



INSURANCE SUPERVISION AGENCY

**Annual Report on the Operations of the Insurance
Supervision Agency in 2024**

TABLE OF CONTENTS

INTRODUCTION	ERROR! BOOKMARK NOT DEFINED.
INSTITUTIONAL MANAGEMENT	ERROR! BOOKMARK NOT DEFINED.
1.1. COUNCIL OF EXPERTS	4
1.2. MISSION AND VISION	ERROR! BOOKMARK NOT DEFINED.
1.3. VALUES	ERROR! BOOKMARK NOT DEFINED.
1.4. RISK MANAGEMENT STRATEGY	ERROR! BOOKMARK NOT DEFINED.
1.5. PLANNING THE OPERATIONS OF ISA	ERROR! BOOKMARK NOT DEFINED.
1.6. INTERNAL AUDIT	ERROR! BOOKMARK NOT DEFINED.
1.7. ISA ORGANIZATION AND FUNDING	ERROR! BOOKMARK NOT DEFINED.
1.8. CORPORATE SOCIAL RESPONSIBILITY	ERROR! BOOKMARK NOT DEFINED.
ACTIVITIES IMPLEMENTED DURING THE REPORTING PERIOD BY AREA	ERROR! BOOKMARK NOT DEFINED.
1.9. REGULATION AND LICENSING	ERROR! BOOKMARK NOT DEFINED.
1.10. ADOPTED RULEBOOKS, GUIDELINES, AND MANUALS	8
1.11. ISSUED PERMITS AND CONSENTS.....	ERROR! BOOKMARK NOT DEFINED.
1.12. ISSUED LICENSES	ERROR! BOOKMARK NOT DEFINED.
1.13. REVOKED PERMITS AND LICENSES	ERROR! BOOKMARK NOT DEFINED.
1.14. ORGANIZED TRAININGS	ERROR! BOOKMARK NOT DEFINED.
SUPERVISION ACTIVITIES	ERROR! BOOKMARK NOT DEFINED.
1.15. ON-SITE SUPERVISION	ERROR! BOOKMARK NOT DEFINED.
1.16. OFF-SITE SUPERVISION	ERROR! BOOKMARK NOT DEFINED.
1.17. PARTICIPATION IN SUPERVISORY COLLEGES	11
1.18. OPINIONS AND CIRCULARS	ERROR! BOOKMARK NOT DEFINED.
COOPERATION.....	ERROR! BOOKMARK NOT DEFINED.
ORGANIZATION OF EVENTS	ERROR! BOOKMARK NOT DEFINED.
EDUCATION AND CAPACITY BUILDING	ERROR! BOOKMARK NOT DEFINED.
INTEGRATED APPROACH TO CONSUMER PROTECTION, FINANCIAL EDUCATION, AND FINANCIAL INCLUSION	ERROR! BOOKMARK NOT DEFINED.
PROJECT ACTIVITIES.....	ERROR! BOOKMARK NOT DEFINED.
PUBLIC INFORMATION AND TRANSPARENCY	ERROR! BOOKMARK NOT DEFINED.

INTRODUCTION

The Insurance Supervision Agency (abbreviated as **ISA**) is an independent and autonomous regulatory body that regulates the insurance market, supervises the operations of insurance entities, ensures the protection of policyholders' rights, and contributes to financial education and greater financial inclusion of the population.

The operation of ISA is defined by the Law on Insurance Supervision ("Official Gazette of the Republic of Macedonia" Nos. 27/2002, 84/2002, 98/2002, 33/2004, 88/2005, 79/2007, 8/2008, 88/2008, 56/2009, 67/2010, 44/2011, 112/2011, 7/2012, 30/2012, 45/2012, 60/2012, 64/2012, 23/2013, 188/2013, 43/2014, 112/2014, 153/2015, 192/2015, 23/2016, 83/2018, and 198/2018 and "Official Gazette of the Republic of North Macedonia" Nos. 101/2019, 31/2020, 173/2022, and 3/2025) and the Law on Compulsory Motor Vehicle Insurance ("Official Gazette of the Republic of Macedonia" Nos. 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 pursuing its objectives, ISA has the following legal competencies:*

