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The story of Joseph in the Bible draws our attention to the fact that you can only prepare in advance, even if it is impossible to know exactly what is waiting for us, just as the son of Jacob dreamed in Egypt. In the modern age, surveys, statistics and probing of market trends can help us to have a good chance of planning for the future. Although the majority is now predicting a slowdown in economic growth, instead of the anticipated recession, we should be reassured by the fact that the government is attempting to soften these ups and downs with its economic protection action plan package, so that we experience these bumps in the road as smoothly as possible. Contrary to the biblical story, in the modern age it is no longer worth defending ourselves by filling up warehouses, but we should rather implement anti-cyclical measures that can bring new momentum to businesses and families when other players in the economy face difficulties.

Of course, insurance is one of the most obvious forms of thinking ahead and preparation. If we look at our profession, we too must be prepared for the challenges of the future. There is also something to build on, as the insurance industry has produced unprecedented numbers. Last year, premium income exceeded HUF 1,000 billion, and if we add that, according to supervisory statistics, the first-quarter performance was nearly 15 per cent higher than in 2018, we have to say that our starting position is excellent. We did not celebrate it as we should have, but by the end of March, the number of contracts, excluding branches and associations, had reached historic levels: we now handle more than 14 million contracts. In terms of challenges, we still have not been able to bring the market size of the sector to 3% of GDP in terms of premium revenue, luckily, though, the main 'culprit' in this regard is the serious economic development. At the same time, digitisation remains a major challenge - even if the alliance's most successful development of the past few years is linked to the 2018. The Mabisz e-Claim Report has been downloaded by more than 200,000 people since its launch, which has



surpassed our expectations. In addition, as of June 2019, customers have already handled nearly 3,000 claims through the app. The main challenges, of course, come from the regulatory side. Fortunately, owing to the professional relationship between the central bank and Mabisz, there is great hope that the regulation of qualified consumer-friendly home insurance will be at least as successful as it was before the introduction of the ethical life insurance concept. The main goal of the profession is to build on the outstanding penetration of around 70 per cent in the international arena, while maintaining that value, to move forward in improving quality and customer experience and reducing the risk of underinsurance.

It is gratifying to see that support for self-care remains a priority for the government. We also crossed two magic boundaries in the pension insurance market last year: According to data released in 2018, in 2017, more than two hundred thousand customers took advantage of tax credits to provide their pension insurance with a substantial pension supplement in order to enjoy their retirement years, and by the end of 2018 approx. 300,000 customers opted to take advantage of one of the pension products on the market. The sector has also done a great deal to improve the financial and insurance knowledge of the population within the framework of Mabisz - with campaigns, active press communications, and school appearances - and we must continue this work.

Along with good results, there are many tasks ahead of us, and we have reasons to think like an 'insurer' and prepare for the next period. The foundation has been laid down by the serious achievements of recent years. It is encouraging to see that the sector has been able to overcome the challenges it has faced so far.

Anett Pandurics president

Address by the General Secretary

To live or not to live that is the question. The answer provides a starting point for evaluating the performance of the insurance sector over the past year.

If you look at the totals alone, the situation is very encouraging. Alliance members' combined premiums have surpassed one thousand billion forints, with the growth momentum now in its seventh year, and this year there is no sign that it will decline. The growth of property insurance reflects the overall economic situation. More homes, more vehicles more insurance. It is true that if we dig a little deeper, we can already see that the compulsory insurance premium revenue has increased, mainly due to the fact that more than 5.3 million vehicles are already on the road. However, the number of casco contracts has barely increased compared to the previous year.

Overall, however, the growth rate of non-life insurance is more than twice the rate of GDP. Maintaining this momentum would be necessary to realise last year's very attractive vision of the central bank and to double the insurance market in ten years.

The only problem is that the MNB's planning is based primarily on the strengthening of self-care and the appearance of one million new regular savers compared to the present figure. However, last year's life insurance premium revenue data does not yet indicate a step in that direction. Statistical classification, as a function of changing association membership, is of course an accurate result, but the trend is clear: making up over fifty per cent of the sector's premium income for three years, and increasingly pulling away, is non-life insurance.

The endeavour to reverse the trend is not some kind of internal competition of its own, it is much more a recognised leeway, an untapped opportunity for further growth. International examples show that in markets with similar levels of development, customers spend more on self-care, reducing the financial risk of illness and accidents than on securing their assets. Here too, this may be the natural direction, and this is not a hopeless endeavour, just as the dynamic progression of one of the segments of the product group, pension insurance, justifies. Demand is confirmed when the profession reflects on a sufficiently evolving regulatory environment with sufficiently diverse, customer-friendly, competing products.

It is a particular pleasure that the dynamic and sustained growth of the whole sector is realised with the continuous improvement of the



domestic insurance culture. In the context of growing, largely EU-driven legislation, competition among market players is increasingly evolving to improve customer experience. The effect of this is constantly being measured, and we can see that while the confidence index of insurers BIBIX remains stable after a slow rise over four years, sitting at fifty-two points on a scale of a hundred, the average product satisfaction is over eighty per cent. In some cases, such as when interviewing damaged parties with mandatory third-party liability insurance, the growth is extremely high compared to the previous year. In other words, the same consumer, who may still have reservations about financial service providers (the confidence index for banks is almost identical to that of insurance companies), is becoming increasingly satisfied as a customer of a company.

At association level, we primarily want to strengthen this process. To this end, our customer service, which has been in operation for nearly nine years, has responded to tens of thousands of inquiries with reliable information, as well as our educational programmes, the highlight of which is our, by now, national event series, the Week of Security, organised jointly with ORFK OBB (Budapest Police Headquarters, National Accident Prevention Committee) in autumn. And when it comes to customer service, there is the joint digital project, the e-Claim Report of MABISZ, launched last year by the industry and launched by all companies interested in the automotive market, which cannot go unmentioned. The success of the flagship comfort service offered at European level as an alternative to the paper-based 'blue-yellow' forms also marks the way for the entire profession to move forward: digitisation, simplification and customer experience enhancement.

We believe that these efforts should not fail. This, in turn, will be clearly demonstrated by further increases in the already high premium income.

Dániel Molnos general secretary

Status and performance of the Hungarian economy in 2018

In 2018 the Hungarian economy grew beyond expectations. According to the raw data the growth was 4.9 per cent, and according to the seasonally and calendar effects adjusted data it grew by 5.0 per cent. The Hungarian growth was higher than the EU average (2.0 per cent) and the 1.9 per cent average of the Eurozone. Among the V4 countries only the 5.1 per cent growth recorded in Poland was higher than the performance of the Hungarian economy.

In terms of the expenditure approach according to the HCSO figures, the household final consumption expenditures went up by 5.3 per cent primarily as a result of a real wage increase and therefore an increase in the disposable income of households. On the contrary, actual final consumption of government dropped by 2.1 per cent. The gross fixed capital formation volume rose by 16.5 per cent. As in the previous years, the imports were also higher than exports in 2018. 7.1 per cent increase was recorded in imports and 4.7 per cent in exports, as a result of which balance of current account as per cent of GDP dropped to 0.5 per cent from 2.8 per cent in 2018.

In terms of the production approach, all sectors of the national economy contributed to the economic growth last year. The added value of agriculture was 5.3 per cent higher following the 9.0 per cent decline in the previous year. The overall added value of industry was 3.2 per cent up, within which the added value of processing industry increased by 3.5 per cent and, despite the robust growth in 2017 (31.6 In 2018 the Hungarian forint weakened against per cent), that of the construction industry went up by a further 22.8 per cent. There was a 4.4 per cent rise in the added value of services, which was dominated by the 7.9 per cent increase in the added value of wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service activities, 7.3 per cent increase in the added value of the nformation and communication sector and 6.5 per cent growth in the added value of professional, scientific and technical activities, administrative and support service activities sector.

The former processes continued in the labour market in 2018, which still expanded, although at a lower rate. The number of employees was more than 48,000 higher last year, with which in total 4,469,500 people were employed. At the same time, the employment rate went up from 59.3 per cent to 60.1 per cent in 2018 in the age category of 15-74. Similarly to 2017, in the age category of 15-64 the Hungarian employment rate (69.2 per cent) was higher than the EU average (68.6 per cent). Parallel with an increase in employment, the number of cent. Despite the 2.5 per cent reduction in social

the unemployed dropped on average by more than 19,000 people to 172,100 and the unemployment rate decreased from 4.2 per cent to 3.7 per cent. The unemployment rate has never been so low since the regime change. Owing to the 8 per cent increase in minimum wages, 12.0 per cent increase in the guaranteed minimum wage(s), the 2.5 percentage point drop in the social contribution tax and the labour shortage, the net average monthly earnings increased by 11.1 per cent to HUF 219,412. By taking into account the effect of inflation, this corresponds with 8.3 per cent real wage increase.

In 2018 the volume of retail trade expanses more than in the previous year, by 6.5 per cent. Within that the sales of specialized and non-specialized food shops was up by 3.9 per cent, the non-food retail trade by 9.3 per cent and the automotive fuel sales were up by 7.3 per cent.

In 2018 the consumer prices in Hungary were on average 2.8 per cent higher than in 2017. Within that the prices of consumer durables dropped by 0.4 per cent. However, the food prices (despite the deduction of VAT on fish and pork products) increased by 4.2 per cent, alcoholic beverages and tobacco goods by 5.6 per cent, clothing and footwear products by 0.5 per cent, Fuel and power by 1.4 per cent, other goods, including motor fuels by 3.8 per cent and services by 1.6 per cent.

main other currencies. The HUF-EUR exchange rate fluctuated within the 308 and 330 band. The Hungarian currency was the strongest in the middle of January with 308.51 and the weakest at the beginning of July with 329.81 exchange rates respectively. Compared to the 309.21 HUF average HUF-EUR exchange rate in 2017, the average exchange rate last year was 318.87.

Last year none of the three big credit rating agencies changed Hungary's sovereign debt rating: Moody's did not change the outlook to positive and S&P and Fitch did not improve the positive outlook either. As there was no change in the rating, the returns did not change on the secondary markets either.

