

Hungarian Insurers' Yearbook 2014



Presidential Address

The Hungarian insurers achieved long-awaited successes in 2013. The Association of Hungarian Insurance Companies and the insurance sector worked hard for many years for gaining support for long-term self-care products focusing on retirement in a competition neutral manner. Since 1 January 2014 pension insurance policies enjoy the same tax benefits as any other financial service dedicated to the same objective. This positive change is a huge opportunity, and also a great responsibility.

Having recognised that responsibility and in order to increase the transparency of costs, the mandatory ACR (Annual Cost Ratio) was introduced to new pension insurance products, in cooperation with the actors of the insurance market, on 1 January 2014, six months earlier than originally planned. This measure was the first important step. MABISZ continues to concentrate on providing information to customers in future too, regardless whether it involves unit-linked life insurance, or individual specificities of pension insurance products.

In 2013 the performance of the market also showed positive signs. It was the first year after 2007 when the gross premium revenue of insurance companies rose also in real terms. Since 2012 the total premium revenue of the sector grew by 5.5%, to HUF 810 billion, owing to the 8.5% growth of the life insurance market and 2.3% expansion of the non-life insurance segment. Although the former figure stems mainly from the single premium life insurance policies, it is promising that the decline of the premium revenue of the regular premium segment also came to a halt. The data still reflect 0.7% growth even after adjusted by the single premium revenues.

Simultaneously with the development of the Hungarian economy, the property insurance market also managed to grow by 4.6 %, and the sale of mandatory third party liability insurance policies stagnated last year for the first time after a long period. At the same time, we are still waiting for an upturn in casco insurance, where the premium revenues dropped by nearly HUF 3 billion in 2013.



MABISZ initiated the Reference System by using the code words of responsibility and trust. Nearly 30,000 registered tied and independent insurance agents operate in the sector, performing a dominant role in its operation. Transparent operation is in the interest of all fair market actors, because it is a key to fair and high quality services provided to customers.

Monitoring the changes of the regulatory environment, contact and cooperation with decision makers continued to be important tasks for MA-BISZ in 2013 too, because it is a joint interest to adopt decisions in each field that serve the interests of customers and the insurance sector and take into account the specificities of the Hungarian market.

Preparations for the changing legislative environment required a great deal of resources last year: apart from the new Civil Code, and changes of the Insurance Act, the sector has been processing the expected changes concerning Solvency II and IMD and analysing the impact thereof. In relation to the latter, we will have a lot of responsibilities in 2014 as well.

Nonetheless, we are slightly more optimistic about the future. I really do hope that 2013 marked a true turn in the trend. The estimated economic growth will be a good basis for the development of the insurance sector. With higher quality and transparency, with more satisfied customers and innovation, we will have a good chance to use our opportunities.

Anett Pandurics President

Tandii Let

Address by the Secretary General

Closing a year is always a good opportunity to look back and summarise the results. This is what we are doing again, and it gives us the greatest pleasure this time that we are reporting about numerous positive events.

The mere fact that the insurance sector began to grow again in 2013 is pleasant news to the sector, even if the premium revenues are still lower than prior to the crisis. I, however, think that this pleasure is shared not only by the insurance sector but, owing to the stabilising role of insurance, it is also good news to anyone whose life will become more secure and freer of risks owing to the insurance services.

The stabilising role of insurance is an important factor for the state and the whole economy. That is clear from the fact that at the end of 2013 the Hungarian insurance companies held more than HUF 1,000 billion government securities in their portfolio, thus offering profitable secure and long-term investment to their customers and making a great contribution to the financing of the budget.

The collaboration of the population, public agencies and insurance companies during the great flood last summer was an attractive example of cooperation in everyday life. Owing to that cooperation and effective defence, prevention and claim settlement were fast and effective and the individuals suffered significantly smaller damages than previously projected.

Nevertheless, we must also briefly touch upon the shady aspects of the situation too. The number of retail property insurance contracts dropped below 3 million and the number of Hungarian home insurance contracts fell by more than 90,000 over the last few years. This indicates that our Association will also have to work intensively in providing information to and educating the individuals.

The self-care of individuals, i.e. savings for retirement, may become more effective with support from the state. The pension insurance products are no longer disadvantaged in competition and since January this year pension insurance is also eligible for tax credit - these are good examples in that regard.



Concerning our results, health insurance is extremely important to us. The first signs indicating that the contribution preference of health insurance had a fruitful affect on the market can already be observed. The sector considers that continued participation in health insurance riders, with benefits to individuals, the state and the insurance sector, continues to be a major task.

It is good news that the fall in mandatory vehicle third party liability insurance premium came to a halt in 2013, facilitating profitable operation in that business and the development of more personalised premiums. The completion of premium liberalisation was an important factor in this process, as it enabled insurance companies to respond to changes in the market processes fast, even with multiple premium amendments in a year. Within the organisation of MABISZ in 2014 a Motor Insurance Bureau (ESZE), which also incorporated the tasks of the former Vehicle Claim Settlement Office, has been performing the tasks delegated by the law since 2014.

Finally, a few words about consumer protection. Our Association considers it a particular responsibility to support and effectively represent joint cases involving the introduction of consumer protection tools, parallel with, and occasionally going even beyond, the European tendencies. In 2013 the MABISZ Premium Navigator, dedicated to the reliable comparison of the MTPL premium and the Annual Cost Ratio, reflecting the actual costs of unit-linked insurance policies were completed by the Standard Home Insurance Product Review, which helps consumers choose a home insurance product.

Dániel Molnos Secretary General

Status and performance of the Hungarian economy in 2013

Compared to 2012, the economic processes were slightly better in 2013. The GDP grew by 1.1%, reaching HUF 29,078 billion at current prices. Hungary overcame the recession and managed to produce moderate growth.

Household consumption did not increase in 2013 (total consumption dropped by 0.1%, purchases picked up by 0.2%). Following in total more than 25% decline over four years, and primarily as a result of the accelerated absorption of EU support, the fixed capital formation went up by 5.9% (within that capital investments expanded by 7.2%). As a consequence, the investment ratio increased from 17.4% in 2012 to 18.1%, primarily in the sectors that a closely related to the budget (environmental protection, transport, construction industry, hotel services). The investments in the processing industry were up by 4.9% both in 2012 and 2013.

The employment figures reflected records of more than ten years, which were mainly due to community work and employment abroad, while employment in Hungary remained unchanged in 2013. The employment ratio increased in total by 0.9% in companies employing at least five people and in the budget and non-profit sector, while the employment ratio of the motor industry went up by 0.6%. At the same time, full-time employment dropped by 0.4% in the whole competitive sector, while part-time employment was up by 3.3%. The annual average unemployment rate in 2013 was around 10.2%, 0.6 percentage point below the average reported from 2012. In the last guarter of 2013 the ratio dropped to 9.1%, which was 1.6 percentage points lower than measured in the same period of the preceding year. In 2013 the total disposable financial income of the population was estimated around HUF 16,600 billion. Partly as a result of the forced cuts in household expenditure, the annual average inflation plummeted from 5.7%, reported in the preceding year, to 1.7% in 2013. The core inflation reduced from 5.1% in December 2012 to 3.3% by December 2013. As a national economy average, the growth averages wages picked up by 3.4% and net wages by 4.9% in 2013. That ratio was increased by the fully phasing out of the super-gross tax based, yet was decreased by the abolition of the pension insurance ceiling. The real wages grew by 3.1% and, without public employees by 3.9%. The real wages in the competitive sector increased by 3.2% and in the budget sector by 2.9%. Owing to disinflation, the pensions also expanded by 3.4% in real terms. As an overall result of these effects, real income was approximately 2.5% higher in 2013. The net financing capacity of households made up 5.3% of the GDP and in Q4 2013 the figure jumped to 6.9%

In 2013 the industrial output grew by 1.4% but was still lower than in 2011 due to the 1.7 % decline in 2012. The income generated in the industry (GDP) is stagnated. The output of the power industry was down by 7.7 %, partly due to the warmer than average weather, but that of the processing industry was up by 2 %. The industrial exports went up by 5%, at an accelerated pace during the year, domestic sales fell by 1.8%, but the data of the autumn of 2013 reflected a rise on several occasions. Of the 13 branches of the processing industry, only six were able to grow, while only the motor industry was able to show any remarkable growth - 19 %. Following a decline of seven years, the construction industry expanded dynamically in 2013, primarily due to the absorption of EU support. Within the almost 10% growth, the construction activities picked up slightly above average owing to industrial buildings, while housing construction continued to shrink. Transportation performance went up by 3% in goods tonne kilometres, more in rail than in road transportation: at the same time, the volume of water and pipeline transportation declined. The contribution of the info-communications sector to GDP was slightly less than 0.5% higher. Following a decline of six years, retail trade expanded only by 0.9% despite a 2.5% rise in real income. At the commercial hotel facilities the number of quest nights rose by 4.6% (similarly for foreign and domestic guests) and their revenues grew by almost 10%. The hotel sector is struggling with excessive and still expanding capacities. The GDP generated in the financial sector continued to fall in 2013 too, in the fourth year consecutively, although "only" by 1.5%. At the same time, the prices of financial services went up by 55%.

