



INSURANCE SUPERVISION AGENCY

ANNUAL REPORT
ON THE STATUS AND MOVEMENT OF THE
INSURANCE MARKET IN 2024

Skopje, 2025

The report has been prepared in accordance with Article 158-s of the Law on Insurance Supervision. For its preparation, the Insurance Supervision Agency used data that the entities deliver to the Agency in accordance with the legal regulations. The subjects of supervision are responsible for the accuracy of the data.

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1. INTRODUCTION

The Insurance Supervision Agency (hereinafter: “ISA”) is an independent regulatory authority overseeing the insurance market. It exercises public powers to monitor and ensure compliance of insurance companies and other market participants with applicable legislation, with the aim of safeguarding the interests of policyholders and insurance beneficiaries. ISA was established in 2009 following amendments to the Insurance Supervision Law. Beyond its primary supervisory function, ISA acts preventively and educationally, in coordination with other financial market regulators, to implement national strategies and action plans designed to strengthen consumer protection in the field of insurance and other financial services, to preserve the country’s financial stability, and to promote greater participation in the insurance market.

In 2024, ISA issued one approval concerning corporate restructuring, the merger of one insurance company with another insurance company. Namely, a joint-stock company for insurance WIENNER VIG Skopje merged with ADOR Macedonia Insurance VIG Skopje.

Within the domain of insurance intermediation, one new brokerage company was licensed during the year. As of the end of 2024, the market counted a total of 43 active brokerage companies, 12 insurance agency companies, and 8 banks authorized to perform insurance agency activities.

The gross written premium (GWP) for 2024 amounted to MKD 15,968,235, reflecting an 11.32% increase compared to the previous year (2023: MKD 14,344,690). In the non-life insurance segment, GWP reached MKD 13,074,184 (2023: MKD 11,856,465), marking a 10.27% growth. Meanwhile, life insurance generated GWP of MKD 2,894,052 (2023: MKD 2,488,225), representing a 16.31% increase.

As of 31 December 2024, insurance companies managed total assets of MKD 36,802,229, up by 8.62% compared to the previous year (2023: MKD 33,880,219).

The total calculated capital¹ of insurance companies recorded a 5% increase compared to 2023, amounting to MKD 9,000,917 at the end of 2024. The required solvency margin, serving as the main indicator for assessing the stability of the insurance sector, reached an aggregated level of MKD 2,594,217, meaning that the sector’s capital exceeded the required solvency margin by a factor of 3.47.

Overall profitability improved relative to 2023, with positive results recorded in both the non-life and life insurance segments.

During 2024, ISA adopted one new by-law and introduced an amendment to an existing secondary regulation.

In the *Official Gazette of the Republic of North Macedonia* No. 75 of 3 April 2024, the Rulebook on Accounting Standards, adopted by the Minister of Finance, was published. This

¹ Pursuant to the Law on Insurance Supervision, the capital of an insurance company on a certain calculation date may differ from the amount of capital and reserves shown in the balance sheet on the same date.

marked, after a considerable period, the official translation of the International Financial Reporting Standards (IFRS) into the national framework.

Starting from 1 January 2028, insurance companies will be required to maintain accounting records and prepare financial statements for insurance contracts and financial instruments in accordance with IFRS 17 and IFRS 9. This constitutes a major regulatory reform for the insurance sector, expected to significantly affect key performance indicators of the market.

2. LEGAL FRAMEWORK

The Law on Insurance Supervision (*Official Gazette of the Republic of Macedonia* No. 27/02, 98/02, 79/07, 88/08, 67/10, 44/11, 112/11, 188/13, 30/14, 43/14, 112/14, 153/15, 92/15, 23/16, 83/18 and 198/18; and *Official Gazette of the Republic of North Macedonia* No. 101/19, 31/20, 173/22 and 3/25), the Law on Compulsory Motor Third-Party Liability Insurance (*Official Gazette of the Republic of Macedonia* No. 88/05, 70/06, 81/08, 47/11, 135/11, 112/14 and 145/15; and *Official Gazette of the Republic of North Macedonia* No. 220/19), the Law on Voluntary Health Insurance (*Official Gazette of the Republic of Macedonia* No. 145/12 and 192/15), the Law on the Payment of Pensions and Pension Benefits under Fully Funded Pension Insurance (*Official Gazette of the Republic of Macedonia* No. 11/12, 147/15, 30/16 and 103/21), the Law on the Prevention of Money Laundering and Financing of Terrorism (*Official Gazette of the Republic of North Macedonia* Nos. 151/22 and 208/24), the Law on the Investment of the Republic of Macedonia in the Share Capital of EURpa Re (*Official Gazette of the Republic of Macedonia* No. 185/11), the Law on Financial Stability (*Official Gazette of the Republic of North Macedonia* No. 173/22, and the Law on Restrictive Measures (*Official Gazette of the Republic of Macedonia* No. 190/17) jointly constitute the primary legislative framework governing the conditions and procedures for conducting insurance and reinsurance activities, insurance intermediation, and the supervision of insurance undertakings, brokerage firms, and insurance agencies.

The broader legal framework also encompasses the Law on Obligations, insofar as it relates to insurance contracts, and the Company Law.

The Law on Insurance Supervision incorporates the core principles of the International Association of Insurance Supervisors (IAIS), as well as the provisions contained in the first-generation EU insurance directives. It regulates, inter alia, the establishment and operation of insurance companies, risk management, the role of certified actuaries, accounting and reporting obligations, internal and external audit, representation and intermediation in insurance, supervision of insurance undertakings, the functioning of ISA, the decision-making procedures of ISA, cooperation with supervisory authorities and EU bodies, and penal provisions.

Compulsory motor third-party liability insurance is governed by the **Law on Compulsory motor third-party liability insurance**, which regulates contracts for mandatory motor vehicle liability insurance, minimum coverage amounts, claims-handling deadlines, mediation procedures, the competencies of the Guarantee Fund, the methodology for determining premium tariffs via the Motor Liability Insurance Commission, and sanctions applicable to insurance undertakings and the National Insurance Bureau. The law also obliges insurance companies to appoint claims representatives abroad, ensuring that victims of traffic accidents have prompt access to claims procedures for damages caused by domestic vehicles abroad. Furthermore, it establishes a Compensation Body to guarantee that, even in cases where an uninsured driver is liable, claims are duly processed and compensated. Certain provisions are already in effect, while others will enter into force upon the Republic of North Macedonia's full EU membership.

