claims	Claims paid		% Paid claims
	Number	Number	Value		Number	Number	Value	
Bobar	4.164	3.123	7.261.145	75,00	4.643	3.760	8.020.863	80,98
Brčko Gas	1.099	998	2.492.975	90,81	1.123	980	2.752.913	87,27
Drina	1.304	1.032	2.481.505	79,14	1.991	1.609	3.977.598	80,81
Grawe osiguranje	251	225	493.204	89,64	229	186	507.235	81,22
Jahorina	3.940	3.123	6.204.079	79,26	4.955	4.214	6.101.154	85,05
Kosig Dunav	4.219	3.329	5.316.381	78,90	5.071	4.663	7.590.222	91,95
Krajina	1.822	1.679	2.358.454	92,15	1.953	1.766	2.897.622	90,42
Mikrofin					36	26	69.354	72,22
Nešković	1.838	1.449	3.153.551	78,84	2.146	1.749	4.051.474	81,50
Aura	0	0	0	0,00	63	58	96.331	92,06
Triglav Krajina Kopaonik	1.842	1.403	2.674.231	76,17	1.990	1.531	3.488.870	76,93
<b>TOTAL</b>	<b>20.479</b>	<b>16.361</b>	<b>32.435.525</b>	<b>79,89</b>	<b>24.200</b>	<b>20.542</b>	<b>39.553.636</b>	<b>84,88</b>

Data source: RS Insurance Agency

## 4.5. Profit<sup>2</sup>

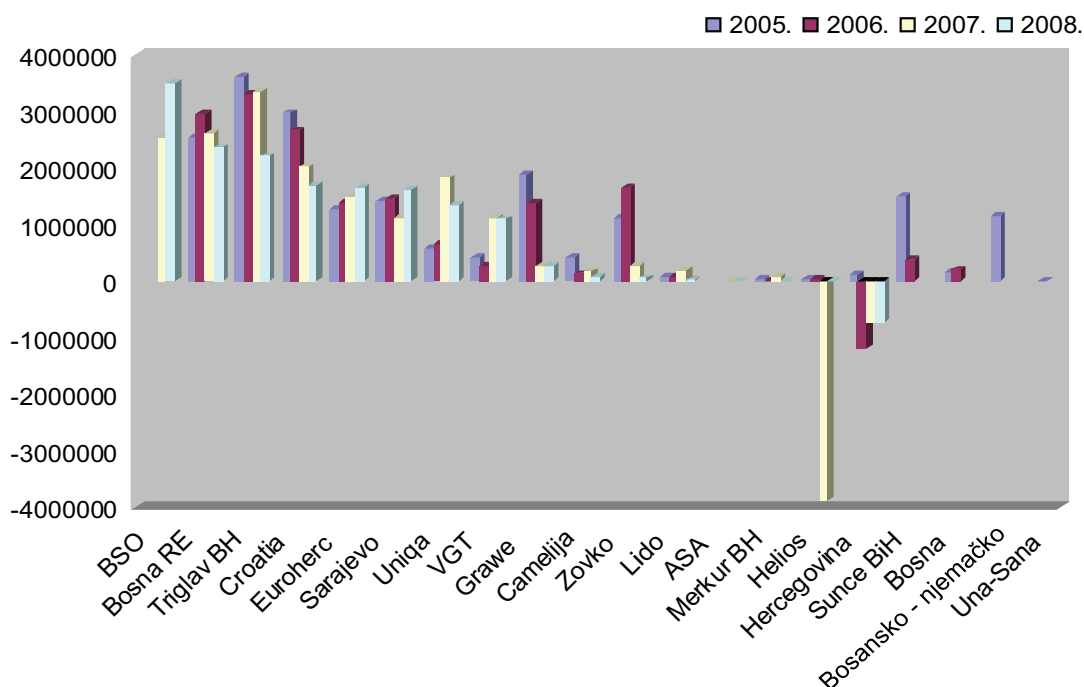
### 4.5.1. Profit for companies with the seat in the FBiH

Profit for companies with the seat in the FBiH (in KM)

Short name of the Company	Companies' profit per year			
	2005	2006	2007	2008
BSO			2.526.025	3.486.356
Bosna RE	2.549.308	2.972.310	2.607.935	2.361.571
Triglav BH	3.615.858	3.295.729	3.348.470	2.205.865
Croatia	2.976.017	2.666.975	2.016.313	1.702.439
Euroherc	1.274.161	1.371.738	1.482.730	1.653.177
Sarajevo	1.422.827	1.443.999	1.108.815	1.601.039
Uniqa	568.805	652.509	1.826.429	1.332.720
VGT	431.342	264.016	1.120.906	1.094.372
Grawe	1.878.457	1.378.402	264.928	271.532
Camelija	438.250	136.584	175.324	83.099
Zovko	1.129.829	1.647.159	284.113	60.053
Lido	86.307	78.359	182.892	17.857
ASA			5.354	10.491
Merkur BH	25.727	13.200	75.221	9.211
Helios	38.430	25.081	-3.886.066	6.417
Hercegovina	120.201	-1.199.195	-742.052	-719.508
Sunce BiH	1.505.289	375.459		
Bosna	151.004	213.802		
Bosansko-njemačko	1.143.350			
Una-Sana	10.035			
<b>TOTAL</b>	<b>19.365.197</b>	<b>15.336.127</b>	<b>12.397.337</b>	<b>15.176.691</b>

Data source: AFIP

Profit for the companies with seat in FBiH



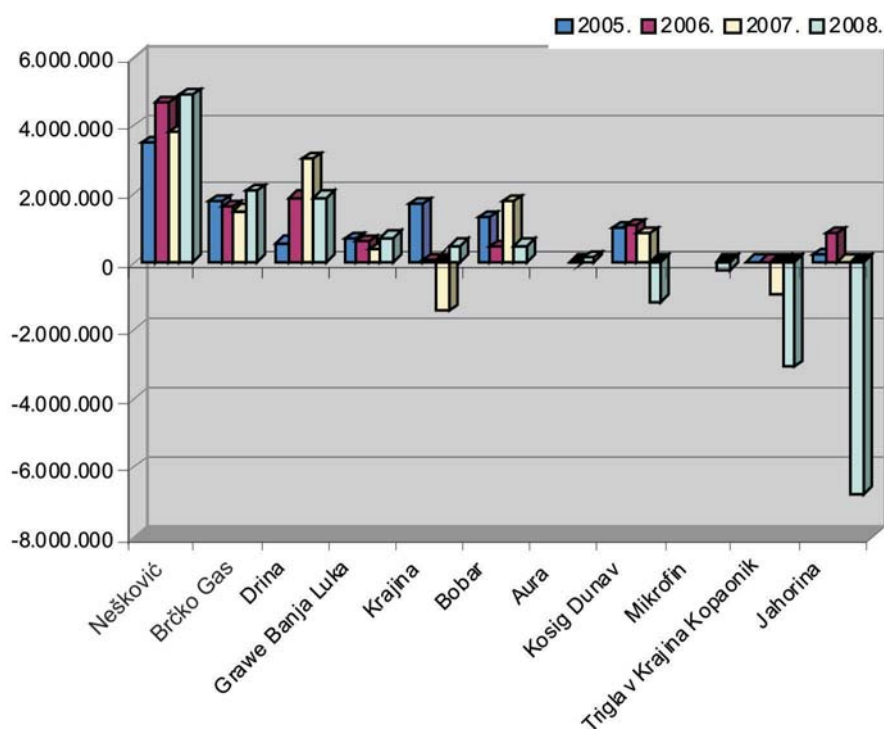
#### 4.5.2. Profit for companies with the seat in the RS

Profit for companies with seat in the RS (in KM)

Short name of the Company	Companies' profit per year			
	2005	2006	2007	2008
Nešković	3.461.145	4.664.032	3.802.551	4.884.374
Brčko Gas	1.792.330	1.598.294	1.513.772	2.085.489
Drina	579.374	1.867.017	3.018.641	1.920.252
Grawe Banja Luka	659.000	609.000	394.659	726.399
Krajina	1.745.973	65.530	- 1.447.874	515.013
Bobar	1.286.087	409.439	1.780.767	483.487
Aura			- 39.286	123.181
Kosig Dunav	994.473	1.097.586	860.561	-1.126.203
Mikrofin				-235.952
Triglav Krajina Kopaonik	2.233	28.216	- 892.530	-3.069.859
Jahorina	198.378	840.979	47.750	-6.757.285
<b>TOTAL</b>	<b>10.718.993</b>	<b>11.180.093</b>	<b>9.039.011</b>	<b>-451.104</b>

Data source: RS Insurance Agency

Profit for the companies with seat in RS



## 4.6. Capital

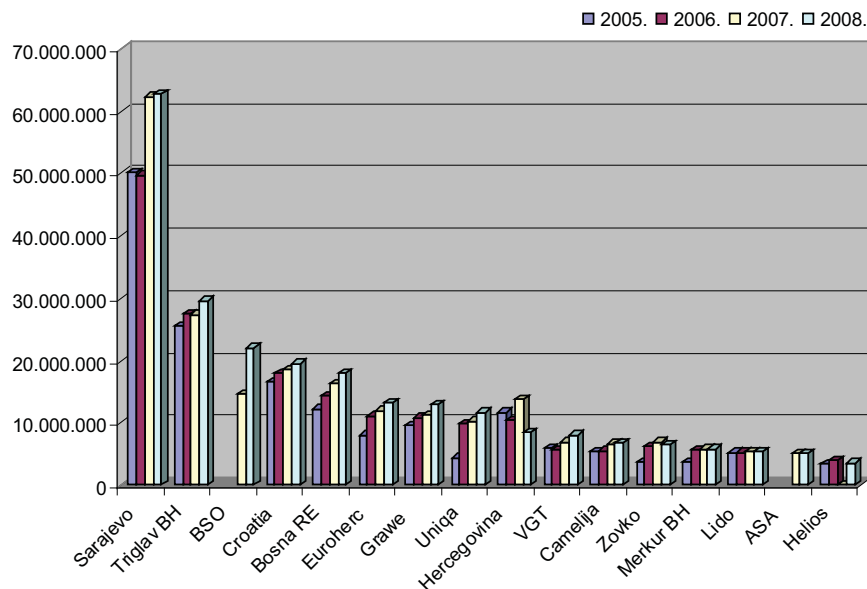
### 4.6.1. Capital for companies headquartered in the FBiH

Capital for companies headquartered in the FBiH (in KM)

Short name of the Company	2005		2006		2007		2008	
	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)
Sarajevo	50.186.077	30,51	49.745.927	27,15	62.327.971	28,01	62.704.546	26,34
Triglav BH	25.454.331	15,47	27.372.062	14,94	27.352.722	12,29	29.558.587	12,42
BSO					14.551.576	6,54	21.994.555	9,24
Croatia	16.583.824	10,08	17.845.289	9,74	18.548.450	8,34	19.459.458	8,17
Bosna RE	12.158.006	7,39	14.206.318	7,75	16.243.026	7,30	17.894.434	7,52
Euroherc	7.958.154	4,84	11.092.106	6,05	11.934.026	5,36	13.078.680	5,49
Grawe	9.442.399	5,74	10.828.563	5,91	11.189.445	5,03	12.861.866	5,40
Uniqa	4.353.153	2,65	9.783.156	5,34	10.270.960	4,62	11.637.344	4,89
Hercegovina	11.591.296	7,05	10.437.384	5,70	13.704.263	6,16	8.341.480	3,50
VGT	5.796.861	3,52	5.588.976	3,05	6.884.002	3,09	7.978.374	3,35
Camelija	5.264.613	3,20	5.420.591	2,96	6.562.866	2,95	6.645.964	2,79
Zovko	3.607.879	2,19	6.110.160	3,33	6.821.680	3,07	6.416.959	2,70
Merkur BH	3.631.004	2,21	5.644.203	3,08	5.719.424	2,57	5.728.630	2,41
Lido	5.139.188	3,12	5.186.103	2,83	5.339.466	2,40	5.260.943	2,21
ASA					5.005.354	2,25	5.015.845	2,11
Helios	3.345.419	2,03	3.954.816	2,16	68.750	0,03	3.460.798	1,45
<b>TOTAL</b>	<b>164.512.204</b>	<b>100</b>	<b>183.215.654</b>	<b>100</b>	<b>222.523.981</b>	<b>100</b>	<b>238.038.463</b>	<b>100</b>

Data source: AFIP

Capital for the companies with the seat in FBiH



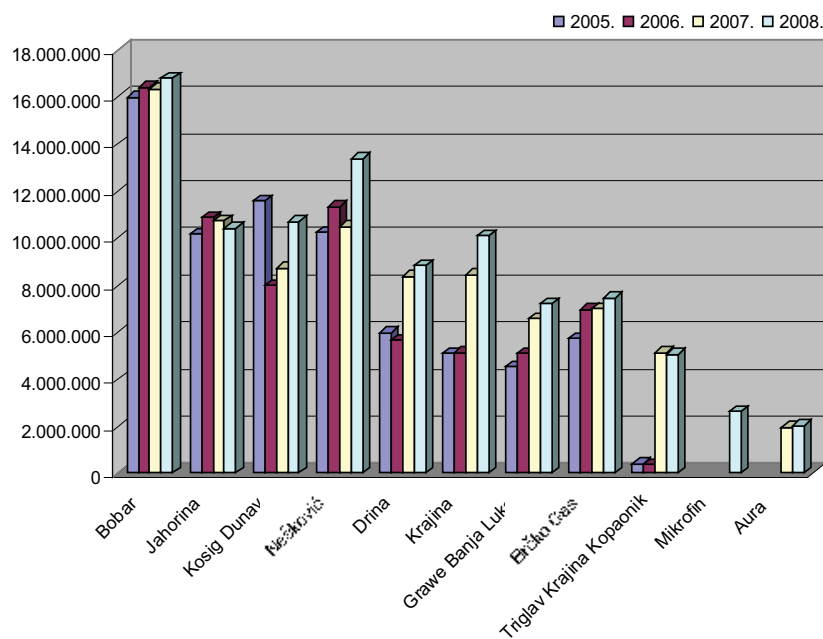
#### 4.6.2. Capital for companies with the seat in the RS

Capital for companies with the seat in the RS (in KM)

Short name of the Company	2005		2006		2007		2008	
	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)
Bobar	15.991.295	22,95	16.400.333	23,51	16.345.870	19,51	16.785.805	17,76
Jahorina	10.151.181	14,57	10.878.219	15,59	10.727.465	12,81	10.404.572	11,01
Kosig Dunav	11.560.272	16,59	7.982.163	11,44	8.719.794	10,41	10.687.757	11,30
Nešković	10.233.460	14,69	11.332.928	16,24	10.488.195	12,52	13.379.849	14,15
Drina	5.982.895	8,59	5.652.614	8,10	8.360.644	9,98	8.815.995	9,33
Krajina	5.099.987	7,32	5.126.208	7,35	8.445.099	10,08	10.076.646	10,66
Grawe Banja Luka	4.523.000	6,49	5.071.000	7,27	6.584.394	7,86	7.194.061	7,61
Brčko Gas	5.723.394	8,21	6.960.790	9,98	7.006.173	8,36	7.460.693	7,89
Triglav Krajina Kopaonik	409.371	0,59	363.330	0,52	5.130.077	6,12	5.060.218	5,35
Mikrofin							2.639.445	2,79
Aura					1.960.714	2,34	2.035.642	2,15
<b>TOTAL</b>	<b>69.674.855</b>	<b>100</b>	<b>69.767.585</b>	<b>100</b>	<b>83.768.425</b>	<b>100</b>	<b>94.540.683</b>	<b>100</b>

Data source: RS Insurance Agency

Capital for the companies with seat in RS



## 4.7. Business Performance Indicators

### 4.7.1. Business Performance Indicators for Companies with the seat in the FBiH

Business performance indicators for companies with the seat in the FBiH in 2008

Short name of the Company	Premium per employee (in KM)	Total revenue per employee (in KM)	Profit per employee (in KM)	Profit/Capital (%)	Profit/Total revenue (%)	Claims paid/Premium (%)
ASA	61.248	35.703	140	0,21	0,39	10,98
BSO	204.649	181.399	15.358	15,85	8,47	44,13
Camelija	85.835	78.295	692	1,25	0,88	50,42
Croatia	218.882	224.233	10.074	8,75	4,49	95,66
Euroherc	168.156	157.297	8.747	12,64	5,56	43,21
Grawe	98.474	111.981	1.543	2,11	1,38	16,20
Helios	100.019	227.647	917	0,19	0,40	17,17
Hercegovina	90.317	103.542	-7.737	-8,63	-7,47	45,70
Lido	69.687	68.698	92	0,34	0,13	43,39
Merkur BH	958.262	940.714	576	0,16	0,06	7,78
Sarajevo	116.208	102.608	3.465	2,55	3,38	59,78
Triglav BH	124.272	110.828	8.419	7,46	7,60	37,31
Uniqa	197.869	212.341	7.933	11,45	3,74	28,61
VGT	113.395	99.447	5.162	13,72	5,19	46,17
Zovko	70.822	71.618	626	0,94	0,87	49,05

