

BELARUS

Insurance Market Overview

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(I) Socio-Economic Information

Official Name: The Republic of Belarus

Surface Area: 207,595 km²

Location: Eastern Europe. The country is bounded by Poland, Lithuania, Latvia, Russia, and Ukraine.

Capital: Minsk

Population: 9.5 mn (2021)

Currency: Ruble (Code: BYN since 2016)

Climate: Cold Winters, Cool and Moist Summers; Transitional between continental and maritime.

Religion: 55.4% Christianity | 7.1% Other Christian | 41.1% No religion | 2.4% Other | 1.1% Unspecified

Languages: Belarus has two official languages: Belarusian and Russian. Belarusian is closely linked to Russian and has largely died out as a spoken language except in some rural areas.

Nonetheless since Belarus became independent efforts have been made to encourage the use of Belarusian and some official documents have been issued in that language.

The majority of all communication in Belarus, however, is in Russian, which is the normal day-to-day language of all the educated classes, particularly in the towns.

English is not spoken widely amongst insurance professionals in Belarus although most organisations have some English speakers.

BELARUS ECONOMY DATA

	2015	2016	2017	2018	2019
Population (million)	9.5	9.5	9.5	9.5	9.5
GDP per capita (USD)	6,183	4,948	5,738	6,490	6,813
GDP per capita (EUR)	5,552	4,455	5,022	5,554	5,992
GDP (USD bn)	58.6	47.0	54.5	61.6	64.6
GDP (EUR bn)	52.6	42.3	47.7	52.7	56.8
Economic Growth (GDP, annual variation in %)	-3.8	-2.5	2.5	3.1	1.2
Consumption (annual variation in %)	-2.4	-3.2	4.8	8.0	4.7
Investment (annual variation in %)	-15.5	-14.5	5.5	4.4	5.6
Industrial Production (annual variation in %)	-6.6	-0.4	6.1	5.7	1.0
Unemployment Rate	5.9	5.8	5.6	4.8	4.0
Fiscal Balance (% of GDP)	1.4	1.5	3.0	4.0	2.6
Public Debt (% of GDP)	46.9	47.2	47.2	45.4	44.8
Money (annual variation of M2 in %)	-0.4	19.4	30.2	20.1	27.4
Inflation Rate (CPI, annual variation in %, eop)	12.0	10.6	4.6	5.6	4.7
Inflation Rate (CPI, annual variation in %)	13.5	11.8	6.0	4.9	5.6
Policy Interest Rate (%)	25.00	18.00	11.00	10.00	9.00
Exchange Rate (vs USD)	1.86	1.96	1.97	2.17	2.11
Exchange Rate (vs USD, aop)	1.60	1.99	1.93	2.04	2.09
Current Account (% of GDP)	-3.1	-3.4	-1.7	0.0	-1.8
Current Account Balance (USD bn)	-1.8	-1.6	-1.0	0.0	-1.2
Trade Balance (USD billion)	-2.1	-2.5	-3.0	-2.5	-4.1
Exports (USD billion)	26.2	23.1	28.7	33.4	32.3
Imports (USD billion)	28.3	25.6	31.7	35.9	36.4
Exports (annual variation in %)	-26.1	-11.7	24.2	16.5	-3.3
Imports (annual variation in %)	-25.6	-9.5	23.7	13.5	1.3
International Reserves (USD)	4.2	4.9	7.3	7.2	9.4
External Debt (% of GDP)	65.3	79.8	73.0	63.8	63.1

SOVEREIGN CREDIT RATINGS

	Rating	Outlook	Rating Date
Fitch	B	Negative	5/2021
Standard & Poor's	B	Negative	9/2020
Moody's	B3	Stable	2/2020

Sources: Moody's, Standard & Poor's, Fitch Ratings

COMPETITIVENESS

	World Ranking		
	2018	2019	2020
Ease of Doing Business Index *	37/190	49/190	N.A
Logistics Performance Index **	2.44	N.A	N.A
Corruption Perception Index ***	70/180	66/180	63/180

* World Bank

** World Bank (1=low to 5=high)

*** Transparency International





COUNTRY RISK



Regional Comparison Country Risk Tier



Belarus	CRT-5
Serbia	CRT-4
Poland	CRT-2
Russia	CRT-4
Romania	CRT-3
Ukraine	CRT-5



Natural Hazards

- Earthquake hazards** is classified as 'moderate', meaning that there is a 10% chance of potentially-damaging earthquake shaking Belarus in the next 50 years. The hazard level is highest in the southeast regions.
- River flood hazard** is classified as 'high', meaning that potentially damaging and life-threatening river floods are expected to occur at least once in Belarus in the next 10 years. The hazard level is highest in central to southern and western regions. Major flooding events during the 1990s affected large numbers of people and caused damage to infrastructure and agricultural areas. River flood hazard level may increase due to more frequent and intense precipitation days in winter and an increase in the number of extreme rainfall events⁹. Flooding is regarded as the greatest natural hazard in Belarus.
- Water scarcity hazard** is classified as 'moderate', meaning that there is up to a 20% chance droughts will occur in Belarus in the coming 10 years. The hazard level is highest in central to eastern, southern and western regions.
- Forest fire risks** are increased by high temperature and dry conditions. In 2006, 3,252 fires were recorded in Belarus, effecting an area of more than 2,500 hectares.