The **Law on Voluntary Health Insurance** provides the legal basis for insurance companies to offer health packages supplementary to the mandatory health insurance system. Voluntary health insurance is regulated as supplementary and private: Supplementary health insurance provides coverage of costs in the form of participation with personal funds when using health services from mandatory health insurance, in accordance with the regulations of mandatory health insurance and health care, while private health insurance provides coverage for the costs of using a higher standard of health services arising from mandatory health insurance, the costs of covering health services used in additional activities, as well as for the use of health services in health institutions outside the network of health institutions in which the health activity is performed and in legal entities that manufacture, issue and service orthopedic and other aids.

The **Law on the Payment of Pensions and Pension Benefits under Fully Funded Pension Insurance** completes the regulatory framework of the fully funded pension system by governing the decumulation phase, i.e., the payout of pensions under the second pillar and pension benefits under the third pillar. It defines the types of second-pillar pensions (programmed withdrawals, life annuities, and combinations thereof) and third-pillar benefits (programmed withdrawals, annuities, lump-sum and multiple payments), their features and rules, and the procedures for acquiring rights to old-age, disability, and survivors' pensions, as well as third-pillar pension benefits. The law also specifies which institutions may carry out pension and benefit payments—pension companies and life insurance undertakings. For greater transparency, a Centralized Electronic Quotation System has been established to enable requests for quotations and receipt of offers from pension companies and insurers.

The **Law on the Prevention of Money Laundering and Financing of Terrorism** assigns ISA supervisory authority over the insurance market in respect of AML/CFT obligations, particularly regarding the application of preventive measures and actions.

The **Law on Financial Stability** regulates the objectives, status, responsibilities, and working procedures of the Financial Stability Committee, as well as the instruments and implementation of national macroprudential policy.

The **Law on Restrictive Measures** introduces additional obligations for entities subject to AML legislation, requiring them to identify and implement financial measures against persons subject to restrictive measures imposed by the EU or the United Nations. Under Article 5 of this law, such measures are defined as prohibitions on the use, transfer, conversion, or disposal of assets; prohibitions on making assets available, directly or indirectly; and prohibitions on establishing or maintaining business relationships.

3. DOMESTIC AND INTERNATIONAL ENVIRONMENT

According to data from the State Statistical Office² and the monthly information³ published by the National Bank, in 2024 the real Gross Domestic Product (hereinafter: “GDP”) is estimated to increase by 2.8%. This represents a higher real GDP growth rate compared to the October projection of 2.3% for 2024. It is also higher than the annual growth rate of 2.1% achieved in 2023, and equivalent to that recorded in 2022.

The annual inflation rate in February 2025 stood at 5%, remaining broadly unchanged from the previous month (4.9%). This development reflects the impact of a lower comparative base from the same period of the previous year, when measures were in place to mitigate price growth. Structurally, price increases were driven by food and core components, while energy prices registered a slight decline.

The financial system of North Macedonia is characterized by a relatively simple structure. The banking system, followed by the mandatory private pension funds and insurance companies, accounts for the largest share of financial system assets and has almost consistently been the primary contributor to its absolute growth.

The total assets of all financial institutions operating in the domestic financial market amounted to MKD 961,137 million at the end of 2023⁴, representing 114.3% of the national GDP. The share of the insurance sector (insurance companies, insurance agencies, and brokerage firms) in the overall financial structure stood at 3.82%⁵ in 2023. Despite the continuous growth of the financial system, comparative analysis of financial intermediation levels with other Central and Southeast European countries indicates that the domestic financial sector remains relatively modest in size. The largest and most significant segments of the financial system are predominantly owned by foreign shareholders. Ownership structures and concentration within individual segments of the financial system have not experienced notable changes.

The relatively low levels of financial intermediation, combined with the simple structure of the financial system, indicate that there is scope for greater support from the financial sector in fostering the country’s economic growth and development. At the same time, due to its simple structure, **traditional business models of financial institutions**, low interdependence among segments, and limited integration with international flows, the financial system is **more resilient to external shocks**. Its modest size further reduces the potential adverse feedback effects from the financial system onto the real economy⁶.

Bancassurance, that is, the collaboration between banks and insurance companies under an insurance representation agreement, was implemented by eight banks in 2024, the same as in the previous year, representing a further example of intersectoral connectivity. In the course of loan approval procedures, borrowers are increasingly required to enter into life insurance

² <https://www.stat.gov.mk/PrikaziSooptenie.aspx?rbtxt=31>

³ https://www.nbrm.mk/content/MPI%20publikacii/Najnovi_makroekonomski_pokazateli_mart_2025.pdf

⁴ At the time of writing this report, the Financial Stability Report for 2024 has not yet been published

⁵ Financial Stability Report for 2023, National Bank

⁶ Financial Stability Report for 2023, National Bank

contracts for the duration of the credit relationship, as well as to insure the property securing the loan.

An inherent link exists between the leasing sector and the insurance sector due to the regulatory obligation to insure leased assets with an insurance company, unless otherwise specified in the leasing agreement. Furthermore, the offering of unit-linked products, which combine life insurance with collective investment—i.e., life insurance in which the investment risk is borne by the policyholder—demonstrates the interconnection of this type of insurance with financial market dynamics and the performance of investment funds. Ownership links among individual financial institutions constitute an additional potential channel of interdependence and a possible conduit for risk spillover from one segment to another within the financial system.

An analysis and comparison of indicators of the **development of the domestic insurance market with regional** and broader markets indicate that North Macedonia is at a roughly comparable level to neighboring countries, yet significantly below the average development level of European Union member states. Among 17 countries in Central and Eastern Europe, based on the penetration rate indicator, North Macedonia ranks 12th in terms of insurance market development (ahead of Albania, Kosovo, Romania, Slovakia, and Estonia), while according to the density rate indicator, it ranks 15th (ahead of Albania and Kosovo).