- Supervises insurance companies, insurance brokerage companies, insurance agencies, banks performing insurance agency activities, insurance brokers and agents, legal entities affiliated with insurance companies, and the National Insurance Bureau; and imposes supervisory measures in the form of orders and decisions.
- Adopts secondary legislation to implement the Law on Insurance Supervision, proposes amendments and supplements to insurance-related laws.
- Decides on granting or revoking licenses, approvals, and authorizations.
- Protects consumer rights and addresses complaints submitted by policyholders, insurance beneficiaries, and third-party claimants.
- Promotes the development and growth of the insurance market by raising public awareness of the role of insurance, conducting financial education activities, fostering financial inclusion and consumer protection, maintaining the stability of the insurance market, and contributing to strengthening public trust.
- Cooperates with relevant domestic and foreign institutions and bodies and is a member of the International Association of Insurance Supervisors.

The purpose of this annual report is to provide a transparent and structured overview of the activities and operations of the Insurance Supervision Agency for 2024.

Key achievements in 2024 highlighted in this report include: the continuous implementation of supervisory and regulatory activities over market participants, facilitating conditions for new investments and granting authorization to an insurance brokerage company, continuous strengthening of off-site supervision and imposition of preventive and corrective measures, conducting planned on-site inspections, delivering training and examinations for actuaries,

addressing complaints submitted by policyholders, ongoing financial education activities to raise awareness about insurance and risk management, promoting financial inclusion in the insurance sector, adoption of new and improvement of existing secondary legislation, regular fulfillment of obligations related to international information exchange agreements with supervisory authorities, cooperation with other national and international institutions, adoption of strategic documents and strategies aimed at maintaining the financial stability of the sector, promotion of innovation in the financial sector, and identification of challenges and priorities for the future period.

INSTITUTIONAL MANAGEMENT

1.1. Council of Experts

The governing body of the Insurance Supervision Agency (ISA) is the Expert Council, which consists of five members. Three members are professionally engaged on a full-time basis, including the Chairperson, while two members are not professionally engaged.

Members of the Expert Council are appointed and dismissed by the Assembly of the Republic of North Macedonia upon the proposal of the Government of the Republic of North Macedonia.

During the reporting period, changes occurred in the composition of the Expert Council. The mandates of the following members expired: Dr. Krste Shajnoski, professionally engaged full-time member and Chairperson of the Expert Council, and Zlate Simonovski, professionally engaged full-time member of the Expert Council.

Furthermore, by a Decision of the Assembly of the Republic of North Macedonia dated 12 December 2024, the following members were dismissed from the Expert Council of the Insurance Supervision Agency: Dr. Sulejman Ahmedi, professionally engaged full-time member, at his request; Aleksandra Kokaroska, non-professionally engaged member, at her request; and Dr. Igor Ivanovski, non-professionally engaged member.

To ensure continuity in governance, new members were appointed to the Expert Council. Pursuant to the Decision on the Appointment of the Chairperson and Members of the Expert Council of the Insurance Supervision Agency, adopted by the Assembly of the Republic of North Macedonia at its session held on 27 December 2024, M.Sc. Eli Drakulovska was appointed President of the Expert Council for a five-year term. The following members were appointed to the Expert Council: M.Sc. Aleksandra Drangovska, professionally engaged full-time member, for a five-year term; M.Sc. Goran Zdravkovski, professionally engaged full-time member, with a mandate until 25 October 2028; and Boban Panovski, non-professionally engaged member, with a mandate until 25 October 2028.

The Expert Council convenes and makes decisions at its sessions, adopting resolutions by a majority vote of the total number of members. Its operation, including the conduct of sessions

and decision-making procedures, is regulated in accordance with the Law on Insurance Supervision, the Statute of the ISA, and the Rules of Procedure of the Expert Council.

During 2024, the Expert Council held 31 sessions.

The ISA is accountable to the Assembly of the Republic of North Macedonia for its activities. The Assembly approves the Financial Plan, the Financial Statements audited by an independent certified auditor, the Annual Report on the Operations of the ISA, and the Annual Report on the Status and Developments in the Insurance Market.

