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**INSURANCE SUPERVISION AGENCY**

**Annual Report on the Operations of the  
Insurance Supervision Agency  
in 2023**

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# 1. INTRODUCTION

The Insurance Supervision Agency (hereinafter referred to as **ISA**) is an independent regulatory body that regulates the insurance market, supervises the operations of insurance entities, protects the rights of the insured and contributes to financial education and involvement of the population.

ISA's operations are established by the Law on Insurance Supervision ("Official Gazette of the Republic of Macedonia" No. 27/2002, 98/2002, 79/2007, 88/2008, 67/2010, 44/2011, 112/2011, 188/2013, 30/2014, 43/2014, 112/2014, 153/2015, 192/2015, 23/2016, 83/2018 and 198/2018) and ("Official Gazette of the Republic of North Macedonia" no. 101/2019, 31/2020 and 173/2022), and the Law on Compulsory Traffic Insurance ("Official Gazette of the Republic of Macedonia" No. 88/2005, 70/2006, 81/2008, 47/2011, 135/2011, 112/2014 and 145/2015 and "Official Gazette of the Republic of North Macedonia" No. 220/2019).

➤ ***In achieving the goals which it was established for, ISA has the following legal powers:***

- Issues and revokes permits, consents and licenses;
- Supervises insurance companies, insurance brokerage companies, insurance agency companies, banks that perform insurance agency operations, insurance brokers and insurance agents, legal entities associated with insurance companies and the National Insurance Bureau;
- Pronounces supervision measures in the form of orders and decisions;
- Adopts by-laws for the implementation of the Law on Insurance Supervision, proposes amendments to laws in the field of insurance;
- Protects consumers' rights and acts on complaints submitted by insured entities, insurance beneficiaries and third party injured entities;
- Stimulates the development of the insurance market by developing the public's awareness of the role of insurance, carries out financial education and inclusion activities, and contributes to strengthening the public's trust and the stability of the insurance market;
- Cooperates with relevant domestic and foreign institutions and bodies

## 2. Institutional Management

### 2.1. Council of Experts

ISA's managing body is the Council of Experts consisting of five members. Three members are professionally engaged full-time in ISA, one of whom is the President, while two members are not professionally engaged.

The members of the Council of Experts are appointed and dismissed by the Assembly upon the proposal of the Government of the Republic of North Macedonia.

***Pursuant to the Decision of the Assembly of RNM, members of the Council of Experts are as follows:***

- PhD Krste Shajnoski, professionally engaged full-time member, President of the Council of Experts;
- PhD Sulejman Ahmedi, professionally engaged full-time member of the Council of Experts;
- Zlate Simonovski, professionally engaged full-time member of the Council of Experts;
- PhD Igor Ivanovski, member of the Council of Experts, not professionally engaged, and

- Aleksandra Kokaroska, member of the Council of Experts, not professionally engaged

The Council of Experts works and decides in sessions, adopts decisions with a majority of votes from the total number of members. The operations of the Council of Experts, in addition to the way of conducting the sessions and making decisions are regulated in accordance with the Law on Supervision of Insurance, the Statute of ISA and the Rules of Procedure of the Council of Experts.

During 2023, the Council held 35 sessions where they decided on issues within their scope and competences.

ISA reports its operations to the Assembly of the Republic of North Macedonia. The Assembly adopts the following: the Financial Plan, the Financial Statements audited by an independent authorized auditor, the Annual Report on Operations and the Annual Report on the Status and Movements of the Insurance Market.

## *2.2. Mission and vision*

ISA's mission and vision are aimed at developing the insurance market with the purpose of protecting the rights and interests of the insured, strengthening public trust in market entities, raising awareness about insurance, and ensuring the stability of the financial system.

The quality policy is an integral part of ISA's mission and vision and is in accordance with the requirements of the ISO 9001:2015 - Quality Management standard. By regularly obtaining the Quality Certificate, ISA confirms the application and further development of efficient quality management system.

## *2.3. Values*

The main standards and values that ISA is governed by are as follows: **responsibility, expertise, conscientiousness and transparency.**

## *2.4. Risk Management Strategy*

ISA has established a risk management strategy as a successful mechanism for risk management with the aim of anticipating adverse events, timely response, appropriate directing of internal control procedures and resources to key functions and risks. One of the segments is the integrity system. Within this framework, activities in the maintenance of the entire IT equipment and information systems of ASO are continuously performed.

