

TURNING ADVERSE MOTOR INSURANCE BUSINESS RESULTS, POSITIVE. A CHALLENGE FOR THE FUTURE OR..... A WISHFUL THINKING?

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CONTENTS	<u>PAGE</u>
INTRODUCTION	3
MARKET OVERVIEW	4
LEGAL FRAMEWORK	5
CYPRUS MOTOR INSURANCE BUSINESS PERFORMANCE	6
REASONS FOR THE NEGATIVE UNDERWRITING RESULTS	8
PRICING EFFICIENCY	9
CLAIMS	11
ACQUISITION COSTS	13
ADMINISTRATION COSTS	14
INVESTMENT INCOME	15
SUPERVISION OF INSURANCE COMPANIES	16
CONCLUSION	17
REFERENCES/BIBLIOGRAPHY	19
APPENDIX "A"	20

TURNING ADVERSE MOTOR INSURANCE BUSINESS RESULTS, POSITIVE A CHALLENGE FOR THE FUTURE OR ... A WISHFUL THINKING?

Introduction

This study considers the issue of the adverse results motor insurers are facing continuously and in pursuing this subject I have discussed the problem of the low profitability margins of motor insurance with officers of the Insurance Association of Cyprus, the office of the Superintendent of Insurance, Members of the Motor Committee of the Insurance Association of Cyprus and other professionals in Cyprus. I have also sought the assistance and experience of major reinsurers who are involved in the Cyprus Market such as Swiss Re and Munich Re.

Motor insurance in Cyprus is very competitive and has undergone such major changes during the last few years, which have affected and will continue to affect, the way business is transacted. In particular, new forms of distribution channels have been introduced and implemented such as direct selling, call centres and selling through the Internet, whilst major changes have also been made through mergers and acquisitions. The most recent development is the introduction of the new Motor legislation, which is fully harmonised with the Directives of the European Union.

In considering the various issues relating to this paper an overview of the market, the legal framework and the most recent statistical information is provided, followed by an analysis of the various factors affecting technical results and a conclusion suggesting possible courses of action.

Market overview¹

The motor insurance industry in Cyprus is characterised by a large number of firms. Out of 37 companies, there are 26 companies transacting motor business which also participate in the Hire Risks Pool (Appendix A)

Nineteen Companies are local holding 86.60% of the market, whilst the remaining 13.40% is shared between seven non-local ones including Lloyd's Syndicates.

The top five companies hold 51.48% of the motor premium whilst companies which range between the sixth and tenth position hold shares in the range of 5.7% and 3.5% with an aggregate of 22.32%. The remaining 26.20% is shared between sixteen companies.

The late 1990's saw a wave of consolidation in the industry with mergers and acquisitions taking place increasing the market concentration in the hands of the top five companies from 36% to 52% in 2000. The most important acquisitions which took place during the period 1996-1999 were effected by Laiki Insurance Ltd, a subsidiary company of the Cyprus Popular Bank and Hellenic Bank. These Banks rank second and third respectively, in the Banking Sector, the first being the Bank of Cyprus.

It is apparent from the above figures that banks have made their presence felt in the insurance market and now control 46% of the non-life business and 41% of motor business. This development should be considered carefully as it changes the environment in which insurance companies are operating. Insurance companies which are related to banks have the advantage of utilising a large captive clientele base to which they can provide a wide range spectrum of financial services as a package, making the life of insurance companies not related to banks, insurance agencies and brokers difficult.

The above development together with the introduction of a new channel of delivery such as direct selling has intensified competition, leading insurance companies to premium reductions. At this stage only three insurance companies have ventured into the direct telesales and these are Gan direct, Winvest and the general insurance of Cyprus, a subsidiary of the Bank of Cyprus. However the underlying philosophy of these three companies differs as Gan Direct and Winvest advertise low rates in an effort to obtain market shares whereas GIC maintains relatively higher rates by offering more comprehensive covers, thus increasing the profit margin, taking advantage of the financial strength and backing of its parent Company.

