



Statistics of Insurance Market in Bosnia and Herzegovina

annual
report

20**09**

Sarajevo, August 2010

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BIH – Bosnia and Herzegovina

FBiH – Federation of Bosnia and Herzegovina

RS – Republic of Srpska

GDP – Gross Domestic Product

NOE – Non-observed economy

AFiP – Agency for financial information and agency services d.d. Sarajevo

EU – European Union

HANFA – Croatian Agency for supervision of financial services

HHI – Herfindahl - Hirschman Index



Preface

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Preface

Dear readers,

It is my pleasure to highlight that Statistical Bilten published this year has the message that it is not all that black in Bosnia and Herzegovina, especially in the insurance sector. This even more because the global economic crises had negative impact in most of the European countries which could be seen from the many similar reports published recently.

I will dedicate this PREFACE to the situation of the BiH insurance sector where we witness a considerable improvement and growth despite the pessimistic predictions and forecasts of many analysts.

What are the arguments for the claims?

In 2009 insurance companies realized the total premium in amount of KM 458.633.589, with non-life insurance premium of KM 389.191.486 (84,86%) and life insurance premium in amount of KM 69.442.103 (15,14%). Total premium in 2009 increased for 1,22% in comparison to 2008 which the continuing trend of growth of premium.

In non-life insurance in 2009 there is a growth of 0,53 % in comparison to 2008 while in life insurance there is growth of 5,31 % comparing to previous year.

Even though the growth of premium in previous years war more significant, if we take into account the fact that in most of the countries of region and of European Union there was a significant decrease of premium plus the poor conditions on BiH economy, it may be said that this industry successfully preserved certain degree of stability.

It is very important to highlight that fact that the companies from Federation of BiH and from Republic of Srpska have considerable premiums realized in other entity which was not the case in previous years. This situation at the BiH insurance market contributes to a better competition and creation of a single economic space.

The only growth of assets, namely of 4,95 %, in the financial sector in BiH in 2009 compared to 2008, was registered by the insurance and reinsurance companies, while other industries registered the slight decrease of the assets, namely, the banking sector (1,04%) and micro-credit organizations (10,17 %) while the privatization-investment funds registered significant decrease of assets for 28,74%.

While most of the countries register the decrease of the premium per capita, BiH registers the growth and now it amounts to 87,50 US\$. There is also growth of the share of premium in GDP from 1,83% to 1,91%, which is not the case for most of the European countries.

Off course that it is not all that good in the insurance sector as these figures indicated.

Insurance sector is still burdened with many problems. Non-observance of the premium system, in first place, is the problem which reduces the premium of the insurance companies, as well as the unfair competition with dumping prices which may create problems in the functioning and operation of the insurance companies.

Regulatory and supervisory institutions must dedicate special attention to this problem so that proper measures could be taken in order to create more regulated insurance market and encourage the development of this activity in financial sector with an ultimate goal of accession to the European standards.

Let me just mention some of our numerous current activities. Insurance Agency in Bosnia and Herzegovina in this year initiated the procedure for the adoption of the amendments and supplements of the Law on Intermediaries and Law on Motor Third Party Compulsory Insurance, with the objective of harmonization of the regulations at the territory of BiH and creation of the single economic space as one of the fundamental competence of the Agency.

We started the project with the regulatory agency from Bulgaria which is financed European Commission and which is implemented at the territory of entire BiH and which will last for two years.

The objective of this project is further reform and consolidation in the field of insurance and accession to the standards of European Union.

Finally, I want to express the gratitude to all the institutions and assistants who gave their contribution in the process of design of this publication, especially to the insurance supervision Agencies of both entities.

Best regards.

Sarajevo, august 2010

Head of the Insurance Agency of BiH

Samir Omerhodžić





Review of Macroeconomic Indicators in BIH

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1. Review of Macroeconomic Indicators in BiH

Macroeconomic indicators in BiH (2006 - 2009)

Indicators	Year			
	2006	2007	2008	2009
Nominal GDP (in KM mln)	19.106	21.641	24.716	23.994
GDP per capita (in KM)	4.969	5.633	6.435	6.244
Real GDP (growth rate in %)	6,20	6,84	5,42	-3,20
Retail prices growth rate (%)	6,10	5,00	15,72	15,28
Population (in thousands)	3.845	3.843	3.842	3.843
Number of unemployed	516.216	515.739	493.405	510.534
Number of employed	657.715	679.323	694.416	686.044
Average gross salary (in KM)	869	935	1113	1.204
Average net salary (in KM)	586	630	752	790
Import-Export Ratio (%)	46,90	42,70	41,20	44,71
Government Sector's Foreign Debt (in KM mln)	4.064	3.904	4.193	5.200
Foreign debt (as percentage of the GDP)	22,60	18,60	16,70	21,71

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

Influenced by the world economic crises, the economy of Bosnia and Herzegovina faced severe consequences which had impact to the financial and real sectors. After relatively high growth rates in previous years, in the year 2009 local economy had negative GDP of -3,20 % for the first time. Domestic personal expenditure also is under the negative effects of growth of the unemployment and slow growth of the salaries which had negative impact to the GDP growth rate.

1.1. Macroeconomic indicators in FBiH

Macroeconomic indicators in BiH (2006 - 2009)

Indicators	Year			
	2006	2007	2008	2009
Nominal GDP (in KM mln)	12.058	13.735	15.657	15.182
GDP per capita (in KM)	4.238	4.821	5.496	5.322
Real GDP (growth rate in %)	11,30	13,10	12,96	-2,97
Retail prices growth rate (%)	5,90	90	7,70	-0,30
Population (in thousands)	2.845	2.849	2.849	2.327
Number of unemployed	355.102	370.459	430.745	347.146
Number of employed	389.601	413.676	345.381	426.556
Average gross salary (in KM)	887	973,68	1.104,85	1.203,55
Average net salary (in KM)	603	662,10	751,30	792,08
Import-Export Ratio (%)	45,60	41,89	40,92	44,94

Data Source: Federal Statistics Institute

1.2. Macroeconomic indicators in RS

Macroeconomic indicators in BIH (2006 - 2009)

Pokazatelji	Godina			
	2006.	2007.	2008.	2009.
Nominal GDP (in KM mln)	6.499	7.351	8.468	8.243
GDP per capita (in KM)	4.368	5.106	5.891	5.744
Real GDP (growth rate in %)	7,80	6,20	5,70	-2,8
Retail prices growth rate (%)	6,40	7,60	7,20	4,80
Population (in thousands)	1.444	1.440	1.437	1.435
Number of unemployed	143.219	139.825	135.102	139.536
Number of employed	257.110	258.236	259.205	253.665
Average gross salary (in KM)	793	875	1.132	1.204
Average net salary (in KM)	521	585	755	788
Import-Export Ratio (%)	56,40	49,90	46,4	46,90

Data sources: 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 2009 total assets of the sector of financial services was KM 25,11 bln, with share of banking sector of 82,07 %, leasing companies 6,36%, microcredit organizations 4,33%, insurance sector 3,72% and investments funds 3,52 %.

Financial sector in BiH is still „bank centric“ since the banking sector is still predominant with over 82,07% share in total assets of entire financial sector of BiH. Even though the negative effects of the world economic crises were quite hard and had also impact on the business performance of the banks in BiH, it may be said that this sector successfully preserved certain stability. The share of other financial institutions in the structure of sector of financial sector is almost negligible. With objective of improvement of the financial market, institutional investors, especially insurance companies and investment funds have a significant role, which directly reflects to overall economic development.

Financial results suggest that the banking sector in 2009 remain at first place in BiH economy in terms of size of the assets which for that year was KM 20,61 bln, leaving behind the leasing companies, microcredit organizations, insurance companies and investments funds with total assets of KM 1,60, 1,09, 0,933 and KM 0,885 bln respectively.

The only growth of the assets in the financial services sector in Bosnia and Herzegovina in 2009, when compared to 2008 was registered by insurance and reinsurance companies which had growth of 4,95 %, while all other financial institutions registered slight decrease of the assets, such as, the banks (1,04%) and microcredit organizations (10,17%) and the investment funds where a significant decrease of the assets was registered for 28,74%. It is important to emphasize that despite the negative effects of the world crises, there indicators of slight growth of insurance companies in BiH, while some of them have a more pronounced growth.

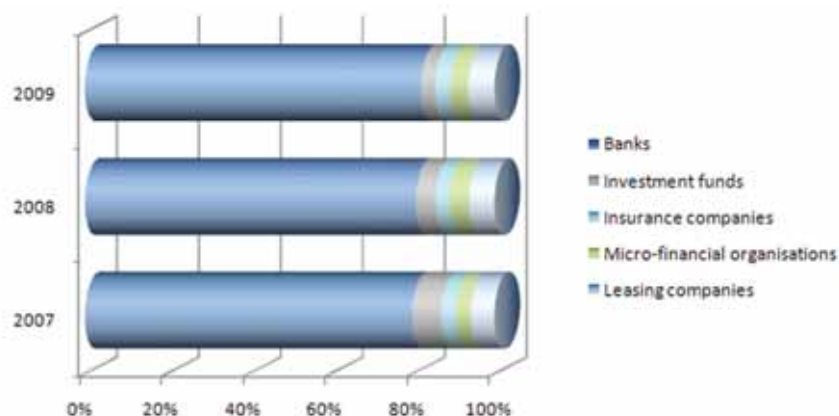
Structure of the BIH Financial Services Sector in 2007, 2008 and 2009

Segments of the Financial Services Sector (financial institutions)	2007		2008		2009		Assets growth index 08/07	Assets growth index 09/08
	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)		
Banks	19.682	79,90	20.821	80,82	20.605	82,07	105,79	98,96
Privatization-Investment funds	1.764	7,16	1.242	4,82	885	3,52	70,41	71,26
Insurance and re-insurance companies	853	3,46	889	3,45	933	3,72	104,22	104,95
Micro-credit organizations	916	3,72	1.210	4,7	1.087	4,33	132,1	89,83
Leasing companies	1.417	5,75	1.600	6,21	1.598	6,36	112,91	99,88
Total for the sector	24.632	100	25.762	100	25.108	100	104,59	97,46

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.

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

Shares of the financial institutions in the BH financial services sector in 2007, 2008 and 2009



2.1.1. Structure of the FBiH Financial Services Sector

Structure of the FBiH Financial Services Sector in 2007, 2008 and 2009

Segments of the Financial Services Sector (financial institutions)	2007		2008		2009		Assets growth index 08/07	Assets growth index 09/08
	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)		
Banks	14.203	78,24	15.072	78,24	15.233	80,60	106,12	101,07
Privatization-Investment funds	1.198	6,6	1.015	5,27	593	3,14	84,72	58,42
Insurance and re-insurance companies	662	3,65	677	3,51	707	3,74	102,27	104,43
Micro-credit organizations	673	3,71	901	4,68	769	4,07	133,88	85,35
Leasing companies	1.417	7,81	1.600	8,31	1.598	8,46	112,91	99,88
Total for the sector	18.153	100	19.265	100	18.900	100	106,13	98,10

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 2007, 2008 and 2009

Segments of the Financial Services Sector (financial institutions)	2007		2008		2009		Assets growth index 08/07	Assets growth index 09/08
	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)	Assets (in KM mln)	Share (%)		
Banks	5.479	84,55	5.749	88,49	5.372	86,53	104,93	93,44
Privatization-Investment funds	566	8,73	227	3,49	292	4,70	40,11	128,63
Insurance and re-insurance companies	191	2,95	212	3,26	226	3,64	110,99	106,60
Micro-credit organizations	244	3,77	309	4,76	318	5,12	126,63	102,91
Leasing companies	0	0,00	0	0,00	0	0,00	00,0	0,00
Total for the sector	6.480	100	6.497	100	6.208	100	100,26	95,55

Data sources: RS Banking Agency, RS Securities Commission, RS Insurance Agency, Association of Leasing Companies in BiH

2.2. Comparison of the Banking and Insurance Sectors in FBiH and RS

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 2008 (in EUR mln)

Country	Banking Sector		Insurance Sector	
	Assets	Capital	Assets	Capital
Croatia	50.410	6.790	3.825	708
BiH	10.540	903	477	158
Slovenia	47.620	2.000	4.590	756
Serbia	21.730	4.870	1.037	305
Bulgaria	35.560	4.050	1.303	461
Czech Republic	154.590	14.600	13.710	2.413
Slovakia	62.880	3.830	5.709	1.215
Romania	78.170	7.070	3.760	732

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 2007, 2008 and 2009 (in KM tsd)

	2007		2008		2009	
	Banks	Insurance Companies	Banks	Insurance Companies	Banks	Insurance Companies
Assets	19.682.436	853.339	20.820.631	888.896	20.604.457	932.878
Capital	1.967.104	301.287	2.237.198	332.579	2.206.521	309.434

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency, FBiH Banking Agency and RS Banking Agency

Compared to 2008, the BIH banking sector's assets in 2009 decreased by KM 216 million (1,04%). In the same period, the capital was also decreased by KM 31 million (1,37%). On the other hand, the insurance sector's assets in 2009 increased by KM 44 mln (4,95%) when compared to 2008. The capital, in the observed period, decreased 6,96%, which in absolute amount was KM 23 mln.

In 2008, the insurance sector's assets represented 4,09% of the banking and insurance sectors' combined assets; at the same time, the insurance sector's capital made up 12,94 % of the two sectors' aggregate capital.

In 2009, the insurance sector's assets accounted for 4,33% of the value of the two sectors' combined assets, therefore, there was a slight increase of the insurance sector's share in the structure of the two sectors' aggregate assets. Completely different situation is with the insurance sector's share in the two sectors' combined capital since the insurance sector's share in combined capital decreased for 6,96 %.

Assets and capital in the banking and insurance sectors in FBiH and RS in 2007, 2008 and 2009 (in KM tsd)

	Entity	2007		2008		2009	
		Banks	Insurance Companies	Banks	Insurance Companies	Banks	Insurance Companies
Assets	FBiH	14.203.507	662.363	15.072.041	676.967	15.232.740	706.659
	RS	5.478.929	190.976	5.748.590	211.929	5.371.717	226.219
Capital	FBiH	1.518.018	217.519	1.638.782	238.038	1.674.127	218.031
	RS	449.086	83.768	598.416	94.541	532.394	91.403

Data sources: FBiH Insurance Supervisory Agency, FBiH Banking Agency, RS Insurance Agency and RS Banking Agency



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

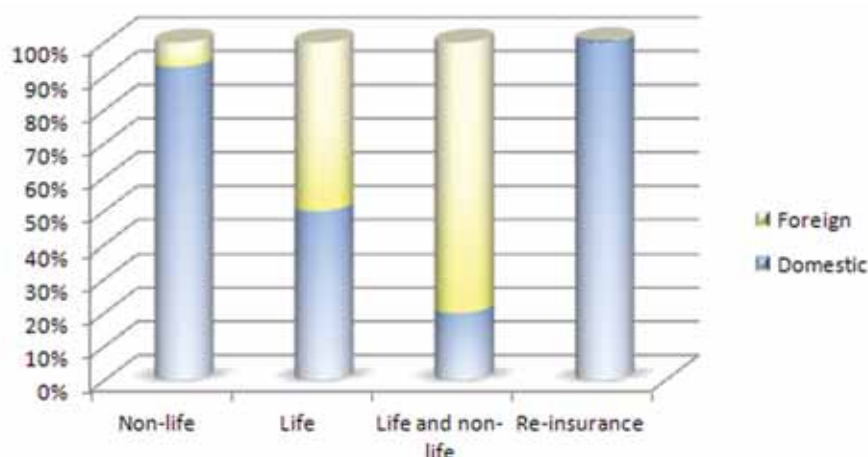
3.1.1. Ownership structure and Types of Insurance Operations offered by the BiH insurance companies

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	1	2	1	17
Foreign	1	1	8	0	10
TOTAL	14	2	10	1	27

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 in one company there is majority of foreign ownership. There are only two (2) companies whose main line of business is life insurance, one in domestic and one in local ownership. Out of 10 companies operating both in the area of life and non-life insurance, two are in majority domestic ownership, while eight have foreign majority owners. There is one 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 decreased their share to 52,38 % of the total premium in 2009, comparing to 52,38 % in 2008, while share of foreign companies in life insurance market increase to 94,24% in 2009 comparing to 93,39 % in 2008.

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	1	2	1	10
Foreign	0	0	6	0	6
TOTAL	6	1	8	1	16

Data sources: FBiH Insurance Supervisory Agency

3.1.3. Ownership structure and Types of Insurance Operations of 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
TOTAL	8	1	2	0	11

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, insurance companies from one opened new branches (agencies) in another entity (cross-entity).

- *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.

- *During 2009, three more insurance companies from FBiH opened Branches in RS:*

BOBAR OSIGURANJE A.D.
 DRINA OSIGURANJE A.D.
 KOSIG DUNAV OSIGURANJE A.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.

- *During 2009, two more insurance companies from RS opened Branches in FBiH:*

JAHORINA OSIGURANJE A.D.
 BRČKO GAS OSIGURANJE A.D.

3.2. Total Premium in BiH and the Entities

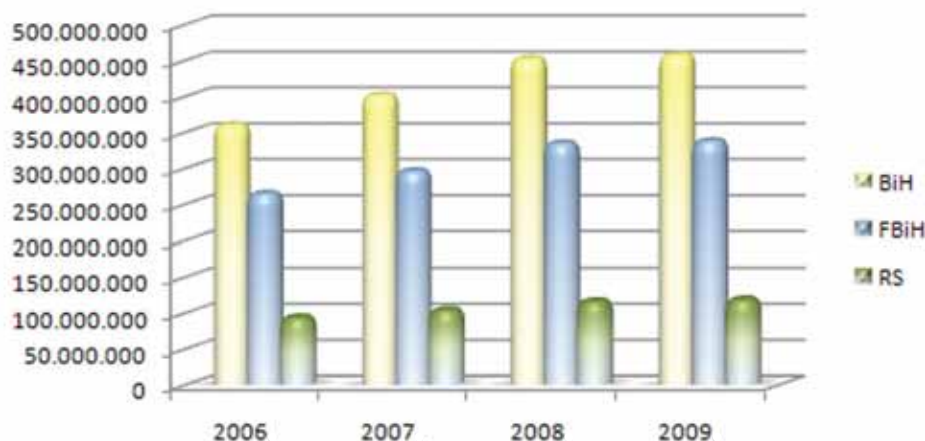
The total premium in 2009 in BiH amounted to 458.633.589, which is only 1,22 % more than in 2008. In the structure of the total premium, the share of the companies with registered office (seat) in FBiH amounted to 73,84%, while the RS-based companies accounted for 26,16 %.

Total premium in Bosnia and Herzegovina in 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)	Premium growth Index		
									(%)	2007	Share
BiH	360.595.021	100	402.226.015	100	453.093.773	100	458.633.589	100	111,55	112,65	101,22
FBiH	265.603.761	73,66	296.914.582	73,82	335.732.260	74,1	338.653.234	73,84	111,79	113,07	100,87
RS	94.991.260	26,34	105.311.433	26,18	117.361.513	25,9	119.980.355	26,16	110,86	111,44	102,23

Data source: FBiH Insurance Supervisory Agency, RS Insurance Agency

Total premium in Bosnia and Herzegovina in 2006, 2007, 2008 and 2009 (in KM)



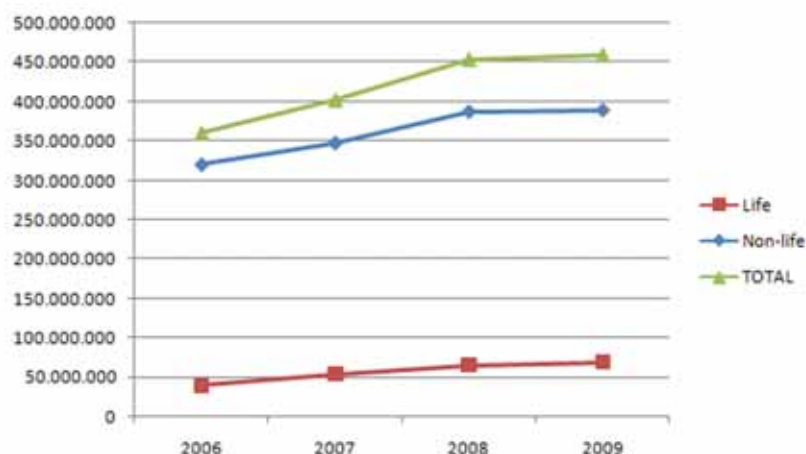
3.2.1. Total Premium in Life and Non-Life insurance in BiH

Total Premium in Non-life and Life Insurance in BiH for 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)	Premium growth Index		
									07/06	08/07	09/08
Non-life	320.650.450	88,92	347.721.898	86,45	387.155.865	85,45	389.191.486	84,86	108,44	111,34	100,53
Life	39.944.571	11,08	54.504.117	13,55	65.937.908	14,55	69.442.103	15,14	136,45	120,98	105,31
TOTAL	360.595.021	100	402.226.015	100	453.093.773	100	458.633.589	100	111,55	112,65	101,22

Data source: 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 458.633.589 in 2009, out of which KM 389.191.486 KM (84,86%) is non-life insurance, while 69.442.103 (15,14%) accounts for life insurance. Total amount of premium in 2009 increased only for 1,22 % when compared to 2008 and therefore the trend of growth, however less intensive, of premiums continued. In non-life insurance in 2009 there was growth of 0,53% in comparison to 2008, while in life insurance the growth was 5,31% in comparison to 2008. The average annual growth rate of non-life insurance in last four years is 6,77% while in case of life insurance average growth rate in for four last years is 20,91%. It is important to emphasize that even in the time of world economic crises, insurance companies show indications of mild increase of premium even though such increase is more visible with some companies.

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 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)	Premium growth Index		
									07/06	08/07	09/08
Non-life	228.663.103	86,09	247.347.813	83,31	276.787.655	82,44	277.140.875	81,84	108,17	111,9	100,13
Life	36.940.658	13,91	49.566.769	16,69	58.944.605	17,56	61.512.359	18,16	134,18	118,92	104,36
TOTAL	265.603.761	100	296.914.582	100	335.732.260	100	338.653.234	100	111,79	113,07	100,87

Data sources: FBiH Insurance Supervisory Agency

The total premium in 2009 in FBiH amounted to KM 338.653.234, which represents a minor growth of 0,87 % in comparison with 2008. Non-life insurance grew by 0,13%, while life insurance sector grew by 4,35%. The average annual growth rate of non-life insurance in last four years in FBiH is 6,73% while average annual growth rate of life insurance in last four years is 19,15 %.

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 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)	Premium growth Index		
									07/06	08/07	09/08
Non-life	91.987.347	96,84	100.374.085	95,31	110.368.210	94,04	112.050.611	93,39	109,12	109,96	101,52
Life	3.003.913	3,16	4.937.348	4,69	6.993.303	5,96	7.929.744	6,61	164,36	141,64	113,39
TOTAL	94.991.260	100	105.311.433	100	117.361.513	100	119.980.355	100	110,86	111,44	102,23

Data sources: RS Insurance Agency

The total premium in 2009 the RS amounted to KM 119.980.355, which is 2,23 % increase from 2008. Non-life insurance increased by 1,52 % and life insurance by 13,39 %. The average annual growth rate of non-life insurance in last four years in RS amounts to 6,86% while average annual growth rate of life insurance in last four years is 39,80%.

