



INSURANCE SUPERVISION AGENCY

2014
ANNUAL REPORT
THE INSURANCE MARKET IN THE REPUBLIC OF MACEDONIA

Skopje, 2015

The Report was prepared in accordance with Article 158-t of the Law on Insurance Supervision and for its preparation the Insurance Supervision Agency used data from its own records.

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1. INTRODUCTION

The Insurance Supervisory Agency of the Republic of Macedonia (hereinafter, "ISA") is an autonomous, independent regulatory authority which administers public authorizations as stipulated by the Law on Insurance Supervision, and the Law on Compulsory Insurance in Traffic. ISA aims to contribute to the legal and effective functioning of the domestic insurance market by supporting its continuous development; protecting adequately policyholder rights and interests; as well as strengthening the financial stability of the economy.

At year-end 2014, the insurance market comprised 15 insurance companies, with 11 operating in the non-life insurance, and four in the life insurance sector. During the year, four new insurance brokerage companies and two new insurance agencies entered the insurance market, increasing their totals to 30 and 11, respectively.

In 2014, aggregate gross written premium (hereinafter, GWP) totalled MKD 7.63 billion, a 6.08% increase over 2013 (MKD 7.19 billion). Aggregate GWP in the non-life insurance sector totalled MKD 6.74 billion, a 4.31% growth over the previous year (MKD 6.46 billion).

The life-insurance sector's GWP was MKD 888 million, a growth of 21.78% over the previous year (MKD 729 million).

At year-end 2014, the insurance companies held MKD 16.42 billion in assets, an increase of 18.25% over the previous year (MKD 13.88 billion). Total calculated capital of insurance companies was MKD 5.18 billion, an 11.19% growth over 2013. The solvency margin, the main indicator for assessing the stability of the insurance sector, was MKD 1.15 billion, 4.5 times higher than the required solvency margin level.

In 2014, the insurance sector reported profits of MKD 342 million, with the non-life sector reporting MKD 340 million, and the life insurance sector reporting MKD 2 million.

Concerning legislation, two amendments and supplementations to the Law on Insurance Supervision ("Official Gazette of the Republic of Macedonia" no. 43/2014 and 112/2014) and one amendment and supplementation to the Law on Compulsory Insurance in Traffic ("Official Gazette of the Republic of Macedonia" no. 112/2014) were adopted in 2014. Concerning secondary legislation, six new bylaws, and two bylaws that amend and supplement previously adopted bylaws, were adopted.

2. LEGAL FRAMEWORK

The Law on Insurance Supervision ("Official Gazette of Republic of Macedonia" No. 27/2002, 98/2002, 79/2007, 88/2008, 67/2010, 44/2011, 112/2011, 188/2013, 30/2014, 43/2014 and 112/2014), the Law on Compulsory Insurance in Traffic ("Official Gazette of Republic of Macedonia" No. 88/2005, 70/2006, 81/2008, 47/2011, 135/2011 and 112/2014), and the Law on Voluntary Health Insurance ("Official Gazette of Republic of Macedonia" No. 145/2012), provide the basic legal framework for regulating the manner and conditions of insurance and reinsurance activities; performing insurance agency activities; and conducting supervision over the operations of insurance companies, insurance brokerage companies, and insurance agencies.

The broader legal framework is set under the Contractual Law ("Official Gazette of Republic of Macedonia" no. 18/2001, 4/2002, 5/2003, 84/2008, 81/2009, 161/2009 and 123/2013), particularly the part referring to insurance contracts, and the Company Law ("Official Gazette of Republic of Macedonia" no. 28/2004, 84/2005, 25/2007, 87/2008, 42/2010, 48/2010, 24/2011, 166 / 2012, 70/2013, 119/2013, 120/2013, 187/2013, 38/2014, 41/2014 and 138/2014).

The Law on Insurance Supervision incorporates the insurance principles and standards of the International Association of Insurance Supervisors (IAIS), as well as the EU Insurance Directives. The Law regulates the establishment and operations of insurance companies; risk management; the role of authorised actuaries; financial reporting; internal and external auditing; activities of insurance brokerage companies and agencies; supervision over insurance companies; procedure for decision-making by the ISA; operations of insurance and reinsurance pools; cooperation with supervisory agencies and EU authorities, as well as penalty provisions.

In 2014, two amendments and supplementation to the Law on Insurance Supervision were adopted.

The Law amending and supplementing the Law on Insurance Supervision ("Official Gazette of Republic of Macedonia" No. 43/2014) regulates the status of ISA employees and strengthens the criteria for professional and expert capacity of persons elected to be members of ISA's Council of Experts, thus achieving more transparency in electing said members. The Law amending and supplementing the Law on Insurance Supervision ("Official Gazette of Republic of Macedonia" no. 112/2014) defines citizens' rights for payment of pensions from second and third pension pillars and supplementary health insurance. Also, these amendments introduce new line of business with annuities for beneficiaries of pensions and non-contributory benefits from compulsory and voluntary fully funded pension insurance, and voluntary health insurance. Furthermore, the amendments regulate the manner in which bankruptcy or liquidation of an insurance company is conducted, where the citizens' assets for pensions and non-contributory benefits are separated from the bankruptcy procedure of the undertaking, and are transferred to another insurance undertaking, or to a pension company that will continue paying pension and non-contributory benefits. The amendments also establish the procedure for appointing members of a management body of an insurance company, when their number is reduced below the statutory minimum. The amendments also introduce the requirement that auditors submit their previous calendar year reports by April 30th of the current year

concurrently to ISA and the company's management and supervisory body. In addition, the amendments modified the list of permitted investments in government securities.

Compulsory traffic insurance is stipulated under the Law on Compulsory Insurance in Traffic, which requires the following: extended protection of the interests of victims in traffic accidents by increasing the insured sum and its gradual harmonization (upon previously legally defined phases) with the insured sum adopted under the EU Directives; regulation of the deadlines for filing claims and indemnification of claims by the insurance companies; imposition of the entitlement to mediation; strict regulation of the competencies of the Guarantee Fund; changes in the manner of establishing premium tariffs for which the Motor Insurance Commission has been established; as well as facilitating the provision of cross-border insurance services by introduction of the so-called authorised claims representative, and introduction of Damage Compensation Service (the last two items shall be realised once the Republic of Macedonia joins the European Union).

The Law amending the Law on Compulsory Insurance in Traffic ("Official Gazette of Republic of Macedonia" no. 112/2014), aligns terminology used in the Law on Vehicles ("Official Gazette of Republic of Macedonia" no. 140/2008, 53/2011, 123/2012, 153/2012, 70/2013, 164/2013 and 138/2014), and in the Law on Inland Waterway Navigation ("Official Gazette of Republic of Macedonia" no. 55/2007, 26/2009, 22/2010, 23/2011, 53/2011, 155/2012, 15/2013, 137/2013, 163/2013, 42/2014 and 166/2014). As per the adopted amendments, each vessel with a mechanical engine and floating objects, as defined in accordance with the Law on Inland Waterway Navigation, and all motor vehicles and coupled vehicles, as defined in accordance with the Law on Vehicles, are subject to compulsory motor third-party liability insurance.

The Law on Voluntary Health Insurance prescribes a wider scope of activities for an insurance company to offer packages of health services not covered under the system for compulsory health insurance. As such, voluntary health insurance is regulated as supplementary and private. Supplementary health insurance covers partial cost obligations (co-payment) of the insured when using medical services provided with the compulsory health insurance, in accordance with the regulations of compulsory health insurance and health care protection. Private health insurance allows cost coverage for using healthcare services with higher standard than those within the compulsory health insurance; supplementary healthcare services; as well using healthcare services in medical institutions outside the network of healthcare institutions where healthcare activities are carried out, and in private institutions that make, issue, and service orthopaedic and other devices.

3. INSURANCE MARKET IN THE REPUBLIC OF MACEDONIA

A) INSURANCE COMPANIES

Fifteen insurance companies operated on the insurance market in the Republic of Macedonia in 2014, of which four operated in the life insurance sector, and the remaining eleven in the non-life insurance sector. Only one insurance company was licensed for reinsurance business beyond its non-life insurance operations (Table 1).

Table 1: Registry of insurance companies

	Insurance company	Insurance sector
1	MACEDONIA ¹ – Skopje, Vienna Insurance Group	Non-life insurance and reinsurance
2	TRIGLAV	Non-life insurance
3	SAVA INSURANCE	
4	EUROINS INSURANCE	
5	WINNER – Vienna Insurance Group	
6	EUROLINK	
7	INSIG MACEDONIA	
8	UNIQA	
9	INSURANCE POLICY	
10	ALBSIG	
11	CROATIA INSURANCE – NON LIFE	
12	CROATIA INSURANCE - LIFE	
13	GRAWE	
14	WINNER LIFE - Vienna Insurance Group	
15	UNIQA LIFE	

Source: ISA

1. Ownership Structure

In 2014, there were no significant changes in the ownership structure of the insurance companies. The insurance companies are predominantly owned by foreign legal entities operating as financial institutions (92.2%), i.e., they partially or wholly own 14 of the 15 insurance companies on the market (Table 2). Of the 14 insurance companies, 11 companies are owned by insurance groups with head offices in EU Member States. Only one insurance company is fully owned by domestic investors.