1.2. Mission and Vision

The mission of the Insurance Supervision Agency (ISA) is to ensure an efficient, stable, and transparent insurance market through the implementation of independent, professional, and proactive supervision and regulation. The ISA protects the interests of policyholders, raises awareness of insurance, and contributes to the development of a trustworthy and competitive insurance sector in accordance with international principles and standards.

The vision of the ISA is to be a professional and reliable regulator that, through the continuous improvement of supervisory practices and harmonization with European and international regulations, contributes to the sustainable development of the insurance market, strengthening of financial stability, and protection of policyholders' rights.

An integral part of our mission and vision is the quality policy, in line with the requirements of the ISO 9001:2015 – Quality Management System standard. The top management is committed to the continuous implementation of the requirements of the international quality management standard ISO 9001:2015, and through regular audits and the attainment of the Quality Certificate, we confirm the application and further development of an effective quality management system in all aspects of our operations and activities.

1.3. Values

The core standards and values that guide our work are: ***accountability, professionalism, diligence, and transparency.***

1.4. Risk Management Strategy

Risk Management Strategy at the Insurance Supervision Agency (ISA) serves as our mechanism for effectively managing risks, anticipating adverse events, and responding in a timely manner. It ensures that internal control procedures and resources are appropriately directed toward key functions and risks. A key element within the risk management framework is the integrity system, which constitutes an essential component of good governance, transparency, and accountability.

Risks and opportunities that may affect compliance with requirements and the Agency's ability to enhance operational quality are identified and addressed. In this way, the interests of policyholders and insurance users, as the ultimate beneficiaries of ISA's services, are appropriately safeguarded.

1.5.Planning the operations of ISA

Operational planning at the Insurance Supervision Agency (ISA) represents a systematic process of defining objectives, priorities, and activities through which we fulfill our mandates and mission. Strategic acts, operational plans, secondary legislation, decisions, and other acts are adopted through processes that include risk analysis, assessment of market needs, and consideration of stakeholders' expectations, taking into account environmental circumstances, internal factors, and their impact on achieving the planned goals and tasks.

Our objectives and tasks are defined in accordance with:

- Annual Work Plan;
- Annual Field Supervision Plan;
- Financial Plan;
- Public Procurement Plan;
- Archival Management Plan;
- Annual Employment Plan;
- Strategic Work Plan;
- Quality Policy;
- Strategic Plan for the Prevention of Corruption;
- Other relevant acts and internal documents.

These documents constitute the foundation for transparent, responsible, and strategic operations at ISA.

1.6.Internal Audit

Internal audit is conducted through a systematic, disciplined, and risk-based approach, contributing to the improvement of management effectiveness, risk management, and control processes across the entire organization of the Insurance Supervision Agency (ISA). Through its mandate, the internal audit function at ISA, as a public sector entity, is focused on:

- ✓ Assessing whether the Agency's achieved results are aligned with its strategic objectives;
- ✓ Ensuring compliance with laws and/or regulations;
- ✓ Identifying opportunities to improve the efficiency and effectiveness of processes and programs;
- ✓ Determining whether public resources are adequately safeguarded and utilized to provide services in a fair and proper manner.

1.7. ISA organization and funding

The operation of the Insurance Supervision Agency (ISA), its internal organization, the management of its professional services, and the decision-making of the ISA Expert Council are regulated in accordance with the Law on Insurance Supervision, the ISA Statute, and the Rules of Procedure of the Expert Council.

For the execution of regular tasks, the Expert Council establishes specialized organizational units. The scope of work of ISA's organizational units is detailed in the Internal Organization Rulebook and the Rulebook on Job Classification. According to the Internal Organization Rulebook, employees are distributed across 2 independent directorates, 2 positions with the title of General Advisor, 3 professional services, and 9 directorates within the professional services.

As of 31 December 2024, the total number of employees at ISA is 41.