(II) INSURANCE MARKET

INSURANCE MARKET MAIN FEATURES:

- The Ministry of Finance (MoF) <http://www.minfin.gov.by> is the government body responsible for regulating and supervising the Belarusian insurance industry and oversees all insurance activities and undertakes registration and licensing activities.
- The Belarusian Association of Insurers (BAI) <http://belasin.by/default.aspx> was established in 2001 and funded by the companies out of their profits as opposed to a levy on written premium. The BAI is charged with promoting closer synergies between the association and the supervisor in developing the local market and with regulation issues having the right to receive at first instance all draft insurance legislation or presidential decrees for members' comments and input. The association is also the official body representing insurance brokers. Both insurers and brokers are aware of the potential conflict of interests in this but are bound by legislation.
- Workers' compensation, motor third-party liability, aviation liability and health insurance for foreigners are the key classes of compulsory insurance in Belarus.
- Companies are not permitted to transact both life and non-life insurance, and all are joint stock companies.
- There are two wholly state-owned non-life insurers: Beleximgarant, and Belgosstrakh which is the largest insurer in the market with more than 50% market share.
- There are no mutual insurers.
- The private sector non-life companies are small in size of income and have only a small combined market share.
- Foreign insurance companies are permitted to own locally domiciled insurers but they may not engage in compulsory insurance or insurance bought by the state/state-owned companies.
- Premium taxes are not imposed on insurance policies issued in the country.
- Plans for Belarus' first nuclear plant foresee construction of two nuclear reactors between 2016 and 2020, and probably two more reactors by 2025. A nuclear pool has been established and comprises the two wholly state-owned insurers and the four MSOIs plus Belarus Re as leader; private sector insurers are not allowed to join. Risks are offered to each member, which is then able to decide its participation on a case by case basis.
- Non-admitted insurance is not permitted. However, non-admitted reinsurance is permitted after rejection by Belarus Re.
- All outward reinsurance placed by the market must flow via the Belarusian National Reinsurance Organization (BNRO), known as Belarus Re.
- Insurance companies are permitted to reinsure voluntary classes of insurance with a foreign reinsurer registered with the Ministry of Finance, subject to financial rating requirements and other eligibility criteria.



MINISTRY OF FINANCE
OF THE REPUBLIC OF BELARUS



Reinsurance



- Insurance brokers are now allowed to place reinsurance contracts and the insurances of property relating to state-owned and semi state-owned organizations.

List of regulations governing insurance activities:

Codes of the Republic of Belarus:

Civil Code of the Republic of Belarus (Chapter 48)

Decrees and decrees of the President of the Republic of Belarus:

Decree of the President of the Republic of Belarus of September 7, 2020 No. 336

On insurance of crops, livestock and poultry in 2021

Decree of the President of the Republic of Belarus of May 11, 2019 No. 175

On Insurance

Decree of the President of the Republic of Belarus of July 18, 2016 No. 272

"On Amendments and Additions to Decrees of the President of the Republic of Belarus"

Decree of the President of the Republic of Belarus dated March 30, 2016 No. 115

"On insurance of crops, livestock and poultry in 2016"

Decree of the President of the Republic of Belarus of November 23, 2015 No. 470

"On Amendments to the Decree of the President of the Republic of Belarus"

Decree of the President of the Republic of Belarus of August 20, 2015 No. 364

"On Amendments and Additions to the Decree of the President of the Republic of Belarus"

Decree of the President of the Republic of Belarus of June 1, 2015 No. 221

"On Amendments and Additions to the Decree of the President of the Republic of Belarus"

Decree of the President of the Republic of Belarus of April 14, 2014 No. 165

"On Amendments and Additions to Decrees of the President of the Republic of Belarus on Insurance Activities"

Decree of the President of the Republic of Belarus dated September 1, 2010 No. 450

"On licensing certain types of activities"

Decree of the President of the Republic of Belarus of October 23, 2009 No. 519

"On Amendments and Additions to Certain Decrees of the President of the Republic of Belarus on Insurance Matters"

Decree of the President of the Republic of Belarus dated June 10, 2009 No. 302

"On funds for preventive (preventive) measures for certain types of insurance"

Decree of the President of the Republic of Belarus dated May 19, 2008 No. 280

"On the inclusion of insurance premiums for types of voluntary insurance, not related to life insurance, in the costs of production and sale of products, goods (works, services)"