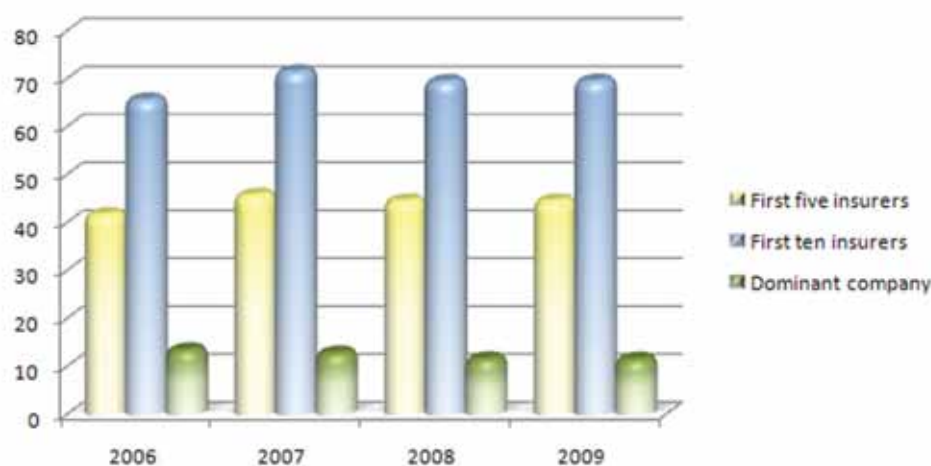
3.2.4. Concentration of Premium in BiH

Concentration of premium in BiH for 2006, 2007, 2008 and 2009

Share in total premium (%)	2006	2007	2008	2009
First five insurers	41,93	45,98	44,79	44,77
First ten insurers	65,87	71,74	69,69	69,78
Dominant company	13,72	13,08	11,85	11,78

Data sources: FBIH Insurance Supervisory Agency, RS Insurance Agency

Concentration of premium in BiH for 2006, 2007, 2008 and 2009



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

Short name of insurance company	2006			2007			2008			2009		
	Premium (in 000)	Market	HHI	Premija (u 000)	Tržišni udio	HHI	Premija (u 000)	Tržišni udio	HHI	Premija (u 000)	Tržišni udio	HHI
Merkur BH	5.739	14,37	206	10.112	18,55	344	15.038	22,81	520	17.703	25,49	650
Grawe Sarajevo	11.809	29,56	874	15.163	27,82	774	16.850	25,55	653	17.148	24,69	610
Uniqa	6.550	16,4	269	8.645	15,86	252	11.784	17,87	319	12.658	18,23	332
Grawe Banja Luka	3.004	7,52	57	4.937	9,06	82	6.993	10,61	112	7.930	11,42	130
Croatia	5.956	14,91	222	7.082	12,99	169	6.054	9,18	84	6.333	9,12	83
Triglav BH	1.147	2,87	8	2.371	4,35	19	2.986	4,53	21	2.140	3,08	10
Sarajevo	2.167	5,42	29	2.393	4,39	19	2.578	3,91	15	2.491	3,59	13
BSO				1.684	3,09	10	1.877	2,85	8	1.533	2,21	5
Hercegovina	1.514	3,79	14	1.348	2,47	6	1.138	1,73	3	1.116	1,61	3
Lok	911	2,28	5	770	1,41	2	640	0,97	1	340	0,56	0
Sunce BiH	1.149	2,88	8									
TOTAL	39.946	100	1.694	54.505	100	1.676	65.938	100	1.737	69.442	100	1.836

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

	2006	2007	2008	2009
Market share of five largest companies (%)	82,76	84,28	86,02	88,95
HHI	1.694	1.676	1.737	1.836

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

The values of HHI, for the years 2006, 2007 and 2008, were 1.694, 1.676 and 1.737 respectively, which shows that the market was moderately concentrated in this period since the mentioned values of HHI in three observed years are within the interval of 1.000 – 1.800. The value of HHI in the year 2009 was 1.836 and it comes within the interval 1.800 – 10.000, which shows that life insurance market in last year of the observed period is going from moderately concentrated market to the concentrated market (monopoly). The market share of five biggest insurance companies is in constant growth in the observed period.

HHI for the Life insurance market in BiH



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

Short name of insurance company	2006			2007			2008			2009		
	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	47.313	14,76	218	50.228	14,44	209	51.111	13,20	174	51.528	13,24	175
BSO				37.901	10,9	119	44.578	11,51	133	45.981	11,81	140
Euroherc	24.092	7,51	56	28.191	8,11	66	31.782	8,21	67	36.809	9,46	89
Triglav BH	22.715	7,08	50	27.331	7,86	62	29.573	7,64	58	29.334	7,54	57
Croatia	26.705	8,33	69	27.748	7,98	64	30.937	7,99	64	28.761	7,39	55
VGT	17.617	5,49	30	20.611	5,93	35	24.040	6,21	39	23.213	5,96	36
Jahorina	15.308	4,77	23	16.355	4,7	22	17.789	4,59	21	22.161	5,69	32
Uniqa	14.557	4,54	21	17.997	5,18	27	21.458	5,54	31	19.245	4,94	24
Kosig Dunav	17.665	5,51	30	19.282	5,55	31	20.994	5,42	29	19.187	4,93	24
Bobar	17.818	5,56	31	20.719	5,96	36	18.232	4,71	22	18.662	4,80	23
Nešković	10.460	3,26	11	11.964	3,44	12	12.917	3,34	11	12.270	3,15	10
Drina	10.784	3,36	11	11.851	3,41	12	12.449	3,22	10	11.959	3,07	9
Lido	12.717	3,97	16	13.697	3,94	16	13.519	3,49	12	10.032	2,58	7
Camelija	8.981	2,8	8	9.489	2,73	7	10.300	2,66	7	9.603	2,47	6
Brčko Gas	5.442	1,7	3	5.930	1,71	3	7.990	2,06	4	8.903	2,29	5
ASA				163	0,05	0	4.594	1,19	1	8.346	2,14	5
Triglav Krajina -Kopaonik	6.719	2,1	4	7.312	2,1	4	9.645	2,49	6	8.260	2,12	5
Krajina	7.487	2,33	5	6.893	1,98	4	7.898	2,04	4	7.362	1,89	4
Zovko	6.313	1,97	4	6.359	1,83	3	6.799	1,76	3	6.802	1,75	3
Hercegovina	6.780	2,11	4	7.043	2,03	4	7.261	1,88	4	6.127	1,57	2
Aura				67	0,02	0	1.632	0,42	0	1.739	0,45	0
Mikrofin							817	0,21	0	1.529	0,39	0
Grawe Sarajevo	803	0,25	0	171	0,05	0	482	0,12	0	1.072	0,28	0
Merkur BH	704	0,22	0	275	0,08	0	295	0,08	0	288	0,07	0
Grawe Banja Luka	305	0,1	0	0	0,00	0	0	0,00	0	18	0,00	0
Lok	535	0,17	0	144	0,04	0	60	0,02	0	0	0,00	0
Sunce BiH	16.295	5,08	26									
Bosna	15.795	4,93	24									
Bosansko-njemačko	6.376	1,99	4									
Una-Sana	367	0,11	0									
TOTAL	320.653	100	649	347.721	100	734	387.152	100	702	389.191	100	711

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

	2006	2007	2008	2009
Market share of five largest companies (%)	43,24	49,29	48,55	49,44
HHI	649	734	702	711

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

In the non-life insurance market, for the observed period (2006 – 2009), 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 of competition (non-concentrated market).

HHI for the Non-life insurance market in BiH



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

Short name of insurance company	2006			2007			2008			2009		
	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	49.480	13,72	188	52.621	13,08	171	53.688	11,85	140	54.019	11,78	139
BSO				39.585	9,84	97	46.455	10,25	105	47.514	10,36	107
Euroherc	24.092	6,68	45	28.191	7,01	49	31.782	7,01	49	36.809	8,03	64
Croatia	32.660	9,06	82	34.830	8,66	75	36.991	8,16	67	35.094	7,65	59
Uniqa	21.107	5,85	34	26.641	6,62	44	33.242	7,34	54	31.903	6,96	48
Triglav BH	23.862	6,62	44	29.702	7,38	55	32.559	7,19	52	31.474	6,86	47
VGT	17.617	4,89	24	20.611	5,12	26	24.040	5,31	28	23.213	5,06	26
Jahorina	15.308	4,25	18	16.355	4,07	17	17.789	3,93	15	22.161	4,83	23
Kosig Dunav	17.665	4,90	24	19.282	4,79	23	20.994	4,63	21	19.187	4,18	18
Bobar	17.818	4,94	24	20.719	5,15	27	18.232	4,02	16	18.662	4,07	17
Grawe Sarajevo	12.612	3,50	12	15.334	3,81	15	17.331	3,83	15	18.220	3,97	16
Merkur BH	6.442	1,79	3	10.387	2,58	7	15.332	3,38	11	17.991	3,92	15
Nešković	10.460	2,90	8	11.964	2,97	9	12.917	2,85	8	12.270	2,68	7
Drina	10.784	2,99	9	11.851	2,95	9	12.449	2,75	8	11.959	2,61	7
Lido	12.717	3,53	12	13.697	3,41	12	13.519	2,98	9	10.032	2,19	5
Camelija	8.981	2,49	6	9.489	2,36	6	10.300	2,27	5	9.603	2,09	4
Brčko Gas	5.442	1,51	2	5.930	1,47	2	7.990	1,76	3	8.903	1,94	4
Triglav Krajina -Kopaonik	6.719	1,86	3	7.312	1,82	3	9.645	2,13	5	8.260	1,80	3
ASA				163	0,04	0	4.594	1,01	1	8.346	1,82	3
Grawe Banja Luka	3.309	0,92	1	4.937	1,23	2	6.999	1,54	2	7.948	1,73	3
Krajina	7.487	2,08	4	6.893	1,71	3	7.898	1,74	3	7.362	1,61	3
Hercegovina	8.294	2,30	5	8.390	2,09	4	8.399	1,85	3	7.243	1,58	2
Zovko	6.313	1,75	3	6.359	1,58	2	6.799	1,50	2	6.802	1,48	2
Aura				67	0,02	0	1.632	0,36	0	1.739	0,38	0
Mikrofin							817	0,18	0	1.529	0,33	0
Lok	1.446	0,4	0	913	0,23	0	700	0,15	0	390	0,09	0
Sunce BiH	17.444	4,84	23									
Bosna	15.795	4,38	19									
Bosansko-njemačko	6.376	1,77	3									
Una-Sana	367	0,1	0									
TOTAL	360.597	100	600	402.223	100	656	453.093	100	624	458.634	100	623

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

	2006	2007	2008	2009
Market share of five largest companies (%)	41,93	45,97	44,79	44,78
HHI	600	656	624	623

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 the values are below 1.000) shows the characteristics of the market with high level of competition (non-concentrated market).

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



3.3. Premiums per Insurance Type

3.3.1. Premiums per Insurance Type in BiH

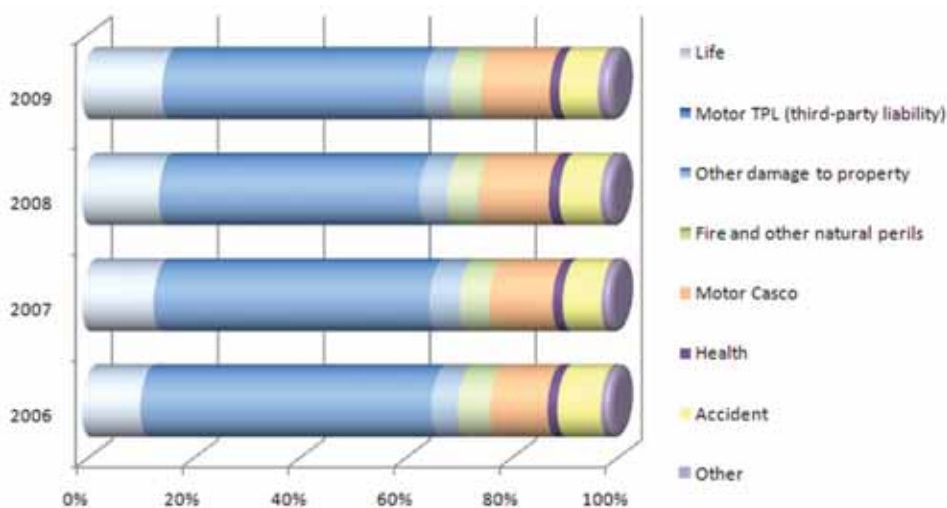
Premiums per Insurance Type in BiH (in KM)

No.	Insurance Type	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
1.	Accident	29.483.640	8,18	29.249.801	7,27	34.855.530	7,69	33.093.026	7,22
2.	Health	6.655.597	1,85	7.543.227	1,88	9.174.094	2,02	8.408.396	1,83
3.	Motor Casco	39.052.373	10,83	48.185.016	11,98	60.489.814	13,35	60.062.215	13,10
4.	Railway Rolling Stock Casco	5.773	0,00	0	0,00	0	0,00	353	0,00
5.	Aircraft Hull Damage	6.531	0,00	25.021	0,01	380.065	0,08	371.334	0,08
6.	Sea, Lake and River Vessels Hull Damage	18.868	0,01	20.799	0,01	55.766	0,01	26.445	0,01
7.	Goods in Transit	2.672.089	0,74	2.955.745	0,73	3.996.783	0,88	5.092.558	1,11
8.	Fire and other natural perils	22.112.037	6,13	22.494.378	5,59	26.171.664	5,78	26.958.591	5,88
9.	Other damage to property	17.887.546	4,96	22.837.279	5,68	24.041.300	5,31	22.465.990	4,90
10.	Motor TPL (third-party liability)	198.101.764	54,94	209.653.241	52,12	222.824.888	49,18	226.291.255	49,34
11.	Aviation TPL	705.867	0,20	730.657	0,18	444.644	0,10	496.187	0,11
12.	Marine TPL	51.660	0,01	9.573	0,00	18.612	0,00	16.896	0,00
13.	General Liability	2.370.968	0,66	3.054.500	0,76	3.251.026	0,72	4.000.531	0,87
14.	Credit	757.340	0,21	464.731	0,12	597.438	0,13	278.091	0,06
15.	Surety	71.356	0,02	23.191	0,01	94.415	0,02	99.208	0,02

No.	Insurance Type	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
16.	Financial Loss	696.543	0,19	471.768	0,12	748.266	0,17	1.525.876	0,33
17.	Legal Protection	0	0,00	0	0,00	0	0,00	0	0,00
18.	Assistance – other insurance types	498	0,00	2.970	0,00	11.560	0,00	4.537	0,00
	Total non - life insurance types	320.650.450	88,92	347.721.897	86,45	387.155.865	85,45	389.191.486	84,86
19.	Life (life insurance and annuity insurance)	39.944.571	11,08	54.504.118	13,55	65.937.908	14,55	68.754.531	14,99
20.	Additional insurance with life insurance	0	0,00	0	0,00	0	0,00	687.571	0,15
	Total Life insurance types	39.944.571	11,08	54.504.118	13,55	65.937.908	14,55	69.442.103	15,14
	Grand total (insurance types 1-19)	360.595.021	100	402.226.015	100	453.093.773	100	458.633.589	100

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

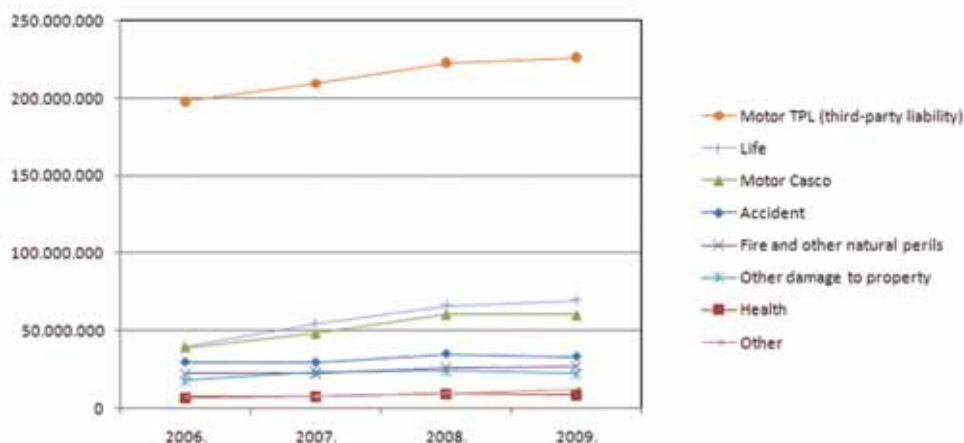
Percentage of the various types of the insurance in total premium in BiH



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

The structure of total insurance portfolio in BiH in 2009 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 97,40% of the total insurance portfolio. In the structure of the premium of Non-life insurance the biggest percentage has motor TPL insurance with 49,34%, motor casco 13,10%, accident 7,22% and others.

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



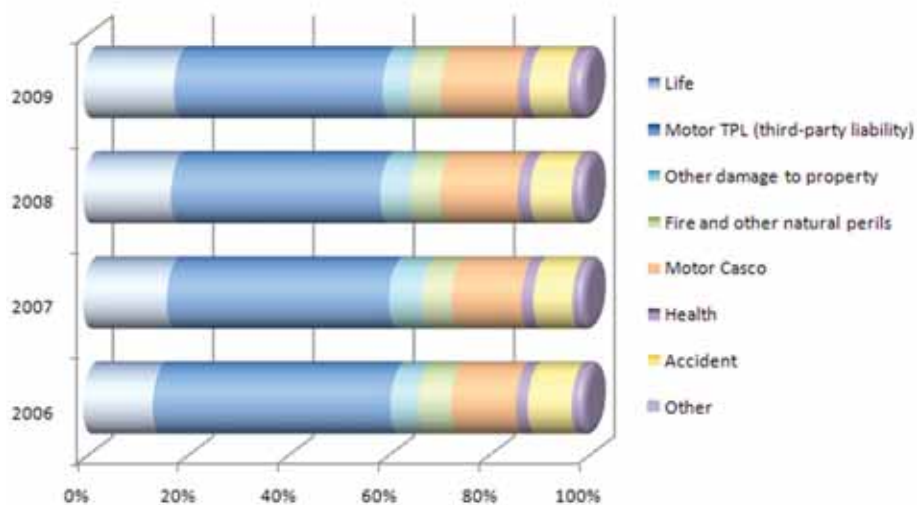
3.3.2. Premiums per Insurance Type in FBiH

Premiums per insurance type for companies headquartered in FBiH (in KM)

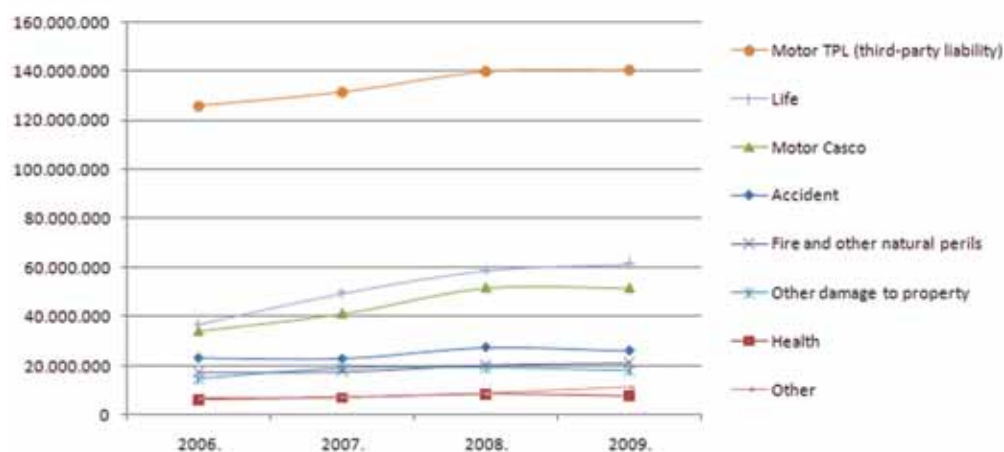
No.	Insurance Type	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
1.	Accident	23.265.029	8,76	23.016.959	7,75	27.568.043	8,21	26.203.191	7,74
2.	Health	6.219.655	2,34	7.060.778	2,38	8.500.136	2,53	7.745.711	2,29
3.	Motor Casco	34.389.699	12,95	41.496.125	13,98	51.960.135	15,48	51.903.016	15,33
4.	Railway Rolling Stock Casco	5.773	0,00	0	0,00	0	0,00	0	0,00
5.	Aircraft Hull Damage	3.175	0,00	21.686	0,01	380.065	0,11	371.334	0,11
6.	Sea, Lake and River Vessels Hull Damage	11.997	0,00	20.174	0,01	53.108	0,02	24.810	0,01
7.	Goods in Transit	2.298.082	0,87	2.598.384	0,88	3.642.871	1,09	4.654.403	1,37
8.	Fire and other natural perils	17.383.220	6,54	17.736.795	5,97	20.400.345	6,08	21.272.031	6,28
9.	Other damage to property	14.679.346	5,53	19.193.840	6,46	19.459.398	5,80	18.066.424	5,33
10.	Motor TPL (third-party liability)	125.940.633	47,42	131.596.806	44,32	140.126.930	41,74	140.762.012	41,57
11.	Aviation TPL	701.786	0,26	726.720	0,24	441.296	0,13	491.193	0,15
12.	Marine TPL	51.660	0,02	9.573	0,00	18.612	0,01	16.896	0,00
13.	General Liability	2.247.419	0,85	2.933.737	0,99	3.055.038	0,91	3.784.399	1,12
14.	Credit	697.232	0,26	455.536	0,15	358.365	0,11	272.202	0,08
15.	Surety	71.356	0,03	23.191	0,01	94.415	0,03	99.208	0,03
16.	Financial Loss	696.543	0,26	457.508	0,15	728.498	0,22	1.472.868	0,43
17.	Legal Protection	0	0,00	0	0,00	0	0,00	0	0,00
18.	Assistance – other insurance types	498	0,00	0	0,00	400	0,00	1.177	0,00
	Total non - life insurance types	228.663.103	86,09	247.347.812	83,31	276.787.655	82,44	277.140.875	81,84
19.	Life (life insurance and annuity insurance)	36.940.658	13,91	49.566.770	16,69	58.944.605	17,56	61.512.359	18,16
	Grand total (insurance types 1-19)	265.603.761	100	296.914.582	100	335.732.260	100	338.653.234	100

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 in FBiH



3.3.3. Premiums per Insurance type in RS

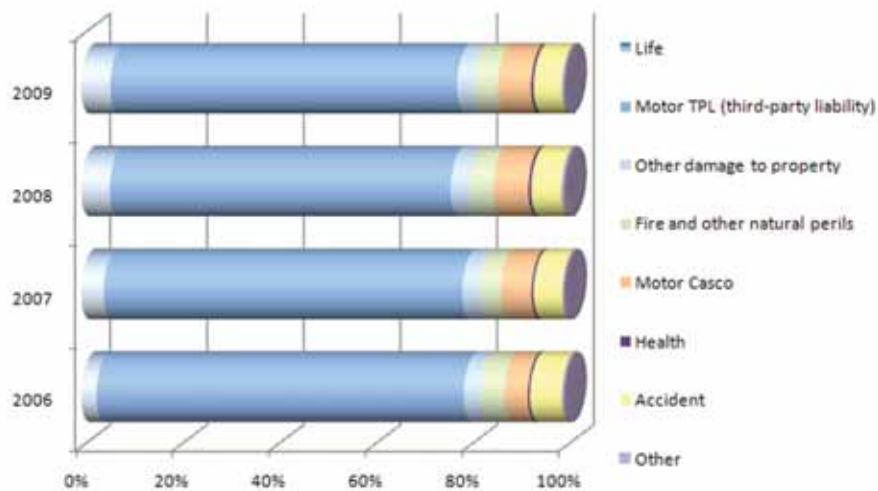
Premiums per insurance type for companies headquartered in RS (in KM)