In 2018 the GDP proportionate deficit was 2.2 per cent, the same as in 2017. The revenues of the central budget grew by 3.9 per cent compared to 2017: the VAT revenues rose by 11.4 per cent, the excise tax revenues by 8.8 per cent and the personal income tax revenues were up by 13.4 per

contribution tax, the total revenues from social conin the deposits at the central government. Compared tribution tax, vocational training contribution, health contribution and other contributions rose by 4.7 per cent. The budget expenses were 1.2 per cent higher. The budget resources allocated to housing subsidy increased by 4.6 per cent, yet the expenses or family benefits, social allowances dropped by 1.8 per cent. The expenses of the health insurance fund increased by 7.6 per cent following the 6.0 per cent increase recoded in 2017, while the expenses of the pension insurance fund were 4.6 per cent up, within which the pensions expenses were 5.6 per cent higher than in 2017. The net interest expenditures of the state reached HUF 927.8 bln, 6.0 per cent lower than a year before. Similarly to 2017, the Hungarian state pre-finances the EU projects. The public expenditure relating to the programmes amounted to HUF 2,000 bln, and generated only HUF 1,053.8 bln revenues. Following the declining trend, the GDP proportionate national debt fell from 73.4 per cent recorded in 2017 to 70.8 per cent.

Household savings

According to the MNB figures at the end of Q4 2018 the households had HUF 44,790.9 bln net funds. This figure is 10.0 per cent higher than the figure reported for the same period of the previous year and was also higher than the HUF 42,072 bln Hungarian GDP. This net wage increase. Among the financial assets of the households compared to the 6.1 per cent rise in currency and deposits recorded in the previous year, the total went up from HUF 12,686.9 bln by 14.5 per cent to HUF 14,526.5 bln. The major figures within that increase included the 17.1 per cent increase in HUF currency, 16.0 per cent increase in HUF deposits with credit institutions and 27.2 per cent increase

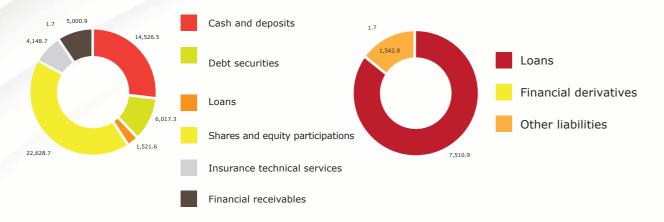
to 2017, the government securities portfolio held by households expanded at a lower rate, by 15.0 per cent, to HUF 5,778.7 bln last year. Within that the portfolio of Long-term securities of central government expanded by 25.1 per cent and that of the short-term securities of central government by 7.6 per cent. Owing to the greater increase in long-term household securities of central government within the total household government securities portfolio their share is now close to 46.0 per cent compared to the 42.0 per cent reported last year. Within the financial assets the equity and investment fund shares was up by 7.9 per cent and stood at HUF 22,628.7 bln at the end of Q4 2018 compared to the same period of the previous year. The equity in non-financial corporations extended by 10.5 per cent to HUF 16,422.2 bln, while Equity in non-resident corporations rose from HUF 1,525.0 bln to HUF 1,715.5 bln, reflecting a more than 12.0 per cent rise. In 2017 the increase was only 4.6 per cent. While in 2017 the assets kept in listed shares expanded by 47.6 per cent, last year they dropped by only HUF 2.6 bln (0.3 per cent) to HUF 784.4 bln. With the reduction of the listed shares, the unlisted shares and other equity participations also shrank by 10.8 and 11.1 per cent respectively. In 2018 the insurance technical reserves expanded very slightly, by only 0.6 per cent, reaching HUF 4,148.7 bln by the end of Q4 2018. Within those increase primarily stemmed from the 11.1 per cent reserves the non-life insurance premium reserves rose by 6.5 per cent to HUF 361.9 bln, the pension fund premium reserves increased by 1.6 per cent to HUF 1,857.6 bln and the life insurance premium reserves dropped by 1.3 per cent, to HUF 1,929.3 bln. Within the pension fund premium reserves a 2.9 per cent decrease was recorded among the private pension fund premium reserves and a 2.3 per cent decrease was reserved in the other fund premium reserves.

National economy and insurance

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross domestic product* (GDP) (HUF billion)	27 194	26 425	27 225	28 305	28 781	30 247	32 592	34 324	35 420	38 813	40 715
Gross insurance premium revenue (HUF billion)	882,8	830,5	843,8	817,3	768,1	809,4	850,2	918,9	989,6	989,6	1 035,1
Change in gross insurance premium revenue as a percentage of the previous year (%)	94,9	94,1	101,6	96,9	94,0	105,4	105,0	108,1	107,7	107,7	104,6
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	105 888
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	48 248
Per capital non-life- insurance premium (HUF)	42 333	42 394	40 131	37 884	37 386	38 075	40 246	42 995	47 172	52 391	57 640

*Source: HCSO

Breakdown Of The Financial Assets (Left) And Liabilities (Right) Of The Households



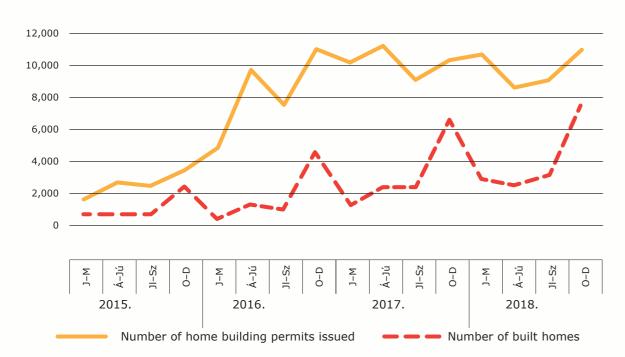
Source: MNB, Századvég calculation

The liabilities grew by 4.3 per cent to HUF 9,054.7 bln. Within the liabilities the former stagnation in borrowing was followed by a 4.4 per cent growth in 2018. The housing loans from credit institutions in HUF expanded by 10.3 per cent to HUF 3,358 bln, while the housing by 8.7 per cent to HUF 4.2 bln.

Construction industry and real estate market

Last year the output of the construction industry was 22.3 per cent higher than in the previous year according to the HCSO figures. Within the loans from credit institutions in foreign currency shrank overall growth the building construction sub-sector reported a 24.2 per cent increase, the construction of other structures expanded by 35.6 per cent and

Construction industry and real estate market



Source: HCSO, Századvég calculation

the special construction sub-sector grew by 13.6 per cent. In 2018 in total 17,681 homes were delivered, reflecting a 22.9 per cent increase in the number of dwellings built. This outstanding increase was mainly due to the 5 per cent VAT rate and the Family Housing Allowance (CSOK). The number of dwelling construction permits issued dropped by 1,278, i.e. by 3.4 per cent.

The overall dwelling construction expenses were up by 5.1 per cent in 2018, within which the labour costs increase by 5.6 per cent and the material costs grew by 4.7 per cent. The producer prices across the construction industry went up by 5.2 per cent last year.

The price increases continued in the housing market in 2018 too. According to the preliminary HCSO figures the prices of second-hand homes went up by 8.3 per cent and the prices of new homes were 5.1 per cent higher than in 2017 in the same quality composition, and on average 5.0 per cent increase was recorded in rent. According to the MNB figures significant territorial differences can be observed in the price changes. In 2018, the nominal housing prices went up by 22.9 per cent in Budapest, 18.2 per cent in the rural towns and only 2.3 per cent in villages following the 16.9 per cent increase in 2017.

According to the HCSO figures last year 8.0 per cent more homes were sold compared to the number recorded in 2017 with similar processing information. According to the estimates, within the overall sales the sale of new homes expanded másfélszeresére, szóval by more than 50 per cent and a 6.4 per cent increase was observed in the second-hand homes.

According to Eston's data, following the opening of 80,000 square metre new office space in 2017, in 2018 the figure was 2.9 times higher, i.e. 230,000 square metres of office space was opened. Similarly to the previous years the used office space continued to grow by 228,000 square metres in 2018. Thus last year the ratio of unoccupied offices shrank from 7.5 per cent to 7.3 per cent.

Legal environment

According to the data of the Wolters Kluwer Legal Database in total 849 new legal acts (act, government, ministerial and other decrees) were issued between 1 January and 31 December 2018, with a further decline compared to the period of 2015-2017. The former legislation dumping reached its peak in 2015, when 1,300 legal acts were passed. generally moderate legislative activities observed in the election years.

The Hungarian legislation in the financial sector is generally aimed at the transposition and implementation of the EU legislation with the respective detailed regulations, both in terms of its tendencies and specific results, with adjustments to the Hungarian circumstances (minimum harmonisation). In the case of the Regulations, which take effect directly, the legislation activities involve the required measures and, when applicable, amendments in the legal acts or deregulation (full or maximum harmonisation). Recently it was the case in relation to the Insurance Distribution Directive (IDD) within the framework of the regulations governing the insurance sector. Regarding horizontal regulations the EU Regulation laying down general rules on the processing of personal data (GDPR) was a good example. However, regardless which Member State we are looking at, for the national legislators it may take years before all detailed provisions become obvious and their functioning turns into a consistently applied practice for all users and authorities.

EU topics in 2018/2019

With regard to the new community regulations, the EU topics were also consistent with the preparations and the start of application of the new legislation in the Hungarian market in 2018. Such regulations include the IDD Directive, the GDPR Regulation and the PRI-IPs Regulation mentioned above (they are presented in more detail below).

Regarding the near future, the EU decision makers clearly focus on investment products, more specifically their costs and returns and comparability. Most probably the regulatory activities will not slow down in that field in the future either. There are a number of related projects on the agenda at present. The Hungarian life insurance market should follow them closely and, when necessary, should also form its opinion on specific issues and communicate it to the national and European legislators.

