

Hungarian Insurers' Yearbook **2018**



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Presidential Address



The world is beginning to think 'insurance' - I came to this conclusion when the new government formed after the elections requested proposal packages from a number places summarising the opportunities and challenges of the forthcoming years and decades in order to make a remarkable progress in competitiveness - to guarantee the economic security of the country in the long term.

It is still unclear what specific actions the government will take in various areas the consideration and comparison of the proposals submitted to the National Competitiveness Council, but looking ahead and assessing the risks are important to us for various reasons. On the one hand, thinking ahead is the basis of insurance; when we buy an insurance we intend to protect ourselves from risks, which can be modelled in the same way as the factors impeding the development of the national economy. On the other hand and perhaps it is more important to us, when the economy plans for whole years and decades, the sub-systems of the economy, including also the insurance sector, can also look ahead.

This is very good news following the crisis management period of the past few years. For years after the economic crisis it was impossible to make long-term plans in the Hungarian market because the events overruled the established concepts in weeks. These days, however, plans can be made at least for a decade not only in the national economy but also in our sector, the insurance sector. When the National Bank of Hungary expressed its future vision about the insurance sector, it provided us with an itinerary laying down the key points for our planning. Naturally, there are and may be disputed issues between the views of the Central Bank and the representatives of the insurance sector but all in all, all insurance stakeholders, regardless whether they operate in the market or are regulators, have almost identical thoughts about the opportunities and challenges of the future. If we can think together along the main lines, the result cannot be bad.

Naturally, while we may write down the nicest ideas about the opportunities of the sector and be happy of our rediscovered profitability, if we fail to pay attention to the most important actors, i.e. customer, even the most promising plans will fail. In the meantime the insurance sector has earned general recognition because, as previously promised, we have managed to provide fair pension insurance contracts to more than 250,000 customers that will give them sufficient additional funding in the years of their retirement.

75 per cent of the average Hungarian citizens still believe in paternalism and that the state will guarantee security in their old age. They say that while 72 per cent of them also think that the state will not have enough funds to do so. The problem referred to in our technical language as a pension dilemma is perhaps the most obvious response of the insurance market to what the two OECD surveys conducted over the past decades proved 'clearly': while in theory (mathematics) Hungarians are still strong, in the practical implementation of what they learnt, i.e. as consumers, they are at the very bottom of the list in international comparison. In theory we are aware of the need for self-care, but the same cannot be observed in practice.

Due to the above we are truly pleased that last autumn the government approved the government strategy on financial awareness, intending to make our fellow countrymen more responsible and sensible over a period of 7 years. The emphasis on the importance of self-care is clearly stressed in the strategy, which is a great pleasure to us. We honestly say that we would not have achieved such a favourable and recognised position if with the self-regulation and cooperation and joint thinking with the National Bank of Hungary over the past difficult years we hadn't been able to shift the key aspects of thinking owing to which these days people look at insurers as 'ethical' operators. The prestige and acceptance of the insurance sector are increasing. We can and must rely on that. As the success of pension insurance or the home insurance penetration, which is still one of the highest in Europe, shows, if people trust us and our products, then the assisting and supporting role with which insurers can contribute to improving the competitiveness of the Hungarian economy and to making the everyday life easier for people may also become important in other areas in life, such as health or the security of operation of small and medium-sized enterprises.

We believe in it.

Tandi bet

Anett Pandurics president

Address by the General Secretary



Thousand billion forints. Is it an immensely huge or an absolutely trivial amount? Depends on our viewpoint. Even the investment into the new Paks nuclear power plant, which is a major project for Hungary for decades, costs only three times that amount. However, the American investor Warren Buffet lost that amount over the span of one week in March due to the fall of the American stock exchange, and still did not become homeless...

Anyhow, the almost one thousand billion forints (exactly HUF 989.6 bln) premium revenues earned by the Hungarian insurance sector in 2017 is a historic figure. The previous record figure, reported exactly ten years ago, was exceeded by more than fifty billion forints. It also means that the great financial crisis of the first decade of the millennium is finally over.

If the entire economy performs well in the long term, all other sectors feel the benefits. This is especially true for service providers, whose performance is directly affected by the general household and business expectations and the trust in the future. It is also good news in that respect that the growth of the insurance sector was close to eight per cent in 2017. There are things to fear of and there are funds to spend to secure what we want to protect.

However, it may make one wonder that according to statistics it seems that people are protecting their assets more than themselves. At least, similarly to the last few years, the non-life business grew more dynamically than the revenues generated by life insurance and the former has also exceeded the latter in volume, at an increasing rate, since last year. It is true that one of the factors in this trend was that growth was especially dynamic in the third party motor vehicle liability insurance, in fact more than twice of the industrial average. It is also true that the MTPL premium revenues started from a low base figure and have more or less recovered to the level recorded prior to the crisis by now. In the meantime however claim payments also rose dynamically owing to an increase in component and service charges, labour costs and the amounts paid out on personal injuries. Hopefully that pace will slow down and will not disturb the sensitive premium revenue claim expanse balance that has been achieved recently.

The slightly more than twelve and a half billion forints earned on travel insurance seems a moderate sum compared to the total revenues of the sector. Nevertheless, it is also an important indicator in terms of the general living standards because that market segment

grew by seventeen per cent on a year-on-year basis and Q1 of 2018 also suggests that people plan to travel again and increasingly. This is one of the certain accompanying factors of an economic upturn.

The life insurance business also expanded clearly, by five per cent and the intention to care for ourselves seems more modest only when it is compared to the outstanding results of the other branch. There are still things to be extremely proud of in that business too. The premium revenues from pension insurance went up by thirty per cent in a year and more than 20% of the total life portfolio is made up by that insurance product. The majority of those who put their savings into this product plan to make regular contributions for almost twenty years, paying in on average more than two hundred thousand forints a year. Nowadays more than 250,000 Hungarian citizens can proudly say that they benefit from the tax credit of this increasingly popular, long-term self-care product.

2017 turned out to be a good year for the insurance sector. In addition to the data quantifiable in HUF it is also confirmed by the indicator that MABISZ first produced this year, based on the results of the regular surveys of the past few years. The Insurance Confidence Index (ICI) which reflects the confidence of the households in the sector stood at 44.6 points in 2015, at the time of the first research, and crept up to 52.6 points on the scale of one hundred in May of this year. Clearly there are a number of components behind this straight-line growth besides the performance of the economy but as the Secretary General of the Association I wish to highlight one that we are particularly proud of: since its launch in September 2010, more than twenty thousand customers contact the MABISZ customer service to obtain authentic information on consumer protection. It is therefore not boasting to suggest that the views of the almost two hundred thousand forints are included in the gradual increase of confidence in insurers.

The results of the economy help strengthen the atmosphere of confidence, which is indispensable for business success. We do hope that the long-term interconnection of the interrelated and supporting factors will take the insurance sector to new records in the forthcoming years.

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Dániel Molnos General Secretary

Status and performance of the Hungarian economy in 2017

In 2017 the Hungarian economy grew by 4.0 per those of active age, which corresponds to 4.2 per cent according to the raw data and by 4.2 per cent according to the data adjusted seasonally and with calendar effects. According to the raw data the annual performance of the economy was much greater than the EU average or the average of the Member States of the Eurozone and event that of Germany, but stayed 0.11 percentage points below the average of the four Visegrád countries. In terms of consumption the household consumption expenditure went up by 4.7 per cent, while community consumption dropped by 0.4 per cent. On the contrary, since 2016 the gross fixed capital formation has gone up by 14.9 per cent, as a result of which the volume of domestic consumption was up by 6.0 per cent. Over the past few years imports grew at a higher pace than exports, by 9.7 per cent and 7.1 per cent respectively, so the Hungarian foreign trade sufficit fell from HUF 3,570 bln reported in the previous year to HUF 2,986 bln.

performance fell by 9 per cent mainly because the output was outstanding in the previous year. On the contrary, the added value of industry expended by 3.9 per cent, within which that of the processing industry grew by 4.9 per cent. With the help of EU resources and government subsidies (CSOK (family home support scheme), preferential VAT) and the decline of the previous year, the construction industry grew by 31.6 per cent. The added value of services was altogether up by 3.3 per cent last year primarily due to the 6.2 per cent growth in trade and tourism, 4.5 per cent increase in transportation and warehousing and 6.1 per cent expansion of the ICT sector, while the volume of financial and insurance services was only 0.7 per cent above the figure of the previous year. Within services the performance of only public administration, defence, mandatory social insurance, education, human medical and social services declined by 1.3 per cent compared to 2016.

The labour market continued to expand in 2017. The number of employees increased by almost 70,000 compared to 2016, reaching the figure of 4,421,000. Owing to this increase the Hungarian employment rate in the 15-64 age group exceeded the EU average (68.2 vs 67.6 per cent). Parallel with an increase in employment, the number of the unemployed continued to fall. In 2017 on average only 191,500 people did not have a job among

cent unemployment rate, unprecedented since the political change of 1990. Owing to the government measures including the 15 per cent increase in minimum wages, 25 per cent increase in the guaranteed wage minimum, the wage increases introduced in the budget sector, the 5 percentage point drop in the social contribution tax and the lack of workforce, the net average wages increased by 12.9 per cent to HUF 197,516. By also taking into account the impact of inflation, it translates into 10.3 per cent real wage increase in a year, which has not happened in the Hungarian economy since 2002.

Primarily due to the fast wage increases, the retail trade picked up by 5.2 per cent last year. Within that food retail trade was up by 2.8 per cent, the non-food retail trade grew by 8.9 per cent and fuel retail trade went up by 3.1 per cent.

On average prices increased by 2.4 per cent in Looking at the production side, the agriculture 2017 compared to the previous year. More specifically, food prices went up by 2.8 per cent (despite a decrease in the price of poultry meat, eggs and fresh milk), alcoholic drinks and tobacco goods cost 4.8 per cent more, the prices of clothing rose by 0.5 per cent, those of household energy by 0.8 per cent, while we had to pay 1.5 per cent more for services. The prices of consumer durables dropped by 0.3 per cent.

> The HUF exchange rate fluctuated between 303 and 315 last year. The exchange rate was the weakest at the beginning of December, and the guoted exchange rates were above 314 at the end of April too, while the strongest exchange rate was measured at the end of August. As an annual average, HUF 309.21 had to be paid for EUR 1 compared to the compared to the 311.46 exchange rate reported in 2016.

> In 2017 two of the three major credit rating agencies (S&P, Fitch) improved the rating of the Hungarian government bonds to positive outlook. The stable surplus of the current account balance, the lower debt of the private sector and the state, the reduction in the Hungarian government bonds held by foreigners and the improvement of the liquidity position of the banking system were the main factors that contributed to the improvement of the rating. Owing to the intensive economic upturn, the Central Bank's schemes and the positive assessment of Hungary last year the yields of government

securities continued to decline: to close to 0 per cent up to one-year maturity and to close to 2 per cent on 10-year maturity. That significantly reduced the interest expenditure of the state.