Data sources: FBiH Insurance Supervisory Agency and AFIP

### 4.7.2. Business Performance Indicators for Companies with the seat in the RS

Business performance indicators for companies with the seat in the RS in 2008

Short name of the Company	Premium per employee (in KM)	Total revenue per employee (in KM)	Profit per employee (in KM)	Profit/Capital (%)	Profit/Total revenue (%)	Claims paid/Premium (%)
Bobar	227.906	276.287	6.044	2,88	2,19	43,99
Brčko Gas	90.797	82.674	23.699	27,95	28,67	34,45
Drina	168.232	178.057	25.949	21,78	14,57	31,95
Grawe Banja Luka	1.166.470	1.236.144	121.067	10,10	9,79	7,25
Jahorina	121.012	132.042	-45.968	-64,95	-34,81	34,30
Kosig Dunav	108.777	107.148	-5.835	-10,54	-5,45	36,15
Triglav Krajina Kopaonik	104.833	100.802	-33.368	-60,67	-33,10	36,17
Krajina	94.027	98.274	6.131	5,11	6,24	36,69
Mikrofin	51.061	21.366	-14.747	-8,94	-69,02	8,49
Nešković	161.459	171.644	61.055	36,51	35,57	31,37
Aura	148.335	94.916	11.198	6,05	11,80	5,90

Data source: RS Insurance Agency

## 4.8. Employee Structure

### 4.8.1. Employee Structure at Companies with the seat in the FBiH

Employee structure at companies with the seat in the FBiH at the end of 2008

Short name of the Company	Education level – Title				Total
	PhD, MSc	University (4-year or 2-year course of studies)	Secondary education	Primary education	
Sarajevo	6	99	334	23	462
BSO	1	51	167	8	227
Triglav BH	1	74	184	3	262
VGT	1	57	151	3	212
Lido	1	40	151	2	194
Euroherc		46	138	5	189
Grawe	1	15	160		176
Croatia	1	70	94	4	169
Uniqa	1	65	102		168
Camelija		17	101	2	120
Zovko		14	82		96
Hercegovina		31	62		93
ASA	2	14	59		75
Bosna RE		13	10	2	25
Merkur BH		9	7		16
Helios		4	3		7
<b>TOTAL</b>	<b>15</b>	<b>619</b>	<b>1.805</b>	<b>52</b>	<b>2.491</b>

Data source: FBiH Insurance Supervisory Agency

### 4.8.2. Employee Structure at Companies Headquartered in the RS

Employee structure at companies headquartered in the RS at the end of 2008

Short name of the Company	Education level – Title				Total
	PhD, MSc	University (4-year or 2-year course of studies)	Secondary education	Primary education	
Kosig Dunav	2	55	132	4	193
Jahorina	5	36	105	1	147
Triglav Krajina Kopaonik	2	23	67		92
Brčko Gas		16	72		88
Krajina		12	70	2	84
Bobar		36	43	1	80
Nešković	2	17	58	3	80
Drina	3	17	53	1	74
Mikrofin		10	6		16
Aura		1	10		11
Grawe Banja Luka		4	2		6
<b>TOTAL</b>	<b>14</b>	<b>227</b>	<b>618</b>	<b>12</b>	<b>871</b>

Data source: RS Insurance Agency





# ADDENDUM I:

Institutions and Organizations of the BIH Insurance Sector

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# Institutions and Organizations of the BIH Insurance Sector

## Insurance Agency of BIH

**Address/Head Office:** Obala Kulina bana 4/II, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

033/554-795; 033/554-796; azobih@azobih.gov.ba; www.azobih.gov.ba

Insurance Agency of BIH was established by the Law on the Insurance Agency of BIH ("BIH Official Gazette", No. 12/04).

The objectives and competences of the Agency are listed in the Addendum 2 herein (Law on the BIH Insurance Agency).

### **Members of the Management Board:**

Vera Letica, Zakira Muratović, Radmila Pustahija, Branislav Bilić, Nusreta Čerkez, Snježana Rudić i Božana Šljivar.

## Institutions Responsible for Regulation and Supervision on Entity Level

### *Insurance Supervisory Agency of FBIH*

**Address/Head Office:** Kolodvorska 12, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

Tel/fax: 033/443-292; nados@nados.ba; www.nados.ba

Insurance Supervisory Agency of BiH has been operating under its current name since 2005, after passage of laws regulating the insurance sector in BIH. Until then, regulation and supervision of the FBIH market was conducted by the Insurance Companies Supervisory Bureau, which had been set up in 1997.

The Agency is run by the Council of Experts comprising the Chairman and four members, appointed and dismissed by the FBIH Government at the proposal of the Federal Minister of Finance. The Agency is managed by the President, who is also appointed and dismissed by the FBIH Government at the proposal of the Federal Minister of Finance.

### **Legal Framework:**

1. Law on Insurance Companies in Private Insurance ("FBIH Official Gazette" No. 24/05)
2. Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability ("FBIH Official Gazette" No. 24/05)
3. Law on Intermediation in Private Insurance ("FBIH Official Gazette" No. 22/05)

### **Agency's Responsibilities:**

The Supervisory Agency regulates and supervises operations of the insurance companies and insurance intermediaries, and acts in the capacity of a supervisory institution in the insurance industry.

The Agency's principal tasks, in line with the legal regulations, include:

- Issuance of licenses to insurance companies and insurance intermediaries (insurance agents and insurance brokers),
- Giving opinions on the insurance companies acts and decisions, which the latter are obliged to make pursuant to the Law (insurance conditions, tariff rates, rule books on the method of determining

the unearned premiums and claims reserve, provisions for catastrophes, rule book on determining the mathematical reserve and its application in the area of life insurance, etc.),

- Collecting, processing, and recording data submitted by insurance companies and insurance intermediaries in accordance with the regulations,
- Supervising insurance undertakings, insurance intermediaries, and related entities in accordance with the regulations,
- Initiating and supervising the procedure of provisional administration, liquidation, bankruptcy, and rehabilitation of insurance companies,
- Revoking insurance and intermediation licenses in accordance with the Law,
- Bringing minor-offence and/or criminal charges in accordance with the insurance regulations,
- Issuing decisions regulating insurance companies' operations, as well as operations of intermediaries and authorized actuaries in accordance with the Law,
- Other issues in accordance with the regulations.

### ***Insurance Agency of RS***

**Address/Head Office:** Bana Milosavljevića 8/II, 78000 Banja Luka

**Telephone, fax, e-mail, web:**

Tel/fax: 051/228-910, azors.kabinet@blic.net; www.azors.org

The Insurance Agency of RS was founded in 2005 in accordance with the provisions of the Law on Insurance Companies ("RS Official Gazette" Nos. 17/05, 01/06, and 64/06).

The Agency is run by the Managing Board comprising the President and four members, appointed and dismissed by the RS National Assembly.

The Agency is managed by the Director, who is also appointed and dismissed by the RS National Assembly.

### **Legal Framework:**

1. Law on Insurance Companies ("RS Official Gazette" Nos. 17/05 and 01/06)
2. Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability ("RS Official Gazette" Nos. 17/05 and 64/06)
3. Law on Insurance Intermediation ("RS Official Gazette" Nos. 17/05 and 64/06)

### **Agency's Responsibilities:**

Insurance Agency of RS regulates and supervises operations of the insurance companies and insurance intermediaries, and acts in the capacity of a supervisory institution in the insurance industry.

The Agency's principal tasks, in line with the legal regulations, include:

- Issuance of licenses to insurance companies and insurance intermediaries (insurance agents and insurance brokers),
- Giving opinions on the insurance companies acts and decisions, which the latter are obliged to make pursuant to the Law (insurance conditions, tariff rates, rule books on the method of determining the unearned premiums and claims reserve, provisions for catastrophes, rule book on determining the mathematical reserve and its application in the area of life insurance, etc.),
- Collecting, processing, and recording data submitted by insurance companies and insurance intermediaries in accordance with the regulations,

- Supervising insurance undertakings, insurance intermediaries, and related entities in accordance with the regulations,
- Initiating and supervising the procedure of provisional administration, liquidation, bankruptcy, and rehabilitation of insurance companies,
- Revoking insurance and intermediation licenses in accordance with the Law,
- Bringing minor-offence and/or criminal charges in accordance with the insurance regulations,
- Issuing decisions regulating insurance companies' operations, as well as operations of intermediaries and authorized actuaries in accordance with the Law,
- Other issues in accordance with the regulations.

## Insurance Protection Funds

### *FBIH Protection Fund*

**Address/Head Office:** Vilsonovo šetalište 10, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

033/658-723, zffbih@bih.net.ba;

FBIH Protection Fund was set up on 22 July 2005, and it operates under supervision and control of the FBIH Insurance Supervisory Agency.

The executive bodies of the FBIH Protection Fund include: Assembly, Managing Board, and Director.

The Protection Fund is run by the Managing Board comprising five members appointed and dismissed by the Protection Fund Assembly. Director is appointed and dismissed by the Managing Board.

### **Legal Framework:**

1. Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability ("FBIH Official Gazette" No. 24/05)
2. Internal acts of the FBIH Protection Fund

### **Fund's Activities:**

The FBIH Protection Fund pays claims in accordance with Article 15 of the Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability ("FBIH Official Gazette" No. 24/05).

The FBIH Protection Fund is obliged to pay claims to injured parties in case of death or physical injury, as well as in case of material damage caused by a road accident:

- When the person responsible for the accident remains unknown (in all cases when accidents occur on the territory of the FBIH; the Protection Fund is obliged to provide compensation only for damage due to death or physical injury);
- When an accident has been caused by a vehicle for which the obligation from Article 3 of the above mentioned Law has not been fulfilled, and the vehicle is in the ownership of a person residing in the FBIH;
- When special liquidation proceedings have been instituted against an insurance company registered in the FBIH due to bankruptcy or revocation of license, or because of the subject company's failure to settle financial obligations pursuant to the Law on Insurance Companies in Private Insurance or the Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability.

## ***RS Protection Fund***

**Address/Head Office:** Vidovdanska bb, 78000 Banja Luka

**Telephone, fax, e-mail, web:**

051/226-091; zastitnifondrs@blic.net; www.zfrs.mapabih.com

The RS Protection Fund was established on 28 April 2006, and it operates under supervision and control of the RS Insurance Agency.

The executive bodies of the RS Protection Fund include: Assembly, Managing Board, and Director. The Protection Fund is run by the Managing Board which members are appointed by the Assembly.

The Protection Fund Assembly consists of persons authorized by members of the RS Protection Fund.

The Managing Board has five members, appointed and dismissed by the RS Protection Fund Assembly. The Managing Board appoints and dismisses the Director.

All insurance companies conducting motor insurance operations in the RS (regardless if their head office is in the RS or FBiH) are mandatory members of the RS Protection Fund. The same also applies to subsidiaries of foreign-based insurance companies that provide motor insurance services in the RS.

### **Legal Framework:**

1. Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability
2. Internal acts of the RS Protection Fund

### **Fund's Activities:**

The RS Protection Fund pays claims in accordance with Article 15 of the Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability ("RS Official Gazette" No. 17/05).

The RS Protection Fund is obliged to pay to the injured parties the compensation stipulated in Article 14 (3) of the Law on Insurance Companies in Private Insurance in case of damage to persons or property due to a road accident:

- When the person responsible for the accident remains unknown (in all cases when accidents take place on the territory of the RS; the Protection Fund is obliged to provide compensation only for damage suffered by persons);
- When an accident has been caused by a vehicle for which the obligation from Article 3 of the Law on Insurance Companies has not been fulfilled, and the vehicle is in the ownership of a person residing in the RS;
- When special liquidation proceedings have been instituted against an insurance company registered in the RS due to bankruptcy or revocation of license.

## **Associations Operating on the BIH Insurance Market**

### ***Green Card Bureau in BIH***

**Address/Head Office:** Kolodvorska 11a/II, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

033/279-440; 033/279-450; bzkbih@bzkbih.ba; www.bzkbih.ba

The Bureau was registered on 19 April 2004, and it has been operating under the current name since 23 April 2003.

The Green Card Bureau in BIH was founded as an association and it represents BIH insurance companies within the green card system. Members of the Bureau are insurance companies engaged in the motor insurance business.

The executive bodies of the BIH Green Card Bureau include: Assembly, Managing Board, and Director.

The Assembly includes members of all insurance companies that provide motor insurance services.

#### **Bureau's Activities:**

- Solving issues defined by the Crete Agreement and other international agreements on insurance of owners/users of motor vehicle against motor liability;
- Representing BIH insurance companies within the green card system;
- Collaborating with national bureaus and insurance companies with a view to discharging obligations assumed in accordance with international conventions and agreements;
- Collaborating with BIH authorities competent for international traffic regarding the motor insurance issues;
- Performing other activities of importance to the Bureau members with an aim of abiding by the Crete Agreement provisions.

#### ***Association of Insurance and Re-insurance Companies in BIH***

**Address/Head Office:** Branislava Đurđeva 10, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

033/210-616; 033/214-292;

Association of Insurance and Re-insurance Companies in BIH was founded on 2 March 2006. The Association operates within the BIH Foreign Trade Chamber. It is managed by the Presidency and the Collegiate Body of the Association's Assembly.

Members of the Association include all insurance companies and one re-insurance company in BIH.

#### **Association's Activities:**

- Creation of mutual ties and exchange of members' experience with a view to advancing and expanding the insurance and re-insurance industry;
- Monitoring growth of the insurance and re-insurance industry, and analyzing topical issues from this sector;
- Starting initiatives for passage of laws and amendment of legal regulations in the area of insurance and re-insurance; standardization and alignment with the EU legislation;
- Collaboration with domestic and foreign associations and institutions in order to enable an easier access to the international market;
- Participation in preparations and work of mixed commissions, think-tanks, etc., with the aim of regulating the relations and protecting the members' interests in the insurance and re-insurance operations;
- Collaboration and provision of expert help to the Association members;
- Preparation and distribution of available business information to the Association members;
- Performance of other activities within the competence and in the interest of the Association, and performance of activities entrusted to it by other bodies.

### ***Association of Insurance Companies in FBiH***

**Address/Head Office:** Dolina 8, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

033/207-881, www.udofbih.ba, udofbih@bih.net.ba

Association of Insurance Companies in FBiH was established on 28 November 2006.

According to the Association's Statute, the managing bodies are the Assembly President and the Secretary General.

The Association is comprised of eleven insurance companies headquartered in FBiH.

#### **Association's Activities:**

- Strengthening the insurance market;
- Providing expert services;
- Advancing the insurance profession;
- Improving business performance and harmonizing the Association members' activities;
- Provision of other services arising out of the law, statute, Association's general acts, and members' requirements.

### ***RS Insurers Association***

**Address/Head Office:** Dušana Baranjina br. 1, 76300 Bijeljina

**Telephone, fax, e-mail, web:**

056/741-610

The RS Insurers Association was founded on 26 April 2006, and it started operating on 29 September 2006.

According to the Association's Statute, the managing bodies are the Assembly President and the Secretary.

The Association consists of eight insurance companies headquartered in the RS.

#### **Association's Activities:**

- Strengthening the insurance market;
- Providing expert services to the Association members;
- Advancing the insurance profession;
- Improving business performance and harmonizing the Association members' activities;
- Provision of other services arising out of the law, statute, Association's general acts, and members' requirements.

### ***BIH Actuarial Association***

**Address/Head Office:** Dolina br. 8, 71000 Sarajevo

**Telephone, fax, e-mail, web:**

The BIH Actuarial Association was established in December 2005. It is run by the President, Managing Council, and the Supervisory Board.

The BIH Actuarial Association is an expert organization founded with a view to advancing, expanding, and promoting the actuary science and vocation, its practical application, and professional training and education of actuaries. Currently, there are thirty-six members.

**Association's Activities:**

- Providing opinion on matters from the actuary area;
- Organizing domestic and international scientific and expert gatherings;
- Organizing counseling, courses, and expert lectures;
- Publishing scientific and specialized books, magazines, and periodicals from the sphere of its operation;
- Collaborating in preparation and passage of legislation relevant for the Association and its activities;
- Collaborating with insurance companies, pension and health insurance institutions, banks, other financial organizations, business enterprises, and state bodies in the area of advancement and application of actuary achievements, all in accordance with the law;
- Collaborating with similar associations in the country and abroad (Association Actuarielle Internationale and other corresponding international associations);
- Taking care of the reputation and independence of the certified actuaries, and ensuring preconditions for proper performance of their tasks;
- Supervising its certified members' adherence to the code of conduct and professional standards;
- Providing support to its members in advancement of the actuary profession, in scientific research, as well as in presentation of the results on the local and cross-border level;
- Organizing continual training for its members (especially regular ones), in accordance with requirements of the law, profession, and international actuarial organizations;
- Working on preparation and introduction of standards and instructions for actuary profession which will be obligatory for all members;
- Performing other activities necessary for reaching the Association's objectives.