No.	Insurance Type	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
1.	Accident	6.218.611	6,55	6.232.842	5,92	7.287.487	6,21	6.889.835	5,74
2.	Health	435.942	0,46	482.449	0,46	673.958	0,57	662.685	0,55
3.	Motor Casco	4.662.674	4,91	6.688.891	6,35	8.529.679	7,27	8.159.199	6,80
4.	Railway Rolling Stock Casco	0	0,00	0	0,00	0	0,00	353	0,00
5.	Aircraft Hull Damage	3.356	0,00	3.335	0,00	0	0,00	0	0,00
6.	Sea, Lake and River Vessels Hull Damage	6.871	0,01	625	0,00	2.658	0,00	1.635	0,00
7.	Goods in Transit	374.007	0,39	357.361	0,34	353.912	0,30	438.155	0,37
8.	Fire and other natural perils	4.728.817	4,98	4.757.583	4,52	5.771.319	4,92	5.686.560	4,74
9.	Other damage to property	3.208.200	3,38	3.643.439	3,46	4.581.902	3,90	4.399.566	3,67
10.	Motor TPL (third-party liability)	72.161.131	75,97	78.056.435	74,12	82.697.958	70,46	85.529.243	71,29
11.	Aviation TPL	4.081	0,00	3.937	0,00	3.348	0,00	4.994	0,00
12.	Marine TPL	0	0,00	0	0,00	0	0,00	0	0,00
13.	General Liability	123.549	0,13	120.763	0,11	195.988	0,17	216.132	0,18
14.	Credit	60.108	0,06	9.195	0,01	239.073	0,20	5.889	0,01
15.	Surety	0	0,00	0	0,00	0	0,00	0	0,00
16.	Financial Loss	0	0,00	14.260	0,01	19.768	0,02	53.008	0,04

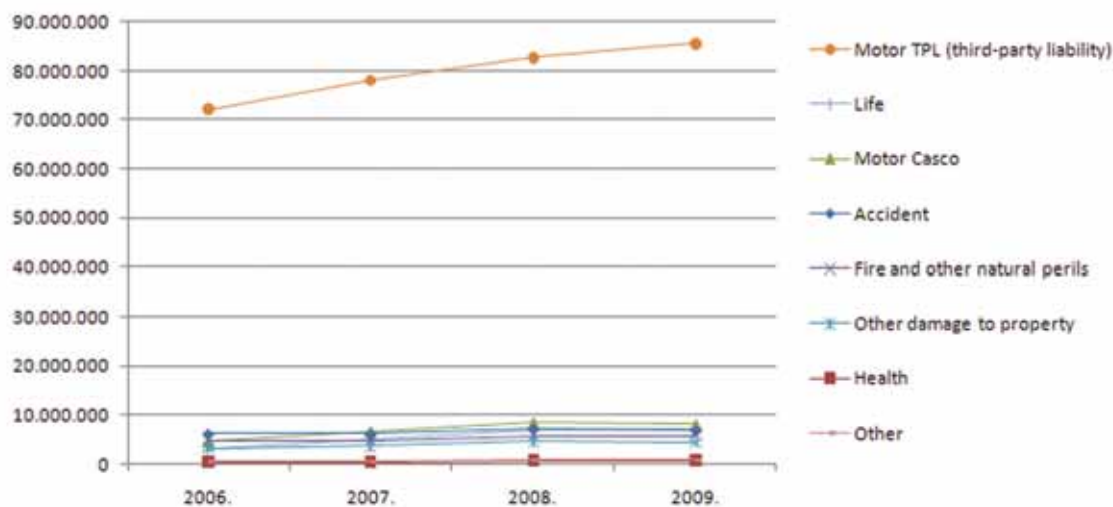
No.	Insurance Type	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
17.	Legal Protection	0	0,00	0	0,00	0	0,00	0	0,00
18.	Assistance – other insurance types	0	0,00	2.970	0,00	11.160	0,01	3.360	0,00
	Total non - life insurance types	91.987.347	96,84	100.374.085	95,31	110.368.210	94,04	112.050.611	93,39
19.	Life (life insurance and annuity insurance)	3.003.913	3,16	4.937.348	4,69	6.993.303	5,96	7.242.172	6,04
20.	Additional insurance with life insurance	0	0,00	0	0,00	0	0,00	687.571	0,57
	Total Life insurance types	3.003.913	3,16	4.937.348	4,69	6.993.303	5,96	7.929.744	6,61
	Grand total (insurance types 1-19)	94.991.260	100	105.311.433	100	117.361.513	100	119.980.355	100

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 in RS



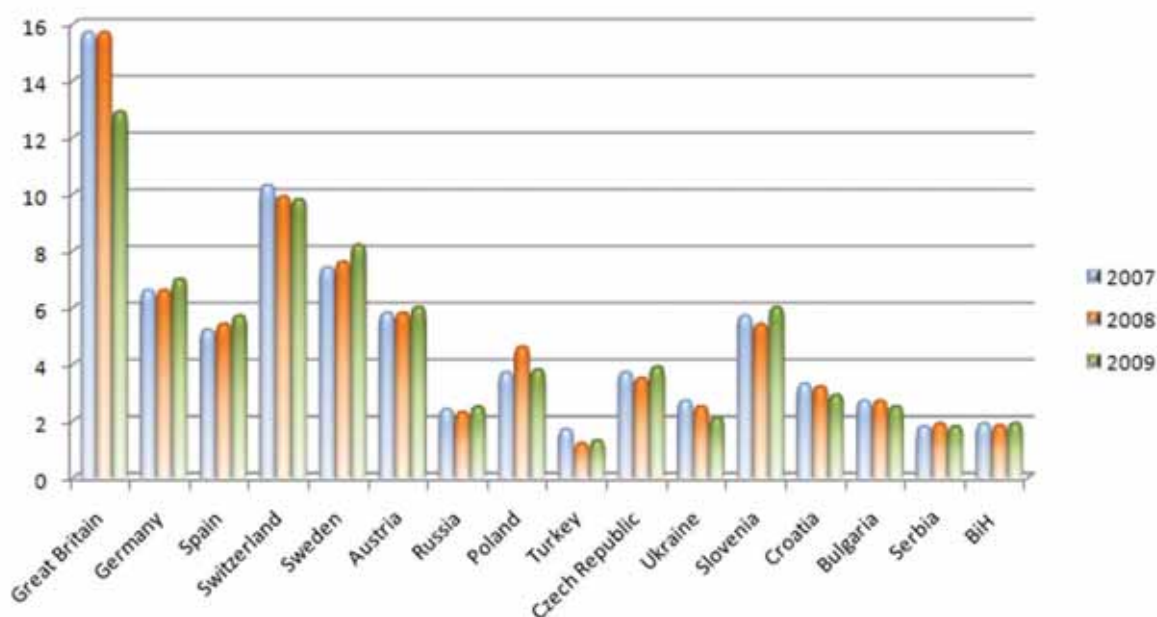
3.4. Comparison of Indicators of some European Countries and BiH

Comparison of indicators of some European countries

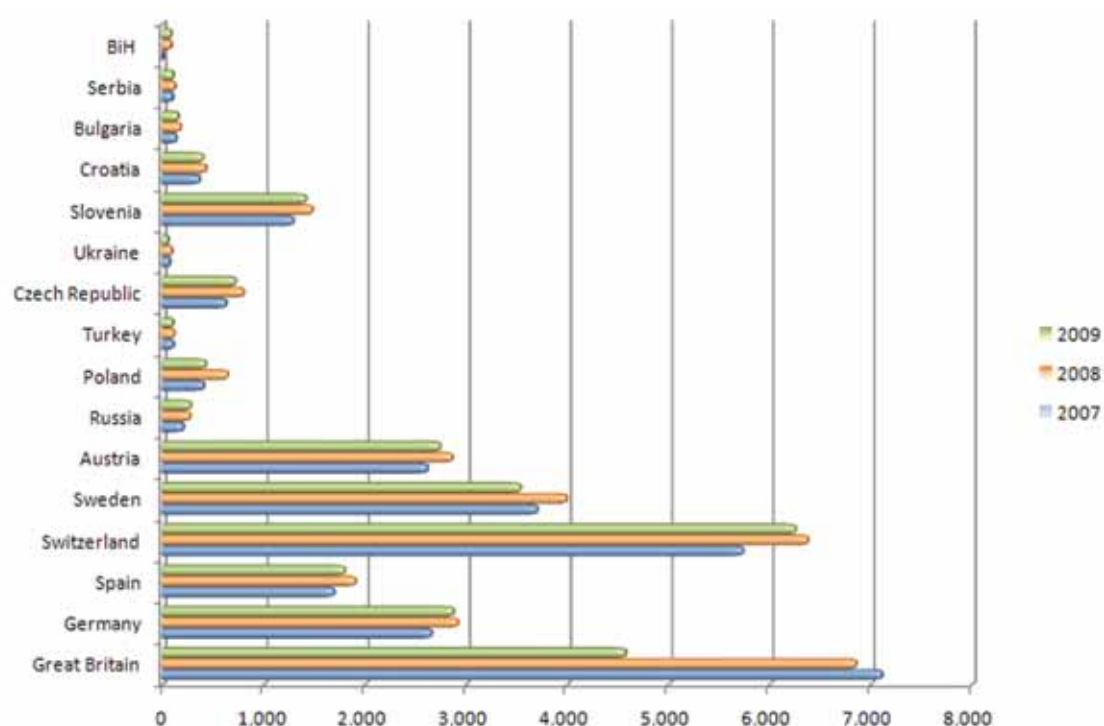
Country	2007			2008			2009		
	Premium (USD mln)	Premium as % of GDP	Premium per capita (in USD)	Premium (USD mln)	Premium as % of GDP	Premium per capita (in USD)	Premium (USD mln)	Premium as % of GDP	Premium per capita (in USD)
Great Britain	463.686	15,70	7.113	450.152	15,70	6.858	309.241	12,90	4.579
Germany	222.825	6,60	2.662	243.085	6,60	2.919	238.366	7,00	2.878
Spain	74.696	5,20	1.699	87.038	5,40	1.909	82.775	5,70	1.802
Switzerland	43.580	10,30	5.740	48.718	9,90	6.379	48.470	9,80	6.258
Sweden	33.646	7,40	3.705	36.432	7,60	3.996	32.768	8,20	3.540
Austria	21.748	5,80	2.620	23.925	5,80	2.866	22.660	6,00	2.743
Russia	29.846	2,40	209	38.778	2,30	274	39.576	2,50	281
Poland	15.626	3,70	411	24.403	4,60	643	16.286	3,80	430
Turkey	8.297	1,70	110	8.807	1,20	116	7.853	1,30	105
Czech Republic	6.419	3,70	631	8.168	3,50	804	7.328	3,90	723
Ukraine	3.469	2,70	75	4.299	2,50	94	2.624	2,10	57
Slovenia	2.592	5,70	1.294	2.971	5,40	1.484	2.895	6,00	1.420
Croatia	1.689	3,30	370	1.960	3,20	431	1.781	2,90	402
Bulgaria	1.064	2,70	139	1.354	2,70	179	1.195	2,50	158
Serbia	766	1,80	103	937	1,90	126	792	1,80	108
BiH	281	1,90	73	334	1,83	86,17	336	1,91	87,50

Dana sources: Swiss Re

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



Premiums per capita for some European countries and BiH



Basic indicators for EU27, neighboring countries and BiH

Basic indicators in 2009	EU 27	Croatia	Serbia	Monte Negro	BiH
Number of Insurance companies	4.755	28	26	11	27
Total Premium (mln euro)	1.001.812	1.282	558	64	234
Life (mln euro)	611.500	339	82	8	36
Premium total per inhabitant (euro)	2.281	290	76	104	61
Life insurance per inhabitant (euro)	1.393	77	11	13	9
Non-life insurance per inhabitant (euro)	889	213	65	91	52
Share of premium in GDP (%)	8,00	2,83	1,80	2,14	1,91

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency, BiH Statistics Agency, National Birou of Insurers of Monte Negro, Institute for Statistics of Monte Negro, Association of Insurers of Croatia, Croatian State Institute for Statistics, Slovenian Insurers Association, National Bank of Serbia, Republic Institute for statistics 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 than in region.

3.5. Total revenue

Total revenue generated in the BIH insurance sector in 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
BiH	462.252.521	100	427.068.073	100	464.803.778	100	502.642.506	100
FBiH	355.061.044	76,81	308.762.324	72,33	342.096.399	73,60	360.872.832	71,80
RS	107.191.477	23,19	118.305.749	27,67	122.707.379	26,40	141.769.674	28,20

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Total revenue for the year 2009 in BiH is 502.642.506 KM, which is for 37.838.728 KM (8,14%) more in comparison to 2008. Insurance companies in FBiH in 2009 achieved the total revenues of 360.872.832 KM, which is increase for 18.776.433 KM (5,49%) when compared to 2008. Insurance companies in RS in 2009 achieved the total revenues of 141.769.674 KM, which is increase for 19.062.295 KM (15,53%) when compared to 2008.

3.6. Reported and Paid Claims

Claims paid in 2008 and 2009

	2008				2009			
	Reported claims	Paid claims		% Paid claims	Reported claims	Paid claims		% Paid claims
	Number	Number	Amount		Number	Number	Amount	
BiH	108.303	88.843	196.885.419	82,03	107.378	87.689	186.835.889	81,66
FBiH	84.103	68.301	157.331.782	81,21	87.644	70.041	146.673.000	79,92
RS	24.200	20.542	39.553.637	84,88	19.734	17.648	40.162.889	89,43

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

The amount total of the damages paid in 2009 is 186.835.889 KM, which is for 5,10% less then the amount of damages paid in 2008. The percentage of the total of the paid in relation to the reported damages (in numbers) in 2009 is 81,66%, which is for 0,37% less then the amount of damages paid in 2008.

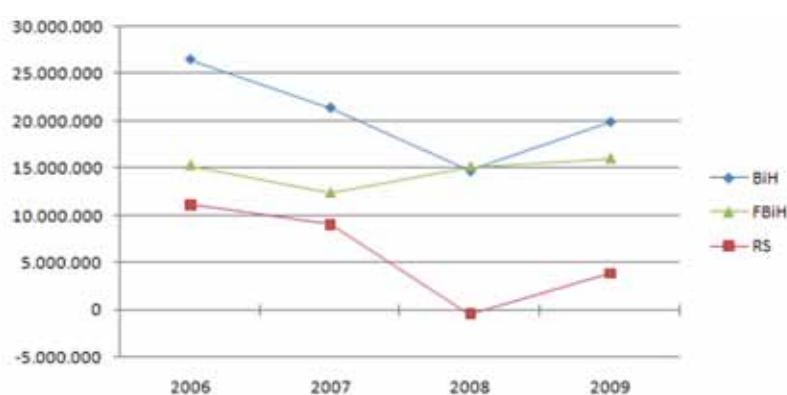
3.7. Profit¹

Sum of the total profit reported in BiH, FBiH and RS for 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)	Profit Growth Index		
									07/06	08/07	09/08
BiH	26.516.220	100	21.436.348	100	14.725.587	100	19.924.458	100	80,84	68,69	135,31
FBiH	15.336.127	57,84	12.397.337	57,80	15.176.691	103,06	16.050.734	80,56	80,84	122,42	105,76
RS	11.180.093	42,16	9.039.011	42,20	-451.104	-3,06	3.873.724	19,44	80,85	-4,99	858,72

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Profit growth trends in BiH, FBiH and RS for 2006, 2007, 2008 and 2009



Total profit in 2009 in BiH amounts to KM 19.924.458 KM which is KM 5.198.871 KM less then in 2008. The profit of the insurance companies in FBiH in 2009 was 16.050.734 KM which is 874.043 KM more then in 2008. Insurance companies in RS in 2009 registered profit in amount 3.873.724 KM which is increase for 858,72 % when compared to the loss in amount of 451.104 KM in 2008.

3.8. Capital

Sum of the total capital in 2006, 2007, 2008 and 2009 (in KM)

	2006	Share (%)	2007	Share (%)	2008	Share (%)	2009	Share (%)
BiH	252.983.239	100	306.292.406	100	332.579.146	100	309.433.774	100
FBiH	183.215.654	72,42	222.523.981	72,65	238.038.463	71,57	218.030.950	70,46
RS	69.767.585	27,58	83.768.425	27,35	94.540.683	28,43	91.402.824	29,54

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency
Data about the profit in this publication express profit before tax.

Total capital in 2009 in BiH amounts to KM 309.433.774 KM which is decrease for KM 23.145.372 (6,96%) in comparison to 2008. The capital in insurance companies in FBiH in 2009 is KM 218.030.950 which is decrease for KM 20.007.513 (8,41%) in comparison to 2008. The capital in insurance companies in RS in 2009 is KM 91.402.824 which is decrease for KM 3.137.859 (3,32%) in comparison to 2008.

3.9. Business performance indicators in 2009

Business performance indicators in 2009 (in KM)

	Premium per employee in insurance company (in KM)	Total revenue per employee in insurance company (in KM)	Dobit po zaposleniku u osiguranju (u KM)	Dobit/kapital (%)	Dobit/ukupni prihod (%)	Isplaćene štete/premija (%)
BiH	133.092	145.863	5.782	6,44	3,96	40,74
FBiH	134.440	143.260	6.372	7,36	4,45	43,31
RS	129.429	152.934	4.179	4,24	2,73	33,47

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

3.10. Educational Structure of employees

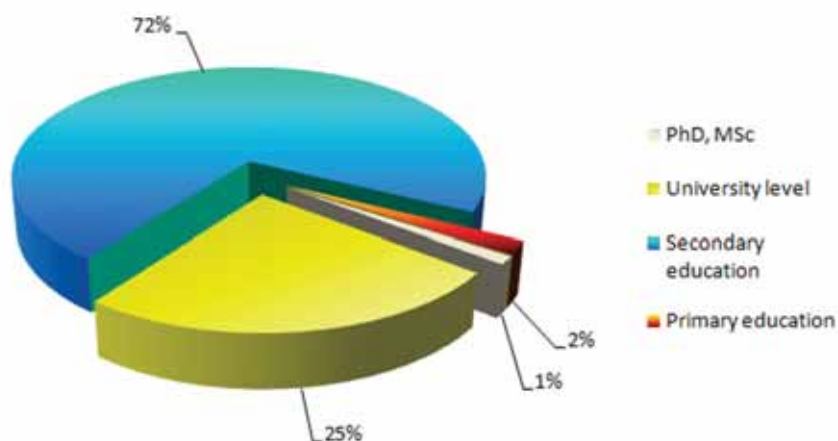
Eudactional structure of employees in insurance sector in BiH 2009

	Actuarial				Total
	PhD, MSc	University level (4-year or 2-year course of studies)	Secondary education	Primary education	
BiH	40	861	2.481	64	3.446
FBiH	22	619	1.824	54	2.519
RS	18	242	657	10	927

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

Unsatisfactory educational structure of the employees in insurance sector creates constant need for the education and training of the existing staff which reaffirmed by the fact that that there is high percent of employees with secondary education (72%). Educational structure of the insurance sector in developed European countries shows the high level of highly educated professionals from social, natural and other fields who can meet all the standards and requirements of modern era including the application of latest information technologies in the field of insurance. Insurance sector in BiH should follow the path of european countries and improve accordingly the educational structure of the employees in order to face succesfully all the challenges on the European way of BiH.

Eudactional structure of employees in insurance sector in BiH 2009





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

annual
report

20**09**

Sarajevo, August 2010

4. Performance Indicators of Companies with registered office (seat) in FBiH and RS

4.1. Premium per Companies

4.1.1. Premium per Companies with the seat in FBiH

Premium per companies with the seat in FBiH (in KM)

Short name of insurance company	Company's premium and share in the total premium per year							
	2006		2007		2008		2009	
	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)
Sarajevo	49.480.340	18,63	52.621.041	17,72	53.688.182	15,99	54.018.566	15,95
BSO*			39.584.959	13,33	46.455.255	13,84	47.514.431	14,03
Euroherc	24.091.584	9,07	28.191.297	9,49	31.781.504	9,47	36.808.856	10,87
Croatia	32.660.228	12,30	34.830.065	11,73	36.991.035	11,02	35.094.199	10,36
Uniqa	21.106.856	7,95	26.641.389	8,97	33.241.974	9,90	31.902.808	9,42
Triglav BH	23.861.923	8,98	29.702.409	10,00	32.559.247	9,70	31.473.916	9,29
VGT	17.616.712	6,63	20.611.133	6,94	24.039.827	7,16	23.213.045	6,85
Grawe	12.611.826	4,75	15.333.768	5,16	17.331.455	5,16	18.219.884	5,38
Merkur BH	6.442.380	2,43	10.386.903	3,50	15.332.190	4,57	17.990.660	5,31
Lido	12.717.135	4,79	13.696.779	4,61	13.519.231	4,03	10.032.047	2,96
Camelija	8.980.601	3,38	9.489.066	3,20	10.300.238	3,07	9.603.315	2,84
ASA			163.172	0,05	4.593.609	1,37	8.346.419	2,46
Hercegovina	8.293.664	3,12	8.390.410	2,83	8.399.486	2,50	7.243.393	2,14
Zovko	6.312.714	2,38	6.358.857	2,14	6.798.895	2,03	6.801.765	2,01
Lok****	1.445.612	0,54	913.334	0,31	700.132	0,21	389.930	0,12
Sunce BiH*	17.444.484	6,57						
Bosna*	15.794.698	5,95						
Bosansko-njemačko**	6.376.358	2,40						
Una-Sana***	366.646	0,14						
TOTAL	265.603.761	100	296.914.582	100	335.732.260	100	338.653.234	100

Data sources: FBiH Insurance Supervisory Agency

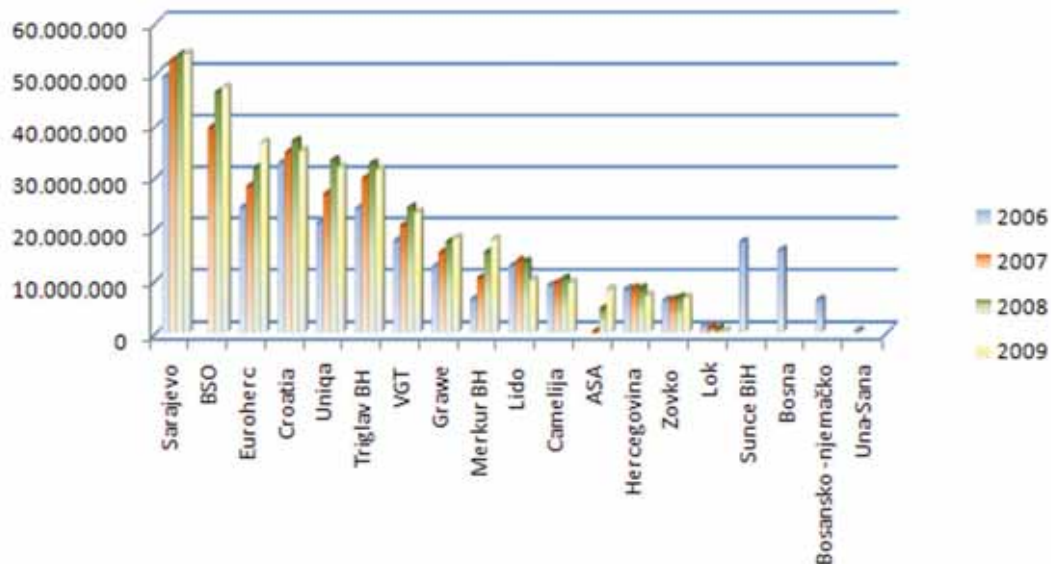
* BSO osiguranje was formed in 2007 as a result of merger of Sunce osiguranje d.d. Sarajevo to the Bosna osiguranje d.d. Sarajevo. The company conduct its business pursuant to the Resolution of the FBiH Insurance Supervision Agency number: 1.0.-021-802/07 and 1.0.-021-802-1/07 from August 9, 2007.

