WELCOME

Welcome to Milliman's CEE market monitor, which provides information and analysis on the latest developments in the developing life insurance and pensions markets in Central & Eastern Europe. We aim to provide market-level information, drawing from local sources and our experience observing company, product, and distribution developments in these markets.

We hope you enjoy reading the monitor and look forward to receiving your feedback.

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IASB publishes its long-awaited Exposure Draft for Insurance Contracts

by Scott Mitchell

On 30 July 2010, the International Accounting Standards Board (IASB) published its long-awaited Exposure Draft (ED) *Insurance Contracts*. The ED contains proposals on the recognition, measurement, presentation and disclosure of insurance contracts. The publication of the ED is a key milestone in Phase II of the IASB's insurance project.

Key features of the IASB proposals

With the ED proposals, the IASB aims to introduce a principle-based accounting standard that reflects the economics of insurance contracts. To achieve this aim, the proposed measurement model consists of the following four key "building blocks" for all insurance contracts:

- Current estimates of future cash flows;
- Time value of money;
- Risk adjustment; and
- Residual margin

The proposed measurement model requires that the first three building blocks be re-measured at each valuation date. The residual margin will not be re-measured, but will instead be amortized over the coverage period.

While the proposed approach to liability measurement will remove much of the accounting mismatch with assets measured at fair value, it is worth noting that IFRS 9 *Financial Instruments* allows insurers to measure certain assets at amortised cost. This inconsistency with the proposed measurement of insurance liability could lead to accounting mismatches. Therefore, on transition to the new insurance accounting standard, insurers will be permitted to re-classify assets from amortised cost to fair value through P&L in order to reduce such issues.

Future cash flows

The proposed measurement of the insurance contract is based on the 'current fulfillment value', which encompasses the future cash flows that arise as the insurer fulfils the insurance contract. This basis of measurement has some interesting implications. For example, indirect costs, such as general overheads, are specifically excluded from the liability under the current fulfillment value. Cash flows that are dependent on market variables should be valued consistently with observable market prices.

For participating contracts, the ED proposes that payments arising from the participating feature should be included in the measurement of insurance contracts in the same way as any other contractual cash outflows. The risk of non-performance of the insurer (i.e. own credit risk) is not reflected in either the expected cash flows or the liability value.

Discount rates

The ED proposes current, risk-free discount rates, adjusted for the liquidity characteristics of the liability. As indicated above, if cashflows depend on the performance of the underlying assets, then the measurement of the insurance liabilities should reflect this. For many non-life insurers, the introduction alone of discounting represents a major step in insurance liability measurement. More generally though, the choice of (a) an appropriate risk-free rate (e.g. government bonds or swaps); and (b) an appropriate illiquidity premium remain two significant issues that continue to be debated vigorously across the industry. The IASB has not yet stated what it intends for either aspect. It is worth noting, however, that the IASB has linked the choice of illiquidity premium to the liquidity characteristics of the liability.

Risk adjustment

The risk adjustment represents the allowance for risk of the ultimate fulfillment cash flows exceeding those expected. Similar to Solvency II, the risk adjustment does not apply to liability values based on market prices (so as not to double-count the implicit risk allowance inherent in the market price). The ED proposes that the risk adjustment should be measured at portfolio level, which potentially restricts any allowance for diversification benefits across different lines of business.

Proposed techniques in the ED for measuring the risk adjustment are limited to:
1. Confidence Level (also known as Value at Risk);
2. Tail Value at Risk (also known as Conditional Tail Expectation); or
3. Cost of Capital.

Despite these prescribed techniques, significant judgment remains in the measurement of the risk adjustment. For example, neither the target level of confidence nor level of capital is specified in the ED. This is clearly one area that carries significant potential for lack of comparability between companies.

Residual margin and treatment of Day 1 profits & losses

The residual margin is calibrated at contract inception such that the insurer recognises no gain on entering into an insurance contract. Incremental acquisition expenses are included as cash outflows in the initial liability measurement, which correspondingly reduces the residual margin and offsets the impact of those expenses in the P&L as they are incurred. All other acquisition costs are recognised as an expense when incurred. This approach is essentially equivalent to setting up an asset for Deferred Acquisition Costs (relating to incremental acquisition costs only). The residual margin is subject to a zero floor; hence any loss at initial recognition is recognised immediately in the P&L. The residual margin is released over the contract duration in line with an appropriate amortisation schedule. The amortisation over time is not prescribed in the ED, but should reflect the future claims pattern. The amortisation of the residual margin should not be adjusted at each valuation date, even if future cash flow estimates change.

Modified measurement for short duration contracts

For the pre-claims liabilities of some short-duration insurance contracts, a simplified measurement is proposed. This essentially involves adopting an Unearned Premium Reserve approach, adjusted for incremental acquisition costs. This approach is subject to a Liability Adequacy Test, which involves comparison with the present value of fulfillment cashflows.

Contract boundaries
A key area of debate, and one which can significantly impact the balance sheet, relates to contract boundaries of multi-period, regular premium insurance contracts. The ED proposes that the boundary of an insurance contract would be the point at which an insurer either:
a) is no longer required to provide coverage; or
(b) has the right or the practical ability to reassess the risk of the policyholder and, as a result, can set a price that fully reflects that risk.

For certain types of contract, this definition potentially conflicts with the current definition proposed by Solvency II (as specified in the QIS5 technical specifications), which could potentially lead to significant differences in Best Estimate Liabilities between IFRS and Solvency II.

Transitional measurement
On the date of transition to the new standard, it is proposed that the insurance contract liability specifically excludes a residual margin. Additionally, any existing balances of deferred acquisition costs should be de-recognised. The difference between the existing and new liability will represent an adjustment to retained earnings, but will not be recognised in the P&L. Companies who currently classify certain financial assets as amortised cost will be permitted to re-classify those assets as fair value through P&L in order to avoid accounting mismatches that could result from the new proposed measurement of insurance liabilities.

Conclusion
The release of the ED is a major step towards the new accounting standard for insurance contracts. It is clear, however, that additional work remains in certain key areas in order to refine the proposals into a full standard that meets the goals of both the IASB and the FASB.

01 POLAND

MARKET INFORMATION

LIFE

PZU Life topped the life insurer rankings for the first three quarters of 2010, booking gross premiums of PLN 6.6bn and net profit for the first half of the year 2010 of 1.8bn. The company's profitability was assisted by releases of reserves as long-term group life policies were converted to early renewable term. Such releases peaked in 2009 at over PLN 1bn.