# ADDENDUM II:

Insurance and Re-insurance Companies in BiH<sup>1</sup>

In this addendum, the data source for companies headquartered in the FBiH and RS are Insurance Supervisory Agency and RS Insurance Agency respectively.

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# ASA OSIGURANJE D.D. Sarajevo

**Address/registered office:** Bulevar Meše Selimovića 16, Sarajevo

**Telephone, fax, e-mail, web:**

+387 (033) 774 730; +387 (033) 744 733; info@asa-osiguranje.ba; www.asa-osiguranje.ba;

**Number of employees, number of branches:**

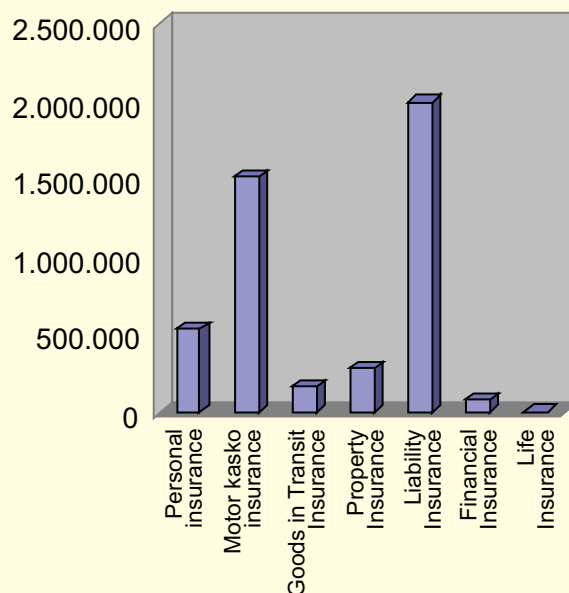
Company had 75 employees as of December 31, 2008, and it performs business activities in seven branches.

**Shareholders' structure at the end of 2008:** local entities 100,00 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	535.582	11,66
Motor kasko Insurance	1.525.126	33,20
Goods in Transit Insurance	168.480	3,67
Property Insurance	287.722	6,26
Liability Insurance	2.003.368	43,61
Financial Insurance	73.331	1,60
Life Insurance	0	0,00
<b>Total premium</b>	<b>4.593.609</b>	<b>100,00</b>

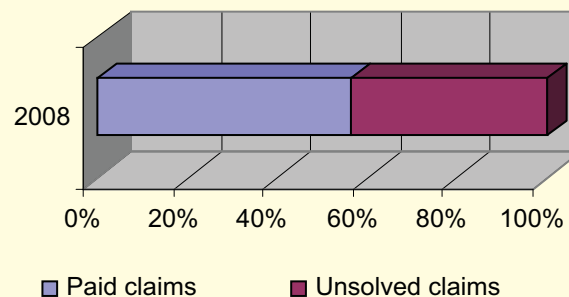
## Premium per insurance group in 2008 (in KM)



## Damages (Claims):

- Number of reported claims in 2008: 480
- Number of paid claims in 2008: 270 (56,25)

## Share of the claims paid in total number reported claims



## Supervisory/Management Board, Director:

*Chairman of Supervisory Board:*

Emir Ahmetagić

*Director of Company:*

Mr. Nedim Gavranović

# OSIGURANJE AURA A.D. Banja Luka

**Address/registered office:** Bulevard Sroske Vojske no.7, Banja Luka

**Telephone, fax, e-mail, web:**

+387 (051) 344 777; +387 (051) 344 770; auraos@teol.net; www.auraosiguranje.com

**Number of employees, number of branches:**

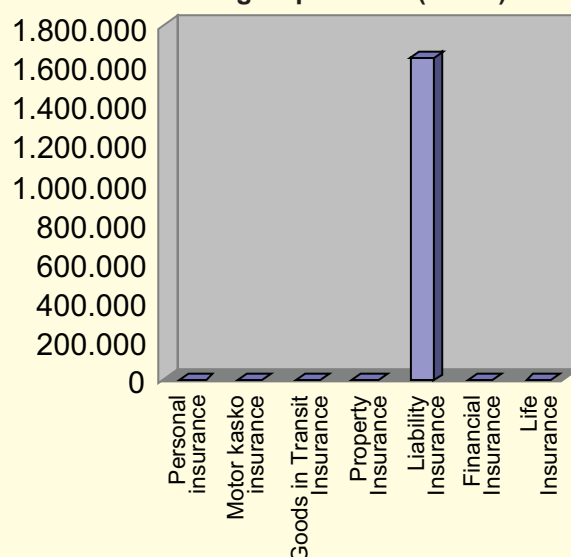
Company had 3 employees as of December 31, 2008, and it performs business activities at the Head Office.

**Shareholders' structure at the end of 2008:** local entities 100,00 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	0	0,00
Motor kasko Insurance	0	0,00
Goods in Transit Insurance	0	0,00
Property Insurance	0	0,00
Liability Insurance	1.631.681	100,00
Financial Insurance	0	0,00
Life Insurance	0	0,00
<b>Total premium</b>	<b>1.631.681</b>	<b>100,00</b>

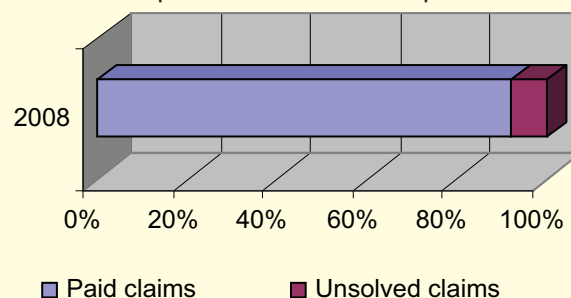
## Premium per insurance group in 2008 (in KM)



## Damages (Claims):

- Number of reported claims in 2008: 63
- Number of paid claims in 2008: 58(92,06%)

## Share of the claims paid in total number reported claims



## Supervisory/Management Board, Director:

*President of Management Board:*

Zoran Tunjić

*Chairman of Supervisory Board:*

Dalibor Tomaš

*Director of Company:*

Miodrag Kovačević

# BOBAR OSIGURANJE A.D. Bijeljina

**Address/registered office:** Filipa Višnjića street no. 211, Bijeljina

**Telephone, fax, e-mail, web:**

+ 387 (055) 232 100; + 387 (055) 210 898; bobar@rstel.net; www.bobarosiguranje.com

**Number of employees, number of branches:**

Company had 80 employees as of December 31, 2008, and it performs business activities in nine branches.

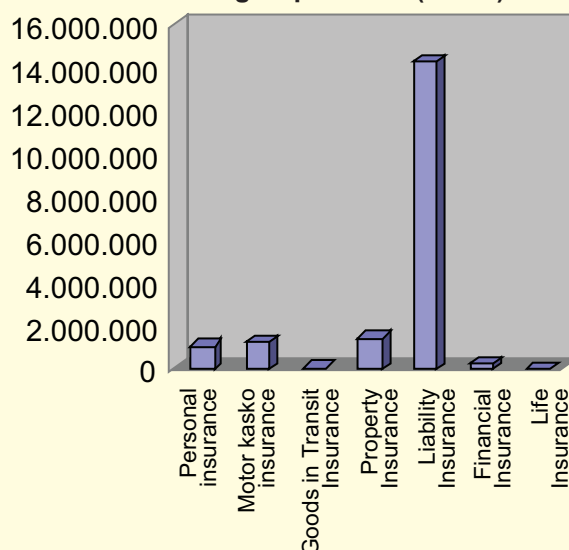
**Shareholders' structure at the end of 2008:** local entities 99,25 %

foreign entities 0,75 %

**Premium per insurance group in 2008**

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.047.526	5,75
Motor kasko Insurance	1.199.259	6,58
Goods in Transit Insurance	31.985	0,18
Property Insurance	1.414.393	7,76
Liability Insurance	14.301.748	78,44
Financial Insurance	237.548	1,30
Life Insurance	0	0,00
<b>Total premium</b>	<b>18.232.459</b>	<b>100,00</b>

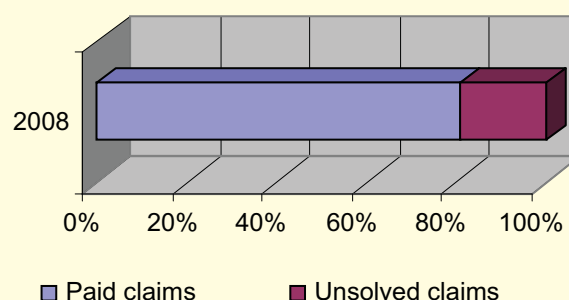
**Premium per insurance group in 2008 (in KM)**



**Damages (claims):**

- Number of reported claims in 2008: 4.643
- Number of paid claims in 2008: 3.760 (80,98%)

**Share of the paid claims in total number of claims**



**Supervisory/Management Board, Director:**

*President of Management Board:*

Darko Jeremić

*Chairman of Supervisory Board:*

Drago Đukanović

*Director of Company:*

Veroljub Janjičić

# BOSNA SUNCE OSIGURANJE D.D. Sarajevo

**Address/registered office:** Trg međunarodnog prijateljstva no.20, Sarajevo

**Telephone, fax, e-mail, web:**

+ 387 (033) 720 500; + 387 (033) 720 501; uprava@bosna-sunce.ba; www.bosna-sunce.ba

## Number of employees, number of branches:

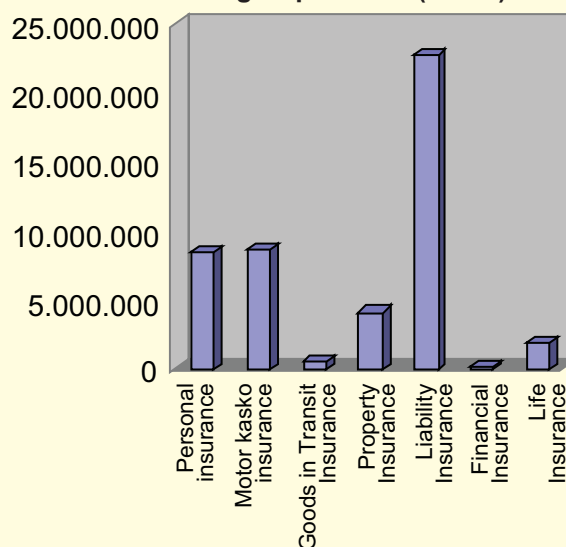
Company had 227 employees as of December 31, 2008, and it performs business activities in nine branches.

**Shareholders' structure at the end of 2008:** local entities 22,36 %  
foreign entities 77,64 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	8.490.781	18,28
Motor kasko Insurance	8.639.946	18,60
Goods in Transit Insurance	539.673	1,16
Property Insurance	4.117.239	8,86
Liability Insurance	22.669.672	48,80
Financial Insurance	120.680	0,26
Life Insurance	1.877.264	4,04
<b>Total premium</b>	<b>46.455.255</b>	<b>100,00</b>

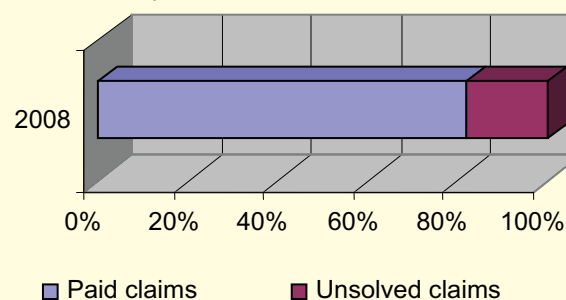
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 12.094
- Number of paid claims in 2008: 9.895 (81,82%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, Director:

*Chairman of Supervisory Board:*

Husnija Kurtović

*Director of Company:*

Željko Pervan

# BRČKO GAS OSIGURANJE A.D. Brčko

**Address/registered office:** Banjalučka street bb, Brčko

**Telephone, fax, e-mail, web:**

+ 387 (049) 222 000; +387 (049) 216 654; bgasosig@teol.net; www.brckogas.net/osiguranje/

**Number of employees, number of branches:**

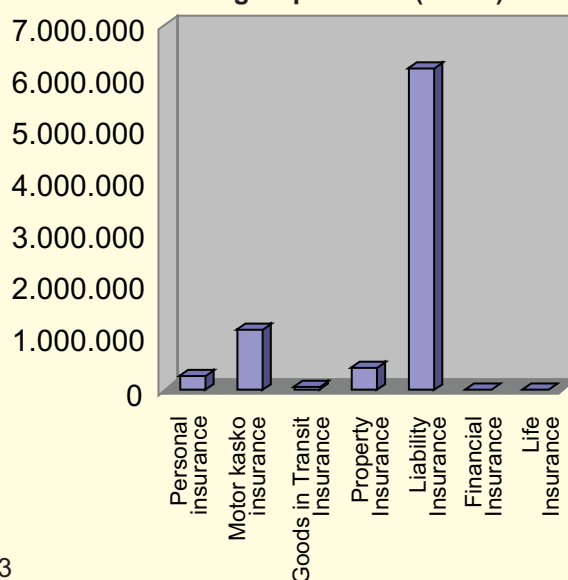
Company had 88 employees as of December 31, 2008, and it performs business activities in eleven branches.

**Shareholders' structure at the end of 2008:** local entities 100,00 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	229.586	2,87
Motor kasko Insurance	1.138.810	14,25
Goods in Transit Insurance	46.554	0,58
Property Insurance	396.816	4,97
Liability Insurance	6.178.364	77,32
Financial Insurance	0	0,00
Life Insurance	0	0,00
<b>Total premium</b>	<b>7.990.130</b>	<b>100,00</b>

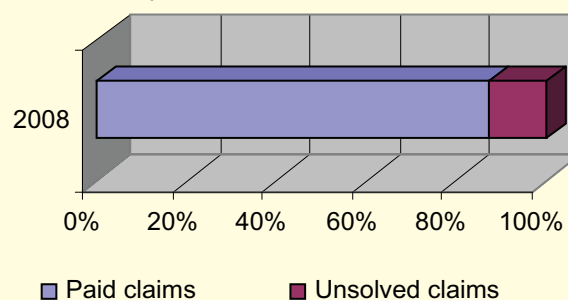
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 1.123
- Number of paid claims in 2008: 980 (87,27 %)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*President of Management Board:*

Bojan Đurđević

*Chairman of Supervisory Board:*

Duško Sofrenović

*Director of Company:*

Slavko Savić

# CAMELIJA OSIGURANJE D.D. Bihać

**Address/registered office:** 5. korpusa street no.3, Bihać

**Telephone, fax, e-mail, web:**

+387 (037) 224 110; +387 (037) 228 436; camelija@bih.net.ba; www.camelija-osiguranje.com

**Number of employees, number of branches:**

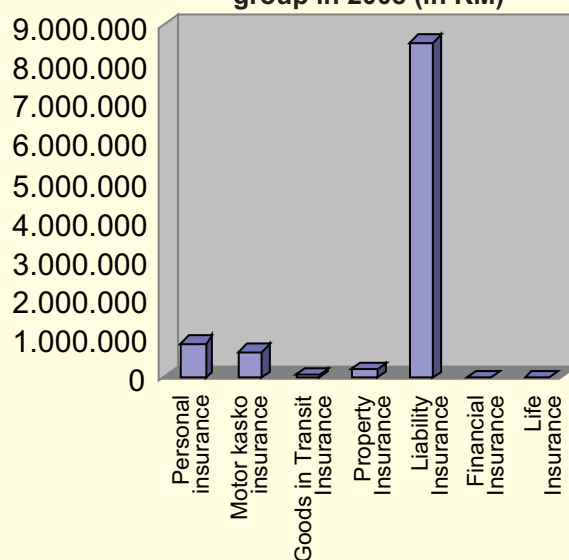
Company had 120 employees as of December 31, 2008, and it performs business activities in thirty three branches.