Decree of the President of the Republic of Belarus of August 25, 2006 No. 534

"On Assistance in the Development of Export of Goods (Works, Services)"

Decree of the President of the Republic of Belarus of August 25, 2006 No. 531

"On the establishment of insurance rates, insurance premiums, liability limits for certain types of compulsory insurance"

Decree of the President of the Republic of Belarus dated August 25, 2006 No. 530

"On insurance activities"

Decree of the President of the Republic of Belarus of December 28, 2005 No. 637

"On the procedure for calculating part of the profit of state unitary enterprises, state associations that are commercial organizations, as well as income from republican and communal ownership of shares (stakes in statutory funds) of economic companies to the budget and on the formation of a state targeted budgetary fund for national development"

Decree of the President of the Republic of Belarus dated May 12, 2005 No. 219

"On insurance premiums under contracts of voluntary life insurance, additional pension and medical expenses included in the costs of production and sale of products, goods (works, services)"



Resolutions of the Council of Ministers of the Republic of Belarus:

Resolution of the Council of Ministers of the Republic of Belarus of August 29, 2019 No. 575

On Amendments to the Resolutions of the Council of Ministers of the Republic of Belarus on Insurance Matters"

Resolution of the Council of Ministers of the Republic of Belarus dated August 7, 2014 No. 763

"On approval of the Regulation on the procedure for special certification for compliance with qualification requirements for the head of the temporary administration for managing an insurance organization, and amending the Resolution of the Council of Ministers of the Republic of Belarus dated February 17 2012 No. 156 "

Resolution of the Council of Ministers of the Republic of Belarus dated June 30, 2014 No. 637

"On approval of the Regulation on the procedure for paying additional costs associated with damage to the health of the insured, for compulsory insurance against industrial accidents and occupational diseases, amendments and additions to some resolutions of the Council of Ministers Of the Republic of Belarus and recognition as invalid of some resolutions of the Council of Ministers of the Republic of Belarus and their individual provisions "

Resolution of the Council of Ministers of the Republic of Belarus dated June 24, 2014 No. 613

"On approval of the Regulations on the register of insurance agents of the Ministry of Finance and amendments to the Resolution of the Council of Ministers of the Republic of Belarus dated February 17, 2012 No. 156"

Resolution of the Council of Ministers of the Republic of Belarus of August 30, 2007 No. 1118

"On the procedure for paying 95 percent of the insurance premium under a compulsory insurance contract with state support for crops, livestock and poultry at the expense of the republican budget allocated for the development of agricultural production, fish farming and processing agricultural products "

Resolution of the Council of Ministers of the Republic of Belarus of June 20, 2007 No. 817

"On approval of the composition of the Supervisory Board over the activities of the Belarusian Bureau for Transport Insurance"

Resolution of the Council of Ministers of the Republic of Belarus dated December 29, 2006 No. 1750

"On approval of the Regulation on the procedure for making investments and placing insurance reserves by insurance organizations"

Resolution of the Council of Ministers of the Republic of Belarus of November 4, 2006 No. 1462

"On measures to implement the Decree of the President of the Republic of Belarus of August 25, 2006 No. 530"

Resolution of the Council of Ministers of the Republic of Belarus dated September 11, 2006 No. 1174

"On the establishment of a quota of foreign investors in the statutory funds of insurance organizations of the Republic of Belarus"

Resolution of the Council of Ministers of the Republic of Belarus dated October 10, 2003 No. 1303

"On Approval of the Regulations on the Procedure and Amounts of Payment of Expenses for the Burial of the Insured Under Compulsory Insurance against Industrial Accidents and Occupational Diseases, whose Death Occurred as a Result of an Insured Event"

Resolution of the Council of Ministers of the Republic of Belarus dated October 10, 2003 No. 1298

"On approval of the Regulation on the procedure for making insurance payments for compulsory insurance against industrial accidents and occupational diseases to persons entitled to receive them and who have left for permanent residence outside the Republic of Belarus "

Resolution of the Council of Ministers of the Republic of Belarus dated October 10, 2003 No. 1297

"On approval of the Regulations on the procedure for paying insurance premiums to the insurer for compulsory insurance against industrial accidents and occupational diseases"

Resolutions of the Ministry of Finance of the Republic of Belarus:

Order of the Ministry of Finance of the Republic of Belarus of November 1, 2016 No. 315

"On the establishment of a public advisory council on insurance issues under the Ministry of Finance of the Republic of Belarus"

Resolution of the Ministry of Finance of the Republic of Belarus of September 29, 2016 No. 88

"On approval of the Instruction on the requirements for the form and content of the business plan for the development of an insurance organization, the procedure for its assessment and submission, the form and procedure for submitting a report on the implementation of the business plan for the development of an insurance company. organizations "