The operations of ISA are financed through fees paid by market participants subject to ISA supervision, including insurance companies, insurance brokerage companies, insurance agencies, banks performing insurance agency activities, as well as fees collected from other individuals and legal entities under ISA supervision. The fees are determined based on the Law on Insurance Supervision and are regulated by the Tariff for the Content and Amount of Fees and Charges Collected by the Insurance Supervision Agency, including the deadlines for payment.

1.8. Corporate social responsibility

In pursuit of sustainable development, corporate social responsibility (CSR) is a key strategic commitment of the Insurance Supervision Agency (ISA), guiding us to act responsibly toward society, the environment, and our stakeholders, in addition to fulfilling our legal obligations.

In this context, our corporate responsibility is expressed through several key areas:

- Partnerships to support pupils and students – facilitating their participation in activities, raising awareness of risks and the importance of insurance, and promoting the interests of young people to strengthen awareness of their societal role;
- Participation in social initiatives;
- Promotion of the actuarial profession as an essential function within the insurance sector;
- Support for educational programs in financial literacy and inclusion;
- Organization of campaigns and workshops for citizens;
- Consumer protection;
- Support for addressing climate-related risks;
- Collaboration with academic and non-governmental organizations.

ACTIVITIES IMPLEMENTED BY AREAS

The operations of the Insurance Supervision Agency (ISA) in 2024 were conducted in accordance with the Insurance Supervision Law, the Compulsory Motor Vehicle Insurance Law, and other relevant legislation, as well as in line with the Agency's operational and strategic plans.

The following provides a detailed elaboration by areas of activity:

1.9.Regulation and Licensing

During 2024, the Insurance Supervision Agency (ISA), in cooperation with the Ministry of Finance, continued working on the preparation of a new Insurance Law, aiming to align domestic legislation with European and international standards. The new Insurance Law will transpose provisions from Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as well as the Insurance Distribution Directive.

The draft Insurance Law has passed the first phase of public consultation and was also submitted for comments to insurance companies and insurance brokerage firms as key stakeholders in the insurance sector. In the next phase, the law will be posted on the ENER platform for broader public consultation.

As identified challenges and priorities for the upcoming period, the ISA will focus on:

- Preparing a plan for the adoption of subordinate legislation stemming from the new Insurance Law, including the allocation of necessary resources and the timeline for the enactment of new secondary regulations;
- Further aligning with the Motor Insurance Directive, the ISA will participate in drafting a proposal to amend the Compulsory Motor Vehicle Insurance Law, specifically regarding the establishment of a single premium system, introduction of a direct compensation system, and other related provisions;
- Based on the global standard for financial reporting in insurance, known as IFRS 17 – Insurance Contracts, the ISA has initiated preparations for the implementation of IFRS 17. In 2025, working meetings and coordination with all relevant stakeholders are planned. This process is expected to result in new subordinate legislation or possible amendments to existing regulations to enhance transparency, enable comparability of insurers' financial statements, improve alignment of revenues and expenses, and ensure accurate calculation of insurance contract liabilities;
- Identifying the need for changes in insurance regulation to accommodate the use of new technological solutions in the phases of product development, distribution, marketing, and product usage by consumers. The aim is to stimulate and facilitate the entry of innovative technological solutions into the insurance market, improve

insurance services, increase accessibility of products to consumers, and foster further development of the insurance sector.

1.10. Adopted rulebooks, guidelines, and manuals

In order to enhance legal certainty and improve transparency and efficiency, during 2024 the ISA adopted two new regulations:

- Regulation on the adequacy of reinsurance coverage, the method for calculating the maximum coverage amount of an insurance company in the maximum coverage table, and the method for calculating the maximum possible loss (“Official Gazette of the Republic of North Macedonia” No. 3/2024); and
- Regulation on the procedure for the selection and assessment of the suitability of a member of the supervisory body of an insurance company and reporting to the Insurance Supervision Agency (“Official Gazette of the Republic of North Macedonia” No. 97/2024).

