

ASPECTS REGARDING THE TRENDS OF THE INSURANCE MARKET IN ROMANIA. KEY FIGURES AND RANKINGS IN 2023

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Abstract: The Romanian insurance market is characterized by a medium to high degree of concentration. At the level of the entire insurance market, the number of insurance contracts in effect at the end of December 2023 was approximately 16.1 million, an increase of 3.8% compared to the number of contracts in force at the end of 2022. Based on the collected and analyzed data, it was possible to achieve a real comparison of the insurance situation in the analyzed period and the previous year. Compared to 2022, authorized insurance companies in our country underwrote gross premiums with a much higher value. In the case of general and life insurance, over 90% of the total GPS volume was achieved by 10 insurance companies. At the end of 2023, the average annualized RCA premium increased by 7% compared to 2022. Following the study, it was observed that some types of insurance recorded positive developments, while others experienced decreases from one year to the next.

Key words: insurance market, evolution, general insurance, life insurance, ranking

INTRODUCTION

In 2023, insurance companies authorized by the Financial Supervisory Authority (FSA) wrote gross premiums worth about 18.2 billion RON, marking a 10% increase compared to 2022. In Romanian this market remains oriented towards non-life insurance activity, which holds a share of 84% of total gross written premiums (GWP), maintaining a similar level to that recorded in the previous year [20].

The subscription situation is as follows:

- » GWP related to general insurance in the amount of about 15.2 billion RON, an increase of approximately 10% compared to 2022;
- » GWP related to life insurance in the amount of about 3 billion RON, an increase of 12% compared to 2022 [14,15].

The positive evolution was mainly supported by the increase of about 50% in subscriptions for class C3 (Life insurance and annuities, linked to investment funds), partially offset by the decrease in the volume of gross premiums written for class C1 (Life insurance, annuities and supplementary life insurance: -4%) [2,12].

From the total of subscriptions in 2023, the gross premiums subscribed by authorized insurance companies represent about 114 million RON, about 0.6% of the total volume of GWP, down about 25% compared to the previous year (about 153 million RON) [18].

At the end of the fourth quarter of 2023, the total value of gross technical reserves established by insurance companies stood at a level of approximately 25.6 billion RON, according to statutory reports [14].

Of the total value of technical reserves, 60% were technical reserves established for the general insurance activity (approximately 15.3 billion RON), and 40% for the life insurance activity (10.3 billion RON) [15].

Calculated at the level of the entire market, the solvency ratios (SCR rate - solvency capital requirement requirements, respectively MCR - minimum capital requirements) were above unity at the end of december 2023 [3,11].

Therefore, the ratio between own funds eligible to cover the solvency capital requirement and the solvency capital requirement at the insurance market level was 68%, while the MCR rate was 368% [16].

At the end of december 2023, 25 insurance companies were authorized to operate in the insurance. During August 2023, SIGNAL IDUNA Asigurări de Viață, formerly ERGO Asigurări de Viață, received approval to transfer its portfolio to SIGNAL IDUNA Asigurare Reasigurare [19].

In september 2023, EAZY Asigurări received the operating authorization to operate in the general insurance market, including the MVL segment [16].

MATERIALS AND METHODS

In carrying out this study, we used as a methodology a comparative analysis of the insurance trend (2022-2023) in Romania. Following the collected, centralized and analyzed data, we were able to observe that the insurance market remains oriented towards the general insurance branch, thus we were able to follow the evolution of these insurances in the analyzed years [7,10,20].

Following the collected data and the documentation from the specialized literature, we were able to highlight the situation of the gross premiums written within the analyzed companies [1,4].

RESEARCH RESULTS

In 2023, approximately 91% of the total volume of GWP was achieved by 10 insurance companies. In 2023, GROUPAMA Asigurări remained in first place in the market (general insurance + life insurance), with a market share of 22.5% and GWP worth over 4 billion RON [13].

In 2nd place remained ALLIANZ-ȚIRIAC Asigurări, with a market share of 19.22% and GWP worth about 3.5 billion RON in 2023.

OMNIASIG VIG moved up one place compared to 2022 and reached 3rd place, with a market share of 13.11% and gross written premiums worth almost 2.4 billion RON.

The top is completed by ASIROM VIG (+1 place), GENERALI Romania (+2 places), NN Asigurări de Viață (retained its 6th place), GRAWE Romania (+1 place), EUROINS Romania (but in March 2023, the FSA Council decided to withdraw the company's operating authorization and found indications of insolvency), BCR Asigurări de Viață and UNIQA Asigurări (both maintained their places) (Table 1) [3,11].

In the life insurance segment, a high degree of concentration was maintained, so that the top 5 companies hold a share of about 82% of the total volume of premiums written in this segment, worth approximately 2.4 billion RON.