This is primarily due to the fact that insurance companies in North Macedonia are not involved in the accumulation phase of funds from contributions to capital-funded pension insurance and are still in the early stages of developing and offering service packages in the field of voluntary health insurance. This situation is also reflected in the results of the first national assessment of financial literacy among the adult population in North Macedonia, conducted in February 2018⁷. The assessment indicated an aggregate financial literacy score of 11.8, according to the standard INFE methodology. This represents a relatively lower level compared to the average of the most developed countries in the world within the Group of 20, which scored 12.7 points, but it is, on the other hand, comparable to countries in the region.

The survey further revealed aspects related to the population's awareness of individual financial products and their actual use in practice. According to the survey, the adult population demonstrates a solid level of awareness regarding traditional banking products, whereas awareness of insurance products is comparatively lower. These findings indicate a need for improved public information regarding both the benefits and the risks associated with insurance products.

⁷ The first measurement was organized by the National Bank, with support from EFSE, according to the international methodology of INFE OECD.

TABLE NO. 1: Important indicators for Central and Eastern European countries in 2024

	GDP, current prices (billion EUR)	GDP per capita, current prices (EUR)	Gross written premium (million EUR)	Penetration rate (% of GDP)	Density rate (EUR/capita)
Albania	24,92	9.153	250	1,00%	92
Bosnia and Herzegovina	26,28	7.606	555	2,11%	161
Bulgaria	99,50	15.665	2.393	2,41%	377
Croatia	82,29	21.456	1.923	2,34%	501
Czech Republic	313,84	28.700	9.150	2,92%	837
Estonia	39,50	28.936	685	1,74%	502
Hungary	195,47	20.402	4.134	2,12%	432
Kosovo	10,34	5.860	168	1,62%	95
Latvia	41,78	22.230	1.227	2,94%	653
Lithuania	75,98	26.350	1.583	2,08%	549
Macedonia	14,57	7.955	260	1,78%	142
Montenegro	7,44	11.749	134	1,80%	212
Poland	851,98	23.265	20.051	2,35%	548
Romania	350,86	18.521	4.709	1,34%	249
Serbia	76,53	11.601	1.516	1,98%	230
Slovakia	130,88	24.127	2.084	1,59%	284
Slovenia	67,18	31.702	2.727	4,06%	1.287
Central and Eastern Europe Total (2024)	2.409,32	20.603	53.549	2,22%	458

Source: XPRIMM, Annual report for 2024

4. INSSURANCE MARKET IN MACEDONIA

4.1. INSURANCE COMPANIES

Following the merger of two companies into one, the insurance market at the end of 2024 comprised 11 non-life insurance companies and 6 life insurance companies. One of the insurance companies, in addition to conducting non-life insurance activities, holds a license to perform reinsurance operations, although it does not assume reinsurance risks.

At the end of 2024, insurance companies employed a total of 1,969 individuals, representing a slight increase compared to the end of the previous year, 2023 (2023: 1,933).

4.1.1. Ownership structure

There have been no changes in the ownership structure of insurance companies. Of these, 14 insurance companies are part of insurance groups headquartered in EU member states, while three insurance companies are wholly owned by domestic investors.

TABLE NO. 2: Ownership structure of insurance companies (%)

	2023	2024
1. Foreign shareholders	71,39%	71,41%
1.1. Natural persons	0,42%	0,42%
1.2. Non-financial legal entities	2,63%	2,63%
1.3. Financial institutions	68,34%	68,36%
2. Domestic shareholders	28,58%	28,56%
2.1. Natural persons	6,24%	6,24%
2.2. Non-financial legal entities	0,43%	0,43%
2.3. Financial institutions	21,91%	21,89%
3. Government	0,03%	0,02%
Total	100,00%	100,00%

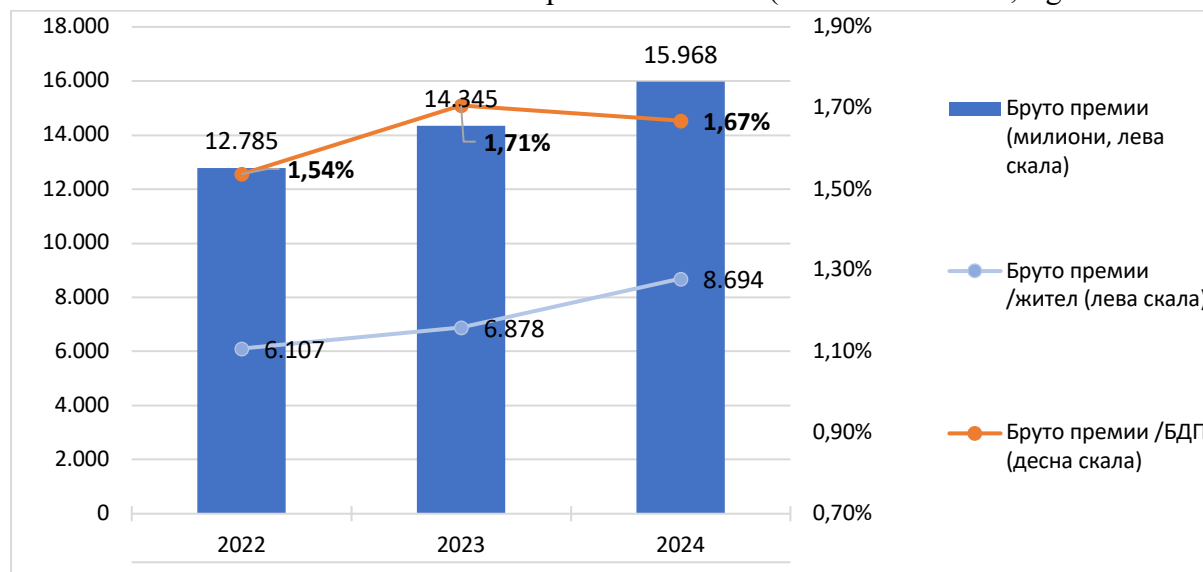
Source: ISA

4.1.2. Degree of development

The main indicators used to measure the development level of the insurance market are the penetration rate and the density rate⁸. Data on insurance penetration in 2024 shows that the total gross written premium (GWP) in the country accounted for 1.67% of the gross domestic product, which is 0.04 percentage points lower than the previous year (2023: 1.71%). Meanwhile, the insurance density in 2024 amounted to 8,694 denars per capita, representing an increase of 26.41% compared to the previous year (see Chart 1).