Resolution of the Ministry of Finance of the Republic of Belarus dated September 12, 2016 No. 81

"On approval of the Instruction on the procedure for reimbursement of expenses for participation in compulsory civil liability insurance of vehicle owners"

Order of the Ministry of Finance of the Republic of September 23, 2016 No. 270

"On the establishment of methods for calculating insurance rates"

Order of the Ministry of Finance of the Republic of April 29, 2016 No. 135

"On amendments and additions to the order of the Ministry of Finance of the Republic of Belarus of December 19, 2006 No. 450"

Order of the Ministry of Finance of the Republic of April 28, 2015 No. 158

"On amendments and additions to the order of the Ministry of Finance of the Republic of Belarus of December 19, 2006 No. 450"

Resolution of the Ministry of Finance of the Republic of Belarus, the Board of the National Bank of April 2, 2015 No. 20/209

"On the procedure for placing and recording insurance reserves in separate special accounts and invalidating some resolutions of the Ministry of Finance of the Republic of Belarus and the Board of the National Bank of the Republic of Belarus"

Resolution of the Ministry of Finance of the Republic of Belarus dated September 24, 2014 No. 60

"On approval of the Instruction on the specifics of the implementation of types of insurance related to life insurance"

Resolution of the Ministry of Finance of the Republic of Belarus dated August 18, 2014 No. 54

"On the establishment of the forms of certain documents for the types of compulsory insurance and invalidation of the resolution of the Ministry of Finance of the Republic of Belarus No. 156 dated December 11, 2006 and a separate structural element of the resolution of the Ministry of Finance of the Republic of Belarus dated November 14, 2008 No. 167 "

Resolution of the Ministry of Finance of the Republic of Belarus of July 10, 2014 No. 50

"On payments to insurance agents, insurance brokers and the recognition as invalid of certain structural elements of the resolutions of the Ministry of Finance of the Republic of Belarus and Resolution of the Ministry of Finance of the Republic of Belarus No. 152 of December 21, 2009"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 25, 2014 No. 42

"On approval of the Instruction on the procedure for maintaining the register of foreign insurance (reinsurance) organizations with which insurance organizations of the Republic of Belarus are entitled to conclude reinsurance contracts"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 20, 2014 No. 38

"On the establishment of standards for safe functioning for insurance organizations and approval of the Instruction on the procedure for calculating, applying and assessing the fulfillment of standards for safe functioning for insurance organizations"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 20, 2014 No. 37

"On some issues of carrying out insurance activities"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 20, 2014 No. 36

"On approval of instructions on the procedure and conditions for concluding an insurance contract in the form of an electronic document and on the procedure for appointing, exercising and terminating the activities of a temporary administration for managing an insurance organization"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 19, 2014 No. 35

"On approval of the Instruction on the volume and procedure for disclosure (publication, distribution, provision) of information on the activities of insurance organizations, insurance brokers"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 13, 2014 No. 34

"On approval of the Instruction on the procedure for applying coercive measures for violation of insurance legislation"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 13, 2014 No. 33

"On establishing the form of a requirement (order) to eliminate the identified violations of insurance legislation based on the results of desk audits"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 9, 2014 No. 30

"On the procedure and timing for the submission of annual and interim individual accounting and (or) financial statements by insurance brokers and invalidation of some resolutions and certain structural elements of resolutions of the Ministry of Finance of the Republic of Belarus"

Resolution of the Ministry of Finance of the Republic of Belarus of June 6, 2014 No. 29

"On the establishment of forms of certain documents and forms of documents for the types of compulsory insurance and invalidation of some resolutions of the Ministry of Finance of the Republic of Belarus and certain structural elements of resolutions of the Ministry of Finance of the Republic of Belarus"

Resolution of the Ministry of Finance of the Republic of Belarus dated February 5, 2013 No. 7

"On the establishment of forms for calculating the part of profit (income) to be transferred to the budget"

Resolution of the Ministry of Finance of the Republic of Belarus dated August 2, 2012 No. 45

"On approval of the Instruction on the procedure for determining the best among insurance organizations for entry on the Republican Board of Honor"

Resolution of the Ministry of Finance of the Republic of Belarus dated May 26, 2010 No. 62

"On establishing the amount of commission remuneration"

Resolution of the Ministry of Finance of the Republic of Belarus dated January 11, 2010 No. 2

"On certain issues of accounting, preparation and presentation of financial statements by insurance organizations and amendments and additions to some resolutions of the Ministry of Finance of the Republic of Belarus"

Resolution of the Ministry of Finance of the Republic of Belarus, the National Statistical Committee of October 14, 2008 No. 153/262

"On the calculation of the indicator for the growth of the volume of receipts of insurance premiums in comparable prices"

Resolution of the Ministry of Finance of the Republic of Belarus of July 15, 2008 No. 117