PRIIPs Regulation (Packaged Retail Investment and Insurance Products)

One year later than the originally planned deadline, the European market began to use the KID (Key Information Document) on 1 January 2018. The KID describes the most important information on investment products in a standardised, comparable way. Consequently, the KID can be used for information on a particular product, but the consistent structure is also ideal for comparing various investment products. For the time being the reactions to the new European document are mixed and it is still 2018 had very little activity even compared to the in an early phase full of initial problems. The aim of providing information to clients on the costs and performance of an investment product in an easily

understandable form turned out to be a more complicated task than originally believed. However, finding the right solution would be important because comparability of products encourages competition and competition would enable consumers to have a number of Member States explicitly included data access to products that offer a satisfactory return at processing by insurers in their own national legislaa reasonable cost. The European insurance companies expressed their methodology problems related to the new document to the legislators already in the preparatory phase. The gravest problem is that the future performance scenarios calculated on the basis of historic actual figures are too optimistic, which may be misleading for the clients. By now the legislator has also recognised that deficiency and seems sufficient attention to this situation, which would to be willing to correct it.

When the KID was introduced, the fund managers were granted derogation from its use until 2020 because a former, simplified version of KID, known as KIID, has already been used by them. Contrary to former expectations, at the beginning of 2019 the impossible to calculate and apply different individual fund managers' exemption was extended by a further two years, with which the European insurance sector took a defensive position again. It is now clear that an overall revision of PRIIPs will definitely take place when the fund manager application (UCITS) is launched (which is likely to be +2 years). Consequently, the European insurance sector is now trying to avoid a dual constraint of accommodation and not to be forced to apply a temporary modification, which at present only the insurance companies would have to implement in their systems to be followed by a later more complex modification affecting also the UCIT products.

IDD directive (Insurance Distribution Directive)

The Hungarian market began to apply the IDD rules earlier than most of the EU Member States (the original deadline was 23 February 2018). Based on the experience collected on the basis of the general application across Europe (in October 2018) further it already sufficiently regulates the issue of driver-EIOPA-level interpretations and guidelines may be expected. Similarly to the initial regulation, they are likely to affect predominantly file insurance. The European insurance sector is lobbying for making sure that these guidelines do not exceed the authorisation granted in the first directive and not to mix insurance product with fund management products, which seems to be a strong tendency in the European legislation.

GDPR, Data Protection

The markets had to start applying the new rules of the General Data Protection Regulation (GDPR) from 25 May 2018. Initially the GDPR did not bring fundamental changes in the current practice, an MTPL insurer operating with a cross-border struc-

yet demanded a lot of IT and compliance adaptation from the market operators. One of the critical points of the GDPR regulations continues to be the processing of sensitive (health) data. Consequently, tion to eliminate any uncertainty about the validity of the client's consent and its withdrawal. However, a number of Member States, including Hungary, indicated that the national legislator cannot see a solution at national-level feasible specifically with reference to the EU legislation. The European insurance companies are concerned that unless the EU pays mean consistent application, there is a fair chance that another Test-Achats case will come up, where the petition submitted by a Belgian consumer protection organisation re-wrote the European Gender Regulation. (With its judgment adopted in the Test-Achats case the Court of the European Union made it insurance premium to men and women.)

Review of the MID Directive

The routine review of the 2009/103/EC Directive (MID) relating to Insurance Against Civil Liability in Respect of the Use of Motor Vehicles and the Enforcement of the Obligation to Insure Against Such Liability is Also in Progress. The initial draft prepared by the Commission has been submitted to the Council and to the Parliament. In that draft the Commission proposed increasing the indemnity limits and extending the claims covered by the insurance and, in relation to the regulations pertaining to guarantee funds, authorisation would be granted to EIOPA to draft an implementation regulation.

Insurance Europe published its official standpoint in September stating that they could not see a need for expanding the current scope of MID, because less cars and also turned out to be sufficient in other issues (electric, agricultural etc. vehicles). It is important for the association to keep the currently existing minimum harmonisations system, with which the specific requirements of a Member State can be complied with. The also stress that liability should remain an issue falling within the scope of competence of the Member State and it cannot be governed by MID. The European Association supports the idea of the standardisation of a minimum insurance cover, yet argues that the countries concerned should be given sufficient time for adaptation.

The proposed modification also tries to resolve the problem that may develop sure to the insolvency of

ture (ASTRA in Hungary). Another important proposed modification is aimed at the standardisation of the claim history statements. It is not at all supported by the IE, because it cannot see its practical added value.

Capital Market Union project

The Capital Market Union project is one of the key projects for the EU aimed at mobilising the sources of financing to facilitate European growth. The project includes the support of innovative solutions, facilitation of the capital market activities of companies, encouraging long-term and sustainable investcapacities and promoting cross-border investments. The project also has direct impacts on the insurance markets. The PEP regulations (see more details below) is partly related to is as the European pension funds and institutional investors saving for pension purposes can contribute a great deal to the capitalisation of the European equity markets. The actual amendments to the IDD in relation to sustainable investments also stem from that project (see above in relation to IDD). The decision, according to which in the future the three European financial supervisions (ESA Committees) will issue one report a year on the costs and historic performance of retail investment products broken down by main categories also relates to the same project. The Commission aims at assisting consumers in making informed investment decisions with the regular reports. The first data were collected in the summer of 2018 (data were also supplied by the Hungarian insurance companies) and the first report presenting the results was published in January 2019.

Review of the SII Directive

In relation to the Juncker Plan, amendments began in the legal acts in 2018 to encourage long-term infrastructure investments, which also involved a minor revision of the SII Directive. Insurance Europe is actively working on the topic and has put together a letter with almost fifty comments on the supervisory tables for EIOPA.

European, personal pension product, PEPP

In June 2017 the European Commission submitted a draft legal act with an aim of establishing a cross-border individual pension product which offers a simple and attractive long-term saving instrument to European citizens (PEPP - Pan European Personal Pension Product). The potential and market-forming effect of the new European pension product cannot be estimated yet, but the process will definitely bring a change for insurance companies, which are currently the largest

market operators focusing on individual pension savings. The events accelerated last December and, partly due to the strong political pressure, a compromised text was prepared and was approved by the Council and the Parliament before the elections held in May 2019. The typically general text of the first round will be clarified by second-level implementation regulations and third-level explanatory texts.

Other issues

The revision of the operation of the European financial supervisions, the ESA Committees, is in progress. In relation to the revision the European insurance sector ments, strengthening banking and capital market is trying to make the operation and work programme of EIOPA more transparent and better controllable. EIOPA distributed its document on insurance guarantee funds for consultation in July 2018. The objective of this step was to collect feedback from the market on the three described options (maintaining the current status, introducing minimum harmonisation in the Member States, maximum standardisation of guarantee funds within the EU). The initial approach used in the EIOPA document is that the currently existing map of guarantee funds is extremely fragmented and that it does not serve the interests of consumers. Consequently, the European supervision argues for minimum harmonisation. The issue of the document outlining the specific concepts for consultation by EIOPA is schedules for the summer of 2019 to be followed by the final proposal expected to come out in the summer of 2020.

> The current review of the Alternative Dispute Resolution Directive (ADR) and the return to the 2013 Commission guideline dedicated to collective law enforcement relates to the enforcement of consumer rights. In relation to the revision of the Directive Insurance Europe declared its objective to maintain the current option where the Member States can flexibly operate these systems. Concerning the second subject the objective of the lobbying is not to take the efforts to the level of a US-type 'class-action'.

Two of the 27 members are mutual insurance associations registered in Hungary, 19 are insurance limited companies registered in Hungary and 6 operate as branch offices.

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

Without accident, health and travel insurance, the 2,221,804 life insurance contracts were lower by approximately 11.0% on 31 December 2018 compared to the previous year. One of the main reasons for that is that CIG Pannónia Életbiztosító Nyrt. did not supply data to MABISZ for 2018.

The number of pension insurance policies continues to rise. In 2018 the premium revenues went up by 17.2% from 2017 according to the 2018 Q4 data The share of Generali Biztosító in second place also supply. The number of regular premium unit linked contracts without pension insurance, which have the largest portfolio, dropped by 8.7%. The fact that CIG Pannónia Életbiztosító Nyrt. did not supply any data was also an important factor in that change.

On 31 December 2018 there were 10,543,931 non-life shrank from 9.3% to 7.7%. insurance contracts, reflecting a 3.7% increase compared to the figure of the previous year. Within that the number of vehicle and household property insurinsurance contracts also rose more than the average, insurance was again higher than the 0.4% increase in in the capital market. comprehensive (casco) insurance contracts.

When this yearbook was published, MABISZ had 27 Among the major insurance types it needs to be noted that the number of general liability insurance

> With regard to the data supplying insurers, the increase of the premium revenues of insurance companies continued in 2018; the total premium revenues amounted to HUF 1,035 mln, which was 4.6%, i.e. a little over HUF 46 bln more than the premium revenues in the preceding year. According to expectations, this rising tendency will continue in 2019 also.

> Compared to the previous year the premium revenues from life insurance policies decreased by 1.1%, while the revenues from non-life insurance policies increased by 9.9%. Due to the declared drop in life insurance premium revenues, in 2018 the share of life insurance premium revenues continued to decline within the total premium revenues (from 48.2% to

> There was not change in the order of the insurance companies with the five highest premium revenues in 2018. The market leader Allianz Hungária extended its market share from 14.6% to 15.7% in a year. increased from 13.3% to 13.6%. GROUPAMA Biztosító and AEGON Magyarország Általános Biztosító, which have the third and fourth largest market shares also managed to maintain their market shares as their figures changed from 10.9% to 10.8% and 10.6% to 11.1% respectively, while the share of NN Biztosító

The declared assets of the insurance companies as of 31 December 2018 increased by HUF 14.1 bln, i.e. ance contracts that have the highest share among the 0.6% relative to the previous year, while the total assets amounted to HUF 2,493,317 bln. Based to the by 4.3% and 5.0% respectively. In vehicle insurance volume of the accumulated assets, the share of insurthe 5.0% increase in mandatory third-party liability ance companies as institutional investors is still high

Life Insurance

continued to be driven by pension insurance, which premium revenues but it also outlines other positive term savings, as previously predicted.

