

The Governor of the National Bank of Serbia (NBS), Jorgovanka Tabaković, stated today that even in the conditions of the crisis caused by the corona virus pandemic, “liquidity and solvency of insurance companies” were preserved in Serbia and stable development of the insurance market was enabled.

“Insurance and reinsurance companies have preserved the value of the investment portfolio and provided technical reserves for the execution of obligations based on concluded insurance contracts. For the first three quarters of this year, a positive temporary net result in the amount of 56.7 million euros was achieved,” said Tabaković at the opening of the conference “Serbian Insurance Days 2021” in Arandjelovac.

As she specified, the total premium during the three quarters of this year increased to 750 million euros, by 9.7 percent compared to the same period last year, while, she emphasized, this growth rate is higher than the average growth rate for the same period in the previous ten years.

According to her, in the third quarter, the balance sheet total of the insurance sector increased by 6.7 percent, capital increased by 4.9 percent, and technical reserves increased by 6,3 percent.

“Observed by type of insurance, there is an increase in premiums compared to the same period last year in as many as 17 types of insurance, including travel assistance insurance – which is the type of insurance in which the greatest impact of the pandemic was recorded,” said the Governor.

She stated that the segments that are continuously recording growth are: property insurance, life insurance and voluntary health insurance.

Tabaković assessed that such movements are not a surprise, considering that the pandemic has increased awareness of the need for adequate coverage of property, arising from doing work from home, the importance of investing in financial security and the importance of our health and the health of our family.

“Property insurance, life insurance and voluntary health insurance policies have become more important than ever before, because in the case of the first two policies they provide insured persons with economic security, while in the case of the third policy they provide easier access to quality medical treatment,” the Governor said.

Speaking about risk management, the Governor of the NBS said that NBS is aware of the challenges related to the movement of interest rates on the financial market and compliance with the obligations under insurance contracts by insurance companies.

“Therefore, we conduct special checks on the adequacy of calculated reserves and with special attention we monitor the development of the situation in the sale of products in which the policyholder assumes the investment risk. In Serbia, that risk is less pronounced in relation to a large number of countries that are in the European Union, but it is a risk that we will monitor and that should be managed,” said Tabaković.

She pointed out that the fight against the pandemic is still going on and that it requires action on two fronts - macroeconomic and regulatory.

“We have worked and are working on both, and with the legislative reform in the field of insurance, we have provided the preconditions for the smooth development of the insurance market even in times of crisis. By applying modern standards adapted to the needs of the domestic market, we have enabled the insurance service to provide protection against various types of risks in difficult times, which is the time of a pandemic,” said Tabaković. According to her, Serbia does not change its commitment to its European path, but “the NBS will harmonize the rules of liberalization so that they benefit the citizens of Serbia and domestic companies and the state of Serbia, and not to make a profit here, and only or mostly companies outside Serbia “.

Tabaković pointed out that the NBS, in cooperation with the Government of Serbia, did everything to provoke the crisis caused by the corona virus pandemic to a minimum.

“We have implemented large and comprehensive packages of monetary and fiscal measures and preserved production, employment, liquidity of all participants and disposable income. We have preserved the stability and predictability of business conditions and planning,” she said.

Tabaković said that, despite the pandemic, supervision in the insurance market continued. She added that the foundations have been laid for a fair and stable insurance market, in which the interests and rights of insurance service users are protected, but she believes that there is always room for improvement, especially in the part related to selling insurance using new information technologies.

Tabaković mentioned the issue of adequate information of users in the pre-contractual phase as one of the problems on the insurance market, regardless of the type of insurance being concluded, specifying that “the content of information provided to the insurance contractor is still sometimes unclear, inaccurate or inadequate”.

She also emphasized the importance of timely handling of compensation claims, in a fair manner and with explanations that are clear to users.

“The right to compensation for these persons is and must remain inviolable, as a result of which this aspect will continue to be intensively present in our direct controls,” she said, adding that the NBS pays special attention to crop and fruit insurance.

She also reminded that users of financial services in Serbia, among the first in Europe, can conclude financial contracts at a distance, given the possibility of their video identification, with full transparency, security and protection of their rights.

“The NBS also enabled instant payment of insurance premiums by applying a QR code, which some companies offered to their clients, and I call on everyone to make this service available,” said Tabaković, Danas reports.