"On measures to implement the Resolution of the Council of Ministers of the Republic of Belarus of May 31, 2008 No. 783"

Resolution of the Ministry of Finance of the Republic of Belarus of December 17, 2007 No. 188

"On the procedure and conditions for the formation of insurance reserves of insurance organizations"

Resolution of the Ministry of Finance of the Republic of Belarus of November 29, 2007 No. 174

"On the establishment of forms 1-SU" Receipt for accepting cash (insurance contributions) ", 1-SUO" Receipt for accepting cash for compulsory insurance of buildings owned by citizens ", And approval of the Instructions for filling out and using receipts of form 1-SU" Receipt for accepting cash (insurance premiums) "and form 1-SUO" Receipt for accepting cash for compulsory insurance of buildings owned by citizens "and on making changes and additions to some resolutions of the Ministry of Finance of the Republic of Belarus "

Resolution of the Ministry of Finance of the Republic of Belarus dated September 13, 2007 No. 132

"On approval of the Instruction on the procedure for calculating the amount of equity capital of insurance organizations"

Resolution of the Ministry of Finance of the Republic of Belarus dated May 14, 2007 No. 75

"On approval of application forms, contracts, act on an insured event for compulsory insurance with state support for crops, livestock and poultry"

Resolution of the Ministry of Finance of the Republic of Belarus dated May 10, 2007 No. 73

"On approval of the Instruction on the criteria and procedure for assessing the solvency of insurance organizations and amending the Resolution of the Committee for Supervision of Insurance Activities under the Ministry of Finance of the Republic of Belarus No. 3 dated December 13, 2000"

Resolution of the Ministry of Finance of the Republic of Belarus dated February 23, 2007 No. 34

"On some issues of carrying out insurance activities"

Resolution of the Ministry of Finance of the Republic of Belarus of November 29, 2006 No. 145

"On approval of the Instruction on the procedure for transferring obligations by insurance organizations under a voluntary insurance contract, other than life insurance, in excess of the liability standard established by the legislation to the republican unitary enterprise" Belarusian National Reinsurance Organization "

Resolution of the Ministry of Finance of the Republic of Belarus of September 6, 2006 No. 109

"On measures to implement the Decree of the President of the Republic of Belarus No. 530 of August 25, 2006 " On insurance activities " (as amended up to October 1, 2014)

Resolution of the Ministry of Finance of the Republic of Belarus dated July 6, 2006 No. 77

"On approval of the Instruction on the procedure for calculating and transferring to the republican budget by insurance organizations a part of the profit received from compulsory civil liability insurance of vehicle owners"

Resolution of the Ministry of Finance of the Republic of Belarus dated June 9, 2005 No. 74

"On approval of the Instruction on voluntary insurance of medical expenses"

Resolution of the Ministry of Finance of the Republic of Belarus dated March 1, 2004 No. 28

"On the establishment of the standard for the cost of doing business for insurance organizations"

Resolution of the Ministry of Finance of the Republic of Belarus dated February 7, 2003 No. 16

"On the establishment of a liability standard under a voluntary insurance (coinsurance, reinsurance) contract other than life insurance"

Resolution of the Ministry of Finance of the Republic of Belarus dated February 7, 2002 No. 17

"On approval of the Instruction on the procedure for confirming the professional suitability of managers, their deputies, chief accountants of insurance organizations, managers, their deputies of insurance brokers, as well as heads of separate divisions of insurance organizations, insurance brokers"



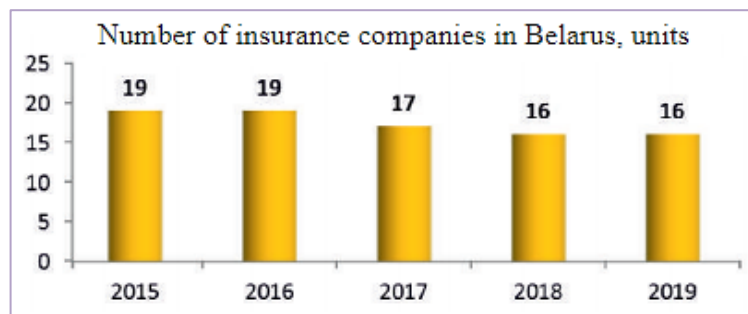
INSURANCE MARKET PERFORMANCE AND STATISTICS