## *2.5. Planning ISA's operations*

Strategic acts, operational plans, by-laws and other acts are adopted by ISA through a process of analysis and planning, taking the surrounding circumstances, internal factors and their impact on the realization of the planned goals and tasks into account.

Our objectives and tasks are established through:

- Annual work plan;
- Annual on-site supervision plan;
- Financial plan;
- Public procurement plan;
- Archival operations plan;

- Annual employment plan
- Strategic operations plan
- Strategic plan on prevention of corruption
- Other relevant programs and documents

## *2.6. Internal audit*

Using a systematic, disciplined and risk-based approach, the internal audit in ISA continuously contributes to the improvement of management processes, risk management, and maintenance of effective controls in dealing with risks, in relation to:

- Compliance with laws, regulations, policies, procedures and agreements;
- Achieving strategic goals;
- Effectiveness and efficiency of the operation of the programs;
- Reliability and integrity of financial and operational information; and
- Protection of funds.

## *2.7. ISA Organization and financing*

On 31.12.2023, the total number of employees in ISA is 38.

Pursuant to the Rulebook on internal job organization, the employees are distributed in 2 independent directorates, 2 job positions of general advisor, 3 professional services and 9 directorates within the professional services.

The ISA operations are financed by fees collected from market entities subject to control by ISA, such as insurance companies, insurance brokerage companies, insurance agency companies, banks that perform insurance agency operations, in addition to fees charged by other natural persons and legal entities which ISA supervises. Fees are determined in the Price list for the content and amount of fees and charges charged by the Insurance Supervision Agency and payment deadlines, in accordance with the Law on Insurance Supervision.

## *2.8. Corporate and social responsibility*

As a socially responsible institution, ISA applies the principles of corporate responsibility in its operations as a set of legal, economic and ethical expectations that society has towards legal entities.

In this sense:

- we promote a partnership to support pupils and students, their participation in activities, increasing awareness of risks and the importance of insurance, promotion of pupils and students' interests;
- we create opportunities for conducting study stays for pupils and students for the purpose of actively informing them;
- we encourage volunteering in order to strengthen awareness of the importance of young people and their social role;
- we support humanitarian actions;
- we promote and raise the awareness of the public about the actuarial profession which is an essentially important activity in insurance;

- we support and create educational programs for financial literacy;
- we continuously build the team spirit of the employees, etc.

### **3. REALIZED ACTIVITIES IN THE REPORTING PERIOD BY AREAS**

ISA's operations in 2023 took place in accordance with the adopted operational and strategic plans within the Law on Insurance Supervision. Certain achievements in 2023 are as follows: enabling prerequisites for new investments and granting work permits to two new insurance companies, continuous improvement of off-site supervision and imposition of preventive and corrective measures; implementation of the planned on-site supervisions; organizing trainings and exams for insurance agents and brokers; implementation of actuary training and exams; acting on petitions submitted by insured persons, continuous financial education activities to raise awareness of insurance and its benefits, adoption of new by-laws and improvement of the existing ones; regular implementation of obligations related to international agreements on the exchange of information with supervisory authorities; adoption of strategic documents and strategies with the aim of improving the financial stability of the sector, encouraging innovations in the financial sector, regular cooperation and open communication with relevant authorities and institutions.

**Each area is elaborated separately, as follows:**

#### ***3.1. Regulation and licensing***

During 2023, the Insurance Supervision Agency together with the Ministry of Finance continued working on the drafting of a new Insurance Law compliant with the provisions of Directive 2009/138/EC on the establishment and implementation of business activities for insurance and reinsurance (Solvency II). In addition to compliance with the Solvency 2 Directive, the new Law complies with the Insurance Distribution Directive, while taking the principles of the International Association of Insurance Supervisors into account, according to which supervisors have an important role in promoting insurance awareness with a special focus on Principle 19 – ICP 19 – Conduct of business, which regulates insurance companies and insurance intermediaries to apply fair treatment to consumers not only when purchasing the insurance contract, but also during servicing of the contract and when obligations for compensation and payment of damages arise, while Principle 18-ICP 18 – Intermediaries regulates insurance intermediaries to perform their role in a professional manner and transparently, i.e. highlights their role in promoting public confidence in the insurance sector and their role in promoting financial awareness. The law also regulates the method of out-of-court settlement of insurance disputes in a mediation procedure. It also plans to introduce a by-law that will define the method and procedure of out-of-court settlement of disputes.