Household deposits shrank, while the cash held by households was 11% and the household current

National economy and insurance

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross Domestic Product (GDP) (HUF in billion)	20,718	22,043	23,775	25,321	26,546	25,623	26,607	27,635	28,048	29,078
Change of GDP in percentage of previous year(%)	120.6	106.4	107.9	106.5	104.8	96.5	103.8	103.9	101.5	103.7
Gross premium income (HUF in billion)	599	686.5	830.2	930.3	882.8	830.5	843.8	817.3	768.1	809.4
Change of gross premium income in percentage of previous year (%)	107.1	114.6	120.9	112.1	94.9	94.1	101.6	96.9	94.0	105.4
Total disposable personal income (HUF in billion)	12,162	13,042	13,829	14,382	14,841	14,580	14,877	15,882	16,075	16,600
Change of personal income in percentage of previous year (%)	109.8	107.2	106.0	104.0	103.2	98.2	102.0	106.8	101.2	103.3
Gross premium income in percentag of total personal income (%)	4.9	5.3	6.0	6.5	5.9	5.7	5.7	5.1	4.8	4.9
Per capita insurance premium (HUF)	59,268	68,056	82,441	92,518	87,939	82,866	84,379	81,963	77,635	81,814
Per capita life insurance premium (HUF)	24,113	29,950	41,770	50,586	45,993	41,013	44,247	44,079	40,249	43,739
Per capita life insurance premium (HUF)	35,155	36,343	40,671	41,932	42,333	42,394	40,131	37,884	37,386	38,075

Source: *KSH. **KSH, 2013 estimated data

account balances were 18% higher at the end of the year than in the preceding year. The liquid cash held by the individuals was higher than the term deposits. The government securities portfolio of individuals and their savings placed in investment funds were also higher. The financial assets of households expanded by 5.9% in one year. The Monetary Council reduced the base rate from 7% to 2.7% between the summer of 2012 and February 2013, referring to low inflation.

The corporate and retail loan portfolios also continued to shrink parallel with a drastic decline in the currency loans, observed since 2008 and a slight increase in HUF loans. The household debt plunged by HUF 3,901 billion, and that of the companies by HUF 235 billion. In 2013 the households had a net savings position and the companies also remained net borrowers. The ratio of foreign funds dropped from 30% to 20% in three years, while in 2013 HUF 585 billion was extracted from the economy. As an overall result of the factors outlined above, the total assets of the banks decreased by 1%.

Strong volatility accompanied the trading on the stock exchange in 2013. The BUX was around 18,800 points at the beginning of December reflecting a 5% increase since the end of 2012.

The budgetary processes turned out to be favourable in 2013. As a result of several corrections made during the year, the deficit was kept below 3% in 2013 as well. The GDP-based gross national debt dropped by 0.6 percentage point from 79.8% in 2012 to 79.2% by the end of 2013.

Hungary's external balance (trade, current account, financing capacity) has shown a surplus since 2009, and therefore the net foreign debt fell from more than 50% of the GDP to 40% by the beginning of 2013, to 37.6% by the end of Q3 2013 and was around 36% at the end of the year. Of the latter the MNB and the budget shared approximately 15 percentage point of the debt and the remaining portion was the debt of the private sector. The debt decreased mainly in the private sector, reflecting a major decline in investments and the early repayment of retail foreign currency loans at

a fixed exchange rate. The external balance continued to improve.

The foreign trade balance grew from EUR 6.7 billion reported in the previous year to EUR 7 billion (7.1 % of the GDP), with 4.8, or 5% increase in the volume of exports and imports respectively and 0.6% improvement in terms of trade. The current account balance rose from the estimated EUR 0.8 billion to EUR 2.9 billion (3% of the GDP) while, also including the higher EU support, the external financing capacity rose from 3.4% to 6.4% of the GDP. The net foreign direct capital investments

amounted to EUR 0.6 billion, and at the end of December 2013 the foreign currency reserves of the NBH reached EUR 34.5 billion.

Amidst relatively significant fluctuation, the HUF currency exchange has been weakening since 2010. In that year one euro was worth HUF 275, in 2013 the figure reached HUF 297. The Monetary Council continued cutting interest rates in 2013 too, referring to low inflation. The base rate, which was still 7% in the summer of 2012 dropped to 3% by the end of December 2013.



Household savings

In 2013 the net financing capacity of households equalled 5.3% of the GDP (HUF 1,538 billion). Within the financial instruments of households, in 2013 the volume of cash, current account deposits, government securities and investment units rose significantly, while the withdrawal of other (noncurrent account) deposits continued. The decrease in debts was associated primarily with loan repayments, which was offset by an increase in other debts related to other claims.

Even if the disposable income is higher, household consumption may pick up only gradually. The household loan portfolio is shrinking continuously. The savings intentions may continue to be high due to the phasing out of the debts accumulated prior to the crisis and is slowly improving credit conditions. The household consumption conditions may be described with a certain duality. On the one hand, in the low inflationary environment, the purchasing power of household income is rising rapidly, which

boosts consumption. On the other hand, the efforts to reduce the debt accumulated prior to the crisis continued to be one of the most important motives for a large number of individuals. In addition, more stringent credit conditions and only slowly easing prudent considerations hold back the consumption demand of households. All in all, slow and gradual expansion is expected in household consumption.

In 2013 the financial savings of households increased by 6 % from HUF 28.3 thousand to HUF 29.9 thousand billion. The deposit portfolio shrank by 9% to HUF 7.5 thousand billion, yet the portfolio of investment units went up by 40% to HUF 3.4 thousand billion, and the portfolio of shares and business participations expanded by 5% primarily due to re-valuation. The cash stock expanded by 11%, and the portfolio of securities other than equities and derivatives expanded by 29%. The overall structure of savings changes significantly in 2013.

The structure of household savings, 2011-2013 (thousand billion HUF)



Source: MNB

Legal environment of insurance

In terms of the legal environment of insurance, Amendments of the Insurance Act Act V of 2013 on the new Civil Code and numerous other related legal regulations, approved by Parliament in 2013 following more than 15 years of preparations brought rather important changes.

As a result of the decision of the legislator adopted on 16 September 2013, the Hungarian Financial Supervisory Authority was abolished and its activities and responsibilities were transferred to the National Bank of Hungary, which continued its operation with an extended scope of competence.

Act LX of 2003 on Insurance Companies and Insurance Services, and Act LXII of 2009 on mandatory third-party liability insurance were modified

With the amendment of Personal Income Tax Act made at the end of 2013, pension insurance also became eligible for tax credit.

The new Civil Code

The new Civil Code has fundamental impacts on private law relations, just like Act IV of 1959 did. The new code was adopted as a complex code laying down not only traditional civil law regulations ance, property and contractual law, as well as family law, etc.) but also laying down the rules of law pertaining to business associations and the legislation on the registration of real properties.

The new Civil Code also fundamentally affects insurance: by introducing the legal concept of restitution, incorporated in the rights of individuals for legal dogmatic considerations and comparable for the terminated non-material compensation but, constituting the legal basis for repair as personal legal instrument, with the complex re-regulation of general contracting terms and conditions, the recodification of written form and with the provisions detailed rules in a separate chapter.

(Insurance Act)

During the year, the Insurance Act was also modified several times: a regulatory gap was closed with the provisions concerning the suspension of asset funds in relation to unit-linked life insurance, combining consumer protection and prudential considerations. The legislator approved rules, backed with versatile legal guarantees in relation to data management aimed at the prevention and elimination of fraud. The act was modified, also for customer protection purposes, with the approval of paragraphs on contracts and scheduled commission payment and the detailed provisions on the required codifications of managers under the Insurance Act were also changed and provisions pertaining to certain activities aimed at the supply of annuity as a business were added to the act.

As far as we understand now, the Solvency II Directive, which significantly changes the organisation and operation, as well as rules of capital requirements of insurance companies, will be transposed in a new insurance act, which will enter into force in a few years' time. This new act will re-regulate the operation of insurance companies in line with the Directive, and may also trigger major transformation in the regulatory environ-(consolidating, contrary to former practices, the ment. In order to make the complex modification legal provisions pertaining to individuals, inherit- regulations a success, the rules pertaining to the governance system of insurance companies have been integrated into the Insurance Act so far on the basis of the careful preparatory works for Solvency II since 2010 and within the framework of the phased entry into force of legislation, which has become reality.

Modifications of the Act on Mandatory Third Party Motor Vehicle Liability Insurance

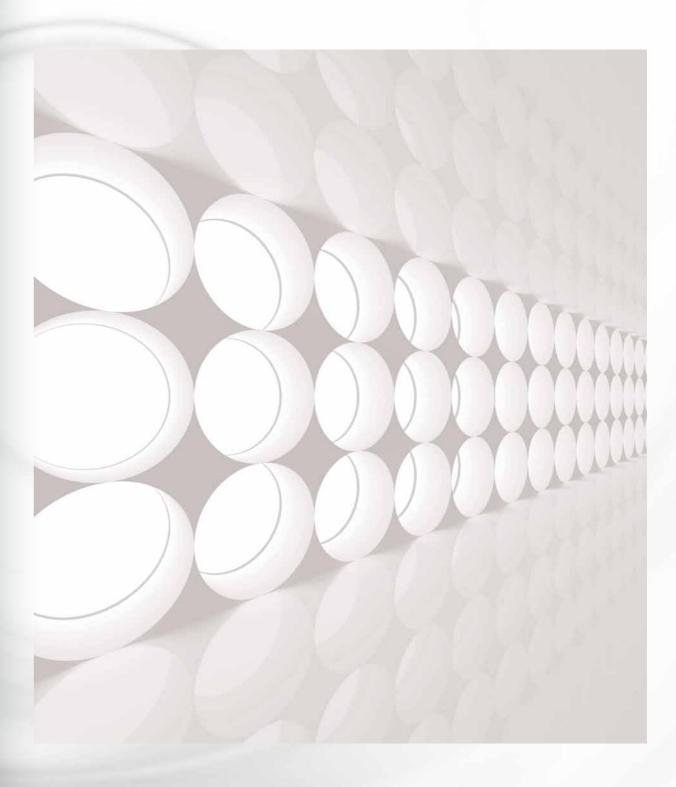
In 2013 the act was modified in the rules of payment of premium for the period of no cover, the pertaining to health insurance in the form of some conditions of the payment of VAT on compensation, in order to create consistency with the new Civil

Code and with the provisions pertaining to the MA-BISZ Motor Insurance Bureau (Hungarian abbreviation: MABISZ ESZE).