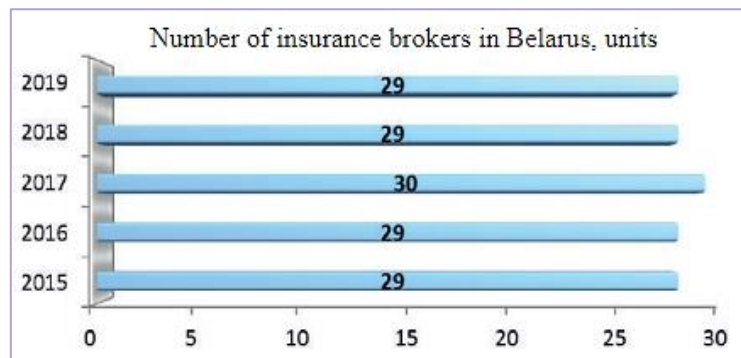
As of January 1, 2020, the insurance sector of the Republic of Belarus included 16 insurance companies. organizations, including 2 organizations that carry out types of insurance related to the country life, and the State Enterprise "Belarusian National Reinsurance organization"

The insurance market of the Republic of Belarus can be divided into three groups of insurance companies organizations by property:

- 4 state (2 - non-life, 1 - life, 1 - reinsurance);
- 4 semi-public (4 - non-life);
- 8 private (7 - non-life, 1 - life)



The number of brokers providing intermediary activities in insurance has not changed compared to 2018. Thus, at the end of 2019 in the insurance market 29 insurance brokers worked in Belarus.



Six insurance organizations operated with the participation of foreign capital as shown represent the main foreign investors in the insurance market of the Republic of Belarus.

Major foreign investors		
CJSC IC Belrosstrakh	RESO Group	Russia
CJSC Ingosstrakh	INGO Group	Russia
SBA ZASO "Kupala"	VIG Group	Austria
CJSC IC "ERGO"	ERGO Group	Germany

For 2019, contributions of insurance organizations of the republic for direct insurance and compassion amounted to 1,403.4 million rubles.

The growth rate of insurance premiums in 2019 compared to 2018 was 114.5%, in US dollars the volume of assessed contributions increased by 11.5%.

The share of life insurance in total premiums in 2019 was 12.1%, while in all developed countries, the life insurance segment often makes up the bulk of the insurance second market (it accounts for 50% to 60% of the total amount of insurance premiums).

For 2019, payments of insurance compensation and insurance coverage in the country as a whole amounted to 710.6 million rubles (equivalent to 339.8 million US dollars), of which the share of types of additional total insurance accounts for 428.4 million rubles (60.3%), compulsory insurance - 282.2 RUB million (39.7%).

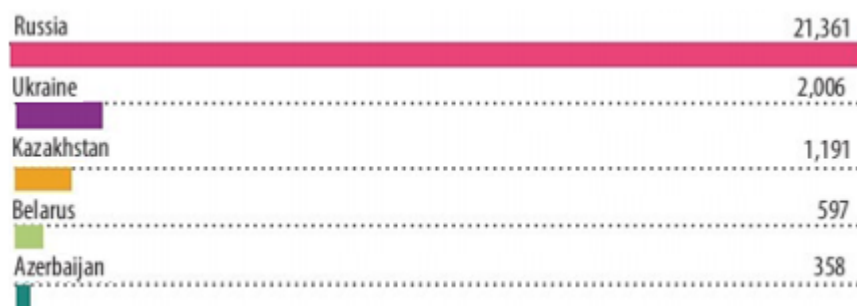
Compared to the previous 2018, the total amount of insurance payments increased by 13.7% (in US dollars - by 10.8%). Insurance payments for voluntary insurance in 2019 grew by 16.7%, while in 2018 this growth was 29.3%. Payments under contracts compulsory insurance increased by 9.6% (in 2018 - by 2.5%).



The main achievement in 2019 for the insurance market was adoption of the Presidential Decree No. 175, aiming at liberalization of the insurance business	Market experts believe that voluntary life insurance can be considered as the new market driver (growth by more than 30% y-o-y)	The novelty of 2019 was that insurers finally provided their customers with an opportunity to buy MTPL policies in electronic format
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		2015	2016	2017	2018	2019
Gross written premiums	GEL million ³	822.71	987.86	1,070.13	1,226.04	1,403.42
	EUR million ⁴	405.28	483.06	454.35	495.69	596.59
Paid claims	GEL million ³	472.64	540.76	535.16	624.75	710.60
	EUR million ⁴	232.83	264.43	227.21	252.59	302.07
Insurance penetration	% in GDP ⁴	0.92%	1.04%	1.01%	1.01%	1.07%
Insurance density	EUR/capita ⁴	42.75	50.86	47.80	52.22	62.96

Belarus Insurance Market 2019 GWP premium (in EUR million) in comparison with, Russia, Ukraine, Kazakhstan and Azerbaijan