Depending on the process of adoption of the new Insurance Law, ISA will prepare a plan with the dynamics of adoption of by-laws that will result from the new Insurance Law and will measure the necessary resources and dynamics of adoption of the new by-laws.

#### ***3.2. Adopted rulebooks, guidelines and manuals***

Pursuant to the established need for detailing the new rules and providing guidelines, ISA adopted the following by-laws and documents:

1. Rulebook on the content of reports that insurance representation companies, insurance brokerage companies and banks submit to the Insurance Supervision Agency, in addition to

the deadlines and methods of submitting them ("Official Gazette of the Republic of North Macedonia" no. 108/2023);

2. Rulebook on the form, content and manner of keeping registers by insurance companies, insurance brokerage companies and insurance representation companies ("Official Gazette of the Republic of North Macedonia" no. 174-2023);
3. Rulebook on the form, content and manner of keeping registers of insurance brokers, insurance brokerage companies, insurance agents, insurance agency companies and banks ("Official Gazette of the Republic of North Macedonia" no. 174-2023);
4. Rulebook on the adequacy of reinsurance coverage, the method for calculating the amount of maximum coverage of the insurance company in the maximum coverage table and the method for calculating the maximum possible damage ("Official Gazette of the Republic of North Macedonia" no. 3/2024);
5. Guidelines for performing a risk assessment of money laundering and financing of terrorism for entities under the supervision of the Insurance Supervision Agency ("Official Gazette of the Republic of North Macedonia" no. 261/2023);
6. Manual for the establishment and operation of an insurance brokerage company.

During this period, we determined the need for amending the Rulebook on minimum requirements for receiving, processing, reserving and paying claims for damages and/or the insured amount in order to better protect the rights of the insured ("Official Gazette of the Republic of North Macedonia " no. 174/2023 and 223/2023). The amendments are aimed at strengthening the protection of insured entities and insurance users, with the aim of efficient and effective resolution of claims for damages.

### *3.3. Issued permits and consents*

Pursuant to the submitted requests from the entities, ISA issued the following license and consents:

- 2 licenses to insurance companies (one new company in the field of non-life insurance and one for life insurance),
- 3 licenses for performing insurance brokerage work,
- 2 licenses for performing insurance representation work,
- 1 license for introducing a new class of insurance,
- 10 licenses for authorized actuaries,
- 16 consents for an audit firm,
- 8 consents to amend the statute,
- 3 consents for change of seat,
- 22 consents for performing the function of a member of a management body in an insurance company, and
- 4 consents for acquiring a qualified participation in an insurance brokerage company

It is of particular importance the entry of two new insurance companies, one in the non-life insurance segment, fully owned by domestic investors, while the second in the life insurance area is owned by an insurance group from Slovenia. The two companies are expected to improve competitiveness in the sector and contribute to enriching the offer of insurance products.

### *3.4. Issued licenses*

ISA issued 92 insurance broker licenses and 357 insurance agent licenses in 2023 upon the requests of the entities.

### *3.5. Revoked licenses and permits*

During the year, due to termination of work contracts with insurance agents, 43 licenses of natural persons for insurance agents were revoked by ISA.

### *3.6. Organized training*

During 2023, ISA started a new training for actuaries, planned to end in 2025, while the training for insurance intermediaries took place according to the established schedule. A total of 321 candidates applied for training for agents, of which 226 candidates obtained a certificate for performing insurance representation operations. A total of 133 candidates applied for insurance broker training, of which 99 candidates obtained a certificate for performing insurance brokerage.

## **4. CONDUCTING SUPERVISION**

ISA supervises the insurance companies, insurance brokerage companies, insurance representation companies and the National Insurance Bureau, pursuant to the provisions of the Law on Insurance Supervision, the Law on Compulsory Traffic Insurance and other relevant laws and regulations.

ISA supervises through permanent off-site supervision, i.e. collecting, analyzing and verifying reports and information submitted by insurance companies and other entities in accordance with the Law, on-site supervision (full or partial) of the operations of insurance companies (control), as well as additional supervision whenever it is thought that it is in the interest of protecting the rights of the insured and determining supervision measures. ISA supervises natural persons who perform insurance brokerage and insurance representation.