The runner up regarding the net profit is **Aviva** with PLN 307 million for the first half of the year 2010, an increase of 4% in comparison to the first half of the year 2009. **Amplico Life** (PLN 257m/ PLN 349m for three quarters of the year 2010) and **ING** (PLN 104m/ PLN 159m for the three quarters of the year 2010) are the companies in the Polish market that ended the half year and third quarter with a net profit exceeding PLN 100 million.

Top 10 Polish life insurers according to gross premium after third quarter of 2010 (in PLN m.)

	Life insurer	3Q/2010	3Q/2009	Growth
1.	PZU	6,633	7,247	92%
2.	Europa	3,550	1,760	202%
3.	Warta	1,861	2,110	88%
4.	ING	1,393	2,139	65%
5.	Aviva	1,387	1,237	112%
6.	Nordea	1,341	903	149%
7.	Allianz	1,155	1,365	85%
8.	Amplico Life	955	1,220	78%
9.	Uniqa	746	760	98%
10.	Generali	734	687	107%
TOTAL FIRST 10		**19,753**	**19,427**	

All figures are provided according to Polish statutory accounting reporting (without deduction of deposit accounting).

AXA incurred a technical loss of PLN 30.8m for the three quarters of 2010, a deterioration from three quarters of 2009 (PLN 26.3m) due to spending on expansion.

The fastest growing company was **Europa,** with 202% growth in gross premium written during first three quarters of 2010 – from PLN 1,760m during three quarters of 2009 to PLN 3,550m. As the majority of Europa's business is bancassurance, the reported premium under IFRS (where deposit accounting is excluded) is significantly lower than under statutory accounting.

HEALTH

At the end of the first half of this year, the Polish Financial Supervision Authority authorized **Medica** to start insurance business operations in Poland in the area of health insurance (under its non-life insurance company). Sales commenced on 1 October 2010, owned by 30 Polish private people and organisations.

PENSIONS

A draft law on pension funds envisages significant changes to be introduced in order to safeguard the public finance and pensioners. Changes are planned to be introduced with effect date of 1 April 2011.

After many proposed solutions on enhancement of competition in the pension fund market in Poland and optimisation of the rates of return on the assets held by the individual members (among which there were creation of three sub-funds, introduction of external benchmarks, prohibition of acquisition, issuing special pension bonds for pension funds of interest rates equal to nominal GDP growth) the idea of limiting pension funds' share in pension scheme seems to come to the fore.

The government's approach regarding legislation changes in Polish Pension Funds was presented as of 30 December 2010 by Polish Prime Minister. He stated that starting from 1 April 2011 the percentage of salary paid to Pension Funds would be decreased from 7.3% to 2.3%. The 5% difference would be collected on individual personal accounts managed by ZUS (state social security institution) and indexed yearly by total growth of the economy and inflation. Ultimately in 2017 this ratio is going to change to 3.5% for Pension Funds and 3.8% for individual personal accounts in ZUS (on top of 12.22% of salary already managed by ZUS). At the same time Prime Minister announced that the possibility of voluntary insurance in Open Pension Funds would be triggered starting from 2% of annual salary with the ultimate limit of 4% from the year 2017.

This solution is currently under debate, strongly criticised by the general public and is not officially declared in the form of draft legislation.

COMPANY NEWS

LIFE

On 12 May this year, **PZU** went public with an initial price per share of PLN 349, 11.7% higher than the IPO price. The closing price on the opening day was PLN 360, i.e. 15.2% higher than the IPO offered price. Shares were mainly sold by foreign investors and private individuals. The buyers were: Open Pension Funds (OFE) and Investment Funds (TFI). Since then, the stock price went us as high as PLN 411 on 21st September, 2010. At the moment PZU is traded at around PLN 350 per share.

Based on the information provided by the Treasury, over 250,000 of individual investors subscribed for more than 7m shares of PZU. This amount constituted 28% of the offer. The demand exceeded the supply of shares nine times among the institutional investors, with a split of 59% domestic and 41% foreign. Many large financial institutions participated in the offer, including some of the world's largest pension, sovereign, wealth and university funds.

On 17 May, the Warsaw Stock Exchange announced that PZU will become a part of the WIG (Warsaw Stock Exchange Index) and WIG20 (blue chips index). The insurer ranks 4th in size among components of the WIG with a 7.1% share, after Orlen (oil and energy company), Polish Telecom and PGE (energy company). On 27 May, PZU shares became a part of MSCI Poland index with 9.7% share. During the shareholders' meeting on 9 September, the dividend payment was agreed at PLN 10.91 per share.

Europa has resumed the process of capital increases by issuing a new series of shares. On 21 May, the Financial Supervisory Authority (KNF) approved the prospectus of Europa. Shares went public on 8 October, 2010. The Secondary Public Offering consisted of more than 1.5 million of shares in the new series and 1.5 million of shares sold by Getin Noble Bank. The initial price was established at the level of PLN 152. The closing price reached PLN 188, and therefore the investors who sold the shares enjoyed 20% gain. Thanks to the issuance of new shares, the insurer's free float has increased to 33%.

Europa intends to sell an insurance product for companies offering reverse mortgages. The new product will protect them against longevity risk. According to the assumptions of the new law draft by the Polish Ministry of Finance, published as of 19 April, 2010, only banks and other financial institutions entitled to provide loans will be eligible to sell such products. Additionally, Credit Unions would need to be supervised by the Polish Financial Supervisory Authority (KNF). Insurers will only be able to provide insurance coverage for the reverse mortgage.

Aegon will open a non-life business in Poland. According to the company, products will be likely sold through AEGON's Hungarian entity which is a leader in the Hungarian market. Sales are planned to start in the second half of 2011 with property insurance. Initially the offer would be targeted to the existing clients of the Aegon's Polish life insurance company.

PENSIONS

Based on information published by the Polish Financial Supervision Authority (KNF) the average rate of return for the 36 month period ending on September 30, 2010 for Pension Funds was 3.36% p.a. and the minimum required rate of return was -0.64%. The highest rate of return was achieved by Generali (5.224%), while Polsat (0.521%) came last in the table.

Generali followed a prudent strategy which gave them winning position over the long term but impacted their return over the last three quarters, when ING achieved the best result.

Polsat Pension Fund decided to decrease the upfront fee from 3.5% to 3.4%. The new pension fund bylaws were approved by the Polish Financial Supervision Authority in October. Such a change will potentially decrease the Polsat's profits by PLN 0.3 million annually. Apart from Allianz which maintains the upfront fee at the level of 3.45%, all other Pension Funds maintain the maximum level allowed by law of 3.5.