1.11. Issued permits and consents

Based on the requests received from market participants, during 2024 the ISA issued the following licenses and consents:

- 1 permit to carry out insurance brokerage activities,
- 1 permit for statutory changes concerning the merger of one insurance company with another,
- 17 consents for audit firms,
- 6 consents for amendments to the articles of association,
- 1 consent for change of registered office,
- 13 consents for the appointment of members of the management body in an insurance company,
- 2 consents for acquiring qualified participation in an insurance agency, and
- 5 consents for acquiring qualified participation in an insurance brokerage company

1.12. Issued licenses

In 2024, based on the requests received from the entities, the ISA issued 25 licenses for insurance brokers and 100 licenses for insurance agents.

1.13. Revoked permits and licenses

In 2024, due to the termination of employment contracts between insurance companies and insurance agents, the ISA revoked 27 licenses of individuals for insurance agency activities in accordance with the law.

1.14. Organized training

In 2024, the training for actuaries continued as part of the 2023–2025 Actuarial Education Cycle, which began in 2023. Seven candidates participated in the training and are expected to obtain a certificate of a licensed actuary upon completion of the training and examinations.

In 2024, the planned training sessions and examinations for insurance agents and insurance brokers were not conducted due to technical reasons beyond the ISA’s scope of authority. However, we remain committed to implementing these trainings in the upcoming period.

SUPERVISION ACTIVITIES

The Insurance Supervision Agency (ISA) supervises insurance companies, insurance brokerage companies, insurance agency companies, and the National Insurance Bureau in accordance with the provisions of the Insurance Supervision Law, the Compulsory Motor Vehicle Insurance Law, and other relevant laws and regulations.

ISA conducts supervision through **ongoing off-site supervision**, which involves collecting, analyzing, and verifying reports and information submitted by insurance companies and other entities as required by law, as well as **on-site supervision** (full or partial) of the operations of insurance companies (control), and **additional supervision** whenever it is deemed necessary in the interest of policyholders’ rights and to determine supervisory measures. ISA also supervises individuals performing insurance brokerage and agency activities.

In accordance with the Law on the Prevention of Money Laundering and Financing of Terrorism, ISA oversees the implementation of measures and actions aimed at preventing money laundering and the financing of terrorism.

1.15. On-site supervision

On-site supervision by ISA was conducted smoothly in accordance with the Annual On-Site Supervision Plan. In 2024, 14 on-site supervisions were planned, consisting of 2 full and 12 partial supervisions. In practice, 2 full supervisions (one planned and one extraordinary) and 15 partial supervisions were carried out.

Of the 15 partial supervisions, 11 related to on-site checks of compliance by entities with the obligation to implement an integrated core business system in accordance with the Rulebook on Minimum Standards for Information Systems in insurance companies, insurance brokerage companies, and insurance agencies, as well as checks for compliance with the obligation to digitize the claims process in insurance companies pursuant to Article 2, paragraph (8) of the Rulebook on Minimum Requirements for Receipt, Processing, Reservation, and Payment of Claims and/or Insured Amounts, in order to better protect policyholders’ rights. Three supervisions were related to anti-money laundering and counter-terrorism financing (AML/CTF), and one was related to the actuarial function.

As a result of the on-site supervisions, ISA imposed a total of 225 supervisory measures.

1.16. Off-site supervision

During 2024, ISA conducted 25 off-site supervisions and imposed a total of 68 supervisory measures.

1.17. Settlement procedures

According to the Law on Misdemeanors, ISA is the body that conducts settlement procedures in cases where it determines a violation of legal provisions for which a fine is provided. In 2024, ISA successfully implemented 15 settlement procedures.

1.18. Participation in supervision colleges

During 2024, ISA regularly participated in all working meetings (colleges) for the routine exchange of information with supervisory authorities within the framework of supervisory colleges for insurance companies that are part of European insurance groups headquartered abroad. The cooperation aims to familiarize supervisors with current trends and risks in the insurance markets in which the group member insurance companies operate, and to appropriately prioritize future supervisory activities. This cooperation has been assessed as high-quality, due to the timely and reliable processing and exchange of information regarding the operations of the insurance companies that are members of the insurance groups.