Pursuant to the Law on the Prevention of Money Laundering and Other Proceeds from a Criminal Offense and the Financing of Terrorism, ISA supervises the application of measures and actions for the prevention of money laundering and financing of terrorism.

### *4.1. On-site supervision*

On-site supervision was carried out smoothly and in accordance with the adopted On-site Supervision Plan for 2023. During this period, ISA conducted 9 on-site supervisions, one of which was full and the others partial. Five of the on-site supervisions were in the area of compliance of the insurance companies in terms of the rules established by ISA in the field of information systems.

In the on-site supervision procedure, a total of 22 findings of legal non-compliance were ascertained and 41 recommendations were made to improve the internal processes of the subjects of supervision and the following supervisory measures were imposed:

- 16 orders to remove illegalities;
- 11 additional measures to remove illegalities;



In addition, ISA imposed 6 fines, which were realized through a settlement procedure.

#### ***4.2. Off-site supervision***

During 2023, and based on the conducted off-site supervision, ISA prepared 44 minutes and ascertained 52 findings on legal non-compliance.

Pursuant to the off-site minutes, the following supervision measures were imposed:

- 4 orders to remove illegalities;

In addition, ISA imposed 10 fines, which were realized through the settlement procedure by submitting a violation payment order.

#### ***4.3. Participation in working meetings***

During 2023, ISA regularly participated in all working meetings for regular exchange of information with the supervisory authorities within the framework of supervisory colleges, for insurance companies belonging to European insurance groups based abroad. The purpose of the cooperation is to acquaint the supervisors with the current trends and risks in the insurance markets in which the insurance companies - members of the groups operate, and to prioritize the future supervisory activities accordingly. The cooperation has been assessed as high-quality due to the timely and confidential processing and exchange of information about the operations of the insurance companies - members of the insurance groups.

#### ***4.4. Forms and circulars***

Within the framework of its operations and for the purpose of detailed clarification of certain areas of the operations of market insurance entities, ISA practiced circular letters as an additional tool, through which it expressed its position and gave certain guidelines depending on the circumstances. We also continuously initiated professional meetings and meetings with representatives from the insurance industry in order to discuss issues from the insurance area.

Regarding the consistent implementation of the Insurance Supervision Law, the Law on Compulsory Traffic Insurance, the adopted by-laws, but taking the obligations to comply with other relevant laws into account, we proactively acted by giving opinions, views or recommendations for certain situations and questions.

### **5. COOPERATION**

The implementation of the ISA's authorities, in addition to the need to follow trends in order to encourage growth and development of the insurance market requires continuous cooperation and communication with relevant domestic and foreign authorities and regulatory bodies, as well as membership in professional international bodies and associations.

- ***Strengthening domestic cooperation is crucial and is related to the exchange and use of information and data, provision of mutual training and exchange of experience.***

Cooperation with the Ministry of Finance continues on issues related to regulation in the field of insurance, participation in working groups, making proposals for drafting laws in the field, participation in professional bodies such as the Council for Capital Development, strategies in the field of economy and finance etc.

In sense of harmonizing the domestic legislation with the European one, ISA provides data on the progress of the insurance market to the Secretariat for Economic Affairs and prepares periodic reports on the progress of the country in the sphere of insurance and supervision.

Cooperation with the National Bank takes place in several segments: data exchange for preparation of a financial stability report, participation in expert bodies, participation in committees, activities for financial education and financial inclusion, activities related to the development of the fintech sector, continuous exchange of experience and practices from the supervision implementation process, etc.

#### **- Memorandum of Cooperation**

Upon our initiative, we concluded a Memorandum of Cooperation with insurance companies, insurance brokerage companies and the National Insurance Bureau in order to undertake joint activities so that we could strengthen the financial education of the population and ensuring a greater degree of financial inclusion of every legal entity or natural person.

This way, the importance of insurance and its benefits will be promoted. The goal is, with jointly coordinated activities, for citizens to understand the importance of insurance, to perceive the risks in private and professional life, to receive complete, clear and comparable information about the terms and prices of insurance, as well as about their rights from insurance contracts. All activities will contribute to greater financial inclusion and an increase in the number of insured persons.

With the aim of contributing to formal education and improving the abilities of the young, ISA concluded Memoranda of Cooperation with the International Balkan University, the Faculty of Natural Sciences and the Union of Mathematicians of Macedonia. The memoranda include numerous joint activities and projects to support young people with a particular emphasis on their financial education and better use of financial products and services.