NBH Act

Since 1 October 2013 the National Bank of Hungary is obliged and entitled to apply microprudential and macro-prudential criteria and perform the tasks related to them. As a result o the organisational restructuring, the effect of the legal documents and other regulatory instruments, published earlier by the abolished HFSA was revoked, in relation to which the new supervisory authority applied all the necessary measures to ensure smooth jurisprudence.

The new supervisory trends were defined as a result of the change and the supervised organisations were contacted on the turn of 2013 and 2014 and at the beginning of the new year.



The insurance market

On 1 January 2013, 27 private and one public limited insurance companies operated on the Hungarian market with registered seats in Hungary. end of May 2013, the number of private limited companies fell to 26, of which 22 were members of the Association.

There are 24 insurance associations, of which 2 are members of MABISZ.

Following the EU accession, 15 insurance companies of various Member States established branch offices or converted their former subsidiaries into branch offices in Hungary, and 6 of them are members of MABISZ. Among the MABISZ member branch offices there are three branch offices, the legal predecessors of which operated earlier as limited insurance companies. (QBE Insurance (Europe) Limited, AIG Europe Limited, Euler HERMES Credit Insurance.)

MABISZ had 31 members at the beginning of 2013; of them 23 operated as limited insurance companies, 2 as associations and 6 as Hungarian branch offices. As a result of the merger referred to above, the number of limited insurance companies dropped to 22 and the number of our members reduced to 30 during the year. Following the introduction of the concept of supporting members, EuropAssistance and BNP Paribas Cardif are now contributing to the activities of our association as supportive members.

The Hungarian insurance companies operated 7 branch offices abroad in 2013. The market presence of insurance companies providing cross border services was still insignificant.

In 2013 the contract portfolio of the Hungarian insurance companies shrank by 1 % on a year on year basis: at the end the portfolio consisted of 13.17 million contracts.

The number of life insurance contracts increased by 1.5% since the previous year. In the category of accident insurance contracts dropped by 2%, health insurance contracts had an even Zrt., selling only personal insurance, kept its fifth greater fall of 12.1%.

The number of non-life insurance contracts increased by 7% relative to the previous year. There was a major, more than 45 % decrease in Due to the merger of AHICO and METLIFE at the the number of credit insurance contracts within the sector, although the number of corporate property insurance policies went up by 11.5%. At the same time, the number of retail property insurance policies declined by 1.6%. In total, the number of vehicle insurance policies was 1.5% higher, including a 1.7 % increase in MTPL insurance policies and the number of casco policies practically has not changed. The number of agricultural insurance contracts grew significantly, by nearly 15 %, within which the number of animal insurance contracts fell by 4.7 %, but that of plant insurance contracts increased by 33.7 %. The number of general liability insurance contracts was up by 9 %, and the number of freight insurance contracts expanded by 55.5 %.

> In 2013 the premium revenues of insurers began to rise again and the HUF 809.393 billion were 5.4% (HUF 41.3 billion) higher than the revenue figure of the previous year. Compared to the previous year, the premium revenues from life insurance policies grew by 8.4%, but the revenues from non-life insurance increased at a lesser extent, by 2.1%. As a result of the stronger increase in life insurance premium revenues, the share of life insurance premium revenues was improved within the total premium revenues: from 52% in the preceding year to 53.5%.

The position of the market leader, Allianz Hungária Biztosító Zrt., shrank by 1.2% over the previous year, as the company had 16% market share at the end of 2013. The second largest insurance company, Generali Biztosító also lost 0.7 percent from its market share reported one year before and held 13.6% of the market at the end of 2013. GROUPAMA Garancia Biztosító is in third place, as a result of an increase in its market share from 11.0% to 11.1% in one year. No change occurred in the fourth place either: although the 10% market share of Aegon Magyarország was 0.2 percentage point smaller than one year ago, the insurance company has practically maintained its market share for the fourth year. ING Biztosító place, while its market share increased from 8.6%

the five companies decreased from 61.3% in the previous year to 59.5%; i.e., the market concentration decreased further by 1.8 percentage points in 2013. The insurance companies managed HUF

to 8.8% over one year. The overall market share of 2,107 billion assets at the end of 2013, which was 1.9 % lower than the figure reported for the previous year. As institutional investors, the insurers continued to have considerable capital investment strength on the capital market.

Gross insurance premium income and market share by company

	Premium	Premium income (HUF in millions)			Market share (%)			
	2011	2012	2013	2011	2012	2013		
AEGON	82,234	78,234	81,181	10.06	10.19	10.03		
AHICO (MetLife)	6,938	5,807	-	0.85	0.76	-		
AIG	6,432	6,902	7,901	0.79	0.90	0.98		
Allianz	144,095	132,285	129,363	17.63	17.22	15.98		
ASTRA	4,739	4,257	3,149	0.58	0.55	0.39		
AXA	16,984	13,151	12,249	2.08	1.71	1.51		
CIG EMABIT	-	2,923	5,075	-	0.38	0.63		
CIG Élet	28,063	22,522	16,715	3.43	2.93	2.07		
Dimenzió	4,025	3,411	2,571	0.49	0.44	0.32		
Erste VIG	14,210	15,119	15,801	1.74	1.97	1.95		
Euler Hermes	3,743	4,179	3,936	0.46	0.54	0.49		
Európai Utazási Bizt.	2,250	2,193	2,238	0.28	0.29	0.28		
Generali-Providencia	119,481	109,845	110,035	14.62	14.30	13.59		
Genertel	3,443	3,387	4,112	0.42	0.44	0.51		
Grawe	8,307	8,179	8,874	1.02	1.06	1.10		
Groupama	89,330	84,705	90,055	10.93	11.03	11.13		
ING	75,284	65,973	70,961	9.21	8.59	8.77		
K&H	34,728	27,282	29,376	4.25	3.55	3.63		
KÖBE	7,048	7,170	7,089	0.86	0.93	0.88		
Magyar Posta Bizt.	7,628	7,896	7,703	0.93	1.03	0.95		
Magyar Posta Életbizt.	30,872	36,068	50,486	3.78	4.70	6.24		
Medicover	-	670	1,635	-	0.09	0.20		
MetLife (AVIVA)	21,148	15,841	19,159	2.59	2.06	2.37		
MKB Általános	2,309	2,486	3,095	0.28	0.32	0.38		
MKB Élet	3,069	3,125	4,069	0.38	0.41	0.50		
Porsche	602	654	700	0.07	0.09	0.09		
QBE	5,133	4,778	4,663	0.63	0.62	0.58		
Signal	13,056	13,872	17,763	1.60	1.81	2.19		
TIR	67	58	-	0.01	0.01	-		
Union VIG	25,430	27,073	33,911	3.11	3.52	4.19		
UNIQA	53,115	54,291	60,531	6.50	7.07	7.48		
Wáberer	3,555	3,736	4,996	0.43	0.49	0.62		
Total	817,316	768,072	809,392	100.00	100.00	100.00		

Life insurance

Although the life insurance contracts generated more revenues in 2013 than in the previous year, the adjusted premium revenues, which indicate the real situation, were almost 1.5% down. This seems to confirm the previously experienced trend, according to which the revenues from single premium contracts can rise temporarily, but the revenues of regular premium contracts are lower than would be satisfactory. The pace of falling revenues has slowed down, yet the total revenues were still almost HUF 30 billion lower than in 2008, prior to the crisis.

The dominant part of the contracts were still concluded for unit-linked insurance, which category was still dominated by the single premium contracts. It would be desirable to shift the portfolio towards regular premium contracts held in the long term.

As a general tendency it may be concluded that life insurance combined with savings was in fierce competition on the savings markets and the same was applied especially to unit-linked life insurance. It is partly because unit-linked insurance is a truly complex product, where clients typically and desirably take a long-term commitment, and therefore it is important for them to understand the features of the product to be purchased. The Hungarian insurers had recognised that need in time and introduced in January 2010 the Annual Cost Rate system, the ACR, within the framework of self-regulation, as a unique measure even in Europe. Insurers pay special attention to ensure that apart from insurance protection, the savings functions of the products could also be interpreted and felt. That is why the ACR limit monitoring system was introduced with the modification of the ACR Regulations last year. This practically means an informative sentence for the customer indicating that the ACR of the particular product exceeds a predefined band, and therefore the product is not predominantly used for savings purposes.

Pension insurance appeared on the market as a new product: in line with the provisions of the Act on Personal Income Tax, they provide benefits only upon retirement, similarly to the other two pension products, the preliminary pension savings accounts and the voluntary pension funds account.