This top also includes ALLIANZ-ȚIRIAC Asigurări, BRD Asigurări de Viață, SIGNAL IDUNA Asigurare Reasigurare, UNIQA Asigurări de Viață, GENERALI Romania, ASIROM VIG, GROUPAMA Asigurări and GRAWE Romania [12,17].

Of the total GWP for life insurance, the following classes have the largest shares:

» C1 - Life insurance, annuities and supplementary life insurance, which represent approximately 56% of total life insurance subscriptions, down by approximately 4% compared to the previous year;

» C3 - Life insurance and annuities, linked to investment funds, representing 32% of total life insurance subscriptions, up 50% compared to 2022 (Table 2) [5,10].

Table 1.

Insurance market (general and life insurance)

Company	GWP * 2023		GWP * 2022		Evolution (%)		Market share (%)	
	EUR m	RON m	EUR m	RON m	EUR	RON	2023	2022
1.GROUPAMA Asigurări	821.66	4,087.41	601.04	2,973.58	36.71	37.46	22.50	18.01
2.ALLIANZ-ȚIRIAC	702.15	3,492.91	581.93	2,879.05	20.66	21.32	19.23	17.44
3.OMNIASIG VIG	478.82	2,381.94	428.34	2,119.19	11.79	12.40	13.11	12.84
4.ASIROM VIG	322.19	1,602.76	232.05	1,148.06	38.85	39.61	8.82	6.95
5. GENERALI România	286.85	1,426.96	183.20	906.35	56.58	57.44	7.85	5.49
6.NN Asigurări de Viață	204.90	1,019.29	196.03	969.86	4.52	5.10	5.61	5.88
7.GRAWE Romania	187.31	931.80	98.05	485.10	91.04	92.08	5.13	2.94
8.EUROINS România**	141.17	702.27	562.25	2,781.70	-74.89	-74.75	3.87	16.85
9.BCR Asigurări de Viață VIG	96.22	478.65	92.93	459.78	3.54	4.10	2.63	2.79
10.UNIQA Asigurări	83.42	414.98	77.32	382.54	7.89	8.48	2.28	2.32
TOTAL	3,651.81	18,166.28	3,336.50	16,506.98	9.45	10.05	100	100

Source: *GWP were calculated by XPRIMM Publications based on data submitted by ASF [20]

**GWP by Euroins Romania in Q1 2023 are also included [19]

Exchange rate: 4.9746 RON/euro on December 31, 2023 and 4.9474 RON/euro on December 31, 2022

Table 2.

Life insurance

Company	GWP * 2023		GWP * 2022		Evolution (%)		Market share (%)	
	EUR m	RON m	EUR m	RON m	EUR	RON	2023	2022
1.NN Asigurări de Viață	204.90	1,019.29	196.03	969.86	4.52	5.10	34.37	36.64
2.BCR Asigurări de Viață VIG	96.22	478.65	92.93	459.78	3.54	4.10	16.14	17.37
3.ALLIANZ-ȚIRIAC	72.07	358.54	55.54	274.76	29.76	30.49	12.09	10.38
4.BRD Asigurări de Viață	59.32	295.08	47.03	232.67	26.13	26.82	9.95	8.79
5.SIGNAL IDUNA	55.08	274.02	41.41	204.88	33.01	33.75	9.24	7.74
6.UNIQA Asigurări de Viață	35.59	177.05	31.14	154.05	14.29	14.93	5.97	5.82
7.ENERALI România	24.98	124.26	22.95	113.56	8.85	9.42	4.19	4.29
8.ASIROM VIG	19.37	96.38	19.42	96.09	-0.26	0.30	3.25	3.63
9.GROUPAMA Asigurări	12.52	62.28	11.61	57.44	7.84	8.43	2.10	2.17
10.GRAWE România	10.97	54.57	10.38	51.35	5.68	6.27	1.84	1.94
TOTAL	596.15	2,965.63	535.03	2,646.99	11.43	12.04	100	100

Source: * GWP were calculated by XPRIMM Publications based on data submitted by FSA [14, 20]

Regarding non-life insurance, the top 10 insurance companies have written gross premiums worth 14.7 billion RON, which represents about 97% of the total in this segment of activity [17].

GROUPAMA Asigurări remains the leader, with a market share of 26.48% in 2023. ALLIANZ-ȚIRIAC Asigurări climbed to second place, with a share of 20.6%, and OMNIASIG VIG advanced to third place [11].

The top is completed by ASIROM VIG, GENERALI Romania, GRAWE Romania, EUROINS, UNIQA Asigurări, PAID Romania and ALLIANZ-ȚIRIAC Unit (formerly GOTHAER). (Table 3) [19].

Table 3.