NEW PRODUCTS

LIFE

According to the report prepared by

stuctus.pl, an independent market analyst, there were 255 structured products issued in Poland between January and June 2010. Out of these, 129 issues were made by insurance companies, 99 of the products being issued by **Europa**, which specialises in bancassurance products; ING issued 10, while Nordea issued 6 products. The assets invested amounted to PLN 4.8-5.1 billion in 1H 2010 compared to PLN 6.5-7 billion invested during the whole 2009.

Net assets by Open Pension Funds as of 31 December 2010

No	Open pension fund	Net assets value (in EUR m.)
1.	AEGON OFE	2,286.4
2.	Allianz Polska OFE	1,638.1
3.	Amplico OFE	4,253.0
4.	Aviva OFE Aviva BZ WBK	13,305.4
5.	AXA OFE	3,228.5
6.	Generali OFE	2,622.9
7.	ING OFE	13,384.2
8.	Nordea OFE	2,349.1
9.	Pekao OFE	858.2
10.	PKO BP Bankowy OFE	1,651.6
11.	OFE Pocztylion	1,072.6
12.	OFE POLSAT	515.8
13.	OFE PZU "Złota Jesień"	7,713.1
14.	OFE WARTA	781.7
Total		**55,660.6**

Source: OFE

The endowment policy wrap is still the most widely used legal form for structured products (108 out of 255 products). In addition, there were 91 structured deposits. These two forms of products dominated the market (over 78%). Unit-linked products were just 8% of all structured products. The duration of structured products in almost 95% of the cases did not exceed 5 years.

The most popular underlying instruments sets were foreign exchange rates (approx. one third of new issues). The EUR/PLN exchange rate itself or as a part of the basket appeared in 69 structured products (27%). 25% of all revenue constituted products correlated with the stock exchange indices, with WIG20 appearing in 38 products. However, there were also some products issued based on exotic instruments like wine, whisky or Apple stock (products *"Jabłko Plus"* – Apple Plus and *"Jabłko Minus"* – Apple Minus issued by Wealth Solutions in cooperation with Benefia Życie).

According to the report, the analysis of the results of maturing products showed that the average annual rate of return was just 4.4% (with median rate of return of ust 0.8%). The rate of return in the third quarter was not as high as in the first half of 2010. Almost 90% of products which reached maturity ended without any profits and the average rate of return was a meagre 1.56%.

*"Bezpieczni Bliscy i Ja" (*a plan for protecting yourself and those closest to you), issued by **Aegon**, is an extension of another product called *"Bezpieczni Bliscy" (Safe Closest),* available since January 2010. The older product is a simple term life insurance with riders, whereas *"Bezpieczni Bliscy i Ja"* provides a return of premiums at the end of the policy term. The policy term has predefined term, with steps of 5 years from 15 to 40; the maximum entry age is 54.

In June 2010 **Aviva Życie** entered the health insurance market by launching the medical package *"Bądź zdrów" (Be Healthy)* which ensures unlimited access to medical specialists and diagnostic examinations and tests. This package is offered as an individual product or as a rider to the individual life insurance *"Nowa Perspektywa"* ("New Perspective") and also to group life insurance. There are three versions of packages available – basic, extended and platinum. An innovation is the guaranteed maximum waiting period for medical appointment. The list of medical facilities consists of more than 200 medical service locations in Poland. The monthly premium depending on the variant chosen varies from PLN 70 to PLN 180 (or PLN 52 to PLN 162 when sold as a rider to *“Nowa Perspektywa”*). In addition to this package, Aviva offers medical assistance, a product provided together with Mondial Assistance. It covers making of medical appointments, transport to the medical facility and a provision of medication. 24h access to medical call centre is also extended by a package *“Baby Assistance”*.

Ergo Hestia issued a new hybrid – insurance and saving program – *“Eventus DUO”* in cooperation with HMI, which is the exclusive product distributor in Poland. 80% of the insurance is allocated for coverage of guaranteed benefits (i.e. the annuity product) and the remaining 20% is allocated to unit linked funds. One of the interesting features of the product is that the fund’s investment profit up to 405% enjoys a capital gains tax exemption. The amount of the annuity payment is guaranteed at the policy inception.

„W trosce o pewną przyszłość” (“With Care About Certain Future”), issued by **ING** in May, is a traditional insurance product. It combines investment and protection, similar to an endowment but with obligatory waiver of premium rider. ING decided to divide the premium into investment and protection parts, dependent on the age and duration of the policy. Naturally, the higher the insured’s age, the greater cost of the policy and thus the protection share in the total premium (increasing from 10% to 30%). ING highlights the simplicity of the offer, so that the presentation of the product is clear for both agent and client. The General Terms and Conditions contain examples of calculations of the sum insured, surrender value and profit sharing which can be made by the customer.

An interesting individual life insurance policy rider *“Assistance w podróży” (Assistance in Travel)* was also introduced also by **ING** in April 2010. 100,000 existing life company clients were given free travel assistance. The package contains medical call centre services, return of cash in case of assault and theft of cash during its withdrawal out of the ATM machine, professional advice on procedures in case of stolen documents and credit cards. The assistance package also provided for unexpected earlier return from abroad in case of illness or death of a family member, and also in case of fire, burglary or house flood. The product includes a lawyer’s and interpreter’s assistance abroad in case of trouble. Mondial Assistance is the provider of the assistance product.

02 ROMANIA

MARKET INFORMATION

LIFE

With an underwriting volume close to EUR 290m, life insurances increased by almost 3% in Euros and have risen to represent 19.2% of the insurance market, 1.3% more than in the same period of 2009. In the structure of the market portfolio, life insurance lost 1.3% and came to represent 80.8% of the total market.

HEALTH

The Government enacted in its November 24th meeting a draft of a law that regulates the co-payment mechanism for medical services and introduced the health regulator card. The normative act approved the same day establishes the legal background for the introduction of co-payments for the basic services package. The draft establishes the maximum sum representing the co-payment by the insured in a calendar year as RON 600 (EUR 150), the co-payment not being paid for medical services over this amount; there are also some social categories exempted from co-payment.