Life insurance premium revenues by company

	Life insu	rance premiur HUF in million	n income s)	Ma	rket share (º	%)
	2011	2012	2013	2011	2012	2013
AEGON	40,292	36,062	36,803	9.17	9.04	8.51
AHICO (MetLife)	6,373	5,298	-	1.45	1.33	-
AIG	-	-	-	-	-	-
Allianz	48,247	42,758	49,494	10.98	10.72	11.44
ASTRA	-	4	71	-	0.00	0.02
AXA	16,183	12,384	11,320	3.68	3.10	2.62
CIG EMABIT		-	-	-	-	-
CIG Élet	28,063	22,522	16,715	6.38	5.64	3.86
Dimenzió	4,025	3,411	2,571	0.92	0.85	0.59
Erste VIG	14,210	15,119	15,801	3.23	3.79	3.65
Euler Hermes	-	-	-	-	-	-
Európai Utazási Bizt.	-	-	-	-	-	-
Generali-Providencia	40,353	37,822	39,035	9.18	9.48	9.02
Genertel	-	-	-	-	-	-
Grawe	8,307	8,179	8,874	1.89	2.05	2.05
Groupama	45,734	41,789	46,168	10.40	10.47	10.67
ING	75,284	65,973	70,961	17.13	16.53	16.40
K&H	14,333	10,696	11,620	3.26	2.68	2.69
KÖBE	-	-	-	-	-	-
Magyar Posta Bizt.	-	-	-	-	-	-
Magyar Posta Életbizt.	30,872	36,068	50,486	7.02	9.04	11.67
Medicover	-	-		-	-	-
MetLife (AVIVA)	21,148	15,840	18,870	4.81	3.97	4.36
MKB Általános	-	-	-	-	-	-
MKB Élet	3,069	3,125	4,069	0.70	0.78	0.94
Porsche	-	-	-	-	-	-
QBE		-	-	-	- 1	
Signal	8,417	8,967	11,774	1.91	2.25	2.72
TIR	-	- 1	-	-	- 1	-
Union VIG	10,731	9,293	8,495	2.44	2.33	1.96
UNIQA	23,903	23,729	29,590	5.44	5.95	6.84
Wáberer	-	-	-	-	-	-
Total	439,544	399,039	432,717	100.00	100.00	100.00

	TERI	M LIFE	ENDO	WMENT	MIXE	D LIFE	UNIT-	LINKED	от	HER	GRANI	O-TOTAL
	Díjbevétel	Szerződésszám	Díjbevétel	Szerződésszám	Díjbevétel	Szerződésszám	Díjbevétel	Szerződésszám	Díjbevétel	Szerződésszám	Díjbevétel	Szerződésszám
AEGON	6,131	171,615	1	802	6,197	223,776	23,731	117,118	743	4,978	36,803	518,289
AIG	-	-	-	-	-	-	-	-	-	-	-	-
Allianz	3,472	5,225	-	178	5,538	57,594	39,671	97,097	813	34,618	49,494	194,712
ASTRA	71	108,299	-	-	-	-	-	-	-	-	71	108,299
AXA	192	1,144	86	303	239	1,532	10,630	29,632	173	972	11,320	33,583
CIG EMABIT	-	-	-	-	-	-	-	-	-	-	-	-
CIG Élet	387	3,614	-	-	54	456	16,111	35,040	163	367	16,715	39,477
Dimenzió	50	5,993	-	-	79	6,293	-	-	2,442	18,815	2,571	31,101
Erste VIG	1,948	20,423	- 1) -	1,081	13,160	12,508	27,972	264	11	15,801	61,566
Euler Hermes	-	-	-	-	-	-	-	-	-	-	-	-
Európai Utazási Bizt.	-	-		-	-	-	-	-	-	-	-	-
Generali-Providencia	1,488	57,198	-	-	8,140	55,349	27,180	154,327	2,227	2,401	39,035	269,275
Genertel	-	-	-	-	-	-	-	-	-	-	-	-
Grawe	827	10,993	-	-	3,296	29,431	-	-	4,751	154,756	8,874	195,180
Groupama	2,500	28,885	49	1,098	5,520	41,843	38,099	220,532	-	55	46,168	292,413
ING	3,163	86,332	-	-	20,460	90,387	42,455	105,203	4,883	29,178	70,961	311,100
K&H	1,444	32,213	- 1	-	2,709	35,607	7,467	27,178	-	-	11,620	94,998
KÖBE	-	-	-	-	-	-	-	-	-	-	-	-
Magyar Posta Bizt.	-	-	-	-	-	-	-	-	-	-	-	-
Magyar Posta Életbizt.	7,891	19,044	3,241	16,564	26,768	102,258	12,488	24,835	98	1,857	50,486	164,558
Medicover	-	-	-	-	-	-	-		-	-		
MetLife (AVIVA)	522	6,369	582	7,944	1,008	18,445	16,205	59,519	553	60,340	18,870	152,617
MKB Általános	- 1	-	-	-	-	-	-	-	-	-	-	-
MKB Élet	358	5,749	-	-	736	5,273	2,975	2,324	-	-	4,069	13,346
Porsche	-	-	-	-	1	-	-	-	-		-	-
QBE	-	-	-	-	-	-	-	-	-	-	-	-
Signal	398	57,385	180	507	2,075	25,224	8,188	27,981	933	9,315	11,774	120,412
Union VIG	884	6,248	513	2,573	22	100	6,933	24,627	143	1,360	8,495	34,908
UNIQA	1,016	6,222	182	1,323	1,703	14,149	26,397	66,273	292	2,465	29,590	90,432
Wáberer	-	-	-	-	-	-	-	-	-	-	-	-
Total	32,742	632,951	4,834	31,292	85,625	720,877	291,038	1,019,658	18,478	321,488	432,717	2,726,266

Main personal insurance indicators in 2013

	Premium income (HUF in millions)	benefits paid by insurers (HUF in millions)	number of contracts
TERM LIFE INSURANCE	32,742	12,339	632,951
including: single premium	1,746	2,058	79,065
payment including: regular periodical payments	30,996	10,281	553,886
ENDOWMENT INSURANCE	4,834	3,621	31,292
including single premium payment	4.	245	275
including regular periodical payments	4,834	3,376	31,017
MIXED LIFE INSURANCE	85,625	103,076	720,877
including single premium payment	27,689	19,611	123,320
including regular periodical payments	57,936	83,465	597,557
TERM-FIX LIFE INSURANCE	11,045	13,737	74,512
including single premium payment	-	4	72
including regular periodical payments	11,045	13,733	74,440
ANNUITY LIFE INSURANCE	2,985	4,624	26,707
including single premium payment	17	354	4,886
including regular periodical payments	2,968	4,270	21,821
UNIT-LINKED	291,038	250,931	1,019,658
including single premium payment	122,751	114,343	308,131
including regular periodical payments	168,287	136,588	711,527
OTHER LIFE INSURANCE	4,448	3,374	220,269
including single premium payment	1	38	61
including regular periodical payments	4,448	3,336	220,208
LIFE INSURANCE	432,717	391,702	2,726,266
ACCIDENT INSURANCE	15,516	3,805	652,067
HEALTH INSURANCE	7,622	3,013	29,839
TRAVEL INSURANCE PERSONAL INSURANCE	8,766	1,812	1,213,376
PERSONAL INSURANCE GRAND TOTAL	464,621	400,332	4,621,548

Non-life insurance

Home Insurance

The frequency of home insurance claims grew in the last few years, primarily due to increasingly frequent extreme weather conditions and an increase in the number of auxiliary insurance and services available through home insurance products. The insurers paid out home insurance claims in more than 700,000 cases in 2013.

In 2013 home insurance products were offered for 16 companies on the market. Insurance companies sell in total 85 products, of which currently 38 various products are available.

MABISZ entered into force the Regulations on the Standard Home Insurance Product Outline on 26 March 2013. The purpose of the Standard Product Outline is to offer a transparent comparison of the products offered by the participating companies to consumer looking for or using a home insurance product, thus strengthening customer focused operation. THE MABISZ website also contains the home insurance products that were designed by using the Standard Product Outline.

Agricultural Insurance

In 2012 the government introduced a new Agricultural Damage Litigation System (Act CLXVIII of 2011 on the Management of Weather and Other Natural Risks affecting Agricultural Production). The 2nd pillar of the system is a support to agricultural (plant) insurance premium, to encourage producers to ensure their activities. The 2013 business year was the first complete year of agricultural insurance with premium subsidy.

The premium increase of products eligible for premium subsidy was spectacular following the initial year of 2012. Their share in plant insurance increased from 19% to 40.5% by 2013 in just one year. What casts a shade to this picture is that only a small portion of that growth relates to new contracts, most increase relates to the revision of existing contracts. The premium revenues from plant insurance went up by approximately 12% since the preceding year.

The premium subsidy had dual impact on growth: on the one hand, the number of contracts went up and, due to the premium subsidy, numerous producers bought insurance for several risks.

The weather in 2013 was favourable in terms of agricultural insurance, as also reflected in the claim ratio data of the sector. The year started with an especially long winter, causing a lot of problems and property damage to the country, but the vegetation was not yet affected by the long winter and therefore there was no frost damage either. The long winter was followed by a quick warming up period, a calm and short spring, and several waves of storms in June. However, by the end of the year the aggregated sectoral claim ratio of plant insurance turned out to be a very favourable 49.1%.