The GDP proportionate deficit stood at 2.0 per the national debt expressed as a percentage of GDP cent last year. The budget revenues went up in total by 7.1 per cent (within that the VAT revenues were up by 7.1 per cent, the excise duty revenues by 1.0 per cent, personal income tax revenues by 11.8 per cent and, even despite an 5 percentage point reduction in social contribution, the revenues from the social contribution tax and contribution were up by 2.5 per cent). On the other side, the expenditure bln primarily owing to the 12.9 per cent net increase was 10.8 per cent higher, primarily owing to the pre- in wages. For comparison: last year the net finanfinancing of the EU resources. Last year the budget resources allocated to home construction subsidies were increased by 24.6 per cent, yet the expenses of the National Family and Social Policy Fund dropped by 3.1 per cent. As the GDP growth was higher than 3.5 per cent, the pensioners became eligible for a in HUF rose from HUF 3,538.3 bln by 11.5 per cent pension premium last year, and therefore the government increased the pension expenditure by 3.9 per cent compared to 2016. The health expenditure 20.2 per cent and reached HUF 5,024.9 bln in 2017, paid out by the Health Insurance Fund rose by 6.0 per cent last year, but the interest balance of the state improved by 1.8 per cent primarily due to the falling interest revenues. Last year HUF 2,555.3 bln The long-term, i.e. more than one year govern-

National economy and insurance

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross domestic prod- uct* (GDP) (HUF bln)	27 194	26 425	27 225	28 305	28 781	30 247	32 592	34 324	35 420	38 813
Gross insurance premium revenue (HUF bln)	882,8	830,5	843,8	817,3	768,1	809,4	850,2	869,2	918,9	989,6
Change in gross insur- ance premium revenue as a percentage of the previous year (%)	94,9	94,1	101,6	96,9	94,0	105,4	105,0	102,2	105,7	107,7
Per capita insurance premium HUF	87 939	82 866	84 379	81 963	77 635	81 814	86 167	88 303	93 544	101 101
Per capita life insurance premium (HUF)	45 993	41 013	44 247	44 079	40 249	43 739	45 921	45 309	46 372	48 711
Per capital non-life-in- surance premium (HUF)	42 333	42 394	40 131	37 884	37 386	38 075	40 246	42 995	47 172	52 391

Source: HCSO

Mid-year population 2017 CSO Data, population average of 01.01.2018 and 31.12.2017 9787966

cent higher than the figure reported for the previous year. However, the majority of that amount was pre-financing, considering that only HUF 1,015.2 bln revenues were reported in this row. Owing to the low deficit figure and the robust economic growth, fell to 73.6 per cent from 76.0 per cent recorded in the previous year.

Household savings

All in all the net financial assets of the households grew by 9.13 per cent in 2017, reaching HUF 39,341 cial assets of the households were higher than the national GDP as they amounted to HUF 38,813 bln. Among the cash and cash equivalents of the households the cash and deposits did not increase as much as the average, but cash held by households to HUF 3,946.6 bln. On the contrary, the government securities portfolio of households expanded by reaching 25 per cent within the total government securities portfolio.

was paid out for EU projects, which was 14.1 per ment securities portfolio was up by 50% and the

share of long-term government securities within the total government securities portfolio of households reached 42 per cent. The portfolio of shares The volume index of the construction industry outand participations grew slightly above the average and stopped at HUF 19,827.4 bln. The participations in non-financial companies also expanded by HUF 1,232.4 bln to HUF 13,841.2 bln, reflecting an almost 10 per cent rise. It should be emphasised that although the shares listed on the stock exchange made up only 1.6 per cent of the financial assets at the end of 2017, the portfolio grew by 47.6 per cent to HUF 787 bln from 2016. The insurance technical reserves also increased in 2017 by 6.15 permits were issued, based on which the number of per cent to HUF 4,003.1 bln. Within those reserves constructed homes may increase significantly by the the non-life insurance premium reserved rose by 5.5 end of 2019, which is the expiry date of the preferper cent to HUF 339 bln, the life insurance premium ential VAT rate. Home construction is also strongly reserves increased by 3.6 per cent to HUF 1,955.2 bln and the pension fund premium reserves were up by 9.3 per cent, reaching HUF 1,709.0 bln. In this to the 2.3 per cent increase in material costs, and latter category the private pension fund premium therefore the home construction costs were up by reserves expanded by 8.2 per cent and reached HUF 7.0 per cent on an annual basis. The producer prices 254.9 bln, while the other fund premium revenues rose by 9.5 per cent and amounted to HUF 1,454.0 bln. Within the liabilities the loan portfolio stagnated last year although the retail mortgage loans taken from credit institutions increased by 3.4 per cent to HUF 3,042.9 bln.

Construction industry and real estate market

put was 29.6 per cent higher last year than in 2016. In the various segments the construction of buildings extended by 27.0 per cent and the construction of other buildings by 34.8 per cent. Last year 14,389 homes were delivered, which figure was 44.0 per cent higher than in the previous year. This outstanding increase was mainly due to the 5 per cent VAT rate and the family home support scheme (CSOK). In 2017 almost 38,000 home construction affected by the shortage of labour; last year the labour costs went up by 13.2 per cent compared across the construction industry went up by 5.2 per cent last year.

In 2017, the price increase within the housing market continued. The price of new homes was up by 13.5 per cent, while the price of used homes

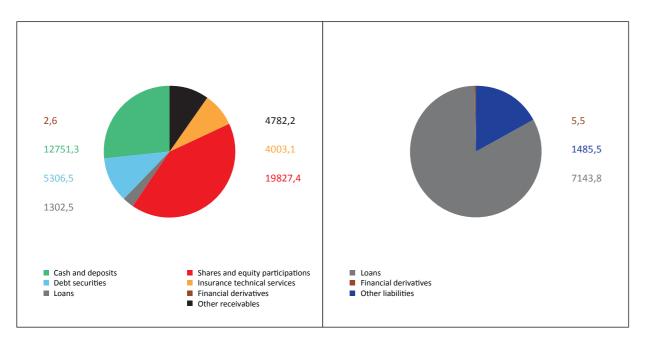
increased by 4.9 per cent over a year by also including quality factors. However, while the ratio of worse quality properties (position, size, equipment) was higher within the used homes, the greater price increase applied to new homes is partially explained by their higher quality. Rents on average rose by 3.0 per cent in 2017.

The number of transactions in the housing market rose to 149,000 last year but, compared to the 9.1 per cent increase reported in 2016, it translates only into a 1.9 per cent rise. The increase was stronger outside Budapest as the number of transactions relating to properties in the countryside as up by 6.4 per cent, while in Budapest the Central Statistical Office (CSO) measured a decline of 7.3 per cent, reflecting a major shift in weights within the sale and purchase transactions.

Last year almost 80,000 square meters of new office space was delivered, which figure was 17 per cent lower than in 2016. The trend, which began in 2013 also continued in 2017: the total used office space grew by almost 133,000 square meters. As a result, the vacancy fell to 7.5 per cent in the office market according to Eston's data.

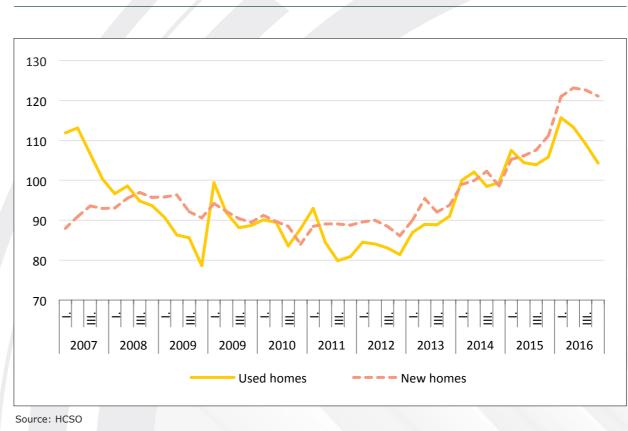
Although the EU regulation on package retail and insurance-based investment products (PRIIPs) should have been applied in 2017 originally, due to the lack of sufficient preparation time the deadline for implementation was postponed to 2018. Thus 2017 passed with preparations and responding to a number of open questions relating to the PRIIPs regulation. As the essence is in details, this example also shows two important weaknesses of the

Breakdown Of The Financial Assets (Felt) And Liabilities (Right) Of The Households (Huf Bln)



Source: MNB, Századvég calculation

Figure: Changes In House Price Indices (2015=100)



Legal environment

The regulation of the insurance sector is increasingly based on EU legislation. The more and more consistent EU regulatory environment also means that the room for manoeuvre and tasks of the national regulators in that regard are decreasing.

Nonetheless, the regulation of the insurance sector continues to be a set of rules consisting of many elements, in which the EU legislation has primacy and dominance, yet the system becomes complete with the national legal regulations, the supervisory regulatory instruments (MNB) and the components of self-regulations.

Among the EU legislation on insurance the consumer protection norms must be emphasised in 2017.

Products in 2018

													1	î	î	1													
	Aegon	Agrár Biztosító	Allianz	Cardif	Cardif Life	CIG Pannónia General	CIG Pannónia Life	Colonnade	ERGO Life Insurer	ERGO Life Insurer Branch Office	Európai Utazási Biztosító (Euro- pean Travel Insurance	Generali	Genertel	Grawe	Groupama	K&H	KÖBE	Magyar Posta	Magyar Posta Life	Medicover	MetLife Europe Branch Office	MÜBSE	NN	Porsche	Signal	Union	UNIQA	Vienna Life	Wáberer Hungária
Life Insurance																													
Risk	x		х		x		x		х			x		x	x	x			x		x		х		х	х	х	x	
Endowment insurance	x											x		x	x				х						х		x	x	
Mixed	x		х				x					x		x	x	x			x				х		х		х	x	
Fix term	x													x									х		х		х	x	
Annuity	x											x		x	x	x							х		x			x	
Unit-linked	x		х				x		х			x			x	x			x		x		x		x	х	х	x	
pension insurance pursuant to the PIT Act	x		х				x		х			x		x	x	x			x		x		х		х	х	х	x	
Other			х				x					x		x		x			x				x		х		x		
Non-life insurance																													
Accident	х		х	x		х		х		x		x	x		x		x	x			x				х	х	х	x	x
Health	x		х			х		х				x			x		х			х	х				х	х	х	x	x
Travel	x		х					х			x				x	x	x	x								x	x	x	x
Vehicle	x		х			х						x	x		x	х	x	x						х	х	x	х		x
General liability	x		х			х		х				x			x	x	x	x				x			х	x	х		x
Contractor consolidated property	x		х			х		х				x			x	х	х	x							x	x	х		x
Retail building and property	x		х					x		x		x	x		x	x	x	x							x	x	x		x
Agricultural		x	х									x			x												х		
Consignment	х		х			х		х				x			x										x	x	x		x
Credit	х		х																								х		
Other	x		х	x		x		x			x	x			x	x	x									x	x		x

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community legislation: the parties applying the law requirements for savings for pension purposes, of regulations adopted at first level due to the delay rules themselves are often no clear, incomplete or the portability of the pension product. unreasonable. Hence there is a strongly supported recommendation, also backed by the European Insurance Association (Insurance Europe - IE) which is a general practice, within the framework of to calculate the preparation time defined for the implementation of the EU legislation (minimum half a year) from the date of publication of the secondalthough in theory the regulation stands on a sector with the courts electronically, the original date of neutral principle, in practice the process started entry into force of that Act was also postponed. with a two-year moratorium granted to investment service providers, and even the extension of that period was suggested. With the new rules the which is indicated by a special event, as the legal provisions on information prior to a contract will become even more difficult to understand to customer in the various sectors rather than like in an incubation program. Besides the supervisory becoming more consistent.