With more than 25% premium increase, the market trends. Approximately 20 per cent of the regular premium revenues stem from that insurance product. The has enjoyed a tax credit since 2014, with which it has ratio of regular premium products stabilised last year, as reached a competition neutral position with regard to 85% per cent of the pension insurance contracts already other pension products. The favourable impact of pen-belong to that product. The data illustrate well that the sion insurance is not reflected only in the increase in introduced tax credit was an effective incentive for long-

Gross insurance premium income and market share by company*

	Premium revenue (HUF million)			Ma	arket share (º	%)
	2016	2017	2018	2016	2017	2018
AEGON	94 563	104 980	114 382	10,29	10,61	11,05
AIG Europe Fióktelep	10 268	n.a.	n.a.	1,12	n.a.	n.a.
Agrár Biztosító telepe	857	1 276	1 545	0,09	0,13	0,15
ALLIANZ	130 533	144 768	162 235	14,21	14,63	15,67
BNP Paribas CARDIF	5 879	5 156	4 746	0,64	0,52	0,46
BNP Paribas CARDIF Életbiztosí- tó Zrt.	1 935	2 273	2 497	0,21	0,23	0,24
CIG Pannónia Általános	3 607	6 091	n.a.	0,39	0,62	n.a.
CIG Pannónia Élet	13 535	15 898	n.a.	1,47	1,61	n.a.
COLONNADE	4 137	7 552	11 891	0,45	0,76	1,15
D.A.S Jogvédelem Biztosító	n.a	n.a	2 309	n.a	n.a	0,22
ERGO Életbiztosító	4 479	3 824	2 660	0,49	0,39	0,26
ERGO Életbiztosító fióktelep	246	240	226	0,03	0,02	0,02
EURÓPAI Utazási Biztosító	2 619	3 021	3 530	0,28	0,31	0,34
GENERALI	125 993	131 838	140 467	13,71	13,32	13,57
GENERTEL	4 391	6 646	7 572	0,48	0,67	0,73
GRAWE	11 153	11 575	13 397	1,21	1,17	1,29
GROUPAMA	95 489	107 525	111 708	10,39	10,87	10,79
K&H	45 412	46 569	50 642	4,94	4,71	4,89
KÖBE	8 759	9 581	12 705	0,95	0,97	1,23
MAGYAR POSTA Biztosító	10 857	10 669	10 251	1,18	1,08	0,99
MAGYAR POSTA Életbiztosító	59 713	60 271	72 319	6,50	6,09	6,99
MEDICOVER	4 500	5 415	7 192	0,49	0,55	0,69
MetLife Europe Limited	19 463	20 511	22 288	2,12	2,07	2,15
MÜBSE	n.a	1 213	1 277	n.a	0,12	0,12
NN	78 498	91 688	79 841	8,54	9,27	7,71
Pannónia Általános	6 711	n.a.	n.a.	0,73	n.a.	n.a.
Pannónia Élet	4 045	n.a.	n.a.	0,44	n.a.	n.a.
PORSCHE	1 222	1 469	1 753	0,13	0,15	0,17
SIGNAL I-DUNA	20 627	25 794	28 365	2,24	2,61	2,74
UNION Vienna Insurance Group	69 772	76 392	77 561	7,59	7,72	7,49
UNIQA	58 572	64 470	68 032	6,37	6,51	6,57
WÁBERER Hungária	21 069	22 875	23 718	2,29	2,31	2,29
Total	918 903	989 578	1 035 107	100,00	100,00	100,00

^{*} the historical data from Erste and Vienna Life are listed under Union

Life insurance premium revenue by company

HUF mln

	Life Insur	ance Premiu (HUF mln)	m revenue	Ma	arket share (%)
	2016	2017	2018	2016	2017	2018
AEGON	39 133	38 268	41 053	8,60	8,03	8,70
AIG Europe Fióktelep	0	n.a.	n.a.	0,00	n.a.	n.a.
Agrár Biztosító	0	0	0	n.a.	0,00	0,00
ALLIANZ	35 183	36 790	46 046	7,73	7,72	9,76
BNP Paribas CARDIF Biztosító	0	0	0	0,00	0,00	0,00
BNP Paribas CARDIF Életbiztosító	1 935	2 273	2 497	0,43	0,48	0,53
CIG Pannónia Általános	0	0	n.a.	0,00	0,00	n.a.
CIG Pannónia Élet	13 535	15 898	n.a.	2,97	3,33	n.a.
COLONNADE	0	0	0	0,00	0,00	0,00
D.A.S Jogvédelem Biztosító	0	0	0	0,00	0,00	0,00
ERGO Életbiztosító	4 479	3 824	2 660	0,98	0,80	0,56
ERGO Életbiztosító fióktelep	0	0	0	0,00	0,00	0,00
EURÓPAI Utazási Biztosító	0	0	0	0,00	0,00	0,00
GENERALI	44 915	44 783	45 192	9,87	9,39	9,58
GENERTEL	0	0	0	0,00	0,00	0,00
GRAWE	11 153	11 575	13 397	2,45	2,43	2,84
GROUPAMA	45 189	50 315	49 936	9,93	10,55	10,59
K&H	17 829	14 086	13 911	3,92	2,95	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 Életbiztosító	59 713	60 271	72 319	13,12	12,64	15,33
MEDICOVER	0	0	0	0,00	0,00	0,00
MetLife Europe Limited	18 782	19 697	21 441	4,13	4,13	4,55
MÜBSE	0	0	0	0,00	0,00	0,00
NN	78 498	91 688	79 841	17,25	19,23	16,93
Pannónia Általános	0	n.a.	n.a.	0,00	n.a.	n.a.
Pannónia Élet	4 045	n.a.	n.a.	0,89	n.a.	n.a.
PORSCHE	0	0	0	0,00	0,00	0,00
SIGNAL I-DUNA	12 244	15 790	17 555	2,69	3,31	3,72
UNION Vienna Insurance Group	42 815	45 120	41 839	9,41	9,46	8,87
UNIQA	25 652	26 404	23 958	5,64	5,54	5,08
WÁBERER Hungária	0	0	0	0,00	0,00	0,00
Total	455 100	476 781	471 644	100,00	100,00	100,00

 $[\]ensuremath{^{*}}$ The historical data from Erste and Vienna Life are listed under Union

Main personal insurance indicators in 2018

	Premium revenue (HUF mln)	Insurance payout and changes in reserves (HUF mln)	Number of contracts (unit)
RISK	56 571	27 177	541 165
of which, single premium payment	342	426	25 805
of which, regular premium payment	56 229	26 751	515 360
ENDOWMENT INSURANCE	5 379	5 100	30 380
of which, single premium payment	1	0	701
of which, regular premium payment	5 378	5 100	29 679
MIXED	116 165	102 834	504 783
of which, single premium payment	65 185	50 757	143 903
of which, pension insurance pursuant to the PIT Act with single premium payment	1 302	1	0
of which, regular premium payment	50 980	52 077	360 880
of which, pension insurance pursuant to the PIT Act with regular premium payment	17 843	488	80 820
TERM-FIX	8 571	11 512	47 339
of which, single premium payment	0	0	15
of which, regular premium payment	8 571	11 512	47 324
ANNUITY	339	1 164	4 344
of which, single premium payment	89	453	2 674
of which, regular premium payment	250	711	1 670
UNIT-LINKED	279 114	229 435	1 057 889
of which, single premium payment	63 415	103 656	191 522
of which, pension insurance pursuant to the PIT Act with single premium payment	4 638	732	6 842
of which, regular premium payment	215 699	125 779	866 367
of which, pension insurance pursuant to the PIT Act with regular premium payment	41 436	10 085	194 907
OTHER	5 505	4 844	35 904
of which, single premium payment	54	3	10 683
of which, regular premium payment	5 451	4 841	25 221
TOTAL LIFE INSURANCE	471 644	382 066	2 221 804
ACCIDENT INSURANCE	23 068	4 083	686 506
HEALTH INSURANCE	19 491	10 361	74 872
TRAVEL INSURANCE	14 559	3 256	1 044 207
TOTAL PERSONAL INSURANCE	528 761	399 766	4 027 389

	R	ISK	ENDO	WMENT	MIX	ED	UNIT-	LINKED	от	HER	то	TAL
	Premium revenue	Number of contracts										
AEGON	10 337	87 756	0	365	11 648	84 680	18 815	76 883	253	531	41 053	250 215
AIG Europe Fióktelep	n.a.	n.a.										
Agrár Biztosító	0	0	0	0	0	0	0	0	0	0	0	0
ALLIANZ	3 323	3 484	0	73	12 011	24 935	30 469	144 723	243	19 458	46 046	192 673
BNP Paribas CARDIF Biztosító	0	0	0	0	0	0	0	0	0	0	0	0
BNP Paribas CARDIF Életbiztosító	2 497	21	0	0	0	0	0	0	0	0	2 497	21
CIG Pannónia Általános	n.a.	n.a.										
CIG Pannónia Élet	n.a.	n.a.										
COLONNADE	0	0	0	0	0	0	0	0	0	0	0	0
D.A.S Jogvédelem Biztosító	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.
ERGO Életbiztosító	200	7 263	0	0	178	1 389	2 282	9 082	0	0	2 660	17 734
ERGO Életbiztosító fióktelep	0	0	0	0	0	0	0	0	0	0	0	0
EURÓPAI Utazási Biztosító	0	0	0	0	0	0	0	0	0	0	0	0
GENERALI	3 657	74 345	84	1 425	4 841	29 235	33 068	131 740	3 541	4 939	45 192	241 684
GENERTEL	0	0	0	0	0	0	0	0	0	0	0	0
GRAWE	377	8 113	0	0	8 859	32 979	0	0	4 161	33 730	13 397	74 822
GROUPAMA	2 774	34 167	14	172	3 158	19 856	43 990	200 360	0	19	49 936	254 574
K&H	3 315	30 702	0	0	1 718	21 573	8 619	43 296	259	11 542	13 911	107 113
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 Életbiztosító	12 191	93 279	4 241	23 331	55 527	155 981	245	7 608	115	19	72 319	280 218
MEDICOVER	0	0	0	0	0	0	0	0	0	0	0	0
MetLife Europe Limited	521	13 247	414	2 771	617	6 359	18 403	51 412	1 485	793	21 441	74 582
MÜBSE	0	0	0	0	0	0	0	0	0	0	0	0
NN	12 001	133 222	0	0	15 137	94 842	49 224	110 763	3 479	1 058	79 841	339 885
Pannónia Általános	n.a.	n.a.										
Pannónia Élet	n.a.	n.a.										
PORSCHE	0	0	0	0	0	0	0	0	0		0	0
SIGNAL I-DUNA	375	27 760	351	417	606	14 553	15 797	72 697	426	4 423	17 555	119 850
UNION Vienna Insurance Group	3 202	21 797	181	1 123	809	8 903	37 201	115 089	447	9 208	41 839	156 120
UNIQA	1 800	6 009	94	703	1 058	9 498	21 002	94 236	5	1 867	23 958	112 313
WÁBERER Hungária	0	0	0	0	0	0	0	0	0	0	0	0
Total	56 571	541 165	5 379	30 380	116 165	504 783	279 114	1 057 889	14 415	87 587	471 644	2 221 804

Home insurance

The volume of household property insurance, dominated by home insurance, grew by 5.5% in premium in 2018, reflecting approximately 1.5% volume increase. In a rather saturated market it is an impressive result.