The slow decline, observed in the previous years, continued in livestock insurance. The ratio of livestock insurance continued to shrink within the total agricultural premium revenues and did not reach 6% in 2013. This trend was due not only to the clarification of the profile of the insurers, but also to the shrinking and increasingly concentrated and intensive animal farming, where the risks affecting production are comparable to the risks of industrial activities; the classic agricultural risks have almost disappeared as advanced technologies are used.

During the year, a new government project was launched in order to reduce the administrative burden of producers, which affected primarily the administration of premium subsidised plant insurance. The agricultural insurers are peripheric actors in this new complex system, yet the development requires a major effort from our companies.

Freight Insurance

Following the negative experiences of several years, there are initial signs of growth in the sector even if they are not spectacular. New companies and enterprises join the market. There are still significant differences in the quality of services and the "insurance" domain continues to be dominated by the expected mandatory CMR insurance

(international liability insurance for road hauliers). The assessment of the actual risk of almost unexceptionally under-insured freight continues to be a daily problem for insurers, similarly to the previous years. The only expectation of clients is to pay low premium for the insurance cover, and therefore the actual content of the products offered by the insurers becomes less significant. An information leaflet on freight insurance, which MABISZ will prepare in 2014 can help resolve that problem.

Industrial property and technical insurance

The draw-down of EU funds accelerated a great deal in the last year of the EU 2007-2013 budget period, which also gave a boost to the stagnating property insurance market.

Fragmented property items, previously owned by local governments (hospitals, schools, other institutions) were centralised and insurance contracts are also awarded centrally, in most cases with public procurement tenders, which is a more cumbersome process and raises more technical problems in terms of insurance. Although concentration could also be more favourable to insurers, the larger risk community brings advantages even if they are unable to set risk-proportionate premiums to institutions with diversified operation and performance.

Liability insurance

2013 was dedicated to preparation for the provisions of the new Civil Code. Under the new Civil Code, a corporate customer is not classified as a consumer, hence the parties can freely establish the contents of the insurance agreement, which represents great progress in corporate liability insurance.

In 2013 new opportunities opened up to insurers in two segments:

- 1. Liability insurance for attorneys-at-law. A review conducted by the Commissioner of Fundamental Rights concluded that there is a monopoly situation on the market of liability insurance for attorneys-at-law, which may violate competition. The report suggested modifications in the law. No legislation was adopted on the topic in 2013, but the insurers operating on the market began to sell their own products.
- 2. Employee liability insurance According to the amendments of the Labour Code, in future employees shall have unlimited liability to their employ-

ers for any deliberately caused severe damage. This new liability concept gives an opportunity to insurers to cover a new market segment. In 2013 the insurers were rather prudent in taking risks in that field.

Health and accident insurance

As a result of the modification of a legal regulation in 2012, the premium of health insurance policies taken by employers was exempted from taxes or contribution, as an incentive to the desirable spread of that product category also in social aspects. The legislator introduced another incentive by amending the Act on Funds at the end of 2012, whereby the premium of service financing health insurance policies can now be paid from health fund accounts.

According to the available data, the premium revenues on the health insurance market have gone up, which is remarkable only compared to the low base figure, and was not a significant increase on its own. For the time being the market trends include continuous development, the design of related processes and quality assurance. In that context the Hungarian insurance companies also work intensively and inform employers and consumers about that product category stressing that the extension of self care also in that field and that such products provides a higher quality service to consumers and facilitates the funding of health care in a predictable and transparent manner.

Travel insurance

In 2013 the total travel insurance premium revenues were higher than in the preceding year. It may suggest a positive trend, hoping that the Hungarian population will make more deliberate preparations for a trip, assessing the potential risks that may occur while they are abroad. Another reason explaining the growth on the market could be that three new actors joined the market in 2013 and, compared to the former 12 actors, these days 15 MABISZ member insurers offer travel insurance policies.

The appearance of a new sales channel in the recent past could not another factor explaining the slight increase on the market. There is great interest in the travel insurance available through mobile phones and, as expected, primarily younger generations opt for that method.

The insurers still feel that regular and continuous information provided to customers is very important. Each educational campaign triggers an obvious increase in the willingness of the individuals to purchase travel insurance.

Some non-life insurance figures* in 2013

million HUD, number of contract

	Premium Income	Number of Contracts	Claim Costs	Claim Costs in the Relevant Year	Number of Insurance Events in the Relevant Year
MOTOR INSURANCE	145,019	5,144,300	102,842	105,864	255,365
including CASCO	62,548	816,912	36,830	33,456	117,328
including Compulsory TPL	82,024	4,324,849	65,765	72,332	137,665
GENERAL LIABILITY INS	22,363	113,574	7,573	9,965	6,819
INSURANCE FOR ENTREPRENEURS	47,612	190,019	12,896	14,209	39,159
HOUSEHOLD PROPERTY	102,432	3,027,972	37,540	30,269	697,119
AGRICULTURAL INSURANCE	12,791	16,422	6,321	4,883	4,568
including Livestock Insurance	552	686	368	311	276
including Crop Insurance	6,840	7,827	3,692	3,805	2,693
MARINE INSURANCE	3,072	18,148	828	1,387	895
CREDIT INSURANCE	3,932	1,104	2,288	3,559	286
OTHER NON-LIFE INSURANCE	7,552	37,359	4,028	2,560	2,277
NON-LIFE INSURANCE TOTAL*	344,771	8,548,898	174,318	172,698	1,006,488

^{*}Except accident, health and travel insurance

The car insurance market

The dynamism of new and used motor sales, with the status of the related financing market, the claim figures (number and composition of accidents, annual inflation rate) and the changes in the legislative environment are the major factors affecting the development of the car insurance market.

The falling tendency of road accidents, observed since 2006 came to a halt in 2013, in fact the number of road accidents increased in comparison to 2012. The number of road traffic accidents involving personal injuries increased by 3.4% in comparison to the previous year. The outcome figures also changed unfavourably: there was 2.3% drop only in the number of fatal accidents, while the number of accidents with serious injuries and

accidents with light injuries increased by 9.1% and 4.7% respectively.

This increase in claims is likely to stem from the increasing use of vehicles.

The insurance companies reacted to the changed conditions with increasing price competition. Given the specificities of the product, there is competition in insurance services only in casco. The companies reward the joint sale of insurance products to the same customer with a discount in MTPL premium (e.g., casco, home insurance, life insurance, etc.).

The number of insurers involved in the motor insurance business line has not changed and still 15 insurers offer MTPL insurance. The only change is

Non-life insurance premium revenues and claim expenses by company

	Non	-Life Premium I	ncome		Gross Claims Costs			
	2011	2012	2013	2011	2012	2013		
AEGON	41,942	42,172	44,378	16,615	16,016	17,390		
AHICO (MetLife)	565	509	-	68	13	-		
AIG	6,432	6,902	7,901	3,140	4,432	7,188		
Allianz	95,848	89,527	79,869	40,982	45,221	47,258		
ASTRA	4,739	4,253	3,078	2,053	51	2,086		
AXA	800	767	929	183	180	265		
CIG EMABIT	-	2,923	5,075	-	1,828	2,928		
CIG Élet	-	-	-	-	-	-		
Dimenzió	-	-	-	-	-	-		
Erste VIG	-	-	-	-	-	-		
Euler Hermes	3,743	4,179	3,936	1,962	2,906	1,863		
Európai Utazási Bizt.	2,250	2,193	2,238	487	-	420		
Generali-Providencia	79,128	72,023	71,000	39,960	31,151	28,972		
Genertel	3,443	3,387	4,112	2,162	2,149	3,106		
Grawe	-	-	-	-	-	-		
Groupama	43,596	42,916	43,887	18,536	18,552	18,470		
ING	-	-	-	-	-	-		
K&H	20,395	16,586	17,756	11,186	8,212	9,022		
KÖBE	7,048	7,170	7,089	3,936	5,096	5,675		
Magyar Posta Bizt.	7,628	7,896	7,703	4,613	4,527	4,039		
Magyar Posta Életbizt.	-	- 11	-	-	-	-		
Medicover	-	670	1,635	-	418	1,062		
MetLife (AVIVA)	-	1	289	-	-	2		
MKB Általános	2,309	2,486	3,095	1,373	1,649	2,001		
MKB Élet	-	-	-	-	-	-		
Porsche	602	654	700	300	378	376		
QBE	5,133	4,778	4,663	-	1	1,402		
Signal	4,639	4,905	5,989	2,252	2,671	3,149		
TIR	67	58		-21	66	-		
Union VIG	14,698	17,780	25,416	8,324	8,125	5,584		
UNIQA	29,212	30,562	30,941	16,047	15,856	16,631		
Wáberer	3,555	3,736	4,996	2,705	2,771	4,060		
Total	377,772	369,033	376,675	176,863	172,269	182,948		

^{*}Except accident, health and travel insurance

that CIG Pannónia Első Magyar Biztosító no longer accepts new contracts, but will manage the existing mainly fleet type contracts until they expire.

The unfavourable changes in the number of accidents are also reflected in the claim indicators of vehicle insurance. The claim ratio of MTPL policies increased from 78.4% in 2012 to 88.2 % in 2013, and the casco claim ratio grew from 56.5 % in 2012 to 58.9 %. In 2013 in total 255,365 claims were registered in MTPL insurance, reflecting a 7.3 % increase on year-on-year basis, while in casco 117,328 claims were registered, reflecting a 4.4, % rise in the figure of the previous year.