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

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

**** Helios osiguranje d.d. Mostar changed its name into the Lok osiguranje d.d. Sarajevo

Premium per companies with the seat in FBiH



Premiums of insurance companies in FBiH with branches in RS in 2009 (in KM)

Short name of insurance company	Premium			Share (%)		
	Neživotno	Životno	Ukupno	Neživotno	Životno	Ukupno
BSO	3.434.847		3.434.847	45,79	0,00	34,89
Euroherc	2.401.807		2.401.807	32,02	0,00	24,39
Merkur BH	111.735	2.153.001	2.264.736	1,49	91,83	23,00
Uniqa	792.824	168.076	960.900	10,57	7,17	9,76
Croatia	353.257	23.455	376.712	4,71	1,00	3,83
Camelija	285.935		285.935	3,81	0,00	2,90
VGT	58.986		58.986	0,79	0,00	0,60
Sarajevo	61.762		61.762	0,82	0,00	0,63
Total	7.501.153	2.344.532	9.845.685	100	100	100

Data source: FBiH Insurance Supervisory Agency

4.1.2. Premium per Companies with the seat in RS

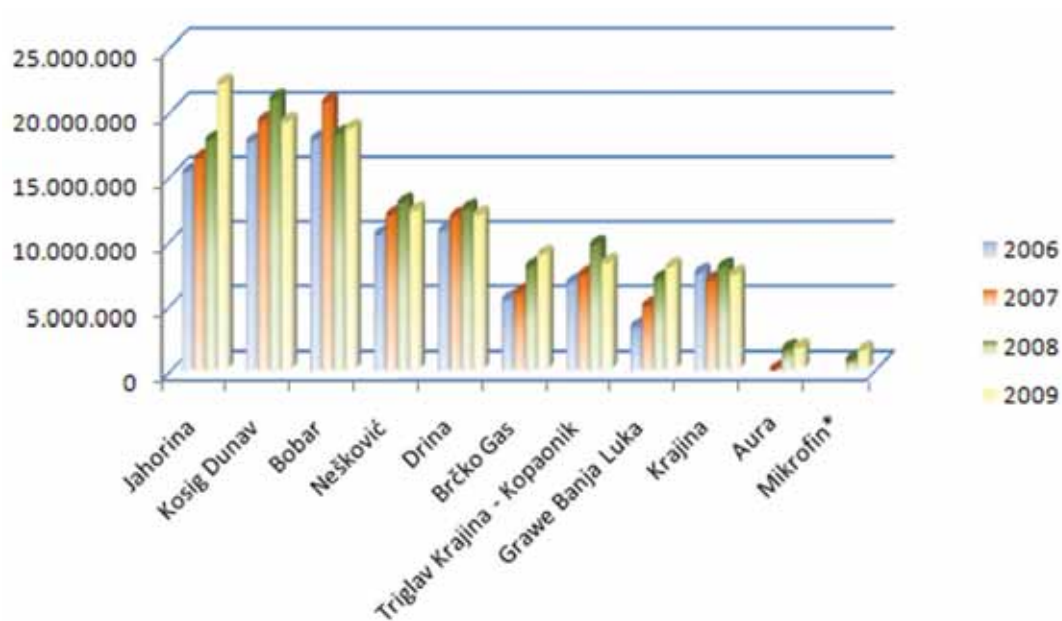
Premium per companies with the seat in RS (in KM)

Short name of insurance company	2006		2007		2008		2009	
	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)
Jahorina	15.308.084	16,12	16.355.251	15,53	17.788.745	15,16	22.160.656	18,47
Kosig Dunav	17.664.754	18,60	19.281.956	18,31	20.993.957	17,89	19.187.007	15,99
Bobar	17.817.531	18,76	20.719.041	19,67	18.232.459	15,54	18.662.036	15,55
Nešković	10.460.009	11,01	11.964.268	11,36	12.916.734	11,01	12.270.446	10,23
Drina	10.783.940	11,35	11.850.756	11,25	12.449.149	10,61	11.958.700	9,97
Brčko Gas	5.441.675	5,73	5.929.765	5,63	7.990.130	6,81	8.903.366	7,42
Triglav Krajina - Kopaonik	6.719.395	7,07	7.312.137	6,94	9.644.604	8,22	8.260.452	6,88
Grawe Banja Luka	3.309.081	3,48	4.937.348	4,69	6.998.819	5,96	7.947.851	6,62
Krajina	7.486.791	7,88	6.893.447	6,55	7.898.259	6,73	7.361.771	6,14
Aura			67.464	0,06	1.631.681	1,39	1.739.437	1,45
Mirkofin*					816.976	0,70	1.528.633	1,27
Total	94.991.260	100	105.311.433	100	117.361.513	100	119.980.355	100

Data sources: 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.

Premiums per companies with seat in RS



Premiums of insurance companies in RS with branches in FBiH in 2009 (in KM)

Short name of insurance company	Premium			Share (%)		
	Non-life	Life	Total	Non-life	Life	Total
Brčko Gas	364.913	0	364.913	38,96	0	38,96
Kosig Dunav	300.493	0	300.493	32,08	0	32,08
Jahorina	192.326	0	192.326	20,53	0	20,53
Drina	55.151	0	55.151	5,89	0	5,89
Bobar	23.830	0	23.830	2,54	0	2,54
Total	936.713	0	936.713	100	0	100

Data sources: RS Insurance Agency

4.2. Life Insurance Premium

4.2.1. Life Insurance Premium in FBiH

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

Short name of Insurance company	Life insurance premium and companies' share in the total premium per year							
	2006		2007		2008		2009	
	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)	Premium	Share (%)
Merkur BH	5.738.717	15,53	10.112.197	20,40	15.037.589	25,51	17.703.115	28,78
Grawe Sarajevo	11.809.003	31,97	15.162.793	30,59	16.849.618	28,59	17.148.078	27,88
Uniqa	6.549.776	17,73	8.644.572	17,44	11.783.573	19,99	12.657.688	20,58
Croatia	5.955.718	16,12	7.082.127	14,29	6.054.025	10,27	6.332.867	10,30
Sarajevo	2.167.201	5,87	2.392.935	4,83	2.577.676	4,37	2.490.533	4,05
Triglav BH	1.146.765	3,10	2.371.257	4,78	2.986.402	5,07	2.140.385	3,48
BSO			1.683.599	3,40	1.877.264	3,18	1.533.414	2,49
Hercegovina	1.513.569	4,10	1.347.542	2,72	1.138.454	1,93	1.116.349	1,81
Lok	910.586	2,46	769.748	1,55	640.004	1,09	389.930	0,63
Sunce BiH	1.149.323	3,11						
TOTAL	36.940.658	100	49.566.770	100	58.944.605	100	61.512.359	100

Data sources: FBiH Insurance Supervisory Agency

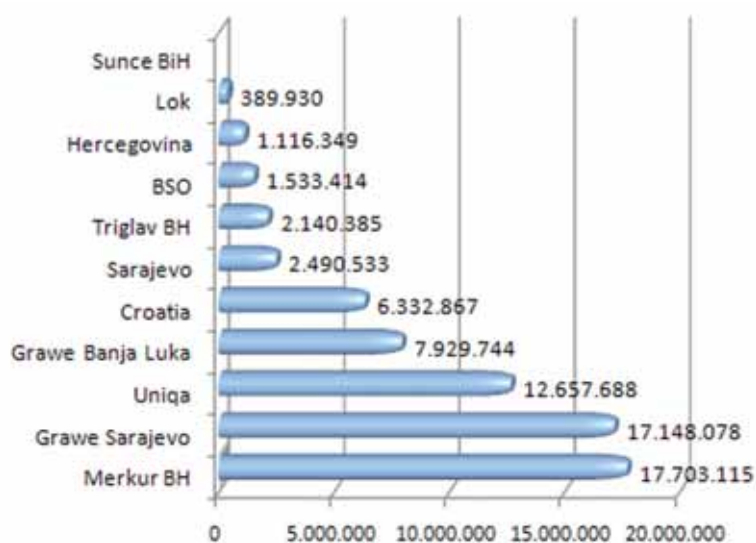
4.2.2. Life Insurance Premium in RS

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

Short name of Insurance company	Life insurance premium per years			
	2006	2007	2008	2009
Grawe Banja Luka	3.003.913	4.937.348	6.993.303	7.929.744
TOTAL	3.003.913	4.937.348	6.993.303	7.929.744

Data sources: RS Insurance Agency

Life insurance premium for companies in total life insurance premium in BiH for 2009



4.3. Total Revenue

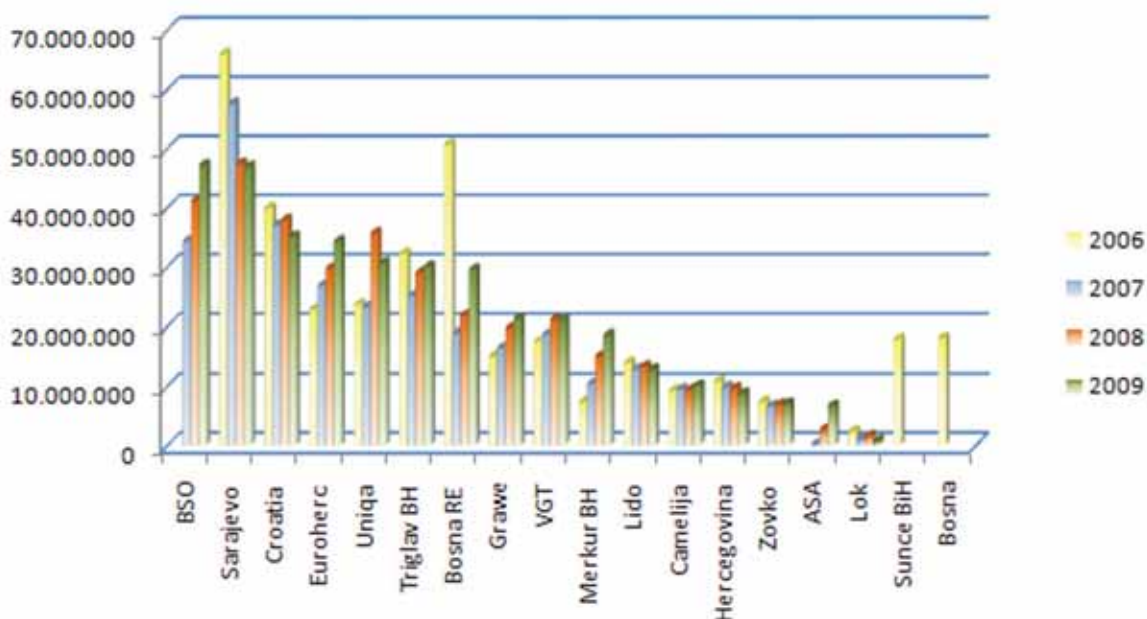
4.3.1. Total revenue for the companies with registered office (seat) in FBiH

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

Short name of Insurance company	Total revenue with companies' respective share per year							
	2006		2007		2008		2009	
	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)
BSO			34.371.744	11,13	41.177.636	12,04	47.148.568	13,07
Sarajevo	65.955.185	18,58	57.552.798	18,64	47.404.717	13,86	46.884.696	12,99
Croatia	39.919.316	11,24	37.022.426	11,99	37.895.348	11,08	35.132.172	9,74
Euroherc	22.802.339	6,42	26.806.992	8,68	29.729.148	8,69	34.343.839	9,52
Uniqa	23.627.946	6,65	23.289.438	7,54	35.673.247	10,43	30.668.225	8,50
Triglav BH	32.219.743	9,07	25.102.190	8,13	29.036.987	8,49	30.038.195	8,32
Bosna RE	50.682.548	14,27	18.889.901	6,12	21.837.640	6,38	29.547.036	8,19
Grawe	15.081.615	4,25	16.471.635	5,33	19.708.674	5,76	21.237.603	5,89
VGT	17.592.558	4,95	18.678.728	6,05	21.082.821	6,16	21.022.633	5,83
Merkur BH	7.350.660	2,07	10.408.059	3,37	15.051.417	4,40	18.627.347	5,16
Lido	13.966.220	3,93	12.912.139	4,18	13.327.453	3,90	12.846.083	3,56
Camelija	9.256.708	2,61	9.540.976	3,09	9.395.421	2,75	10.118.782	2,80
Hercegovina	10.810.902	3,04	9.832.460	3,18	9.629.364	2,81	8.758.023	2,43
Zovko	7.395.189	2,08	6.636.196	2,15	6.875.289	2,01	7.041.238	1,95
ASA			240.215	0,08	2.677.711	0,78	6.700.607	1,86
Lok	2.348.524	0,66	1.006.427	0,33	1.593.526	0,47	757.785	0,21
Sunce BiH	17.937.312	5,05						
Bosna	18.114.279	5,10						
TOTAL	355.061.044	100	308.762.324	100	342.096.399	100	360.872.832	100

Data sources: FBiH Insurance Supervisory Agency

Total revenue for companies with the seat in FBiH



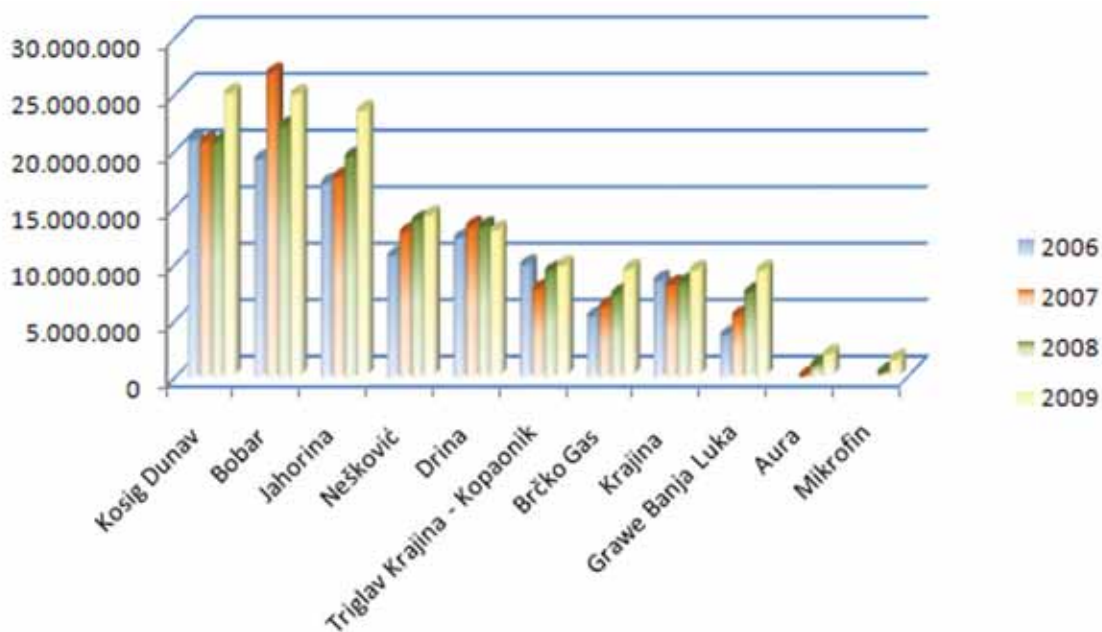
4.3.2. Total revenue for companies with seat in RS

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

Short name of Insurance company	2006		2007		2008		2009	
	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)
Kosig Dunav	20.848.187	19,45	20.699.353	17,50	20.679.587	16,85	25.001.938	17,64
Bobar	19.182.015	17,90	26.786.952	22,64	22.102.971	18,01	24.897.340	17,56
Jahorina	17.062.616	15,92	17.593.844	14,87	19.410.138	15,82	23.485.704	16,57
Nešković	10.663.807	9,95	12.706.855	10,74	13.731.522	11,19	14.195.644	10,01
Drina	12.168.394	11,35	13.234.686	11,19	13.176.211	10,74	12.891.604	9,09
Triglav Krajina - Kopaonik	9.859.883	9,20	7.678.612	6,49	9.273.823	7,56	9.763.430	6,89
Brčko Gas	5.318.252	4,96	6.196.389	5,24	7.275.325	5,93	9.435.157	6,66
Krajina	8.460.323	7,89	8.031.987	6,79	8.254.998	6,73	9.356.566	6,60
Grawe Banja Luka	3.628.000	3,38	5.368.873	4,54	7.416.865	6,04	9.347.802	6,59
Aura			8.198	0,01	1.044.078	0,85	1.907.784	1,35
Mikrofin					341.861	0,28	1.486.705	1,05
TOTAL	107.191.477	100	118.305.749	100	122.707.379	100	141.769.674	100

Data sources: 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 FBIH

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

Short name of Insurance company	2008				2009			
	Reported claims	Claims paid		%Paid claims	Reported claims	Claims paid		%Paid claims
	Number	Number	Value		Number	Number	Value	
ASA	480	270	504.578	56,25	2.086	1.632	2.868.698	78,24
Bosna - Sunce	12.094	9.895	20.502.292	81,82	13.528	10.517	22.773.213	77,74
Camelija	2.729	2.161	5.193.570	79,19	2.633	2.028	4.693.720	77,02
Croatia	8.848	7.775	35.384.706	87,87	8.623	7.684	19.402.448	89,11
Euroherc	8.133	7.219	13.732.030	88,76	9.002	6.912	15.033.396	76,78
Grawe	1.033	893	2.807.958	86,45	1.481	1.250	4.776.387	84,40
Hercegovina	2.325	1.804	3.838.212	77,59	2.264	1.418	3.010.713	62,63
Lido	4.449	3.173	5.866.100	71,32	3.780	2.830	5.703.674	74,87
Lok	55	25	120.181	45,45	33	27	30.419	81,82
Merkur BH	735	548	1.192.916	74,56	890	687	1.297.175	77,19
Sarajevo	19.763	14.628	32.097.317	74,02	18.764	14.544	29.698.633	77,51
Triglav BH	8.606	7.896	12.147.480	91,75	9.214	8.132	13.571.809	88,26
Uniq	5.331	4.720	9.510.062	88,54	5.701	5.015	9.409.844	87,97
VGT	7.421	5.720	11.099.726	77,08	7.578	5.802	11.133.440	76,56
Zovko	2.101	1.574	3.334.654	74,92	2.067	1.563	3.269.431	75,62
TOTAL	84.103	68.301	157.331.782	81,21	87.644	70.041	146.673.000	79,92

Data sources: FBIH Insurance Supervisory Agency

4.4.2. Claims paid by companies with the seat in RS

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

Short name of Insurance company	2008				2009			
	Reported claims	Claims paid		%Paid claims	Reported claims	Claims paid		%Paid claims
	Number	Number	Value		Number	Number	Value	
Bobar	4.643	3.760	8.020.863	80,98	3.540	3.343	7.207.256	94,44
Brčko Gas	1.123	980	2.752.913	87,27	1.134	1.033	3.178.938	91,09
Drina	1.991	1.609	3.977.598	80,81	1.607	1.518	4.919.755	94,46
Grawe osiguranje	229	186	507.235	81,22	447	394	928.270	88,14
Jahorina	4.955	4.214	6.101.154	85,05	4.197	3.513	6.362.553	83,70
Kosig Dunav	5.071	4.663	7.590.222	91,95	3.624	3.272	6.703.752	90,29
Krajina	1.953	1.766	2.897.622	90,42	1.477	1.282	2.814.169	86,80
Mikrofin	36	26	69.354	72,22	209	172	304.059	82,30
Nešković	2.146	1.749	4.051.474	81,50	1.716	1.550	4.015.273	90,33
Aura	63	58	96.331	92,06	219	195	375.687	89,04
Triglav Krajina -Kopaonik	1.990	1.531	3.488.870	76,93	1.564	1.376	3.353.176	87,98
TOTAL	24.200	20.542	39.553.636	84,88	19.734	17.648	40.162.888,69	89,43

Data sources: RS Insurance Agency

4.5. Profit²

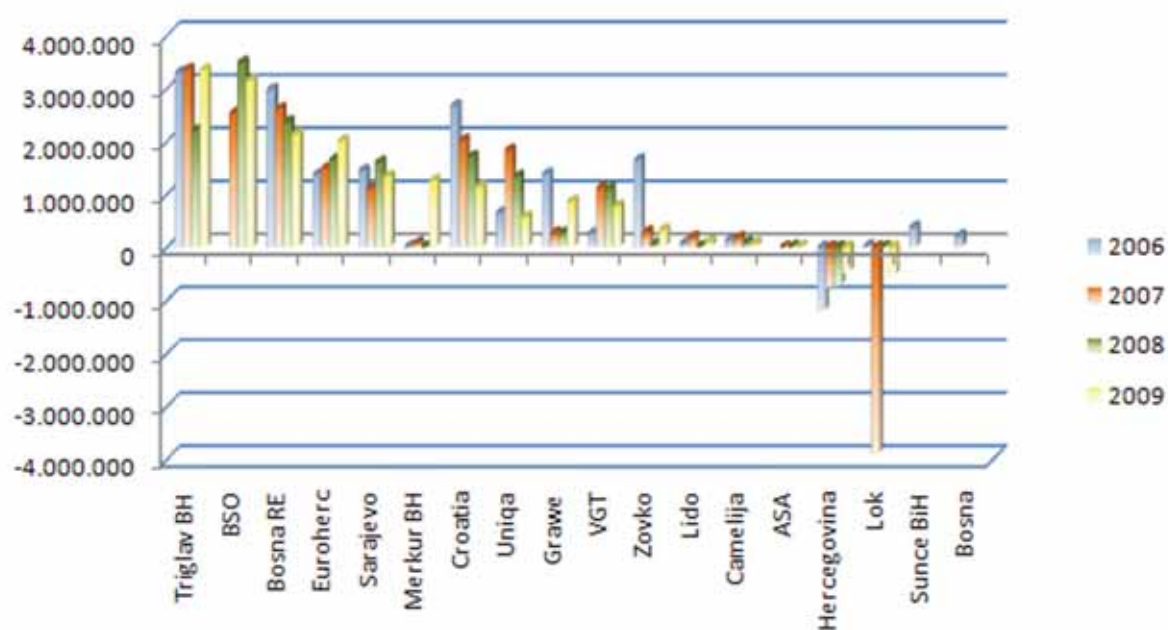
4.5.1. Profit for companies with the seat in FBiH

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

Short name of the insurance company	Companies' profit per year			
	2006	2007	2008	2009
Triglav BH	3.295.729	3.348.470	2.205.865	3.343.410
BSO		2.526.025	3.486.356	3.141.675
Bosna RE	2.972.310	2.607.935	2.361.571	2.127.353
Euroherc	1.371.738	1.482.730	1.653.177	2.001.802
Sarajevo	1.443.999	1.108.815	1.601.039	1.329.860
Merkur BH	13.200	75.221	9.211	1.254.270
Croatia	2.666.975	2.016.313	1.702.439	1.138.731
Uniqa	652.509	1.826.429	1.332.720	568.917
Grawe	1.378.402	264.928	271.532	858.065
VGT	264.016	1.120.906	1.094.372	772.576
Zovko	1.647.159	284.113	60.053	321.923
Lido	78.359	182.892	17.857	98.662
Camelija	136.584	175.324	83.099	71.239
ASA		5.354	10.491	16.854
Hercegovina	-1.199.195	-742.052	-719.508	-461.087
Lok	25.081	-3.886.066	6.417	-533.516
Sunce BiH	375.459			
Bosna	213.802			
TOTAL	15.336.127	12.397.337	15.176.691	16.050.734

Data source: FBiH Insurance Supervisory Agency

Profit for the companies with seat in FBiH



² The profit figures presented herein refer to profit before tax.