Another important factor which one must bear in mind is that motor insurance business in Cyprus is mainly sold by independent intermediaries and agents who are remunerated by way of commissions making it difficult for insurance companies which rely a lot on agents to compete against companies which resort to direct selling.

¹ SOURCE-INSURANCE ASSOCIATION IN CYPRUS

Legal framework

As a result of the actions taken to harmonise the Cyprus legislation with the Directives of the European Union, a new law, the MOTOR VEHICLES (THIRD PARTY INSURANCE) LAW 2000, (LAW 96(i) 2000) has been implemented with effect from July 2000.

The MOTOR VEHICLES (THIRD PARTY INSURANCE) LAW 2000 introduced new provisions, which increase Motor Insurers' exposure and these are:

- a. The geographical area of the policy is extended to cover liability in any country which has signed the "Multilateral Guarantee Agreement"
- b. The policy must provide cover in respect of liability to passengers, which may arise during the course of their employment unless there is in force an Employer's Liability policy covering this liability.
- c. The insurer is obliged to provide indemnity to third parties, even if the insured vehicle is driven by an unauthorised driver. Although the insurer has in theory recovery rights against the unauthorised driver his exposure may be increased since the majority of the unauthorised drivers may not have the financial strength to meet their liabilities.
- d. The minimum limits of indemnity for each claim have been revised as follows:
 1. In respect of death or bodily injury CYP 2,000,000 from unlimited
 2. In respect of damage to property CYP 60,000 from CYP 50,000 in total

The above amounts relate to accidents which occur in Cyprus. If a liability arises in a country member of the "Multilateral Guarantee Agreement" the limits of indemnity are the highest between those provided by Cyprus law or the law of the member country.

The abolition of motor tariffs with effect from July 2001, has favoured insurers who are now free to charge premium rates according to the risk underwritten subject always to the competitive market environment conditions.

Cyprus motor insurance business performance

Motor insurance in Cyprus is the largest class of business underwritten under the General Insurance Branches with a premium volume of CYP 48,351,734 in 2000. This is mainly due to its compulsory by law nature.

A. Premium by Class 2000 (in Cyprus Pounds, Cy.P.)

	ACCIDENT	FIRE	MOTOR	E.L	M.A.T.	MISC.	TOTAL
	Cy.P.	Cy.P.	Cy.P.	Cy.P.	Cy.P.	Cy.P.	Cy.P.
GROSS WRITTEN	16,206,693	18,469,524	48,351,734	4,729,023	3,583,361	6,655,817	97,996,152
% OF TOTAL	16.54	18.85	49.34	4.83	3.66	6.79	100.00
NET EARNED	11,765,276	8,580,868	44,066,524	4,009,699	1,931,689	2,825,315	73,179,371
% OF TOTAL	16.08	11.73	60.22	5.48	2.64	3.86	100.00

E.L. – EMPLOYERS LIABILITY

M.A.T. – MARINE, AVIATION, TRANSPORT

During the period 1997-2000 motor premiums recorded a marginal increase of 6.5% which relates to volume increase arising from new business produced and a shift of business to comprehensive covers, as premium rates were fixed compulsorily by law by way of tariffs and have not changed since 1996.

During the same period claims incurred increased by 14.5%. It must be noted however that the net loss ratio, being net claims incurred divided by net earned premium during the last three years 1998-2000 has been stable at 71%. Gross claims however are much higher leading to increased cost of claims to reinsurers and consequently increased cost of reinsurance.