The private medical services operator, **Unirea Medical Center (CMU),** has taken over the Euroclinic Hospital & Medical Centers from the financial group Eureko. Euroclinic is the first private hospital in Romania, officially opened in 2005 after investments over EUR 14 million. It was first seen as a private wing of the Floreasca Emergency Hospital, being one of the pilot-projects of a strategy for private sector participation to improve performance of the healthcare system in Romania. The investment Fund ADVENT International has taken over 80% of CMU shares, following transaction of over EUR 40m. 20% of the company's shares belong to their founder, cardiologist Wargha ENAYATI, who had around 51% of the total shares before the transaction. Following this fusion, those insured with Eureko will have access to the entire network of medical clinics of CMU, and the insurance collaboration will continue. The main business of CMU is represented by medical subscriptions that generate around half of their turnover. The company announced they intend to seek other acquisitions.

The proposals of **METLIFE** (that acquired **ALICO**'s entity in the Romanian market) relative to the reform in the health system target the introduction of pricing based on the morbidity risk and the diversification of financing resources using tax-advantaged voluntary contributions. In the vision of METLIFE representatives, a minimal package of medical services for diagnosis, treatment and rehabilitation of illnesses classified according to World Health Organization (WHO). "At the same time, for a real reform a series of fiscal advantages must be introduced – e.g. deductibility within the limit of 400 EUR", mentioned Theodor ALEXANDRESCU, CEO Metlife. The financing form proposed by METLIFE is based upon premiums from mandatory or optional insurances collected by private or state health insurers, which will be used to settle claims with medical services suppliers, private or state. These suppliers will provide quality services to patients based on risk management and on morbidity, by directing resources according to needs. The plan encourages (a) private management of contributions, creating therapy guides as basis for quality assessment, (b) diversification of financing resources for the system through voluntary contributions and (c) introduction of electronic cards for patients.

PENSIONS

Romania has the most un-reformed and unsustainable public pension system of all emerging economies in the European Union, according to conclusions in a study published by the international rating agency Standard&Poor's. Restricting the analysis just to new members of EU, Romania occupies the last place in terms of financing the state pension system, which becomes a threat to the country's long term economic and financial stability. All estimations of international institutions show that Romania finds in the most unfavorable demographic position of all European Union states, which will strongly increase pressure on state pension system.

In October 2010, the Private Pensions System Supervisory Commission (**CSSPP**) organized seminars on public information campaigns, ***Învață să alegi!***

Pensia privată, o decizie „tânără" *(*“Learn how to choose! The private pension - A decision of the youth”). Hundreds of students participated in this event, organized in collaboration with the National Union of Students of Romania (UNSR) and aimed at informing and educating young people in about the importance of savings during youth, improving the knowledge of the population relative to participation to the private pensions system and informing prospective participants about their rights and obligations to appreciate their needs, risks and opportunities and understand correctly the concept of ‘private pensions’.

These are the most important changes brought by the new pensions’ law to the public pensions system in Romania:

- changing the standard retirement age (63 years for women, 65 years for men);
- adopting a new indexation system for pension points (depending on the inflation rate and the average salary increase, instead of direct correlation to growth in average salary);
- inclusion of some professional categories that were subject to special laws (militaries, judges, lawyers, etc);
- introduction of more consistent penalties for anticipated retirement.

COMPANY NEWS

LIFE

The first 10 companies in the life insurance rankings remain largely unchanged compared to the same time of last year. The only position change is the switch between places 4 and 7 on the market. Thus, Generali climbed 3 positions, to the 4th place, while Aviva went down to the 7th place in the rankings. Six of the top 10 companies in the market have recorded decreases in premiums, which were compensated by the increases recorded by the first four companies, such that the life insurance market as a whole has ended the first nine months of 2010 with a positive overall evolution.

In the first nine months of 2010, **ALLIANZ-TIRIAC** registered life gross written premiums of EUR 4m, with profit remaining at EUR 1m, in decrease compared to September 2009.

ARDAF registered life gross written premiums of RON 29,666 during the first part of 2010. Starting with Q2, the whole life insurance portfolio of ARDAF was transferred to GENERALI.

ASTRA Insurances, the largest Romanian-owned insurance, launched on October 28th, 2010, in Budapest, the first branch abroad. ASTRA Insurances received on October 12th, 2010 the authorization for opening a Budapest branch that will first underwrite business segments in which Astra holds important positions in the Romanian market, i.e. MTPL, Motor Hull and Property. "In the not very distant future, we might develop our portfolio with health, maybe even life insurances", stated the President of ASTRA Insurances, Mr. Radu Mustatea.

In the first nine months of 2010, the life insurance segment of **ASTRA Insurances** registered a 58% increase compared to Q3/2009 gross written premiums to RON 11.4m (EUR 2.8m). The shareholders of **ASTRA Insurances** decided in the Board Meeting on November 29th, 2010 to sell the 16.03% shares that they held with GENERALI Romania. Before this sale, the total value of Astra’s shares was RON 20.75m (EUR 4,882,310), having a nominal value of RON 0.10 (EUR 0.025) each.

After an impressive career within ING Romania and ING Group, Violeta Ciurel took another challenge, becoming the first CEO of **AXA Romania**. „AXA is determined to invest massively in the

Romanian market, to develop a sustainable and quality business in life and health insurance, according to the strategy AXA has in CEE, and expecially, more recently, in Romania. Their intention is to develop more individual and group products, distribution channels, to offer clients the products and services they need, at very high standards and quality. I personally commit to Romanian clients that this will happen as soon as possible.", said Mrs. **Violeta Ciurel.**

GENERALI Insurances signed a collaboration agreeement with Banca ItaloRomena under which the bank will sell insurance policies to its own clients. This bancassurance partnership will allow the distribution of mandatory and facultative hom insurance, life insurances and insurances related to commercial and industrial activities of small and medium size enterprises.

In the first nine months of 2010, **GENERALI Insurances** obtained a 6.4% increase on the life insurance segment, reaching a volume of gross written premiums of RON 67.4m (approx. EUR 17m). In September, life insurance sales increased by 41% compared to the same month in 2009, triggered by the company's offer that awarded a RON 600 (EUR 25) bonus for medical expenses for each new client in the life segment. The number of new contracts increased, especially in the individual traditional insurances field, by 28% over the period mentioned.

After finalizing the largest merger in the Romanian insurance market, Denis ROUSSET, CEO of **GROUPAMA Insurances**, ended his mandate in Romania in late 2010, after which he became the Group's Chief Controller. The company management will become the responsibility of Sanda NICOARA - currently Operations Director and Deputy CEO - after she receives the approval from the regulator. GROUPAMA Insurances will continue the process of consolidation and development according to the three-year strategy, targeting break-even in 2011 and profitability in 2012." stated Denis ROUSSET.