An increase in the number of built new homes, the expanding home loans and the picking up real estate
In 2018 agricultural insurance policies generated market even despite a robust increase in real estate prices all contributed to the overall growth.

increase, the premium increase was clearly moderate and in real terms reflected even a slight decline especially considering the continuously extending insurance services and the larger floor area of the built new properties.

The claim ratio was approx. 4 percentage points lower than one year before because fortunately no extraordinary events or disasters occurred in 2018 and therefore the insurance companies were able to close a better year than average in that respect. On the basis of many years of experience the May-August period is the most risky and the insurance companies were prepared for the occasional storm claims on a mass scale and therefore, following a large local storm or a hailstorm, they accelerated claim settlement even by reallocating their resources.

MABISZ focused on the development of adequate There was not significant change in the premium revand consistent information flow between banks and insurance companies in credit protection home launched a common project (MNB, Banking Association, MABISZ) to begin the registration of home insurance policies and making preparations for an information system which will support the business process of credit protection and cover with a shared In 2018 the agricultural property insurance policies general ledger (blockchain) technology. The active involvement of MABISZ in the project is among the mln claim payments. major tasks in 2019.

summary review of the home insurance market and also submitted it to the MNB. Proposals were developed in response to the MNB report on the insurance, fund and capital market, which stated that competition was not intense enough, market concentra-

tion was high, the claim ratios were too low and real premium competitions was missing in the Hungarian home insurance market. The MNB began to build a Qualified Consumer Protection Home Insurance concept, in which contribution is an important task for MABISZ in 2019.

Agricultural insurance

HUF 15.227 bln premium revenues and claim payments amounted to HUF 5.408 bln.

Considering also the home construction price HUF 13.2 bln premium revenues (including HUF 10.2 bln subsidised premium revenues) were recorded for plant insurance policies, which represent the backbone of the agricultural insurance segment. The limit of premium assisted plant insurance was raised to HUF 5 bln, owing to which the support intensity of plant insurance products rose compared to 2017 ('A' 65%, 'B' 40%, and 'C' 40%).

> The weather in 2018 was as hectic as in the previous year (as also confirmed by the number of claims) but 2018 turned out to be a more favourable year in terms of claim payments. Regarding plant insurance risks hail is still the biggest risk for producers, followed by storm and spring frost. The claim ratio in the plant insurance sector was 36.6%, the best in the past few years (source: AKI - Statistical reports, Agricultural Insurance 2017).

enues in animal insurance contracts from the previous years. The revenues practically stagnated with insurance in 2018. At the end of the year MNB HUF 604 mln revenues and HUF 166 mln claim payments in 2018. Among the animal insurance products producers continue to opt for the basic insurance for natural and physical damage.

generated HUF 1.429 bln revenues with HUF 422

All in all it is clear that plant insurance still domi-Last year the Home Insurance Committee Prepared a nate the total agricultural insurance market with an almost 87% share. The impact of the premium support system is reflected in the number of parties entering into new insurance contracts and the opening up of the producers towards more complex ('A' package insurance) insurance products.

Freight insurance

Growth continued in freight insurance in 2018 although at a less intensive pace as in the previous years.

It was due mainly to the growth of the Hungarian economy above the EU average. The biggest expansion occurred in the construction and vehicle industries, which then traded with a significantly greater volume of goods but the increasing internal consumption was also a factor in the increase in trade. The rising goods traffic brings continuous business opportunities to transportation businesses and also to insurance companies offering cover to them.

At the same time, the start of a market concentration trend among transportation companies is also obvious: in 2016 there were still 11,054 transport businesses in the country, there number fell to 10,152 in 2018. It is a fact that following the accession to the EU, the Hungarian transport companies managed to acquire significant markets in Western Europe, but the reduction in the number of transportation businesses reflects not only a cleaning process in the market, but also an increasingly intensive competition for the Hungarian businesses in Western Europe. In the West European markets the Hungarian transport businesses do not have to fight only with their East European competitors, but also with the lobbying activities of West European transport businesses with which they wish to persuade the legislators of their respective Member State to adopt market protection measures against East European transport businesses. The decline in the number of transport businesses means fewer potential customers and a shrinking market for the insurers.

Given the size of the damage cause, the theft and robbery of the transported goods continues to be one of the largest risks among the potential damages for the insurers.

Having recognised that growing risk, the MABISZ Freight Insurance Committee prepared a property protection recommendation for lorry drivers employed by transportation companies on the basis of the recommendation of the European Commission published under the title of "Security Guidance for the European Commercial Road Freight Transport Sector". The security guidance describes the risk that the drivers face during the acceptance of the ance was 7.5% (source: MNB risk report 2019). goods, transportation and delivery.

Besides publishing the recommendation on its website, MABISZ also sends it to the interest representation bodies of the transport companies in order to disseminate it widely among the transport businesses. We do hope that the description of the risks and the advice for

their mitigation will help Hungarian transporters to be less exposed to the risks of potential thefts.

Industrial property and technical insurance

Similarly to the previous years, the construction industry performance rose dynamically in 2018 especially in road and railway construction. The insurers continued to pay outstanding attention to the risks related to the installation and operation of the large number of photovoltaic power stations. MABISZ organised a technical presentation on the solar energy market and the risks associated with it. On the basis of the great interest and favourable feedback we intend to distribute a document for the risk assessment of the solar panel systems, describing general professional criteria collected and prepared by an expert among the insurance companies.

Besides the favourable tendency continued premium reduction driven by the constantly strong market competition, an increase in acquisition costs and an increase in claim payments stemming from extreme weather conditions and operational faults resulting from the lack of untrained labour, posed serious challenged for the insurers.

MABISZ was involved in the revision of the presidential guide of the Public Procurement Authority summarising the insurance requirements of construction projects. The Public Procurement Authority turned the descriptive document into a guide, published in issue 80 of the Public Procurement Gazette in April 2018.

Further practical and theoretical information was added to the guides at the conference organised jointly by the Public Procurement Authority and MABISZ.

In cooperation with the Hungarian Electrotechnical Association, MABISZ prepared a recommendation and prevention and mitigation of accidents caused by electricity.

Liability insurance

The 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 insur-

This is lower than the 12% increase recorded in the previous year. That outstanding result as partly due to the increasing popularity of the mandatory designer contractor liability insurance and therefore the 2018 results were mainly attributable to the positive performance of the Hungarian economy. The construc-

tion industry is one of the main factors contributing contributors to the increase in liability insurance.

The robust growth of the construction industry sector that lacks capacities continues to be a risk for the claim events within a few years.

Similarly to the previous year, the tasks relating to the mandatory designer-contractor liability insurance were a very important part of the activities of MABISZ to the authorities (as a requirement under the law) objective that the government supports in every aspect. was clarified and simplified in cooperation with the Prime Minister's Office and the Lechner Centre with the joint development of an application recording the policy numbers.

One of the main topics in 2018 for the Hungarian businesses was the GDPR Regulation, to which MABISZ also dedicated its attention on a number of occasions. In addition, the environmental liability insurance continued to be in the focus of attention. This topic is also important for the Office of the Commissioner of Fundamental Rights. In that context MABISZ organised a consultation for the Office, responding to a number of questions concerning the insurance profession.

Health and Accident insurance

The premium revenues of the total health and accident insurance market increased by 24% last year, which was much greater than the average growth recorded in the insurance market. This increase varied in the different segments, yet development was observed in each area (riders offered to health insurance, accident insurance and life insurance). Despite this impressive percentage however, there is only very low market saturation and the still low previous year's base must not be forgotten either when the growth is assessed.

The tendency whereby group insurance drives the market has picked up even more. Employers use that benefit more and more deliberately to keep and encourage their workforce. The 30% increase in the total claim payments, which was greater than the increase in premium revenues, also indicated that the insured parties began to use the options provided under the contracts more intensively. The scope of insurance riders, including also assistance options, is also growing continuously. Packages and new products were introduced and more and more insurers offer an increasing number of package.

For the time being we have no information on the impact of the changes in the taxation regulations introduced on 1 January 2019, terminating the

tax exemption of personal insurance purchased by to the economic growth and was also among the main employers on the market of group personal insurance products and the individual personal insurance contracts purchased by employers. These insurance contracts have a socially important added value and simultaneously assist the insured in any problem and insurers. This tendency is likely to be reflected in the 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 in 2018. The process of reporting ceased contracts contribute to the achievement of the popular health

Travel insurance

The travel insurance segment closed a good year in 2018 too. The 24% premium increase was clearly outstanding. The market achieved that without increasing the average premium of insurance contracts by more than 5-6%. Looking at the trend on a longer-term, the market is still developing. The aggregated travel insurance premium revenues of the insurers and the number of insurers offering that product doubled over the past 15 years. At present 10 MABISZ member insurers sell that product but 14 companies compete for the customer across the entire market.