1.18. Opinions and circulars

Within its operations, and for the purpose of providing detailed clarifications on specific areas of activity of insurance market participants, ensuring greater legal certainty, and consistent application of the laws, ISA acted through circulars, guidelines, and professional clarifications. Additionally, we continuously initiated professional meetings and consultations with representatives of the insurance industry to announce new practices or expectations from ISA, provide guidance on how to act in specific situations, and highlight existing obligations arising from laws or subordinate regulations, among other matters.

COOPERATION

The execution of ISA's responsibilities and the need to monitor trends in order to foster growth and development of the insurance market require continuous cooperation and communication with relevant domestic and foreign authorities and regulatory bodies, as well as membership in professional international organizations and associations.

- ***Strengthening Domestic Cooperation***
Strengthening domestic collaboration is essential and involves the exchange and utilization of information and data, provision of mutual training, and sharing of experience.

Cooperation with the Ministry of Finance is ongoing on matters related to insurance regulation, participation in working groups, providing proposals for drafting insurance-related laws, participation in expert bodies such as the Capital Development Council, and contributing to strategies in the fields of economy and finance.

In the context of harmonizing domestic legislation with European standards, ISA provides data to the Secretariat for Economic Affairs on insurance market progress and prepares periodic reports on the state's advancements in insurance and supervision.

Cooperation with the National Bank of the Republic of North Macedonia takes place in multiple areas, including data exchange for the preparation of the Financial Stability Report, participation in expert bodies and committees, involvement in the Coordination Body for Financial Education, activities related to the development of the fintech sector, and continuous exchange of experiences and supervisory practices.

- ***Memorandum of Cooperation***

In 2024, ISA reaffirmed its partnership with the Consumers' Organization of Macedonia (COM) to introduce new areas of cooperation, update institutional data and contacts, and improve reporting and coordination mechanisms, thereby confirming that both parties remain committed to mutual collaboration and communication.

In line with the memoranda of cooperation signed with relevant institutions and organizations, ISA continuously implemented activities aimed at promoting joint objectives and encouraging mutual exchange of information, experiences, and best practices. These activities included:

- Exchange of professional opinions and analyses,
- Regular communication and operational-level coordination,
- Participation in thematic working groups,
- Organization of joint events and educational sessions,
- Preparation and exchange of reports and proposals for policy improvement.

The purpose of these activities is to promote institutional connectivity and create a foundation for long-term stability and trust within the sector through sustained cooperation.

- ***Activities Based on Adopted Strategic Documents***

As part of its mission to protect policyholders' rights and develop a stable, transparent, and inclusive insurance market, ISA continuously implements activities arising from signed strategic documents and initiatives. During the reporting period, ISA focused on the following priority areas:

Financial Stability – through supervisory activities and analysis of market risks,

Financial Education – numerous events, workshops, and educational booths and activities were organized to enhance financial literacy among various groups (students, pupils, and adults),

Fintech and Innovation – active participation in initiatives supporting technological innovations in the insurance sector to improve accessibility and efficiency of services,

Financial Inclusion – support for activities expanding access to insurance and encouraging participation of new market players.

- *ISA maintains and continuously strengthens its established partnerships with foreign regulatory bodies and relevant institutions to exchange experiences and develop best practices.*
- *ISA has been a member of the International Association of Insurance Supervisors (IAIS) since 2009. IAIS is an international organization with a mission to promote effective and globally consistent supervision to support further development of the global insurance market, ensure a fair, stable, and transparent market for the benefit and protection of policyholders, and contribute to financial sustainability.*

ORGANIZING EVENTS

Traditionally, in 2024, ISA marked the national Insurance Day, on November 1st, and simultaneously celebrated its 15th anniversary as an independent regulatory authority responsible for the insurance market. The anniversary was commemorated through a series of activities aimed at enhancing transparency, informing the public, and strengthening cooperation with all relevant stakeholders. The activities organized included:

- **Award Ceremony for Young Researchers:** A plaque and award were presented for the best research work by a young scientist, in recognition of Insurance Day. The expert committee awarded the research titled *“The Complex Interaction of Macroeconomic and Financial Determinants with Property Insurance Premiums in Macedonia: A Dynamic Short-Term and Long-Term Analysis.”*
- **Blood Donation Campaign:** In the spirit of social responsibility and promoting solidarity, ISA initiated a joint blood donation campaign in cooperation with representatives from the insurance industry. The goal of this campaign was to demonstrate collective care for the community, provide humanitarian support to those in need, and encourage a culture of solidarity and compassion among institutions and citizens.
- **Interactive Workshop with High School Students:** A workshop was organized on the role of ISA and the importance of financial education. ISA’s vision emphasizes long-term responsibility – fostering generations capable of making informed financial decisions and actively participating in economic development.
- **Publication of Analyses and Educational Content:** ISA published various analyses and results of its work, alongside numerous educational materials for the public.