⁸The penetration rate is calculated as the ratio of gross written premium to gross domestic product, and the density rate as the ratio of gross written premium to the number of inhabitants in the country.

CHART NO. 1: Insurance market development indicators (millions of denars; right axis – %)



Source: Ministry of Finance, ISA

Due to the merger of one non-life insurance company with another during 2024, a certain increase in market concentration was observed. However, the insurance sector still remains characterized by low concentration, which is a prerequisite for functional market competition. The Herfindahl index, calculated based on gross written premiums (GWP), amounted to 812.347 in 2024 (2023: 725.03). A similar result is obtained when measuring the index based on the assets of insurance companies, which amounted to 822.119 in 2024 (2023: 751.12)⁹.

Analyzed by insurance type, higher concentration is present in the life insurance segment, due to the small number of companies in this domain. For life insurance companies, the Herfindahl index measured by GWP is 2,127.587 (2023: 2,151.15), while measured by assets it amounts to 2,520.105 (2023: 2,609.28).

In non-life insurance, the indicators show lower concentration compared to life insurance. The Herfindahl index based on GWP in 2024 amounts to 1,107.538 (2023: 966.53), while the same indicator measured by assets amounts to 1,179.466 (2023: 966.51).

The CR5 indicator¹⁰, measured by GWP share, for non-life insurance companies increased in 2024, reaching 63.39% (2023: 55.12%).

The following tables show the movements of the Herfindahl index and the concentration indicator of the top five insurance companies (CR5):

⁹The Herfindahl index is calculated according to the formula:

$$HI = \sum_{i=1}^n (S_i)^2$$

where S is the share of each insurance company in the total assets (gross written premium) of the insurance sector, and n is the total number of institutions in the corresponding segment. When the index ranges from 1,000 units to 1,800 units, the level of concentration of the insurance sector is considered acceptable.

¹⁰The CR5 indicator represents the share of the first 5 insurance companies with the largest share in the total structure.

TABLE NO. 3: Herfindahl index and CR5 indicator measured by GWP

GWP	2023		2024	
	Herfindahl	CR5	Herfindahl	CR5
Whole sector	725,03	45,56%	812,347	51,90%
Non-life	966,53	55,12%	1.107,54	63,39%
Life	2.151,15	100,00%	2.127,59	99,30%

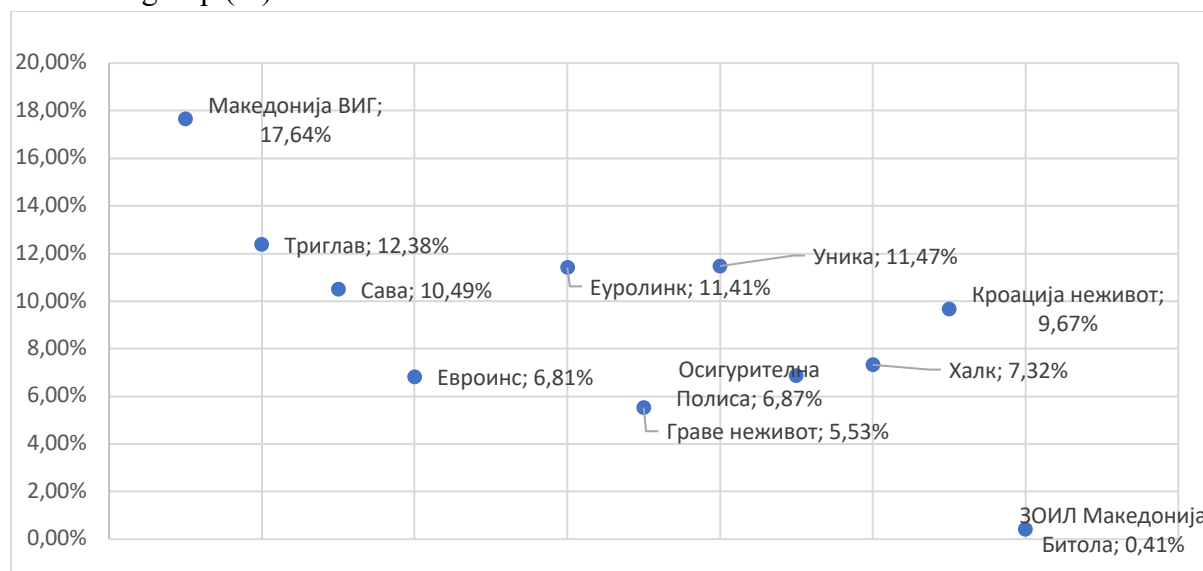
Source: ISA

TABLE NO. 4: Herfindahl index and CR5 indicator measured by assets

Активa	2023		2024	
	Herfindahl	CR5	Herfindahl	CR5
Whole sector	751,12	48,64%	822,119	53,23%
Non-life	966,51	55,65%	1.179,47	63,43%
Life	2.609,28	98,09%	2.520,11	98,34%

Source: ISA

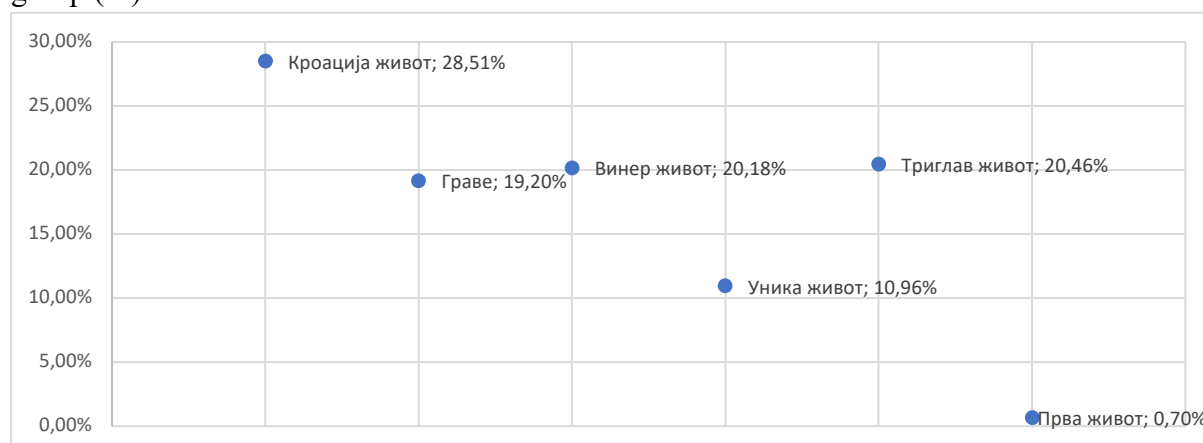
At the end of 2024, in the field of market concentration in the non-life insurance sector, 5 insurance companies will cross the threshold of participation with over 10% in the total GDP. After the merger, ADOR Macedonia VIG became the market leader with a 17.64% share in the total annual premium in the non-life insurance group. (Chart No. 2).