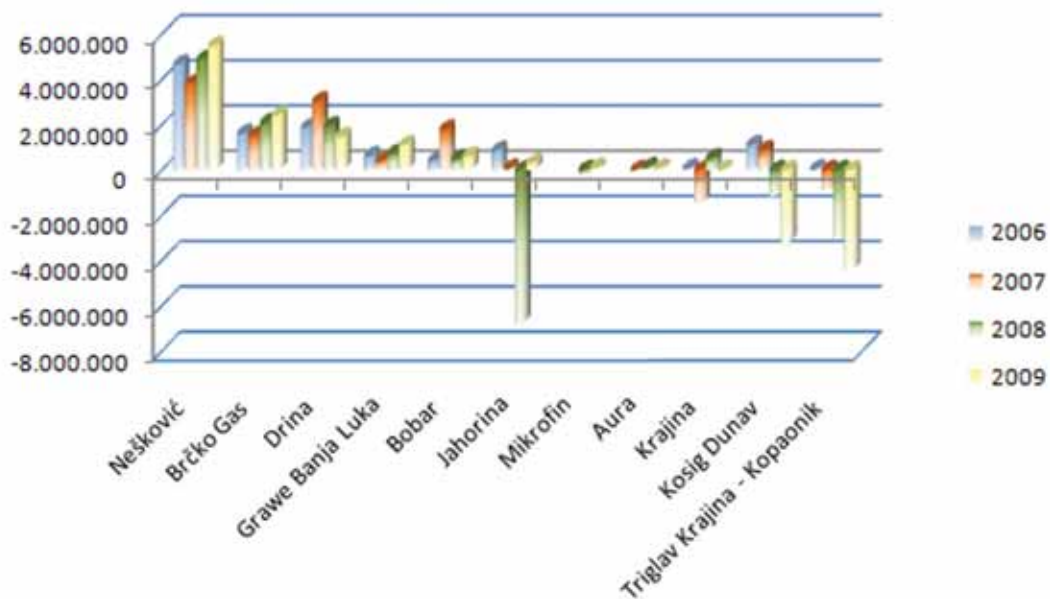
4.5.2. Profit for companies with the seat in RS³

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

Short name of insurance company	Companies' profit per year			
	2006	2007	2008	2009
Nešković	4.664.032	3.802.551	4.884.374	5.468.462
Brčko Gas	1.598.294	1.513.772	2.085.489	2.398.819
Drina	1.867.017	3.018.641	1.920.252	1.452.404
Grawe Banja Luka	609.000	394.659	726.399	1.095.649
Bobar	409.439	1.780.767	483.487	589.810
Jahorina	840.979	47.750	-6.757.285	313.082
Mikrofin			-235.952	96.612
Aura		-39.286	123.181	61.153
Krajina	65.530	-1.447.874	515.013	10.524
Kosig Dunav	1.097.586	860.561	-1.126.203	-3.207.974
Triglav Krajina -Kopaonik	28.216	-892.530	-3.069.859	-4.404.817
TOTAL	11.180.093	9.039.011	-451.104	3.873.724

Data sources: RS Insurance Agency

Profit for the companies with seat in RS



³ The profit figures presented herein refer to profit before tax.

4.6. Capital

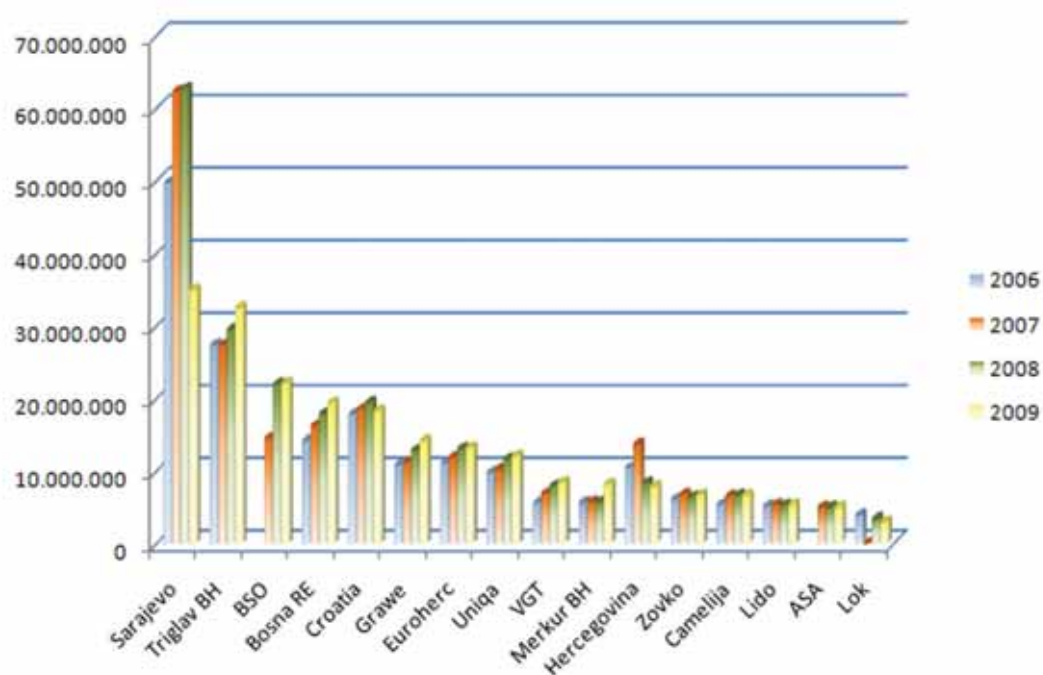
4.6.1. Capital for companies with the seat in FBiH

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

Short name of insurance company	2006		2007		2008		2009	
	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)
Sarajevo	49.745.927	27,15	62.327.971	28,01	62.704.546	26,34	34.960.904	16,03
Triglav BH	27.372.062	14,94	27.352.722	12,29	29.558.587	12,42	32.540.786	14,92
BSO			14.551.576	6,54	21.994.555	9,24	22.099.696	10,14
Bosna RE	14.206.318	7,75	16.243.026	7,30	17.894.434	7,52	19.388.520	8,89
Croatia	17.845.289	9,74	18.548.450	8,34	19.459.458	8,17	18.302.800	8,39
Grawe	10.828.563	5,91	11.189.445	5,03	12.861.866	5,40	14.185.818	6,51
Euroherc	11.092.106	6,05	11.934.026	5,36	13.078.680	5,49	13.183.367	6,05
Uniqa	9.783.156	5,34	10.270.960	4,62	11.637.344	4,89	12.089.386	5,54
VGT	5.588.976	3,05	6.884.002	3,09	7.978.374	3,35	8.449.299	3,88
Merkur BH	5.644.203	3,08	5.719.424	2,57	5.728.630	2,41	8.198.774	3,76
Hercegovina	10.437.384	5,70	13.704.263	6,16	8.341.480	3,50	7.880.393	3,61
Zovko	6.110.160	3,33	6.821.680	3,07	6.416.959	2,70	6.704.965	3,08
Camelija	5.420.591	2,96	6.562.866	2,95	6.645.964	2,79	6.674.173	3,06
Lido	5.186.103	2,83	5.339.466	2,40	5.260.943	2,21	5.339.267	2,45
ASA			5.005.354	2,25	5.015.845	2,11	5.029.321	2,31
Lok	3.954.816	2,16	68.750	0,03	3.460.798	1,45	3.003.481	1,38
TOTAL	183.215.654	100	222.523.981	100	238.038.463	100	218.030.950	100

Data source: FBiH Insurance Supervisory Agency

Capital for the companies with the seat in FBiH



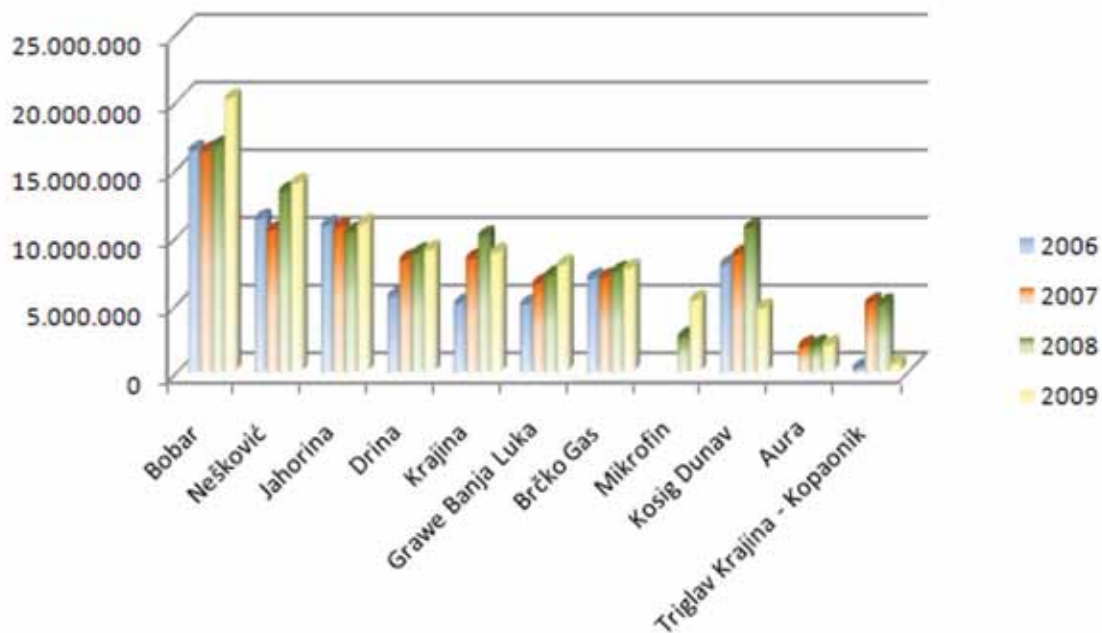
4.6.2. Capital for companies with the seat in RS

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

Short name of insurance company	2006		2007		2008		2009	
	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)	Capital	Share (%)
Bobar	16.400.333	23,51	16.345.870	19,51	16.785.805	17,76	20.224.454	22,13
Nešković	11.332.928	16,24	10.488.195	12,52	13.379.849	14,15	13.985.963	15,30
Jahorina	10.878.219	15,59	10.727.465	12,81	10.404.572	11,01	10.959.128	11,99
Drina	5.652.614	8,10	8.360.644	9,98	8.815.995	9,33	9.043.845	9,89
Krajina	5.126.208	7,35	8.445.099	10,08	10.076.646	10,66	8.852.563	9,69
Grawe Banja Luka	5.071.000	7,27	6.584.394	7,86	7.194.061	7,61	7.941.991	8,69
Brčko Gas	6.960.790	9,98	7.006.173	8,36	7.460.693	7,89	7.672.284	8,39
Mikrofin					2.639.445	2,79	5.335.821	5,84
Kosig Dunav	7.982.163	11,44	8.719.794	10,41	10.687.757	11,30	4.690.978	5,13
Aura			1.960.714	2,34	2.035.642	2,15	2.040.397	2,23
Triglav Krajina -Kopaonik	363.330	0,52	5.130.077	6,12	5.060.218	5,35	655.400	0,72
	0,72	100	83.768.425	100	94.540.683	100	91.402.824	100
TOTAL	69.767.585	100	83.768.425	100	94.540.683	100	91.402.824	100

Data sources: RS Insurance Agency

Capital for the companies with the seat in RS



4.7. Business Performance Indicators

4.7.1. Business Performance Indicators for the companies in FBiH

Business performance indicators for companies with the seat in FBiH in 2009 (in KM)

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	78.004	62.622	158	0,34	0,25	34,37
BSO	192.366	190.885	12.719	14,22	6,66	47,93
Camelija	80.028	84.323	594	1,07	0,70	48,88
Croatia	184.706	184.906	5.993	6,22	3,24	55,29
Euroherc	174.450	162.767	9.487	15,18	5,83	40,84
Grawe	114.590	133.570	5.397	6,05	4,04	26,22
Hercegovina	87.270	105.518	-5.555	-5,85	-5,26	41,56
Lido	67.329	86.215	662	1,85	0,77	56,85
Lok	55.704	108.255	-76.217	-17,76	-70,40	7,80
Merkur BH	946.877	980.387	66.014	15,30	6,73	7,21
Sarajevo	118.203	102.592	2.910	3,80	2,84	54,98
Triglav BH	119.673	114.214	12.713	10,27	11,13	43,12
Uniqa	200.647	192.882	3.578	4,71	1,86	29,50
VGT	101.367	91.802	3.374	9,14	3,67	47,96
Zovko	72.359	74.907	3.425	4,80	4,57	48,07

Data sources: FBiH Insurance Supervisory Agency

4.7.2. Business performance indicators for the companies in RS

Business performance indicators for companies with the seat in RS 2009 (in KM)

Short name of insurance 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	282.758	377.232	8.937	2,92	2,37	38,62
Brčko Gas	102.338	108.450	27.573	31,27	25,42	35,70
Drina	147.638	159.156	17.931	16,06	11,27	41,14
Grawe Banja Luka	1.324.642	1.557.967	182.608	13,80	11,72	11,68
Jahorina	107.056	113.458	1.512	2,86	1,33	28,71
Kosig Dunav	94.054	122.559	-15.725	-68,39	-12,83	34,94
Triglav Krajina - Kopaonik	107.279	126.798	-57.205	-672,08	-45,12	40,59
Krajina	85.602	108.797	122	0,12	0,11	38,23
Mikrofin	101.909	99.114	6.441	1,81	6,50	19,89
Nešković	157.313	181.995	70.108	39,10	38,52	32,72
Aura	86.972	95.389	3.058	3,00	3,21	21,60

Data sources: RS Insurance Agency

4.8. Ranking of the Insurance Companies

4.8.1. Ranking of Insurance Companies as per amount of total premium

Ranking of the insurance companies as per amount of the total premium in 2009

Short name of insurance company	2009		2008		Indeks 09/08
	Rank	Premium	Rank	Premium	
Sarajevo	1	54.018.566	1	53.688.182	100,62
Bosna - Sunce	2	47.514.431	2	46.455.255	102,28
Euroherc	3	36.808.856	6	31.781.504	115,82
Croatia	4	35.094.199	3	36.991.035	94,87
Uniqa	5	31.902.808	4	33.241.974	95,97
Triglav BH	6	31.473.916	5	32.559.247	96,67
VGT	7	23.213.045	7	24.039.827	96,56
Jahorina	8	22.160.656	10	17.788.745	124,58
Kosig Dunav	9	19.187.007	8	20.993.957	91,39
Bobar	10	18.662.036	9	18.232.459	102,36
Grawe Sarajevo	11	18.219.884	11	17.331.455	105,13
Merkur BH	12	17.990.660	12	15.332.190	117,34
Nešković	13	12.270.446	14	12.916.734	95,00
Drina	14	11.958.700	15	12.449.149	96,06
Lido	15	10.032.047	13	13.519.231	74,21
Camelija	16	9.603.315	16	10.300.238	93,23
Brčko Gas	17	8.903.366	19	7.990.130	111,43
ASA	18	8.346.419	23	4.593.609	181,70
Triglav Krajina - Kopaonik	19	8.260.452	17	9.644.604	85,65
Grawe Banja Luka	20	7.947.851	21	6.998.819	113,56
Hercegovina	21	7.243.393	18	8.399.486	86,24
Krajina	22	7.361.771	20	7.898.259	93,21
Zovko	23	6.801.765	22	6.798.895	100,04
Aura	24	1.739.437	24	1.631.681	106,60
Mikrofin	25	1.528.633	25	816.976	187,11
LOK	26	389.930	26	700.132	55,69
TOTAL		458.633.589		453.093.773	101,22

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

4.8.2. Ranking of Insurance Companies as per amount of claims paid

Ranking of insurance companies as per amount of claims paid in 2009

Short name of insurance company	2009		2008		Indeks 09/08
	Rank	Premium	Rank	Premium	
Sarajevo	1	29.698.633	2	32.097.317	92,53
Bosna - Sunce	2	22.773.213	3	20.502.292	111,08
Croatia	3	19.402.448	1	35.384.706	54,83
Euroherc	4	15.033.396	4	13.732.030	109,48
Triglav BH	5	13.571.809	5	12.147.480	111,73
VGT	6	11.133.440	6	11.099.726	100,30
Uniqa	7	9.409.844	7	9.510.062	98,95
Bobar	8	7.207.256	8	8.020.862	89,86
Kosig Dunav	9	6.703.752	9	7.590.222	88,32
Jahorina	10	6.362.553	10	6.101.154	104,28
Lido	11	5.703.674	11	5.866.100	97,23
Drina	12	4.919.755	14	3.977.598	123,69
Grawe Sarajevo	13	4.776.387	19	2.807.958	170,10
Camelija	14	4.693.720	12	5.193.570	90,38
Nešković	15	4.015.273	13	4.051.474	99,11
Triglav Krajina - Kopaonik	16	3.353.176	16	3.488.870	96,11
Zovko	17	3.269.431	17	3.334.654	98,04
Brčko Gas	18	3.178.938	20	2.752.913	115,48
Hercegovina	19	3.010.713	15	3.838.212	78,44
ASA	20	2.868.698	23	504.578	568,53
Krajina	21	2.814.169	18	2.897.622	97,12
Merkur BH	22	1.297.175	21	1.192.916	108,74
Grawe Banja Luka	23	928.270	22	507.235	183,01
Aura	24	375.687	25	96.331	390,00
Mikrofin	25	304.059	26	69.354	438,42
LOK	26	30.419	24	120.181	25,31

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

4.8.3. Ranking of Insurance Companies according to relation between the amount of claims paid and total premium

Ranking of the insurance companies according to relation between the amount of claims paid and total premium in 2009

Short name of insurance company	2009		2008	
	Rank	Claims paid/ total premium	Rank	Claims paid/ total premium
Lido	1	56,85	9	43,39
Croatia	2	55,29	1	95,66
Sarajevo	3	54,98	2	59,78
Camelija	4	48,88	3	50,42
Zovko	5	48,07	4	49,05
VGT	6	47,96	5	46,17
Bosna-Sunce	7	47,93	7	44,13
Triglav BH	8	43,12	11	37,31
Hercegovina	9	41,56	6	45,70
Drina	10	41,14	17	31,95
Euroherc	11	40,84	10	43,21
Triglav Krajina - Kopaonik	12	40,59	13	36,17
Bobar	13	38,62	8	43,99
Krajina	14	38,23	12	36,69
Brčko Gas	15	35,70	15	34,45
Kosig Dunav	16	34,94	14	36,15
ASA	17	34,37	22	10,98
Nešković	18	32,72	18	31,37
Uniq	19	29,50	19	28,61
Jahorina	20	28,71	16	34,30
Grawe Sarajevo	21	26,22	21	16,20
Aura	22	21,60	26	5,90
Mikrofin	23	19,89	23	8,49
Grawe Banja Luka	24	11,68	25	7,25
LOK	25	7,80	20	17,17
Merkur BH	26	7,21	24	7,78

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

4.8.4. Ranking of the insurance companies as per the Amount of Profit

Ranking of the insurance companies as per the amount of profit (before tax) in 2009

Short name of insurance company	2009		2008	
	Rank	Profit	Rank	Profit
Nešković	1	5.468.462	1	4.884.374
Triglav BH	2	3.343.410	4	2.205.865
Bosna - Sunce	3	3.141.675	2	3.486.356
Brčko Gas	4	2.398.819	5	2.085.489
Bosna RE	5	2.127.353	3	2.361.571
Euroherc	6	2.001.802	8	1.653.177
Drina	7	1.452.404	6	1.920.252
Sarajevo	8	1.329.860	9	1.601.039
Merkur BH	9	1.254.270	21	9.211
Croatia	10	1.138.731	7	1.702.439
Grawe Sarajevo	11	1.095.649	12	726.399
Grawe Banja Luka	12	858.065	15	271.532
VGT	13	772.576	11	1.094.372
Bobar	14	589.810	14	483.487
Uniqa	15	568.917	10	1.332.720
Zovko	16	321.923	18	60.053
Jahorina	17	313.082	27	-6.757.285
Lido	18	98.662	19	17.857
Mikrofin	19	96.612	23	-235.952
Camelija	20	71.239	17	83.099
Aura	21	61.153	16	123.181
ASA	22	16.854	20	10.491
Krajina	23	10.524	13	515.013
Hercegovina	24	-461.087	24	-719.508
LOK	25	-533.516	22	6.417
Kosig Dunav	26	-3.207.974	25	-1.126.203
Triglav Krajina - Kopaonik	27	-4.404.817	26	-3.069.859
TOTAL		19.924.458		14.725.587

Data sources: FBiH Insurance Supervisory Agency, RS Insurance Agency

4.9. Educational Structure of employees

4.9.1. Educational Structure of Employees in Companies in FBiH

Educational Structure of employees in companies with the seat in FBiH at the end of 2009

Short name of insurance company	Education level – title				Total
	PhD, MSc	University level (4-year or 2-year course of studies)	Secondary education	Primary education	
Sarajevo	6	110	322	19	457
Triglav BH	1	73	186	3	263
BSO	2	57	176	12	247
VGT	2	59	165	3	229
Euroherc	1	60	142	8	211
Croatia	2	77	107	4	190
Grawe	2	19	138		159
Uniqa	2	19	138		159
Lido		35	113	1	149
Camelija		17	101	2	120
ASA	3	22	82		107
Zovko		14	80		94
Hercegovina		29	54		83
Bosna RE	1	12	10	2	25
Merkur BH		12	7		19
Lok		4	3		7
TOTAL	22	619	1.824	54	2.519

Data sources: FBiH Insurance Supervisory Agency

4.9.2. Educational Structure of Employees in Companies in RS

Educational Structure of employees in companies with the seat in RS at the end of 2009

Short name of insurance company	Education level – title				Total
	PhD, MSc	University level (4-year or 2-year course of studies)	Secondary education	Primary education	
Jahorina	8	49	150		207
Kosig Dunav	3	56	141	4	204
Brčko Gas	1	13	73		87
Krajina		13	72	1	86
Drina	2	23	55	1	81
Nešković	2	21	52	3	78
Triglav Krajina - Kopaonik	1	23	53		77
Bobar	1	27	37	1	66
Aura		3	17		20
Mikrofin		10	5		15
Grawe Banja Luka		4	2		6
TOTAL	18	242	657	10	927

Data sources: RS Insurance Agency



ADDENDUM I.

Institutions and Organizations in Insurance Sector in BiH

annual
report

20**09**

Sarajevo, August 2010

Institutions and Organizations in Insurance Sector in BiH

4.1 Insurance Agency of Bosnia and Herzegovina

Address/Head Office: Obala Kulina bana street no.4/II, 71000 Sarajevo

Telephone, fax, e-mail, web:

387 (0) 33 554 795; +387 (0) 33 554 796; azobih@azobih.gov.ba; www.azobih.gov.ba

BIH Insurance Agency was established by the Law on the BIH Insurance Agency ("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).

The members of the Management Bord of the Insurance Agency in BiH are:

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

4.2 Institutions Responsible for Regulation and Supervision on Entity Level

4.2.1 FBIH Insurance Supervisory Agency

Address/Head Office: Dolina street no.8/II, 71000 Sarajevo

Telephone, fax, e-mail, web:

Tel/fax: +387 (0) 33 443 292; nados@bih.net.ba; www.nados.ba

FBIH Insurance Supervisory Agency 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.

4.2.2 RS Insurance Agency

Address/seat: Bana Milosavljevića 8/II, 78000 Banja Luka

Telephone, fax, e-mail, web:

+387 (0) 51 228 910, azors.kabinet@blic.net; www.azors.org

The RS Insurance Agency 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:

RS Insurance 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.

4.3 Insurance Protection Funds

4.3.1. FBIH Protection Fund

Address/seat: Vilsonovo šetalište 10, 71000 Sarajevo

Telephone, fax, e-mail, web:

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

FBIH Protection Fund was set up on July 22, 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 abovementioned 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.

4.3.2. RS Protection Fund

Address/seat: 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 April 28, 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.

4.4 Associations Operating on the BIH Insurance Market

4.4.1 BIH Green Card Bureau

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

Telephone, fax, e-mail, web:

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

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

The BIH Green Card Bureau 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.

4.4.2 Association of Insurance Companies in Federation of Bosnia and Herzegovina

Address/seat: Dolina street no 8, 71000 Sarajevo

Telephone, fax, e-mail, web:

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

Association of Insurance Companies in FBiH has been founded in November 28, 2006.