We have found that customers have also become more knowledgeable and more of them try to protect their trips by purchasing insurance and also pay attention to finding the cover most suitable for them. The product guide, introduced in February 2018 on the basis of a European regulation, where insurers prepare easily understandable standard pictograms providing information about the product, irrespective whether or not customers look for that information in a travel agency or on online channels also helps customer in decision making. The advanced travel insurance products offer 24-hour assistance service where the calls are taken in Hungarian and service is provided fast with the help of partner offices. If further assistance is required other than assistance on-site (e.g. transportation home) the insurers also organise that.

Certain non-life insurance data in 2018 *

HUF mln and unit

	Premium revenue	Number of contracts	Claim expenditure	Claim expenditure in the current year	Number of claim events in the current year
VEHICLE	260 540	6 312 674	154 707	144 878	329 619
of which CASCO	87 639	914 485	47 703	45 324	147 593
of which liability insurance	172 901	5 398 189	107 004	99 553	182 026
General liability insurance	34 697	133 076	8 096	14 046	11 714
Entrepreneurial assets	50 137	200 772	17 313	23 162	40 270
Household property	122 055	3 441 143	33 950	32 841	589 087
Agricultural	15 061	25 928	4 909	5 061	5 658
of which animal insurance	533	1 063	156	169	372
of which plant insurance	12 126	20 938	4 245	4 341	4 085
Freight insurance	4 125	16 849	14	1 025	1 168
Credit insurance	0	0	-51	16	0
Other insurance	17 979	413 489	3 524	4 085	20 153
TOTAL NON-LIFE INSURANCE*	504 592	10 543 931	222 463	225 114	997 669

^{*} Net of accident, health and travel insurance Not all companies provided detailed data.



Non-life insurance premium revenue and claim expenditure by company*

Н	IJ	F	m	١l	n

	Non-life in	Non-life insurance premium revenue			Gross claim expenditure			
	2016	2017	2018	2016	2017	2018		
AEGON	55 430	66 712	73 329	21 565	27 794	26 895		
AIG Europe Fióktelep	10 268	n.a.	n.a.	4 062	n.a.	n.a.		
Agrár Biztosító	857	1 276	1 545	n.a.	n.a.	n.a.		
ALLIANZ	95 350	107 978	116 189	38 472	49 593	50 788		
BNP Paribas CARDIF Biztosító	5 879	5 156	4 746	1 407	1 510	1 414		
BNP Paribas CARDIF Életbiztosító	0	0	0	0	0	0		
CIG Pannónia Általános	3 607	6 091	n.a.	1 775	2 652	n.a.		
CIG Pannónia Élet	0	0	n.a.	0	0	n.a.		
COLONNADE	4 137	7 552	11 891	1 289	1 960	3 304		
D.A.S Jogvédelem Biztosító	0	0	2 309	0	0	160		
ERGO Életbiztosító	0	0	0	0	0	0		
ERGO Életbiztosító Tóktelep	246	240	226	33	42	21		
EURÓPAI Utazási Biztosító	2 619	3 021	3 530	710	707	832		
GENERALI	81 078	87 055	95 275	26 605	30 695	34 003		
GENERTEL	4 391	6 646	7 572	2 610	3 962	4 152		
GRAWE	0	0	0	0	0	0		
GROUPAMA	50 299	57 210	61 772	22 347	27 037	24 848		
K&H	27 583	32 484	36 732	14 609	17 418	19 651		
(ÖBE	8 759	9 581	12 705	6 082	4 113	6 664		
MAGYAR POSTA	10 857	10 669	10 251	6 683	7 237	4 261		
MAGYAR POSTA Életbiztosító	0	0	0	0	0	0		
MEDICOVER	4 500	5 415	7 192	3 292	3 962	5 256		
MetLife Europe Limited	681	814	847	154	120	85		
ИÜBSE	0	1 213	1 277	0	-84	435		
NN	0	0	0	0	0	0		
Pannónia Általános	6 711	n.a.	n.a.	3 576	n.a.	n.a.		
Pannónia Élet	0	n.a.	n.a.	0	n.a.	n.a.		
PORSCHE	1 222	1 469	1 753	802	984	n.a.		
SIGNAL I-DUNA	8 383	10 003	10 810	4 277	5 284	6 181		
JNION Vienna Insurance Group	26 957	31 272	35 722	12 711	13 033	14 824		
JNIQA	32 921	38 066	44 073	16 687	18 397	21 358		
WÁBERER Hungária	21 069	22 875	23 718	13 473	15 209	15 032		
Total	463 803	512 797	563 463	203 220	231 628	240 164		

^{*} The historical data from Erste and Vienna Life are listed under Union

^{*} Not all companies provided detailed data for net of accident, health and travel insurance

In 2018, in total 169,220 vehicles were licensed for traffic in Hungary according to Datahouse, which reflected a 16.7 per cent increase on a year-on-year basis. Within the vehicles the number of passenger cars, large commercial vehicles, buses, motorcycles and, contrary to the previous year, small commercial vehicles licensed for traffic all increased in 2018. 136,601 new passenger cars (+17.5 per cent), 6,245 large commercial vehicles (+6.7 per cent) were licensed for traffic in 2018 compared to 2017. The number of buses licensed for In 2018, in total 765,782 used cars were sold in Huntraffic (663) went up by 3.1 per cent, the number of the number of small commercial vehicles (22,725) expanded by 14.0 per cent since 2017.

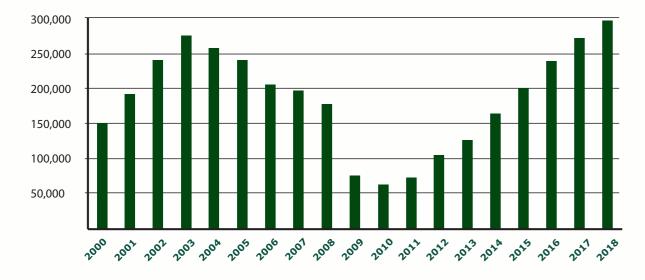
26

traffic the largest number of passenger cars in 2018. the average age increased by 0.1 year from 14.1 to

After Suzuki, which licensed for traffic 19,292 vehicles (27.24 per cent increase) after 2017, Ford, which came second in the competition in passenger car brands, licensed only 13,653 vehicles for traffic (20.06 per cent increase). Skoda, which is third in the order, sold 11,842 vehicles and reported a 12.51 per cent increase. Opel (11,346 vehicles, 11.33 per cent increase) and Volkswagen (10,388 vehicles, 21.55 per cent increase) were still fourth and fifth. Compared to their performper employee, the productivity of vehicle manufacturing ance in the previous year, a major growth was achieved by Peugeot (32.13 per cent), Jeep (48.86 per cent), Ssangyong (117.4 per cent), Jaguar (30.71 per cent), Porsche (29.03 per cent), Tesla (28.57 per cent), Ferrari (66.67 per cent) and Bentley (75.0 per cent). In the passenger car markets 37.36 per cent of all sold vehicles were leisure time vehicles, which continued to be the most popular category in Hungary in 2018. The list continues with the low-mid category vehicles with 27.96 per cent followed by the small vehicles with 15.31 per cent.

gary. That figure is 11.6 per cent higher than in 2017. motorcycles (2,986) increased by 29.6 per cent, and Of the 765,782 sales transactions 205,428 vehicles were exchanged between Hungarian parties. 78.0 per cent of the sales related to vehicles older than 10 years. The increase in the average age of the passenger car Similarly to the previous years, Suzuki licensed for fleet has slowed down. According to the HCSO figures

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



Source: HCSO, Századvég calculation

Changes in premium revenues and claim expenditures relating to mandatory motor vehicle liability insurance

		Mandatory third party motor vehicle liability insurance									
	Р	remium revenu	ıe	C	laim expenditu	re					
	2016	2017	2018	2016	2017	2018					
AEGON	10 081	12 774	14 956	6 490	8 271	8 854					
Allianz	28 758	36 317	40 391	13 183	19 389	24 705					
CIG Pannónia Általános	37	0	n.a.	319	7	n.a.					
Generali	9 789	11 082	12 763	4 304	5 151	5 554					
Genertel	2 190	2 642	3 064	1 541	1 961	1 968					
Groupama	8 229	10 317	11 503	5 544	8 945	8 025					
K&H	19 713	23 571	26 819	12 047	14 079	16 754					
KÖBE	7 616	8 155	10 703	5 624	3 527	5 777					
Magyar Posta Bizt.	6 423	5 994	5 377	5 957	6 085	3 546					
SIGNAL IDUNA	2 555	3 414	3 621	1 909	2 504	3 573					
Union	4 370	6 380	9 294	2 883	3 840	4 809					
UNIQA	9 441	10 934	12 963	7 072	6 385	8 671					
Wáberer Hungária	18 645	19 908	21 446	11 564	13 068	14 767					
Total	127 848	151 491	172 901	78 437	93 212	107 004					

14.2 years between 2017 and 2018, while the respective figure was 0.2 year from 2016 to 2017.

Vehicle insurance

(As in 2017), in 2018, 14 insurance companies sold vehicle insurance actively or temporarily passively, in the form of mandatory third party liability insurance (MTPL) or comprehensive liability insurance (casco). The casco penetration is still not improving. While the number of MTPL contracts grew by 6.3% between 2017 and 2018, looking at the respective figures in casco the growth was only 3.1%. In the meantime there is a clear claim inflation pressure: the wages are rising in the repair workshops, component prices are also increasing and the technical development of the past few years can also be traced in the components to be repaired (e.g. installation of various sensors and cameras in the vehicles).

The Vehicle Insurance Section of MABISZ dealt with the following main issued in 2018:

1) Issue of the international vehicle liability insurance green card, conditions of placing a QR code on the green card.

A number of European countries distribute green cards electronically. Although as a pioneer, the National Office operating within MABISZ allowed its members to issue green cards electronically in 2013, the obligation of printing the cards in green colour prevented the wide dissemination of that practice. Owing to the successful lobby efforts of the Council of Bureaux (CoB) that obstacle has been removed and therefore green cards are issued electronically more and more extensively in Hungary too. This development can bring major progress in digitisation in Hungary, because there is significant customer demand for electronic green cards

and the insurance sector has also encouraged their distribution for a long time. A Decree of the Minister of Finance, according to which even if the electronic image of the green card is transmitted to the operator, the instrument proving the availability of the MTPL contract can only be printed on green paper, entered into force in 2018.