CHART NO. 2: Market concentration by gross written premium in 2024, in the non-life insurance group (%)

Source: ISA

In the life insurance group, the growth of competition and the downward trend in the participation of the two life insurance companies that have been present on the market for the longest time continue (Chart no. 3).

CHART NO. 3: Market concentration by gross written premium in 2024, in the life insurance group (%)



Source: ISA

4.1.3. Gross Written Premium (GWP)

In non-life insurance and reinsurance, the gross written premium (GWP) of insurance companies includes all premium amounts agreed (underwritten) during the current accounting period, regardless of whether they pertain entirely or partially to the subsequent period. In life insurance, the total gross written premium comprises all premiums paid by the end of the accounting period.

As in the previous year, a double-digit growth in GWP was recorded in 2024. The total GWP in 2024 amounted to MKD 15,968,235 (Table 5), representing an increase of 11.32% compared to the GWP achieved in 2023 (2023: MKD 14,344,690).

TABLE NO. 5: Gross written premium by insurance classes (thousands MKD)

Insurance class	Gross Written Premium (GWP)		Dynamics	Share in total GWP	
	2023	2024		2023	2024
01. Accident Insurance	758.692	846.482	11,57%	5,29%	5,30%
02. Health Insurance	1.004.051	1.327.563	32,22%	7,00%	8,31%
03. Motor Vehicle Insurance – Casco	1.181.114	1.359.846	15,13%	8,23%	8,52%
05. Aircraft Insurance – Casco	92.253	98.552	6,83%	0,64%	0,62%
06. Vessel Insurance – Casco	1.762	2.016	14,42%	0,01%	0,01%
07. Cargo Insurance (Goods in Transit)	118.918	118.258	-0,56%	0,83%	0,74%
08. Property Insurance against Fire	835.740	1.014.449	21,38%	5,83%	6,35%

09. Other Property Insurance	1.498.216	1.511.839	0,91%	10,44%	9,47%
10. Motor Third-Party Liability Insurance	5.595.486	5.913.184	5,68%	39,01%	37,03%
11. Aviation Liability Insurance	28.792	15.091	-47,58%	0,20%	0,09%
12. Marine Liability Insurance	4.380	4.802	9,64%	0,03%	0,03%
13. Other Liability Insurance	316.421	365.465	15,50%	2,21%	2,29%
14. Credit Insurance	60.331	104.677	73,50%	0,42%	0,66%
15. Guarantee Insurance	397	196	-50,73%	0,00%	0,00%
16. Insurance against Financial losses	82.349	98.196	19,24%	0,57%	0,61%
17. Legal Protection	2	3	50,00%	0,00%	0,00%
18. Travel Assistance Insurance	277.561	293.564	5,77%	1,93%	1,84%
19. Life Insurance	1.901.868	2.099.615	10,40%	13,26%	13,15%
20. Marriage or Childbirth Insurance	0	0	#DIV/0!	0,00%	0
21. Life Insurance with Investment Risk borne by the Policyholder	586.357	794.436	35,49%	4,09%	4,98%
TOTAL	14.344.690	15.968.235	11,32%	100,00%	100,00%
TOTAL NON-LIFE	11.856.465	13.074.184	10,27%	82,65%	81,88%
TOTAL LIFE	2.488.225	2.894.051	16,31%	17,35%	18,12%

Source: ISA

A positive trend is observed in both segments of the insurance market. In the non-life insurance segment, the gross written premium (GWP) amounted to MKD 13,074,184 in 2024 (2023: MKD 11,856,465), representing 81.88% of the total GWP of the insurance sector and an increase of 10.27% compared to 2023. No reinsurance premiums were realized during 2024 (2023: 0).

Individually, compared to 2023, two non-life insurance companies recorded a decrease in GWP, while other non-life insurance companies are seeing premium growth (Table no. 6).

TABLE NO. 6: Gross written premium by non-life insurance companies (thousands MKD)

No	Insurance company	Gross written premium (GWP)		Dynamics	Share in the total GWP	
		2023	2024		2023	2024
1	MAKEDONIJA	2.317.135	2.305.980	-0,48%	19,54%	17,64%
2	TRIGLAV	1.472.639	1.618.108	9,88%	12,42%	12,38%

3	UNIQA	1.305.648	1.499.856	14,87%	11,01%	11,47%
4	EUROLINKS	1.339.085	1.492.125	11,43%	11,29%	11,41%
5	SAVAC	1.258.028	1.371.245	9,00%	10,61%	10,49%
6	CROATIA LIFE	1.092.107	1.263.908	15,73%	9,21%	9,67%
7	HALK	770.795	957.397	24,21%	6,50%	7,32%
8	OSIGURITELNA POLISA	797.574	898.203	12,62%	6,73%	6,87%
9	EUROINS	975.627	890.981	-8,68%	8,23%	6,81%
10	GRAWE NON-LIFE	527.827	722.416	36,87%	4,45%	5,53%
11	ZOIL Makedonija Bitola	0	53.965		0,00%	0,41%
TOTAL NON-LIFE		11.856.465	13.074.184	10,27%	100,00%	100,00%

Source: ISA

In the life insurance segment, which represents 18.12% of the total GWP of the insurance sector, a GWP of MKD 2,894,051 was achieved in 2024 (2023: MKD 2,488,225), reflecting an increase of 16.31% compared to 2023.

All life insurance companies recorded growth in annual GWP, although the growth of the two leading companies was significantly lower than the annual growth of the remaining companies. Consequently, a further reduction in market concentration in this segment was observed in 2024 (Table 7).