**Shareholders' structure at the end of 2008:** local entities 100,00 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	869.206	8,44
Motor kasko Insurance	656.871	6,38
Goods in Transit Insurance	30.995	0,30
Property Insurance	190.543	1,85
Liability Insurance	8.552.511	83,03
Financial Insurance	112	0,00
Life Insurance	0	0,00
<b>Total premium</b>	<b>10.300.238</b>	<b>100,00</b>

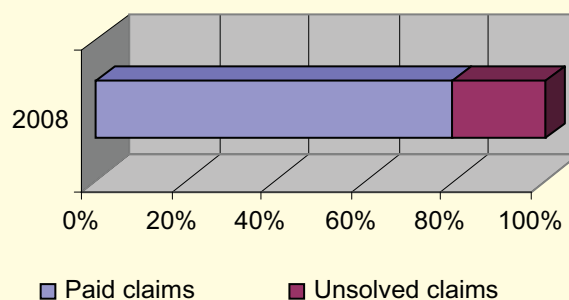
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 2,729
- Number of paid claims in 2008: 2.161 (79,19%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Ekrema Čavkić

*Director of Company:*

Irfan Čavkić

# CROATIA OSIGURANJE D.D. Ljubuški

**Address/registered office:** Nikole Kordića street bb, Ljubuški

**Telephone, fax, e-mail, web:**

+387 (039) 839 100; +387 (039) 839 120; cros@croatiaosiguranje.com; www.croatiaosiguranje.com;

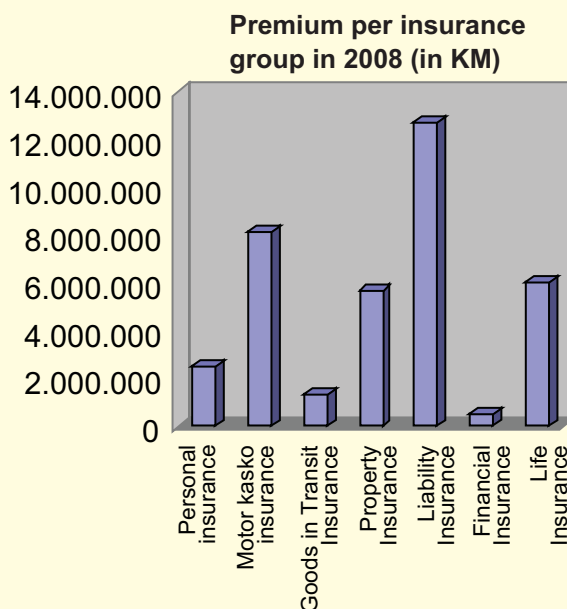
**Number of employees, number of branches:**

Company had 169 employees as of December 31, 2008, and it performs business activities in ten branches.

**Shareholders' structure at the end of 2008:** local entities 47,53%  
foreign entities 52,47 %

**Premium per insurance group in 2008:**

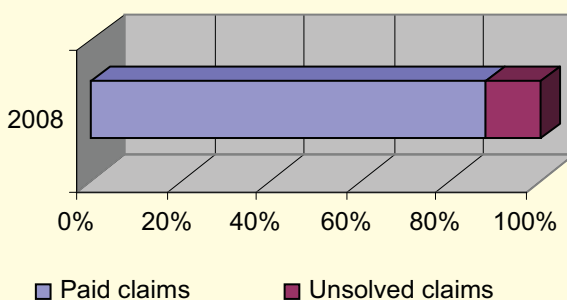
Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	2.477.852	6,70
Motor kasko Insurance	8.138.832	22,00
Goods in Transit Insurance	1.362.092	3,68
Property Insurance	5.685.303	15,37
Liability Insurance	12.784.890	34,56
Financial Insurance	488.041	1,32
Life Insurance	6.054.025	16,37
<b>Total premium</b>	<b>36.991.035</b>	<b>100,00</b>



**Damages (Claims):**

- Number of reported claims in 2008: 8.848
- Number of paid claims in 2008: 7.775 (87,87%)

**Share of the paid claims in total number of claims**



**Supervisory/Management Board, director:**

*Chairman of Supervisory Board:*

Hrvoje Vojković

*Director of Company:*

Mladen Markotić, acting director

# DRINA OSIGURANJE A.D. Milići

**Address/registered office:** Trg rudara street no. 1, Milići

**Telephone, fax, e-mail, web:**

+387 (056) 741 611; +387 (056) 741 610; doz@teol.net; www.drina-osiguranje.com

**Number of employees, number of branches:**

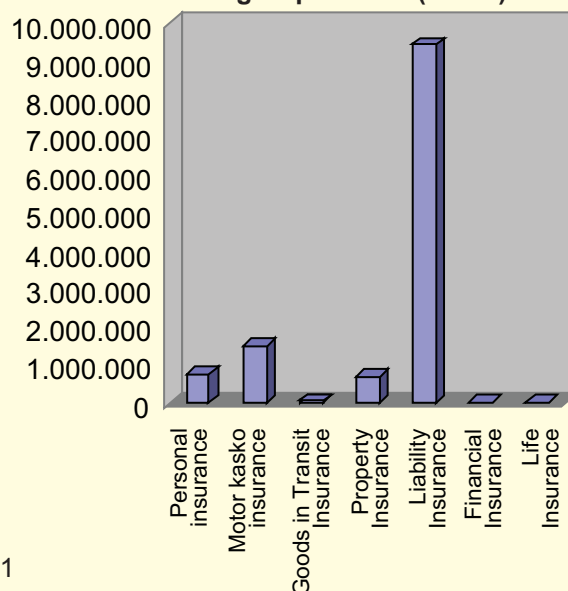
Company had 74 employees as of December 31, 2008, and it performs business activities in ten branches.

**Shareholders' structure at the end of 2008:** local entities 100,00 %

**Premium per insurance group in 2008:**

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	761.766	6,12
Motor kasko Insurance	1.498.915	12,04
Goods in Transit Insurance	22.323	0,18
Property Insurance	691.535	5,55
Liability Insurance	9.474.610	76,11
Financial Insurance	0	0,00
Life Insurance	0	0,00
<b>Total premium</b>	<b>12.449.149</b>	<b>100,00</b>

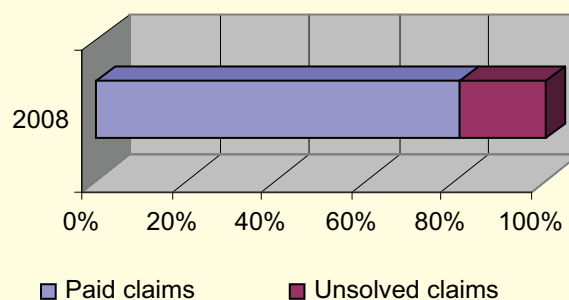
**Premium per insurance group in 2008 (in KM)**



**Damages (Claims):**

- Number of reported claims in 2008: 1.991
- Number of paid claims in 2008: 1.609 (80,81%)

**Share of the paid claims in total number of claims**



**Supervisory/Management Board, director:**

mr. Rajko Dukić

*Chairman of Supervisory Board:*

Slobodan Dragičević

*Director of Company:*

Borko Popović

# EUROHERC OSIGURANJE D.D. Mostar

**Address/registered office:** Trg Međunarodnog prijateljstva no. 20, Sarajevo

**Telephone, fax, e-mail, web:**

+ 387 (033) 755 515; +387 (033) 755 522; euroherc@euroherc.ba; www.euroherc.ba

**Number of employees, number of branches:**

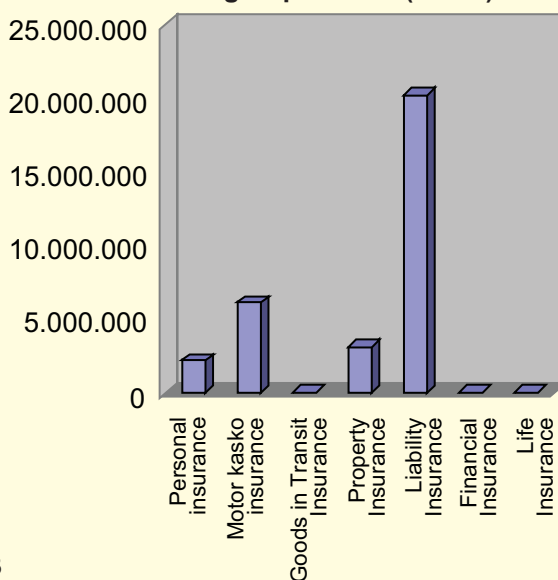
Company had 189 employees as of December 31, 2008, and it performs business activities in twenty eight branches.

**Shareholders' structure at the end of 2008:** local entities 66,42 %  
foreign entities 33,58 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	2.176.773	6,85
Motor kasko Insurance	6.116.071	19,24
Goods in Transit Insurance	20.454	0,06
Property Insurance	3.132.830	9,86
Liability Insurance	20.317.229	63,93
Financial Insurance	18.147	0,06
Life Insurance	0	0,00
<b>Total premium</b>	<b>31.781.504</b>	<b>100,00</b>

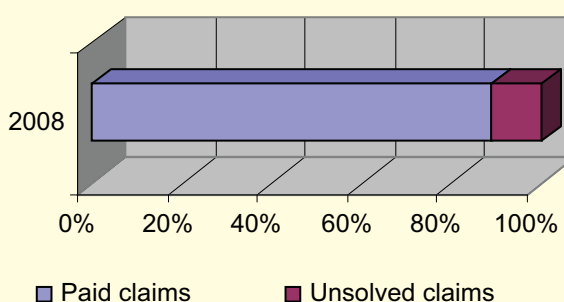
## Premium per insurance group in 2008 (in KM)



## Damages (Claims):

- Number of reported claims in 2008: 8.133
- Number of paid claims in 2008: 7.219 (88,76%)

## Share of the paid claims in total number of claims



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Davor Martinović

*Director of Company:*

Dinko Musulin

# GRAWE OSIGURANJE A.D. Banja Luka

**Address/registered office:** Kralja Petra I Karađorđevića street no.109/2, Banja Luka.

**Telephone, fax, e-mail, web:**

+387 (051) 222 960; +387 (051) 222 951; office.banjaluka@grawe.at; www.grawe.rs.ba

## Number of employees, number of branches:

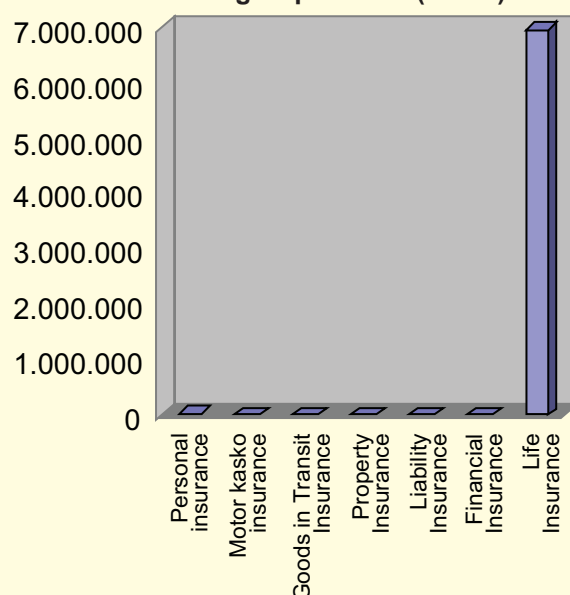
Company had six employees as of December 31, 2008, and it performs business activities at the Head Office.

**Shareholders' structure at the end of 2008:** foreign entities 100,00 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	5.516	0,08
Motor kasko Insurance	0	0,00
Goods in Transit Insurance	0	0,00
Property Insurance	0	0,00
Liability Insurance	0	0,00
Financial Insurance	0	0,00
Life Insurance	6.993.303	99,92
<b>Total premium</b>	<b>6.998.819</b>	<b>100,00</b>

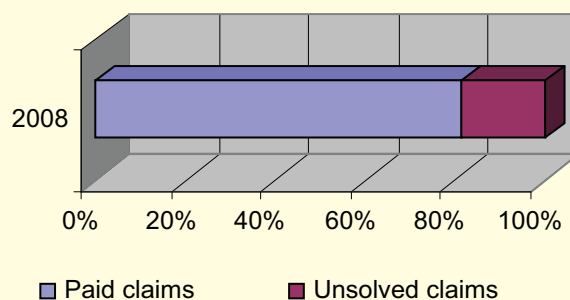
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 229
- Number of paid claims in 2008: 186 (81,22%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Othmar Ederer

*President of Management Board:*

Marko Mikić

*Director of Company:*

Veselin Petković

# GRAWE OSIGURANJE D.D. Sarajevo

**Address/registered office:** Trg Solidarnosti bb, Sarajevo

**Telephone, fax, e-mail, web:**

+387 (033) 772 530; +387(033) 772 501; office.sarajevo@grawe.at; www.grawe.at

**Number of employees, number of branches:**

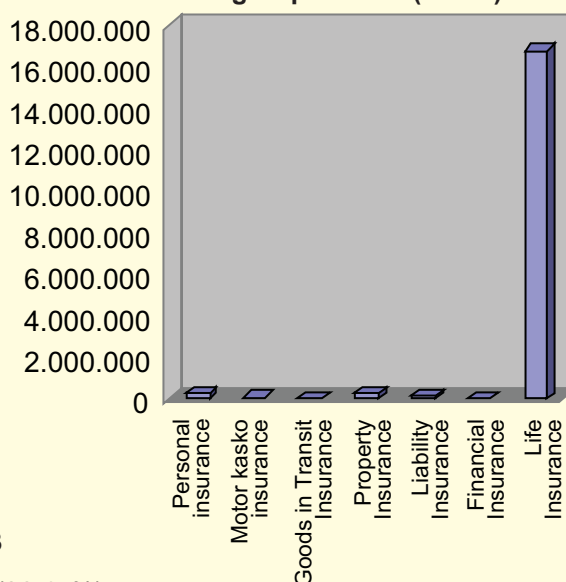
Company had 176 employees as of December 31, 2008, and it performs business activities in five branches.

**Shareholders' structure at the end of 2008:** foreign entities 100 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	178.151	1,03
Motor kasko Insurance	18.139	0,10
Goods in Transit Insurance	0	0,00
Property Insurance	218.375	1,26
Liability Insurance	66.771	0,39
Financial Insurance	400	0,00
Life Insurance	16.849.619	97,22
<b>Total premium</b>	<b>17.331.455</b>	<b>100,00</b>

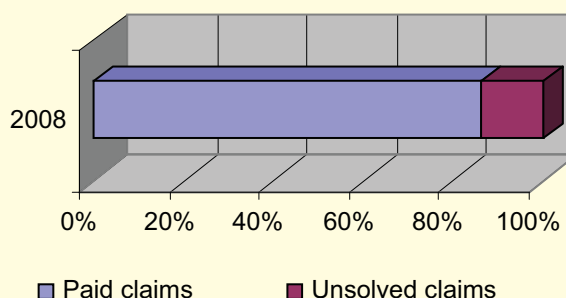
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 1033
- Number of paid claims in 2008: 893 (86,45%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

mr Othmar Ederer, PhD

*Director of Company:*

mr. Iur. mr.oec. Georg Schneider

# HELIOS OSIGURANJE d.d. Mostar

**Address/registered office:** Mostarskog Bataljona no. 23, Mostar

**Telephone, fax, e-mail, web:** 036/355-555; 036/355-556; helios@helios.ba; www.helios.ba

## Number of employees, number of branches:

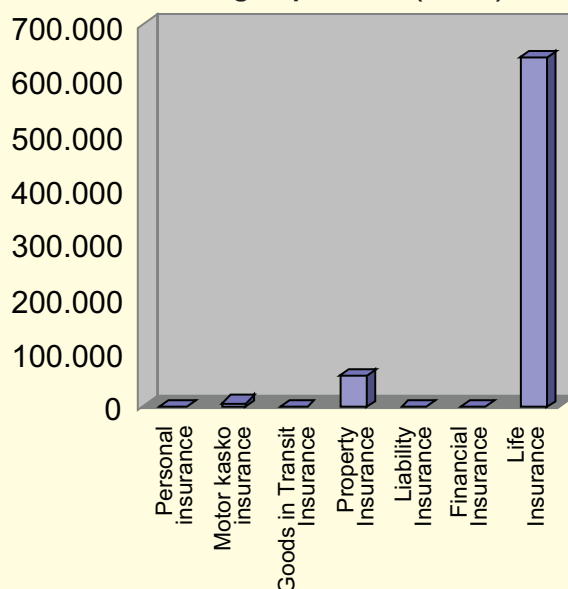
Company had 7 employees as of December 31, 2008, and it performs business activities in the head office.

**Shareholders' structure at the end of 2008:** Local entities 99,57 %  
Foreign entities 0,43 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	0	0,00
Motor kasko Insurance	6.083	0,87
Goods in Transit Insurance	0	0,00
Property Insurance	54.045	7,72
Liability Insurance	0	0,00
Financial Insurance	0	0,00
Life Insurance	640.004	91,41
<b>Total premium</b>	<b>700.132</b>	<b>100,00</b>

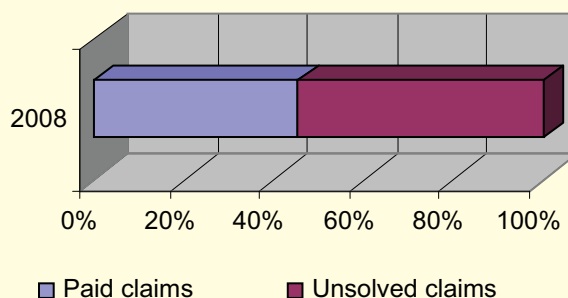
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 55
- Number of paid claims in 2008: 25 (45,45%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Nusret Čaušević

*Director of Company:*

Nedžad Muhović, v.d.