According to the Statute of Association, the bodies of Associations are: President of the Assembly and General Secretary.

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.

4.4.3 RS Insurers Association

Address/Head Office: Kneza Miloša 15, 78 000 Banja Luka

Telephone, fax, e-mail, web:

065/637-000, fax 051/310-533, sasa.micic@profinova.net

The RS Insurers Association was founded on June 12, 2008. The RS Insurers 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.

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.

4.4.4 BIH Actuarial Association

Address/Head Office: Dolina street no. 8, 71000 Sarajevo

Telephone, fax, e-mail, web:

info@aktuari.ba; www.aktuari.ba;

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 forty-three 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 Reinsurance Companies in BiH¹

annual
report

20**09**

Sarajevo, August 2010

¹ In this addendum, the data source for companies with the seat in FBiH and RS are Insurance Supervisory Agency and RS Insurance Agency respectively.

ASA OSIGURANJE d.d. Sarajevo

Address/registered office: Bulevar Meše Selimovića no. 16, Sarajevo

Telephone, fax, e-mail, web:

+387 (0)33 774 730; +387 (0)33 744 733; info@asa-osiguranje.ba; www.asa-osiguranje.ba;

Number of employees, number of branches:

Company had 107 employees as of December 31, 2009, and it performs business activities in seven branches.

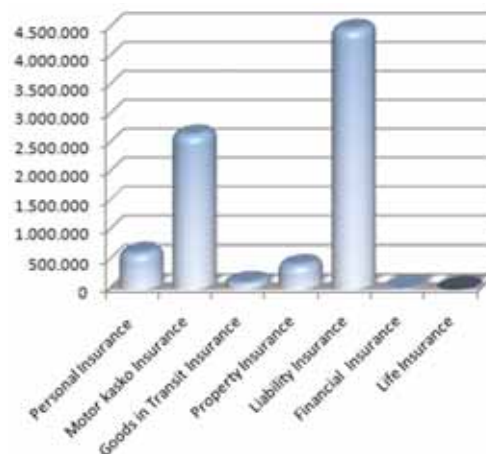
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	628.715	7,53
Motor kasko Insurance	2.655.830	31,82
Goods in Transit Insurance	126.312	1,51
Property Insurance	430.246	5,15
Liability Insurance	4.481.720	53,70
Financial Insurance	23.596	0,28
Life Insurance	0	0,00
Total premium	8.346.419	100,00

Premium per insurance group in 2009 (in KM)



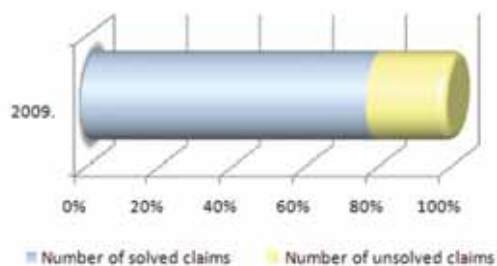
Damages (Claims):

- Number of reported claims in 2009: 2.086
- Number of paid claims in 2009: 1.632 (78,24%)

Damages solved in 2009 (total): 2.868.698

- Non-life insurance 2.868.698
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Emir Ahmetagić

Director of Company:

mr. Nedim Gavranović

BOBAR OSIGURANJE a.d. Bijeljina

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

Telephone, fax, e-mail, web:

+387 (0)55 233 100; +387 (0)55 247 916; office@bobar.com; www.bobarosiguranje.com

Number of employees, number of branches:

Company had 66 employees as of December 31, 2009, and it performs business activities in nine branches.

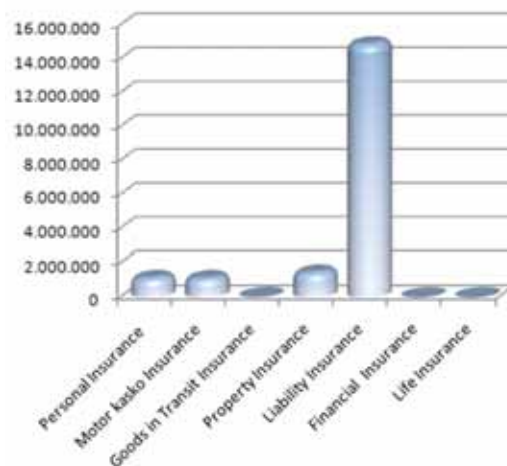
Shareholders' structure at the end of 2009:

- local entities 99,25%
- foreign entities 0,75%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Udio u ukupnoj premiji (%)
Personal Insurance	1.140.601	6,11
Motor kasko Insurance	1.138.289	6,10
Goods in Transit Insurance	26.423	0,14
Property Insurance	1.468.432	7,87
Liability Insurance	14.884.078	79,76
Financial Insurance	4.214	0,02
Life Insurance	0	0,00
Total premium	18.662.036	100,00

Premium per insurance group in 2009 (in KM)



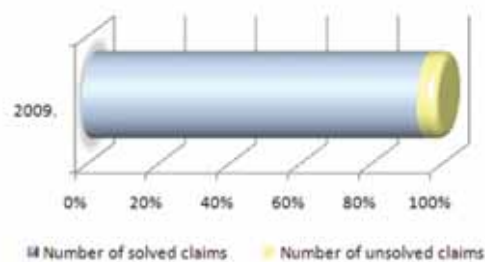
Damages (Claims):

- Number of reported claims in 2009: 3.540
- Number of paid claims in 2009: 3.343 (94,44%)

Damages solved in 2009 (total): 7.207.256

- Non-life insurance 7.207.256
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Management Board:

Darko Jeremić

Chairman of Supervisory Board:

Drago Đukanović

Director of Company:

Veroljub Janjić

BOSNA - SUNCE OSIGURANJE d.d. Sarajevo

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

Telephone, fax, e-mail, web:

+387 (0)33 755 450; +387 (0)33 755 490; uprava@bosna-sunce.ba; www.bosna-sunce.ba

Number of employees, number of branches:

Company had 247 employees as of December 31, 2009, and it performs business activities in nine branches.

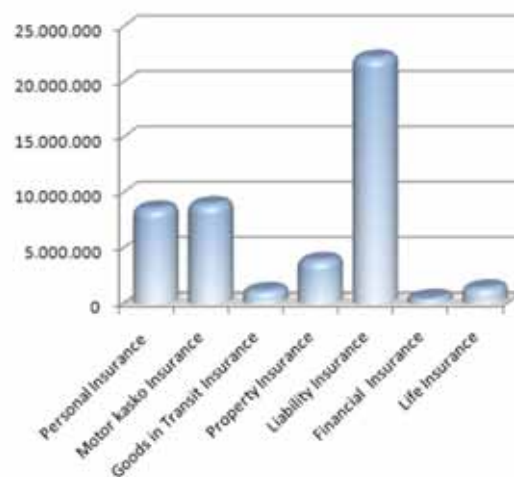
Shareholders' structure at the end of 2009:

- local entities 22,36%
- foreign entities 77,64%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	8.678.810	18,27
Motor kasko Insurance	9.067.818	19,08
Goods in Transit Insurance	1.285.485	2,71
Property Insurance	4.017.984	8,46
Liability Insurance	22.307.044	46,95
Financial Insurance	623.876	1,31
Life Insurance	1.533.414	3,23
Total premium	47.514.431	100,00

Premium per insurance group in 2009 (in KM)



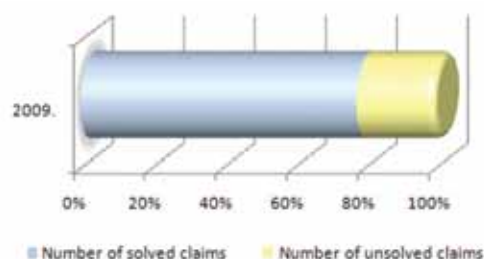
Damages (Claims):

- Number of reported claims in 2009: 13.528
- Number of paid claims in 2009: 10.517 (77,74%)

Damages solved in 2009 (total): 22.773.213

- Non-life insurance 21.686.356
- Life insurance 1.086.857

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Niko Krivić

Director of Company:

Željko Pervan

D.D. BRČKO GAS OSIGURANJE Brčko

Address/registered office: Banjalučka bb, Brčko

Telephone, fax, e-mail, web:

049/222-000; 049/235-931; bgasosig@teol.net; www.brckogas.net

Number of employees, number of branches:

Company had 87 employees as of December 31, 2009, and it performs business activities in twelve branches.

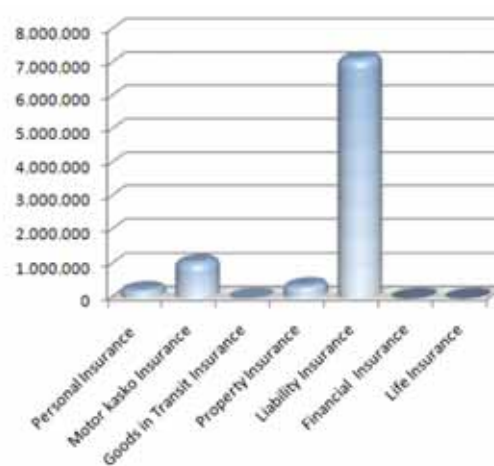
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	269.648	3,03
Motor kasko Insurance	1.093.717	12,28
Goods in Transit Insurance	5.792	0,07
Property Insurance	390.444	4,39
Liability Insurance	7.143.766	80,24
Financial Insurance	0	0,00
Life Insurance	0	0,00
Total premium	8.903.366	100,00

Premium per insurance group in 2009 (in KM)



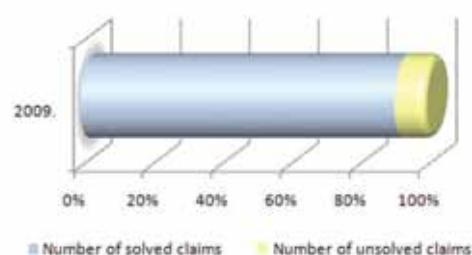
Damages (Claims):

- Number of reported claims in 2009: 1.134
- Number of paid claims in 2009: 1.033 (91,09%)

Damages solved in 2009 (total): 3.178.938

- Non-life insurance 3.178.938
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Management Board:

Bojan Đurđević

Chairman Supervisory Odbora:

Duško Sofrenović

Director of Company:

Cvijetin Sofić

D.D. ZA OSIGURANJE CAMELIJA Bihać

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

Telephone, fax, e-mail, web: :

387 (0)37 224 110; +387 (0)37 228 436; camelija@bih.net.ba; www.camelija-osiguranje.com

Number of employees, number of branches:

Company had 120 employees as of December 31, 2009, and it performs business activities in thirty one branch.

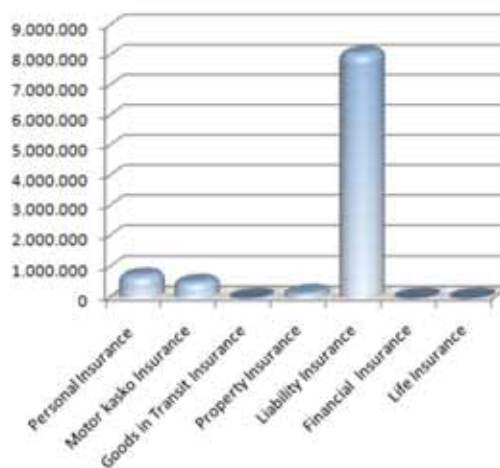
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	757.695	7,89
Motor kasko Insurance	547.540	5,70
Goods in Transit Insurance	382	0,00
Property Insurance	191.916	2,00
Liability Insurance	8.105.782	84,41
Financial Insurance	0	0,00
Life Insurance	0	0,00
Total premium	9.603.315	100,00

Premium per insurance group in 2009 (in KM)



Damages (Claims):

- Number of reported claims in 2009: 2.633
- Number of paid claims in 2009: 2.028 (77,02%)

Damages solved in 2009 (total): 4.693.720

- Non-life insurance 4.693.720
- Life insurance -

Supervisory/Management Board, Director:

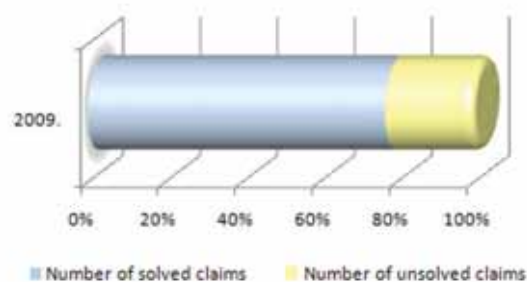
Chairman Nadzornog odbora:

Ekrema Čavkić

Director of Company:

Irfan Čavkić

Share of the claims paid in total number of reported claims



CROATIA OSIGURANJE d.d. Ljubuški

Address/registered office Nikole Kordića bb, Ljubuški

Telephone, fax, e-mail, web:

039/839-100; 039/839-120; cros@croatiaosiguranje.com; www.croatiaosiguranje.com

Number of employees, number of branches:

Company had 190 employees as of December 31, 2009, and it performs business activities in sixteen branches.

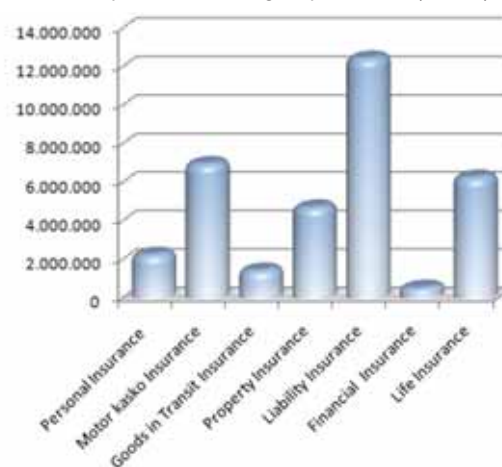
Shareholders' structure at the end of 2009:

- local entities 47,53%
- foreign entities 52,47%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	2.321.688	6,62
Motor kasko Insurance	7.032.344	20,04
Goods in Transit Insurance	1.502.227	4,28
Property Insurance	4.786.046	13,64
Liability Insurance	12.516.480	35,67
Financial Insurance	602.548	1,72
Life Insurance	6.332.867	18,05
Total premium	35.094.199	100,00

Premium per insurance group in 2009 (in KM)



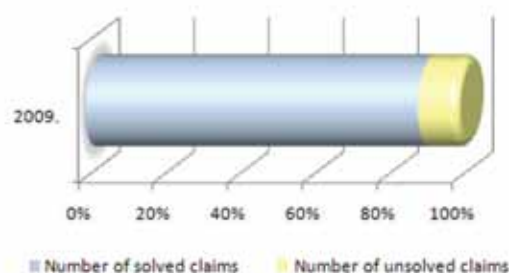
Damages (Claims):

- Number of reported claims in 2009: 8.623
- Number of paid claims in 2009: 7.684 (89,11%)

Damages solved in 2009 (total): 19.402.449

- Non-life insurance 16.903.490
- Life insurance 2.498.959

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman Nadzornog odbora:

Hrvoje Vojković

Director of Company:

Mladen Markotić

DRINA OSIGURANJE a.d. Milići

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

Telephone, fax, e-mail, web:

+387 (0)56 741 610; +387 (0)56 741 610; office@drina-osiguranje.com; www.drina-osiguranje.com

Number of employees, number of branches:

Company had 81 employees as of December 31, 2009, and it performs business activities in twelve branches.

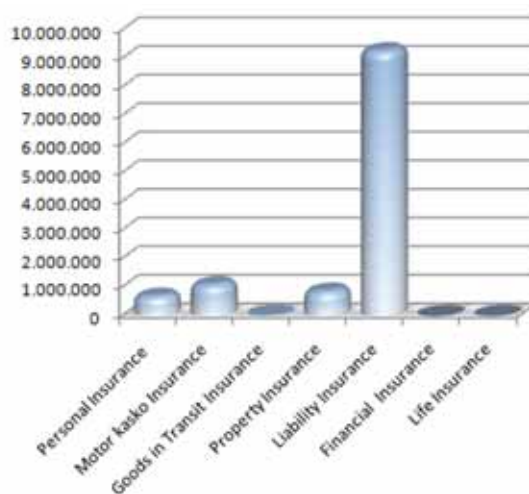
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	690.015	5,77
Motor kasko Insurance	1.095.168	9,16
Goods in Transit Insurance	28.557	0,24
Property Insurance	868.138	7,26
Liability Insurance	9.276.821	77,57
Financial Insurance	0	0,00
Life Insurance	0	0,00
Total premium	11.958.700	100,00

Premium per insurance group in 2009 (in KM)



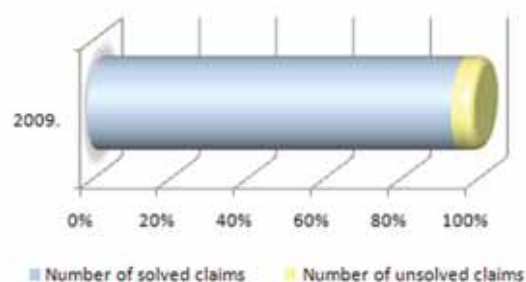
Damages (Claims):

- Number of reported claims in 2009: 1.607
- Number of paid claims in 2009: 1.518 (94,46%)

Damages solved in 2009 (total): 4.919.755

- Non-life insurance 4.919.755
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Management Board:

mr. Rajko Dukić

Chairman of Management Board:

Slobodan Dragičević

Director of Company:

Mile Matić

EUROHERC OSIGURANJE d.d. Sarajevo

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

Telephone, fax, e-mail, web:

033/755-515; 033/755-522; euroherc@euroherc.ba; www.euroherc.ba

Number of employees, number of branches:

Company had 211 employees as of December 31, 2009, and it performs business activities in twenty eight branches.

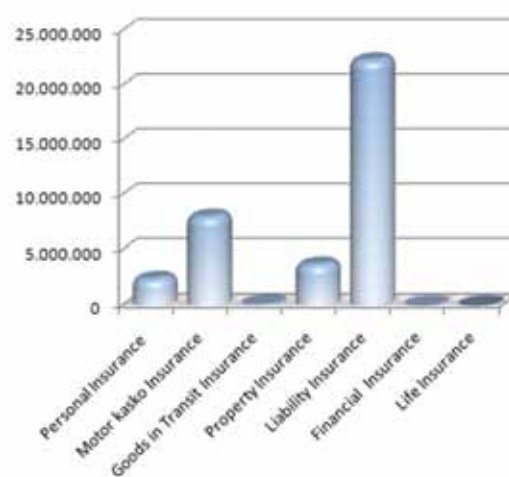
Shareholders' structure at the end of 2009:

- local entities 71,22%
- foreign entities 28,78%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	2.456.838	6,67
Motor kasko Insurance	8.061.396	21,90
Goods in Transit Insurance	158.102	0,43
Property Insurance	3.767.585	10,24
Liability Insurance	22.345.862	60,71
Financial Insurance	19.073	0,05
Life Insurance	0	0,00
Total premium	36.808.856	100,00

Premium per insurance group in 2009 (in KM)



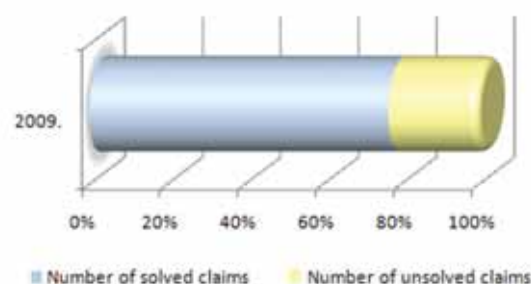
Damages (Claims):

- Number of reported claims in 2009: 9.002
- Number of paid claims in 2009: 6.912 (76,78%)

Damages solved in 2009 (total): 15.033.396

- Non-life insurance 15.033.396
- Life insurance -

Share of the claims paid in total number of reported 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 no. 109/2, Banja Luka

Telephone, fax, e-mail, web:

+387 (0)51 222 960; +387 (0)51 222 951; office.banjaluka@grawe.at; www.grawe.rs.ba

Number of employees, number of branches:

Company had 6 employees as of December 31, 2009, and it performs business activities in the seat.

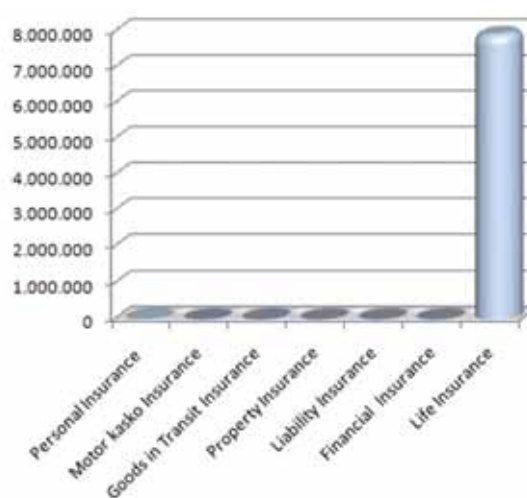
Shareholders' structure at the end of 2009:

- foreign entities 100%
- local entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	18.108	0,23
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	7.929.744	99,77
Total premium	7.947.851	100,00

Premium per insurance group in 2009 (in KM)



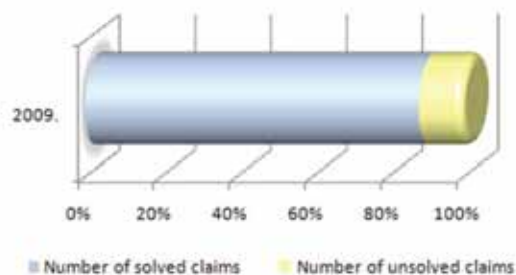
Damages (Claims):

- Number of reported claims in 2009: 447
- Number of paid claims in 2009: 394 (88,14%)

Damages solved in 2009 (total): 928.270

- Non-life insurance 435
- Life insurance 927.835

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Management Board:

Marko Mikić

Chairman Supervisory Board:

mag. dr. Othmar Ederer

Director of Company:

Veselin Petković

GRAWE OSIGURANJE d.d. Sarajevo

Address/registered office: Trg solidarnosti no. 2, Sarajevo

Telephone, fax, e-mail, web:

+387 (0)33 772 530; +387 (0)33 772 501; office.sarajevo@grawe.ba; www.grawe.ba

Number of employees, number of branches:

Company had 159 employees as of December 31, 2009, and it performs business activities in five branches.

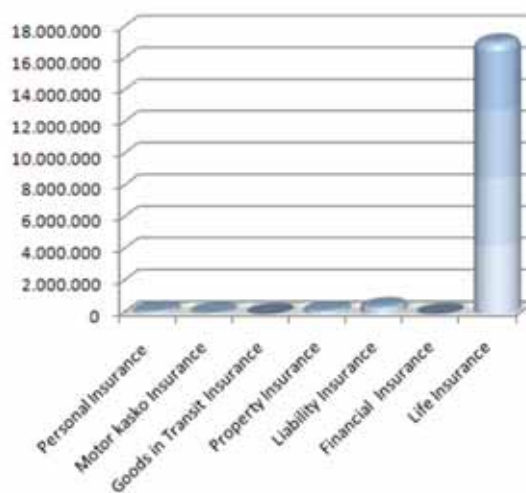
Shareholders' structure at the end of 2009:

- foreign entities 100%
- focal entities 0

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	235.005	1,29
Motor kasko Insurance	99.691	0,55
Goods in Transit Insurance	0	0,00
Property Insurance	244.843	1,34
Liability Insurance	491.090	2,70
Financial Insurance	1.177	0,01
Life Insurance	17.148.078	94,12
Total premium	18.219.884	100,00

Premium per insurance group in 2009 (in KM)



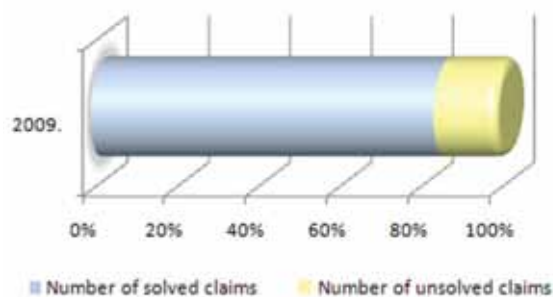
Damages (Claims):

- Number of reported claims in 2009: 1.481
- Number of paid claims in 2009: 1.250 (84,40%)

Damages solved in 2009 (total): 4.776.387

- Non-life insurance 316.432
- Life insurance 4.459.955

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

mag.dr. Othmar Ederer

Director of Company:

mr. iur., mr.oec. Georg Schneider

HERCEGOVINA OSIGURANJE d.d. Mostar

Address/registered office: Fra Didaka Buntića street no. 144, Mostar

Telephone, fax, e-mail, web:

+387 (0) 36 331 971; +387 (0) 36 331 974;

hercegovinaosiguranje@hercegovinaosiguranje.com; www.hercegovinaosiguranje.com

Number of employees, number of branches:

Company had 83 employees as of December 31, 2009, and it performs business activities in twenty three branches.