ING Life Insurances ended the first three quarters of 2010 with a 4.3% increase compared to September 2009, rising to RON 404.4m (EUR 101.1m). The number of unit-linked contracts sold during January-September 2010 was 45% higher than the same period of 2009. Unit-linked policies represent 28% of new contracts signed since the beginning of the year, being closely followed by endowment policies for children and by savings contracts. The value of financial assets under management has reached RON1.94bn (EUR 456m) at the end of September 2010, rising 13% compared to the same time in 2009.

"The increase registered in the first nine months in the life insurance market, and in particular by **ING**, is for me the confirmation of the fact that, despite all the difficulties they meet, consumers are more and more aware of their need to plan their future, to save for important objectives and to ensure the financial security of their loved ones." stated the CEO of ING Life Insurances, Cornelia COMAN. On the other hand, the profit registered by the insurer in the first nine months was RON 46bn, as compared to RON 79.5bn registered for the same period of 2009. The decrease is due to the reduction of certain categories of fees for unit-linked and investment products, as well as reflecting the cost of the launch of new products and services, according to representatives of ING Life Insurances.

ING Life Insurance is still the market leader, with premiums written exceeding EUR 96m, and an increase of about 5%

year-on-year. The company gained 0.6% market share and holds 1/3 of the local life insurance market. During the first nine months of 2010, ING Life Insurance has written EUR 4.6m more than the amount recorded in the first nine months of 2009.

METLIFE announced on November 1st, 2010 that it had finalized the acquisition of American Life Insurance Company (ALICO) from the American International Group (AIG) for USD 16.2bn, marking its entrance into the life insurance Romanian market through ALICO's Romanian subsidiary. "This will allow the acceleration of company's development globally, as ALICO has operations in over 60 countries, and the transaction sustains the placing of METLIFE as a global leader. Companies of METLIFE and ALICO have complementary profiles.", explained Theodor ALEXANDRESCU, CEO Alico Life Romania.

No	Company	Gross Written Premiums (EUR m.)		Market share (%)	
		3Q 2010	3Q 2009	3Q 2010	3Q 2009
1.	ING Life Insurance	96.3	91.7	33.3	32.7
2.	BCR Life Insurance	55.0	39.8	19.1	14.2
3.	ALICO Romania*	38.2	33.1	13.2	11.8
4.	GENERALI	16.1	15.0	5.6	5.3
5.	ASIROM	15.1	16.0	5.2	5.7
6.	ALLIANZ-TIRIAC	14.3	15.7	5.0	5.6
7.	AVIVA Life Insurance	14.3	16.6	4.9	5.9
8.	GROUPAMA	11.9	14.7	4.1	5.2
9.	GRAWE Romania*	9.3	13.5	3.2	4.8
10	EUREKO	5.4	6.1	1.9	2.2
TOTAL TOP 10		275.9	262.2	95.5	93.5
TOTAL MARKET		288.8	280.5	100.0	100.0

* estimated values

NEW PRODUCTS

LIFE

Parents are becoming more and more aware of the need to save for their children's future as a result of publicity of life insurers. In the first nine months of 2010, the average insured sum for children's financial plans is 13% higher than the same period of 2009, while the average gross annual premium is about 10% higher compared to 2009.

ALICO / METLIFE include in its offer the insurance saving program for children *Junior Extra*. The product aims to offer safety, quality education and the opportunity to succeed in life. The contract term may be 10 years, or until the child's 18th, 21st or 23rd birthday. At contract maturity, the beneficiary will receive the guaranteed Sum Insured, to which adds the guaranteed investment benefit. Additionally, a Maturity Bonus of 5-10% of the Sum Insured is received if all premiums have been paid in due time during the contract term. The product also provides a benefit of the death of the premium payer and to defray certain medical expenses.

ALLIANZ-TIRIAC launched *Camarad*, a life insurance policy that comes in six predefined levels of insurance premiums. Premiums start from 175 RON/quarter, in the first year of contract. There are 2 packages for *Camarad*: *Standard*, protection against death risk, and *Progresiv*, which also provides benefits for partial and permanent disability, hospitalization and surgical interventions due to accident. Both packages include annual indexation of premiums by 3%, thus offering the client protection against inflation. The new product may be purchased by persons aged between 18 and 55 years, who wish to save regularly and participate in investment profits.

BCR Life Insurances is promoting the children annuity product *Magister*, that has the caracteristics of a flexible unit-linked product, allowing the insured child to benefit, at the age chosen by the parent(s), from a guaranteed amount to which is added the sum built up during the policy term. This product may be commenced at birth and continued for a maximum of 20 years. The policy also benefits from premiums protection, in case of the contractor's death. The parents may choose the amount they intend to save for their children and the value of the sum insured may be indexed annually, according to inflation. The accumulated capital may be paid as a lump sum, according to child's needs (e.g. for purchases, investments, business etc) or as annual payments (e.g. to pay for studies).

GENERALI Insurances launched *Crescendo*, an investment plan in RON, aimed at capital accumulating for children. This product offers the parents or grandparents the possibility of placing the money for their children or grandchildren in various investment programs, depending on their risk tolerance and the time horizon of the investment. The contract term is minimum 5 years and the insurance can be contracted by premium-payers of ages between 18 and 70. For beneficiary children who obtain only excellent grades at school for the entire contract duration, this product brings additionally a performance bonus of 50% of the account value paid at the end of the contract.

ING Life Insurances and CITIBANK Romania signed a bancassurance agreement under which the bank will sell two new life insurance savings products, *Regal* and *Academica*. *Academica* allows bank clients to save money for their children until their 18th birthday, following which the beneficiary receives the insurance indemnity as five annual installments or a one-off installment. If the contractor's death occurs during the contract term, the insurance will continue, and ING Life Insurances takes over the premiums payment obligation until the contract maturity. *Regal* offers the client the possibility to save and ensure financial protection, paying at maturity the guaranteed amount and a percent of the profit obtained by investing a part of the paid premiums.

ING Life Insurances launched a new life insurance unit-linked policy with single premium, in EUR, offering 100% protection of net invested capital. ING Selectis was available exclusively during 2-26 November 2010, and has a duration of six years. The insurance premium consists of a single payment at the beginning of the contract, of minimum EUR 2,000. The capital protection at the contract's maturity is guaranteed by the allocation of net initial capital into a portfolio of fixed income instruments, made up of deposits and Belgian bonds. In case of accidental death, beneficiaries receive the sum insured (established at EUR 3,000, regardless of the premium), as well as the account value. The protection cost is fixed and community-rated (EUR 27 for the entire policy term). There is no medical underwriting, which makes this product suitable also for persons with medical conditions.