The new EU directive on insurance distribution (IDD) for which the insurance companies are also preparing, is also aimed at improving the degree of consumer protection and at offering protection to customer purchasing insurance contracts irrespective of the sales channels. The process although their role is becoming more significant (e.g. related to this directive revealed even better MTPL, travel insurance, home insurance products). the problems associated with the adoption of EU norms and indicated above and the major delay in legislation caused serious headache to decision makers. In this case the EU amended the deadline for the transposition of the directive into the national law and the deadline for mandatory implementation with a retroactive effect. Thus, with the exception of few countries including Hungary the implementation of IDD was postponed from February 2018 to October 2018. However, 2017 passed in the spirit of uncertainty, presenting almost unresolvable challenges to insurance companies, which had to implement the significantly changing requirement in their corporate systems, processed, forms, training, etc. as a result of the complex regulation.

The modification of the IFRS regulations and compliance with the General Data Protection Regulation (GDPR) adopted in 2016, where only a part of the implementation rules required for achieving the target date of May 2018 were published in 2017, also caused similar difficulties and challenges.

The draft EU legislation on a certain Pan-European pension product and its characteristics, strengthening intersectoral competition is a completely different challenge. This piece of legislation intends to serve the interest of customers by setting partly identical

have very little time to prepare for the application expecting consistency in the preference under the tax law and, based on the principle of free in the issue of the implementation rules and the movement between Member States, also aimed at

Besides the modification of the Insurance Act, the relevant Hungarian legislation the introduction of a new act on civil procedure needs to be mentioned as it introduced a new set of norms in the enforcement third level regulations. It should be mentioned that of rights. Due to the difficulties in maintaining contact

> Digitisation also affects the insurance sector, supervisory authority decided to launch a regulatory sandbox and an innovation hub to assist development and regulatory instruments this option is a special new area and tool in the increasing competition.

> These days electronic contact between insurers and customers is an ordinary phenomenon, yet electronic contracts have been used more intensively only in the non-life insurance business so far,

> The reconsideration of the rules relating to the mandatory written form and the increasingly obvious need of customer for good guality and guickly accessible information rather than an abundance of rules and information may give a new impetus in the dissemination of the advantages of digitisation.

> In insurance self-care is still primarily associated with the annual cost rate (ACR) charter that supplements the decree. This is a unique information tool also in European comparison that provides information prior to contracting and, as an audited product cost calculation method, is becoming better and better known in the market. The Reference System also functions reliably and helps improve the quality of customer service as a tool assisting effective insurance intermediaries to continue operating in the market.

> At the same time, it should be noted that the ratio of life insurance within household savings has been falling for many years. The underlying reasons should be analysed and in order to make long-term self-care successful, the potential turnaround of the trend needs to be encouraged.

Gross insurance premium income and market share by company

	Premiu	m revenue (H	UF mln)	Ma	arket share (%	⁄₀)
	2015	2016	2017	2015	2016	2017
Aegon	90 251	94 563	104 980	10,38	10,29	10,61
AIG Europe Branch Office	10 151	10 268	n.a.	1,17	1,12	n.a.
Agrár Biztosító	n.a.	857	1 276	n.a.	0,09	0,13
Allianz	119 556	130 533	144 768	13,76	14,21	14,63
Cardif	5 725	5 879	5 156	0,66	0,64	0,52
Cardif Life	1 685	1 935	2 273	0,19	0,21	0,23
CIG Pannónia General	3 661	3 607	6 091	0,42	0,39	0,62
CIG Pannónia Life	14 643	13 535	15 898	1,68	1,47	1,61
Colonnade	4 736	4 137	7 552	0,54	0,45	0,76
Dimenzió (Dimension)	2 991	n.a.	n.a.	0,34	n.a.	n.a.
ERGO Life Insurer	4 530	4 479	3 824	0,52	0,49	0,39
ERGO Life Insurer Branch Office	243	246	240	0,03	0,03	0,02
Erste	16 701	18 243	13 572	1,92	1,99	1,37
Európai Utazási Biztosító (European Travel Insurance Company)	2 656	2 619	3 021	0,31	0,28	0,31
Generali	120 221	125 993	131 838	13,83	13,71	13,32
Genertel	4 016	4 391	6 646	0,46	0,48	0,67
Grawe	10 314	11 153	11 575	1,19	1,21	1,17
Groupama	91 851	95 489	107 525	10,57	10,39	10,87
K&H	39 937	45 412	46 569	4,59	4,94	4,71
KÖBE	10 537	8 759	9 581	1,21	0,95	0,97
Magyar Posta	9 534	10 857	10 669	1,10	1,18	1,08
Magyar Posta Life	49 779	59 713	60 271	5,73	6,50	6,09
Medicover	3 146	4 500	5 415	0,36	0,49	0,55
MetLife Europe Branch Office	19 787	19 463	20 511	2,28	2,12	2,07
MÜBSE *	n.a.	n.a.	1 213	n.a.	n.a.	0,12
NN	79 618	78 498	91 688	9,16	8,54	9,27
Pannónia General	5 675	6 711	n.a.	0,65	0,73	n.a.
Pannónia Life	4 081	4 045	n.a.	0,47	0,44	n.a.
Porsche	1 187	1 222	1 469	0,14	0,13	0,15
Signal	21 553	20 627	25 794	2,48	2,24	2,61
UNION	33 474	36 265	45 571	3,85	3,95	4,61
UNIQA	58 530	58 572	64 470	6,73	6,37	6,51
Vienna Life	14 349	15 264	17 249	1,65	1,66	1,74
Wáberer Hungária	14 055	21 069	22 875	1,62	2,29	2,31
Total	869 172	918 903	989 578	100,00	100,00	100,00

* MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

Following the series of regulations experienced in the past few years we hoped that after the noted that the number of general liability insurance constant pressure for adaptation, the insurance companies can devote their resources to their fundamental activity and, parallel with improved financial awareness, this can contribute to providing better services to customers, increasing the level of insurance and self-care and the solid growth of the sector that also makes the national economy stronger.

Changes in the insurance market in 2017

When this yearbook was published, MABISZ had 29 members, including two groups, Cardiff Biztosító/ Cardif Életbiztosító and the branch office of Ergo Életbiztosító/Ergo Versicherung.

association registered in Hungary, 21 are insurance limited companies registered in Hungary and 7 operate as branch offices.

Of the Hungarian insurance companies operating as private limited companies, only 3 are not members of MABISZ, DAS Jogvédelmi Biztosító Zrt, CIG Pannónia Életbiztosító Nyrt and Magyar Exporthitel Biztosító Zrt.

Without accident, health and travel insurance, the 2,491,428 life insurance contracts were very slightly, by 1.0% higher on 31 December 2017 than one year before.

The number of pension insurance contracts continues to increase. Last year 11.6% increase was registered but the 4.9% growth in the approx. 668,000 risk insurance contracts with regular payment is also remarkable. The number of unit linked contracts without pension insurance, which have the largest portfolio, stagnated, as only 0.2% increase was recorded.

On 31 December 2017 there were 12,087,673 non-life insurance contracts, reflecting 4.1% increase since the figure reported at the end of the previous year. Within that the number of vehicle and household property insurance contracts that have the highest share among the insurance contracts also rose more than the average, by 5.6% and 4.4% respectively. In vehicle insurance the 5.8% increase in mandatory third-party liability insurance was again higher than the 4.9% increase in casco insurance contracts.

Among the major insurance types it needs to be contracts went up by 20.1%. Owing to government measures, agricultural insurance contracts are still rising. Their number has gone up by 15.5%, with the most increase reported in plant insurance (9.3%) and animal insurance (18.8%).

Despite the relatively small number of contracts, the significant 69.7% growth in health insurance contracts was also significant.

The increase of the premium revenues of insurance companies continued in 2017; the total premium revenues amounted to HUF 987,244 mln, which was 7.5%, i.e. a little over HUF 69 bln more than the premium revenues in the preceding year. One of the 29 members is a mutual insurance According to expectations, the rising tendency of premium revenues will continue in 2018 also.

> Compared to the previous year the premium revenues from life insurance policies grew by 4.6%, and the revenues from non-life insurance policies also increased by 10.5%. Due to the slight increase in life insurance premium revenues, in 2017 the share of life insurance premium revenues declined within the total premium revenues (from 49.6% to 48.2%).

> There was not change in the order of the insurance companies with the five highest premium revenues in 2017. The market leader Allianz Hungária extended its market share from 14.2% to 14.7% in a year. However, the share of Generali Biztosító in second place somewhat shrank from 13.7% to 13.4%. The other three insurers, GROUPAMA Biztosító, AEGON Magyarország Általános Biztosító and NN Biztosító with the third, fourth and fifth largest market shares also managed to raise their market share from 10.4% to 10.9%, from 10.3% to 10.6% and from 8.6% to 9.3% respectively. Due to the reasons indicated above, the market concentration of the first five companies grew from 57.2% in 2016 to 58.8% in 2017.

The total assets of the insurance companies as of 31 December 2017 was HUF 80.8 bln, showing an increase of 3.4% relative to the previous year, while the total assets amounted to HUF 2,484 bln. Based to the volume of the accumulated assets, the share of insurance companies as institutional investors is still high in the capital market.

Life Insurance

In 2017 the life insurance business grew by 5 per cent, which was slightly lower than the 9 per cent increase reported in the non-life insurance business. The market continued to be driven by pension insurance, which has enjoyed a tax credit since 2014, with which it has become competition neutral with regard to other pension products. The favourable impact of pension insurance is not reflected only in the increase in premium revenues but it also outlines other positive trends. 21 per cent of the portfolio now stems from that insurance product. The ratio of regular premium products stabilised last year, as 96.7 per cent of the pension insurance contracts already belong to that product. The retention period expected at the time of the contract has expanded significantly (over 8 years), while the average contractual term of a pension insurance is 19.2 years. The average annual premium has also gone up (from HUF 184,662 in 2016 to HUF 206,004 in 2017) and the ratio of unit-linked and classic insurance products has also stabilised (2/3 - 1/3). The data illustrate well that the introduced tax credit was an effective incentive for long-term savings, as previously predicted.

It is another factor strengthening the positive trend indicated above that the costs of life insurance are becoming more favourable and the average annual cost ratio (ACR) presenting the costs fell from 4.29 per cent in 2015 to 3.58 per cent. Hungarian life insurance companies still have their IDD requirements.

The preparations for the implementation of the PRIIPs regulation indicated previously required the major part of the resources of the life insurance market last year. Practically it meant that from 1 January 2018 each insurer must prepare a KID document to provide simple and transparent information about the packaged retail investment product. The KID must be presented in the sales phase prior to the contract and the document helps the consumer make a decision by presenting the most important characteristics of the product in a short and transparent manner. Consequently, the KID can be used for information on a particular product, but the consistent structure is also ideal for comparing various investment products.

The other complex European regulation that covers life insurance directly and very strongly is the IDD (Insurance Distribution Directive) which also demanded a lot of work and energy because the MiFID/UCITS rules also had to be transferred to insurance. Although for the first right they are sales rules, in fact they exceed them a lot and affect product development and process regulations too. Since the original deadline of 23 February 2018 the parties operating in the Hungarian market must satisfy the

ACR indicators audited once a year in a joint procedure. With that process all ACR calculations of all insurers are audited consistently, which improves the confidence in the system.