In 2012 the premium liberalisation process, launched in the former years, reached its final stage Earlier the insurance companies had to advertise their premium rates, effective from the subsequent years, in two national daily papers by 30 October each year and they could not change them during the subsequent year.

As a result of an amendment of the MTPL Act, effective from 1 January 2013, the insurance companies can change their tariffs at any time, but the new tariffs will enter into force only after a grace period of 60 days. The obligation to advertise the new tariffs in newspapers was also abolished, as in future the companies must publish their new tariffs on the HFSA (National Bank of Hungary) and MABISZ websites, as well as on their own respective websites. The switch to the new system was themeless; in 2013 in total 61 minor tariff adjustments were made for correction purposes including the annual tariff advertisements, distributed in November.

The MABISZ Premium Navigator presented reliably the tariffs of all insurers for the fourth time in 2013. This premium comparison tool, representing transparently the premium of all insurance companies for consumer information purposes are jointly operated and controlled by the insurance companies. Consequently, the application has a kind of authentication and etalon role on the Hungarian MTPL market.

Premium Revenues and Claim Expenses in Vehicle Insurance

		MTPL insurance						
	Р	remium revenu	es		Claim expense	s		
	2011	2012	2013	2011	2012	2013		
AEGON	5,733	4,862	6,321	3,972	2,073	4,624		
Allianz	26,739	22,778	21,223	11,016	18,756	22,564		
ASTRA	4,652	3,970	2,633	2,034	1,348	1,905		
CIG EMABIT	-	903	1,210	-	786	1,083		
Generali-Providencia	11,007	7,214	6,169	6,840	2,459	2,103		
Genertel	2,563	2,170	2,343	1,683	1,556	1,994		
Groupama	7,035	5,247	4,424	3,806	2,685	2,226		
K&H	13,142	10,044	11,326	8,284	5,949	7,223		
KÖBE	6,515	6,472	6,171	3,561	4,682	5,133		
Magyar Posta Bizt.	5,051	4,899	4,234	4,244	3,782	2,975		
MKB Általános	1,031	665	538	847	706	481		
Signal	1,727	1,442	1,513	1,053	1,092	1,186		
TIR	12	-	-	-65	-			
Union VIG	2,487	2,704	2,488	1,601	1,572	2,328		
UNIQA	6,767	7,782	7,895	4,476	5,610	6,790		
Wáberer	2,873	2,860	3,536	2,309	2,273	3,149		
Total	97,336	84,011	82,024	55,661	55,330	65,765		

Services of MABISZ Vehicle Claim Settlement Office

Pursuant to the Act on Mandatory Third Party Liability Insurance, MABISZ operates the National Office and is in charge of the Compensation Organisation, the Information Centre and the claim registration agency, as well as manages the Compensation Account and the Compensation Fund.

Within the MABISZ organisation, the International Green Card System and the National Office, i.e. the organisation of insurers operating in the Hungarian MTPL insurance market performs coordination, claim settlement and settlement tasks arising from international motor insurance agreements and related treaties, including the operation of the Green Card Office, Compensation Organisation and Information Centre, within the framework of which it also fulfils its guarantee obligations.

In 2013 the National Office managed 2,270 claims. Of which in 549 cases it provided guarantees for claims caused by Hungarian vehicles abroad and settled 1,694 claims, in the course of which it paid out HUF 588 billion on behalf of, and charged to, foreign insurers.

The Information Centre manages the data related to the enforcement of claims from damages caused to third parties during the operation of vehicles, informs the interested parties and performs other tasks. In 2013 in total 11,808 cover and information queries, complaints and assistance requests were received, which showed some decrease relative to the previous year. Only 5% of the inquiries were complaints submitted against foreign insurers and their correspondent partners, or claim settlement agents.

The Compensation Organisation is an organisation operated by insurance companies selling MPTL products in the Member State of the European Union in which they are established. The task of this organisation is to assess and settle claims for damages caused to a Hungarian damaged party by a vehicle registered in another Member State, if the insurance company of the damaging party fails to settle the claim. The total claims managed by the National Office in 2013 made up 24% of the claims settled as the Compensation Organisation

(541 claims, HUF 29.5 million payout), reflecting a major increase since the previous year.

The Compensation Account is a fund created by Act on the Mandatory Third Party Liability Insurance and financed by the insurance companies engaged in MTPL insurance for the purpose of compensating claims for damages caused by parties not having any MTPL contract despite the obligatory insurance or caused by unknown vehicles in the territory of Hungary. In 2013 damaged parties reported 4,424 claims which were charged to the Compensation Account and the Vehicle Claim Settlement Office, managing the account, paid out HUF 1.763 billion compensation. In 2013 in total 3,751 cases were launched reclaiming paid out compensation amounts according to the law and at the end of the year the procedure was in progress in 14,569 cases.

Compensation Fund: a fund established based on the Act on the Mandatory Third Party Liability Insurance and financed by the insurance companies engaged in MTPL insurance, which covers damages caused by vehicles of operators covered by effective mandatory third party liability insurance at the time when they caused a damage, if liquidation procedure has started against the insurer managing the MTPL insurance. Insurance companies engaged in MTPL insurance must contribute maximum 0.25% of their premium revenue from that business line quarterly (i.e. 1% of their annual premium revenue) into the compensation fund, if its balance is not higher than 6% of the MTPL premium revenue earned on the total market in the previous year. The balance of the Compensation Fund was HUF 1.160 billion at the end of the 2013 (following the payments related to the MÁV ÁBE bankruptcy).

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Reserves, investments

At the end of 2013 the insurance companies had net HUF 1,952.940 billion insurance technical reserves.

The total equity and debt of the insurance companies was HUF 2,106.580 billion at the end of 2013.

Government securities continued to dominate the investments of insurance companies, as in 2013 the volume of investments into government securities increased by more than HUF 33 billion; thus the share of government securities within the total investments increased from 45.3% to 47.8% over a year.

Due to the significant fall in interest rates, the share of bank deposits and securities issued by banks shrank by 1.5%, their share fell from 21.8% in the previous year to 20.3%.

The share of real properties and real estate investment units decreased from 2.0% in 2012 to 1.8%.

The ratio of shares also increased slightly from 2.0% in 2012 to 2.1% in 2013.

After the former year, the ratio of securities issued by municipalities and other organisations shrank negligibly from 24.9 % to 23.5 %, i.e. by 1.4 percentage points.

The proportion of loans to policy holders continued to be marginal within the investment portfolio, as they made up only 0.3% of the total investments.

Insurance companies paid in 2013 HUF 2.5 billion corporate income tax.

All the tables of this yearbook contain the gross written premium figures under the title of 'premium revenues'.

Investment of insurers' assets by investment category in 2013

	Government Securities	Bank Deposites and Bank Securities	Real Estate and Property Investment Securities	Shares	Other Securities	Loans to Policy Holders	Other	Total
AEGON	94,589	2,477	3,560	4,173	88,221	822	4,283	198,125
AIG	-	756	-	-	-	-	8,547	9,304
Allianz	180,377	35,998	15,640	7,438	19,104	40	10,350	268,948
ASTRA	-	924	-	-	-	-	-	924
AXA	13,409	2,243	681	11,551	16,851	1	1,003	45,740
CIG EMABIT	2,009	1	-	-	-	-	1	2,010
CIG Élet	3,736	-	-	3,198	40,348	-	39	47,321
Dimenzió	40,649	2,399	· -	-	3,744	10	505	47,307
Erste VIG	7,042	10,781	13,325	-	18,197	-	-	49,344
Euler Hermes	-	193	7-7-	-	-	-	-	193
Európai Utazási Bizt.	2,572	99	-	-	683	-	4	3,359
Generali-Providencia	111,448	7,647	1,147	6,716	113,739	170	887	241,755
Genertel	4,833	246	-	-	-	-	676	5,755
Grawe	53,027	400	456	-	2,812	205	1,258	58,157
Groupama	105,372	125,429	3,196	5,416	15,516	2	7,069	262,000
ING	177,482	158,361	49	5,847	-	1,501	146	343,386
K&H	39,356	11,568	1	-	51,022	106	4,843	106,896
KÖBE	6,198	15	-	-	516	-	1,350	8,079
Magyar Posta Bizt.	5,246	5,438	-	-	-	-	-	10,684
Magyar Posta Életbizt.	50,416	49,801	-	41	24,835	-	2,408	127,502
Medicover	303							303
MetLife	35,253	337	-	-	171	737	174	36,672
MKB Általános	2,335	97	-	-	-	-	516	2,948
MKB Élet	9,133	250	-	121	1,302	285	250	11,341
Porsche	-	448	-	-	-	-	-	448
QBE	-		-	-	-	-	- 1	-
Signal	21,948	473	-	-	23,530	95	2,560	48,608
Union VIG	13,418	5,669	523		674	2,179	37,778	60,241
UNIQA	24,189	3,276	-	-	74,574	10	1,479	103,528
Wáberer	2,309	1,604	-		117	-	1,674	5,703
Total	1,006,653	426,928	38,580	44,501	495,956	6,163	87,800	2,106,580