Market portfolio at December 31st, 2019

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2019	2018	Change	2019	2018	Change	2019	2018
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	596.59	495.69	20.35	302.07	252.59	19.59	100.00	100.00
TOTAL LIFE (V)	71.99	49.64	45.03	29.09	21.55	34.97	12.07	10.01
Life insurance	42.61	28.17	51.25	20.02	14.75	35.74	7.14	5.68
Supplementary pension ins.	29.38	21.46	36.86	9.07	6.80	33.29	4.92	4.33
TOTAL NON-LIFE (V)+(M)	524.60	446.05	17.61	272.99	231.04	18.16	87.93	89.99
VOLUNTARY INS. (V), OF WHICH:	293.66	239.78	22.47	153.05	126.95	20.55	49.22	48.37
Medical expenses insurance	53.93	38.35	40.63	36.76	25.96	41.62	9.04	7.74
Accidents	28.62	26.66	7.31	10.77	9.42	14.29	4.80	5.38
Property of legal entities	78.92	65.30	20.86	53.47	40.50	32.01	13.23	13.17
Property of individuals	65.38	56.64	15.43	32.77	26.47	23.78	10.96	11.43
Cargo	3.87	3.53	9.59	0.50	0.31	60.61	0.65	0.71
Business risks	29.45	29.11	1.16	11.11	14.91	-25.48	4.94	5.87
Construction risks	8.72	4.00	117.86	0.52	0.31	65.16	1.46	0.81
Liability insurance	19.17	16.18	18.45	5.71	9.07	-37.04	3.21	3.26
Blanket insurance	5.61	-	-	1.45	-	-	0.94	-
MANDATORY INS. (M), OF WHICH:	230.94	206.27	11.96	119.94	104.08	15.24	38.71	41.61
Real estate property of individuals	5.60	4.66	20.21	1.91	1.63	17.18	0.94	0.94
Ins. with State support of agricultural crops, livestock and poultry	11.04	8.29	33.14	1.78	2.35	-24.08	1.85	1.67
Medical ins. for foreign citizens	4.16	3.56	16.90	0.64	0.57	11.63	0.70	0.72
Accidents at work and occupational diseases	94.96	79.10	20.06	54.43	46.37	17.38	15.92	15.96
Compulsory state insurance	0.37	0.19	99.83	0.35	0.18	96.68	0.06	0.04
MTPL	70.93	66.62	6.47	49.79	42.71	16.59	11.89	13.44
Green Card insurance	38.89	38.69	0.50	10.45	9.84	6.23	6.52	7.81
Carriers' liability	1.70	1.81	-6.11	0.51	0.42	20.76	0.28	0.36
Commercial organizations engaged in real estate activities	0.20	0.25	-19.27	0.01	0.01	26.22	0.03	0.05
Temporary managers in case of economic insolvency (bankruptcy)	0.09	0.08	8.66	0.01	0.01	173.22	0.01	0.02
Civil liability of legal persons and individual employers for damages caused by activities related to the operation of certain facilities	2.76	2.96	-6.79	0.06	0.01	878.16	0.46	0.60
Civil liability of the carrier for the carriage of dangerous goods	0.24	0.06	277.38	0.00	0.00	-52.63	0.04	0.01

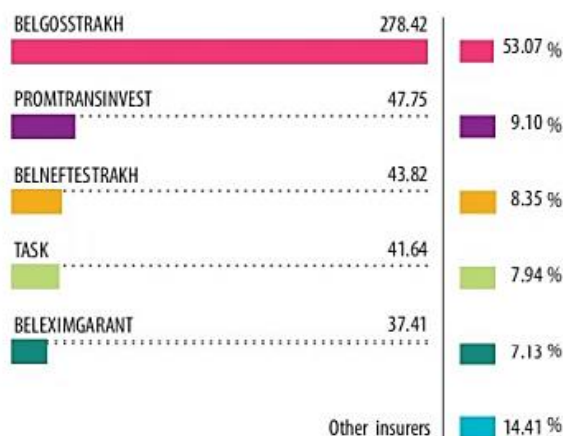
1 EUR = 2.4734 New Belarusian Ruble - BYN (December 31st, 2018)

1 EUR = 2.3524 New Belarusian Ruble - BYN (December 31st, 2019)

Life insurance ranking (GWP, EUR million)



TOP 5 Non-Life insurance (GWP, EUR million)



Total life	12.07
Medical expenses	9.04
Accidents	4.80
Property of legal entities	13.23
Property of individuals	10.96
Business risks	4.94
Liability insurance	3.21
Mandatory agricultural ins.	1.85
Occupational diseases	15.92
MTPL	11.89
Green Card	6.52
Other	5.59



Total life	9.63
Medical expenses	12.17
Accidents	3.56
Property of legal entities	17.70
Property of individuals	10.85
Business risks	3.68
Liability insurance	1.89
Mandatory agricultural ins.	0.59
Occupational diseases	18.02
MTPL	16.48
Green Card	3.46
Other	1.97

INSURANCE IN BELARUS 2020

In 2020, total GWP of the Belarusian insurance market amounted to BYN 1,510.2 million (EUR 476.70 million), which is 7.61% more y-o-y in BYN. At the same time, total number of insurance contracts decreased by 16.5%, according to the data published by the Ministry of Finance of the Republic.