Life insurance premium revenue by company

	Life Insuran	ce Premium ro mln)	evenue (HUF	м	arket share (°	%)
	2015	2016	2017	2015	2016	2017
Aegon	39 530	39 133	38 268	8,86	8,60	8,03
AIG Europe Branch Office	0	0	n.a.	0,00	0,00	n.a.
Agrár Biztosító	n.a.	0	0	n.a.	0,00	0,00
Allianz	35 532	35 183	36 790	7,97	7,73	7,72
Cardif	0	0	0	0,00	0,00	0,00
Cardif Life	1 685	1 935	2 273	0,38	0,43	0,48
CIG Pannónia General	0	0	0	0,00	0,00	0,00
CIG Pannónia Life	14 643	13 535	15 898	3,28	2,97	3,33
Colonnade	0	0	0	0,00	0,00	0,00
Dimenzió (Dimension)	2 990	n.a.	n.a.	0,67	n.a.	n.a.
ERGO Life Insurer	4 530	4 479	3 824	1,02	0,98	0,80
ERGO Life Insurer Branch Office	0	0	0	0,00	0,00	0,00
Erste	16 701	18 243	13 572	3,74	4,01	2,85
Európai Utazási Biztosító (European Travel Insurance Company)	0	0	0	0,00	0,00	0,00
Generali	42 588	44 915	44 783	9,55	9,87	9,39
Genertel	0	0	0	0,00	0,00	0,00
Grawe	10 314	11 153	11 575	2,31	2,45	2,43
Groupama	43 279	45 189	50 315	9,70	9,93	10,55
K&H	17 543	17 829	14 086	3,93	3,92	2,95
KÖBE	0	0	0	0,00	0,00	0,00
Magyar Posta	0	0	0	0,00	0,00	0,00
Magyar Posta Life	49 779	59 713	60 271	11,16	13,12	12,64
Medicover	0	0	0	0,00	0,00	0,00
MetLife Europe Branch Office	19 204	18 782	19 697	4,31	4,13	4,13
MÜBSE *	0	0	0	0,00	0,00	0,00
NN	79 618	78 498	91 688	17,85	17,25	19,23
Pannónia General	0	0	n.a.	0,00	0,00	n.a.
Pannónia Life	4 081	4 045	n.a.	0,92	0,89	n.a.
Porsche	0	0	0	0,00	0,00	0,00
Signal	14 362	12 244	15 790	3,22	2,69	3,31
UNION	9 513	11 247	17 080	2,13	2,47	3,58
UNIQA	27 269	25 652	26 404	6,11	5,64	5,54
Vienna Life	12 813	13 325	14 467	2,87	2,93	3,03
Wáberer Hungária	0	0	0	0,00	0,00	0,00
Total	445 974	455 100	476 781	100,00	100,00	100,00

* MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

Main personal insurance indicators in 2017

	"Premium revenue (HUF mln)"
RISK	54 900
of which, single premium payment	585
of which, regular premium payment	54 315
ENDOWMENT INSURANCE	4 819
of which, single premium payment	25
of which, regular premium payment	4 794
MIXED	96 217
of which, single premium payment	45 327
of which, pension insurance pursuant to the PIT Act with single premium payment	864
of which, regular premium payment	50 891
of which, pension insurance pursuant to the PIT Act with regular premium payment	15 004
TERM-FIX	8 604
of which, single premium payment	0
of which, regular premium payment	8 604
ANNUITY	635
of which, single premium payment	337
of which, regular premium payment	298
UNIT-LINKED	305 872
of which, single premium payment	78 684
of which, pension insurance pursuant to the PIT Act with single premium payment	5 081
of which, regular premium payment	227 187
of which, pension insurance pursuant to the PIT Act with regular premium payment	41 416
OTHER	5 734
of which, single premium payment	-31
of which, regular premium payment	5 765
TOTAL LIFE INSURANCE	476 781
ACCIDENT INSURANCE	20 197
HEALTH INSURANCE	15 179
TRAVEL INSURANCE	12 185
TOTAL PERSONAL INSURANCE	524 342

"Premium revenue (HUF mln)"	Number of contracts (unit)				
30 287	734 271				
810	29 860				
29 477	704 411				
5 513	32 401				
1	1 158				
5 512	31 243				
83 725	543 210				
30 937	139 702				
0	0				
52 788	403 508				
251	73 024				
10 576	29 107				
6	13				
10 571	29 094				
822	5 616				
393	2 634				
429	2 982				
248 461	1 110 020				
100 524	220 901				
885	6 672				
147 937	889 119				
8 623	166 723				
5 066	40 848				
2	11 288				
5 064	29 560				
384 450	2 495 473				
3 850	674 196				
7 769	57 304				
2 762	1 189 478				
398 831	4 416 451				

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Life insurance premium revenue and contract number by company in 2017

	RI	SK	ENDOV	VMENT	MIX	ED	UNIT-I	INKED	ОТ	HER	то	TAL
	Premium revenue	Number of con- tracts										
Aegon	9 434	289 058	0	436	10 762	88 008	17 851	80 701	221	1 437	38 268	459 640
AIG Europe Branch Office	n.a.	n.a.										
Agrár Biztosító	0	0	0	0	0	0	0	0	0	0	0	0
Allianz	3 081	3 804	0	86	6 096	29 339	27 297	138 246	316	22 140	36 790	193 615
Cardif	0	0	0	0	0	0	0	0	0	0	0	0
Cardif Life	2 273	22	0	0	0	0	0	0	0	0	2 273	22
CIG Pannónia General	0	0	0	0	0	0	0	0	0	0	0	0
CIG Pannónia Life	497	8 125	0	0	851	7 621	14 350	41 474	200	1 424	15 898	58 644
Colonnade	0	0	0	0	0	0	0	0	0	0	0	0
Dimenzió (Dimension)	n.a.	n.a.										
ERGO Life Insurer	223	8 397	0	0	191	1 683	3 410	9 449	0	0	3 824	19 529
ERGO Life Insurer Branch Office	0	0	0	0	0	0	0	0	0	0	0	0
Erste	1 073	24 398	0	0	555	8 152	11 312	35 755	633	10	13 572	68 315
Európai Utazási Biztosító (European Travel Insurance Company)	0	0	0	0	0	0	0	0	0	0	0	0
Generali	3 124	67 833	123	2 033	4 834	31 060	33 006	136 309	3 697	5 941	44 783	243 176
Genertel	0	0	0	0	0	0	0	0	0	0	0	0
Grawe	611	9 090	0	0	6 759	43 532	0	0	4 205	23 460	11 575	76 082
Groupama	2 281	31 162	24	382	3 650	23 844	44 361	211 162	0	10	50 315	266 560
K&H	2 886	25 872	0	0	1 953	24 902	8 971	41 225	275	12 265	14 086	104 264
KÖBE	0	0	0	0	0	0	0	0	0	0	0	0
Magyar Posta	0	0	0	0	0	0	0	0	0	0	0	0
Magyar Posta Life	13 222	82 709	3 468	22 468	43 052	149 005	431	11 741	97	23	60 271	265 946
Medicover	0	0	0	0	0	0	0	0	0	0	0	0
MetLife Europe Branch Office	690	9 918	469	4 144	679	8 556	17 126	56 828	733	0	19 697	79 446
MÜBSE *	0	0	0	0	0	0	0	0	0	0	0	0
NN	11 433	127 489	0	0	14 699	97 832	61 852	109 690	3 705	938	91 688	335 949
Pannónia General	n.a.	n.a.										
Pannónia Life	n.a.	n.a.										
Porsche	0	0	0	0	0	0	0	0	0	0	0	0
Signal	394	32 580	330	428	724	16 270	13 852	59 847	490	5 222	15 790	114 347
UNION	1 708	6 259	260	1 429	25	155	15 003	39 536	85	674	17 080	48 053
UNIQA	1 603	5 882	109	823	1 133	11 651	23 240	98 870	317	2 025	26 404	119 251
Vienna Life	369	1 673	34	172	254	1 600	13 810	39 187	0	2	14 467	42 634
Wáberer Hungária	0	0	0	0	0	0	0	0	0	0	0	0
Total	54 856	729 214	4 934	31 852	96 425	542 733	304 806	1 111 403	14 846	76 226	475 866	2 491 428

* MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

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Non-life insurance market

A Home insurance

increase in household property insurance contracts lagged behind the increase in the number of contracts in the non-life insurance market and the premium revenues, with the main driving force being the MTPL insurance in the market segment. The premium revenues of household property insurance, which is revenues stem from plant insurance, therefore the dominated by home insurance contracts, increased by result of plant insurance fundamentally determines 3.5% last year, but was lower than the income earned the results of the complete agricultural sector. 2017 in 2016. Only approximately half of the increase was die to a portfolio increase, the other half resulted from the value adjustment and indexation of the contracts. (sources: MNB Risk Report 2018)

point, all in all 2017 was an average year in terms of claims. The storm related claims of the May and August period, which has proved to be most risky on the basis of the experience of many years were similar both in number and claim payments as the figures reported in the previous year. On the years, the insurers were prepared for managing mass storm claims and therefore, following a large local storm or a hail storm they accelerated claim settlement even by reallocating their resources. However, these days damages caused by extreme weather occur not only in the summer months because the consequences of the storm that broke out in October 2017 were comparable to the large storms of the May-August period.

In the second half of the year the insurers worked intensively on the IPIDs, which had to be introduced in February 2018. To prepare the IPIDs, the MABISZ sections prepared guidelines for each product category and the Home and Small Enterprise Insurance Committee also actively participated in those efforts.

A number of educational documents were prepared on home insurance in the previous years and the number of such documents only increase in 2017. In cooperation with the Hungarian Electrotechnology Association and thee Hungarian Disaster Management Directorate General, MABISZ published a joint proposal, which concerns not only the general population, with the purpose of preventing and reducing damages caused by fires of electrical origin.

Agricultural insurance

Despite a dynamic increase in lending in 2017, the On the basis of the assessment of the year of the insurance companies operating an agricultural insurance portfolio conducted by the Commission it is clear that the weather in 2017 caused difficulties to the insurers. According the to the sectoral breakdown 87% of the agricultural insurance premium was a year of extreme weather, confirming the various projections in the climate change scenarios for the Carpathian Basin. The record long cold wave in January did not cause major plant damages, but the spring frost caused a lot of damage to fruit. The Although the claim ratio went up by 2 percentage summer was really unusual because, contrary to what we are accustomed to, July and August turned out to the extremely stormy rather than June and there was even a hail storm in the country in the middle of September. Despite an increase in the risks generated by the premium subsidies plant insurance products, hail constitutes the greatest basis of the experience collected in the previous risk to producers, which is also clear from the risk composition of plant insurance because the majority of plant insurance contracts provide cover for hail (98%). Based on the above, the aggregated 73% plant insurance claim ratio of the sector was the worst claim ratio of the past few years (source: AKI - Statistical reports, Agricultural Insurance 2017).

> Attention focused on animal insurance due to the bird flu epidemic in the autumn of 2016 and the African swine fever, which appeared in the eastern neighbouring countries in 2017 (and occasionally emerged in Hungary too in April 2018), because unfortunately a fragment of animal farmers are insured and most of the insurance policies cover only animal deaths caused by natural disasters. In response to that, MABISZ organised a tworound animal insurance forum aiming to introduce premium subsidies animal insurance products and invited all parties concerned from the Ministry of Agriculture (MOA) to the Product Councils. The forum was followed by specific consultations with the professional controlling organisations and finally our association supported the Ministry of Agriculture to introduce the respective scheme in the Rural Development Program. However, by the end of the year this initiative was taken off the agenda with reference to the shortage of funding. In 2018 we made another attempt to introduce premium subsidised animal insurance.