29

	Biztos	sítástechnikai tartalék (mill	llió Ft)		
	Net total technical reserves	Life insurance premium reserves	Unit-linked insurance premium reserves		
AEGON	170,746	55,520	85,822		
AIG	5,654	-	-		
Allianz	222,113	42,974	52,169		
ASTRA	-	30	-		
AXA	40,179	3,718	35,426		
CIG EMABIT	1,797	-	-		
CIG Élet	42,948	211	40,348		
Dimenzió	44,577	43,258	100		
Erste VIG	47,342	4,718	41,485		
Euler Hermes	1,409	-	1-1		
Európai Utazási Bizt.	889	-	-		
Generali-Providencia	213,387	49,996	90,869		
Genertel	3,217	-	-		
Grawe	53,276	49,650	-		
Groupama	232,058	35,140	164,330		
ING	339,958	138,349	189,416		
K&H	97,413	16,051	57,243		
KÖBE	5,202	1 1 - 1 - 1	-		
Magyar Posta Bizt.	8,743	-	-		
Magyar Posta Életbizt.	122,720	90,420	31,003		
Medicover	-	-	-		
MetLife (AVIVA)	100,410	26,672	68,439		
MKB Általános	1,078	-	-		
MKB Élet	9,782	1,735	7,550		
Porsche	74	-	-		
QBE	-	-	- 10		
Signal	45,100	18,579	20,462		
Union VIG	38,883	6,410	20,688		
UNIQA	101,197	14,627	71,264		
Wáberer	2,789	Market - Mark	-		
Total	1,952,940	598,058	976,512		

Headcount figures of insurers in 2013

	Administration		Sales		Other	Total	
		Full time	Part-time				
AEGON	552	228	-	1,203	262	2,245	
AIG	92	12	-	-	-	104	
Allianz	520	175	1	1,142	772	2,610	
ASTRA	56	4	-	-	-	60	
AXA	120	14	-	-	-	134	
CIG EMABIT	36	6	-	-	6	48	
CIG Élet	80	15	-	-	5	100	
Dimenzió	33	8	-		-	41	
Erste VIG	19	27	-	-	1	47	
Euler Hermes	16	16	-	-	-	32	
Európai Utazási Bizt.	21	2	-	-	10	33	
Generali-Providencia	1,375	399	8	2,227	29	4,038	
Genertel	35	74	-	2	4	115	
Grawe	26	-	-	-	-	26	
Groupama	535	1,361	165	1,173	166	3,400	
ING	388	45	-	466	1,272	2,171	
K&H	263	106	-	200	102	671	
KÖBE	104	31	1	218	12	366	
Magyar Posta Bizt.	129	6	-	-	-	135	
Magyar Posta Életbizt.	30	6	-	-	-	36	
Medicover	12	2	-	-	1	15	
MetLife (AVIVA)	106	20	-	684	24	834	
MKB Általános	15	37	-	1	-	53	
MKB Élet	15	23	-	1	-	39	
Porsche	5	-	-	-	-	5	
QBE	58	13	-	-	5	76	
Signal	166	-	-	448	-	614	
Union VIG	199	42	-	407	55	703	
UNIQA	712	-	-	746	80	1,538	
Wáberer	71	-	-	-	1	72	
Total	5,789	2,672	175	8,918	2,807	20,361	

Member insurance companies

AEGON HUNGARY

Composite Insurance Co. Ltd. by Shares Ownership structure:



1091 Budapest, Üllői út 1. Postal address: 1813 Budapest, P.O.Box 245 Telephone: (+36 1) 477-4800

Fax: (+36 1) 476-5710 Internet: http://www.aegon.hu E-mail: ugyfelszolg@aegon.hu

AEGON Hungary Holding B.V. 50 % AEGON Hungary Holding II B.V. 50 % Registered capital: HUF 6,374,160,000

AIG EUROPE LIMITED

Branch Office in Hungary



1133 Budapest, Váci út 76. Postal address: 1426 Budapest, P.O.Box 358

Telephone: (+36 1) 801-0801 Fax: (+36 1) 801-0899 Internet: http://www.aig.hu E-mail: reception.hu@aig.com

Ownership structure:

AIG Europe Limited 100% Registered capital: £ 197,118,478 Initial capital: HUF 1,000,000

ALLIANZ HUNGÁRIA

Insurance Closed Co. Ltd.



BIZTOSÍTÓ

1087 Budapest, Könyves Kálmán krt. 48-52.

Postal address: 1368 Budapest, P.O.Box 191

Telephone: (+36 40) 421-421 Fax: (+36 1) 301-6100 Internet: http://www.allianz.hu E-mail: ugyfelszolgalat@allianz.hu

Ownership structure:

Allianz New Europe Holding GmbH 100% Registered capital: HUF 4,266,000,000

ASTRA S.A. INSURANCE

Branch Office in Hungary

1097 Budapest, Könyves Kálmán krt. 12-

14. (Lurdy House) Postal address: 1371 Budapest, P.O.Box 444

Telephone: (+36 1) 454-3200 Call Center: (+36 40) 278-728 Internet: http://www.astrabiztosito.hu E-mail: ugyfelszolgalat@astrabiztosito.hu

Ownership structure:

Societatea Comerciala de Asigurare-Reasigurare Astra S.A. 100% Registered capital: HUF 27,265,000

VIENNA LIFE (AXA)

Vienna Insurance Group Co. Ltd.



1138 Budapest, Váci út 135-139.

Postal address: 1441 Budapest, P.O.Box 428

Telephone: (+36 40) 303-030 Fax: (+36 1) 413-5101 Internet: http://www.axabiztosito.hu

E-mail: info@axabiztosito.hu

Ownership structure:

Vienna Insurance Group AG Wiener Versicherung Grupp 100% -59,202 shares

Registered capital: HUF 5,920,200,000

CIG PANNÓNIA



First Hungarian General Insurance Co. Ltd. Ownership structure:

1033 Budapest, Flórián tér 1. Postal address: 1518 Budapest, P.O.Box 589

Telephone: (+36 1) 510-0100 Fax: (+36 1) 209-9007

Internet: http://www.cigpannonia.hu

E-mail: info@cig.eu

CIG Pannónia Életbiztosító Nyrt. 100% Registered capital: HUF 1,025,000,000

DIMENZIÓ



Mutual Insurance Co.

1119 Budapest, Fehérvári út 84/a. Postal address: 1509 Budapest, P.O.Box 78

Telephone: (+36 1) 464-3580 Fax: (+36 1) 464-3599

Internet: http://www.dimenziocsoport.hu

E-mail: info@dimenziobiztosito.hu

Ownership structure:

Registered capital: HUF 8,000,000 Own funds: HUF 5,542,723,000

ERSTE

Vienna Insurance Group Co. Ltd.



1082 Budapest, Baross u. 1.

Postal address: 1465 Budapest, P.O.Box 1750

Telephone: (+36 1) 484-1700 Fax: (+36 1) 484-1799 Internet: http://www.erstebiztosito.hu

E-mail: info@erstebiztosito.hu

Ownership structure:

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe 90% UNION Vienna Insurance Group Biztosító Zrt. 5% Erste Bank Hungary Zrt. 5% Registered capital: HUF 1,000,000,000

EULER HERMES SA

Branch Office in Hungary



1037 Budapest, Kiscelli u.104. Postal address: 1037 Budapest, Kiscelli

u.104. Telephone: (+36 1) 453-9000

Fax: (+36 1) 453-9001 Internet: http://www.eulerhermes.hu

E-mail: ugyfelszolgalat@eulerhermes.com

Ownership structure:

Euler Hermes Europe SA functions as a Hungarian branch office and indirect legal successor Hermes Magyar Hitelbiztosító Zrt.

Registered capital: HUF 682,000,000



Insurance Co. Ltd.

1132 Budapest, Váci út 36-38. Postal address: 1132 Budapest, Váci út 36-38.

Telephone: (+36 1) 452-3581 Fax: (+36 1) 452-3535 Internet: http://www.eub.hu E-mail: info@eub.hu

Ownership structure:

Generali Biztosító Zrt. 61% Europäische Reiseversicherung AG., Munich, 26% Europäische Reiseversicherung AG., Vienna, 13% Registered capital: HUF 400,000,000

GENERALI



Insurance Private Co. Ltd.

1066 Budapest, Teréz krt. 42-44. Postal address: 7602 Pécs, B.O.Box 888

Telephone: (+36 1) 301-7100 Fax: (+36 1) 452-3505 Internet: http://www.generali.hu E-mail: generali@generali.hu

Ownership structure:

Generali PPF Holding 100% Registered capital: HUF 4,500,000,000

GENERTEL

G genertel.hu

Insurance Co. Ltd.

1134 Budapest, Dévai u. 26-28. Postal address: 7602 Pécs, B.O.Box 999 Telephone: (+36 1) 288-0000 Fax: (+36 1) 451-3881 Internet: http://www.genertel.hu

E-mail: genertel@genertel.hu

Ownership structure:

Generali Biztosító Zrt. 100%

Registered capital: HUF 1,170,000,000

GRAWE



Life Insurance Co. Ltd.

CEO Office 7632 Pécs, Üszögpuszta Directorate: 1126 Budapest, Istenhegyi út 9/B Telephone: (+36 72) 434-082, (+36 72) 434-091, (+36 1) 202-1211 Fax: (+36 72) 434-027, (+36 1) 355-5530

Internet: http://www.grawe.hu E-mail: info@grawe.hu

insurance company

Ownership structure:

Grazer Wechselseitige Versicherung Aktiengesellschaft (Graz) 100% Registered capital: HUF 800,000,000

GROUPAMA GARANCIA



Insurance Private Co. Ltd. by Shares

1051 Budapest, Október 6. u. 20. Postal address: 1051 Budapest, Október 6. u. 20. Telephone: (+36 1) 373-7500 Fax: (+36 1) 373-7549 Internet: http://www.groupama-garancia.hu E-mail: Accessible through the "Write to us!"

messaging interface on the website of the

Ownership structure:

Groupama SA 100 % Registered capital: HUF 9,376,000.000

ING

Insurance Private Co. Ltd.