#### **- Realized activities based on the adopted strategic documents**

At a meeting held in April 2023, the Committee to Support the Development of Innovations in the Financial System (Committee for the Fintech Sector) adopted the Strategy for the Fintech Sector Regulators, which aims to provide conditions for supporting innovation in the field of finance, while taking the protection of consumers and investors, and the stability of the financial system into account.

Pursuant to the adopted Strategy, the working group for the establishment of a regulatory innovation center met regularly in order to determine the need for a new or supplementing the existing regulation, developing the financial innovation portal, adopting procedures for the work of the regulatory innovation center, adopting a glossary of terms from the field of fintech etc.

At a session held by the Financial Stability Committee, the Strategy for the implementation of the macroprudential policy was adopted, prepared by the National Bank, in consultation with other financial regulators, in accordance with the new Law on Financial Stability. The Strategy strengthens the coordinated approach of financial regulators for further strengthening of financial stability. The commitment of the regulators for the continuation and strengthening of European integration activities was pointed out to the Committee, and within those frameworks the need to round off the process of enacting several systemic laws from the financial sphere that will contribute to maintaining and further strengthening financial stability was highlighted.

Based on the Strategy, the Financial Stability Committee, which includes the President of the Council of Experts of ISA, held a session in November, where the Financial Stability Report was presented and the indicators for the various segments of the financial sector were reviewed, emphasizing that financial stability has been successfully maintained despite the complex operating conditions of the financial system.

During this period, ISA adopted a Methodology for the implementation of macroprudential supervision and the implementation of macroprudential instruments and measures of the insurance sector.

In December, the fifth working meeting of the Working Group for monitoring the implementation of the Strategy for Financial Education and Financial Inclusion was held, organized by the Coordinating Body of financial regulators for financial education and financial inclusion. In addition to the representatives of the regulatory authorities, entities from the private and civil sectors were also invited to the meeting. The purpose of the meeting was to enable regular dialogue between financial regulators, entities from the private and civil sectors involved in financial education activities, as well as the exchange of proposals and experiences to strengthen financial inclusion and consumer protection in the financial system, for the purpose of successful implementation of Financial Education and Inclusion Strategy.

During the year, we regularly attend sessions of the Coordinating Body for Financial Education and Financial Inclusion, which includes representatives from all financial regulators. Within these frameworks, cooperation with the Education Development Bureau was initiated, considering that it is about educational activities in the field of finance, including for the young population that is still within the educational system. In order to deepen cooperation in the field of financial education, a joint meeting of the Coordinating Body and representatives from the Bureau was held, at which the possibilities of implementing further activities for the study of financial education in the educational process through a separate subject or by including separate segments in the existing subjects were discussed (which is partially present in the existing conditions) in primary and secondary education.

Pursuant to the National Strategy for Prevention of Money Laundering and Financing of Terrorism, ISA contributed with its participation during the evaluation mission in 2023, which was carried out by the Committee of Experts for the Evaluation of Measures to Prevent Money Laundering and Financing of Terrorism (MONEYVAL) for evaluating the level of preparedness and efficiency of the national system for preventing money laundering and financing of terrorism. The "Moneyval" Committee of Experts assessed that the licensing and supervision system of the Insurance Supervision Agency has a significant improvement and meets international standards for prevention of money laundering and financing of terrorism. The Report highlights the importance of risk-based supervision, as well as cooperation with competent state authorities. Acts, analyzes and assessments adopted by ISA and conducted trainings to increase the efficiency in the operation of insurance companies and intermediaries that sell life insurance policies also have a significant contribution to the positive evaluation.

- ***ISA maintains and continuously strengthens the established partnership relationship with foreign regulatory bodies and relevant institutions in the area for the purpose of exchange of experience and development of good practices.***
- ***ISA has been a member of the International Association of Insurance Supervisors (IAIS) since 2009. IAIS is an international institution with a mission to promote effective and globally consistent supervision, for the purpose of ensuring further development of the global insurance market, maintaining a fair, stable and transparent market for the benefit and protection of insured entities and contributing to financial sustainability.***

Within this frameworks, we conducted a self-assessment of our operations in terms of applying the Peer Review Process on the Enterprise Risk Management for Solvency Purposes ICP 16.