In terms of the market the volume of plant insurance grew significantly, by 17% (source: activities to other states of the EU and can effectively AKI - Statistical reports, Agricultural insurance, 2017), where a considerable part in the increase in premium revenues was the increment resulting from the cancellation (no claim discount provided in advance) of discounts due to claim payments. Anyhow, the increase in the premium revenues of premium subsidised plant insurance followed the trends of the previous years with a decline (revision) in the number of traditional, not subsidised contracts. In relation to the shortage of available funding and increase of premium revenues the support intensity dropped to such an extent that exceeded even prior expectations and was close to the minimum specified by law.

Freight insurance

In 2017 growth continued in freight insurance as all actors in the market reported and increase in portfolio and increasing premium revenues. This growth was achieved without any deterioration of the profitability of the sector.

The opportunities of the freight insurance market and the degree of growth are influenced a great deal by the changes taking place in the Hungarian freight transportation market. For the time being the market is expanding and East European, i.e. also Hungarian freight transportation companies continue to increase their market share in the West European markets. Most of the multiply announced market protection measures remained short-term initiatives and did not influence the opportunities of the Hungarian freight transportation companies in the long term so far.

However, the recent increase in fuel prices also creates a difficult challenge for the freight transporters. Freight transporters try to pass on the increasing fuel costs to their customers but they can only do so to a limited extent in the fierce competition. But if as a result the market positions of Hungarian freight transporters weakened in Western Europe, it would also result in a recognisable portfolio reduction in the freight insurance market.

The increase in the number of claims based on the theft of transported goods is an increasing risk and the damages caused by the large number of refugees arriving in Western Europe also remains a major outstanding risk. The insurers do not yet apply an express exclusion to that latter type of claim, but the insurers may need to be forced to respond to that tendency either by modifying their conditions or by reflecting the risk in the premium.

In 2017 a recommendation was sent to the two large broker associations for building an adequate insurance cover for property insurance, machine insurance, insurance for electrical equipment and contractors' all risk insurance.

We organised a technical presentation and consultation on the active wireless fire alarm and evacuation systems that can be used in construction and reconstruction projects. The wireless mobile fire alarm systems are used intensively abroad. In a number of countries the association of insurers recommends using that system for early fire detection, timely evacuation and intervention. The recommendation for reducing the fire risk of construction sites was also prepared by the Industrial and Technical Insurance Commission with input from experts. This has also been published on the website of MABISZ.

A few insurers extended their freight insurance sell freight liability insurance on the Italian and Polish markets as a cross-border service. This expansion contributes to the growth of the freight insurance market more and more visibly.

In 2017 the Freight Insurance Committee contacted two large broker associations and a recommendation was prepared on the scope and content of the proposals sent to insurers in order to build an adequate insurance cover for the freight transportation and assess the risks. The two associations responded very positively to the initiative and agreed to promote it among the brokers using their tools. We do hope that as more and more parties become aware of that recommendation, the proposal received from brokers will also become more professional and accurate.

Industrial property and technical insurance

Similarly to the former years, in 2017 the construction industry improved its performance significantly, as demand increased for new office buildings, hotels and industrial facilities. There was also major expansion in public investments, especially in road and railway construction. Demand is also increasing for renewable, mainly solar panel systems, a number of photovoltaic power plants and solar parks were established and the number and installed capacity of solar power plants serving one household has also grown dynamically.

This favourable tendency also had a positive impact on industrial and technical insurance, yet the continued premium reduction driven by the constantly strong market competition, an increase in claim payments stemming from extreme weather conditions, posed serious challenged for the insurers.

Liability insurance

The stable growth that started on the liability insurance market in the previous years continued both in the number of contracts and in premium revenues. The increase in the revenues of general and professional liability insurance exceeded 12% (source: MNB Risk Report 2018.). This is partly due to the growth of the Hungarian economy and partly to the introduction of a mandatory construction industry designer-contractor liability insurance.

At the same time, given the capacity shortage in human resources and equipment, observed in the construction industry, insurers should expect an increase in claim expenditure in the forthcoming years. In view of this, despite the continued strong premium competition, insurers tried to offer premium proportionate to the risks.

In 2017 the tasks related to the designercontractor liability insurance dominated the activities of MABISZ. MABISZ gave presentations organised by the Hungarian Chamber of Architects, presenting the terms and the cover available under a liability insurance, the insurance products available in the market to the designers and consultations were held with the legislator for the revision of the regulation of liability insurance.

The environmental liability insurance came into the focus of attention again in 2017 because the European Parliament added to its agenda the amendment of the European Environmental Liability Directive. A three-level guarantee system is getting shaped slowly to provide funds for the elimination of environmental damages. MABISZ also supports this initiative in which in addition to the mandatory liability insurance a European environmental protection fund and the State would have roles.

Health and accident insurance

The market processes continue to be dedicated to construction and quality assurance. Accident and health insurance also stagnated since the previous year. In health insurance the increase was high in figures (more than 20% in premium revenues and more than 10% in the number of contracts) yet the low initial base figures must not be forgotten in relation to them.

The tendencies show that the market of risk personal insurance purchased by employers, more specifically the service financing health insurance products is moderately, yet continuously growing year by year. Employers use this benefit more deliberately to keep and encourage the workforce. In the past the state also assisted this product with tax and contribution preferences, thus increasing the number of individuals caring for themselves.

These insurance contracts have a socially important added value and simultaneously assist the insured in any problem and the state by improving the financial security of the individual. The increasingly popular health insurance products directly ease the burden on social insurance and allow for the involvement of additional private financing resources, while the screening examinations integrated into the product help prevention and also contribute to the achievement of the popular health objective that the government supports in every aspect. In the constantly expanding product range everyone can find an insurance adapted to actual needs and tailored to age, risks and situations in life.

Travel insurance

In 2017 the travel insurance market closed a good year with 17% increase in its premium revenues since the previous year. The desire to travel has increased almost to all destinations by making up for trips cancelled last year, travellers contributed a great deal to the increase of revenues of travel and insurance companies. The positive trend is set to continue in 2018. The association will take every opportunity to create awareness of the importance of travel insurance as widely as possible. It is often still not considered important enough by customers during the planning of a holiday.

In 2017 and 2018 two major legislative changes affected this area. With the introduction of the European IDD rules, the travel agencies also fell within the scope of the Insurance Act if they sell travel insurance. The IDD also introduced a key information document which contains consistent easily understandable product descriptions supported with pictograms to assist customers intending to purchase travel insurance in finding out more about the product, irrespective whether they obtain that information at the travel agency or on an online channel.

The EU regulation, adopted in 2015 revising the community regulation of organised trips and transposed in December 2017 also affects travel insurance. The Hungarian legislator used the implementation in Hungary to reconsider the financial security requirements of tour operators. Such security is required in case the tour operator becomes insolvent, which actually happened during the holiday season in 2016. Certain non-life insurance data in 2017 *

					HUF mln and un
	Premium rev- enue	Number of con- tracts	Claim expendi- ture	Claim expendi- ture in the cur- rent year **	Number of claim events in the current year
VEHICLE	234 372	6 051 507	140 323	132 324	298 777
of which CASCO	82 882	910 638	47 112	44 532	142 314
of which liability insurance	151 491	5 140 869	93 212	87 792	168 084
General liability insurance	31 217	130 782	-702	11 374	11 532
Entrepreneurial assets	49 905	216 799	22 110	26 771	49 445
Household property	114 826	3 277 358	39 012	38 524	685 934
Agricultural	15 271	27 373	10 135	10 429	7 638
of which animal insurance	522	1 205	262	263	264
of which plant insurance	11 546	22 089	9 270	8 862	5 842
Freight insurance	4 954	34 315	1 158	1 208	1 999
Credit insurance	0	0	-47	47	0
Other insurance	14 692	429 354	5 258	4 038	19 218
TOTAL NON-LIFE INSUR- ANCE*	465 236	10 167 488	217 246	224 716	1 074 543

* Net of accident, health and travel insurance

** did not provide full company data



Aegon Image: Constraint of the second se	Premium 37 514 1 0 18 809 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 110	Number of contracts 1 024 513 n.a. 0 539 015 0 0 0 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 02 1 1 2 748 n.a.		Number of contracts 10 178 n.a. 0 22 473 0 4 684 0	Entrept Premium revenue 4 038 n.a. 0 12 653 0 0 0 1 153	Number of contracts 10 851 n.a. 0 56 658 0 0	Includivehicle Premium 21 874 n.a. 1 276 63 320 5 091	Ing other insurance Number of contracts 496 441 n.a. n.a. 1 634 502 335 384	Premium revenue 65 244 n.a. 1 276 106 365 5 091	otal Number of contracts 1 541 983 n.a. n.a. 2 252 648 335 384
AIG Europe Branch Office Agrár Biztosító Allianz Cardif Cardif Life Cardif Life CIG Pannónia General CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	revenue 37 514 n.a. 0 18 809 0 0 0 0 0 0 222 n.a. 0	contracts 1 024 513 n.a. 0 539 015 0 0 0 1 024 513	revenue 1 818 n.a. 0 11 584 0 0 419 0	contracts 10 178 n.a. 0 22 473 0 0 4 684	revenue 4 038 n.a. 0 12 653 0 0	contracts 10 851 n.a. 0 56 658 0	revenue 21 874 n.a. 1 276 63 320	contracts 496 441 n.a. n.a. 1 634 502	revenue 65 244 n.a. 1 276 106 365	contracts 1 541 983 n.a. n.a. 2 252 648
AIG Europe Branch Office Agrár Biztosító Allianz Cardif Cardif Life Cardif Life CIG Pannónia General CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	n.a. 0 18 809 0 0 0 0 0 222 n.a. 0	n.a. 0 539 015 0 0 0 0 12 748	n.a. 0 111 584 0 0 419 0	n.a. 0 22 473 0 0 4 684	n.a. 0 12 653 0 0	n.a. 0 56 658 0	n.a. 1 276 63 320	n.a. n.a. 1 634 502	n.a. 1 276 106 365	n.a. n.a. 2 252 648
Office Agrár Biztosító Allianz Cardif Cardif Life Cid Pannónia General CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office Colonnade Cid Pannónia Life Colonnade Cid Pannón Panch Office Cid Pannón Panch Panch Office Cid Pannón Panch P	0 18 809 0 0 0 0 222 n.a. 0	0 539 015 0 0 0 0 12 748	0 11 584 0 0 419 0	0 22 473 0 0 4 684	0 12 653 0 0	0 56 658 0	1 276 63 320	n.a. 1 634 502	1 276 106 365	n.a. 2 252 648
Allianz Allianz Cardif Cardif Life Cardif Life CIG Pannónia General CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	18 809 0 0 0 0 222 n.a. 0	539 015 0 0 0 0 12 748	11 584 0 0 419 0	22 473 0 0 4 684	12 653 0 0	56 658 0	63 320	1 634 502	106 365	2 252 648
Cardif Life Cardif Life CIG Pannónia General CIG Pannónia Life CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office Colonnade CIG Pannónia Life Colonnade CIG Pannón CIG Pannón CIG Pannón CIG Pannón CIG Pannón Panch Office CIG Pannón Panch Pannón Panch Pa	0 0 0 222 n.a. 0	0 0 0 0 12 748	0 0 419 0	0 0 4 684	0	0				
Cardif Life CIG Pannónia General CIG Pannónia Life CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	0 0 222 n.a. 0	0 0 0 12 748	0 419 0	0 4 684	0		5 091	335 384	5 091	335 384
CIG Pannónia General CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	0 0 222 n.a. 0	0 0 12 748	419 0	4 684		0	/			
General CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer Branch Office	0 222 n.a. 0	0	0		1 153	-	0	0	0	0
CIG Pannónia Life Colonnade Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	222 n.a. 0	12 748		0	1 1 1 3 3	7 217	4 480	73 893	6 051	85 794
Dimenzió (Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	n.a. 0		2 025		0	0	0	0	0	0
(Dimension) ERGO Life Insurer ERGO Life Insurer Branch Office	0	n.a.		2 136	1 427	5 197	170	3 068	3 844	23 149
ERGO Life Insurer ERGO Life Insurer Branch Office			n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Branch Office	110	0	0	0	0	0	0	0	0	0
		2 949	0	0	0	0	0	0	110	2 949
Erste	0	0	0	0	0	0	0	0	0	0
Európai Utazási Biztosító (European Travel Insurance Company)	0	0	0	0	0	0	255	1 263	255	1 263
Generali	22 687	541 795	9 137	56 621	10 682	32 319	37 057	549 957	79 561	1 180 692
Genertel	675	35 173	0	0	0	0	5 941	172 289	6 616	207 462
Grawe	0	0	0	0	0	0	0	0	0	0
Groupama	18 256	549 287	1 755	9 522	4 191	57 624	22 724	500 150	46 926	1 116 583
K&H	3 925	133 900	221	2 817	1 181	11 250	26 289	1 129 146	31 616	1 277 113
KÖBE	619	28 478	25	4 107	58	773	8 752	186 861	9 455	220 219
Magyar Posta	3 283	130 957	4	6	0	1	6 177	213 461	9 464	344 425
Magyar Posta Life	0	0	0	0	0	0	0	0	0	0
Medicover	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
MetLife Europe Branch Office										
MÜBSE	0	0	1 213	10 636	0	0	0	0	1 213	10 636
NN Pannónia General	0 n.a.	0 n.a.	0 n.a.	0 n.a.	0 n.a.	0 n.a.	0 n.a.	0 n.a.	0 n.a.	0 n.a.
Pannónia Life	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Porsche	0	0	0	0	0	0	1 469	15 151	1 469	15 151
Signal	2 535	81 955	96	959	1 573	13 075	4 758	224 192	8 963	320 181
UNION	2 086	79 494	773	1 283	8 387	6 795	13 457	428 172	24 703	515 744
	4 069		2 089	5 352	4 548	14 896	23 451			
UNIQA		115 338						373 143	34 157	508 729
Vienna Life	0	0	0	0	0	0	0	0	0	0
Wáberer Hungária	34	1 756	59	8	15	143	22 748	205 476	22 855	207 383