TABLE NO. 7: Gross written premium by life insurance company (thousands MKD)

No	Insurance company	Gross written premium (GWP)		Dynamics	Share in the total GWP	
		2023	2024		2023	2024
1	CROATIA LIFE	732.339	825.045	12,66%	29,43%	28,51%
2	TRIGLAV LIFE	450.391	592.125	31,47%	18,10%	20,46%
3	WINNER LIFE	493.075	583.955	18,43%	19,82%	20,18%
4	GRAWE	505.169	555.531	9,97%	20,30%	19,20%
5	UNIQA	307.157	317.226	3,28%	12,34%	10,96%
6	PRVA LIFE	94	20.170	21.357,16%	0,00%	0,70%
TOTAL LIFE		2.488.225	2.894.051	16,31%	100,00%	100,00%

Source: ISA

One of the most appropriate indicators for assessing the volume of activities performed by insurance companies is the analysis of the volume of activities by different classes of insurance. Such a tabular presentation allows for an analysis of the distribution of premiums across various insurance classes by company, providing insight into which insurance products individual companies specialize in. In this way, through the data on GWP by insurance class, the market structure of all insurance companies in 2024 is further illustrated (Table 8).

TABLE NO. 8: GWP for period 01.01.2024 – 31.12.2024 (thousands MKD)

Ред. бр.	Класа на осигурување	Триглав	Сава	Евроинс	Еуролинк	Уника	Осигурителна Полиса	Кроација неживот	Халк	Граве неживот	Македонија ВИГ	Зоил Македонија Битола	Вкупно неживот
01	01. Неизгода	130.796	84.124	51.526	97.531	60.758	50.808	149.331	70.021	30.509	119.383	1.695	846.482
02	02. Здравствено	220.790	129.982	29.319	233.861	122.148	0	222.232	118.365	0	250.866	0	1.327.563
03	03. Каско моторни возила	177.590	248.558	83.662	136.792	109.979	125.895	108.364	146.353	28.807	187.582	6.264	1.359.846
04	04. Каско шински возила	0	0	0	0	0	0	0	0	0	0	0	0
05	05. Каско воздухоплови	907	0	0	76.326	0	562	20.592	0	0	166	0	98.553
06	06. Каско пловни објекти	161	965	0	48	23	450	0	188	0	181	0	2.016
07	07. Карго	35.197	3.783	20.358	5.704	14.940	3.968	5.757	5.536	0	23.015	0	118.258
08	08. Имот од пожар и др.опасн.	107.055	97.504	54.600	240.774	58.918	65.757	70.158	80.467	4.013	234.802	399	1.014.447
09	09. Имот останато	251.276	174.576	153.936	103.678	210.017	31.904	77.386	62.722	2.377	443.833	134	1.511.839
10	10. АО (вкупно)	482.449	532.202	464.990	446.750	840.560	562.222	563.146	394.257	650.490	930.717	45.401	5.913.184
11	11. Одговорност воздухоплови	1.100	0	0	8.720	0	1.878	2.720	0	0	674	0	15.092
12	12. Одговорност пловни објекти	365	1.178	79	715	524	711	140	357	0	734	0	4.803
13	13. Општа одговорност	50.798	16.618	17.603	92.268	50.451	28.435	13.851	33.691	599	61.092	58	365.464
14	14. Кредити	36.138	18.973	2.734	0	0	0	2.675	26.231	0	17.927	0	104.678
15	15. Гаранции	0	0	3	29	0	7	0	157	0	0	0	196
16	16. Финансиски загуби	62.550	9.655	193	944	9.654	0	790	3.913	0	10.497	0	98.196
17	17. Правна заштита	0	0	0	0	0	0	3	0	0	0	0	3
18	18. Туристичка помош	60.938	53.127	11.978	47.985	21.884	25.606	26.763	15.139	5.619	24.511	13	293.563
	ВКУПНО НЕЖИВОТ	1.618.110	1.371.245	890.981	1.492.125	1.499.856	898.203	1.263.908	957.397	722.414	2.305.980	53.964	13.074.183

Ред. бр.	Класа на осигурување	Триглав живот	Кроација живот	Граве	Винер живот	Уника живот	Прва живот	Вкупно живот
19	19. Живот	484.029	668.321	480.278	249.559	202.945	14.483	2.099.615
20	20. Брак и породување	0	0	0	0	0	0	0
21	21. Удели во инвест. фондови	108.096	156.724	75.253	334.396	114.281	5.687	794.437
	Вкупно живот	592.125	825.045	555.531	583.955	317.226	20.170	2.894.052