¹ Since 2004 this company has not written new policies, and is only servicing previously executed contracts for life insurance

Table 2: Ownership structure of insurance companies

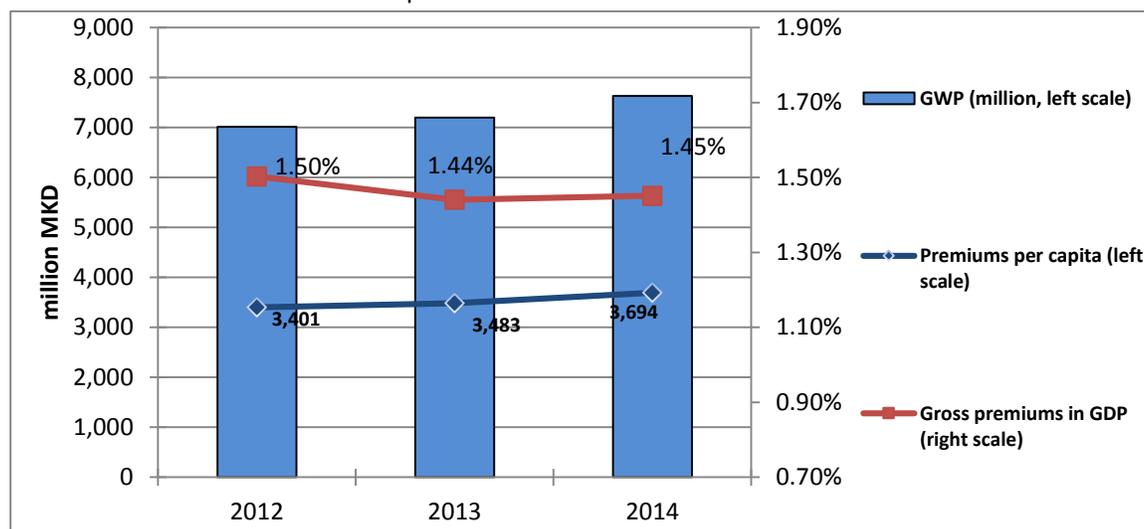
	2014	2013
1. Foreign shareholders	92.25%	91.83%
1.1. Natural persons	0.08%	0.12%
1.2. Non-financial legal persons	0.01%	0.00%
1.3. Financial Institutions	92.16%	91.71%
2. Domestic shareholders	7.70%	8.13%
2.1. Natural persons	6.60%	6.99%
2.2. Non-financial legal persons	0.79%	0.79%
2.3. Financial Institutions	0.32%	0.35%
3. State-ownership	0.04%	0.04%
Total	100.00%	100.00%

Source: ISA

2. Insurance market development

Two basic indicators, the insurance density rate and the insurance penetration rate², measure development of the insurance market. The data on insurance penetration in 2014 show total GWP in the country to account for 1.45% of GDP (2013: 1.44%); the insurance density rate is MKD 3,694 per capita, which shows a 5.7% growth over the previous year (Chart 1).

Chart 1: Insurance market development indicators



Source: ISA, State Statistical Office, and Ministry of Finance

The insurance sector in Macedonia is characterized by its low market concentration, a prerequisite for a competitively functioning market. The Herfindahl index, when calculated against aggregate GWP in 2014 is

² Insurance density is calculated as ratio between the gross written premium and the population of the country, and insurance penetration is calculated as ratio between the gross written premium and the gross domestic product.

877.88 (2013: 891.77). A similar result is obtained when computing the index against assets of insurance companies: 866.35 in 2014 (2013: 869.25)³.

Analysis across different insurance sectors shows higher concentration in the life insurance sector, due to the small number of companies in this area. For life insurance companies, the Herfindahl-index measured against GWP is 3,740.38 (2013: 3,818.40), whereas when measured against the assets of the companies it was 3,237.96 (2013: 3,177.59).

With regard to the non-life insurance sector, there has been a continuous, moderate decline in concentration, which is also shown when measuring the Herfindahl-index relative to GWP, which reached 1,059.51 in 2014 (2013: 1,055.77), and 1,150.31 relative to assets (2013: 1,151.24).

The tables below shows the Herfindahl-index and concentration index for the top five insurance companies (CR5):

Table 3: Herfindahl- index and CR5 index measured relative to GWP

Gross written premium	2014		2013		2012	
	Herfindahl	CR5	Herfindahl	CR5	Herfindahl	CR5
The whole sector	877.878	53.47%	891.768	54.39%	951.072	57.58%
Non-life insurance	1,059.514	60.51%	1,055.767	60.53%	1,104.318	62.95%
Life insurance	3,740.380	100.00%	3,818.398	100.00%	3,723.219	100.00%

Source: ISA

Table 4: Herfindahl- index and CR5 index measured against the assets of insurance companies

Assets	2014		2013		2012	
	Herfindahl	CR5	Herfindahl	CR5	Herfindahl	CR5
The whole sector	866.350	54.38%	869.248	52.95%	896.283	54.97%
Non-life insurance	1,150.306	66.68%	1,151.243	65.47%	1,172.789	66.06%
Life insurance	3,237.957	100.00%	3,177.585	100.00%	2,965.782	100.00%

Source: ISA

The decline in market concentration of the non-life insurance companies is also evidenced by the CR5 index measured against their share in GWP, which indicates decline of 60.51% in 2014 (2013: 60.53%).

With regard to market concentration, at year-end 2014, four non-life insurance companies exceeded the 10% threshold as a share of total GWP. Accordingly, the shares of the market leaders are as follows: Triglav Insurance with 16.98% (2013: 16.74%), Insurance Macedonia with 12.87% (2013: 10.75%), Eurolink with

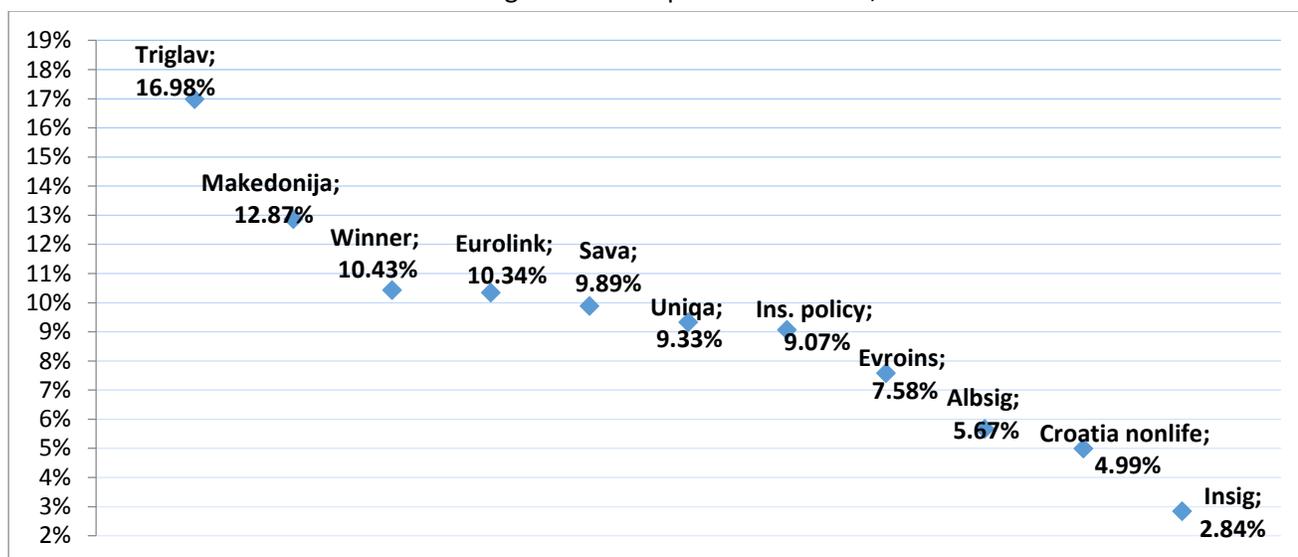
³ The Herfindahl index is calculated as per the following formula:

$$HI = \sum_{i=1}^n (S)_i^2$$

where S is the share of each insurance undertaking in the total assets (gross written premium) of the insurance sector, and n is to total number of institutions in the respective segment. When the index ranges between 1000 and 1800 units, the concentration level of the insurance sector is deemed acceptable.

10.34% (2013: 12.12%), and Winner with 10.43% (2013: 10.46%). Moreover, none of the insurance companies on the Macedonian insurance market exceeded the threshold of over 20% market share (Chart 2).

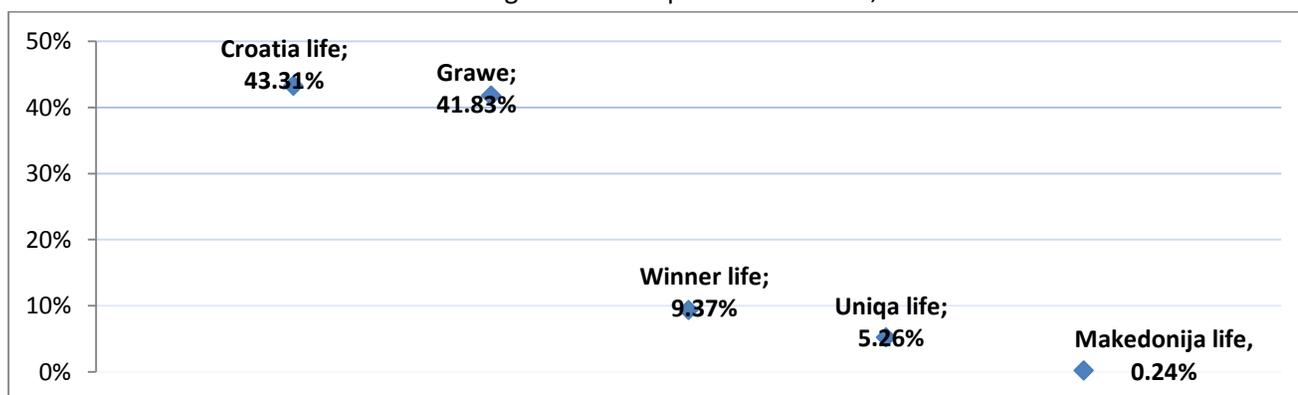
Chart 2: Market concentration relative to gross written premium in 2014, for the non-life insurance sector



Source: ISA

Two insurance companies—Croatia Life with 43.31% (2013: 43.38%) and Grawe with 41.83% (2013: 43.02%)—have dominant market shares in the life insurance sector. The small market share of Winner Life and Uniqa Life is due to their relatively short presence on the market since 2011. As for Macedonia Life, it has not signed new life insurance contracts since 2004 (Chart 3).