Non-life insurance premium revenue and contract number by company in 2017 *

Non-life insurance premium revenue and claim expenditure by company

						HUF
	Non-life ins	urance premi	um revenue	Gross	claim expend	diture
	2015	2016	2017	2015	2016	2017
Aegon	50 721	55 430	66 712	19 452	21 565	27 794
AIG Europe Branch Office	10 151	10 268	n.a.	5 305	4 062	n.a.
Agrár Biztosító	n.a.	857	1 276	n.a.	n.a.	n.a.
Allianz	84 024	95 350	107 978	37 474	38 472	49 593
Cardif	5 725	5 879	5 156	1 582	1 407	1 510
Cardif Life	0	0	0	0	0	0
CIG Pannónia General	3 661	3 607	6 091	1 121	1 775	2 652
CIG Pannónia Life	0	0	0	0	0	0
Colonnade	4 736	4 137	7 552	1 411	1 289	1 960
Dimenzió (Dimension)	1	n.a.	n.a.	0	n.a.	n.a.
ERGO Life Insurer	0	0	0	0	0	0
ERGO Life Insurer Branch Office	243	246	240	20	33	42
Erste	0	0	0	0	0	0
Európai Utazási Biztosító (European Travel Insurance Company)	2 656	2 619	3 021	665	710	707
Generali	77 633	81 078	87 055	28 958	26 605	30 695
Genertel	4 016	4 391	6 646	2 297	2 610	3 962
Grawe	0	0	0	0	0	0
Groupama	48 572	50 299	57 210	22 276	22 347	27 037
K&H	22 394	27 583	32 484	11 389	14 609	17 418
KÖBE	10 537	8 759	9 581	6 905	6 082	4 113
Magyar Posta	9 534	10 857	10 669	5 879	6 683	7 237
Magyar Posta Life	0	0	0	0	0	0
Medicover	3 146	4 500	5 415	2 306	3 292	3 962
MetLife Europe Branch Office	583	681	814	76	154	120
MÜBSE *	0	0	1 213	0	0	-84
NN	0	0	0	0	0	0
Pannónia General	5 675	6 711	n.a.	4 556	3 576	n.a.
Pannónia Life	0	0	n.a.	0	0	n.a.
Porsche	1 187	1 222	1 469	754	802	984
Signal	7 191	8 383	10 003	3 620	4 277	5 284
UNION	23 961	25 018	28 491	9 655	11 814	11 640
UNIQA	31 261	32 921	38 066	16 689	16 687	18 397
Vienna Life	1 536	1 939	2 781	563	897	1 392
Wáberer Hungária	14 055	21 069	22 875	10 083	13 473	15 209
Total	376 674	397 084	423 198	182 948	189 998	193 036

* MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

* Net of accident, health and travel insurance

** MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

The vehicle insurance market

There were changes made to Act LXII of 2009 on lost some of their market share in the vehicle mar-Mandatory Third-Party Liability Insurance (MTPL) in ket. The decline is most obvious in the case of Opel, 2017 also.

Electronic procedures appear in more and more phases of an insurance relationship. A legal regulation was modified in 2017, based on which operators can submit their declaration to terminate the contract to the insurer electronically.

In the past an MTPL contract that included, without any consultation with the other party, that the insurer assumed the risk only after the payment of the premium (first instalment), was null and void. That provision was supplemented and now it states that when the insurer makes the payment of the premium cars recorded in 2016. (first instalment) part of the proposal process, the risk assumption will only start subsequently.

In cooperation with the insurers a new concept was introduced with the new vehicle life data supply. This data supply is free of charge to its users.

Changes in the vehicle market

The production value of the motor industry was 1.5 per cent higher in 2017 than in 2016. The sales volume picked up by 1.6 per cent, within which export sales increased by 6.4 per cent and domestic sales grew by 1.2 per cent. The number of employees in the motor manufacturing industry rose by 7.2 per cent to 102,900 people, as a result of which the productivity of vehicle manufacturing (production by employee) fell by 5.3 per cent last year.

In 2017 in total 145,007 vehicles were licensed for traffic, which figure was 15 per cent above the 2016 annual figure. Within that the number of cars licensed for traffic went up by 20.4 per cent to 116,265 in passenger cars, by 55.7 per cent to 643 in buses, by 6.2 per cent to 5,854 in large commercial vehicles and by 4.1 per cent to 2,304 in motorcycles. Only the number of small commercial vehicles licensed for traffic reduces since the previous year, by 6.5 per cent to 19,941 according to Datahouse data, primarily because the funding for growth credit scheme has expired.

Just as in 2016, Suzuki continued to be the most popular brand in 2017 with 15,161 new vehicles licensed for traffic, reflecting 34.6 per cent growth. With that the brand increased its market share from 11.66 per cent to 13.04 per cent. Suzuki was followed by Ford (11,372 cars), Skoda (10,523 cars) and Opel (10,189 cars), but all three brands have

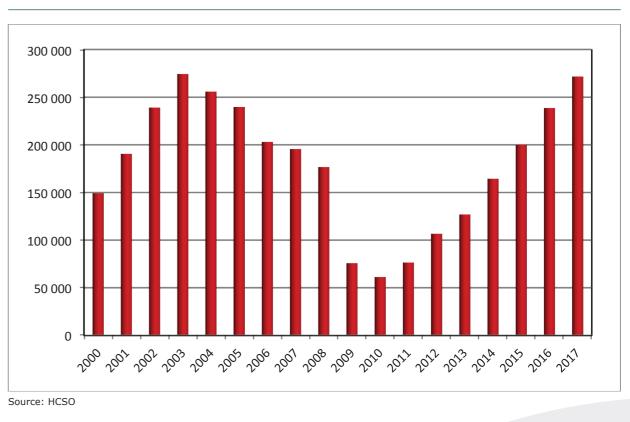
which still lead the sales lists two year ago. Besides Suzuki, among the most popular brands Toyota managed to raise its market share from 5.7 per cent to above 7 per cent. It was due to the fact that last year 8,139 Toyota vehicles were licensed for traffic, which figure was 47.5 per cent higher than in 2016. Among the premium brands Mercedes is the most popular followed by Audi and BMW with 3.2, 2.4 and 2.3 per cent market shares respectively. There was also major growth in the market of electric cars, but despite the state subsidy, their share is still only 1 per cent. Last year 749 electric and 463 hybrid cars were licensed for traffic compared to the 172 and 231

Last year 687,991 cars were purchased in Hungary, reflecting 10.9 per cent increase since 2016. Thus the second market of second hand cars closed a record year last year, when the sales were 7.7 per cent up from the former record year figures of 2005. Within the sales 76 per cent related to vehicles older than 10 years and the vehicles younger than 5 years represented only 12 per cent. Opel was the most popular brand last year, followed by Suzuki and Volkswagen. These three brands made up one third of the second hand vehicle market. According to the data of CSO the average age of the vehicle portfolio went up from 13.9 years in 2016 to 14.1 years.

In this market last year 14 insurers sold vehicle insurance actively or passively, either in the form of MTPL or casco. They are AEGON Magyarország Általános Biztosító Zrt, ALLIANZ Hungária Zrt, CIG Pannónia Első Magyar Általános Biztosító Zrt, GENERALI Biztosító Zrt, GENERTEL Biztosító Zrt, GROUPAMA Biztosító Zrt, K&H Biztosító Zrt, KÖBE Közép-európai Kölcsönös Biztosító Egyesület, MAGYAR POSTA Biztosító Zrt, PORSCHE Biztosító, the Hungarian Branch Office of Porsche Versicherung AG, SIGNAL Biztosító Zrt, UNION Vienna Insurance Group Biztosító Zrt, UNIQA Biztosító Zrt and WÁBERER Hungária Biztosító Zrt.

Within the framework of Insurance Europe, which is the organisation of European insurers, a process began to standardised the telephone application of the paper-based 'blue-yellow' claim report. In general the Hungarian insurers selling vehicle insurance gave priority to the issues of digitisation. MABISZ introduced a project for the development of the digital vehicle claim reporting system. Almost all member insurers selling vehicle insurance joined the project team.