UNIQA Life Insurances recently initiated a partnership with PREMIA Med Management, based on which there will be offered life insurance products to clients of such dental clinics. At the same time, PREMIA Med will sell individual and group dental subscriptions to new clients of UNIQA Life, in the form of medical expenses insurances. Monthly costs for covering medical expenses with dental services and corresponding risks varies from EUR 5 to EUR 20, depending on the prepaid services included in the package and on the covered risks. PREMIA Med Management has a medical network of over 55 dental offices.

HEALTH

SIGNAL Iduna launched a new unit-linked life insurance product, *SIGNAL Kapital Star*, available in two currencies, RON and Euro. This product also makes available all types of investment funds for insured persons, who may obtain such financial support for a personal or business project, additional income at retirement or financial support for financing children's studies. Insured persons may also choose an additional module that comprises one of the following components: compensation for death or for permanent disability due to an accident, daily indemnity for surgical interventions or for more than 3 hospitalization days, as well as payment protection for the entire period of disability. According to the currency selected by the insured, the investment funds are local (BCR Asset Management) or international (HANSA Invest, member of SIGNAL Iduna group and one of the biggest asset management companies in Germany) as their business partner.

Generali Insurances launched Vital Plus, a new individual health product whose main benefit is the direct settlement between the insurer (EUROP Assistance) and the medical services suppliers. Clients may choose between optional clauses: hospitalization due to any cause, in Romania as well as abroad, additional clauses for surgical interventions, pregnancy and birth. The product has one year-contract term, with automatic renewal, maximum entering age being 65 years for the insured. The contract may also include members of the insured's family (spouse, parents or children). By choosing one of the three options (Basic, Medium or Best), the insured has the following clauses covered: annual preventive medical check, medical consultations due to any cause, including "second medical opinion", home medical consultations, health investigations, emergency ambulance transportation, medicines' procurement, vaccinations or dental treatments. Prices start from EUR 250 per year, and the policy provides access to a coordination center with a national network of over 40 clinics and hospitals, as well as global cover abroad.

Specialized medical insurance company BUPA signed a partnership with **MEDIHELP** to sell health packages in three countries: Romania, Bulgaria and Hungary. This offer includes individual insurances, family and group plans. MEDIHELP clients will be able to choose any doctor or medical clinic or hospital in Europe, state or private. "This partnership is a premiere in Eastern Europe. We are the only company that offers BUPA services in all three countries. BUPA health insurances have unique features, especially in the Romanian market", stated Zahal LEVY, President of MEDIHELP International.

PENSIONS

<u>Pillar II</u>

At the end of 2010, 5,186.4 participants contributed to mandatory pension funds. The number of participants increased by 5.6% from December 2009, and by 2.6% from the first half of 2010. The 9 mandatory pension funds in the PII market registered a net asset value of RON 4,331.9bn (more than EUR 1bn), an increase of 81.7% from December 2009, and of 28.2% from June 2010.

Contributions of RON 132m (EUR 31m) have been transferred to PII funds in December 2010, decreasing by 2% from the previous month, increasing by 24% from 2009.

Mandatory pension funds in Romania as at 31 December 2010 (EUR m.)				
No	Mandatory private pension fund	Number of participants	Market share (%)	
			2010	Growth 10 / 09
1	ING	1,656.65	31.9	-5.2
2	AZT VIITORUL TAU (ALLIANZ-TIRIAC)	1,299.61	25.1	-2.1
3	ARIPI (GENERALI)	495.97	9.6	2.5
4	PENSIA VIVA (AVIVA)	382.67	7.4	4.5
5	EUREKO	368.48	7.1	6.4
6	BCR	337.08	6.5	31.7
7	ALICO	326.88	6.3	0.2
8	VITAL (AEGON)	176.40	3.4	13.0
9	BRD	142.62	2.7	15.9
TOTAL		5,186.37		

Luiza BUZEA, Investment Specialist with **AVIVA Investors**, was officially authorized by CSSPP to take over the position of Director of Investments for AVIVA Pensions. Mrs. BUZEA, 28, is a graduate of management at the Bucharest' Academy of Economic Studies. The new Director of Investments takes over the responsiblities of Iulius POSTOLACHE, who now holds the same position with ALLIANZ-TIRIAC Private Pensions.

The transaction under which Eugen VOICU, CEO of **AVIVA Investors**, bought back from AVIVA the majority of shares of the asset management company, was authorized recently and finalized on November 1st, 2010. The structure and members of the team will not be affected by the change in shareholder, however the company will be subject to a rebranding process.

Eugen VOICU founded CERTINVEST in 1994, selling control to the AVIVA Group at the beginning of 2008. The company operated under the AVIVA brand starting with the fall of 2008. AVIVA Investors is currently one of the major Romanian players on the asset management market, registering RON 75.3m in assets under management in the first eight months of activity.

Pillar III

At the end of 2010, 13 voluntary pension funds were active in the PIII market, being administered by 10 administrators authorized by the regulator that is the Private Pensions System Supervising Commission (CSSPP).

There were 221,600 participants contributing to voluntary pension funds at the end of December 2010, registering an increase of 18.4% from December 2009 and of 47% from December 2008.

The PIII funds' net assets volume was of RON 328m (EUR 76m) at the end of December 2010 (using the National Bank average exchange rate of December 2010). Net assets volume has risen by 60.7% from December 2009 and by 24% from June 2010.

Voluntary pension funds as at 31 December 2010				
No	*Voluntary pension fund*	Net assets (EUR m.)	Number of participants	Market share
1	ING OPTIM	24.3	63,004	28.4%
2	BCR PRUDENT	13.7	58,324	26.3%
3	AZT MODERATO	11.7	28,219	12.7%
4	ING ACTIV*	10.0	23,863	10.8%
5	AZT VIVACE	5.7	18,577	8.4%
6	PENSIA MEA	4.3	9,931	4.5%
7	RAIFFEISEN ACUMULARE	3.9	7,018	3.2%
8	EUREKO CONFORT	0.3	3,526	1.6%
9	STABIL	0.4	3,179	1.4%
10	BRD PRIMO	0.7	3,071	1.4%
11	BRD MEDIO	0.8	2,324	1.0%
12	OTP STRATEG	0.1	301	0.1%
13	CONCORDIA MODERAT	0.1	263	0.1%
TOTAL		76.0	221,600	100.0%

For 54% of the total number of participants to the voluntary pension funds, contributions have been paid by their employers, while 33% of them paid for their own contributions. For 12% of the participants contributions were by both participants and their employers.