Chart 3: Market concentration relative to gross written premium in 2014, for the life insurance sector



Source: ISA

3. Gross written premium

The GWP for insurance and reinsurance of the non-life insurance companies includes all the insurance premiums contracted (written) within the current accounting period, whether they partially or completely earned in the following period, whereas the total life-insurance written premium includes all paid premiums until the end of the accounting period.

Total GWP in 2014 was MKD 7.63 billion, a 6.08% increase compared to the GWP in 2013 (MKD 7.19 billion) (Table 5).

Table 5: Gross written premium by line of business insurance (thousand MKD)

Line of business	Gross Written premium (GWP)		Change 14/13	Share in total GWP	
	2014	2013		2014	2013
01. Accident insurance	580,880	540,877	7.40%	7.61%	7.52%
02. Health insurance	4,666	2,113	120.82%	0.06%	0.03%
03. Motor vehicle insurance – casco	690,130	721,808	-4.39%	9.04%	10.03%
05. Aircraft insurance - casco	85,393	81,920	4.24%	1.12%	1.14%
06. Vessel insurance – casco	843	1,020	-17.35%	0.01%	0.01%
07. Insurance of goods in transit – cargo	60,423	72,536	-16.70%	0.79%	1.01%
08. Property insurance against fire	461,903	485,910	-4.94%	6.05%	6.75%
09. Other property insurance	917,296	829,717	10.56%	12.02%	11.53%
10. Motor third-party liability insurance	3,542,769	3,380,016	4.82%	46.43%	46.99%
11. Aircraft third-party liability insurance	10,984	9,412	16.70%	0.14%	0.13%
12. Vessel third-party liability insurance	1,950	1,937	0.67%	0.03%	0.03%
13. Other liability insurance	178,608	160,758	11.10%	2.34%	2.23%
15. Guaranties insurance	1,930	1,343	43.71%	0.03%	0.02%
16. Insurance against financial loss	38,189	23,838	60.20%	0.50%	0.33%
17. Legal protection insurance	0	1	-100.00%	0.00%	0.00%
18. Travel insurance	166,440	150,836	10.35%	2.18%	2.10%
19. Life insurance	888,329	729,459	21.78%	11.64%	10.14%
TOTAL	7,630,733	7,193,501	6.08%	100.00%	100.00%
TOTAL NON-LIFE	6,742,404	6,464,042	4.31%	88.36%	89.86%
TOTAL LIFE	888,329	729,459	21.78%	11.64%	10.14%

Source: ISA

The positive trend is present in both insurance groups. The non-life insurance group achieved GWP of MKD 6.74 billion (2013: MKD 6.46 billion), representing 88.36% of the total GWP of the insurance sector, or a 4.31% increase over the previous year.

The life-insurance sector's GWP was MKD 888 million (2013: MKD 729 million), showing growth of 21.78% over the previous year. This significant growth is due to the increased supply of life insurance in the country,

the ever growing number of citizens informed of the benefits for this type of insurance, as well as the macroeconomic stability of the country, which invites further development of this insurance sector.

Seven of the eleven non-life insurance companies increased their GWP companies in 2014 (Table 6).

Table 6: Gross written premium by non-life insurance companies (thousand MKD)

No.	Insurance company	Gross written premium (GWP)		Change	Share in total GWP	
		2014	2013		14/13	2014
1	Triglav	1,144,930	1,082,218	5.79%	16.98%	16.74%
2	Makedonija	867,763	695,165	24.83%	12.87%	10.75%
3	Winner	703,263	676,227	4.00%	10.43%	10.46%
4	Eurolink	697,244	783,546	-11.01%	10.34%	12.12%
5	Sava	666,646	676,654	-1.48%	9.89%	10.47%
6	Uniqa	629,069	638,138	-1.42%	9.33%	9.87%
7	Insurance policy	611,660	582,585	4.99%	9.07%	9.01%
8	Euroins	511,404	456,594	12.00%	7.58%	7.06%
9	Albsig	382,236	341,136	12.05%	5.67%	5.28%
10	Croatia non- life	336,707	352,465	-4.47%	4.99%	5.45%
11	Insig	191,482	179,314	6.79%	2.84%	2.77%
	Total non- life	6,742,404	6,464,042	4.31%	100.00%	100.00%

Source: ISA

All life insurance companies except Macedonia Life, which no longer signs contracts, increased their GWP (Table 7).

Table 7: Gross written premium by life insurance companies (thousand MKD)

No.	Insurance company	Gross written premium (GWP)		Change	Share in total GWP	
		2014	2013		14/13	2014
1	Croatia life	384,706	316,445	21.57%	43.31%	43.38%
2	Grawe	371,554	313,843	18.39%	41.83%	43.02%
3	Winner life	83,209	53,130	56.61%	9.37%	7.28%
4	Uniqa life	46,741	41,233	13.36%	5.26%	5.65%
5	Makedonija	2,119	4,808	-55.93%	0.24%	0.66%
	Total life	888,329	729,459	21.78%	100.00%	100.00%

Source: ISA

The most comprehensive indicator regarding the development of the insurance sector is analysis of the scope of operations in different insurance lines of business across insurance companies. Hence, by using the data on the GWP by lines of business, the market structure of all insurance companies in 2014 is also presented (Table 8).

Table 8: Gross written premium for the period 01.01.2014-31.12.2014 (thousand MKD)

Line of business	Non-life insurance											Total non-life
	Macedonia	Triglav	Sava	Euroins	Eurolink	Winner	Insig	Uniq	Insurance Policy	Albsig	Croatia	
01. Accident	98,152	97,951	47,750	48,479	97,927	39,920	8,430	36,276	46,314	18,558	41,123	580,880
02. Health	0	5	1,775	0	2,091	418	0	297	80	0	0	4,666
03. Motor vehicles - casco	85,482	169,592	95,565	47,407	79,987	66,295	5,209	36,199	59,156	14,556	30,682	690,130
05. Aircraft insurance – casco	0	0	0	0	11,288	74,105	0	0	0	0	0	85,393
06. Vessel insurance - casco	78	143	243	0	217	84	0	49	5	0	24	843
07. Insurance of goods in transport - cargo	20,785	10,927	3,034	8,112	2,386	6,374	20	5,860	1,244	209	1,472	60,423
08. Property insurance against fire and other hazards	107,312	79,303	65,271	19,760	81,227	19,271	3,199	24,329	36,927	12,935	12,369	461,903
09. Other property insurance	269,807	210,191	57,550	31,406	51,422	141,740	1,405	97,249	37,097	3,665	15,764	917,296
10. Motor third-party liability/MTPL	241,803	478,339	357,524	333,601	296,783	325,922	167,577	397,431	400,356	322,028	221,405	3,542,769
11. Aircraft third party liability insurance	0	0	0	0	2,409	8,407	0	0	168	0	0	10,984
12. Vessel third-party liability insurance	224	182	623	32	211	175	0	23	410	0	70	1,950
13. General Liability insurance	27,443	36,232	13,226	10,532	45,223	9,341	514	15,636	14,705	2,681	3,075	178,608
15. Guaranties insurance	62	125	113	28	0	1,072	0	0	530	0	0	1,930
16. Insurance against financial loss	2,393	31,059	1,893	1,060	0	0	0	284	0	0	1,500	38,189
18. Travel insurance	14,222	30,881	22,079	10,987	26,073	10,139	5,128	15,436	14,668	7,604	9,223	166,440
Total	867,763	1,144,930	666,646	511,404	697,244	703,263	191,482	629,069	611,660	382,236	336,707	6,742,404

Life insurance	Croatia	Grawe	Winner	Uniq	Macedonia	Total Life
19. Life insurance	384,706	371,554	83,209	46,741	2,119	888,329
Total	384,706	371,554	83,209	46,741	2,119	888,329

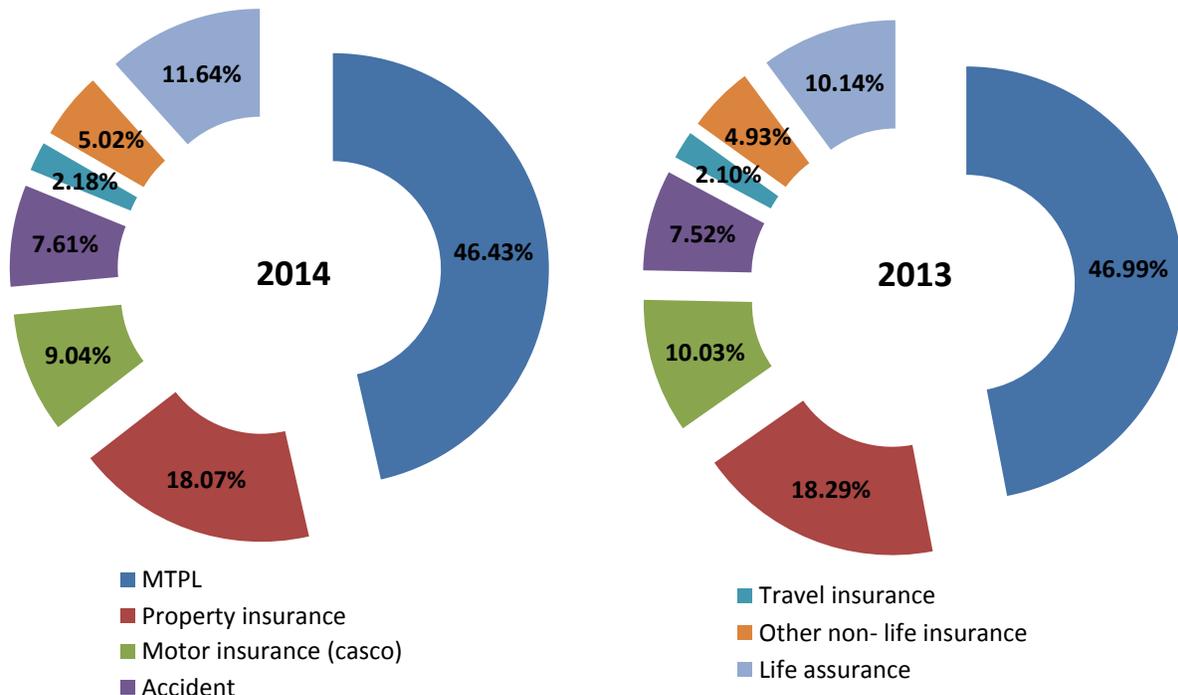
Total	7,630,733
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Source: ISA

4. Lines of Business

Regarding the structure of the insurance lines of business as a share of the total GWP, the highest market share is recorded under motor vehicle insurance at 54.47% (2013: 57.02%), with motor third-party liability insurance (MTPL) at 46.43% (2013: 46.99%), and voluntary motor vehicle insurance (casco) at 9.04% (2013: 10.03%). It is followed by property insurance (against fire, natural disasters, theft and other risks) with 18.07% (2013: 18.29%), and insurance against accident consequences (accident) with 7.61% (2013: 7.52%). Also, life insurance holds a significant market share with 11.64% (2013: 10.14%). The structure by lines of business, including a comparison to 2013, is shown on Chart 4.