To support and promote financial literacy among young people, ISA, as part of the regular “Financial Literacy Days 2024” campaign, awarded diplomas to students demonstrating engagement and interest in the student competition on the topic of insurance. In addition to the diplomas for winners, merit certificates were awarded to talented students in all categories, while teachers received recognition for their mentorship and contribution to

raising awareness among students about the importance of financial education. The teaching staff is a key partner in promoting financial literacy, and their support is essential for the long-term success of fostering informed and responsible future citizens.

The ISA expert committee noted that, in a significant number of submissions, the topic of insurance provided substantial educational value and practical knowledge.

Additionally, ISA continues to support the “European Money Quiz”, an initiative aimed at improving financial literacy among students aged 13–15. This support includes providing educational materials related to insurance, guidance, questions, and content to help students prepare and successfully participate in the quiz. This activity is part of ISA’s broader commitment to supporting educational processes and enhancing the knowledge and skills of young people in insurance and risk management.

EDUCATION AND BUILDING CAPACITY

The fundamental principles of ISA’s Quality Policy are based on the objectives of enhancing institutional and administrative capacity through investment in employees via training and professional development. Staff competence is a prerequisite for the effective, high-quality, and timely execution of statutory responsibilities, and therefore ISA continuously invests in its human capital.

In 2024, employees completed the planned training programs, participated in thematic visits to foreign regulators, and attended international and domestic conferences and seminars aimed at upgrading their knowledge and expertise. Additionally, educational programs and seminars were conducted in cooperation with the International Association of Insurance Supervisors (IAIS), the European Insurance and Occupational Pensions Authority (EIOPA), the Bank for International Settlements (BIS), the OECD International Network on Financial Education (OECD-INFE), the Capacity Building Institute at the International Monetary Fund in collaboration with the Joint Vienna Institute, and other relevant institutions and organizations.

INTEGRATED APPROACH TO CONSUMER PROTECTION, FINANCIAL EDUCATION, AND FINANCIAL INCLUSION

The primary objectives of ISA related to the stability and development of the insurance market, as well as ensuring the legality of operations of supervised entities, are directly linked to the protection of policyholders and users of insurance products and services. In this context, ISA applies an integrated approach encompassing three interrelated pillars:

- ✓ Consumer protection – active handling of complaints received from policyholders, insurance users, and third-party claimants, monitoring market practices, and supervising compliance with policyholder rights.
- ✓ Financial education – through educational campaigns, interactive events, and cooperation with schools and media, ISA raises public awareness of risks, the role of

insurance, policyholder rights and obligations, and the importance of financial planning. Education targets diverse groups: students, university students, and adults.

- ✓ Financial inclusion – through initiatives and policies that promote access to financial products for all citizens, ISA contributes to reducing inequality and building resilient communities. Development of innovative products, digital solutions, and improved access to insurance in rural and less-developed areas is encouraged.

Elaboration on the activities carried out:

During the period, ISA ensured timely and professional handling of complaints submitted by policyholders, insurance contract holders, and other stakeholders. A total of 291 complaints were received, each reviewed individually, respecting the principles of impartiality, efficiency, and protection of policyholder rights. Where irregularities were identified, recommendations were issued to insurance companies for corrective action. This demonstrates increasing public recognition of ISA's role as a guardian of insurance rights, and ISA will continue monitoring complaint handling and providing mechanisms for consumer protection and enhancement of sector integrity.