B. Claims by class in 2000 (in Cyprus Pounds, Cy.P.)

	ACCIDENT	FIRE	MOTOR	E.L	M.A.T.	MISC.	TOTAL
	Cy.P	Cy.P	Cy.P	Cy.P	Cy.P	Cy.P	Cy.P
NET INCURRED	7,177,737	2,948,305	31,870,030	1,790,393	492,321	1,724,569	46,003,355
% OF TOTAL	15.60	6.41	69.28	3.89	1.07	3.75	100.00

In order to measure the performance of this class of business and draw the right conclusions, we must consider the expenses and commissions paid as well since the performance of insurance companies is measured by examining their underwriting results being net earned premiums less claims incurred, less expenses and commissions paid.

If we divide this result by net earned premium, we can express it as a percentage and show a clear picture of the profit or loss resulting from this class of business

According to the statistical information provided by the Insurance Association of Cyprus the underwriting results of motor insurance in Cyprus for the year 2000 were as below:

Net claims incurred	72%
Commissions paid	24%
Expenses	16%

Total	112%
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In insurance business, in addition to the underwriting results which have been explained above, insurers have an income from investments. According to the Cyprus Insurance legislation, insurance companies have to invest under Trust 70% of the annual premium written in approved investments providing thus an additional income.

The underwriting profit plus the investment profit divided by the net earned premium gives us the profit margin. In 1996 and 1997 the profit margin was 1.6% and 3.6% respectively whilst in 1998 it was negative at 4.4%

Investment income in 1999 however, had given a breathing space to insurance companies in view of the extraordinary good performance of the Cyprus stock market. However following the "burst of the bubble" in 2000, investment performance was negative indicating that reliance on investment income as a subsidy for poor technical results is not a solution.

There is no doubt that motor insurance is the most important class of business since it represents 50% of the gross volume of premiums written. It is also clear that motor insurance has low profitability margins. But what are the reasons behind the negative underwriting results? What follows, is the result of my study which aims at identifying the reasons behind the negative results and suggest solutions to improve them.

Reasons for the negative underwriting results

In an effort to identify the reasons behind the negative underwriting results I have discussed this issue with claims officers and managers of my company, other insurance managers in the market, members of the Board of Directors of the Insurance Association of which I am a member, the Superintendent of insurance and reinsurers.

Based on the above survey the following have been identified as the main causes:

1. Increased cost of claims being the result of:
 - a. Increased cost of medical expenses
 - b. Increased cost of legal expenses
 - c. Increased cost of labour
 - d. Increased cost of spare parts
 - e. Increased court awards
 - f. Increased number of fraudulent claims
 - g. Increase in VAT
2. The second most important expense is the high commission rates paid to the agents who introduce the business to insurance companies, which is at least 20%.
3. Although the level of the cost of claims is continuously increasing, premium levels in respect of Motor Third Party Liability (MTPL) cover remained unchanged since September 1996 as these were based on the tariffs set by law.
It is important to note that although the tariffs were abolished on 27th July 2001, only three companies have expressed intention to increase premiums.

Having identified the reasons behind the negative results I shall proceed by analysing the various factors which affect profitability and suggest possible measures which can be taken to improve motor insurance results.

Pricing efficiency

The premium charged to the insured must represent the risk introduced to the insurance company and allow an acceptable level of profit margin.²

In deriving the risk premium we must first calculate the pure burning cost premium, which covers the cost of claims before we add a loading for the acquisition cost, the cost of administration and a profit margin.

The main components of the premium are indicated below:

- a. Cost of claims
- b. Acquisition cost
- c. Administration cost
- d. Investment income
- e. Profit margin

As it has already been mentioned above, the premium charged to the insured must represent the risk introduced to the insurance company. However, in a competitive market such as motor insurance, the actions of competitors play an important role as well.

In the Cyprus market and up until the 27th July 2001 Motor Third Party Liability (MTPL) premiums were set by tariffs and formed part of the regulations of the motor legislation. The rates set by the tariff were the maximum that could be charged by insurance companies and were considered low for most types of vehicles, especially private saloon cars. In particular the loss ratio of private saloon vehicles, which represented 58% of total vehicles licensed in 2000, was above 90% making them the most unprofitable type of vehicles.