Chart 4: Gross written premium structure by line of business



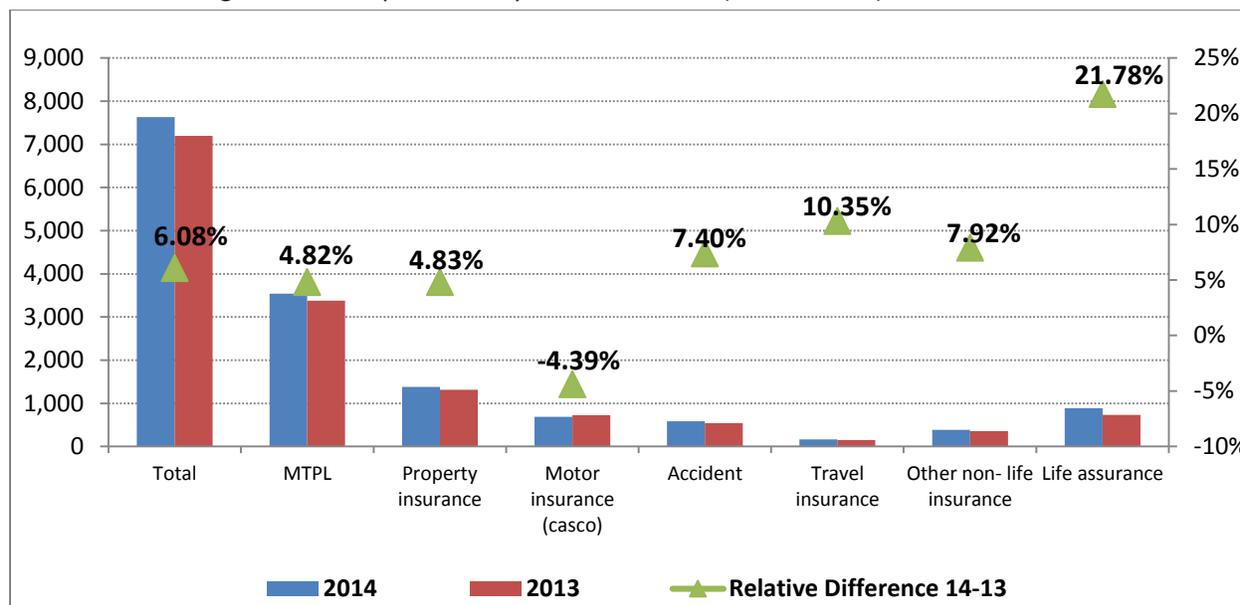
Source: ISA

Compared to 2013, an increase in GPW of 4.82% was recorded for MTPL insurance, with MKD 3.54 billion (2013: MKD 3.38 billion). With regard to motor vehicle insurance – casco, there was a GWP drop of 4.39% compared to 2013, since the count of signed insurance contracts dropped by 5.38%. These trends are due to the decreased sales of new vehicles in 2014, compared to the previous year.

The second most significant insurance line of business as its share of GWP was property insurance. In this line of business, GWP decreased by 4.83% compared to 2013, while the count of signed contracts increased by 12.19%. This result was due to increased activity of more insurance companies in the promotion of property insurance, expressed as price competition.

The 21.78% growth in life insurance, as compared to 2013, deserves special attention (Chart 5).

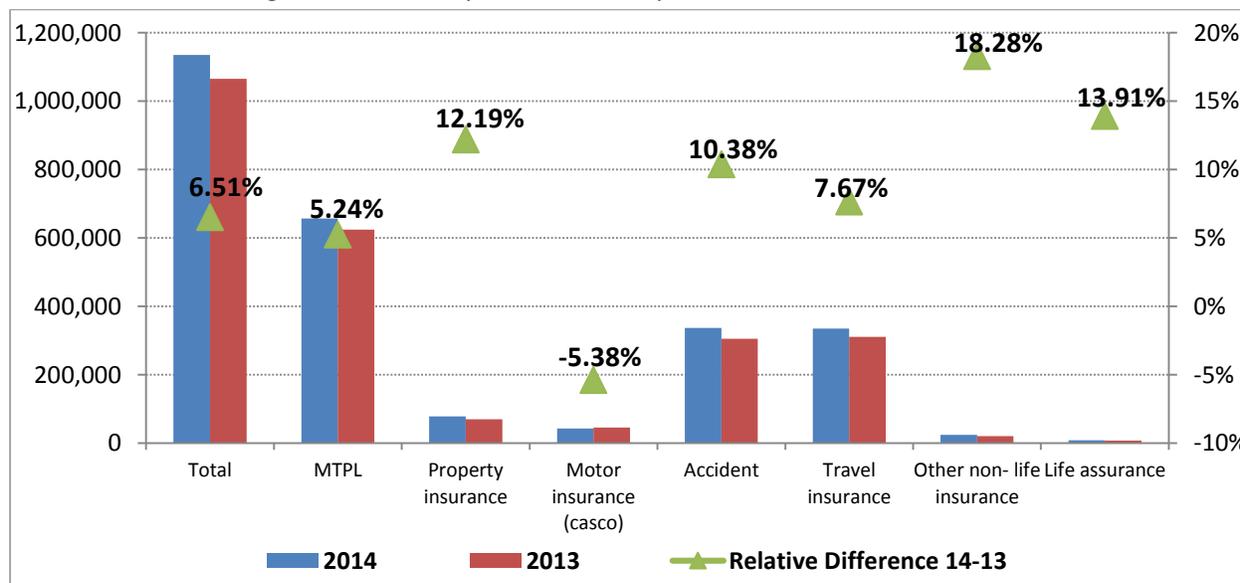
Chart 5: Trend of gross written premium by line of business (million MKD)



Source: ISA

During 2014, the insurance companies issued 1,135,156 insurance policies, a 6.51% decrease in signed contracts (2013: 1,065,816 insurance policies). Of the total issued policies, 1,126,338 or 99.22% were policies within the non-life insurance sector, a 6.45% growth in terms of number of policies issued in 2013, whereas 8,818 were policies for life insurance, i.e. an increase of 13.91% (2013: 7,741 policies). The change of the number of signed contracts by line of business is presented in Chart 6.

Chart 6: Number of signed contracts by insurance companies



Source: ISA

During 2014, the insurance companies paid claims at gross amount of MKD 3.05 billion. Compared to 2013, the gross amount of paid claims increased by 3.20% (Table 9).

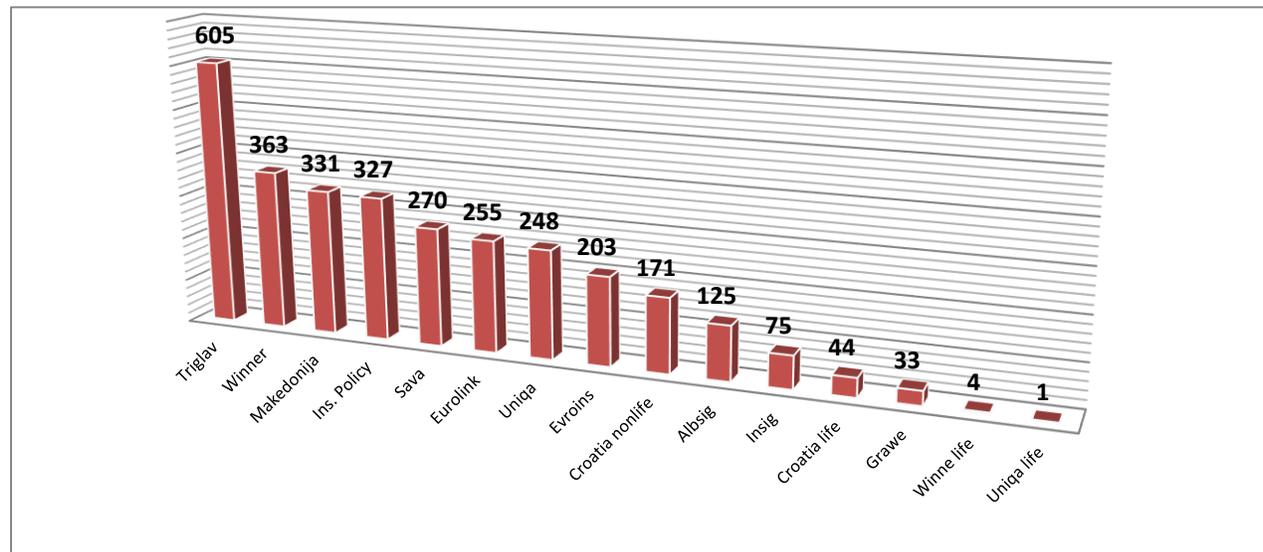
Table 9: Gross paid claims by line of business (thousand MKD)

Lines of business	2014	2013	2012
Motor third-party liability/MTPL	1,438,603	1,550,495	1,405,306
Property insurance	715,860	439,745	587,355
Motor vehicle insurance – casco	385,016	434,905	500,565
Accident insurance	342,357	357,631	366,079
Life insurance	102,862	114,358	92,060
Travel insurance	39,427	32,463	28,689
Other insurance – non-life	29,829	29,597	33,619
Total	3,053,954	2,959,194	3,013,673

Source: ISA

Chart 7 shows the individual shares of insurance companies in the total gross paid claims in 2014.