# HERCEGOVINA OSIGURANJE D.D. Mostar

**Adresa/registered office:** Fra Didaka Buntića 144, Mostar

**Telephone, fax, e-mail, web:** +387 (036) 331 971; +387 (036) 331 974;  
hercegovinaosiguranje@hercegovinaosiguranje.com; www.hercegovinaosiguranje.com

## Number of employees, number of branches:

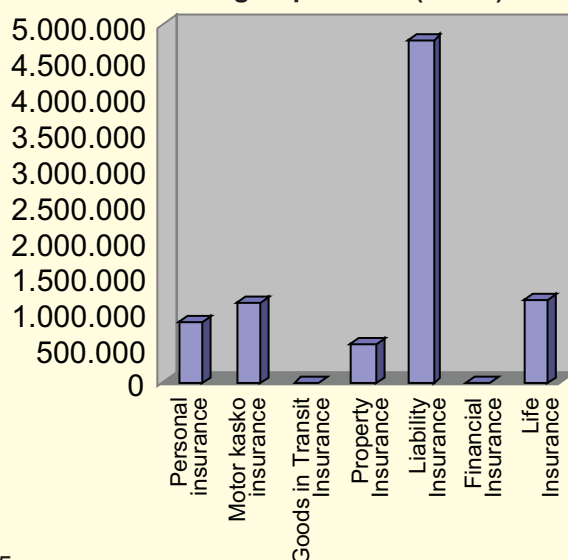
Company had 93 employees as of December 31, 2008, and it performs business activities in twenty three branches.

**Shareholders' structure at the end of 2008:** Local entities 99,95 %  
Foreign entities 0,05 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	828.860	9,87
Motor kasko Insurance	1.118.483	13,32
Goods in Transit Insurance	1.703	0,02
Property Insurance	535.538	6,38
Liability Insurance	4.776.448	56,87
Financial Insurance	0	0,00
Life Insurance	1.138.454	13,55
<b>Total premium</b>	<b>8.399.486</b>	<b>100,00</b>

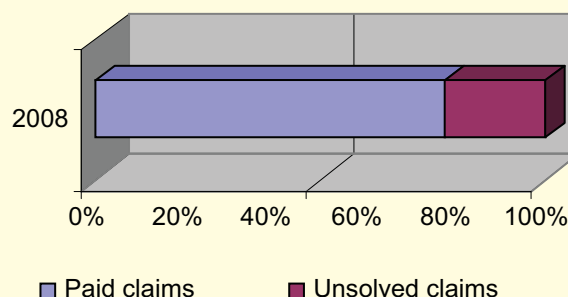
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 2.325
- Number of paid claims in 2008: 1.804 (77,59%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Denis Lasić

*Director of Company:*

Bruno Krtalić

# JAHORINA OSIGURANJE A.D. Pale

**Address/registered office:** Dobrosava Jevđevića street bb, Pale.

**Telephone, fax, e-mail, web:**

+387 (057) 223 242; +387 (057) 226 839; jahosig@teol.net; www.jahorinaosiguranje.com

**Number of employees, number of branches:**

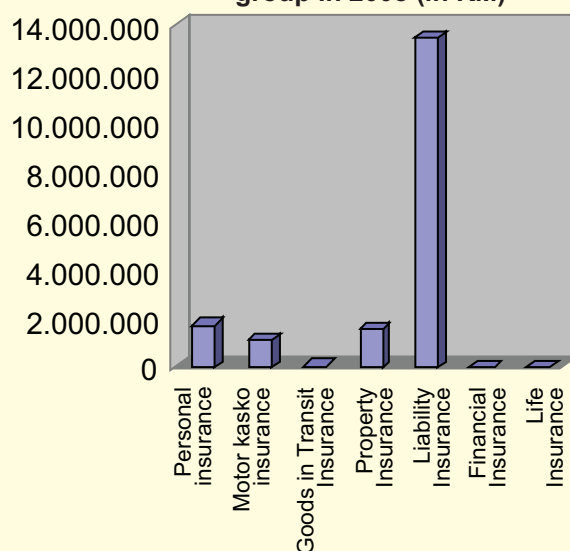
Company had 147 employees as of December 31, 2008, and it performs business activities in nine branches.

**Shareholders' structure at the end of 2008:** local entities 19,87 %  
foreign entities 80,13 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.715.148	9,64
Motor kasko Insurance	1.076.578	6,05
Goods in Transit Insurance	37.546	0,21
Property Insurance	1.536.774	8,64
Liability Insurance	13.422.531	75,46
Financial Insurance	168	0,00
Life Insurance	0	0,00
<b>Total premium</b>	<b>17.788.745</b>	<b>100,00</b>

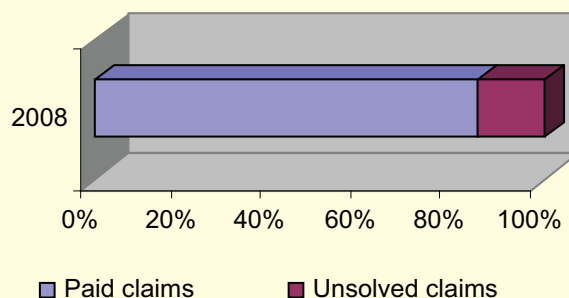
**Premium per insurance group in 2008 (in KM)**



## Damages (Claims):

- Number of reported claims in 2008: 4.955
- Number of paid claims in 2008: 4.214 (85,05%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*President of Management Board:*

mr Novak Šolaja

*Chairman of Supervisory Board:*

Dragutin Janković

*Director of Company:*

mr Ranko Renovica

# KOSIG DUNAV OSIGURANJE A.D. Banja Luka

**Address/registered office:** Veselina Masleše street no.28, Banja Luka

**Telephone, fax, e-mail, web:**

+387 (051) 211 390; +387 (051) 211 686; kosigdunav@inecco.net; www.kosigdunav.com;

**Number of employees, number of branches:**

Company had 184 employees as of December 31, 2008, and it performs business activities in eight branches.

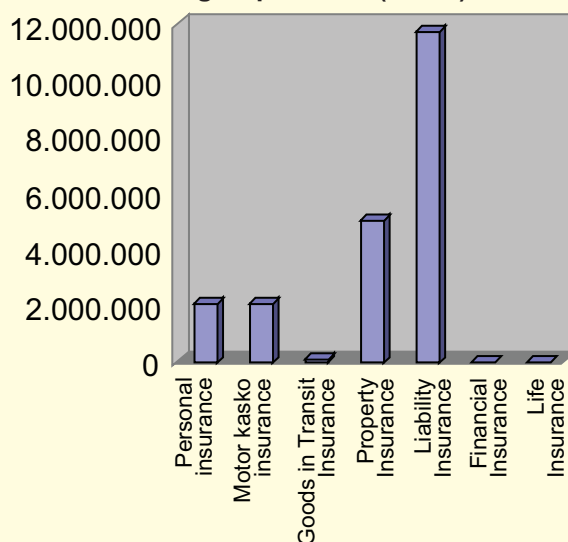
**Shareholders' structure at the end of 2008:** Local entities 25,60%

Foreign entities 74,40%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	2.100.502	10,01
Motor kasko Insurance	2.099.267	10,00
Goods in Transit Insurance	50.928	0,24
Property Insurance	4.998.604	23,81
Liability Insurance	11.732.238	55,88
Financial Insurance	12.418	0,06
Life Insurance	0	0,00
<b>Total premium</b>	<b>20.993.957</b>	<b>100,00</b>

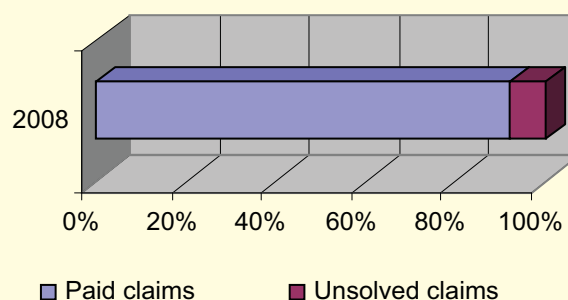
## Premium per insurance group in 2008 (in KM)



## Damages(Claims):

- Number of reported claims in 2008: 5.071
- Number of paid claims in 2008: 4.663 (79%)

## Share of the paid claims in total number of claims



## Supervisory/Management Board, director:

*President of Management Board:*

Milenka Jezdimirović

*Chairman of Supervisory Board:*

Radica Rubežić

*Director of Company:*

Grujo Komljenović

# TRIGLAV KRAJINA KOPAONIK OSIGURANJE A.D. Banja Luka

**Address/registered office:** Kralja Petra I. Karađorđevića street no. 103, Banja Luka

**Telephone, fax, e-mail, web:**

+387 (051) 218 120; +387 (051) 215 262; info@krajinakopaonik.com; www.krajinakopaonik.com

## Number of employees, number of branches:

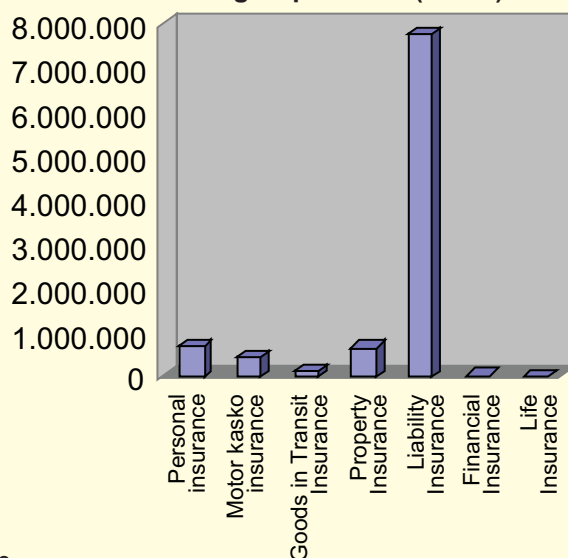
Company had 92 employees as of December 31, 2008, and it performs business activities in seat of the branches branches.

**Shareholders' structure at the end of 2008:** local entities 1,28%  
foreign entities 98,72%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	672.929	6,98
Motor kasko Insurance	403.361	4,18
Goods in Transit Insurance	123.985	1,29
Property Insurance	642.726	6,66
Liability Insurance	7.783.093	80,70
Financial Insurance	18.510	0,19
Life Insurance	0	0,00
<b>Total premium</b>	<b>9.644.604</b>	<b>100,00</b>

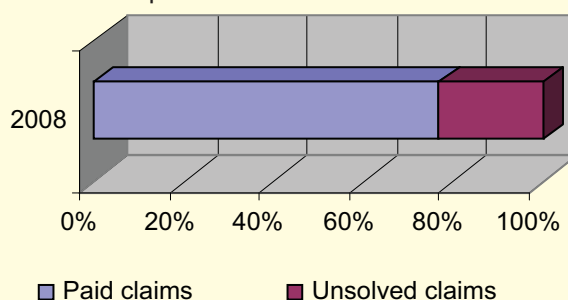
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 1.990
- Number of paid claims in 2008: 1.531 (76,93 %)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Preseident of Management Board:*

Dragomir Ljubojević

*Director of company:*

Vidoslav Đekić

# KRAJINA OSIGURANJE A.D. Banja Luka

**Address/registered office:** Braće Pantića street no. 2, Banja Luka

**Telephone, fax, e-mail, web:**

+387 (051) 228 820; +387 (051) 228 844; kross@inecco.net; www.krajinaosiguranje.net

**Number of employees, number of branches:**

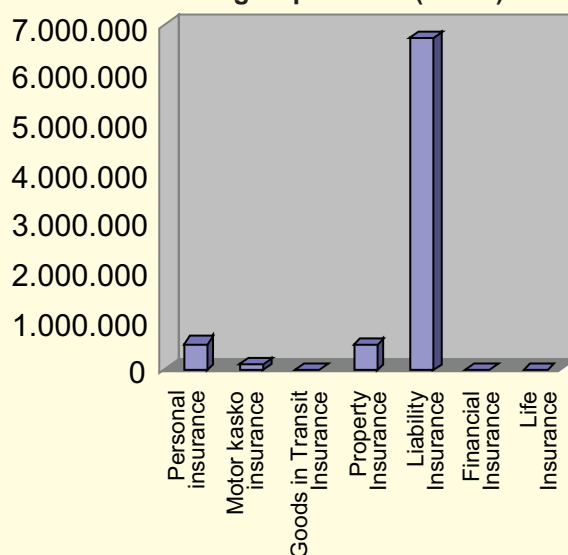
Company had 86 employees as of December 31, 2008, and it performs business activities at the Head Office.

**Shareholders' structure at the end of 2008:** local entities 100,00%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	532.046	6,74
Motor kasko Insurance	111.716	1,41
Goods in Transit Insurance	16.055	0,20
Property Insurance	505.565	6,40
Liability Insurance	6.731.520	85,23
Financial Insurance	1.357	0,02
Life Insurance	0	0,00
<b>Total premium</b>	<b>7.898.259</b>	<b>100,00</b>

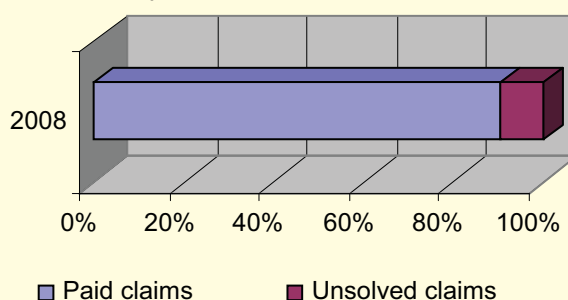
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 1.953
- Number of paid claims in 2008: 1.766 (90,42%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Mile Kosorić

*Director of Company:*

Mila Gromilić

# LIDO OSIGURANJE D.D. Sarajevo

**Address/registered office:** Hifzi Bjelavca street no.82, Sarajevo

**Telephon , fax, e-mail, web:**

+387 (033) 776 388; +387 (033) 776 399; info@lido-osiguranje.com; www.lido-osiguranje.com

## Number of employees, number of branches:

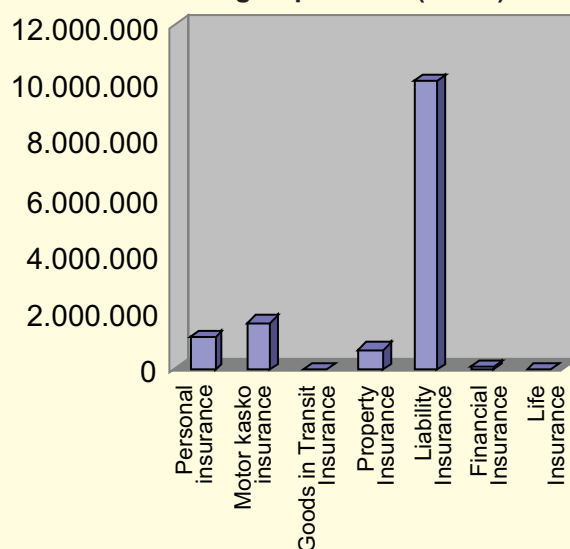
Company had 194 employees as of December 31, 2008, and it performs business activities in eleven branches.

**Shareholders' structure at the end of 2008:** local entities 100,00%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.086.120	8,03
Motor kasko Insurance	1.628.809	12,05
Goods in Transit Insurance	13.358	0,10
Property Insurance	681.997	5,04
Liability Insurance	10.044.895	74,30
Financial Insurance	64.052	0,47
Life Insurance	0	0,00
<b>Total premium</b>	<b>13.519.231</b>	<b>100,00</b>

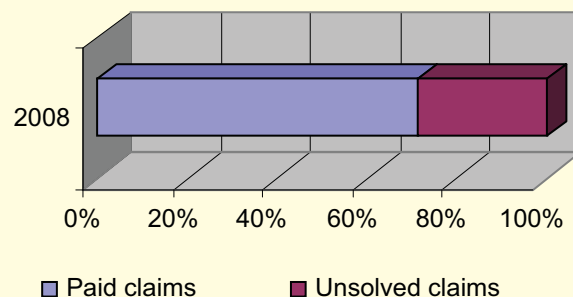
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 4.449
- Number of paid claims in 2008: 3.173 (71,32%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Almir Krdžalić

*Director of Company:*

Halid Đulić

# MERKUR OSIGURANJE D.D. Sarajevo

**Address/registered office:** Fra Anđela Zvizdovića street no.1/A9, Sarajevo

**Telephone, fax, e-mail, web:**

+387 (033) 296 514; +387 (033) 296 520; info@merkur.ba; www.merkur.ba

**Number of employees, number of branches:**

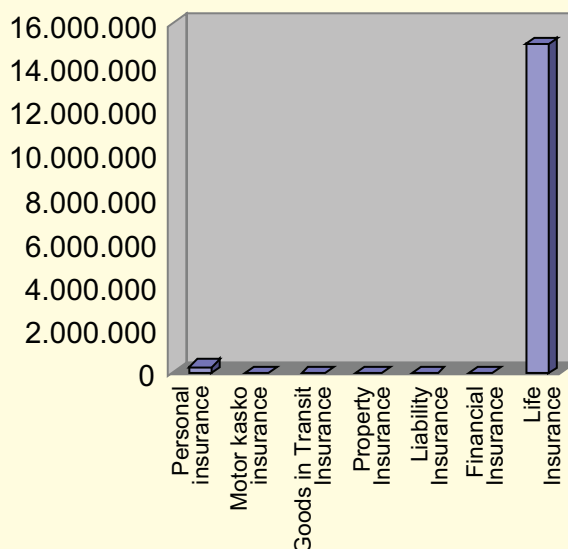
Company had 16 employees as of December 31, 2008, and it performs business activities in two branches.