Although motor tariffs have been abolished since 27th of July 2001, no action has been taken as at to date to change the premium charged to the insured.

The main reason for the delay or concern in increasing the motor premiums is the possible reaction companies fear they will face from competition and insureds alike. In addition, the absence of statistical information and qualified personnel which would guide the market in calculating the correct premium to be charged, made companies more apprehensive.

The lack of statistical information in how to set rates is not unusual in markets in which rates are regulated by the State.³ The Board of Directors of the Insurance Association of Cyprus in an effort to find a solution to this problem, has decided to undertake a study by employing an actuarial company which would comment on the appropriate level of premium of MTPL and claim reserving methods. Care however must be taken so that this effort is not interpreted as being a form of cartel which is clearly in breach of the European Directives.

Having discussed the above matter with other professionals in the market and the management of the top five insurance companies in Cyprus, it was concluded that following the general actuarial study a more specific study should be initiated by each company to take a step further in creating its own rating structure in a professional manner which would be based on each company's experience so as to improve its profitability.

Despite the above there are companies, such as Gan Direct and Winvest, which advertise premiums 30% lower than the tariff for private saloon vehicles. The reasons for doing that are:

² SUCCESS IN INSURANCE – S.R. DIACON, R.L CARTER

³ TILLINGHAST TOWERS PERRIN – PROPOSAL TO THE INSURANCE ASSOCIATION OF CYPRUS

- a. An effort to obtain market share
- b. Direct selling over the telephone with no intermediaries leading to reduced acquisition cost.

The premium level charged by insurance companies is closely related to their objectives, which can be amongst others, the following:

- 1. Maintenance of existing business
- 2. Attraction of new business
- 3. Improvement of profitability

Having in mind the above, the following policies can be followed:

- a. Reduction of premium levels.
In such a case their losses will increase since this class of business has a tendency of being a loss making one. However, in doing so companies hope that they will not lose business and prospective newcomers will fail to obtain a market share which will keep them operating as a going concern.
- b. Insurance companies can alternatively reduce premiums written directly. Although through this policy the loss is not increased at the same level compared to the first alternative, it creates other problems to insurers as it affects their relationship with their agents to whom they rely for production of business. Exception are the companies related to banks such as the General insurance of Cyprus which has the advantage over other companies in obtaining its business mainly through the bank. Its new operation of teleselling, called 'Telefthia' is aiming to increase direct business so that reliance on agents is further reduced. Moreover, they are aiming at directing clients to buy more comprehensive covers rather than simple MTPL, which is unprofitable to insurers. Selling over the telephone however, may increase the risk of fraud, as there is no direct contact with the proposer in the sense that his background is unknown as opposed to the information supplied by the agents who know very well their clients. The benefits on the other hand, are considered to be more important and it is estimated that at least the other two bank subsidiary insurance companies will follow in due course.
- c. A third option is not to follow competition but charge premiums, which reflect the risk, introduced to the companies. This action ensures that risks covered are profitable but there is a great risk of losing business to competition which may affect the profitability of the company by not having enough volume of business to cover its expenses.

Whatever action is taken one must consider all alternatives and must have in mind that although premium levels can easily be decreased it is very difficult to increase them without loss of business or with market consensus.⁴

⁴ TRENDS AND OPPORTUNITIES IN EUROPEAN MOTOR INSURANCE

Claims

The cost of claims is the main outflow of cash from insurance companies and as such it is one of the main components of premium rating. Adding the projected cost of claims to the premium is one way of taking into consideration the effect of claims on the premium structure. However as we have seen above it is not always possible to do so in a competitive market.

It is therefore imperative to find ways of reducing the cost of claims and for this to be successful we have to identify the causes behind them.