Chart 7: Share of insurance companies in gross paid claims in 2014 (thousand MKD)



Source: ISA

5. Employment in the insurance companies

The trend of increasing number of employees working for the insurance companies (Table 10) is another indicator of the development of the insurance sector in the Republic of Macedonia. This trend is due primarily to the emergence of new players on the insurance market, and the growing business activities of existing ones.

Table 10: Number of employees in the insurance companies

Year	2014	2013	2012
Number of employees	1,744	1,613	1,460

Source: ISA

6. Assets and liabilities structure

6.1 Assets structure

At year-end 2014, the total assets of the insurance sector was MKD 16.42 billion, an increase of 18.25% compared to the total value of assets companies in 2013 (Table 11), and is a continuation of the positive trend of growth from the previous year

Table 11: Assets structure of insurance companies (MKD)

	31.12.2014	Share	31.12.2013	Share	Index 14/13
Intangible assets	50,440,663	0.31%	60,755,467	0.44%	83.02%
Investments	11,497,951,614	70.04%	10,233,054,992	73.71%	112.36%
Co-insurers' and reinsurers' share in gross technical provisions	1,384,318,456	8.43%	658,956,222	4.75%	210.08%
Current and deferred taxes	13,845,112	0.08%	26,652,882	0.19%	51.95%
Receivables	2,508,066,834	15.28%	2,048,939,001	14.76%	122.41%
Other assets	461,150,177	2.81%	450,260,256	3.24%	102.42%
Active valuation reserves	500,378,136	3.05%	403,876,296	2.91%	123.89%
TOTAL ASSETS	16,416,150,991	100.00%	13,882,495,114	100.00%	118.25%

Source: ISA

With regard to asset investments, there was a growth of 12.36% compared to 2013, but also decreased total share in the assets structure of insurance companies (2014: 70.04%; 2013: 73.71%; 2012: 71.66%).

The most significant share in the total investments is represented by other financial investments with 85.96%, which is an increase of 15.54% compared to the previous year. The sector of other financial investments includes the following: deposits, loans and other placements with 47.21%, financial investments held for sales with 32.75%, financial investments held to maturity account with 19.15%, and financial investments held for trading with 0.88%.

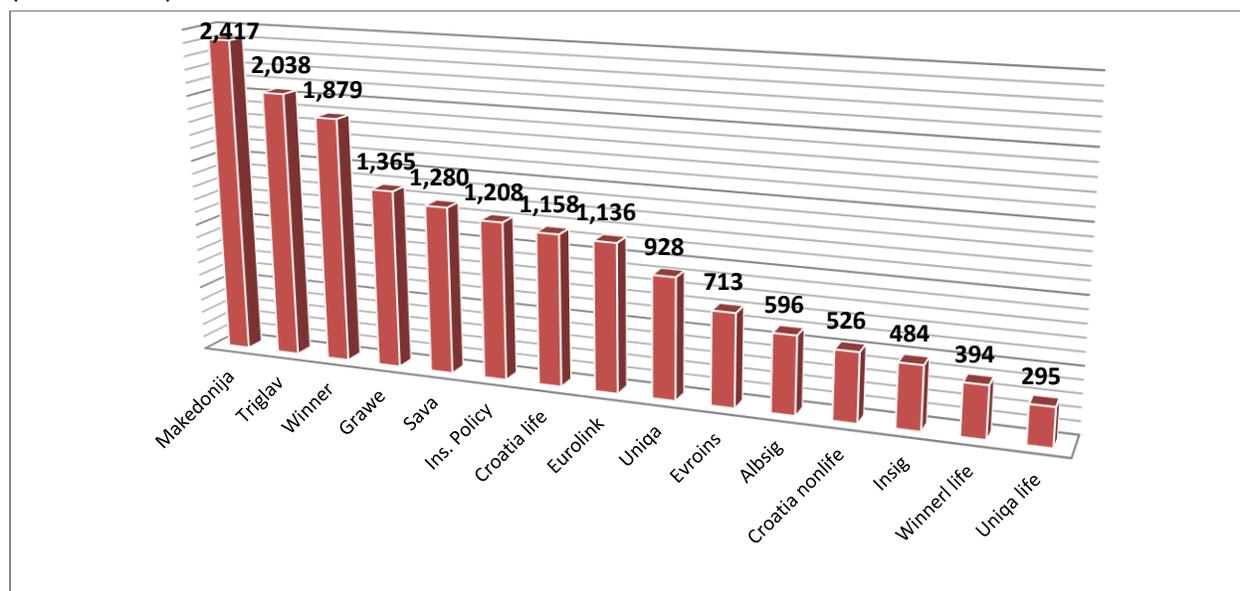
The total investments also include financial investments in companies forming a group – subsidiaries, affiliated companies, and jointly controlled entities, which represents 1.60% of the total investments, showing an increase of 0.71%. In addition, land and buildings and other tangible assets are also part of the total investments, accounting for 12.43% of the total investments, a decline of 4.25% compared to 2013.

Within the structure of total receivables, the receivables from direct insurance operations accounted for MKD 1,650 million or a share of 65.80%, and showing an increase of 1.62% compared to 2013.

The amount of receivables from co-insurance and reinsurance operations was MKD 349 million (13.92% of the total receivables), showing a significant increase of MKD 26 million compared to 2013. The amount of other receivables was MKD 509 million (20.28% of the total receivables), showing a growth of 27.46% compared to 2013.

The dominant part of the total assets of the insurance sector comprised the assets of the non-life insurance companies, however, there is an increasingly present trend of growing share of the assets of life insurance companies, which in 2014 was 19.88% (2013: 19.22%) of the total assets of the insurance companies. The share structure of insurance companies in the total assets of the insurance sector is presented on Chart 8.

Chart 8: Share structure of insurance companies in the total assets of the insurance sector in 2014 (million MKD)



Source: ISA

6.2 Liabilities structure

The total sources of funding of the insurance companies in 2014 are showing a positive trend, expressed as an increase in the gross technical provisions by 21.38%, and also a slight increase in the relative share in total sources of funding (2014: 55.04%; 2013: 53.63%). At the same time, liabilities increased by 25.97%, whereas the capital and provisions by 9.69% (Table 12).

Table 12: Liabilities structure in the insurance companies (MKD)

	31.12.2014	Share	31.12.2013	Share	Change 14/13
Capital (equity) and provisions	5,472,120,697	33.3%	4,988,937,157	35.94%	109.69%
Subordinated liabilities	36,888,840	0.22%	0	0.00%	0.00%
Gross technical provisions	9,036,141,437	55.04%	7,444,764,272	53.63%	121.38%
Other provisions	52,681,208	0.32%	37,755,569	0.27%	139.53%
Deferred and current tax liabilities	40,198,240	0.24%	17,326,296	0.12%	232.01%
Liabilities arising from deposits of insurance companies at reinsurers/cedents	955,869	0.01%	634,582	0.00%	150.63%
Liabilities	1,575,456,802	9.60%	1,250,614,695	9.01%	125.97%

Passive valuation reserves	201,707,899	1.23%	142,462,543	1.03%	141.59%
TOTAL SOURCES OF FUNDING	16,416,150,991	100.00%	13,882,495,114	100.00%	118.25%

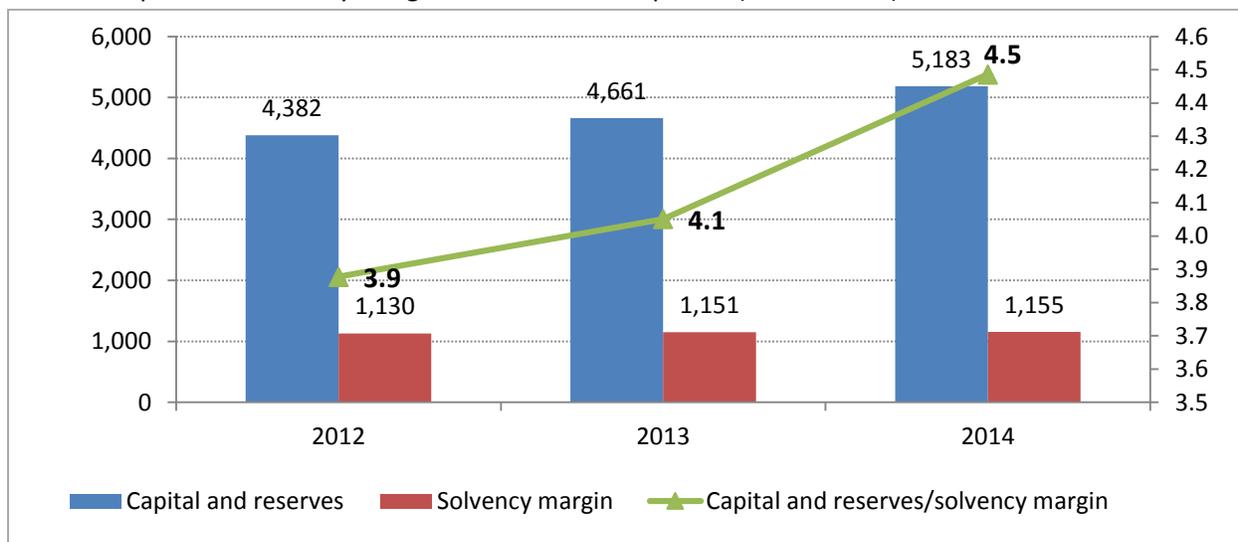
Source: ISA

7. Capital and required level of solvency margin

Pursuant to Articles 75 and 76 of the Law on Insurance Supervision, insurance companies must maintain capital at least at the required level of the solvency margin. Based on the data submitted to the Agency, total calculated capital of insurance companies⁴ at the end of 2014 was MKD 5.18 billion, an increase of 11.19% compared to 2013. The analysis by insurance sectors shows that the total capital of non-life insurance companies is MKD 4.21 billion, and its share in the total liabilities of said companies' accounts for 33.72%. Life insurance companies dispose with total capital of MKD 976 million, which accounts for 31.78% of the total liabilities of these insurance companies.