**Shareholders' structure at the end of 2008:** local entities 0,02%  
foreign entities 99,98%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	294.601	1,92
Motor kasko Insurance	0	0,00
Goods in Transit Insurance	0	0,00
Property Insurance	0	0,00
Liability Insurance	0	0,00
Financial Insurance	0	0,00
Life Insurance	15.037.589	98,08
<b>Total premium</b>	<b>15.332.190</b>	<b>100,00</b>

## Premium per insurance group in 2008 (in KM)



## Damages(Claims):

- Number of reported claims in 2008: 504
- Number of paid claims in 2008: 308 (61%)

## Supervisory/Management Board, director:

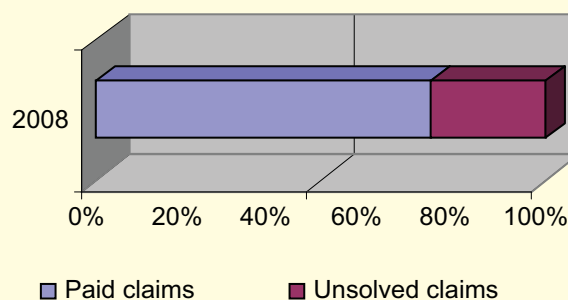
*Chairman of Supervisory Board:*

Alois Sundl

*Director of Company:*

Emir Nuhić

## Share of the paid claims in total number of claims



# MIKROFIN OSIGURANJE a.d. Banja Luka

**Address/registered office:** Save Kovačevića no. 23, Banja Luka

**Telephone, fax, e-mail, web:**

+387 (051) 322-660; +387 (051) 322-661; mfo@mikrofinosiguranje.com; www.mikrofinosiguranje.com

**Number of employees, number of branches:**

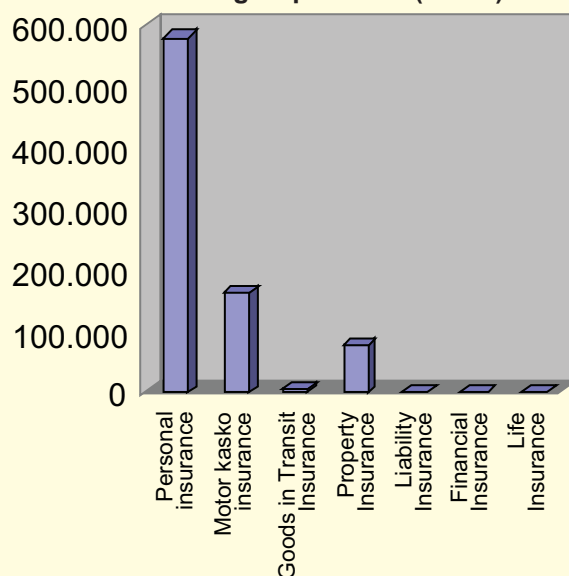
Company had 16 employees as of December 31, 2008, and it performs business activities head office.

**Shareholders' structure at the end of 2008:** Local entities 100,00 %

## Premium per insurance group in 2008

Grupa osiguranja	Iznos premije u KM	Udio u ukupnoj premiji (%)
Osiguranje lica	579.413	70,92
Osiguranje kasko	159.920	19,57
Osiguranje kargo	3.425	0,42
Osiguranje imovine	74.218	9,08
Osiguranje odgovornosti	0	0,00
Finansijsko osiguranje	0	0,00
Životno osiguranje	0	0,00
<b>Ukupno premija</b>	<b>816.976</b>	<b>100,00</b>

**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 36
- Number of paid claims in 2008: 26 (72,22%)

## Supervisory/Management Board, director:

*Chairman of Management Board:*

Saša Popović

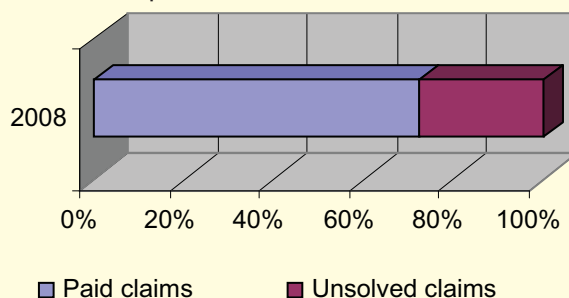
*Chairman of Supervisory Board:*

Dragan Đurić

*Direktor Društva:*

Brane Stupar

**Share of the paid claims in total number of claims**



# NEŠKOVIĆ OSIGURANJE A.D. Banja Luka

**Address/registered office:** Sremska street no. 3, Bijeljina

**Telephone, fax, e-mail, web:**

+387 (055) 227 110; +387 (055) 227 111; osneskov@teol.net; www.neskovicosiguranje.com

**Number of employees, number of branches:**

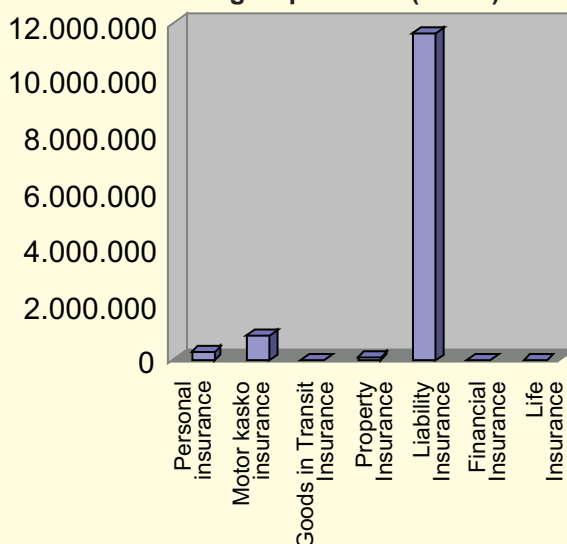
Company had 80 employees as of December 31, 2008, and it performs business activities in head office.

**Shareholders' structure at the end of 2008:** local entities 100,00%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	317.014	2,45
Motor kasko Insurance	844.509	6,54
Goods in Transit Insurance	21.112	0,16
Property Insurance	92.590	0,72
Liability Insurance	11.641.509	90,13
Financial Insurance	0	0,00
Life Insurance	0	0,00
<b>Total premium</b>	<b>12.916.734</b>	<b>100,00</b>

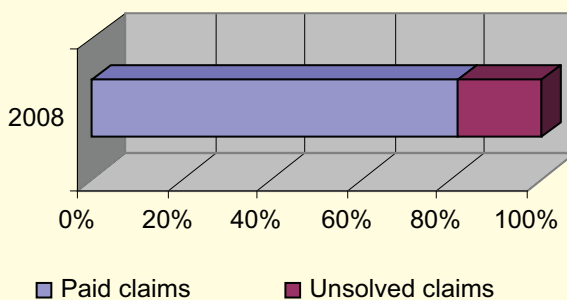
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 2.146
- Number of paid claims in 2008: 1.749 (81,50%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*President of Management Board:*

Ornela Stanišić

*Director of Company:*

Milenko Mišanović

# SARAJEVO OSIGURANJE D.D. Sarajevo

**Address/registered office:** Čobanija street no. 4, Sarajevo

**Telephone, fax, e-mail, web:**

387(033) 203 270;+387(033) 664142; info@sarajevoosiguranje.ba; www.sarajevoosiguranje.ba

## Number of employees, number of branches:

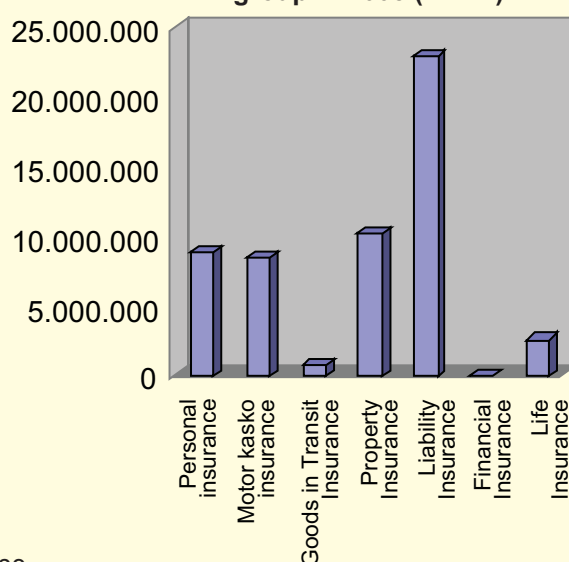
Company had 462 employees as of December 31, 2008, and it performs business activities in thirteen branches.

<b>Shareholders' structure at the end of 2008:</b>	local entities	51,94%
	foreign entities	2,57%
	state capital	45,49%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	8.809.363	16,41
Motor kasko Insurance	8.424.268	15,69
Goods in Transit Insurance	751.041	1,40
Property Insurance	10.227.859	19,05
Liability Insurance	22.859.780	42,58
Financial Insurance	38.195	0,07
Life Insurance	2.577.676	4,80
<b>Total premium</b>	<b>53.688.182</b>	<b>100,00</b>

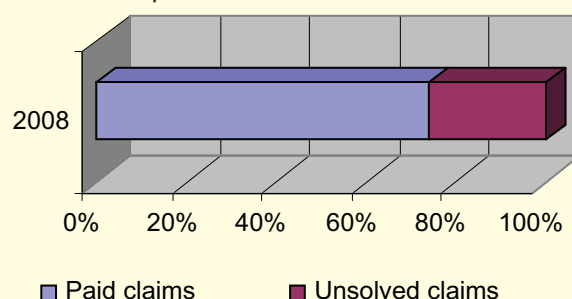
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 19.763
- Number of paid claims in 2008: 14.628 (74,02%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

mr. Petar Ivošević

*Director of Company:*

Midhat Terzić

# TRIGLAV BH OSIGURANJE D.D. Sarajevo

**Address/registered office:** Dolina street no. 8, Sarajevo

**Telephone, fax, e-mail, web:**

+387 (033) 252 110; +387 (033) 252 179; info@triglavbh.ba; www.triglavbh.ba

**Number of employees, number of branches:**

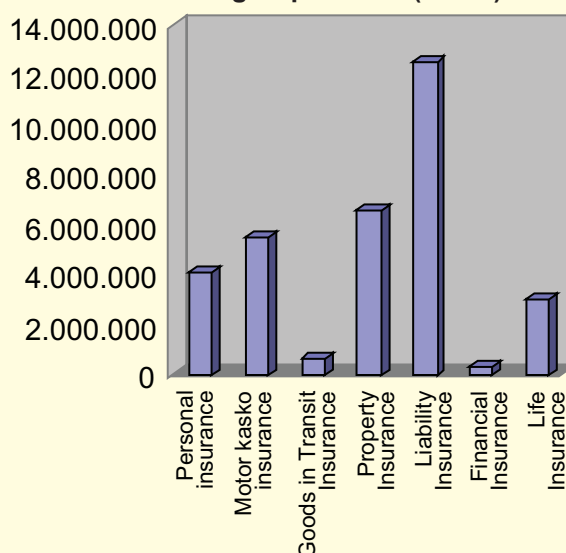
Company had 262 employees as of December 31, 2008, and it performs business activities in seven branches.

**Shareholders' structure at the end of 2008:** local entities 31,06%  
foreign entities 68,94%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	4.120.786	12,66
Motor kasko Insurance	5.526.584	16,97
Goods in Transit Insurance	617.990	1,90
Property Insurance	6.531.438	20,06
Liability Insurance	12.493.294	38,37
Financial Insurance	282.753	0,87
Life Insurance	2.986.402	9,17
<b>Total premium</b>	<b>32.559.247</b>	<b>100,00</b>

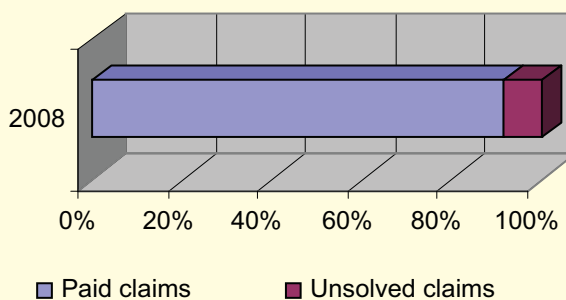
## Premium per insurance group in 2008 (in KM)



## Damages(Claims):

- Number of reported claims in 2008: 8.606
- Number of paid claims in 2008: 7.896 (91,75%)

## Share of the paid claims in total number of claims



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Andrej Kocić

*Director of Company:*

Fejsal Hrustanović

# UNIQA OSIGURANJE D.D. Sarajevo

**Address/registered office:** Fra Anđela Zvizdovića street no.1, Sarajevo

**Telephone, fax, e-mail, web:** +387 (033) 295 500; +387 (033) 295 538; info@uniqa.ba; www.uniqa.ba

## Number of employees, number of branches:

Company had 168 employees as of December 31, 2008, and it performs business activities in six branches.

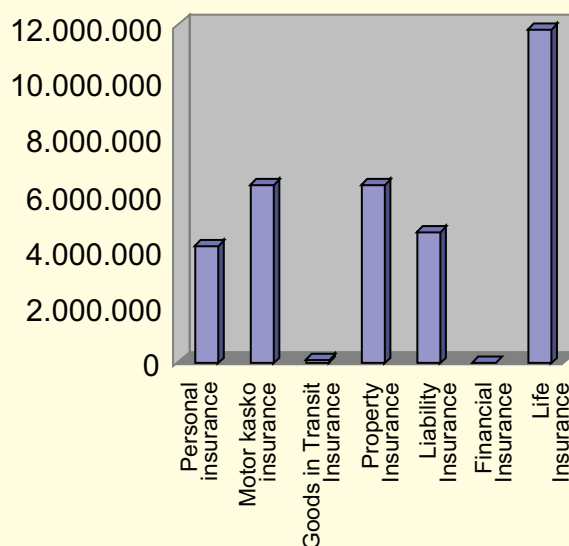
**Shareholders' structure at the end of 2008:**

local entities	0,16 %
foreign entities	99,84 %

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	4.084.162	12,29
Motor kasko Insurance	6.321.293	19,02
Goods in Transit Insurance	80.472	0,24
Property Insurance	6.334.463	19,06
Liability Insurance	4.638.012	13,95
Financial Insurance	0	0,00
Life Insurance	11.783.572	35,45
<b>Total premium</b>	<b>33.241.974</b>	<b>100,00</b>

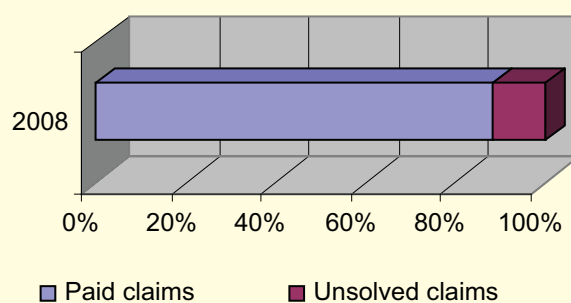
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 5.331
- Number of paid claims in 2008: 4.720 (88,54%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Gottfried Wantischek

*Director of Company:*

Senada Olević

# VGT OSIGURANJE D.D. Visoko

**Address/registered office:** Alaudin street no.1, Visoko

**Telephone, fax, e-mail, web:** +387 (032)730 800; +387 (032)730 830; info@vgt.ba; www.vgt.ba

## Number of employees, number of branches:

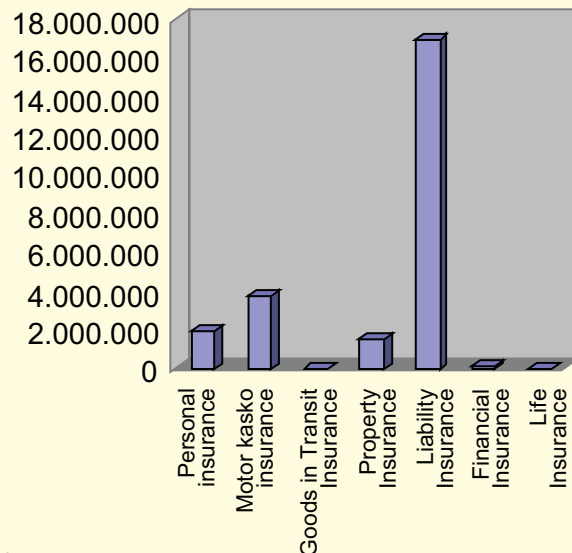
Company had 212 employees as of December 31, 2008, and it performs business activities in seven branches.