Motor claims relate to bodily injuries, deaths and property damages. As such, the components of the costs are as follows:

- a. Cost of labour
- b. Cost of vehicles and spare parts
- c. Level of value added tax (VAT)
- d. Medical costs
- e. Court awards
- f. Fraudulent claims
- g. Administration cost in handling claims

Following the identification of the main factors affecting the cost of claims and in order to minimise them, we can group these factors into different categories such as:

a. Those which can be controlled and improved internally

The administration cost of handling claims is the most obvious factor, which can be controlled and improved internally by the insurance company.

Administration costs relate to procedures set in:

- a. Collecting the information in respect of an accident
- b. Processing the information
- c. Investigating the claim
- d. Evaluating the damages
- e. Handling the payments of claims

Insurance companies can save costs by simplifying these procedures through internal reorganisation investing in information technology or even through mergers which lead to economies of scale.

Claim costs can also be reduced through actions taken by companies internally and which relate to the training of employees in enabling them to investigate claims more efficiently, identify cases of fraudulent claims, recognise cases where costs charged to the company are above normal and reduce claims handling time.

Another way of reducing claim costs is to outsource the handling and investigation of claims to specialised professional companies. Although this may be successful in cost reduction it may lead to loss of internal expertise and the loss of personal contact with the insured, which is very important in the retention of insurance business.⁵

⁵ TRENDS AND OPPORTUNITIES IN EUROPEAN MOTOR INSURANCE

The trend during the last two years is the increase in the high court awards towards injured persons and relatives of deceased persons following accidents. Having this in mind insurance companies are trying to settle claims out of court to avoid protracted and costly legal actions. In order to succeed in this, insurance companies need qualified and well trained personnel who can evaluate the cost of claims, whether this is injuries or loss of life and agree with the claimants to a just settlement without recourse to courts.

b. Those which can be influenced by the market

The market in general, can also assist in the reduction of the cost of claims by concerted actions taken aiming at the reduction of fraudulent claims. Such action can take the form of a centralised register in which all claims in excess of a certain amount are input and to which all members can have access to. In addition a separate register of fraudulent or suspicious claims can be created. The Insurance Association of Cyprus has already initiated discussions towards the above actions, but these are still at a preliminary level.

The market can also get in touch with other bodies or authorities which can assist, such as the police force and seek assistance in combating fraudulent claims or improve the safety on the roads. This can take the form of increased police patrols on the roads especially on highways, the imposition of higher penalties for traffic offences, more frequent checks on the use of safety belts whilst driving and compliance with speed limits. Also breath analyser tests help in the reduction of driving under the influence of alcohol.

In addition to the above, the market may coordinate with the Ministry of Communication and Works to improve and maintain the condition of the roads regularly as well as the condition of the motor vehicles circulating. Recent legislation has made the use of safety belts compulsory for both the front and rear passengers of motor vehicles and the use of mobile phones prohibited whilst driving. The most recent development is the requirement for all vehicles over four years old to be inspected every two years.

c. Those which can be influenced by the economy

There are a number of factors which cannot be controlled by insurance companies or the market as they depend on the economy as a whole. Such factors relate to the level of inflation, indirect taxation, such as VAT and the economic situation in general. For example in conditions of economic recession fraudulent claims tend to increase.

Acquisition costs

The cost of acquiring business depends very much on the way business is sourced to the companies. Most of the motor insurance business is introduced to insurance companies through agents and/or brokers who are remunerated by way of commissions of at least 20%, which is considered high.

It has already been mentioned, when considering the market structure, that new methods of selling have been introduced in the market such as direct selling, teleselling and Internet selling, which lead to increased direct sourcing of business and consequently reduced acquisition costs. These are new phenomena and they are gaining ground amongst insurance players.

The effect of the involvement of banks in insurance through Bancassurance cannot be overlooked, as it is obvious that banks tend to dominate the insurance market. I believe that insurance agents, if they are to survive, must be prepared to receive reduced commission levels and accept alternative additional benefits such as profit commissions which will relate to the profitability of their business introduced to insurance companies.