The solvency margin, being the key indicator to assess the stability of the insurance sector, is MKD 1.15 billion (MKD 1.00 billion for non-life insurance, and MKD 146 million for life insurance), whereas the insurance sector capital is 4.5 times above the level of the solvency margin. The capital and solvency margin of the insurance companies are shown on Chart 9.

Chart 9: Capital and solvency margin of insurance companies (million MKD)



Source: ISA

8. Technical Provisions

The gross technical provisions increased by 21.22% compared to 2013, and have the largest share in the liabilities structure of insurance companies.

⁴ Rulebook on the types and description of items that will be taken into account when calculating the capital of the insurance and/or reinsurance undertaking ("Official Gazette of Republic of Macedonia" no. 5/2011 and 64/2011")

The total amount of technical provisions of insurance companies performing non-life insurance services at the end of 2014 was MKD 6.91 billion, an increase of 17.83% compared to the previous year, whereas the total amount of technical provisions of insurance companies performing life insurance services was MKD 2.12 billion, representing an increase of 33.79% compared to the previous year (Table 13). One of the factors contributing to the growth of technical provisions is the conducted supervision, as well as the application of the Rulebook on the minimum standards for calculating technical provisions ("Official Gazette of Republic Macedonia" no. 187/13), enabling consistency in the actuarial calculations of the technical provisions.

Table 13: Structure and changes in technical provisions (thousand MKD)

Technical reserves structure	Non-life insurance			Life insurance			Total		
	2014	2013	14/13	2014	2013	14/13	2014	2013	14/13
Unearned paid premium provisions	2,876,869	2,755,986	4.39%	27,424	23,045	19.00%	2,904,293	2,779,031	4.51%
Reserves for bonuses and rebates	61,267	39,359	55.66%	77,519	37,432	107.09 %	138,786	76,791	80.73%
Claims provisions	3,980,222	3,066,598	29.79%	36,948	29,275	26.21%	4,017,170	3,095,873	29.76%
Mathematical provision	0	0	0.00%	1,975,723	1,493,054	32.33%	1,975,723	1,493,054	32.33%
Other technical provisions	5,878	0	0.00%	0	0	0.00%	5,878	0	0.00%
Total	6,924,236	5,861,943	18.12%	2,117,614	1,582,806	33.79%	9,041,850	7,444,749	21.45%

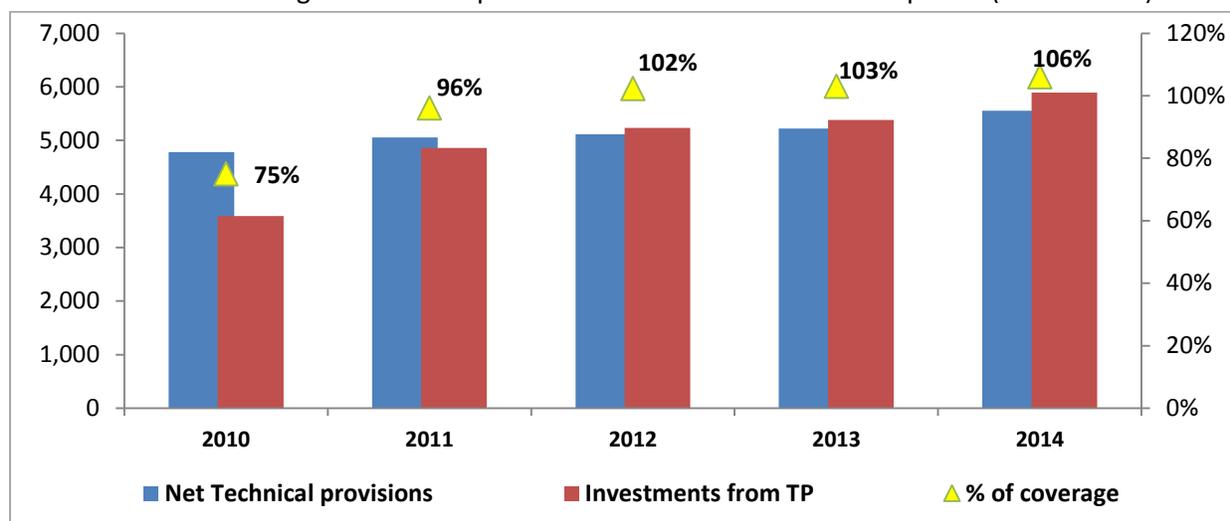
Source: ISA

9. Assets covering the technical provisions

The assets covering the technical provisions are the assets of the insurance companies used to cover future liabilities arising from insurance contracts, as well as possible losses related to risks from the insurance operations for which the insurance company is obligated to allocate funds to cover the net technical provisions. An insurance company is obligated to invest funds at least equivalent to the amount of the technical provisions – net reinsurance, in accordance with the provisions of the Law on Insurance Supervision and the Rulebook on the types and characteristics of assets covering the technical provisions, and assets covering the mathematical provision, as well as details on the placements and restrictions of said investments and valuation thereof ("Official Gazette of Republic of Macedonia" No. 64/11 and 127/14).

At the end of 2014, the investments in assets covering the technical provisions of the non-life insurance companies were MKD 5.89 billion and covered 106.06% of the total net technical provisions (2013: 103.08%). Over the last five years, this sector has significantly improved (Chart 10), considering the non-life insurance companies were failing to meet the required minimum for covering the technical provisions prior to 2011 (2011: 96.26%, 2010: 74.99%).

Chart 10: Assets covering the technical provisions of non-life insurance companies (million MKD)



Source: ISA

The non-life insurance companies invested their assets covering the technical provisions in government securities issued by Republic of Macedonia (48.63%), deposits in domestic banks (44.75%), open investment funds (3.39%), corporate bonds (1.10%), and shares (0.97%). The investment amounts and structure are presented in Table 14.

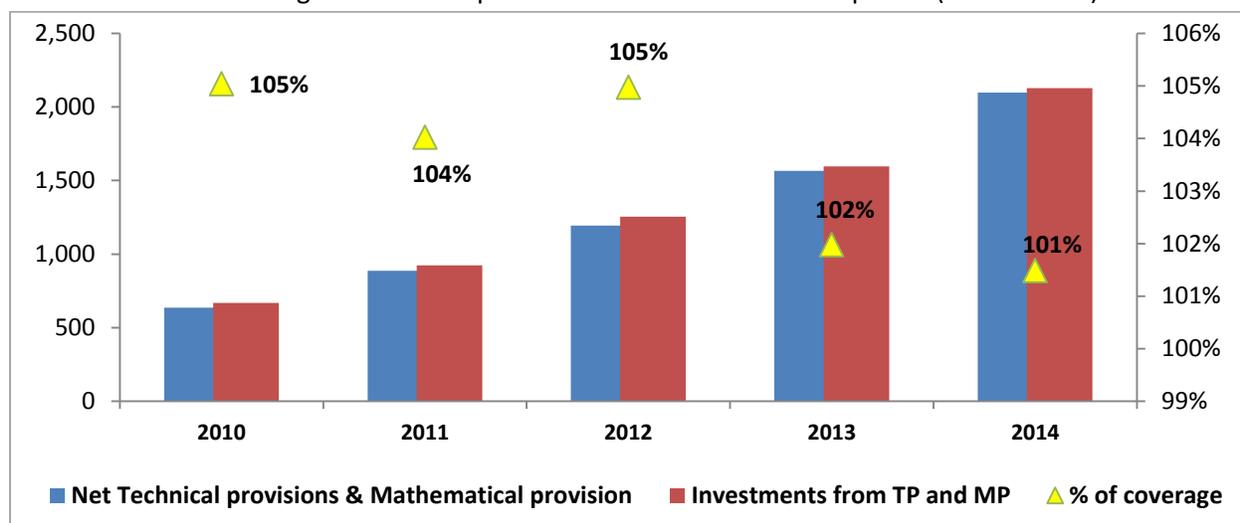
Table 14: Assets covering the technical provisions of non-life insurance companies (thousand MKD)

	2010	2011	2012	2013	2014	Trend
Bank accounts and deposits	2,330,853	2,714,390	2,324,052	2,318,863	2,635,928	
Government securities	855,783	1,564,186	2,514,183	2,896,334	2,864,870	
Shares	218,549	138,854	118,346	64,871	56,947	
Corporate bond	23,744	80,221	57,512	0	64,923	
Investment funds	15,630	53,889	11,411	101,272	199,987	
Other	140,732	411,910	208,255	0	68,171	
Total	3,585,291	4,963,450	5,233,759	5,381,339	5,890,826	

Source: ISA

With regard to life insurance companies, the invested assets covering the technical and mathematical provisions amounted to MKD 2.13 billion, and the net technical provisions were covered at 101.49% (2013: 101.98%) (Chart 11).