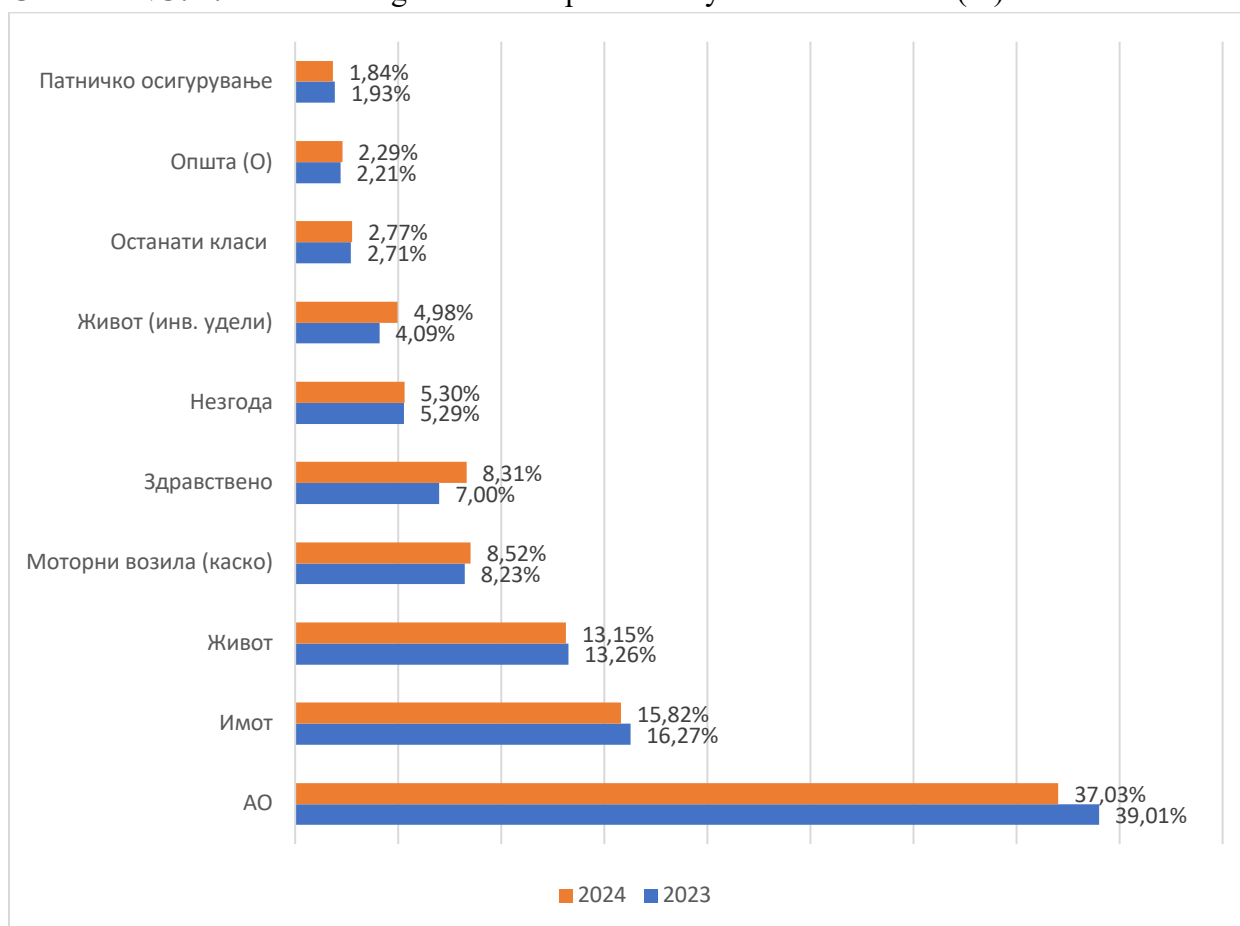
Вкупно: 15.968.235

Source: ISA

4.1.4. GWP Structure

Motor vehicle insurance continues to have the most significant share in total GWP, accounting for 45.55% (2023: 47.24%). This consists of the dominant motor third-party liability insurance (premiums from mandatory MTPL policies and green cards), which accounts for 37.03% (2023: 39.01%), and voluntary motor insurance (comprehensive/casco), which accounts for 8.52% (2023: 8.23%). Property insurance holds an important place in the GWP structure with a share of 15.82% (2023: 16.27%), while life insurance represents 18.12% (2023: 17.35%). Health insurance and insurance against personal accident (PA) together account for 13.61% of total GWP in 2024 (2023: 12.29%). The structure by major insurance classes, along with a comparison to 2023, is presented in Chart 4.

CHART NO. 4: Structure of gross written premium by insurance classes (%)



Source: ISA

An increase in GWP of 5.68% compared to 2023 was recorded in the motor third-party liability insurance (MTPL/Auto Liability) class, with a total premium of MKD 5,913,179 (2023: MKD 5,595,486), accompanied by a 5.62% increase in the number of policies issued.

The largest portion, 72% of the total MTPL premium, or MKD 4,258,873, comes from sold mandatory MTPL policies, which provide coverage solely for damages occurring within the country. A premium of MKD 1,367,351 in 2024 was issued under green card policies, representing 23.12% of the total MTPL GWP. The green card provides coverage for damages occurring abroad.

The structure and changes in the MTPL premium are presented in the following table:

TABLE NO. 9: Structure of BPP for insurance by MTPL, in thousands MKD

Insurance type by MTPL	2023	2024	Change in %	2023	2024
MTPL	4.023.802	4.258.873	5,84%	71,91%	72,02%
Green card (GC)	1.300.372	1.367.351	5,15%	23,24%	23,12%
Border Insurance (BI)	165.869	170.103	2,55%	2,96%	2,88%
Driver's Liability Insurance for Goods Received	105.443	116.853	10,82%	1,88%	1,98%
Total	5.595.487	5.913.179	5,68%	100,00%	100,00%

Source: ISA

In the comprehensive motor vehicle insurance (CASCO) segment, an increase of 15.13% was recorded, with a total premium of MKD 1,359,846 (2023: MKD 1,181,114), accompanied by a 4.76% increase in the number of concluded contracts. The impact of inflation on the growth of the average motor vehicle (CASCO) premium is evident in 2024, as was also the case in 2023, when a relatively higher increase in GWP compared to the relative growth in the number of contracts was observed.

Property insurance recorded growth of 8.24%, with the annual GWP in this class amounting to MKD 2,526,288 (2023: MKD 2,333,954), and a slightly more moderate growth of 7.38% in the number of concluded contracts.