Experience in other countries shows that selling through telephone is successful. In the United Kingdom it represents 30% of motor business and it is estimated that this will reach 50%.⁶ Internet selling however is not very successful except in Sweden. Despite this negative aspect Internet selling should not be disregarded as it creates other advantages to insurance companies. An insurance company considering the Internet as a channel of sale has to review its existing procedures and develop a more efficient system. In this way the biggest benefit will come from an internal reorganisation, which will lead to reduced administration costs.

⁶ THE UK MOTOR INSURANCE MARKET – ASSOCIATION OF BRITISH INSURERS

Administration costs

Reduction of administration costs in underwriting and policy issuing departments in addition to those of claims must be achieved as well. This can be done by simplifying procedures, investing in information technology and training personnel. The benefits of direct selling have already been considered. Cost reduction can be achieved by way of simplified procedures leading to reduced working time and paper work.

Call centres are an example of direct selling which leads to cost reduction as all information is gathered by phone and logs in the computer directly thus avoiding the need:

- a. To keep physical files
- b. Of checking whether the proposal forms have been correctly completed
- c. To communicate with the proposer and/or the agent if information is incomplete
- d. To check the manual calculation of premium done by the agent to ensure its accuracy

Direct selling through the Internet has an additional advantage in that the proposal form is completed directly by the proposer thus reducing further the need for clerical staff and consequently to reduced payroll. One of the most important benefits from direct selling is derived from the immediate collection of premium, by way of direct debit or cash payments, which lead to improved cash flow of insurance companies.

Investment income

The importance of cash availability for investment as a source of additional income is obvious. Availability of cash is the most important factor for the viability of an insurance company in addition to the reduction of claims costs. Insurance companies in Cyprus allow long credit periods in order to retain business or attract new business and measures must be taken to reduce credit periods given to insureds and their agents. In this respect insurance companies can benefit through direct selling and Bancassurance by way of immediate premium collection.

Supervision of Insurance companies

The environment in which insurance companies operate is very competitive and care must be taken to ensure that insurance companies run their business prudently so as to avoid financial difficulties.

It is for this reason that the office of the Superintendent of Insurance exists, to supervise and control the operation of insurance companies and ensure that they are solvent, thus protecting the interests of the insureds. Following the application of Cyprus to become a member of the European Union a new Bill for insurance companies has been drafted and it is expected to become effective in 2002. The new legislation harmonises Cyprus legislation with that of the European Union Directives.

Great importance is given to the powers vested to the Superintendent of Insurance to exercise his duties successfully not only in the calculation of solvency margins and technical reserves, but also to seeing that insurance companies maintain high standards of professionalism.

The insurance companies however have expressed their concern as to the capability of the office of the Superintendent of Insurance to supervise insurance companies as it is not properly staffed. The office has currently only twelve persons including the Superintendent, his assistant and four qualified accountants. It is believed that unless action is taken to increase the number of qualified personnel the Superintendent will not be able to exercise his duties successfully. During a recent discussion, the Superintendent indicated that he is sharing the views of the insurance companies and that he has already requested the upgrading of his office by employing insurance qualified personnel.

Conclusion

The study aimed at finding the reasons behind the adverse results the motor insurance business is consistently recording and explores ways of turning these round so that insurance companies will stand on solid ground in the future.

Motor insurance in Cyprus with a gross premium volume of over CYP 48,000,000 is the largest class of non-life business mainly because of its compulsory by law nature but the only one, which continuously records negative results.