In parallel with supervision and complaint handling, ISA intensified activities aimed at improving public financial literacy:

- To complement formal education, ISA maintains an open invitation to primary and secondary schools and universities to request lectures on financial education and insurance. Through memoranda with educational institutions, ISA is always available to provide education and enable study visits for students and pupils.
- The educational portal, <https://edukacija.aso.mk/>, serves as an important tool for public communication, bringing the world of insurance closer to consumers. The portal contains educational materials, information on insurance, market analyses, strategic documents, and explanations of insurance concepts. Users can submit electronic complaints and pose questions.
- Continuous promotion of best practices in financial education and the role of insurance companies and intermediaries in educating their clients and policyholders, aiming to embed financial literacy into corporate practices.
- Annual competition for young researchers in risk management and insurance.
- Annual competition for primary and secondary school students, including essays and drawings on the topic of insurance.
- ISA continued organizing educational events, campaigns, workshops, interviews, TV appearances, collaboration with educational and other relevant institutions, and preparing publications and brochures.
- Ongoing coordination with insurance companies and brokerages to promote financial education, ensuring aligned actions in organizing educational activities, campaigns, public events, and developing and distributing tailored educational materials.

These activities contribute continuously to:

- Improved access to information on insurance products and services,
- Greater public engagement and trust in the insurance sector,
- Promotion of responsible financial behavior.

Given the positive response from the public, ISA will continue enhancing existing mechanisms and activities to further strengthen financial literacy and increase financial inclusion.

PROJECT ACTIVITIES

The implementation of the regional project (2023–2027) under the auspices of the Ministry of Finance of the Netherlands and the International Network on Financial Education (INFE-OECD) continued, aiming to strengthen the capacities of financial market regulators in promoting the importance of financial education, raising financial literacy levels among the population, and increasing financial inclusion. Within this framework, previously initiated activities will be finalized, and the project’s scope will be expanded through additional events, training sessions, tools, and publications.

Regarding the regional project on protection against catastrophic risks and natural disasters – EUROPE RE, which supports the development and establishment of a comprehensive national agricultural insurance system with ISA participation among other stakeholders, no significant activities were recorded during the reporting period. The preparation of the Law on Mandatory Agricultural Insurance was ongoing, and intensive communication among project partners was not established. In the upcoming period, the project’s momentum is expected to be renewed through the next steps, activities, and regular coordination.

The new concept of agricultural insurance, under the responsibility of the Ministry of Agriculture, Forestry, and Water Economy, foresees the creation of an insurance pool aimed at providing coverage for agricultural production for all farmers. A key advantage is that farmers will receive compensation for incurred losses within the same year they occur. For ISA, as the insurance market regulator, this issue is particularly important because it provides a solution that strengthens the culture of insurance among farmers, who constitute a significant portion of the population.

PUBLIC INFORMATION AND TRANSPARENCY

Within the framework of enhancing transparency and accountability, ISA continuously undertakes activities aimed at informing the public and ensuring access to relevant information regarding its work, decisions, and policies.

1. **Public Information** – During the reporting period, ISA regularly published:

- Press releases regarding adopted decisions, recommendations, and guidelines;
 - Responses to questions related to laws, by-laws, and consumer rights;
 - Reports, analyses, and statistical data available on the official website;
 - Educational and infographic materials through social media profiles and other channels.
2. **Promotion of Transparency** – To ensure consistent application of open governance principles:
- All relevant documents and decisions are made publicly available on ISA’s website;
 - Requests for access to public information and whistleblower reports are duly processed;
 - “Open Days” were organized for citizens and other interested parties.
3. **Public and Media Presence** – ISA participated in public events, forums, and media appearances to increase awareness of its role, the importance of financial education, and consumer protection.

To enhance the quality of its work, ISA continuously measures user satisfaction through online surveys, questionnaires, direct contact with citizens, and providing mechanisms for submitting written complaints or compliments by service users. Continuous measurement allows for improved strategic and operational planning of activities related to education, consumer protection, and public communication. The activities show positive results, including increased website traffic and social media engagement.

INSURANCE SUPERVISION AGENCY

President of the Council of Experts,

M.Sc. Eli Drakulevska

Number 01-574/1
Skopje, 19.06.2025