Chart 11: Assets covering the technical provisions of life insurance companies (million MKD)



Source: ISA

The life insurance companies invested the majority of their assets, covering the mathematical provision, in government securities issued by the Republic of Macedonia (76.94%), deposits in domestic banks (22.85%), and other financial instruments (0.21%). The investment amounts and structure are presented in Table 15.

Table 15: Assets covering the technical provisions and the mathematical provision in life insurance companies (thousand MKD)

	2010	2011	2012	2013	2014	Trend
Bank accounts and deposits	286,902	237,597	333,934	374,353	486,472	
Government securities	380,879	678,435	914,133	1,195,520	1,637,708	
Shares	0	0	0	23,413	0	
Corporate bond	0	0	0	0	0	
Investment funds	0	0	0	0	0	
Other	356	8,015	6,448	3,029	4,482	
Total	668,138	924,047	1,254,514	1,596,315	2,128,663	

Source: ISA

10. Operational financial results

In the course of 2014, the insurance sector reported profits in the amount of MKD 342 million. Among the non-life insurance companies, all 11 of them realized profit totalling MKD 340 million.

As for life insurance companies, they achieved profits of MKD 2 million after taxation, where three companies cumulatively earned MKD 49 million in profit, while one company incurred loss in the amount of MKD 47 million.

The technical result⁵ is negative MKD 10.29 million, which is an improvement compared to the previous year (2013: MKD -96.38 million). The analysis by insurance sectors reveals that the technical result for the non-life insurance sector was MKD 108.55 million (2013: MKD -24.23 million). Four non-life insurance companies showed negative technical results, and the remaining companies had positive technical results. The technical result for the life insurance sector was MKD 118.84 million (2013: MKD -72.15 million). Of the life insurance companies, only one company had a negative technical result.

Table 16 shows the impact of both the technical and non-technical results on the financial results of the insurance sector. In this case, for the purposes of the analysis, one category was selected – EBIT earnings before interest and tax, in order to isolate the various effects of the taxation and to precisely establish the impact of both the technical and non-technical results in the creation of the final financial result.

Table 16: Structure of the financial result – technical and non-technical (MKD)

		2014	2013	2012
1	Technical result – life insurance	-118,836,799	-72,146,964	-95,924,165
2	Technical result – non-life insurance	108,547,884	-24,233,802	-314,689,559
3	Technical result - total (3 = 1 + 2)	-10,288,915	-96,380,766	-410,613,724
4	Non-technical result	415,517,635	332,145,123	306,262,051
5	Profit/loss - earnings before taxation from regular operations (5 = 3 - 4)	405,228,720	235,764,357	-104,351,674

Source: ISA

11. Insurance industry indicators

The insurance indicators are used to assess business operations of insurance companies.

The claims ratio, calculated as ratio of the net incurred claims in the respective period and the net earned premium was 53.2% for the overall insurance sector in 2014, and has declined compared to 2013 when it was 51.8%.

If considered separately by insurance sectors, in 2014 this ratio for non-life insurance was 49.9%, compared to 49.7% in 2013, whereas for life insurance it was 73.6% in 2014, compared to 67.8% in 2013.

The expense ratio represents a ratio of the net expenses for performing insurance and the net earned premium. This ratio in 2014 was 54.9%, which is an increase compared to the 2013 when it was 51.9%.

⁵ Technical result from the operations of the insurance undertakings is the result achieved by performing the main business activity-insurance. The other revenues and expenses from their operations represent the non-technical result.

The combined ratio represents the sum of the claims ratio and the expense ratio. At an industry level, this ratio was 108.1%, compared to 103.8% in 2013. If considered separately by insurance sectors, the combined ratio for non-life insurance in 2014 was 106.8%, compared to 102.8% in 2013, whereas for life insurance in 2014 it was 116.1%, compared to 111.1% in 2013.

The return on investment (ROI) is calculated as the ratio of the income from investments reduced by investment expenses and the amount of investments. The return on investments in 2014 was 4.1%, whereas in 2013 it was 3.7%.

The debt ratio is calculated as the ratio of total liabilities and total assets. This ratio shows the amount of assets financed by liabilities (technical provisions and other liabilities), without including the capital and the statutory provisions. In 2014, this ratio was 66.7%, whereas in 2013 it was 62.9%.

Return on Assets (ROA) and Return on Equity (ROE)⁶ were positive considering the generated profit by the insurance sector in 2014. Table 17 shows the ratios for the respective years in the period between 2012 and 2014.

Table 17: Return on Assets (ROA) and Return on Equity (ROE)

	2014	2013	2012
ROA			
- Non-life insurance	2.59%	1.47%	-0.59%
- Life insurance	0.05%	1.74%	-3.16%
- Total	2.08%	1.52%	-1.02%
ROE			
- Non-life insurance	7.68%	4.11%	-1.70%
- Life insurance	0.17%	4.77%	-7.93%
- Total	6.25%	4.24%	-2.87%

Source: ISA

⁶ ROA= Net Earnings/Assets; (ROE) = Net Earnings/(Equity + Provisions). When calculating the indicators, data from the annual accounts and financial statements of the insurance undertakings submitted to the ISA were used, as per the Law on Insurance Supervision.

B) NATIONAL INSURANCE BUREAU

In accordance with the Law on Compulsory Insurance in Traffic of Republic of Macedonia, the National Insurance Bureau (hereinafter: "NIB") conducts activities envisaged in the international agreements for insuring owners and users of motor vehicles against traffic liabilities (green card), and shall represent insurance companies from the Republic of Macedonia in international insurance organisations and institutions. Also, the NIB issues and prints international motor insurance cards (green cards) on behalf of its members; keep statistical records, and processing of statistics data from the insurance companies; and establishes and maintains a central records system of insurance policies and damage claims related to use of motor vehicles.

Since 1994, NIB has been a member of the Council of Bureaux London, whose purpose is to facilitate international road traffic for motor vehicles and trailers through motor third-party liability (MTPL) insurance as per conditions prescribed in the concerned country, and to guarantee that the persons who have suffered damages related to traffic accidents including motor vehicles are compensated by applying the national legislation of that country. At the same time, as a member of the Council, the NIB participates in the work of the Southeast Europe Group, which includes the countries from the region.

All non-life insurance companies in the Republic of Macedonia are NIB members.

The Operations Report that the NIB submitted to ISA, in accordance with Article 54, paragraph (3) of the Law on Compulsory Insurance in Traffic, shows the financial operations of the NIB, and the financial operations of the Guarantee Fund in 2014.

At year-end 2014, total assets of the NIB were MKD 224 million, of which MKD 202 million were current assets, and the remaining MKD 22 million were non-current assets. Compared to 2013, the total assets declined by 0.60%. Bank deposits constituted the largest share of total assets at 78.08%, followed by receivables from insurance companies at 8.37%, investments in government securities at 9.31%, and other assets at 4.24%. Of total liabilities and capital, capital accounted for 84.39%, and current liabilities accounted for 15.61%. In 2014, NIB generated profit in the amount of MKD 1.42 million (2013: loss of MKD 1.94 million).

1. NIB's Guarantee Fund

In accordance with Article 58 of the Law on Compulsory Insurance in Traffic, NIB established a Guarantee Fund used for payment of:

- Claims incurred on the territory of Republic of Macedonia by unknown and uninsured motor vehicles and trailers, uninsured boats and motor-powered boats, as well as uninsured aircrafts;
- Claims incurred on the territory of Republic of Macedonia by transportation vehicles registered to transport passengers as part of the public transport for which the owners have not signed insurance agreements for the passengers against accidents;
- Claims from compulsory insurance that the persons who suffered damages cannot collect due termination of the insurance company with which the insurance agreement was signed, where only the part of the claim, that was not compensated from the bankruptcy estate, is paid; and

- Claims for insured motor vehicles originating from the territory of Republic of Macedonia guaranteed by the National Insurance Bureau in accordance with the Crete Agreement and the other international agreements.

The operations of the Guarantee Fund are based on the Law on Compulsory Insurance in Traffic, as well as on the Rulebook on establishing and using the Guarantee Fund, and the Manual for record-keeping and disbursing the funds of the Guarantee Fund adopted by the NIB.

The insurance companies which provided compulsory motor third-party liability insurance shall be obliged to pay into the Guarantee Fund an amount commensurate to the premium realised in the previous quarter on certain lines of business of compulsory insurance for the current quarter of the current year.

In accordance with a Decision of the NIB's Management Board, each calendar year, new allocation of the funds in the amount of 3,000,000 EUR from the Guarantee Fund will be allocated, as per the share percentage of the insurance companies in the total written premium for all compulsory insurance. For 2014, the share in the Guarantee Fund by insurance company is shown in Table 18.

Table 18: Share in the Guarantee Fund by insurance company for the period 1.1.2014-31.12.2014

Name of the insurance undertaking	Total GWP for 2014 for all compulsory insurances	% of GWP share for all compulsory insurances	Share in the Guarantee Fund of 3 000 000 EUR or 184,500,000 MKD
Triglav	470,183,670	13.32%	24,567,841
Uniqa	397,581,607	11.26%	20,774,268
Insurance Policy	396,016,350	11.22%	20,692,489
Sava	354,618,929	10.04%	18,529,400
Euroins	331,851,589	9.40%	17,339,771
Albsig	330,893,812	9.37%	17,289,725
Winner	330,684,184	9.37%	17,278,772
Eurolink	294,756,428	8.35%	15,401,490
Macedonia	234,705,483	6.65%	12,263,733
Croatia Non-Life	216,583,186	6.13%	11,316,814
Insig	173,118,170	4.90%	9,045,698
Total	3,530,993,408	100.00%	184,500,000

Source: 2014 NIB Operations Report

2. Refunding claims from the Guarantee Fund

Pursuant to Article 60, paragraph (4), of the Law on Compulsory Insurance in Traffic, an insurance company which processed and paid a claim compensation has the right to be refunded from the Guarantee Fund for the paid amount.