The main causes of the negative results have been identified as follows:

1. The low premium rates charged
2. The increased cost of claims
3. The high acquisition costs by way of commissions paid to agents
4. The high administration costs
5. The inadequate investment income

Having identified the main causes of the adverse Motor results, possible solutions are suggested to improve profitability and these are summarised below:

1. Increase premium rates – As from the 27th of July 2001 Motor tariffs have been abolished thus allowing insurance companies to charge premium rates commensurate to the risks covered. However by the end of October, no increases in rates have been put into effect, mainly because of the fear of competitors' and clients' reaction.
In an effort to assist insurance companies, the Board of Directors of the Insurance Association of Cyprus has sought the assistance of actuaries to provide advices on the statistical information to be collected and analysed by each insurance company and on methods of claims reserving and premium rating.
2. Reduce claim costs – Claim costs can be reduced by way of training insurance companies employees to handle claims more efficiently and be able to identify cases of overcharging, or of fraudulent claims.
3. Reduce acquisition costs – Selling insurance through alternative channels such as directly over the telephone, through the Internet or Bancassurance is expected to lead to reduced acquisition costs. Insurance companies must be careful however, not to disturb their relationship with their agents as direct methods of selling create competition between insurance companies and agents.
4. Reduce administration costs – Investing in new technology or implementing more simplified procedures can lead to reduction of administration costs.
5. Improve cash flow – Improving premium collection either through direct selling or by exercising bigger pressure on agents will improve cash flow of insurance companies, the availability of funds to be invested and consequently the ability to pay claims without resorting to borrowing.

In general, there was consensus by those interviewed, that the adverse Motor results is a reality for them and believed that although there are in theory solutions to the problem it will take some time for them to bring positive results. Their views on the impact of the new legislation and the phenomena of direct selling were quite positive in that they may draw insurance companies out from their negative results, but still they see that the attitude of the people running the industry will determine the future.

If there is a positive move towards imposing higher premiums which are commensurate to the risk and have a stricter control on claims handling then things may turn round. They see this as a

concerted action and not as an action taken by one or two companies alone since the client is very much price conscious and a shift to a “cheaper” insurance company with long credit periods in paying premiums is not difficult.

I am of the opinion that not all is lost although the outlook in the coming two to three years is moderately bad. With the impending joining of Cyprus in the European Union in 2004 the outlook should look a lot brighter and devising a strategy to meet the challenges of a changing market is the biggest challenge facing the industry.

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9. Chairman motor committee – insurance association of Cyprus
10. Swiss re, Munich re and Ge Frankona representatives responsible for Cyprus markets