1068 Budapest, Dózsa György út 84/B Postal address: 1364 Budapest,

P.O.Box 247

Telephone: (+36 40) 464-464 Fax: (+36 1) 267-4833 Internet: http://www.ing.hu E-mail: biztosito@ing.hu

Ownership structure:

ING Continental Europe Holdings B.V. 100% Registered capital: HUF 5,435,000,000

K&H



Insurance Closed Co. Ltd. by Shares

1095 Budapest, Lechner Ödön fasor 9. Postal address: Budapest 1851 Telephone: (+36 1) 328-9000, (+36 1) 761-9000

Fax: (+36 1) 461-5276 Internet: http://www.kh.hu E-mail: biztosito@kh.hu

Ownership structure:

KBC Insurance N.V. (Belgium) 100% Registered capital: HUF 4,780,000,000

KÖBE



Central European Mutual Insurance Association

1108 Budapest, Venyige u. 3. Postal address: 1475 Budapest, P.O.Box 142

Telephone: (+36 1) 433-1180 Fax: (+36 1) 433-1181 Internet: http://www.kobe.hu E-mail: kobe@kobe.hu

Ownership structure:

Association/member/ ownership Registered capital: HUF 2,813,762,938

MAGYAR POSTA



HUNGARIAN POST Insurance Co. Ltd.

1022 Budapest, Bég u. 3-5. Postal address: 1022 Budapest,

Bég u. 3-5.

Telephone: (+36 1) 423-4200 Fax: (+36 1) 423-4210 Internet: http://www.postabiztosito.hu

E-mail: info@postabiztosito.hu

Ownership structure:

Talanx International AG 66.925% Magyar Posta Zrt. 33.075% Registered capital: HUF 754,625,000

MAGYAR POSTA



HUNGARIAN POST Life Insurance Co. Ltd.

1022 Budapest Bég u. 3-5. Postal address: 1022 Budapest, Bég u. 3-5.

Telephone: (+36 1) 423-4200 Fax: (+36 1) 423-4210

Internet: http://www.postabiztosito.hu E-mail: info@postabiztosito.hu

Ownership structure:

Talanx International AG 66.925% Magyar Posta Zrt. 33.075% Registered capital: HUF 1,990,964,000

MEDICOVER Försäkrings AB (publ)



Branch Office in Hungary

1123 Budapest, Alkotás u. 50. Postal address: 1123 Budapest,

Alkotás u. 50.

Telephone: (+36 1) 465-3150 Fax: (+36 1) 465-3160 Internet: http://www.medicover.hu

E-mail: info@medicover.hu

Ownership structure:

Medicover Försakrings AB (publ) SE 100%

HUNGARIAN EXPORT CREDIT



Insurance Plc. (MEHIB)

1065 Budapest, Nagymező u. 46-48. Postal address: 1243 Budapest, P.O.Box 510 Telephone: (+36 1) 374-9100, (+36 1)

Fax: (+36 1) 269-4476, (+36 1) 269-1198 Internet: http://www.exim.hu

E-mail: exim@exim.hu

Ownership structure:

Hungarian State 100% The ownership rights are exercised by the Minister for the National Economy. Registered capital: HUF 4,250,000,000

METLIFE



Insurance Co.

1138 Budapest, Népfürdő u. 22. Postal address: 1558 Budapest, P.O.Box 187 Telephone: (+36 1) 391-1300, (+36 40) 444-445

Fax: (+36 1) 391-1660 Internet: www.metlife.hu E-mail: info@metlife.hu

Ownership structure:

MetLife EU Holding Co. Ltd. 100% Registered capital: HUF 2,142,000,000

MKB



General Insurance Co.

E-mail: info@mkbb.hu

1133 Budapest, Váci út 76. Postal address: 1821 Budapest Telephone: (+36 1) 886-6900 Fax: (+36 1) 886-6909 Internet: http://www.mkbb.hu

Ownership structure:

Versicherungskammer Bayern 62.50% MKB Bank Zrt. 37.50% Registered capital: HUF 1,080,000,000

MKB



Life Insurance Co.

1133 Budapest, Váci út 76. Postal address: 1821 Budapest Telephone: (+36 1) 886-6950 Fax: (+36 1) 886-6909 Internet: http://www.mkbb.hu E-mail: info@mkbb.hu

Ownership structure:

Versicherungskammer Bayern 62.50% MKB Bank Zrt. 37.50% Registered capital: HUF 1,080,000,000

PORSCHE VERSICHERUNGS AG

Branch Office in Hungary



1139 Budapest, Fáy u. 27. Postal address: 1396 Budapest, P.O.Box 490

Telephone: (+36 1) 450-2853 Fax: (+36 1) 450-2850

Internet: http://www.porschebiztosito.hu E-mail: biztosito@porschebiztosito.hu

Ownership structure:

Branch Office, Porsche Versicherungs AG, Salzburg 100% Initial capital: HUF 1,000,000 (there is no registered capital)

QBE INSURANCE (EUROPE) Ltd.



Branch Office in Hungary

1143 Budapest, Stefánia út 51. Postal address: 1442 Budapest, P.O.Box 101

Telephone: (+36 1) 460-1400

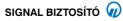
Fax: (+36 1) 460-1499 Internet: http://www.qbeatlasz.hu E-mail: info.hungary@hu.qbe.com

Ownership structure:

QBE Insurance (Europe) Ltd. 100% Founder: QBE Insurance (Europe) Ltd. (Plantation Place, 30 Fenchurch Street, EC3M 3BD London, United Kingdom, company registration No.: 0176561) Registered capital: HUF 250,000

SIGNAL

Insurance Co. Ltd.



1123 Budapest, Alkotás u. 50. Postal address: 1519 Budapest, P.O.Box 260 Telephone: (+36 40) 405-405

Fax: (+36 1) 458-4260 Internet: http://www.signal.hu E-mail: info@signal.hu

Ownership structure:

SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund 100% Registered capital: HUF 1,837,860,000

UNION



Vienna Insurance Group

1082 Budapest, Baross u. 1. Postal address: 1461 Budapest, P.O.Box 131

Telephone: (+36 1) 486-4200 Fax: (+36 1) 486-4390 Internet: http://www.unionbiztosito.hu

E-mail: info@unionbiztosito.hu

Ownership structure:

Vienna Insurance Group AG Wiener Versicherung Gruppe (Austria) 100%

Registered capital: HUF 4,764,000,000

UNIOA



Insurance Co. Ltd.

1134 Budapest, Róbert Károly krt. 70-74. Postacím: 1134 Budapest, Róbert Károly krt. 70-74. Telefon: (+36 1) 544-5555 Fax: (+36 1) 238-6060 Internet: http://www.uniqa.hu E-mail: info@uniqa.hu

Ownership structure:

UNIQA Internationale Beteiligungs-Verwaltungs GmbH 99,93% UNIQA International AG 0,07% Alaptőke: 4.079.160.000 Ft

WÁBERER HUNGÁRIA



Insurance Co. Ltd. by Shares

1211 Budapest, Szállító u. 4. Postal address: 1211 Budapest, Szállító u. 4. Telephone: (+36 1) 666-6200

Fax: (+36 1) 666-6404 , (+36 1) 666-6400 Internet: https://www.wabererbiztosito.hu E-mail: ugyfelszolgalat@wabererbiztosito.hu

Ownership structure:

W-NEW Holding Korlátolt Felelősségű Társaság 58.29% VKH Vagyonkezelő Korlátolt Felelősségű Társaság 41.71% Registered capital: HUF 1,180,043,000

Supporting members

CARDIF

Insurance Hungary Pte. Co. Ltd.



1033 Budapest, Kórház u. 6-12. Postal address: 1033 Budapest,

Kórház u. 6-12. Telephone: (+36 1) 430-2300/2

Fax: (+36 1) 430-2301 Internet: http://www.bnpparibascardif.hu

E-mail: cardif@cardif.hu

Ownership structure:

BNP Paribas Cardif 100%

Registered capital: HUF 977,000,000

CARDIF



Life Insurance Hungary Pte. Co. Ltd.

1033 Budapest, Kórház u. 6-12. Postal address: 1033 Budapest,

Kórház u. 6-12.

Telephone: (+36 1) 430-2300/2

Fax: (+36 1) 430-2301 Internet: http://www.bnpparibascardif.hu

E-mail: cardif@cardif.hu

Ownership structure:

BNP Paribas Cardif 100%

Registered capital: HUF 1,195,000,000

EUROP ASSISTANCE



Hungary Ltd.

1134 Budapest, Dévai u. 26-28. Postal address: 1399 Budapest, P.O.Box 694/324

Telephone: (+36 1) 458-4444 Fax: (+36 1) 458-4404

Internet: http://www.europ-assistance.hu E-mail: operation@europ-assistance.hu

Ownership structure:

Europ Assistance Holding S.A. 74% Generali Biztosító Zrt. 26% Registered capital: HUF 24,000,000

Published by: Association of Hungarian Insurance Companies

1062 Budapest, Andrássy út 100.

Phone.: (+36 1) 802-8400, Fax: (+36 1) 802-8499

http://www.mabisz.hu