Number Of Vehicles Entering Circulation For The First Time In Hungary (Unit)



Changes In Premium Revenues And Claim Expenditures Relating To Mandatory Motor Vehicle Liability Insurance

		Mandatory t	hird party moto	or vehicle liabili	ty insurance			
	Р	remium revenu	ie	с	laim expenditure			
	2015	2016	2017	2015	2016	2017		
AEGON	7 931	10 081	12 774	5 663	6 490	8 271		
Allianz	22 337	28 758	36 317	12 198	13 183	19 389		
CIG Pannónia General	40	37	0	-15	319	7		
Generali	8 637	9 789	11 082	3 503	4 304	5 151		
Genertel	1 931	2 190	2 642	1 215	1 541	1 961		
Groupama	6 964	8 229	10 317	4 985	5 544	8 945		
K&H	15 419	19 713	23 571	9 518	12 047	14 079		
KÖBE	9 446	7 616	8 155	6 457	5 624	3 527		
Magyar Posta (Hungarian Post) Insurance Company	5 391	6 423	5 994	5 332	5 957	6 085		
Pannónia General	1 675	2 180	n.a.	1 390	1 681	n.a.		
Signal	1 929	2 555	3 414	1 332	1 909	2 504		
UNION	3 317	4 370	6 380	2 268	2 883	3 840		
UNIQA	8 306	9 441	10 934	7 201	7 072	6 385		
Wáberer Hungária	11 754	18 645	19 908	8 636	11 564	13 068		
Total	105 076	130 028	151 491	69 682	80 118	93 212		

ment and forwarding of insurance documents was another important issue among the insurers engaged Pursuant to the Act on Mandatory Third Party in vehicle insurance. It has become increasingly important to use the electronically issued green card not Bureau and is in charge of the Compensation Body, only on paper but also electronically. A member insurer asked MABISZ to keep this request on the agenda at the international organisation dealing with the green card (Council of Bureaux).

The need for electronic procedure raised further issues. An association representing a large number of brokers intends to introduce e-broker services and electronic MTPL proposals, to use the data of the Central Claim History Records (Hungarian abbreviation: KKNYR) in order to make MTPL contracts concluded by brokers more accurate and to standardise electronic communication in vehicle insurance. MABISZ created a team for making the KKNYR information public and tre, within the framework of which it also fulfils its in relation to digital claim reports.

The commissioner for citizens' rights issued a position statement to define the term of writing off vehicles. Another team was formed to inform decision makers about the professional arguments for which the economic write-off cannot be defined by legislation as an exact term.

The assessment of on board camera recording in claim settlement was also discussed. According to the practice of the member insurers all insurers agree that it is not a requirement in the Hungarian claim settlement practice that drivers should install a camera in their vehicles only because it could potentially determine the outcome of a claim settlement procedure. Damaged parties or parties causing the damage submit on board camera recordings to the individual companied in a negligible number of cases only.

Following lengthy discussion the issue of damages caused by towing and towed vehicles was closed. The actual claim settlement will take place on the basis of the recommendation of MABISZ senior legal counsel or similarly to what is included in it. In the Hungarian practice the claim is settled by charging it to the towing vehicles and therefore the companies consider the establishment of the respective legislative background pointless.

Apart from digitisation, the electronic manage- Activities of MABISZ Motor Insurance Bureau

Liability Insurance, MABISZ operates the National the Information Centre and the Claim Registration Agency as well as manages the Claims Account and the Insolvency Fund through a Motor Insurance Bureau.

Within the MABISZ organisation, the International Green Card System and the National Bureau, 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 Bureau, Compensation Body and Information Cenguarantee obligations.

In 2017, the National Bureau received 4,183 new claims, which is a slight decrease from the figure reported in the previous year. The National Office paid out in total HUF 597.18 mln compensation by the end of 2017 on behalf of foreign national offices and insurers and in relation to the international obligations assumed from Astra Biztosító.

The Information Centre collects and 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 2017 in total 12,794 cover and information queries, complaints and assistance requests were received, which showed a slight increase relative to the previous year. Only a negligible amount of the inquiries were complaints submitted against Hungarian or foreign insurers and their correspondent partners, or claim settlement agents.

The Compensation Body is an organisation operated by insurance companies writing MPTL products in the Member State of the EU in which they are established. Its task is to assess and settle claims for damages caused to a Hungarian damaged party abroad by a vehicle registered in another Member State, if the insurance company of the liable party fails to settle the claim. The claims managed by the National Bureau in 2017 made up 20% of the claims settled as the Compensation Body (557 claim events).



Reserves, investments, results 2017

• At the end of 2017 the insurance companies had HUF 2,300,289 mln insurance technical reserves. from HUF 43.9 bln in 2016 to HUF 51.2 bln.

• The total equity and debt of the insurance companies was HUF 2,484,436 mln at the end of 2016.

 Government securities continued to dominate the investments of insurance companies.

securities increased by HUF 58.6 bln; thus the share turned into a HUF 27.1 bln profit in 2017. of government securities within the total investments increased from 46.0% in the previous year to 46.9%.

 Within the share of investment a major change could be observed since the previous year in bank increased from HUF 52.9 bln recorded in the previous deposits and securities issued by banks, the share of year to HUF 64.7 bln. which dropped from 19.5% to 10.0% in one year due to the lower yields, while the ratio of other securities went up to 35.5% from last year's 25.7%.

• The share of real properties and real estate investment units decreased from 1.3% in 2016 to 0.8% in 2017.

• There was a negligible drop in the ratio of shares from 2.6%, reported at the end of last year, to 2.4%.

• The proportion of loans to policy holders continued to be marginal within the investment portfolio, remaining at only 0.2% of the total investments.

• In 2017 the insurance technical profit went up

• The income of the life insurance business line went up from HUF 21.4 bln in 2016 to HUF 24.1 bln in 2017.

• The income of the non-life insurance business improved significantly in comparison to the previous The volume of investments into government year, as the HUF 22.5 bln profit reported for 2016

> • The two business lines and favourable outcome of non-insurance technical settlements, the aggregated profit after tax of the insurance companies

> • In 2017 insurance companies paid HUF 4.4 bln corporate income tax.

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



Investment of the insurance companies by investment type as of 31 December 2017

		Bank de-	Real					HUF mli
	Government securities	posits and securities issued by banks	estate, real estate investment unit	Shares	Other secu- rities	Bond loan	Other	Total
Aegon	97 153	4 741	2 343	6 759	89 228	476	78	200 778
Allianz	184 305	16 574	1 113	6 283	59 649	54	24 746	292 725
Cardif	5 066	3 880	0	0	299	0	0	9 245
Cardif Life	647	1 000	0	0	299	0	0	1 946
CIG Pannónia General	4 289	0	0	0	0	0	0	4 290
CIG Pannónia Life	18 879	0	0	16 051	50 618	0	1 877	87 425
Colonnade	0	0	0	0	0	0	0	0
ERGO Life Insurer	2 999	171	0	0	-158	0	17	3 029
ERGO Life Insurer Branch Office	0	0	0	0	0	0	0	0
Erste	11 574	37 776	3 443	0	5 827	0	40	58 660
Európai Utazási Bizt. (European Travel Insur- ance Company)	3 335	0	0	0	517	0	0	3 852
Generali	148 740	10 467	652	14 788	102 431	100	522	277 698
Genertel	5 509	638	0	0	95	0	693	6 936
Grawe	86 138	1 189	502	0	3 172	166	0	91 168
Groupama	123 757	90 783	1 455	5 199	62 382	1	9 036	292 612
K&H	52 826	6 548	0	0	88 861	667	0	148 902
KÖBE	6 309	555	0	0	0	0	1 438	8 302
Magyar Posta	10 068	1 550	0	0	0	0	0	11 618
Magyar Posta Life	123 755	27 746	6 173	522	30 381	0	898	189 474
Medicover	1 166	0	0	0	0	0	0	1 166
MetLife Europe Branch Office	23 434	412	0	0	173	397	0	24 416
MÜBSE	0	6 809	65	0	0	0	0	6 874
NN	146 916	19 995	49	9 833	215 060	1 331	5 065	398 249
Porsche	0	576	0	0	0	0	0	576
Signal	17 905	1 330	0	78	42 716	24	9 875	71 928
UNION	15 740	4 163	2 878	595	2 732	1 041	46 430	73 579
UNIQA	31 081	1 366	0	12	96 491	10	3 727	132 686
Vienna Life	22 981	8 857	589	338	28 588	0	593	61 946
Wáberer Hungária	15 424	999	0	81	2 594	0	0	19 098
Total	1 159 995	248 122	19 260	60 540	881 955	4 269	105 035	2 479 177

* MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

Number of persons employed by insurance companies as of 31 December 2017

	person					
	Administrative	rative Business			Other	Total
		Full-time	Part-time	Entrepreneur		
Aegon	561	203	0	1 340	535	2 639
Allianz	456	154	3	1 157	424	2 194
Cardif + Cardif Life	29	0	0	0	17	46
CIG Pannónia General	26	6	0	0	10	42
CIG Pannónia Life	57	14	0	0	13	83
Colonnade	77	27	0	0	0	104
ERGO Life Insurer and ERGO Branch Office	30	15	0	0	0	45
Erste	25	26	0	1	0	52
Európai Utazási Biztosító (European Travel Insur- ance Company)	28	0	0	0	5	33
Generali	1 184	302	3	1 831	13	3 333
Genertel	35	48	0	20	5	108
Grawe	29	0	0	0	0	29
Groupama	582	1 098	37	976	169	2 862
K&H	334	45	0	248	0	627
KÖBE	91	34	0	150	13	288
Magyar Posta	193	7	0	0	0	200
Magyar Posta Life	39	6	0	0	0	45
Medicover	29	3	2	0	2	36
MetLife Europe Branch Office	92	12	0	0	0	104
MÜBSE	17	8	4	0	1	30
NN	385	0	0	1 356	151	1 892
Porsche	7	0	0	0	0	7
Signal	154	34	0	143	0	331
UNION	253	39	0	576	60	928
UNIQA	454	0	0	947	4	1 405
Vienna Life	96	12	0	0	0	108
Wáberer Hungária	88	0	0	0	0	88
Total	5 351	2 093	49	8 745	1 422	17 659

Insurance technical reserve of insurance companies as of 31 December 2017

	Insurance technical reserve (HUF mln)					
	Total net insurance tech- nical reserves	Of which, life insurance premium reserve	Of which, Unit-linked life insurance premium reserve			
Aegon	168 510	57 113	74 042			
Allianz	255 942	34 168	83 191			
Cardif	4 257	0	0			
Cardif Life	444	0	0			
CIG Pannónia General	2 888	0	0			
CIG Pannónia Life	81 577	5 242	72 721			
Colonnade	2 858	0	0			
ERGO Life Insurer	26 423	1 522	24 720			
ERGO Life Insurer Branch Office	75	0	0			
Erste	56 337	8 215	45 405			
Európai Utazási Biztosító (European Travel Insurance Company)	1 083	0	0			
Generali	233 861	39 601	128 927			
Genertel	2 316	0	0			
Grawe	76 973	76 973	0			
Groupama	260 371	36 795	180 547			
K&H	140 759	14 410	92 441			
KÖBE	5 911	0	0			
Magyar Posta	9 027	0	0			
Magyar Posta Life	181 692	162 320	17 268			
Medicover	0	0	0			
MetLife Europe Branch Office	102 447	15 868	81 186			
MÜBSE *	3 127	0	0			
NN	379 521	124 657	242 340			
Porsche	207	0	0			
Signal	63 907	12 157	42 602			
UNION	50 342	3 331	36 238			
UNIQA	126 124	12 653	94 679			
Vienna Life	57 508	3 230	52 066			
Wáberer Hungária	13 237	0	0			
Total	2 307 721	608 257	1 268 371			

* MÜBSE - Magyar Ügyvédek Kölcsönös Biztosító Egyesülete (Hungarian Attorney's Insurance and Assistance Association)