Appendix A

2000							
COMPANY NAME	NON LIFE			MOTOR		RANK	COMPANY NAME
	RANK	PREMIUM CYP	%	PREMIUM CYP	%		
LAIKI INS. CO. LTD.	1	19.409.903	18,22	11.275.965	21,73	1	LAIKI INS. CO. LTD.
GENERAL INS. OF CYPRUS LTD.	2	11.598.556	10,89	5.500.446	10,60	2	MINERVA INS. CO. LTD.
MINERVA INS. CO. LTD.	3	7.059.005	6,63	3.871.975	7,46	3	PANCYPRIAN INS. LTD.
LLOYD'S UNDERWRITERS	4	6.459.570	6,06	3.084.962	5,95	4	GENERAL INS. OF CYPRUS LTD.
PANCYPRIAN INS. LTD.	5	6.449.898	6,06	2.983.495	5,75	5	ATLANTIC INS. CO. LTD.
AMERICAN HOME ASS. CO.	6	5.162.045	4,85	2.955.011	5,70	6	COMMERCIAL UNION ASS. (CYPRUS) LTD.
ATLANTIC INS. CO. LTD.	7	4.717.526	4,43	2.455.153	4,73	7	AMERICAN HOME ASS. CO.
COMMERCIAL UNION ASS. (CYPRUS) LTD.	8	4.231.883	3,97	2.194.603	4,23	8	CROWN INS. CO LTD.
CROWN INS. CO LTD.	9	3.811.995	3,58	2.180.394	4,20	9	COSMOS INS. CO. LTD.
LAIKI CYPRIALIFE LTD.	10	3.182.283	2,99	1.801.585	3,47	10	MARKETRENDS INS. LTD.
EUROSURE INS. CO. LTD.	11	2.748.247	2,58	1.555.219	3,00	11	AEGIS INS. CO. LTD.
UNIVERSAL LIFE INS. CO. LTD.	12	2.731.447	2,56	1.372.714	2,65	12	LLOYD'S UNDERWRITERS
COSMOS INS. CO. LTD.	13	2.374.306	2,23	1.345.271	2,59	13	KENTRIKI INS. CO. LTD.
ALLIANZ GEN. INS. CO. S.A.	14	2.299.568	2,16	1.120.629	2,16	14	ECCLESIASTICAL INS. OFFICE PLC.
ALPHA INS LTD.	15	2.147.895	2,02	1.116.895	2,15	15	EUROSURE INS. CO. LTD.
MARKETRENDS INS. LTD.	16	2.137.137	2,01	1.091.958	2,10	16	INTERLIFE INS. CO. LTD.
KENTRIKI INS. CO. LTD.	17	2.089.665	1,96	1.086.804	2,09	17	LEDRA INS. LTD.
ECCLESIASTICAL INS. OFFICE PLC.	18	1.881.403	1,77	1.020.720	1,97	18	THE ETHNIKI, HELLENIC GEN. INS. CO.
INTERLIFE INS. CO. LTD.	19	1.823.631	1,71	969.576	1,87	19	ALPHA INS LTD.
THE ETHNIKI, HELLENIC GEN. INS. CO.	20	1.794.113	1,68	929.442	1,79	20	PROGRESSIVE INS. CO. LTD.
AEGIS INS. CO. LTD.	21	1.779.583	1,67	722.710	1,39	21	ROYAL EXCHANGE ASS. CO.
AMERICAN LIFE INS. CO.	22	1.528.425	1,43	560.276	1,08	22	AKRITAS INS. COMPANY LTD.
LEDRA INS. LTD.	23	1.498.467	1,41	368.948	0,71	23	AXA INS PLC.
BUPA LTD.	24	1.462.912	1,37	182.961	0,35	24	ALLIANZ GEN. INS. CO. S.A.
PROGRESSIVE INS. CO. LTD.	25	1.434.007	1,35	117.092	0,23	25	LIBERTY GENERAL INS. LTD.
ROYAL EXCHANGE ASS. CO.	26	1.184.574	1,11	21.061	0,04	26	HERMES INS. CO. LTD.
LIBERTY LIFE INS. LTD.	27	888.170	0,83		0,00	27	WINVEST DIRECT INS. LTD.
EUROLIFE LTD.	28	791.389	0,74		0,00	28	LAIKI CYPRIALIFE LTD.
AKRITAS INS. COMPANY LTD.	28	789.339	0,74		0,00	29	UNIVERSAL LIFE INS. CO. LTD.
AXA INS PLC.	30	471.572	0,44		0,00	30	AMERICAN LIFE INS. CO.
ALLIANZ LIFE INS. CO. S.A.	31	254.211	0,24		0,00	31	BUPA LTD.
LIBERTY GENERAL INS. LTD.	32	144.002	0,14		0,00	32	LIBERTY LIFE INS. LTD.
ASPIS-PRONIAINS. CO. LTD.	33	92.131	0,09		0,00	33	EUROLIFE LTD.
HERMES INS. CO. LTD.	34	51.161	0,05		0,00	34	ALLIANZ LIFE INS. CO. S.A.
LANITIS FARM (INS.) LTD.	35	21.662	0,02		0,00	35	ASPIS-PRONIAINS. CO. LTD.
WINVEST DIRECT INS. LTD.	36	7.136	0,01		0,00	36	LANITIS FARM (INS.) LTD.
LANITIS ESTATES LTD.	37	3.382	0,00		0,00	37	LANITIS ESTATES LTD.
TOTAL		106.512.199	100,00	51.885.865	100,00		TOTAL

BANK RELATED COMPANY

49.426.283

46,40

21.492.963

41,42

BANK RELATED COMPANY