**Shareholders' structure at the end of 2008:** local entities 99,81%  
foreign entities 0,19%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.446.467	7,02
Motor kasko Insurance	2.698.343	13,09
Goods in Transit Insurance	10.279	0,05
Property Insurance	972.424	4,72
Liability Insurance	15.417.638	74,80
Financial Insurance	65.982	0,32
Life Insurance	0	0,00
<b>Total premium</b>	<b>20.611.133</b>	<b>100</b>

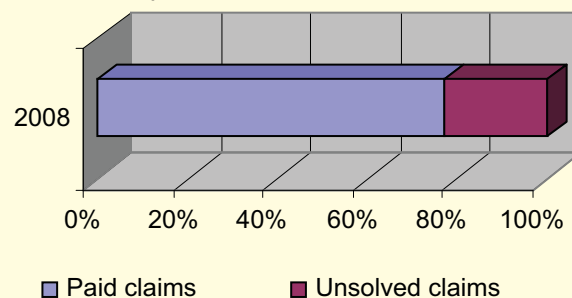
## Premium per insurance group in 2008 (in KM)



## Damages(Claims):

- Number of reported claims in 2008: 7.421
- Number of paid claims in 2008: 5.720 (77,08%)

## Share of the paid claims in total number of claims



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Halim Zukić

*Director of Company:*

Amir Zukić

# ZOVKO OSIGURANJE D.D. Žepče

**Address/registered office:** Goliješnica street no. bb, Žepče

**Telephone, fax, e-mail, web:**

+387 (032) 897 996;+387 (032) 897 998; zovko.osiguranje@tel.net.ba; www.zovko.com

**Number of employees, number of branches:**

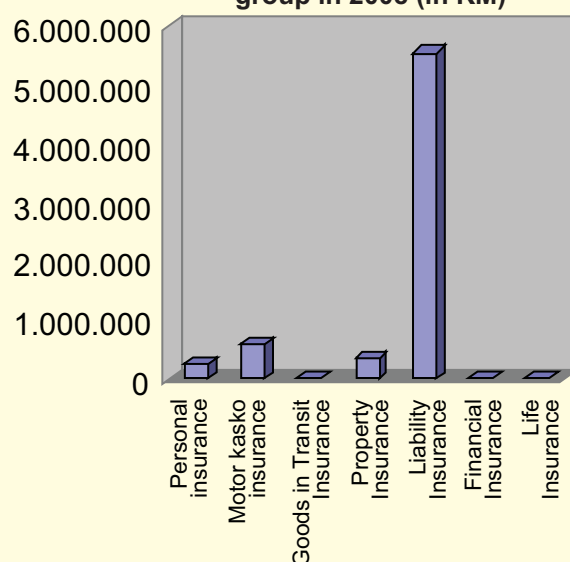
Company had 96 employees as of December 31, 2008, and it performs business activities in eleven branches.

**Shareholders' structure at the end of 2008:** local entities 100,00%

## Premium per insurance group in 2008

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	240.681	3,54
Motor kasko Insurance	593.084	8,72
Goods in Transit Insurance	39.834	0,59
Property Insurance	350.474	5,15
Liability Insurance	5.572.572	81,96
Financial Insurance	2.250	0,03
Life Insurance	0	0,00
<b>Total premium</b>	<b>6.798.895</b>	<b>100,00</b>

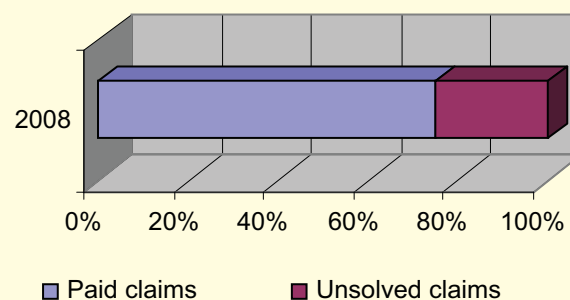
**Premium per insurance group in 2008 (in KM)**



## Damages(Claims):

- Number of reported claims in 2008: 2.101
- Number of paid claims in 2008: 1.574 (74,92%)

**Share of the paid claims in total number of claims**



## Supervisory/Management Board, director:

*Chairman of Supervisory Board:*

Ivica Zovko

*Director of Company:*

Franjo Zovko

## BOSNA REOSIGURANJE D.D. Sarajevo

**Address/registered office:** Despićeva street no. 4, Sarajevo

**Telephone, fax, e-mail, web:** + 387 (033) 725 500; + 387 (033) 725 522; info@bosnare.ba;  
www.bosna-re.ba

### **Number of employees, number of branches:**

Company had 25 employees as of December 31, 2008, and it performs business activities in Head Office.

**Shareholders' structure at the end of 2008**

local entities	85,21%
foreign entities	14,79%

### **Premium:**

- Total premium in 2008 was: KM 45.802.424
  - part of premium submitted into reinsurance: KM 25.774.717
  - withheld premium of company in 2008: KM 20.027.707

### **Supervisory/Management Board, director:**

*Chairman of Management Board:*

Enes Čengić

*Director of Company:*

Damir Lačević



# ADDENDUM III:

Basic terms and definitions from area of insurance

annual  
report

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### ***Insurance operations***

Are the operations on conclusion of insurance and reinsurance contracts, processing claims for compensation and payment of charges resulting on the basis of such contracts.

### ***Insurance offer***

Is offer of the policyholder to the insurer for the conclusion of insurance contract. Written offer given to the policyholder to enter into an insurance contract is binding for the offerer, if it did not specify shorter period, it is 8 days from the date when the insurer received the offer, and in case of life insurance, subject to medical examination, the deadline is 30 days.

### ***Insurance contract***

Is the legal operation binding the policyholder to pay the insurance premium and the insurer undertakes to pay fees or the agreed amount in case of insured event to the insured or a third party.

### ***Insurance policy***

Is a document referring to the insurance contract, signed by the insurer, and is the consisting part of the insurance contract.

### ***Insurance binder***

Is a document which proves the existence of insurance without presenting the policy. Insurance binder is a shortened form of the policy, containing only basic information on conditions of concluded insurance. It is usually issued in the absence of a general insurance contract, and when insurance policy cannot be immediately issued for technical reasons.

### ***Insurance premium***

Is the sum that policyholder pays to the insurer on the basis of concluded insurance contract. The premium consists of functional premium and expense load. Functional premium includes part of the premium for the function of damage compensation and payment of the contracted amounts, and this part of the premium is called technical premium and part of premium for prevention. Expense load is part of the premium used to cover the costs of conducting business of insurance. This premium is expressed in the gross amount on the insurance policy.

### ***Insured sum***

Is the maximum amount of the insurer's obligation towards the insured person or the insurance beneficiary in case of an insurance event.

### ***Insurable risk***

Means an event that may happen in the future that is uncertain and independent of the exclusive will of the policyholder or the insured party.

### ***Insured risk***

Insured risk is an element of insurance contract, an event for which the insurance was agreed. Concept of risk implies the uncertain future event occurring independently of the sole will of the insured party due to which he/she may sustain material damage.

### ***Insured event***

Is an event that can cause damage, and belongs to the risks that insurer covers with its activities.

### ***Insurance Premium***

Is the amount of money that the insurer is obliged to pay to the insured or beneficiary/beneficiaries of insurance, on the basis of concluded insurance contract when the insured event occurs. In case of private property insurance, insurance premium is compensation for damage, and in case of life insurance it is the agreed sum.

### ***Policyholder***

Policyholder is a legal or natural person who concludes the insurance contract with the insurance company and who pays the insurance premium, but not necessarily has the right to compensations from the insurer (insurance premium). For one contract there can be more policyholders. In most cases the policyholder and the insured are the same persons. In some types of insurance contracts the policyholder and the insured party are different persons.

### ***Insured party***

The insured party refers to the person subject of insurance. In property insurance it is the person with whom the insurance contract is concluded. In private property insurance for the own account, the policyholder is at the same time the insured party, and in case of insurance on behalf of the other party the insured party may be one or more third parties. In life insurance, the insured party is the person for whom the insurance policy is concluded. Person to whom compensation is payable does not have to be the insured party. If the insured and the policyholder are different persons, the written consent of the insured party is required for the validity of the insurance contract.

### ***Insurance beneficiary***

Insurance beneficiary is a legal or natural person who shall be entitled to compensation from the insurer in the case of insurance event. There can be more beneficiaries for the same insured event in which case they share the compensation.

### ***Insurer***

Insurer is a legal entity that deals with insurance. It is a contracting party to the concluded insurance agreement undertaking within the agreed premium to compensate damage or the insured sum in case of insurance event.

### ***Reinsurance***

Reinsurance is a separate insurance activity, which is realized by the insurer carrying on to the reinsurer a part of the risk previously assumed in the insurance and in turn it pays to the reinsurer the reinsurance premium (direct reinsurance). Part of the reinsurance risk assumed by the insurer, the reinsurer may further transfer to another reinsurer (retrocession), and that one can extend this further to the third one, etc.

### ***Reinsurer***

FBiH law-Reinsurer is the contracting party of the reinsurance contract that accepts the part of the risk of the insurer, for which it receives a reinsurance premium.

### ***Reinsured party***

Reinsured party is the contracting party of the reinsurance contract that cedes one part of its obligations to the reinsurer for covering the reinsurance premium.

### ***Insurance brokerage***

Insurance brokerage is done by the insurance brokers and insurance agents. The insurance company cannot perform the activity of direct insurance or reinsurance business through intermediaries in the insurance, which are not registered in a special registry maintained by the Insurance Supervisory Agency of FBiH and RS Insurance Agency.

### ***Insurance agency business***

Insurance agency business activities imply initiating, proposing and conducting the preparation and conclusion of insurance contracts on behalf and for the account of one or more insurers for insurance products that are not competitive. Exceptionally, the representation of several insurers for products that are competitive is allowed if there is a written approval of the company represented for insurance.

### ***Insurance agent***

Is a natural person who performs activities of representations in insurance and who has the relevant license of the Agency. Insurance agent is a person authorized by the insurer for concluding of the insurance contracts. Insurer may give authority for the conclusion of all types of insurance and for some types of insurance. If authorization is given for concluding only certain types of insurance, then the authorization has to state for which types of insurance the agent is authorized.

### ***Insurance broker***

Insurance broker is the legal or natural person who independently performs activities whose sole task is to connect persons looking for insurance or reinsurance and insurance and reinsurance companies, on behalf of the insured and reinsurer, for insurance or reinsurance risk, and, when necessary, to assist in the preparation and execution of these contracts, especially in the case of submitting a request for compensation. Insurance broker will be paid a commission from the insurance or reinsurance company, which will not be binding for him/her when selecting insurance or reinsurance companies.

### ***Technical reserves***

Technical reserves for life insurance is when the policyholder bears the investment risk, they include liabilities of the insurer for the life insurance policies whose agreed sum and share in profit is determined by investments in capital for which the policyholder bears the investment risk or which are indexed. Provisions to cover the risk of death or other risks, and costs for conducting the activities are shown in the mathematical reserves of life insurance.

### ***Mathematical reserves***

Mathematical reserves of life insurance is the difference between the present value of all future obligations of insurer under contracts of life insurance and the present value of future policyholders' obligations based on these contracts. Mathematical reserve is part of the technical reserves of insurer. This occurs because, for practical reasons, in the course of annual insurance the premiums are equal, although due to the increased risk of death, natural premium increases each year. Thus the premium in the first years of insurance is higher, and then it is less than the natural premium, so the insurer must keep the unspent part of the premium, so-called savings premium, which makes the mathematical reserve.

A close-up photograph of vibrant red flowers, possibly gerberas, with green stems and leaves. The background is a soft, out-of-focus white.

# ADDENDUM IV:

Laws on Insurance Agency of Bosnia and Herzegovina

annual  
report

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20 08

# Law on

## *Insurance Agency of Bosnia and Herzegovina*

### **Article 1**

#### **General Provisions**

The Law regulates the insurance industry in Bosnia and Herzegovina by ensuring the necessary coordination of the insurance laws in both Entities, within the Entities and in Bosnia and Herzegovina; insurance related activities carried out in Bosnia and Herzegovina; creation, location, structure, status, scope of work, management, rights, obligations and financing of the Insurance Agency of Bosnia and Herzegovina ("Agency").

### **Article 2**

#### **Purpose**

The purpose of this Law is to provide that the Agency, by adhering to its general principles and goals, ensures:

uniform implementation of the insurance law between the Entities, a smooth and efficient cooperation between the FBiH and RS Entity insurance supervisory agencies, and a equal and just implementation of the Entity laws.

full reconciliation of the Entity insurance legislations to provide equal and just treatment of all insurance organizations in both Entities and the District of Brcko of Bosnia and Herzegovina ("District of Brcko") and to provide equal legal protection to the insurers and the claimants on the territory of Bosnia and Herzegovina.

That the insurance legislation in Bosnia and Herzegovina is and remains reconciled with the corresponding insurance-related European Union legislation.

Coordinated representation of Bosnia and Herzegovina in organizations dealing with insurance on the international level and to ensure continuous cooperation therewith.

Continuous cooperation with the Entity and the District of Brcko insurance supervision agencies in order to resolve litigations between the supervisory agencies related to uniform interpretation of the insurance legislation on the Entity and the District of Brcko levels by issuing written declarations and opinions. These written declarations and opinions will ensure uniform implementation of the insurance legislation.

The Agency provides and maintains all relevant data about the insurance market in Bosnia and Herzegovina.

### **Article 3.**

#### **Creation, Status, Location and Structure**

This Law creates the Insurance Agency of Bosnia and Herzegovina, an independent organization reporting to the Council of Ministers.

The Agency's headquarters will be located in Sarajevo.

The Agency is managed by the Administrative Board of seven.

The structure of the Board and the election of its member are regulated by this Law.

The President of the Administrative Board is an expert in the field of finance, an insurance specialist, and is appointed by the Council of Ministers of Bosnia and Herzegovina.

The Council of Ministers of Bosnia and Herzegovina appoints the President of the Administrative Board and two more Board members, one being a representative of the Ministry of Finance and Treasury of Bosnia and Herzegovina and the other a representative from the insurance industry. The members elected by the Council of Ministers of Bosnia and Herzegovina should also represent the constituent people of Bosnia and Herzegovina.

The Entity Ministries of Finance suggest two members each, one from the Entity Ministry of Finance and one from the insurance industry.

The Council of Ministers of Bosnia and Herzegovina decides on the appointments of the Board members coming from the Entities.

The Board members are appointed on a three-year term, with the first appointment terms ranging from one to three years to provide annual reappointment of the two Board members coming from the Entities.

The Board members can be reappointed several times, in accordance to the applicable regulations.

The Board members' appointment decisions are published in the "Official Gazette of BiH" and the gazettes of the Entities and the District of Brcko.

The Administrative Board elects the Director of the Agency in accordance to the State Administration Law of BiH, while the Council of Ministers of BiH makes an official decision to execute the appointment of the Director.

#### **Article 4**

##### **Activities**

Within three months from the date of creation the Administrative Board of the Agency will create procedures to regulate the execution of general and administrative duties and to grant decision making authority to the Agency, and to regulate employment status of the Agency's staff.

Within three months from the date of Administrative Board members' appointment, the Agency will submit drafts of the legislative documents to the Council of Ministers of Bosnia and Herzegovina.

Upon the Council of Ministers of Bosnia and Herzegovina's approval, these legislative documents will be published in the "Official Gazette of BiH" and the gazettes of the Entities and the District of Brcko.

#### **Article 5**

##### **Financing**

The Agency is financed from the Budget of the Institutions of Bosnia and Herzegovina, from international obligation of Bosnia and Herzegovina and participatory contributions of the Entity governments. The financing according to the Memorandum on Financing the Work of the Agency signed by the Council of Ministers of Bosnia and Herzegovina and the Entity governments.

#### **Article 6**

##### **Legislative Role**

The Administrative Board of the Agency is responsible for drafting Entity-level laws and other legislative documents; drafting amendments and changes to the existing insurance legislation; approving drafts of the laws and other legislative documents submitted by one of both Entities, including:

submission, to the Entity ministries, of drafts of the laws concerning the implementation of the European Union legislation or of guidelines for reconciliation of Entity level legislation;

submission, to the Entity ministries of finance, of drafts of amendments or changes to the existing Entity-level insurance legislation, including proposals to introduce other types of insurance;

approvals of drafts to amend or change Entity-level insurance legislation, which are proposed by one or both Entities.

When the Administrative Board of the Agency submits, to the Entity ministries, a draft of the law that pertains to the implementation of the European Union Council regulations with a direct effect within the European Union, the Entity parliaments will enact and put into effect such legislation without amendments.