General insurance

Company	GWP * 2023		GWP * 2022		Evolution (%)		Market share (%)	
	EUR m	RON m	EUR m	RON m	EUR	RON	2023	2022
1.GROUPAMA Asigurări	809.14	4,025.13	589.43	2,916.14	37.27	38.03	26.48	21.04
2.ALLIANZ-ȚIRIAC	630.07	3,134.37	526.40	2,604.29	19.69	20.35	20.62	18.79
3.OMNIASIG VIG	478.82	2,381.94	428.34	2,119.19	11.79	12.40	15.67	15.29
4.ASIROM VIG	302.81	1,506.38	212.63	1,051.97	42.41	43.20	9.91	7.59
5.GENERALI România	261.87	1,302.70	160.24	792.79	63.42	64.32	8.57	5.72
6.GRAWE România	187.31	931.80	98.05	485.10	91.04	92.08	6.13	3.50
7.EUROINS România	141.17	702.27	562.25	2,781.70	-74.89	-74.75	4.62	20.07
8.UNIQA Asigurări	83.42	414.98	77.32	382.54	7.89	8.48	2.73	2.76
9.PAID	41.25	205.21	35.86	177.41	15.03	15.67	1.35	1.28
TOTAL	3,055.65	15,200.64	2,801.47	13,859.99	9.07	9.67	100	100

Source: * GWP were calculated by XPRIMM Publications based on data submitted by FSA [14, 20]

In 2023, three classes of general insurance held approximately 88% of total underwritings:

» A10 - Civil liability for the use of land motor vehicles (RCA and CMR- Road Carrier Liability), with a GWP volume of approximately 8 billion RON, representing approximately 53% of total underwritings for general insurance, up by approximately 5.5% compared to the previous year;

» A3 - Land vehicles, excluding railway rolling stock (CASCO), with a PBS volume of 3.5 billion RON, representing approximately 23% of total underwritings for general insurance, up by approximately 16% compared to 2022;

» A8 - Fire and natural disasters (for goods other than those insurable in classes A3 - A7), with a GWP volume of 1.8 billion RON, representing 12% of total underwritings for general insurance, up by approximately 19% compared to 2022 (Table 4, Table 5) [6,16,19].

Table 4.

Motor Vehicle Liability (MVL) – 2023

Company	Market share	GWP * (million RON)
1. GROUPAMA Asigurări	26.3%	2,445.90
2. ALLIANZ - ȚIRIAC Asigurări	20.8%	1,934.40
3. GRAWE România	9.7%	902.10
4. ASIROM VIG	9.3%	864.90
5. AXERIA IARD	8.5%	790.50
6. EUROINS România**	7.0%	651.00
7. GENERALI România	6.3%	585.90
8. OMNIASIG VIG	6.0%	558.00
9. HD Insurance	6.0%	558.00
TOTAL	100.0%	9,300.00

Source: *GWP were calculated by XPRIMM Publications based on data submitted by ASF [20]

**GWP by Euroins Romania in Q1 2023 are also included [19]

Exchange rate: 4.9746 RON/euro on December 31, 2023 and 4.9474 RON/euro on Dec. 31, 2022

Table 5.

CASCO – 2023

Company	Market share	Gross written premiums* (RON million)
1. OMNIASIG VIG	30.71%	1,089.06
2. GROUPAMA Asigurări	28.90%	1,024.88
3. ALLIANZ - ȚIRIAC Asigurări	14.49%	513.86
4. GENERALI România	11.26%	399.31
5. ASIROM VIG	8.42%	298.60
6. UNIQA Asigurări	3.42%	121.28
7. ALLIANZ-TIRIAC UNIT Asigurări	1.24%	43.97
8. GARANTA Asigurări	0.48%	17.02
9. GRAWE România	0.43%	15.25
10. SIGNAL IDUNA Asigurări	0.41%	14.54
Other companies	0.24%	8.51
TOTAL	100.0%	3,546.28

Source: *GWP were calculated by XPRIMM Publications based on data submitted by ASF [20]

**GWP by Euroins Romania in Q1 2023 are also included [19]

Exchange rate: 4.9746 RON/euro on December 31, 2023 and 4.9474 RON/euro on Dec. 31, 2022

In 2023, insurance companies reported gross indemnities paid (excluding amounts paid by Insureds Guarantee Fund- IGF), cumulatively for the two insurance categories, in the amount of approximately 7.71 billion RON (including gross indemnities paid by EUROINS Romania in Q1 2023, before the withdrawal of the operating authorization), down by 1.15% compared to 2022 [8,12].

These are divided as follows:

» 6.28 billion RON are related to general insurance contracts, recording an increase of approximately 0.7% compared to the previous year;

» 1.43 billion RON are amounts paid for gross indemnities, maturities and total and partial redemptions, related to life insurance, recording a decrease of approximately 8% compared to 2022 [17,18].