04 OTHER MARKETS

"CEE, RUSSIA & CIS 1H 2010 Insurance Regional Survey", realized by PRIMM – Insurances & Pensions Magazine (*Romania*), is an extensive report that covers markets in Central & Eastern Europe, Poland, Czech Republic, Hungary and Slovenia represent in total 74% of the premiums written in the region.

For eight of the countries that make up this region, the insurance market registered growth in 2010, the strongest growth being in Estonia: 31.78%, while the others experienced declines, the worst performer being Estonia's neighbor, Latvia: -31.37%).

As compared to H1/2009, the first six months of 2010 registered an increase of over EUR 1bn for the first 6 countries of the total 16 that compose the Central & Eastern Europe Region.

HUNGARY

The Hungarian government initially wanted to suspend transfers of premiums to Pension Funds for 14 months starting from November 2010. However, in October the Prime Minister announced that the government will stop transferring premiums to Pension Funds and people will come back to the state system in 2011.

RUSSIA

Rosgosstrach-Life has started selling pension products using the existing network of non-life sister company Rosgosstrach. The products will be sourced from the recently-acquired non-state pension fund RSG. In addition, Rosgosstrach plans to sell voluntary pensions using the same network.

Position		Country	Total Gross Written Premiums (EUR m.)		Growth 10 / 09	Market share (%)	
1H 2010	1H 2009		1H 2010	1H 2009		1H 2010	1H 2009
1	1	Poland	6,307.3	5,486.5	15.0%	39.0	36.2
2	2	Czech Rep.	2,974.8	2,731.6	8.9%	18.4	18.0
3	3	Hungary	1,549.0	1,498.4	3.4%	9.6	9.9
4	4	Slovenia	1,120.6	1,113.7	0.6%	6.9	7.3
5	6	Slovakia	1,054.3	1,049.2	0.5%	6.5	6.9
6	5	Romania	1,043.2	1,085.4	-3.9%	6.5	7.2
7	7	Croatia	702.1	708.1	-0.9%	4.3	4.7
8	8	Bulgaria	414.3	429.0	-3.4%	2.6	2.8
9	9	Serbia	287.1	305.1	-5.9%	1.8	2.0
10	12	Estonia	218.6	165.9	31.8%	1.4	1.1
11	10	Lithuania	154.8	214.0	-27.7%	1.0	1.4
12	11	Latvia	135.4	197.3	-31.4%	0.8	1.3
13	13	Bosnia and Herzegovina	91.3	88.0	3.7%	0.6	0.6
14	14	Macedonia	50.2	48.9	2.8%	0.3	0.3
15	16	Montenegro	30.2	0.0	0.0%	0.2	0.0
16	15	Albania	29.0	31.0	-6.5%	0.2	0.2
TOTAL CEE REGION			**16,162.1**	**15,152.0**	**6.7%**		

NOTE: No statistics were published for Montenegro relative to the insurance activity for H1 2009.
Sources: Supervisory authorities, Insurers Associations, National Banks, Insurance Profile.

Life Insurance companies in Russia as at 30 September 2010					
Company	**3Q 2010 (EUR m.)**		**3Q 2009 (EUR m.)**		**Growth 2010 / 2009**
	Life Insurance	**Total**	**Life Insurance**	**Total**	
Alico	52,744	*72,636*	48,826	*65,669*	10.6%
Alfastrachovanie Life	46,576	*47,104*	14,437	*15,267*	208.5%
Rosgosstrach Life	43,203	*58,357*	28,506	*34,101*	71.1%
Russian Standard Insurance	27,832	*31,762*	13,739	*14,115*	125.0%
Allianz ROSNO Life	19,526	*21,687*	10,407	*11,689*	85.5%
CiV Life	18,927	*25,835*	9,671	*16,596*	55.7%
Generali PPF Life Insurance	18,864	*109,368*	13,908	*91,718*	19.2%
Chuplan Life	11,051	*11,067*	10,320	*10,333*	7.1%
Discont	10,454	*10,517*	6,431	*6,437*	63.4%
Geopolis	9,202	*9,552*	9,249	*10,101*	-5.4%
Total	**258,377**	***397,884***	**165,494**	***276,025***	**3.8%**

UKRAINE

New tax legislation will introduce some radical changes to the taxation of insurance companies:

- Insurance companies will be taxed on profits rather than premium – this will be the largest and most important change, which will make some tax optimization schemes using insurance not efficient.
- Optimization schemes using insurance inefficient.
- Definition of long term life insurance: in force for five years rather than ten, as before.
- Corporate profit tax rate will gradually decrease from 25% to 16% over 4 years.
- Personal income from bank deposits will be taxed at 5% from January 1, 2015.

Life insurance companies in Ukraine as at 30 September 2010				
No	**Company**	**Insurance premiums (EUR m.)**		**Growth 2010 / 2009**
		3Q 2010	**3Q 2009**	
1.	Metlife Alico	13,109	11,767	11.4%
2.	TAS	8,611	10,185	-15.5%
3.	Renaissance Life	6,623	3,442	92.4%
4.	PZU Ukraine Life Insurance	3,178	1,865	70.4%
5.	Fortis Life Insurance Ukraine	1,954	1,349	44.9%
6.	Blakitniy Polis	1,894	2,023	-6.4%
7.	Illichivska	793	679	16.8%
8.	ASKA Life	757	924	-18.0%
9.	USG Life	713	847	-15.8%
10.	EKKO	565	601	-6.0%
	Total	**38,196**	**33,681**	**-24,5%**

Following the finalization of the acquisition of American Life Insurance Company (Alico) by Metropolitan Life Metlife) it has been decided to change brand names in both Russian and Ukrainian markets into **Metlife Alico**. The decision to keep Alico as part of the new brand name was based on the leading position of the life insurer on both Ukrainian and Russian markets.

BULGARIA

The German financial group TALANX intends to enter the life insurance market in Bulgaria, according to a statement from Matthias MAAK, the Member in the Management Board of HDI Gerling who administers the international insurance business of TALANX. HDI Gerling is already active in the general insurances segment in Bulgaria, reporting in the first 9 months of this year a volume of gross written premiums of EUR 8.8m and a market share of 1.8%, according to the supervisory authority.