#### **Article 7**

##### **Arbitration of litigations between the insurance agencies**

In case of any litigation or a need to provide guidelines or interpretation of regulations to or between the Entity and the District of Brcko insurance supervisory agencies regarding the reconciliation of the supervisory authorities between the Entities and the District of Brcko, each of the agencies can submit a

request or inquiry to the Administrative Board of the Agency. Such requests and inquiries should contain the nature of the problem and should relate to supervision of insurance business activities between the Entities and the District of Brcko, or the Entities, the District of Brcko and foreign countries, or regarding the supervision of the free flow of insurance service on the territory of Bosnia and Herzegovina.

In case of a litigation, the members of the Administrative Board of the Agency will act as a mediating council or will appoint one or more members or the third party to resolve the issue in a peaceful manner.

The third party will be appointed on the basis of its expertise and qualifications to resolve a particular issue and does not have to be a citizen of Bosnia and Herzegovina.

In case a request is received to interpret or provide instructions on an Entity or the District of Brcko issue or the issue regarding the state law or the insurance authorization and supervisory practice, the members of the Administrative Board of the Agency will review the issue, while the representatives of the Entity and the District of Brcko insurance supervisory agencies and other witnesses and experts will be summoned to deliver oral and written counts.

Upon the completion of the hearings, the Administrative Board of the Agency will deliver a conclusion. The conclusion represents a legally binding decision regarding the best practice to follow or the uniform interpretation of the insurance legislation by one or both Entity insurance supervision agencies and the District of Brcko.

The Administrative Board of the Agency is authorized to conduct its own investigations, whether they're initiated by the Board following the request made by the Entity or the District of Brcko courts, insurers, insurance organizations or their brokers. The Board is also authorized to monitor the authorities' supervisory activities are conducted to ensure their cooperation in accordance to their duties as defined by this Law or Entity or the District of Brcko insurance laws. It is also authorized to use other means to ensure uniform implementation of the insurance legislation in each Entity and the District of Brcko.

All litigation settlement procedures and all procedures to resolve issues are done in accordance to the regulations enacted per definition of the Article 4 of this Law.

## **Article 8**

### **Implementation of Decisions made by Administrative Board**

Agencies for insurance supervision in both Entities and the District of Brcko are obliged to implement instructions, decisions, and findings of the Administrative Board of the Agency. The Administrative Board's decisions are legally binding in both Entities and the District of Brcko. The Entity and the District of Brcko insurance supervision agencies are obliged to implement these decisions in their entirety.

## **Article 9**

### **International Relations**

The Agency is responsible for international relations of Bosnia and Herzegovina in the area of insurance. This includes appointment of representatives who will attend international and regional forums, European Union insurance supervision, legislative and expert forums.

Appointment of these representatives will be duly executed to warrant equal representation of regional insurance industries in both Entities and the District of Brcko. All decisions made on the international level, with the participation of the Agency, will be binding for both Entities and the District of Brcko.

The Agency is responsible to provide all reports about the Insurance Law and its implementation as such may be requested by the European Union. These reports will be provided to evaluate harmonization of the Bosnia and Herzegovina's legislation with the European Union standards.

The Agency is responsible to manage all issues related to the insurance of export credits extended to the exporters from Bosnia and Herzegovina.

The Agency will represent Bosnia and Herzegovina in all issues related to creation of insurance organi-

zations' subsidiaries, representative offices or affiliates in any one of the Entities or the District of Brcko. Such representation will be executed with recommendation from the corresponding Entity insurance supervisory agency. The Agency's duties include all necessary coordination and cooperation between the Entity insurance supervisory agency and a corresponding foreign insurance supervisory agency.

The Agency enters into information sharing agreements with appropriate authorities of other countries, and it cooperates with the Entity insurance supervisory agencies.

The Agency cooperates with the Entity insurance supervisory agency when requested to do so by a foreign insurance supervisory agency.

The Agency performs due diligence tests of an insurance organization's liquidity certificate issued the Entity insurance supervisory agency for purposes of opening affiliate offices abroad.

The Agency shares information with the Entity insurance supervisory agencies regarding international insurance best-practices, international insurance statistics and other information received while participating on international insurance forums and which can assist the Entity insurance supervisory agencies in their daily operations.

## ***Article 10***

### **Green Card Bureau**

The Agency monitors the work of the Green Card Bureau of Bosnia and Herzegovina with respect to the implementation of the requests made by the Bureau Council and in accordance to the laws and regulations applicable to the business activities of the Green Card Bureau of Bosnia and Herzegovina.

## ***Article 11***

### **Statistics Service**

The Agency keeps the statistics regarding the activities of the insurance markets in Bosnia and Herzegovina. The statistics reports are developed from the Annual Reports of the Entity and the District of Brcko insurance supervisory agencies. The Agency will, having previously obtained an approval from the Administrative Board of the Agency, publish such statistics in the "Official Gazette of BiH" and the gazettes of the Entities and the District of Brcko.

Acting on behalf of Bosnia and Herzegovina, the Agency is responsible to deliver the statistics reports to the European Commission or any other international organization that has formally requested such reports.

## ***Article 12***

### **Closing Provisions**

The Council of Ministers will appoint the member of the Administrative Board within 60 days from the date this Law came into effect.

## ***Article 13***

### **Date of Effect**

This Law comes into effect on the eighth day from the date of publishing in the "Official Gazette of BiH" and the gazettes of the Entities and the District of Brcko.





# ADDENDUM V:

Laws and By-laws in BIH Insurance Sector

annual  
report

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## Laws and By-laws

### *Legal Framework for Operations of the BIH Insurance Agency*

- Law on the BIH Insurance Agency (“BIH Official Gazette”, No. 12/04)

### *Laws Regulating the FBIH Insurance Sector*

- Law on Insurance Companies in Private Insurance (“FBIH Official Gazette”, No. 24/05);
- Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability (“FBIH Official Gazette”, No. 24/05) ;
- Law on Intermediation in Private Insurance (“FBIH Official Gazette”, No. 22/05)

### *Laws Regulating the RS Insurance Sector*

- Law on Insurance Companies (“RS Official Gazette”, Nos. 17/05, 01/06, and 64/06) ;
- Law on Insurance against Motor Liability and other Provisions on Compulsory Insurance against Liability (“RS Official Gazette”, Nos. 17/05 and 64/06) ;
- Law on Insurance Intermediation (“RS Official Gazette”, Nos. 17/05 and 64/06)

### *By-laws of the FBIH Insurance Supervisory Agency*

- Rulebook on the Minimal Contents of an Auditor’s Report (“FBIH Official Gazette”, No. 80/06);
- Rulebook on the Elements and Control of the Solvency Margin (“FBIH Official Gazette”, No. 80/06);
- Rulebook on the Level and Manner of Funds Investment (“FBIH Official Gazette”, No. 80/06);
- Rulebook on Technical Reserves (“FBIH Official Gazette”, No. 80/06);
- Rulebook on the Exam for Obtaining the Insurance Intermediary License (“FBIH Official Gazette”, No. 80/06);
- Rulebook on Property Blocking and Insurance Broker’s Insurance against Liability (“FBIH Official Gazette”, No. 80/06);
- Rulebook on Preconditions for Obtaining the Actuary License (“FBIH Official Gazette”, No. 81/06);
- Rulebook on the Additional Supervision of the Group of Insurers (“FBIH Official Gazette”, No. 81/06);
- Rulebook on the Method of Recording and Managing of the Registry of Insurance Companies and Insurance Companies’ Subsidiaries with the FBIH Insurance Supervisory Agency (“FBIH Official Gazette”, No. 71/05);
- Rulebook on the Method of Recording and Managing of the Registry of Insurance Intermediaries with the FBIH Insurance Supervisory Agency (“FBIH Official Gazette”, No. 71/05);
- Amendments to the Rulebook on the Method of Recording and Managing of the Registry of Insurance Intermediaries with the FBIH Insurance Supervisory Agency (“FBIH Official Gazette”, No. 46/07);
- Rulebook on the Method of Recording and Managing of the Registry of Certified Actuaries with the FBIH Insurance Supervisory Agency (“FBIH Official Gazette”, No. 71/05)

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- Instruction on the Form and Content of the Insurance Companies' Reports ("FBIH Official Gazette", No. 3/07);
- Instruction on Issuing the Approvals for the Appointment of Persons to the Important Posts in the Insurance Companies ([www.nados.ba](http://www.nados.ba));
- Instruction on Content and Submission of the Opinion of Authorized Actuaries ("FBIH Official Gazette", No. 81/05)

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- Decision on Documents that Have to Be Enclosed with the License Application Form ("FBIH Official Gazette", No. 80/06);
- Decision on Insurance Companies' Reports ("FBIH Official Gazette", No. 80/06);
- Decision on Insurance Intermediaries' Reports ("FBIH Official Gazette", No. 80/06);
- Decision on the Content of the Motor Insurance Policy ("FBIH Official Gazette" No. 80/06);
- Decision on the Insurance Conditions with a Foreign Insurer ("FBIH Official Gazette", No. 81/06);
- Decision on Insurance against Legal Protection Expenses and Assistance Insurance ("FBIH Official Gazette", No. 81/06);
- Decision on Number of Votes of the Members of Protection Fund of the Federation of BiH for 2008 ("FBIH Official Gazette", No. 8/08);
- Decision on Amendments of Decision on Number of Votes of the Members of Protection Fund of the Federation of BiH for 2008 ("FBIH Official Gazette", No. 70/08);
- Decision on Fixing the Amount of Contributions to the FBIH Protection Fund in 2008 ("FBIH Official Gazette", No. 8/08);
- Decision on Amendments of Decision on Fixing the Amount of Contributions to the FBIH Protection Fund in 2008 ("FBIH Official Gazette", No. 70/08);
- Decision on the Number of Votes of the Members of the FBIH Protection Fund in 2006 ("FBIH Official Gazette" No. 59/06);
- Decision on Fees and Tariffs of the FBIH Insurance Supervisory Agency ("FBIH Official Gazette", No. 71/05);
- Decision on Preparation of the List of Indicators for Identification of Suspicious Transactions ("FBIH Official Gazette" No. 46/07);
- Decision on the Dynamics of Reconciliation of the Minimal Share Capital and Insurance Company's Guarantee Fund ("FBIH Official Gazette" No. 71/05);
- Decision on Fixing the Obligatory Insurance Amount for the Motor Insurance Agreements ("FBIH Official Gazette" No. 71/05);
- Decision on Breakdown of Joint Items into Life and Non-life Insurance Categories ("FBIH Official Gazette" No. 6/07);
- Decision on Fixing the Obligatory Insurance Amount for the Motor Insurance Agreements ("FBIH Official Gazette" No. 32/07);
- Decision on Insurance Types ("FBIH Official Gazette" No. 32/07)
- Instructions on the Form and Contents of Insurance Companies' Reports ("FBIH Official Gazette", No. 3/07)

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- Criteria for Unearned Premiums ([www.nados.ba](http://www.nados.ba));
- Criteria for Claims Reserve ([www.nados.ba](http://www.nados.ba));
- Criteria for Mathematical Reserve of Life Insurances and Other Insurance Types that are Subject to Calculation of Mathematical Reserve ([www.nados.ba](http://www.nados.ba))

### ***By-laws of the RS Insurance Agency***

- Rulebook on the Supervision of the participants at the Insurance market ([www.azors.org](http://www.azors.org));
- Rulebook on the Content of an Independent Auditor's Report on Insurance Companies' Financial Position and Other Reports (MB of Agency November 6, 2008);
- Rulebook on Elements and Control of Margin Control of Margin of Solvency of the Insurance Companies in Republica Srpska ([www.azors.org](http://www.azors.org));
- Rulebook on Ombudsmen in Insurance ([www.azors.org](http://www.azors.org));
- Rulebook on the Method of Recording and Managing of the Registry of Insurance Companies and Insurance Companies' Subsidiaries with the RS Insurance Agency ("RS Official Gazette" No. 57/06);
- Rulebook on Supplements of Rulebook on the Method of Recording and Managing of the Registry of Insurance Intermediaries with the RS Insurance Agency ([www.azors.org](http://www.azors.org));
- Rulebook on the Method of Recording and Managing of the Registry of Certified Actuaries with the RS Insurance Agency ("RS Official Gazette" No. 57/06);
- Rulebook on Conditions for Issuance and Revocation of the Actuary License ("RS Official Gazette" No. 57/06);
- Rulebook on Life Insurance Related to Investments ("RS Official Gazette", No. 116/06);
- Rulebook on Technical Reserves ("RS Official Gazette" No. 116/06);
- Rulebook on the Exam for Obtaining the Insurance Intermediary License ("RS Official Gazette" No. 01/07);
- Rulebook on Appraising of the Balance and Off-Balance items of the Insurance Companies (MB of Agency December 17, 2008)
- Rulebook on the Amount and Method of Investment for Covering of the Technical Reserves and Minimal Guarantee Fund of Insurance Companies (MB of December 17, 2008);
- Rulebook on Property Blocking and Insurance Broker's Insurance against Liability (MB of Agency April 8, 2008);
- Rulebook on Issuance and Revocation of the Approvals to the Persons on Important Posts in the Insurance Companies (MB of Agency April 8, 2008);
- Rulebook on Amendments of the Rulebook on the Content of an Independent Auditor's Report on Insurance Companies' Financial Position and Other Reports (MB of Agency November 6, 2008);
- Rulebook on Amendments of the Rulebook on Preconditions for Obtaining and Revocation of the title, of Authorized Actuary License (MB of Agency July 21, 2008);
- Rulebook on the Method of Recording and Managing of the Registry of Insurance Companies and Insurance Companies' Subsidiaries with the RS Insurance Agency (MB of Agency November 29, 2007)
- Rulebook Amendments to the Rulebook on Ombudsmen in Insurance (MB of Agency December 12, 2008);

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- Instructions on the Registration with the Register of the Agents Companies ([www.azors.org](http://www.azors.org))
- Instructions for the implementation of decision on various types of Insurance (MB of Agency November 29. 2007)

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- Decision on the Form and Contents of Insurance Companies' Reports ("RS Official Gazette" No. 80/06)
- Decision on Insurance Types ("RS Official Gazette" No. 57/06)
- Decision on Fees and Tariffs of the RS Insurance Agency ("RS Official Gazette" No. 57/06)
- Decision on Fixing the Minimal Insurance Amount for the Motor Insurance Agreements ("RS Official Gazette" No. 57/06)
- Decision on the Number of Votes of the Members of the RS Protection Fund Assembly in 2007 ("RS Official Gazette" No. 27/07)
- Decision on Insurance Companies' Participation in the Financing of the RS Insurance Agency in 2007 ("RS Official Gazette" No. 27/07)
- Decision on Payment of Contributions to the RS Protection Fund in 2007 ("RS Official Gazette" No. 22/07)
- Decision on Agreement with the Decision on Organization of the RS Protection Fund ("RS Official Gazette" No. 30/06)
- Decision on Endorsing the Statute of the RS Protection Fund ("RS Official Gazette" No. 57/06)
- Decision on Payment of Contributions to the RS Protection Fund in 2006 ("RS Official Gazette" No. 57/06)
- Decision on the Number of Members of the RS Protection Fund Assembly in 2006 ("RS Official Gazette" No. 57/06)
- Decision on Insurance against Legal Protection Expenses and Assistance Insurance ("RS Official Gazette" No. 15/07)
- Decision on the Insurance Conditions with a Foreign Insurer ("RS Official Gazette" No. 15/07)
- Decision on Insurance Companies' Reports ("RS Official Gazette" No. 15/07)
- Decision on the Contents of the Certified Actuary's Opinion ("RS Official Gazette" No. 15/07)
- Decision on the Form and Contents of the Application for Recording an Insurance Intermediary in the RS Insurance Agency's Registry ("RS Official Gazette" No. 15/07)
- Decision on Appointment of the RS Insurance Agency's Minor Offence Commission ("RS Official Gazette" No. 70/06)
- Decision on Preparation of the List of Persons Authorized to Conduct Inspection of Insurance Companies ("RS Official Gazette" No. 70/06)
- Decision on the Scope, Method, and Deadline for Submission of Data which Insurance Intermediaries are Obligated to Send to the RS Insurance Agency ("RS Official Gazette" No. 116/06)
- Decision on the Contents of the Necessary Documentation that Has to Be Enclosed with the Application for Granting Permission to the Applicant Occupying a Prominent Position in an Insurance Company ("RS Official Gazette" No. 116/06)
- Decision on Documents that Have to Be Enclosed with the License Application Form ("RS Official Gazette" No. 116/06)

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- Program for Taking the Insurance Intermediary Exam (“RS Official Gazette” No. 116/06)

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- Conclusion on Payment through Mail or Bank MB of Agency March 4, 2008)

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- Order – premium system from October 3, 2008.
- Supplement to order October 29, 2008.
- Rules of procedure of Ombudsmen in Insurance (MB of Agency April 8, 2008).