In 2014, the insurance companies reported 835 claims for refunding to the NIB; of those, 822 claims in the amount of MKD 115.92 million were accepted and refunded.

The average paid damage claim in 2014 was MKD 138,994, which represents an increase of 12.9% compared to the average paid claim in 2013.

The count of reported and accepted claims for refunding from the Guarantee Fund in 2014, as well as the amount of accepted damage claims are presented in the Table 19.

Table 19: Reported and accepted damage claims for refunding from the Guarantee Fund for the period 1.1.2014-31.12.2014

Name of the insurance undertaking	Count of reported claims for refunding in 2014	Count of accepted claims in the Guarantee Fund in 2014	Accepted claims in the Guarantee Fund (amount in denars)
Triglav	134	133	21,414,786
Macedonia	93	93	16,115,893
Insurance Policy	81	80	11,461,815
Euroins	80	76	9,293,297
Winner	75	72	9,239,136
Sava	70	70	8,634,598
Uniqa	67	66	7,626,369
Albsig	67	65	8,215,606
Eurolink	65	65	5,744,024
Insig	61	60	13,255,341
Croatia Non-Life	42	42	4,915,986
Total	835	822	115,916,851

Source: 2014 NIB Operations Report

C) INSURANCE INTERMEDIATION

The role of intermediaries in insurance sales has become increasingly important for the insurance sector. During the course of 2014, 54.77% (2013: 50.76%) of the GWP was generated through various intermediary channels (Table 20).

Table 20: Structure of insurance policy sales channels relative to the total GWP

	2014	2013
Direct sales	45.23%	49.24%
Insurance brokerage companies	23.65%	23.31%
Insurance agents	15.52%	17.99%
insurance agencies	8.90%	5.87%
Other distribution channels	5.46%	2.45%
Banks	0.65%	0.57%
Travel Agencies	0.49%	0.48%
Car Showrooms	0.10%	0.10%
Total	100.00%	100.00%

Source: ISA

1. Insurance agency activities

Insurance agency activities involve preparing and signing of insurance contracts on behalf of one or several insurance companies, for non-competitive insurance products. These activities on the insurance market in Republic of Macedonia are conducted through insurance agents – natural persons, and insurance agencies, who generated 31.12% of the GWP in 2014 (2013: 27.45%).

Insurance agency activities via natural persons are conducted through individuals who have passed an exam and received an ISA license. In 2014, insurance agents placed 15.52% (2013: 17.99%) as a share of the total GWP. In 2014, there were 857 ISA licensed insurance agents; the registry of all active insurance agents is available on ISA's web-site⁷.

There were eleven insurance agencies active on the insurance market in 2014, an increase of two agencies compared to 2013 (LIFE VISION and Insurance GLS INSURANCE) (Table 21).

⁷ <http://www.aso.mk/dokumenti/regulativa/Registar%20Zastapnici.pdf>

Table 21: Registry of insurance agencies

	Name of the company
1	AKTIVA INSURANCE
2	TREND-MR
3	VDS MAGMA
4	LYON INS
5	REA INSURANCE GROUP
6	SAFE LIFE
7	FORTIS
8	Ohridska Banka (Societe Generale Group)
9	Mako AS
10	LIFE VISION
11	GLS INSURANCE

Source: ISA

At year-end 2014, insurance agencies had at their disposal total assets in the amount of MKD 96.29 million, and capital in the amount of MKD 40.80 million. The insurance agencies ended their 2014 business year with earnings of MKD 11.78 million, net of tax. .

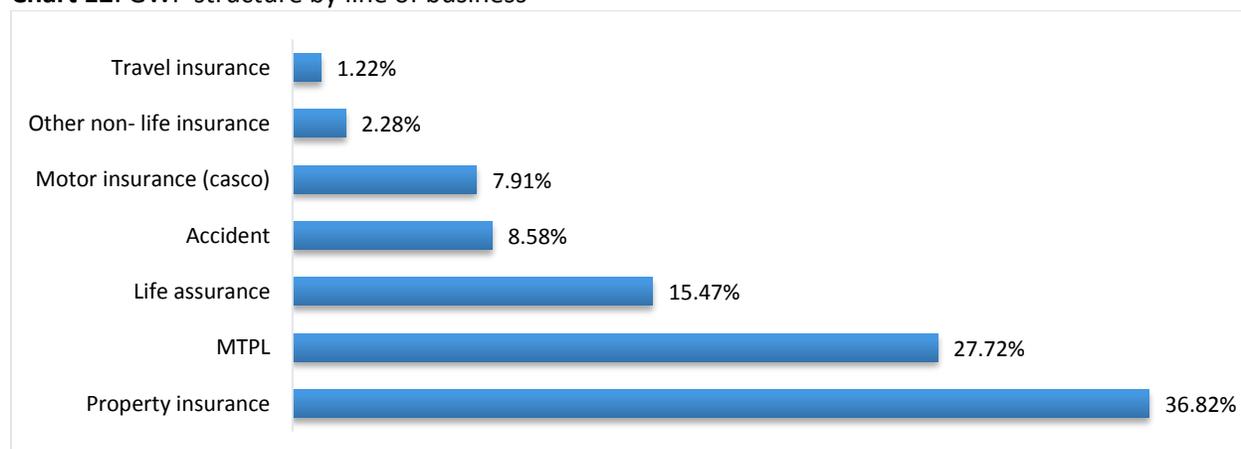
In 2014, the insurance agencies placements accounted for 8.90% (2013: 5.87%) of the total GWP. Although the share of insurance agencies was relatively small compared to insurance brokerage companies and insurance agents, there has been an increasing trend of insurance agencies entering the market.

In 2014, the insurance agencies signed a total of 54,446 insurance contracts (insurance policies) (2013: 48,112).

Insurance agencies collected commissions in the amount of MKD 130.19 million from the insurance companies, and the calculated premiums were MKD 662.26 million.

The insurance agencies' share of GWP by lines of business is presented in Chart 12.

Chart 12: GWP structure by line of business



Source: ISA

2. Insurance brokerage activities

Insurance brokerage activities involve negotiating on behalf of clients insurance and reinsurance coverage and serving as intermediary during the settlement of claims arising from an incurred insured event. In 2014, the insurance brokerage companies generated 23.65% of GWP (2013: 23.31%) through this distribution channel.

At year-end 2014, 30 insurance brokerage companies were active on the insurance market, compared to the previous year, the count of these entities increased by four new insurance brokerage companies (Insurance brokerage company VIA BROKER, WEBER GMA, MAK TREND BROKER, and SN INSURANCE BROKER (Table 22).

Table 22: Registry of insurance brokerage companies

	Name of the company
1	EUROEKSPERTS
2	EUROMAK BROKER
3	WASS
4	IN BROKER
5	WFP
6	MOBILITY BROKER
7	SEDA BROKER
8	NASHE OSIGURUVANJE
9	JDB BROKER
10	DELTA INS BROKER
11	A-TIM
12	LEGRA
13	MAKOIL BROKER
14	K MK BROKER
15	POLISA PLUS
16	AMG PREMIUM
17	SUPER BROKER
18	KORAB INS
19	NEW INSURANCE BROKER
20	CERTUS
21	STM Broker Plus
22	AM BROKER
23	MEGA BROKER
24	CVO BROKER
25	ASUC Broker
26	SAFE INVEST
27	VIA BROKER
28	WEBER GMA
29	MAK TREND BROKER
30	SN INSURANCE BROKER

Source: ISA

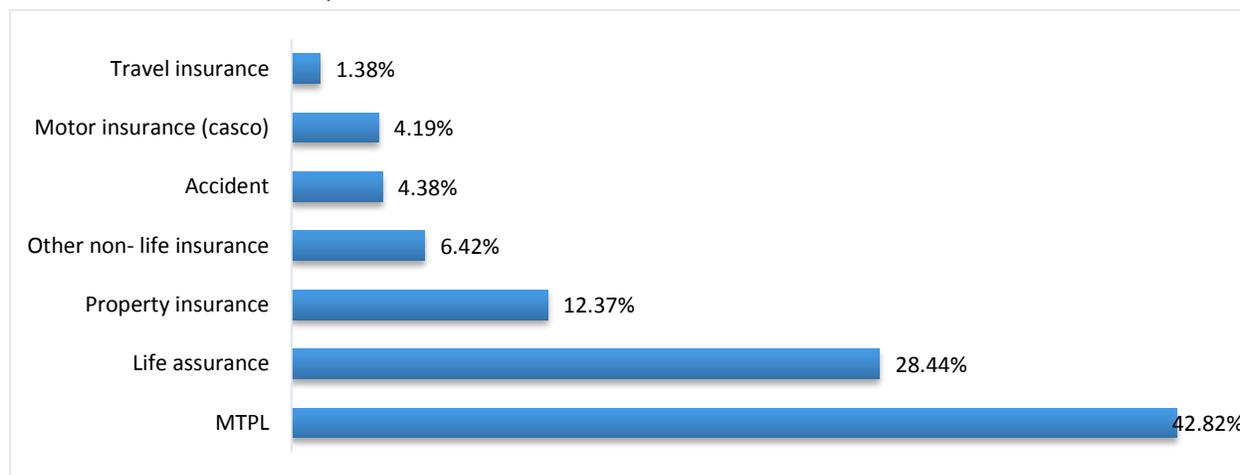
At year-end 2014, the insurance brokerage companies held total assets in the amount of MKD 564.34 million, and capital in the amount of MKD 399.51 million. Their earnings after taxation are in the amount of MKD 99.82 million.

In this period, the insurance brokerage companies generated sales of 218,631 insurance policies (2013: 209,927).

In the course of 2014, the insurance brokerage companies collected commissions in the amount of MKD 381.88 million from the insurance companies, and the calculated premiums were MKD 1,885.43 million.

The allocation of the total GWP, by line of business, generated by insurance brokerage companies is presented on Chart 13.

Chart 13: GWP structure by line of business



Source: ISA

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