Gross premiums written by Bulgarian insurers in the health insurance segment in the first nine months of 2010 totaled EUR 16.1m, according to specialized portal DNEVNIK. At the same time, the number of insured people reached 213,751 at the end of September 2010. The leader in this field is BULGARIA Zdrave, followed by OZOK and GENERALI. During the period January-October 2010, 13 such companies underwrote premiums in this market that registered a negative financial result of EUR 320,000.

Bulgarian Government announced they would back up on their stated intention of transferring EUR 237m assets accumulated in the private pension funds back to covering certain groups of workers (miners, aviators etc). According to specialists quoted by ipe.com, following the agreement between the Executive and the trade unions, about EUR 50m (approximately 20% of assets under management) will be transferred back into the social insurances budget.

Bulgaria decided to direct over BGN 1bn (approx. EUR 510m) to the Silver Fund, announced the Bulgarian Ministry of Labour, Totyu MLADENOV, quoted by dnevnik.bg. The transfer will take place during the next three years, using funds coming from concessions and privatizations taking place during this period. The Silver Fund is a structure founded to fund additional costs generated in the public pension system by the aging of population. As of the end of December 2010, the Silver Fund had accumulated over EUR 863.6m, with EUR 175m coming from bank deposits, according to the Bulgarian Finance Ministry.

MOLDOVA

According to data published by the *National Commission for Financial Market (CNPF)* in Republica Moldova, during the period between January-September 2010, the life insurance market registered a nominal increase in EUR by 5.2% (i.e EUR 2.1m) compared to the first nine months of 2009.

Life insurance companies in Moldova as at 30 September 2010

No	Company	GWP (EUR m.)		Market share (%)	
		3Q 2010	3Q 2009	3Q 2010	3Q 2009
1.	GRAWE CARAT	1.9	2.1	90.4	92.5
2.	SIGUR-ASIGUR	0.2	0.1	7.2	4.7
3.	ASITO	0.0	0.1	1.9	2.6
4.	ASTERRA GROUP	0.0	0.0	0.5	0.2
TOTAL		**2.1**	**2.3**	**100.0**	**100.0**

1. All calculations are based on results communicated by National Commission for Financial Market (CNPF).
2. Exchange rate from National Bank of Moldova: 1 EUR=16.4721 MDL (Jan.-Sept. 2010), 1 EUR = 15.0816 MDL (Jan.-Sept. 2009)

2011 CONFERENCES

DATE	ORGANIZER	LOCATION	EVENT
14-17 April	*Saipro*	Tashkent, Uzbekistan	**Tashkent International Insurance Forum**
16-18 May	*Marcus Evans Conferences*	Montreux, Switzerland	**European Pensions & Investments Summit 2011**
17-18 May	*Russian Polis*	Vienna, Austria	**Central European Life & Health Leadership Forum**
23-26 May	*Media XPrimm*	Sinaia, Romania	**FIAR 2011 (International Forum for Insurance–Reinsurance)**

UK-based Phoenix Group selects Milliman for Actuarial System Transformation Project

At the beginning of September 2010, Milliman, Inc announced that the UK-based Phoenix Group had selected the company as provider for their Actuarial System Transformation Project. "Having acquired many companies with a variety of actuarial projection systems and models, we sought a provider who can work closely with us to simplify, rationalise and streamline our processes", said Andy Moss, Phoenix Life Finance Director. "We must be able to gain Solvency II internal model approval, monitor and manage our risks on a daily basis and drive internal operational efficiency savings across our full business. We believe that the combination of Milliman's consulting expertise, the MG-ALFA@ actuarial projection system and the Daily Monitoring System (DSMS) offers us such a solution."

According to Nick Dumbreck, Milliman's UK Life Practice leader, "We are delighted to be selected by Phoenix for this market leading project. We believe that our combined consulting and systems offering, together with their innovative thinking, will lead to the next generation of actuarial modelling standard throughout the industry."

Dumbreck explained that at the heart of the solution is Milliman's MG-ALFA actuarial calculation engine. MG-ALFA is the US market leader and Milliman expects that this project will lead to similar success in Europe. MG-ALFA was developed from scratch as an asset-liability modelling (ALM) system that is uniquely capable of meeting Solvency II requirements for enhanced stochastic modelling capability within a controlled but flexible environment.

"A particularly exciting aspect of this project is our ability to integrate MG-ALFA with the expertise of our Financial Risk Management Practice, to implement a comprehensive risk management solution," noted Dumbreck. "Together the systems will allow Phoenix to perform regular, detailed actuarial calculations and daily solvency monitoring in a consistent and integrated fashion."

About Phoenix Group

Phoenix Group Holdings is the UK's largest consolidator of closed life funds with approximately 6.5 million policyholders and £65 billion of assets under management as at 31 March 2010.

The Company's operating business delivered £716 million of cash inflows to the UK holding company and reported pro forma IFRS operating profits of £457 million in the year ended 31 December 2009. The MCEV at 31 December 2009 was £1,827 million and the IGD surplus was estimated at £1.3 billion as at 31 March 2010.

About Milliman

Milliman is a leading international firm of consultants and actuaries, providing services to the Life, Health, General Insurance and Employee Benefits Sectors. Founded in 1947 in the United States, the firm has 54 offices worldwide including in Amsterdam, Bermuda, Bucharest, Dublin, Hong Kong, London, Madrid, México City, Milan, Munich, Paris, São Paulo, Seoul, Tokyo, Warsaw and Zurich.

Our offices in Europe are specialised in insurance and provide actuarial and strategic support in a range of areas including strategy and business planning, mergers & acquisitions, product and distribution development, financial management and reporting, risk management and solvency.

Our Experience

Milliman's experienced consulting team has extensive experience of the insurance markets in Central & Eastern Europe. Examples of projects we have worked on include:

- Merger & Acquisition transactions involving life, non-life, bancassurance companies and pension funds in Poland, Hungary, Czech Republic, Romania, Slovenia, Ukraine and Russia.
- Market entry, strategy and business planning for life and non-life insurers operating on an establishment and freedom of services basis in Poland, Romania and Ukraine.
- Support for start-up insurers including licence application support.
- Product development and pricing support for life and pensions business in Poland, Romania, Russia and Ukraine.
- Health insurance product development in Poland.
- Actuarial reserve reviews for non-life insurers in Russia and Slovenia.
- Feasibility studies for life and non-life insurers in various markets.
- Statutory reporting and appointed actuary work in Poland and Romania.
- Distribution strategy and life sales force modelling in various markets.

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