## **6. ORGANIZING EVENTS**

Traditionally, in 2023 ISA celebrated the National Insurance Day - November 1, and marked 14 years of successful work as an independent regulatory body responsible for the insurance market. On this occasion, a panel discussion was held, entitled "How to transform the growth of insurance into development". On that occasion, representatives of the insurance industry, ISA, the Ministry of Finance and the Chamber of Commerce debated the proposal of the new law on insurance, and exchanged opinions on the process of liberalization of car insurance and the green card, as well as on the importance of quality acceptance of claims in life insurance.

On the National Insurance Day, in coordination with ISA, fourteen insurance companies awarded scholarships to students - mathematicians at the state Faculty of Natural Sciences and Mathematics at UKIM in Skopje. This is about students with a high average in actuarial and mathematics courses at the Faculty of Science and Mathematics (PMF) who, in addition to the scholarship, also received an opportunity for practical work in insurance companies. The goal is to promote and raise awareness and affirmation in the public of the actuarial profession, which is an activity of essential importance in insurance, and highly valued. The students of the mathematics departments of PMF are potential actuaries who, after completing appropriate training organized by ISA, can become authorized actuaries. This profession profile is extremely attractive for insurance companies, pension fund management companies, banks and other financial institutions.

Within this occasion, the Insurance Supervision Agency issued certificates for successfully completed training to 14 people - who successfully completed the two-year actuary and passed all 15 professional exams. Their sub-specialty is to create mathematical models for assessing and managing the risks assumed by insurance companies. The actuary training lasted two years and began in 2021.

On the occasion of Insurance Day, ISA also awarded a young researcher for the best scientific paper in the field of risk management and insurance. The paper entitled "Trends in the concentration of insurance markets in Eastern Europe" was presented to the audience.

As part of the "Financial Literacy Days 2023" event, ISA awarded prizes and commendations to 37 students from primary and secondary schools across the country, for drawings, essays and poems on insurance topics. For a significant contribution to the improvement of financial literacy among students, ISA also awarded certificates of appreciation to 20 teachers - mentors who continuously and dedicatedly work with students to build awareness of the importance of insurance for the general well-being of the population.

In accordance with the established practice and the good cooperation with the Macedonian Banking Association in direction of increasing financial education among students aged 13-15, ISA supports the event "European money quiz" every year, for which it prepares questions and educational material in the field of insurance and risk management.

## **7. EDUCATION AND CAPACITY BUILDING**

Isa bases the basic principles of quality policy on the goals for improving the institutional and administrative capacity, through investing in employees through training and professional development. Personnel training is a prerequisite for efficient, high-quality, and timely performance of legal responsibilities, and for that reason ISA continuously invests in its human potential.

In 2023, the employees carried out the planned trainings, and thematic visits to foreign regulators, participation in foreign and domestic conferences and seminars with the aim of upgrading the knowledge of the employees were also carried out. Educational programs and

seminars of the International Association of Insurance Supervisors (IAIS), the European Supervisory Authority (EIOPA), the Bank for International Settlements (BIS), the International Network for Financial Education and Training (OECD-INFE), the Institute for Capacity Building within the International Monetary Fund in cooperation with the Joint Vienna Institute, and other relevant institutions and organizations.

## **8. CONSUMER PROTECTION, FINANCIAL EDUCATION AND FINANCIAL INCLUSION**

The basic objectives of ISA in relation to stability and development of the insurance market and monitoring the legality of the operations of the entities that are subject to supervision are directly related to the protection of the insured entities and users of insurance products and services. In this segment, ISA carried out continuous activities and acted integrally on several levels:

- supervising insurance entities in order to ensure that they comply with the relevant laws;
- educating insured entities by developing awareness of the risks associated with investing in insurance, raising awareness of the rights and obligations arising from insurance and protection mechanisms; and
- acting on complaints received by insured entities, insurance beneficiaries and third injured parties.

Being attentive and dedicated, we work to raise awareness among citizens and strengthen the perception of the *Complaint*, as a right of protection that every insured person has when he/she claims that the quality of the product, service and behavior of the insurance company are not at a professional level. For us, the process of handling complaints is an important tool for protecting the insured entities and raising awareness of their rights, and as a market barometer for the quality of insurance products, complaints are our challenge and provocation to further undertake control activities with the sole aim of ensuring fair treatment and protection to the insured.

In 2023, ISA received a greater number of complaints compared to the previous year. Namely, a total of 285 petitions arrived and were respectively reviewed. This data is a clear indicator that citizens increasingly recognize our role as a protector of their rights and interests from insurance, which remains our priority and permanent commitment.