2) Process against persistent premium defaulters

The conduct of persistent premium defaulters caused numerous problems to the insurers in relation to MTPL contracts. To resolve the problem, MABISZ contacted ORFK and the National Tax and Customs Administration. It contacted the latter in view of the fact that the contracting parties in default with the insurance premium generally did not pay vehicle tax or accident tax either. The cooperation between MABISZ and NAV seems to be working.

3) Review of the vehicle insurance directive

Modification are expected in the vehicle insurance directive, which takes a prominent position among the EU legal acts, in a number of aspects. Without aiming for a comprehensive list, the transferability of claim history within the EU, the protection of injured people when the insurer pursuing the crossborder activity insolvent, the scope of the standard minimum cover and the consideration to technology development (driverless cars) are included among the main amendments.

4) The insurance tax

was an important event for the vehicle insurance market. Act XLI of 2018 terminated the mandatory accident tax payable on mandatory third party liability insurance from 2019. After the entry into force of the act insurers no longer have to pay the insurance tax.

5) E-Claim Report project

The MABISZ Executive Boards made a decision in November 2017 to launch a digital MTPL claim reporting project in 2018. MABISZ announced at its conference held in November 2018 that the application would be introduced at the beginning of 2019.

The QR code containing the data of the MTPL contract in order to ease claims reported through the application is placed by the green card and the premium payment certificate by the insurers. When the claim reporting application is used and the OR code is red, the important data come up immediately and the parties involved in the accident do not have to the Compensation Body (553 claims). The Guarantee separately enter them.

Considering that MABISZ forwards the data received through the application to the insurer settling the claim, the insurers and MABISZ have signed an E-Claim Agreement and a Common Data Protection Agreement on the operation of the e-claim reporting system.

Activities of MABISZ Motor Insurance Bureau

Pursuant to the Act on Mandatory Third Party Liability Insurance, MABISZ operates the National Bureau and is in charge of the Compensation Body, the Information Centre and the Claims History Database as well as manages the Guarantee Fund (KSZ) and the Insolvency Fund (KALAP) through the 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 Centre, within the framework of which it also fulfils its quarantee obligations.

In 2018, the National Bureau received 4,186 new claims, which was slightly higher than the figure reported for the previous year. The National Bureau paid out in total HUF 675.75 mln compensation by the end of 2018 on behalf of foreign national bureaus and insurers and in relation to the international obligations assumed from Astra S.A. Insurance Company.

The promulgation of new taxation regulations in 2018 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 2018 in total 13,039 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 claims representatives.

> The Compensation Body is an organisation operated by insurance companies selling 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 damaging party fails to settle the claim. The claims managed by the National Bureau in 2018 made up 18% of the claims settled as Fund is a fund created by Act on the Mandatory

Third Party Liability Insurance and financed by the insurance companies engaged in MTPL insurance for the purpose of receiving, assessing compensating reasonable claims for damages caused by parties not having any MTPL contract despite the obligatory insurance or caused by unknown vehicles or by vehicles insured by an insurance company whose operational licence has been withdrawn but is not yet subject to effective liquidation in the territory of Hungary. In 2018, 5,740 individual claims were submitted within a total of 4,769 claims, which does not include the damages to vehicles insured by Astra S.A. Insurance Company. In 2016, the number of claims submitted was 4,583 (also not including the damages of Astra S. A. Biztosító), which therefore indicates a slight, 4.0% increase for 2018.

The Motor Insurance Bureau managing the Guarantee Fund paid out HUF 1,988 bln compensation on justified claims, which also included annuity payments . In 2018 in total 6,104 cases were launched reclaiming paid out compensation amounts according to the law and at the end of the year the recourse procedure was in progress in 15,086 cases, again not including the cases of Astra S. A. Biztosító.

The Insolvency Fund (referred to by the Hungarian abbreviation as KALAP) is a fund established in Hungary based on the Act on the Mandatory Third Party Liability Insurance and financed by the insurance companies engaged in MTPL insurance, which covers damages caused by vehicles of operators covered by

effective mandatory third party liability insurance at the time when they caused a damage, if liquidation procedure has started against the insurer managing the MTPL insurance. Insurance companies engaged in MTPL insurance must contribute maximum 0.25% of their premium revenue from that business line quarterly (i.e. 1% of their annual premium revenue) into the compensation fund, until its available assets are not higher than 6% of the MTPL premium revenue earned on the total market in the previous year.

In 2018 the MABISZ Bureau accepted and assessed under KALAP claims reported in relation to the former MTPL policies of three insurers under liquidation: Astra (the liquidation of Astra started effectively in 2016), MÁV ÁBE and AIM. At the end of 2018 the assets managed in the Insolvency Fund and the current account and deposit balances (following the extractions of funds due to the liquidation of MÁV ÁBE in 2008 and AIM in 2014 as well as the Astra payments) amounted to approx. HUF 2.9 bln.

Reserves, investments, results 2018

- HUF 2,160,436 mln insurance technical reserves.
- The total declared equity and debt of the insurance companies was HUF 2,493,317 mln at the end • The income of the non-life insurance business of 2018.
- Government securities continued to dominate the turned into a HUF 37.9 bln profit in 2018. investments of insurance companies.

compared to the preceding year.

- In terms of investment ratios a major change could be observed in the other securities compared to • In 2018 insurance companies paid HUF 5.20 bln corthe previous year, the share of which dropped from porate income tax. 35.6% to 31.7% in one year.
- from 2.4%, reported at the end of last year, to 1.8%. revenues'
- 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 2018 the insurance technical profit went up from HUF 48.7 bln in 2017 to HUF 64.6 bln.

- At the end of 2018 the insurance companies had The income of the life insurance business line went up from HUF 22.5 bln in 2017 to HUF 26.8 bln in
 - improved significantly in comparison to the previous year, as the HUF 26.2 bln profit reported for 2017
- The two business lines and favourable outcome of In 2018, the share of government securities within non-insurance technical settlements, the aggregated the total investments increased from 46.8% to 49.1% profit after tax of the insurance companies increased from HUF 61.9 bln recorded in the previous year to HUF 75.3 bln.
- All the tables of this yearbook contain the gross • There was a negligible drop in the ratio of shares written premium figures under the title of 'premium



Insurance technical reserve of insurance companies as of 31 December 2018

	Insura	ance technical reserve (HUF	million)
	Total net insurance technical reserves	Of which, life insurance premium reserve	Of which Unit-linked life insurance premium reserve"
AEGON	169 743	62 142	66 695
AIG Europe Fióktelep	n.a.	n.a.	n.a.
Agrár Biztosító	n.a.	n.a.	n.a.
ALLIANZ	275 499	36 618	89 280
BNP Paribas CARDIF Biztosító	3 106	0	0
BNP Paribas CARDIF Életbiztosító	488	0	0
CIG Pannónia Általános	n.a.	n.a.	n.a.
CIG Pannónia Élet	n.a.	n.a.	n.a.
COLONNADE	5 837	0	0
D.A.S Jogvédelem Biztosító	1 381	0	0
ERGO Életbiztosító	25 228	1 313	23 638
ERGO Életbiztosító fióktelep	70	0	0
EURÓPAI Utazási Biztosító	1 203	0	0
GENERALI	226 757	37 939	124 950
GENERTEL	2 716	0	0
GRAWE	86 266	80 547	0
GROUPAMA	257 789	35 845	173 038
(&H	142 145	14 577	88 801
(ÖBE	7 395	0	0
MAGYAR POSTA	9 030	0	0
MAGYAR POSTA Életbiztosító	191 590	177 845	10 928
MEDICOVER	0	0	0
MetLife Europe Limited	93 318	13 936	73 755
MÜBSE	3 000	0	0
NN	370 664	125 321	231 141
Pannónia Általános	n.a.	n.a.	n.a.
Pannónia Élet	n.a.	n.a.	n.a.
PORSCHE	n.a.	n.a.	n.a.
SIGNAL I-DUNA	65 725	10 903	44 907
JNION Vienna Insurance Group	174 257	13 677	138 632
JNIQA	120 652	10 588	89 272
WÁBERER Hungária	17 057	0	0
Total	2 250 917	621 250	1 155 038