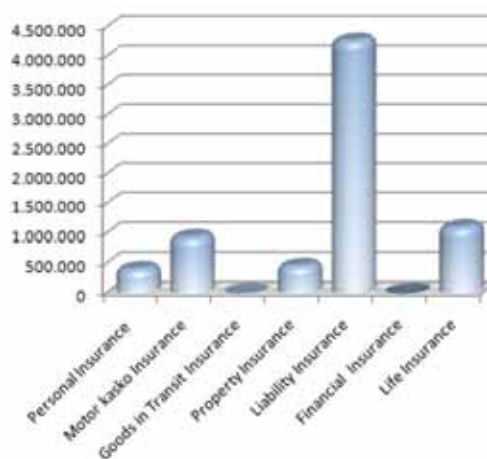
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	419.172	5,79
Motor kasko Insurance	949.888	13,11
Goods in Transit Insurance	3.722	0,05
Property Insurance	471.239	6,51
Liability Insurance	4.283.022	59,13
Financial Insurance	0	0,00
Life Insurance	1.116.349	15,41
Total premium	7.243.393	100,00

Premium per insurance group in 2009 (in KM)



Damages (Claims):

- Number of reported claims in 2009: 2.264
- Number of paid claims in 2009: 1.418 (62,63%)

Damages solved in 2009 (total): 3.010.713

- Non-life insurance 2.962.567
- Life insurance 48.146

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Denis Lasić

Director of Company:

Bruno Krtalić

JAHORINA OSIGURANJE a.d. Pale

Address/registered office: Svetosavska street no. 24, Pale.

Telephone, fax, e-mail, web:

+387 (0)57 201 320; +387 (0)57+387 (0)201 321; direkcija@jahorinaosiguranje.com; www.jahorinaosiguranje.com

Number of employees, number of branches:

Company had 207 employees as of December 31, 2009, and it performs business activities in eleven branches.

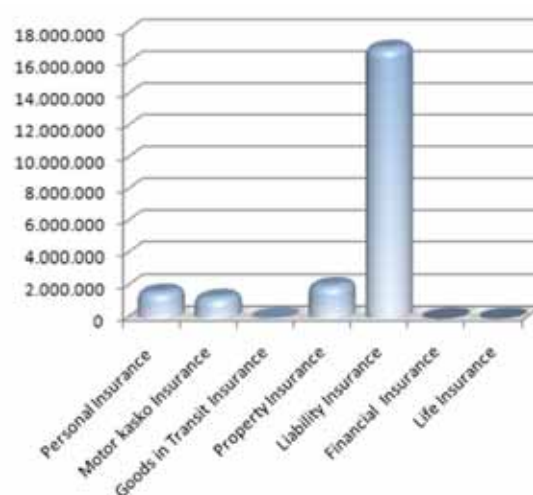
Shareholders' structure at the end of 2009:

- local entities 7,63%
- foreign entities 92,37%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.680.057	7,58
Motor kasko Insurance	1.351.147	6,10
Goods in Transit Insurance	44.228	0,20
Property Insurance	2.104.165	9,50
Liability Insurance	16.980.711	76,63
Financial Insurance	348	0,00
Life Insurance	0	0,00
Total premium	22.160.656	100,00

Premium per insurance group in 2009 (in KM)



Damages (Claims):

- Number of reported claims in 2009: 4.197
- Number of paid claims in 2009: 3.513 (83,70%)

Damages solved in 2009 (total): 6.362.553

- Non-life insurance 6.362.553
- Life insurance -

Supervisory/Management Board, Director:

Chairman of Management Board:

mr. Novak Šolaja

Chairman Supervisory Board:

Dragutin Janković

Director of Company:

Miroslav Miškić

Share of the claims paid in total number of reported claims



KOSIG DUNAV OSIGURANJE a.d. Banja Luka

Address/seat: Veselina Masleše street no. 28, Banja Luka

Telephone, fax, e-mail, web:

+387 (0)51 249 106; +387 (0)51 211 686; kosigdunav@inecco.net; www.kosigdunav.com;

Number of employees, number of branches:

Company had 204 employees as of December 31, 2009, and it performs business activities in nine branches.

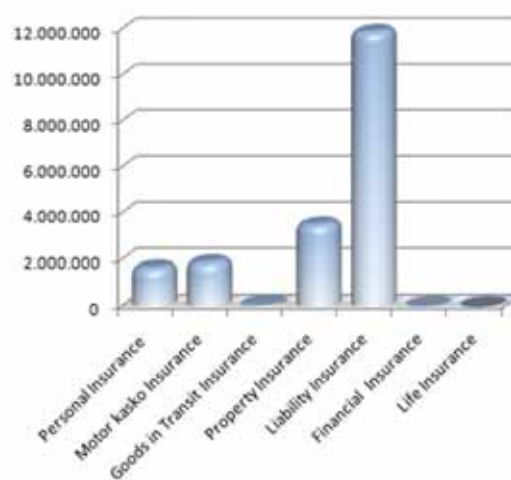
Shareholders' structure at the end of 2009:

- local entities 24,85%
- foreign entities 75,15%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.684.614	8,78
Motor kasko Insurance	1.910.756	9,96
Goods in Transit Insurance	102.063	0,53
Property Insurance	3.540.966	18,46
Liability Insurance	11.914.613	62,10
Financial Insurance	33.993	0,18
Life Insurance	0	0,00
Total premium	19.187.007	100,00

Premium per insurance group in 2009 (in KM)



Damages (Claims):

- Number of reported claims in 2009: 3.624
- Number of paid claims in 2009: 3.272 (90,29%)

Damages solved in 2009 (total): 6.703.752

- Non-life insurance 6.703.752
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Management Board:

Milenka Jezdimirović

Chairman of Supervisory Board:

Bojan Jelenković

Director of Company:

Saša Čudić

KRAJINA OSIGURANJE a.d. Banja Luka

Address/seat: Braće Pantića br. 2, Banja Luka

Telephone, fax, e-mail, web:

051/228-820; 051/228-844; kross@inecco.net; www.krajinaosiguranje.ba

Number of employees, number of branches:

Company had 86 employees as of December 31, 2009, and it performs business activities in the seat.

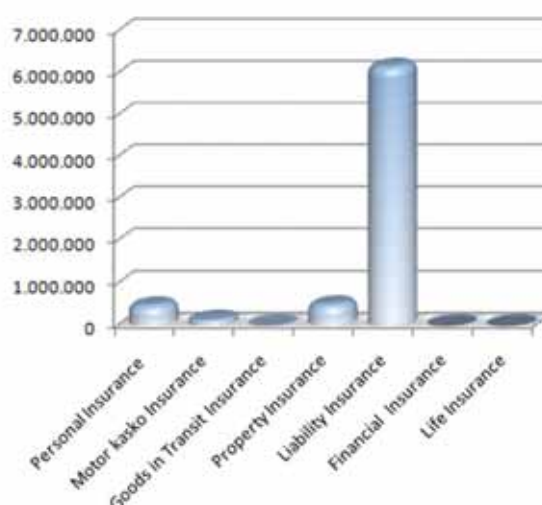
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	495.486	6,73
Motor kasko Insurance	160.018	2,17
Goods in Transit Insurance	10.247	0,14
Property Insurance	520.874	7,08
Liability Insurance	6.174.471	83,87
Financial Insurance	674	0,01
Life Insurance	0	0,00
Total premium	7.361.771	100,00

Premium per insurance group in 2009 (in KM)



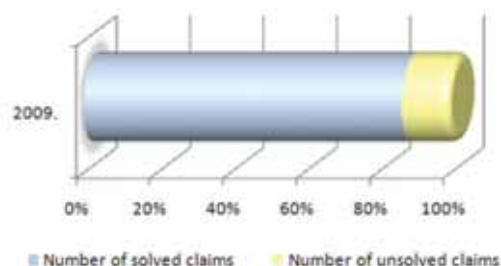
Damages (Claims):

- Number of reported claims in 2009: 1.477
- Number of paid claims in 2009: 1.282 (86,80%)

Damages solved in 2009 (total): 2.814.169

- Non-life insurance 2.814.169
- Life insurance -

Share of the claims paid in total number of reported 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/I, Sarajevo

Telephone, fax, e-mail, web:

+387 (0)33 776 388; +387 (0)33 776 399; info@lido-osiguranje.com; www.lido-osiguranje.com

Number of employees, number of branches:

Company had 149 employees as of December 31, 2009, and it performs business activities in eight branches.

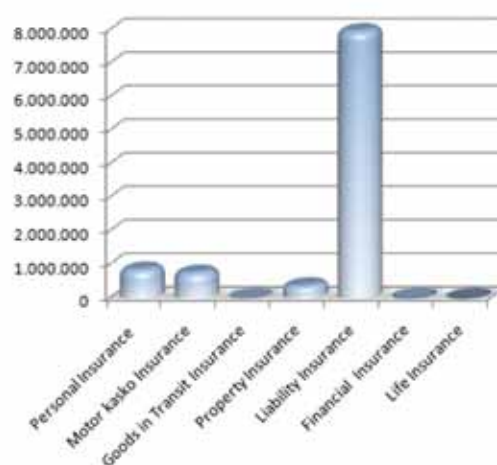
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	867.887	8,65
Motor kasko Insurance	776.709	7,74
Goods in Transit Insurance	8.568	0,09
Property Insurance	393.035	3,92
Liability Insurance	7.982.194	79,57
Financial Insurance	3.652	0,04
Life Insurance	0	0,00
Total premium	10.032.047	100,00

Premium per insurance group in 2009 (in KM)



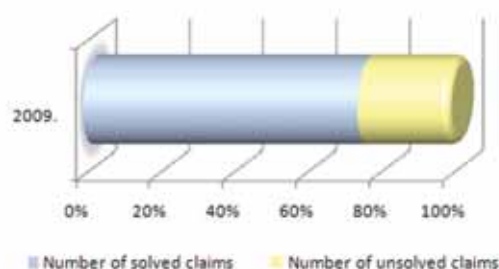
Damages (Claims):

- Number of reported claims in 2009: 3.780
- Number of paid claims in 2009: 2.830 (74,87%)

Damages solved in 2009 (total): 5.703.674

- Non-life insurance 5.703.674
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Almir Krdžalić

Director of Company:

Halid Đulić

LOK OSIGURANJE d.d. Sarajevo*

Address/registered office: Branilaca Sarajeva street no.17, Sarajevo

Telephone, fax, e-mail, web:

+387 (0)33 219 953; +387 (0)33 219 953; info@lokosiguranje.ba; www.lokosiguranje.ba

Number of employees, number of branches:

Company had 7 employees as of December 31, 2009, and it performs business activities in two branches.

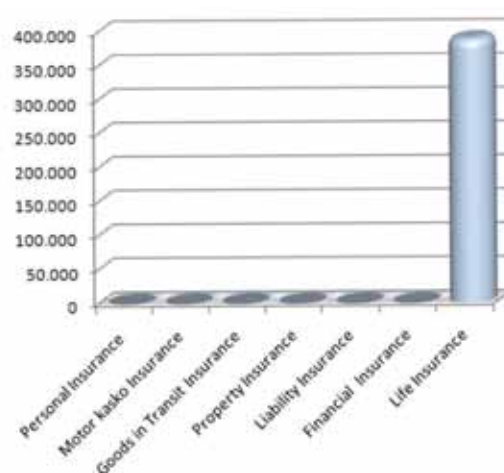
Shareholders' structure at the end of 2009:

- local entities 99,57%
- foreign entities 0,43%

Premium per insurance group in 2009:

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	0	0,00
Financial Insurance	0	0,00
Life Insurance	389.930	100,00
Total premium	389.930	100,00

Premium per insurance group in 2009 (in KM)



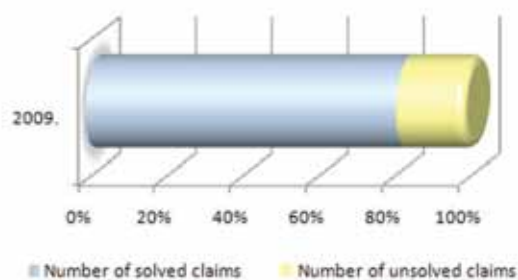
Damages (Claims):

- Number of reported claims in 2009: 33
- Number of paid claims in 2009: 27 (81,82%)

Damages solved in 2009 (total): 30.419

- Non-life insurance 19.474
- Life insurance 10.945

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Nusret Čaušević

Director of Company:

Nedžad Muhović, v.d.

* Helios osiguranje d.d. Mostar changed its name into the Lok osiguranje d.d. Sarajevo

MERKUR OSIGURANJE d.d. Sarajevo

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

Telephone, fax, e-mail, web:

+387 (0)33 296 514; +387 (0)33 296 520; info@merkur.ba; www.merkur.ba

Number of employees, number of branches:

Company had 19 employees as of December 31, 2009, and it performs business activities in two branches.

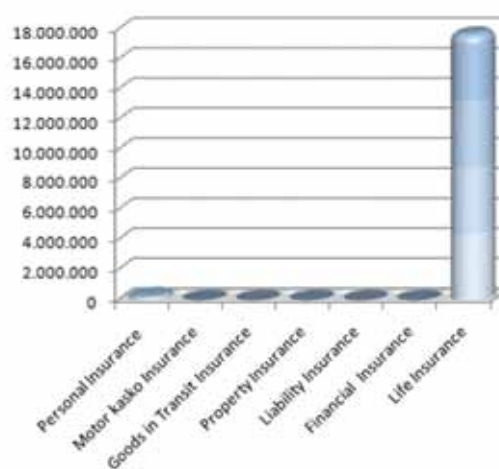
Shareholders' structure at the end of 2009:

- local entities 0,02%
- foreign entities 99,98%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	287.545	1,60
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	17.703.115	98,40
Total premium	17.990.660	100,00

Premium per insurance group in 2009 (in KM)



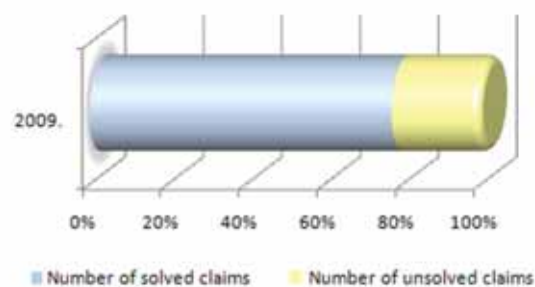
Damages (Claims):

- Number of reported claims in 2009: 890
- Number of paid claims in 2009: 687 (77,19%)

Damages solved in 2009 (total): 1.297.174

- Non-life insurance 156.479
- Life insurance 1.140.695

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Alois Sundl

Director of Company:

Ermin Nuhić

MIKROFIN OSIGURANJE a.d. Banja Luka

Address/registered office: Aleja Svetog Save street no. 59, Banja Luka

Telephone, fax, e-mail, web:

+387 (0)51 225 840; +387 (0)51 225 841; mfo@mikrofinosiguranje.com; www.mikrofinosiguranje.com

Number of employees, number of branches:

Company had 15 employees as of December 31, 2009, and it performs business activities in the seat.

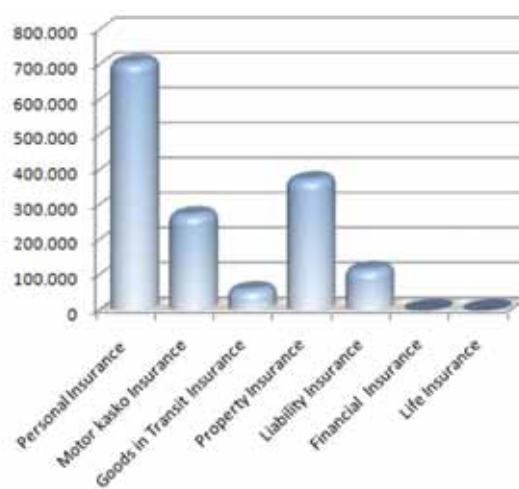
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	707.819	46,30
Motor kasko Insurance	272.788	17,85
Goods in Transit Insurance	58.600	3,83
Property Insurance	372.888	24,39
Liability Insurance	116.538	7,62
Financial Insurance	0	0,00
Life Insurance	0	0,00
Total premium	1.528.633	100,00

Premium per insurance group in 2009 (in KM)



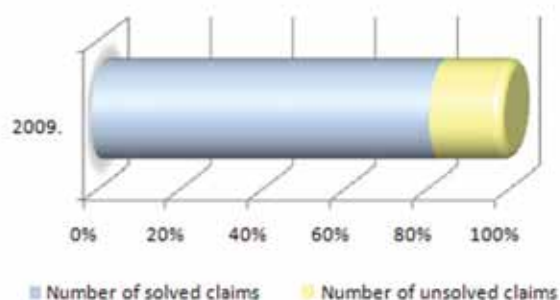
Damages (Claims):

- Number of reported claims in 2009: 209
- Number of paid claims in 2009: 172 (82,30%)

Damages solved in 2009 (total): 304.059

- Non-life insurance 304.059
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Management Board:

Saša Popović

Chairman of Supervisory Board:

Dragan Đurić

Director of Company:

Brane Stupar

NEŠKOVIĆ OSIGURANJE a.d. Bijeljina

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

Telephone, fax, e-mail, web:

+387 (0)55 227 110; +387 (0)55 227 111; osneskov@teol.net; www.neskovicosiguranje.com

Number of employees, number of branches:

Company had 78 employees as of December 31, 2009, and it performs business activities in four branches..

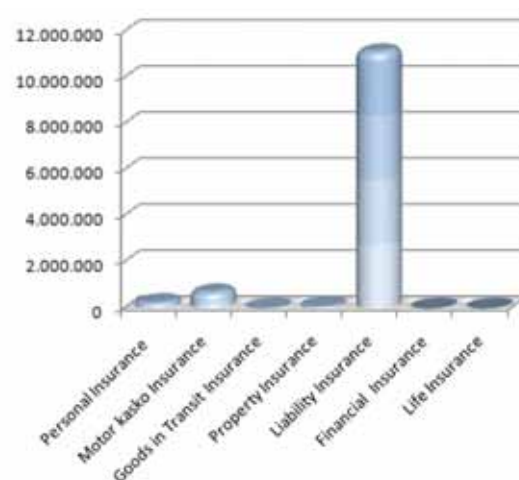
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	273.221	2,23
Motor kasko Insurance	720.473	5,87
Goods in Transit Insurance	20.583	0,17
Property Insurance	103.133	0,84
Liability Insurance	11.153.036	90,89
Financial Insurance	0	0,00
Life Insurance	0	0,00
Total premium	12.270.446	100,00

Premium per insurance group in 2009 (in KM)



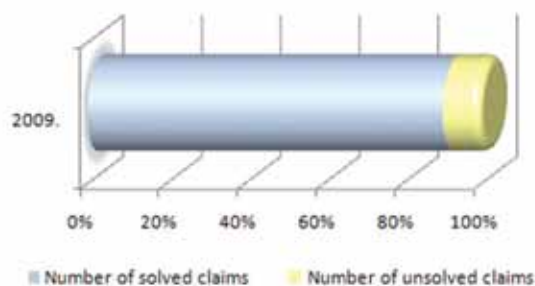
Damages (Claims):

- Number of reported claims in 2009: 1.716
- Number of paid claims in 2009: 1.550 (90,33%)

Damages solved in 2009 (total): 4.015.273

- Non-life insurance 4.015.273
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Risto Vuković

Director of Company:

Milenko Mišanović

OSIGURANJE AURA a.d. Banja Luka

Address/registered office: Bulevar Srpske vojske no. 7, Banja Luka

Telephone, fax, e-mail, web:

+387 (0)51 344 777; +387 (0)51 344 770; auraos@teol.net; www.auraosiguranje.com

Number of employees, number of branches:

Company had 20 employees as of December 31, 2009, and it performs business activities in the seat.

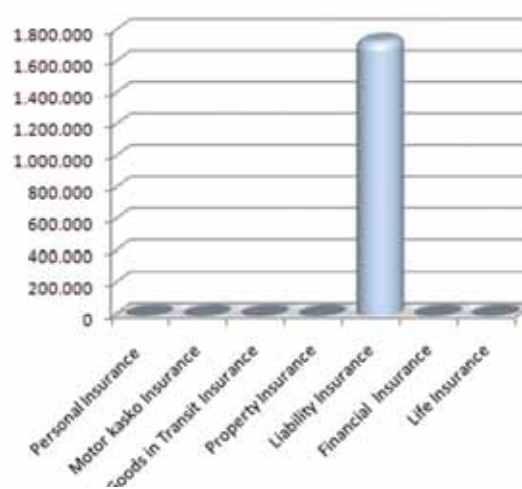
Shareholders' structure at the end of 2009:

- local entittes 100%
- foreign entittes 0%

Premium per insurance group in 2009:

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	1.739.437	100,00
Financial Insurance	0	0,00
Life Insurance	0	0,00
Total premium	1.739.437	100,00

Premium per insurance group in 2009 (in KM)



Damages (Claims):

- Number of reported claims in 2009: 219
- Number of paid claims in 2009: 195 (89,04%)

Damages solved in 2009 (total): 375.687

- Non-life insurance 375.687
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Zoran Tunjić

Director of Company:

Miodrag Kovačević

SARAJEVO OSIGURANJE d.d. Sarajevo

Address/registered office: Čobanija street no. 14, Sarajevo

Telephone, fax, e-mail, web:

+387 (0)33 664 141; +387 (0)33 664 142; info@sarajevoosiguranje.ba; www.sarajevoosiguranje.ba

Number of employees, number of branches:

Company had 457 employees as of December 31, 2009, and it performs business activities in fourteen branches.