Within the scope of its mission, ISA as an independent regulator of the insurance market continuously develops the awareness and perception of insurance as a public interest of the whole society.

### ***We hereby elaborate on the activities, as follows:***

In order to supplement formal education, ISA continuously has an open call for primary, secondary schools, colleges, in order to contact us if they want to provide their pupils/students with lectures on the topic of financial education and literacy in the field of insurance. Within the framework of the signed memoranda with educational institutions, ISA is always available to conduct education and provide study stays for students and pupils.

The educational portal, <https://edukacija.aso.mk/>, is an important tool for communication with the public that brings the world of insurance closer to consumers.

The portal contains educational materials and information from the field of insurance, analyzes and data on market entities, strategic documents, clarification of terms from the insurance field, etc. Through the portal, insured persons have the opportunity to submit an electronic complaint, and there is the opportunity to ask questions.

The focus of our activities is the continuous promotion of good practices in the field of financial education and promotion of the role of insurance companies and insurance intermediaries in the financial education of their consumers and insured entities, in order to become part of their good corporate operation.

Several activities for financial education of the population were carried out on a regular basis (May - the month of financial education, days of financial literacy, global week of money, March 15 - World Day of Consumer Rights), interviews were given through the print media about the operation of ISA, and there were also TV appearances on interesting topics from the field. In addition, ISA published numerous contents with information intended for all categories of population (individuals, households, business sector) through social networks (Facebook, Instagram, LinkedIn).

In order to encourage scientific thought and contribute to increasing the number and quality of applied scientific papers in the field of risk management and insurance, ISA announces a competition for awarding an annual award for a research paper in the field of risk management and insurance. In order to raise the awareness of young people about the importance of insurance, ISA announces a competition for primary and secondary school students on the topic of insurance.

## **9. PROJECT ACTIVITIES**

In 2023, the second phase of the regional project continued under the auspices of the Ministry of Finance of the Netherlands, and the International Network for Financial Education (INFE-OECD). The project covers a five-year period, 2023-2027, with an emphasis on strengthening the capacities of financial market regulators in order to promote the importance of financial education, raising the level of financial literacy among the population and increasing the degree of financial inclusion. Within the framework of these activities, through the exchange of experience and knowledge, analyses, reports and recommendations will be prepared in the direction of capacity building according to the institutional needs and strategic determinations of the country.

The activities within EUROPA RE - the regional project for protection against catastrophic risks and natural catastrophes, related to the development and establishment of a comprehensive national system of agricultural insurance in which ISA participates, continued in 2023 through the preparation of the Law on Compulsory Agricultural Insurance. The new concept of agricultural insurance operated by the Ministry of Agriculture, Forestry and Water Management envisages the establishment of an insurance pool, the purpose of which will be to insure the agricultural production of all farmers. The advantage will also be in the fact that the farmers will receive the payment for the incurred damage during the same year in which it occurred.

This project is strategically important as it offers a systemic sustainable solution for agricultural insurance. The ultimate goal of the project is for agricultural insurance to become self-sustainable for a certain period, having potential for growth and development so that the three involved parties, i.e. partners, are satisfied: farmers as beneficiaries, insurance companies as service providers and the state as a supporter. The success of this project is now of particular and essential importance due to the increasingly present negative impact of climate change on agricultural production. This issue for ISA as a regulator of the insurance market is particularly important because it offers a mass solution that will lead to strengthening the culture of insurance among farmers who are a large population. Farmers' representatives were also consulted in drafting the law, and insurance companies also participated. Farmers' reactions are mostly positive.

## **10. PUBLIC INFORMATION AND TRANSPARENCY**

Pursuant to the Law on Free Access to Public Information and the Law on the Protection of Whistleblowers, ISA acts within its competences and powers in accordance with legal deadlines.

In the sense of timely transmission of information and strengthening communication practices with all relevant parties, ISA acts through its website, the portal for financial education, social networks, by holding consultative public meetings etc.

In order to improve the quality of its work, ISA performs continuous measurement of user satisfaction on the part of interested parties - clients, through electronic surveys, and through the mechanism of written submission of complaints or praises by the service users.

**INSURANCE SUPERVISION AGENCY**  
President of the Council of Experts,  
PhD Krste Shajnoski

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