Investment of the insurance companies by investment type as of 31 December 2018

		Bank deposits and securities issued by	Donlastato week estate					HU
	Government securities	securities issued by banks	Real estate, real estate investment unit	Shares	Other securities	Bond Ioan	Other	Total
EGON Magyarország Általános Biztosító Zrt.	98 228	6 958	2 243	5 801	88 149	507	75	201 961
G Europe Fióktelep	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
grár Biztosító Magyarországi Fióktelepe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LLIANZ Hungária Zrt.	220 737	16 426	1 075	6 583	60 858	48	25 824	331 549
NP Paribas CARDIF Biztosító Magyarország Zrt.	5 336	3 050	0	0	0	0	0	8 386
NP Paribas CARDIF Életbiztosító Zrt.	847	980	0	0	0	0	0	1 827
IG Pannónia Első Magyar Általános Biztosító Zrt.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
G Pannónia Élet	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DLONNADE Insurance S.A. Magyarországi Fióktelepe	0	0	0	0	0	0	0	0
A.S Jogvédelem Biztosító	5 058	79	0	0	0	0	3	5 141
RGO Életbiztosító és ERGO Életbiztosító fióktelep	3 045	108	0	0	23 638	0	5	26 796
JRÓPAI Utazási Biztosító Zrt.	3 535	190	0	0	495	0	0	4 220
ENERALI Biztosító Zrt.	148 015	10 668	128	14 982	100 454	91	402	274 742
NERTEL Biztosító Zrt.	5 937	894	0	0	346	0	0	7 178
AWE Életbiztosító Zrt.	92 031	1 202	494	0	3 372	162	0	97 261
ROUPAMA Biztosító Zrt.	132 741	96 717	2 542	4 743	49 913	1	6 618	293 277
kH Biztosító Zrt.	55 084	10 038	0	0	89 851	770	0	155 744
ĎBE Közép-európai Kölcsönös Biztosító Egyesület	8 867	0	0	0	0	0	1 476	10 343
AGYAR POSTA Biztosító Zrt.	10 029	1 736	600	0	229	0	0	12 593
AGYAR POSTA Életbiztosító Zrt.	144 580	21 725	5 952	478	25 755	0	1 997	200 487
EDICOVER Försakrings AG Magyarországi Fióktelepe	1 618	0	0	0	0	0	0	1 618
etLife Europe Limited Magyarországi Fióktelepe	22 951	1 110	0	0	254	313	0	24 627
ÜBSE Magyar Ügyvédek Kölcsönös Biztosító Egyesülete	0	6 686	64	0	0	0	0	6 750
N Biztosító Zrt.	150 920	13 814	49	7 862	209 121	1 242	6 474	389 482
nnónia Általános	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
nnónia Élet	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
RSCHE Versicherungs AG Magyarországi Fióktelepe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GNAL I-DUNA Biztosító Zrt.	17 370	1 330	0	78	44 945	19	10 775	74 518
IION Vienna Insurance Group Biztosító Zrt.	43 462	1 343	2 266	3 237	486	713	159 240	210 748
IIQA Biztosító Zrt.	32 191	2 391	0	16	90 152	11	3 721	128 481
ÁBERER Hungária Biztosító Zrt.	22 389	1 360	0	81	1 760	0	0	25 590
otal	1 224 970	198 805	15 414	43 862	789 778	3 877	216 612	2 493 317

Number of persons employed by insurance companies as of 31 December 2018

persons

					регзог		
	Administrative	Business			Other	Total	
		Full-time	Part-time	Entrepreneur			
AEGON	575	178	49	1 764	116	2 682	
AIG Europe Fióktelep	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Agrár Biztosító Magyar- országi Fióktelepe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
ALLIANZ Hungária Zrt.	410	126	4	1 192	395	2 127	
BNP Paribas CARDIF Biztosító és BNP Paribas CARDIF Életbiztosító	11	0	0	0	36	47	
CIG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
CIG Pannónia Élet	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
COLONNADE	89	35	0	0	0	124	
D.A.S Jogvédelem Biz- tosító	57	13	9	444	25	548	
ERGO	30	4	0	0	0	34	
EURÓPAI Utazási Biz- tosító	27	0	0	0	0	27	
GENERALI	1 194	242	3	1 814	0	3 253	
GENERTEL	36	44	0	16	0	96	
GRAWE	32	0	0	0	0	32	
GROUPAMA	553	881	13	526	186	2 160	
K&H	312	58	0	235	0	605	
KÖBE	98	31	2	161	13	305	
MAGYAR POSTA	202	7	0	0	0	209	
MAGYAR POSTA Életbiztosító	41	6	0	0	0	47	
MEDICOVER	26	1	4	0	0	31	
MetLife Europe Limited	82	11	0	6	0	99	
MÜBSE	18	8	4	0	1	31	
NN	370	0	0	1 617	0	1 987	
Pannónia Általános	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Pannónia Élet	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
PORSCHE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
SIGNAL I-DUNA	168	34	0	139	0	341	
UNION Vienna Insurance Group	235	88	0	444	181	948	
UNIQA	408	0	0	586	0	994	
WÁBERER Hungária	79	0	0	0	0	79	
Total	5 054	1 767	88	8 944	953	16 806	

Main highlights of the accounting of the insurance companies' profit in 2018

	HUF th
A) NON-LIFE INSURANCE	
Earned premium without counter-insurance	421 332 939
Gross premium	566 665 939
Claim expenditure	210 715 367
Gross claim payment	214 437 151
Change in pending loss reserves	17 813 969
Change in actuary reserves	4 792 204
Net operating expenses	134 746 780
Acquisition costs incurred in the current year	119 273 408
INSURANCE TECHNICAL RESULT	37 874 989
B) LIFE INSURANCE	
Earned premium without counter-insurance	480 348 314
Gross premium	487 541 351
Insurance technical revenues from investments	62 649 452
Claim expenditure	386 344 179
Gross claim payment	382 605 810
Change in actuary reserves	19 332 356
Change in other reserves	2 937 095
Change in unit-linked reserves	-33 832 807
Net operating expenses	90 816 169
Acquisition costs incurred in the current year	58 201 482
Insurance technical expenditure from investments	10 945 387
INSURANCE TECHNICAL RESULT	26 772 269
C) NON-INSURANCE TECHNICAL SETTLEMENTS	15 313 225
ORDINARY BUSINESS PROFIT	80 281 130
PROFIT (LOSS) BEFORE INCOME TAX	80 281 131
PROFIT AFTER TAX	75 288 106

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Agrár Biztosító

Allianz (II)

BNP PARIBAS CARDIF

AEGON Hungary Composite Insurance Co. Ltd. by Shares

1091 Budapest, Üllői út 1. Postal address: 1368 Budapest,

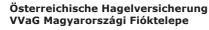
POBox 245

Telephone: (+36 1) 477-4800 Fax: (+36 1) 476-5710 Internet: http://www.aegon.hu E-mail: ugyfelszolgalat@aegon.hu

Ownership structure:

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

AGRÁR BIZTOSÍTÓ



1088 Budapest, Baross u. 30, I.em.10. 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

Ownership structure:

Österrechische Hagelversicherung VVaG 100% Registered capital: HUF 3.000.000

ALLIANZ HUNGÁRIA

Allianz Hungária Biztosító Zrt.

1087 Budapest, Könyves Kálmán krt. 48-52. Postal address: 1368 Budapest, POBox 191

Telephone: (+36 40) 421-421 Fax: (+36 1) 301-6100

Internet: http://www.allianz.hu E-mail: ugyfelszolgalat@allianz.hu

Ownership structure:

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

CARDIF

CARDIF Insurance Hungary Private Company Limited by Shares

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:

BNP Paribas Cardif 100%

Registered capital: HUF 4.867.000.000

CARDIF

CARDIF Life Insurance Hungary Private Company Limited by Shares

BNP PARIBAS

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:

BNP Paribas Cardif 100%

Registered capital: HUF 1.425.000.000

Colonnade Insurance

Colonnade Insurance S.A. Branch Office in Hungary



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

Ownership structure:

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

D.A.S.



D.A.S. Legal Expenses Insurance Closed Company Ltd.

Address: 1082 Budapest, Futó u. 47-53. VI.

em., Hungary Postal Address: 1428 Budapest, Postafiók: 9.,

Hungary

Phone: +36-1-486-3600 Fax:+36-1-486-3601

Internet: www.das.hu Email: info@das.hu

Ownership structure:

ERGO Versicherung Aktiengesellschaft 100%

Capital: 322.560.000,- HUF

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.



European Travel Insurance Co. Ltd

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

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

E-mail: info@eub.hu

Ownership structure:

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

GENERALI



Generali Insurance Private Company Limited by Shares.

1066 Budapest, Teréz krt. 42-44. Postal address: 7602 Pécs, B.O.Box 888 Telephone: (+36 1) 301-7100

Fax: (+36 1) 452-3505

Internet: http://www.generali.hu E-mail: generali@generali.hu

Ownership structure:

Generali PPF Holding 100%

Registered capital: HUF 4,500,000,000

GENERTEL



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Genertel Insurance Ltd

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

Ownership structure:

Generali Biztosító Zrt. 100%

Registered capital: HUF 1,180,000,000

GRAWE



GRAWE Életbiztosító Zrt.

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

Ownership structure:

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

GROUPAMA



Groupama Insurance Private Company Limited by Shares

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

Ownership structure:

Groupama SA 100 %

Registered capital: HUF 9,376,000.000

K&H

K&H 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



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

Central European Mutual

Ownership structure:

Association/member/ ownership Registered capital: HUF 4,115,602,178 Ft

MAGYAR POSTA

HUNGARIAN POST Insurance Co. Ltd

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:

Ownership structure:

Talanx International AG 66.925%

Registered capital: HUF 1,990,964,000

Magyar Posta Zrt. 33.075%

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

MAGYAR POSTA

Biztosító

HUNGARIAN POST Life Insurance Co. Ltd

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

MAGYAR ÜGYVÉDEK



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 Försakrings AB (publ) **Branch Office in Hungary**

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

Ownership structure:

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

METLIFE

MetLife Europe d.a.c. Hungarian Branch

MetLife

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

Ownership structure:

MetLife Europe d.a.c. 100%

Registered capital: HUF 10.686.906.495

NN

NN Biztosító Zrt.

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

Ownership structure:

ING Continental Europe Holdings B.V. 100%

Registered capital: HUF 5,435,000,000

PORSCHE

Versicherungs AG



SIGNAL BIZTOSÍTÓ

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Hungarian Branch Office 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

Ownership structure:

Branch Office, Porsche Versicherungs AG, Salzburg 100%

Initial capital: HUF 1,000,000 (there is no registered capital)

SIGNAL IDUNA

SIGNAL IDUNA Insurance Co.

1123 Budapest, Alkotás u. 50. Postal address: 1519 Budapest,

P.O.Box 280

Telephone: (+36 1) 458-4200

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

Ownership structure:

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

UNION



UNION Vienna Insurance Group Biztosító Zrt.

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

Telephone: (+36 1) 486-4200 Fax: (+36 1) 486-4390

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

Ownership structure:

Vienna Insurance Group AG Wiener Versicherung Gruppe (Austria) 98,64%

ERSTE Bank Hungary (Magyarország) 1,36% Registered capital: HUF 5.000.000.000

UNIQA



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

Ownership structure:

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

WÁBERER



Wáberer Hungária Biztosító Zártkörűen Működő Részvénytársaság.

1211 Budapest, Szállító u. 4. 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

Ownership structure:

Waberer's International Zártkörűen Működő Részvénytársaság 100%

Registered capital: HUF 1,180,042,500

Supporting member

EUROP ASSISTANCE



EUROP ASSISTANCE Magyarország

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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