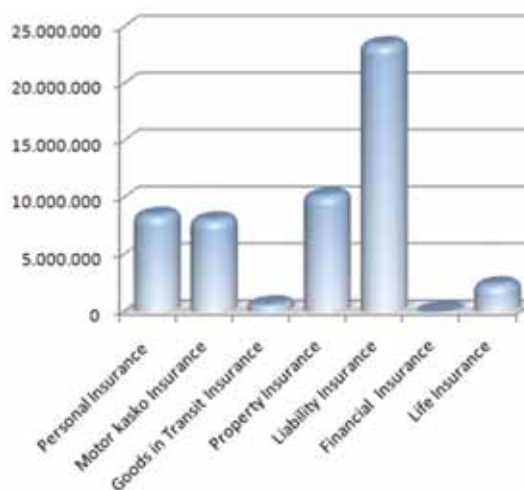
Shareholders' structure at the end of 2009:

- local entities 97,47%
- foreign entities 2,53%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	8.591.606	15,90
Motor kasko Insurance	8.175.037	15,13
Goods in Transit Insurance	756.793	1,40
Property Insurance	10.310.578	19,09
Liability Insurance	23.559.687	43,61
Financial Insurance	134.331	0,25
Life Insurance	2.490.533	4,61
Total premium	54.018.566	100,00

Premium per insurance group in 2009 (in KM)



Damages (Claims):

- Number of reported claims in 2009: 18.764
- Number of paid claims in 2009: 14.544 (77,51%)

Damages solved in 2009 (total): 29.698.633

- Non-life insurance 26.823.175
- Life insurance 2.875.458

Supervisory/Management Board, Director:

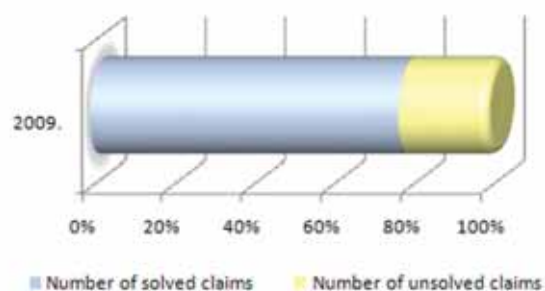
Chairman of Supervisory Board:

mr. Petar Ivošević

Director of Company:

Midhat Terzić

Share of the claims paid in total number of reported claims



TRIGLAV BH OSIGURANJE d.d. Sarajevo

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

Telephone, fax, e-mail, web:

+387 (0)33 252 110; +387 (0)33 252 179; info@triglavbh.ba; www.triglavbh.ba

Number of employees, number of branches:

Company had 263 employees as of December 31, 2009, and it performs business activities in seven branches.

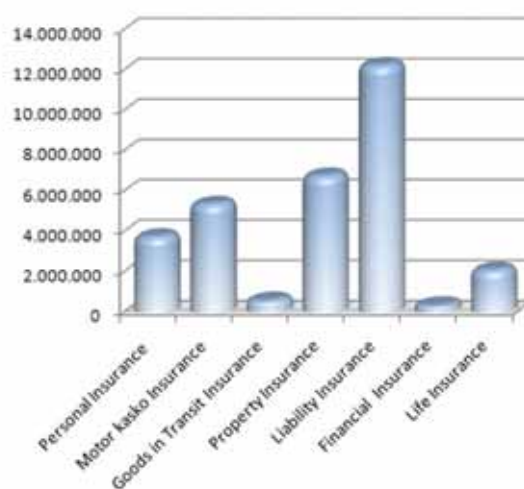
Shareholders' structure at the end of 2009:

- local entities 31,06%
- foreign entities 68,94%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	3.796.130	12,06
Motor kasko Insurance	5.405.031	17,17
Goods in Transit Insurance	645.553	2,05
Property Insurance	6.805.581	21,62
Liability Insurance	12.282.984	39,03
Financial Insurance	398.251	1,27
Life Insurance	2.140.385	6,80
Total premium	31.473.916	100,00

Premium per insurance group in 2009 (in KM)



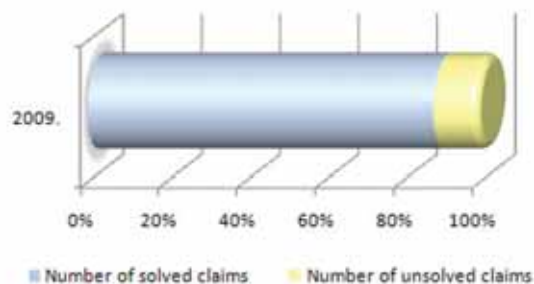
Damages (Claims):

- Number of reported claims in 2009: 9.214
- Number of paid claims in 2009: 8.132 (88,26%)

Damages solved in 2009 (total): 13.571.809

- Non-life insurance 13.518.289
- Life insurance 53.520

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Vladimir Mišo Čeplak

Director of Company:

Fejsal Hrustanović

TRIGLAV KRAJINA - KOPAONIK a.d. za osiguranje Banja Luka

Address/seat: Trg srpskih junaka no. 4, Banja Luka

Telephone, fax, e-mail, web:

+387 (0)51 221 050; +387 (0)51 215 262; info@krajinakopaonik.com; www.triglavkrajinakopaonik.com

Number of employees, number of branches:

Company had 77 employees as of December 31, 2009, and it performs business activities in the seat.

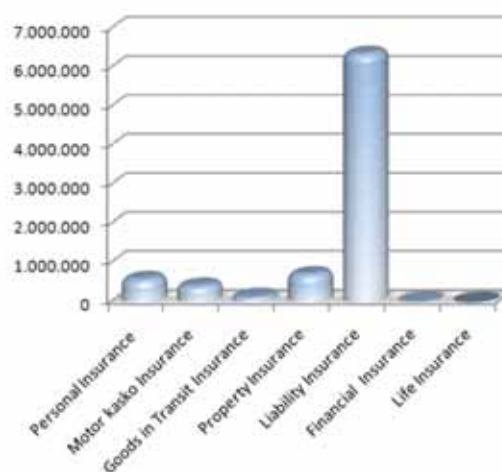
Shareholders' structure at the end of 2009:

- local entities 1,28%
- foreign entities 98,72%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	592.951	7,18
Motor kasko Insurance	418.830	5,07
Goods in Transit Insurance	141.662	1,71
Property Insurance	717.085	8,68
Liability Insurance	6.366.897	77,08
Financial Insurance	23.027	0,28
Life Insurance	0	0,00
Total premium	8.260.452	100,00

Premium per insurance group in 2009 (in KM)



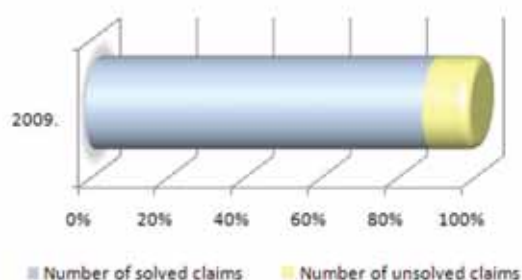
Damages (Claims):

- Number of reported claims in 2009: 1.564
- Number of paid claims in 2009: 1.376 (87,98%)

Damages solved in 2009 (total): 3.353.176

- Non-life insurance 3.353.176
- Life insurance -

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Andrej Knap

Director of Company:

Matej Žlajpah

UNIQA OSIGURANJE d.d. Sarajevo

Address/registered office: Obala Kulina bana street no. 19, Sarajevo

Telephone, fax, e-mail, web:

+387 (0)33 289 000; +387 (0)33 289 010; info@uniqa.ba; www.uniqa.ba

Number of employees, number of branches:

Company had 159 employees as of December 31, 2009, and it performs business activities in seven branches.

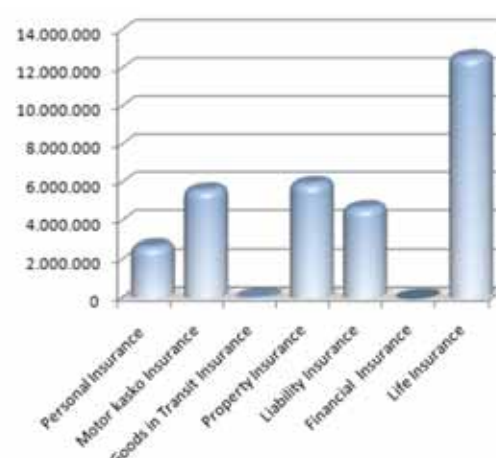
▪ **Shareholders' structure at the end of 2009:**

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

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	2.734.753	8,57
Motor kasko Insurance	5.666.833	17,76
Goods in Transit Insurance	107.979	0,34
Property Insurance	6.000.925	18,81
Liability Insurance	4.734.630	14,84
Financial Insurance	0	0,00
Life Insurance	12.657.688	39,68
Total premium	31.902.808	100,00

Premium per insurance group in 2009 (in KM)



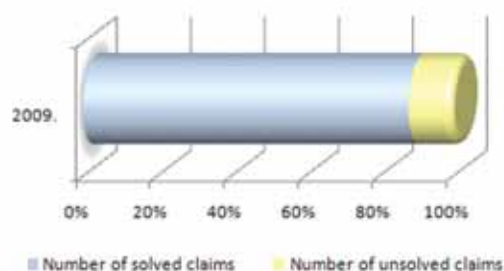
Damages (Claims):

- Number of reported claims in 2009: 5.701
- Number of paid claims in 2009: 5.015 (87,97%)

Damages solved in 2009 (total): 9.409.844

- Non-life insurance 8.819.191
- Life insurance 590.653

Share of the claims paid in total number of reported claims



Supervisory/Management Board, Director:

Chairman of Supervisory Board:

Gottfried Wantischek

Director of Company:

Senada Olević

D.D. ZA OSIGURANJE VGT Visoko

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

Telephone, fax, e-mail, web:

+387 (0)32 730 800; +387 (0)32 730 830; info@vgt.ba; www.vgt.ba

Number of employees, number of branches:

Company had 229 employees as of December 31, 2009, and it performs business activities in eight branches.

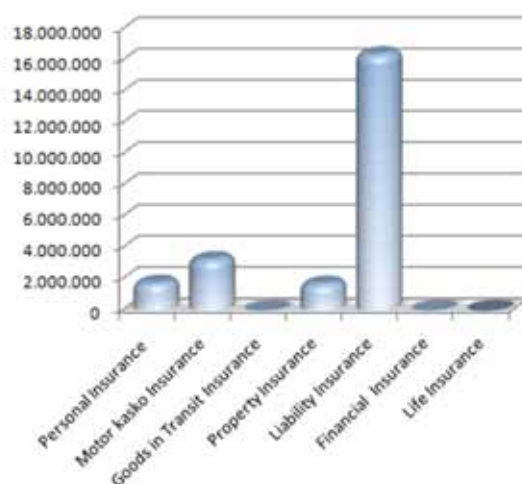
Shareholders' structure at the end of 2009:

- local entities 99,81%
- foreign entities 0,19%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	1.766.652	7,61
Motor kasko Insurance	3.280.713	14,13
Goods in Transit Insurance	15.683	0,07
Property Insurance	1.711.152	7,37
Liability Insurance	16.410.545	70,70
Financial Insurance	28.301	0,12
Life Insurance	0	0,00
Total premium	23.213.045	100,00

Premium per insurance group in 2009 (in KM)



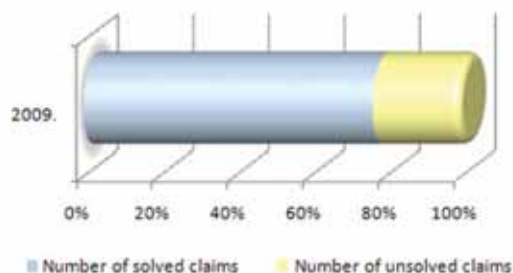
Damages (Claims):

- Number of reported claims in 2009: 7.578
- Number of paid claims in 2009: 5.802 (76,56%)

Damages solved in 2009 (total): 11.133.440

- Non-life insurance 11.133.440
- Life insurance -

Share of the claims paid in total number of reported 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 bb, Žepče

Telephone, fax, e-mail, web:

+387 (0)32 897 996; +387 (0)32 897 998; osiguranje@zovko.com; www.zovko.com

Number of employees, number of branches:

Company had 94 employees as of December 31, 2009, and it performs business activities in eleven branches.

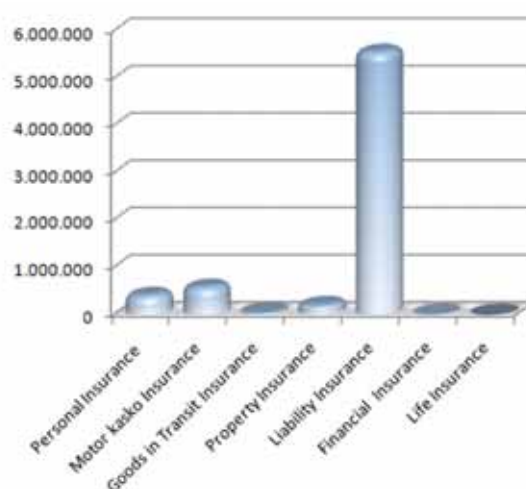
Shareholders' structure at the end of 2009:

- local entities 100%
- foreign entities 0%

Premium per insurance group in 2009:

Insurance Group	Amount of premium in KM	Share in total premium (%)
Personal Insurance	406.403	5,97
Motor kasko Insurance	580.330	8,53
Goods in Transit Insurance	43.595	0,64
Property Insurance	207.327	3,05
Liability Insurance	5.553.459	81,65
Financial Insurance	10.650	0,16
Life Insurance	0	0,00
Total premium	6.801.765	100,00

Premium per insurance group in 2009 (in KM)



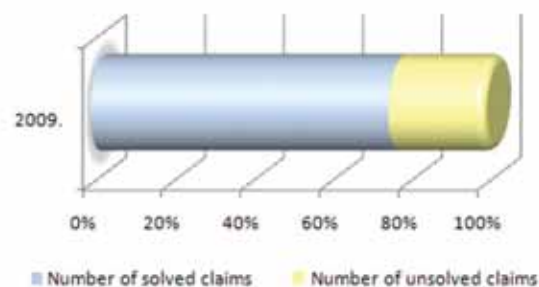
Damages (Claims):

- Number of reported claims in 2009: 2.067
- Number of paid claims in 2009: 1.563 (75,62%)

Damages solved in 2009 (total): 3.269.431

- Non-life insurance 3.269.431
- Life insurance -

Share of the claims paid in total number of reported 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 (0)33 725-500; +387 (0)33 725-522; info@bosnare.ba; www.bosnare.ba

Number of employees, number of branches:

Company had 25 employees as of December 31, 2009, and it performs business activities in the seat.

Shareholders' structure at the end of 2009:

- local entities 85,19%
- foreign entities 14,81%

Premium:

- Total premium in 2009: 46.154.106 KM
 - part of premium submitted to reinsurance: 24.833.551 KM
 - retained part of premium of the Coimpany in 2009: 21.320.555 KM

Total revenue of Company in 2009: 29.547.036 KM

Damages solved in 2009 (total): 21.627.760 KM

Supervisory/Management Board, Director:

Chairman of Supervisory Board

Enes Čengić

Director of Company:

Damir Lačević



ADDENDUM III.

Basic Terms and Definitions from the Field of Insurance

annual
report

20 **09**

Sarajevo, August 2010

1. 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.

2. 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.

3. 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.

4. Insurance policy

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

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. Insured event

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

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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 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.



ADDENDUM IV.

Law on Insurance Agency of Bosnia and Herzegovina

annual
report

20**09**

Sarajevo, August 2010

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:

- a. 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.
- b. 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.
- c. That the insurance legislation in Bosnia and Herzegovina is and remains reconciled with the corresponding insurance-related European Union legislation.
- d. Coordinated representation of Bosnia and Herzegovina in organizations dealing with insurance on the international level and to ensure continuous cooperation therewith.
- e. 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.
- f. 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:

- a. 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;
- b. 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;

- c. 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 inquires 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 represent 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 organizations' 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

20**09**

Sarajevo, August 2010

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, 64/06 and 12/09) ;
- Law on Insurance Intermediation ("RS Official Gazette", Nos. 17/05, 64/06 and 106/09)
- Law on Voluntary Pension Funds and Pension Plans ("RS Official Gazette", No. 13/09)
- Law on Committee for Coordination of Supervision of Financial Sector of Republica Srpska ("RS Official Gazette", No. 49/09)

By-laws of the FBIH Insurance supervisory Agency

- Rulebook on the Procedure of Supervision ("FBIH Official Gazette", No. 62/09);
- 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 the Level and Manner of Funds Investment ("FBIH Official Gazette", No. 72/09);
- 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)
- Rulebook on Internal Audit of Insurance Companies ("FBIH Official Gazette", No. 13/09);
- Rulebook on Record of the Requests for the Payment of Damages in Non-life Insurance with the Insurance Companies ("FBIH Official Gazette", No. 13/09).

- 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);
- Instruction on Content and Submission of the Opinion of Authorized Actuaries ("FBIH Official Gazette", No. 81/06)

- Decision on Documents that Have to Be Enclosed with the License Application Form ("FBIH Official Gazette", No. 80/06);
- Decision on Documents that Have to Be Enclosed with the License Application Form ("FBIH Official Gazette", No. 31/09);
- Decision on Insurance Companies' Reports ("FBIH Official Gazette", No. 80/06);
- Decision on Insurance Companies' Reports ("FBIH Official Gazette", No. 30/06);
- Decision on Insurance Intermediaries' Reports ("FBIH Official Gazette", No. 80/06);
- Decision on Insurance Intermediaries' Reports ("FBIH Official Gazette", No. 30/09);
- 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 2009 ("FBIH Official Gazette", Nos. 30/09, 62/09);
- Decision on Fees and Tariffs of the FBIH Insurance Supervisory Agency ("FBIH Official Gazette", No. 71/05);
- Decision on Defining 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 Shareholders Capital and Insurance Company's Guarantee Fund ("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)
- Decision on costs of the offence order ("FBIH Official Gazette" No. 46/07);
- Decision on Reports of the Branches of the Insurance Companies from Republic Srpska ("FBIH Official Gazette" No. 62/09);

- Criteria for Unearned Premiums (www.nados.ba);
- Criteria for Claims Reserve (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)

By-laws of the RS Insurance Agency

- Rulebook on Manner of Assessment and Monitoring of the Liquidity of the Insurance Companies (Management Board of the Agency August 21, 2009);
- Rulebook on Manner of Appraisal 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 Containment (blokcing) of the Property and Insurance from Professional Liability of the Brokers in Insurance (MB of Agency April 8, 2008);
- Rulebook on Issuance and Revocation of the Approvals to the Persons on Significant Positions in Insurance Companies (MB of Agency April 8, 2008);
- Rulebook on Supervision of the Participants at the Insurance Market (MB of Agency December 27,2007);
- Rulebook on Content of the Report of Independent Auditor in Financial Audit and Ohter Reports of hte Insurance Companies (MB of December 17, 2008);
- Rulebook on Amendments Rulebook on Content of the Report of Independent Auditor in Financial Audit and Ohter Reports of hte Insurance Companies (MB Agency November 6, 2008);
- Rulebook on Elements and Control of Margin Control of Margin of Solvency of the Insurance Companies in Republica Srpska (MB of Agency Nopvember 2, 2007);
- 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 on the Method of Recording and Managing of the Registry of Insurance Intermediaries with the RS Insurance Agency ("Official gazette RS", Nos.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 (MB of Agency August 17, 2007);
- 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 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 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 Ombudsmen in Insurance (MB of Agency November 2, 2007);
- Rulebook on Amendments to the Rulebook on Ombudsmen in Insurance (MB of Agency December 17, 2008);
- Rulebook on Content and Standardized Form of the Request for Issuance of the License for Organizing and Managing of voluntary Pension Fund (MB of Agency June 15, 2009);
- Rulebook on Minimum of the Organiozational, Proffesional and Technical Conditions of Companies for Managing of the Voluntary Pension Funds (MB of Agency June 15,2009);
- Rulebook on Manner of Opening of Individual Accounts, Keeping the Registries of Individual Accounts, Transfer of Funds and Isuuing of the Bank Statements of the Voluntary Pension Funds (MB of Agency June 15,2009);
- Rulebook on Publishing and Marketing of Vouluntary Pension Funds (MB of Agency June 15,2009);
- Rulebook on Content of the Prospectus and Short version of Prospectus of Volulnary Pension Funds (MB of Agency June 15, 2009);

- Decision on Determining and Calculation of Contributions to the RS Protection Fund, Deadlines for Payment and
- Keeping the Funds Contributed (MB of Agency from August 21, 2009);
- Amendments of the Decision on Fees and Tariffs of the RS Insurance Agency (MB of Agency from March 26, 2009);
- Decision on Fees and Tariffs of the RS Insurance Agency ("RS Official Gazette" No. 05/08)
- Supplements to Decision on Payment of Contribution to the RS Protection Fund in 2009 (MB of Agency from
- August 21, 2009);
- Decision on Payment of Contribution to the RS Protection Fund in 2009 ("RS Official Gazette" No. 31/09)
- Decision on Temporary Payment of Contribution to the RS Protection Fund for period January – March 2009
- (MB of Agency from January 29, 2009);
- Decision on Payment of Contribution to the RS Protection Fund in 2008 (www.azors.org);
- Supplements to Decision on Payment of Contribution to the RS Protection Fund in 2008(MB of Agency from
- November 6, 2008);
- Decision on Temporary Payment of Contribution to the RS Protection Fund for period January – March 2008
- (MB of Agency from January 15, 2008);
- Supplements to Decision on Payment of Contribution to the RS Protection Fund in 2007((www.azors.org);
- Decision on Payment of Contribution to the RS Protection Fund in 2007 ("RS Official Gazette" No. 22/07);
- Decision on Payment of Contribution to the RS Protection Fund in 2006 ("RS Official Gazette" No. 57/06);
- Decision on Payment of Fee for Supervision to the RS Insurance Agency for the year 2009 (MB of Agency from
- March 26, 2009);
- Decision on Temporary Payment of Fee for Supervision to the RS Insurance Agency for the period January –
- March 2009 (MB of Agency from January 15, 2008);
- Decision on Payment of Fee for Supervision to the RS Insurance Agency for the year 2008 (www.azors.org);
- Decision on Temporary Payment of Fee for Supervision to the RS Insurance Agency for the period January –
- March 2008. godine (www.azors.org);
- Decision on Number of Votes of the Members of the Assembly of the RS Protection Fund for 2009 (MB of Agency
- from January 29, 2009);
- Decision on Number of the Votes of Members of the Assembly of RS Protection Fund in 2008 (www.azors.org);
- Decision on Number of the Votes of Members of the Assembly of RS Protection Fund in 2007 ("RS Official Ga-
- zette" No. 27/07);
- Decision on Number of the Votes of Members of the Assembly of RS Protection Fund in 2006 ("RS Official Ga-
- zette" No. 57/06);
- Decision on Content and Form of the Official Identification Document of the RS Insurance Agency (Head of
- Agency from 29.12.2008.);
- Decision on Conditions in which Insurance Company may conclude the Reinsurance Contract with the Reinsu-
- rance Company which has no License for operation in BiH (MB of Agency from March 3, 2008);
- Decision on Form and Content of Insurance Companies' Reports (Head of Agency from April 3,2007);
- Decision on Share of the Insurance Companies in Financing of the RS Insurance Agency in 2007 ("RS Official
- Gazette" No. 27/07);
- Decision on Types of Insurance ("RS Official Gazette" No. 57/06);
- Decision on Fixing the Minimal Insurance Amount for the Motor Insurance Agreements ("RS Official Gazette"
- No. 57/06);
- Amendments of the Decision on Determining of the Minimum Amount for which Third Party Insurance must be
- contracted (MB of Agency from March 30,2007);
- Decision on Giving the Consent on Organization of the RS Protection Fund ("RS Official Gazette" No. 57/06);

- Decision on Determining the List of Persons Authorized to Conduct Inspection of Insurance Companies (“RS Official Gazette” No. 70/06)
- Amendments of the Decision on Preparation of the List of Persons Authorized to Conduct Inspection of Insurance Companies (MB of Agency from February 7, 2007);
- 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 Documents that Have to Be Enclosed with the License Application Form (“RS Official Gazette” No. 116/06)
- 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 Form and Content of the Application for the Registration into the Register of Intermediaries in Insurance with RS Insurance Agency (Head of Agency from May 24, 2007);
- Decision on Fee for Financing the Work of Insurance Ombudsman (MB of Agency from April 13, 2009);
- Decision on Payment of the Annual Fee for Financing the Work of RS Insurance Ombudsman for 2009 (Head of Agency from March 27, 2009);

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

- Conclusion on First Deadline for Submission of Reports LIKV-1 (MB of Agency October 8, 2009);

- Order – premium system from October 3, 2008.
- Supplement to order October 29, 2008;

- Rules of Procedure of Ombudsman in Insurance (MB of Agency December 17, 2008);

- Code of Business Ethics of Insurance Companies in Republic of Srpska (Ombudsman from February 20, 2009).