In the GWP structure of voluntary insurance, personal insurance accounts for 42.1%, property insurance - 50.9%, liability insurance - 4.9%, complex insurance - 2.1%, the Ministry noted. The main growth drivers were such types of voluntary insurance as insurance of export risks with the state support, life insurance, insurance of vehicles of legal entities, and medical expenses.

GWP of mandatory insurance amounted to BYN 569.9 million.

At that mandatory insurance accounts for 37.74% of the total market. In the GWP structure of mandatory insurance, personal insurance accounts for 44.7%, property insurance - 7.6%, liability insurance - 47.7%.

It is worth noting that the **penetration of insurance in GDP** from 2018 to 2020 remained almost unchanged (1% in 2018, 1.04% in 2019 and 1.03% in 2020).

Paid claims of insurers in 2020 reached BYN 814.71 million, which is 14.65% more y-o-y. Of this amount, voluntary insurance accounted for 61.4%, while mandatory - for 38.6%. The level of paid claims in the total market GWP in 2020 increased by 3.3 p.p. y-o-y to 53.9%.

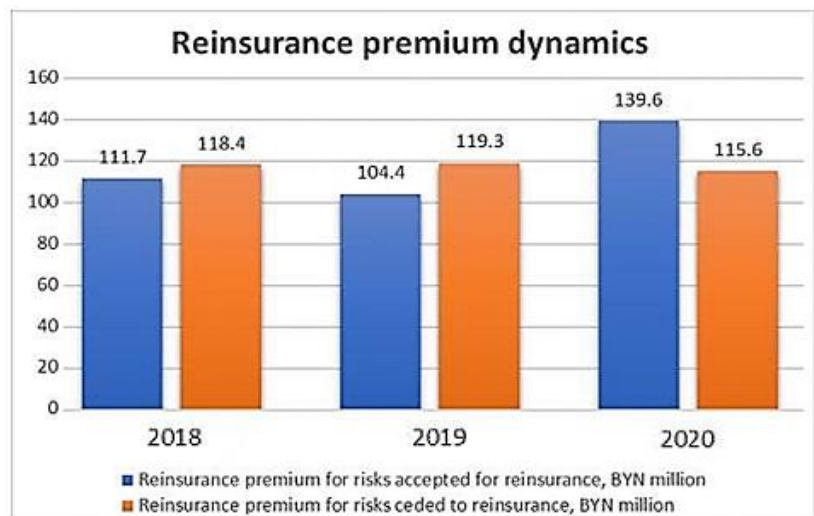
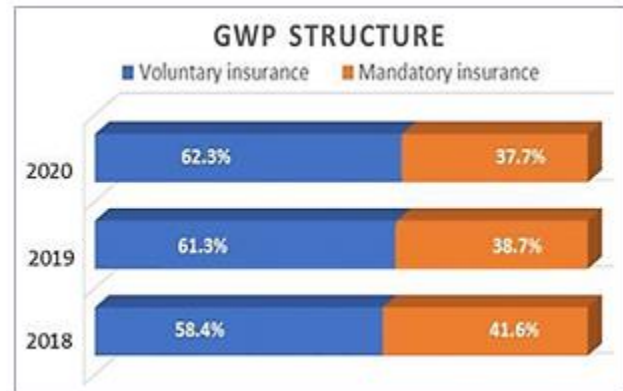
At the end of 2020, total cost of doing business of insurers amounted to BYN 332.4 million (+3.3%). The share of business expenses in the total GWP amount slightly decreased, to 22.0%.

In 2020, GWP for risks accepted for reinsurance amounted to BYN 139.6 million (+33.7%), while GWP for risks ceded to reinsurance decreased to BYN 115.6 million (-3.1% y-o-y).

As of 01.01.2021, total amount of insurance reserves reached BYN 2,386.6 million, which is 29.7% more than in 2019.

The assets of insurers also grew by 21.0% to BYN 4,699.6 million. The equity capital increased over the past year to BYN 1,833.7 million, at that charter capital accounts for 71.5% of the equity capital of insurers. The profit before tax in 2020 increased 2.6 times compared to 2019 (to BYN 207.2 million).

As of 01.01.2021, 16 insurance organizations (of which one is providing exclusively reinsurance) and 26 insurance brokers carried out insurance activities in Belarus. In the non-life sector, BELGOSSTRAKH continues to lead, occupying more than half of this market, and of the two life insurers, the biggest portion of premiums was generated by STRAVITA.



References & Resources:

- *Ministry of Finance of the Republic of Belarus*
- *The Belarusian Association of Insurers (BAI)*
- *Financial Stability in the Republic of Belarus 2019*
- *Belarus Insurance Market - XPRIMM Insurance Report FY2019 & HY2020*