The combined claim rate calculated on cumulative data for all general insurance classes stood at the end of 2023 at a value of approximately 89.4%, decreasing compared to the value recorded in 2022 (91.5%) [13].

For the MVL + CMR class, the combined claim rate decreased slightly to 97.25%, for CASCO it dropped to 88.23%, and for fire and natural disaster insurance it increased slightly to 75.76% [14].

Motor insurance

The GWP value for motor insurance (class A3 - Insurance of land transport means other than railway - CASCO and compulsory motor third party liability insurance - MVL) stood at around 13 billion RON in 2023, of which 28% of the volume was underwritten for CASCO and 72% for MVL [9].

The GWP value for CASCO and MVL also includes the underwriting activity carried out by branches operating on the territory of Romania based on the right of establishment (around 125 million RON for CASCO, respectively 1.3 billion RON GWP for MVL) [10].

For the optional motor insurance segment - CASCO, the value of gross premiums underwritten by companies authorized and regulated by the FSA stood at around 3.5 billion RON, up 16% compared to 2022 (3.1 billion RON).

At the same time, gross claims paid recorded a value of 2.2 billion RON in the analyzed period, an increase of 7% compared to the previous year. As a share of GWP, gross claims paid stood at 62% [15].

The average CASCO premium was 2,600 RON in 2023, a level well below that recorded in 2022 (3,420 RON). At the same time, the average claim was 7,580 RON, up 9% compared to the previous year (6,947 RON).

In terms of the ranking of players, OMNIASIG VIG continues, in 2023, to be the leader of the CASCO market, with a share of 30.71% and gross written premiums worth approximately 1.09 billion RON [10,14].

This is followed by GROUPAMA Asigurări with 28.90% and 1.02 billion RON and ALLIANZ-ȚIRIAC Asigurări with 14.49% and 514 million RON [17].

On the compulsory MVL insurance market, the total value of insurance premiums written by companies authorized stood at about 7.9 billion RON in 2023. If we include the activity carried out by branches, the volume of subscriptions stood at approximately 9.3 billion RON, an increase of approximately 16% compared to the volume of subscriptions for 2022 (about 8 billion RON, including branches) [18].

The value of MVL compensation was 3.1 billion RON in 2023. And the Policyholders' Guarantee Fund approved the amount of approximately 794 million RON for the payment of MVL damages in 2023, of which 757 million RON represent payments made as a result of the bankruptcy of CITY Insurance and EUROINS Romania [20].

CONCLUSIONS

A disadvantage of the Romanian insurance market remains the high degree of concentration, both from the perspective of exposure to the main insurance classes and from the point of view of the significant size of the market shares held by a relatively small number of insurance companies.

In 2023, insurance companies authorized in other EU Member States underwrote, based on the right of establishment (FOE), on the territory of Romania, through 15 branches, a volume of GWP of approximately 2.95 billion RON (14% of the total GWP by

local companies authorized by FSA and branches), increasing by approximately 54% compared to 2022.

Among the 25 companies authorized to carry out activity at the end of december 2023, 13 companies are authorized to practice only general insurance (GI) activity, 6 practice only life insurance (LI) activity and 6 practice composite activity.

The ranking remained unchanged in 2023 compared to 2022. In the first places are NN Asigurări de Viață, with a market share of 34.4% and subscriptions of over one billion RON, BCR Asigurări de Viață VIG with 16.1% and subscriptions of 479 million RON, ALLIANZ-ȚIRIAC with 12.1% and subscriptions of 359 million RON.

The most claims were paid for motor insurance, amounting to approximately 5.3 billion RON, of which MVL + CMR approximately 3.1 billion RON (down 7% compared to 2022) and CASCO, amounting to approximately 2.2 billion RON (up by approximately 7%).

Also, in 2023, the amount approved for the payment of claims was in total 872.35 million RON, of which approximately 91% represented amounts related to MVL insurance (794 million RON).

On the entire market as a whole, as of december 31, 2023, the average annualized MVL premium was around 1,219 RON, up 7% compared to 2022. At the same time, the average claim was around 10,750 RON, up 8% compared to the previous year.

Regarding the RCA player ranking, GROUPAMA Asigurări took over, in 2023, the 1st place in the market, with a share of 26.3% and subscriptions of almost 2.5 billion RON. The podium is completed by ALLIANZ-ȚIRIAC, which climbed one place compared to 2022, with subscriptions of almost 2 billion RON and a share of 20.8%, and by GRAWE Romania (+3 places) with subscriptions of over 900 million RON and a share of 9.7%.

In 2023, MVL insurers, authorized and supervised by ASF, concluded a number of 491,230 direct settlement clauses, the gross premiums written related to them being 90.09 million RON. Thus, an annualized average premium of 187 RON resulted.

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