Main highlights of the accounting of the insurance companies' profit in 2017

	HUF th
A) NON-LIFE INSURANCE	
Earned premium without counter-insurance	378 727 863
Gross premium	514 950 700
Claim expenditure	198 299 815
Gross claim payment	212 752 663
Change in pending loss reserves	9 479 648
Change in actuary reserves	168 298
Net operating expenses	122 127 362
Acquisition costs incurred in the current year	108 035 892
INSURANCE TECHNICAL RESULT	27 118 013
B) LIFE INSURANCE	
Earned premium without counter-insurance	469 915 310
Gross premium	476 780 862
Insurance technical revenues from investments	59 677 664
Claim expenditure	377 705 812
Gross claim payment	376 017 993
Change in actuary reserves	16 903 215
Change in other reserves	-621 233
Change in unit-linked reserves	61 226 427
Net operating expenses	93 709 507
Acquisition costs incurred in the current year	59 181 285
Insurance technical expenditure from investments	11 222 941
INSURANCE TECHNICAL RESULT	23 299 017
C) Non-insurance technical settlements	16 917 452
ORDINARY BUSINESS PROFIT	68 575 709
PROFIT (LOSS) BEFORE INCOME TAX	68 575 709
PROFIT AFTER TAX	64 397 855

Member insurance companies

AEGON MAGYARORSZÁG Általános Biztosító Zrt. **Ownership structure:** 1091 Budapest, Üllői út 1. Postal address: 1368 Budapest, POBox 245 AEGON Hungary Holding B.V. 50 % AEGON Hungary Holding II B.V. 50 % AEGON Registered capital: HUF 6,374,160,000 Telephone: (+36 1) 477-4800 Fax: (+36 1) 476-5710 Internet: http://www.aegon.hu E-mail: ugyfelszolgalat@aegon.hu AGRÁR BIZTOSÍTÓ Österreichische Hagelversicherung **Ownership structure:** VVaG Magyarországi Fióktelepe Österrechische Hagelversicherung VVaG 100% 1088 Budapest, Baross u. 30. I.em.10. Registered capital: HUF 3.000.000 Agrár Biztosító Postal address: 1088 Budapest, Baross u. 30. I.em.10 Telephone: (+36 1) 266-5119 Fax: (+36 1) 801-0899 Internet: http://www.agrarbiztosito.hu E-mail: info@agrarbiztosito.hu **ALLIANZ HUNGÁRIA** Biztosító Zrt. **Ownership structure:** 1087 Budapest, Könyves Kálmán krt. 48-52. Allianz New Europe Holding GmbH 100% Postal address: 1368 Budapest, POBox 191 Registered capital: HUF 4,266,000,000 Allianz (II) Telephone: (+36 40) 421-421 Fax: (+36 1) 301-6100 Internet: http://www.allianz.hu E-mail: ugyfelszolgalat@allianz.hu CARDIF Biztosító Zrt. **Ownership structure:** 1033 Budapest, Kórház u. 6-12. Postal address: 1033 Budapest, BNP Paribas Cardif 100% BNP PARIBAS

Kórház u. 6-12. Telephone: (+36 1) 501-2300 Fax: (+36 1) 430-2301 Internet: http://www.bnpparibascardif.hu E-mail: cardif@cardif.hu

Registered capital: HUF 4.867.000.000

CARDIF

Életbiztosító Zrt.

1033 Budapest, Kórház u. 6-12. Postal address: 1033 Budapest, Kórház u. 6-12. Telephone: (+36 1) 501-2300 Fax: (+36 1) 430-2301 Internet: http://www.bnpparibascardif.hu E-mail: cardif@cardif.hu

Ownership structure:

Ownership structure:

Ownership structure:

CIG Pannónia Életbiztosító Nyrt. 100%

Registered capital: HUF 1,030,000,000

BNP Paribas Cardif 100% Registered capital: HUF 1.425.000.000

CIG PANNÓNIA

Első Magyar Általános Biztosító Zrt.



ERGO

ERGO

BNP PARIBAS

1033 Budapest, Flórián tér 1. Postal address: 1300 Budapest, Pf. 177 Telephone: (+36 1) 510-0100 Fax: (+36 1) 209-9007 Internet: http://www.cigpannonia.hu E-mail: ugyfelszolgalat@cig.eu

Colonnade Insurance

S.A. Magyarországi Fióktelepe

1139 Budapest, Váci út 99 Postal address: 1442 Budapest Pf. 101 Telephone: (+36 1) 460-1400 Fax: (+36 1) 460-1499 Internet: http://www.colonnade.hu E-mail: info@colonnade.hu

Colonnade Insurance S.A. 100% Founder: Colonnade Insurance S.A. LU-2453 Luxembourg, Rue Eugene Ruppert 20. Registration number: B 61605 Registered capital: HUF 250.000

ERGO

Életbiztosító Zrt.

1082 Budapest, Futó utca 47-53. IV. emelet Postal address: 1428 Budapest, Pf. 5. Telephone: +36 1 877 1111 Fax: +36 1 877 1110 Internet: http://www.ergo.hu E-mail: ergo@ergo.hu

Ownership structure:

ERGO Austria International AG 88,8% ERGO Versicherung Aktiengesellschaft 11,2% Registered capital: HUF 1.450.260.000

ERGO

Versicherung Aktiengesellschaft Magyarországi Fióktelepe

1082 Budapest, Futó utca 47-53. IV. emelet Postal address: 1428 Budapest, Pf. 5. Telephone: +36 1 877 1111 Fax: +36 1 877 1110 Internet: http://www.ergo.hu E-mail: ergo@ergo.hu

Ownership structure:

ERGO Versicherung Aktiengesellschaft 100,0% Headquarter: AT - 1110 Wien, Modecenterstrasse 17. Registered capital: HUF 5.000.000.

EURÓPAI

Utazási Biztosító Zrt.

I EUB

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

GENERALI

Biztosító Zrt.



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

GENERTEL

Biztosító Zrt.

G genertel.hu

1132 Budapest, Váci út 36-38. Postal address: 7602 Pécs, B.O.Box 999 Telephone: (+36 40) 30-40-50 Fax: (+36 1) 451-3881 Internet: http://www.genertel.hu E-mail: genertel@genertel.hu

GRAWE

Életbiztosító Zrt.

GRAWE etbiztosító Zrt

Groupama

Biztosító

7630 Pécs, Kastély u. 2. A-B. Postal address: 1124 Budapest Jagelló út 20/A Telephone: (+36 72) 434-082, (+36 1) 202-1211 Fax: (+36 72) 434-027, (+36 1) 355-5530 Internet: http://www.grawe.hu E-mail: info@grawe.hu

GROUPAMA

Biztosító Zrt.

1146 Budapest, Erzsébet királyné útja 1/C. Postal address: 1380 Budapest, Pf. 1049. Telephone: (+36 1) 373-7500 Fax: (+36 1) 373-7549 Internet: http://www.groupama.hu E-mail: Accessible through the "Write to us!" messaging interface on the website of the insurance company

COLONNADE

38

Ownership structure:

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

Ownership structure:

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

Ownership structure:

Generali Biztosító Zrt. 100% Registered capital: HUF 1,180,000,000

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Ownership structure:

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

Ownership structure:

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



Biztosító

Biztosító

Biztosító Zrt.

1095 Budapest, Lechner Ödön fasor 9. Postal address: Budapest 1851 Telephone: (+36 1) 461-5200 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) 433-0830 Fax: (+36 1) 433-0848 Internet: http://www.kobe.hu E-mail: kobe@kobe.hu

MAGYAR POSTA

Biztosító Zrt.

1022 Budapest, Bég u. 3-5. Postacím: 1022 Budapest, Bég u. 3-5. Telefon: (+36 1) 200-4800 Fax: (+36 1) 423-4210 Internet: http://www.postabiztosito.hu E-mail: info@postabiztosito.hu

Ownership structure:

Association/member/ ownership

Registered capital: HUF 4,115,602,178 Ft

Tulajdonosi szerkezet: **Ownership structure:**

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

MAGYAR POSTA

Életbiztosító Zrt.

1022 Budapest Bég u. 3-5. Postal address: 11535 Budapest, Pf. 952 Telephone: (+36 1) 200-4800 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

MAGYAR ÜGYVÉDEK

Kölcsönös Biztosító Egyesülete



1136 Budapest, Hegedűs Gyula u. 8. Postal address: 1136 Budapest, Hegedűs Gyula u. 8 Telephone: (+36 1) 239-8989 Fax: (+36 1) 465-0786 Internet: http://www.mubse.hu E-mail: mubse@mubse.hu

Ownership structure:

Association/member/ ownership Registered capital: HUF 500.000

MEDICOVER Försäkrings AB (publ)

Hungarian Branch Office



MetLife

1134 Budapest, Váci út 29-31. Postal address: 1134 Budapest, Váci út 29-31. Telephone: (+36 1) 465-3150 Fax: (+36 1) 465-3160 Internet: http://www.medicover.hu E-mail: info@medicover.hu

METLIFE

Europe d.a.c Magyarországi Fióktelepe

1138 Budapest, Népfürdő u. 22. Postal address: 1558 Budapest, Pf.:187 Telephone: (+36 1) 391-1300 Fax: (+36 1) 391-1660 Internet: www.metlife.hu E-mail: info@metlife.hu

NN

Biztosító Zrt.

NN

1068 Budapest, Dózsa György út 84/B Postal address: 1068 Budapest, Dózsa György út 84/B Telephone: (+36 40) 464-464 Fax: (+36 1) 267-4833 Internet: http://www.ing.hu E-mail: biztosito@ing.hu

PORSCHE

Versicherungs AG **Hungarian Branch Office**

PORSCHE BIZTOSÍTÓ

1139 Budapest, Fáy u. 27. Postal address: 1396 Budapest, P.O.Box 906/100 Telephone: (+36 1) 450-2853 Fax: (+36 1) 450-2850 Internet: http://www.porschebiztosito.hu E-mail: biztosito@porschebiztosito.hu

SIGNAL IDUNA

Biztosító Zrt.



Ownership structure:

Medicover Försakrings AB (publ) SE 100% Registered capital: HUF 1,000

Ownership structure:

MetLife Europe d.a.c. 100% Registered capital: HUF 10.686.906.495

Ownership structure:

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

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Ownership structure:

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

Ownership structure:

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

UNION

Vienna Insurance Group Biztosító Zrt. Ownership structure:

UNION BIZTOSÍTÓ 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 Vienna Insurance Group AG Wiener Versicherung Gruppe (Austria) 98,64% ERSTE Bank Hungary (Magyarország) 1,36% Registered capital: HUF 5.000.000.000

UNIQA

Biztosító Zrt.



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

UNIQA Internationale Beteiligungs-Verwaltungs GmbH 99.92% UNIQA International AG 0.08% Registered capital: HUF 4,079,160,000

WÁBERER

HUNGÁRIA Biztosító Zrt. 1211 Budapest, Szállító u. 4.

Ownership structure:

Ownership structure:

WÁBERE**R**

Postal address: 1443 Budapest P.O.Box 180. Telephone: (+36 1) 666-6200, (+36 1) 999 9999 Fax: (+36 1) 666-6404, (+36 1) 666-6400 Internet: https://www.wabererbiztosito.hu E-mail: ugyfelszolgalat@wabererbiztosito.hu Waberer's International Zártkörűen Működő Részvénytársaság 100% Registered capital: HUF 1,180,042,500

Supporting member

EUROP ASSISTANCE

Magyarország Kft.

europ assistance you live we care

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



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