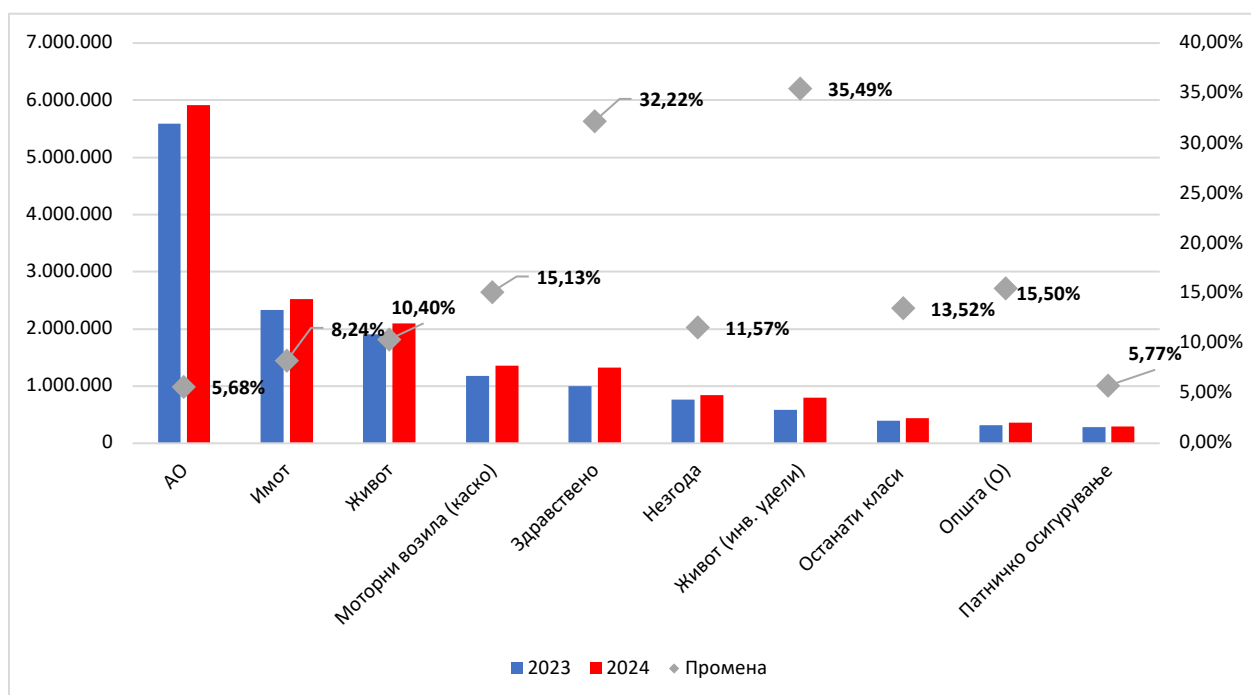
Aggregated market statistical data indicate negative trends in agricultural insurance. Crop, fruit, and livestock insurance accounted for only 11.2% of the total annual property insurance premium. In 2024, the GWP from agricultural insurance amounted to MKD 282,300, which is 28% lower than the premium written in 2023 (2023: MKD 393,942). There was also a decline in the total number of concluded agricultural insurance contracts, with 2,943 contracts concluded in 2024, representing a 16.6% decrease compared to the previous year (2023: 3,530 contracts).

On the other hand, the positive annual growth trend in voluntary health insurance was maintained. In the non-life insurance segment, a total of 40,977 health insurance contracts were concluded in 2024 (2023: 33,717 contracts), with a total GWP of MKD 1,327,563 (2023: MKD 1,004,051), representing an increase of 21.53% in the number of contracts and a 32.22% growth in total GWP compared to 2023.

Accident insurance also recorded growth in both the number of concluded contracts and GWP. The total annual GWP in this non-life insurance class amounted to MKD 846,482, which is 11.57% higher than in 2023 (2023: MKD 758,692). The total number of concluded contracts in 2024 was 815,351, compared to 769,861 contracts in 2023.

Chart 5 illustrates the trend in GWP by the most significant insurance classes.

CHART NO. 5: Trend of gross written premium by insurance class (thousands MKD; right axis=%)



Source: ISA

In the life insurance segment, the gross written premium (GWP) amounted to MKD 2,894,052 in 2024 (2023: MKD 2,488,225), representing an increase of 16.31%, with life insurance accounting for 18.12% of the total GWP of the insurance sector.

For basic life insurance (risks under class 19 of Article 5 of the Insurance Law), a positive trend was recorded in GWP, reaching MKD 2,099,615 (2023: MKD 1,901,868), which represents a growth of 10.4%. This increase primarily stems from term life insurance contracts without profit participation for the policyholder, covering only the risk of death. The number of contracts with such basic coverage notably increased in 2021, when life insurance companies took over a significant portfolio of policyholders from non-life insurance companies, who previously had death risk coverage due to illness as a supplement to accident insurance policies and borrower life insurance.

For life insurance linked to investments in investment funds, where the investment risk is borne by the policyholder (class 21 of Article 5 of the Insurance Law), the total written premium amounted to MKD 794,437, representing an annual growth of 35.49%. This is also the highest relative annual increase in GWP recorded in any insurance class. The written premium for these contracts in 2023 was MKD 586,357.

The following table presents the structure of gross written premiums for life insurance in 2024, compared with the previous year, 2023.

TABLE NO. 10: Gross written premium for life insurance, in thousands MKD

	Class	Total 2023	Total 2024	Change 24/23	Share 2023	Share 2024
Life insurance	19	1.901.868	2.099.615	10,40%	76,43%	72,55%
Total basic life insurance		1.772.603	1.949.031	9,95%	71,24%	67,35%
Mixed insurance		806.962	767.196	-4,93%	32,43%	26,51%
Death (term)		599.719	773.570	28,99%	24,10%	26,73%
Annual insurance		147.274	186.485	26,62%	5,92%	6,44%
Mixed insurance with TBS		215.214	218.453	1,51%	8,65%	7,55%
Death (whole life)		3.435	3.326	-3,17%	0,14%	0,11%
Total supplementary insurance		129.265	147.362	14,00%	5,20%	5,09%
Accident (death)		28.624	39.132	36,71%	1,15%	1,35%
Accident (disability)		80.691	85.929	6,49%	3,24%	2,97%
Health (other)		19.635	22.301	13,58%	0,79%	0,77%
Total annuity insurance		315	3.222	922,86%	0,01%	0,11%
Life insurance when the investment risk is borne by the insured	21	586.357	794.436	35,49%	23,57%	27,45%
Total		2.488.225	2.894.051	16,31%	100,00%	100,00%

Source: ISA

Data on gross written premiums, broken down by product types, i.e., the risks covered by these products, confirm the trend of a declining share of traditional “mixed” life insurance policies with a savings component, in favor of a growth in pure risk life insurance policies, which cover only the risk of death, as well as an increase in life insurance contracts where premium payments are invested in units issued by investment funds, with the policyholder bearing the investment risk managed by these funds.

The price at which the insurance company purchases the investment fund units on behalf of the policyholder corresponds to the market (exchange) value at the time the policyholder pays the agreed premium. These contracts are long-term, with policyholders typically paying premiums over multiple years. The insurance company’s obligation to the policyholder depends on the market value of the units at the calculation date. If units were acquired when market prices were low, and the company’s obligation arises when unit prices are higher, the policyholder realizes a profit, i.e., receives more than the total premiums paid. Conversely, if units were purchased when market prices were high and the market value drops by the time the obligation is due, the policyholder may incur a loss. Thus, for these products, the policyholder bears the market risk of the invested funds.

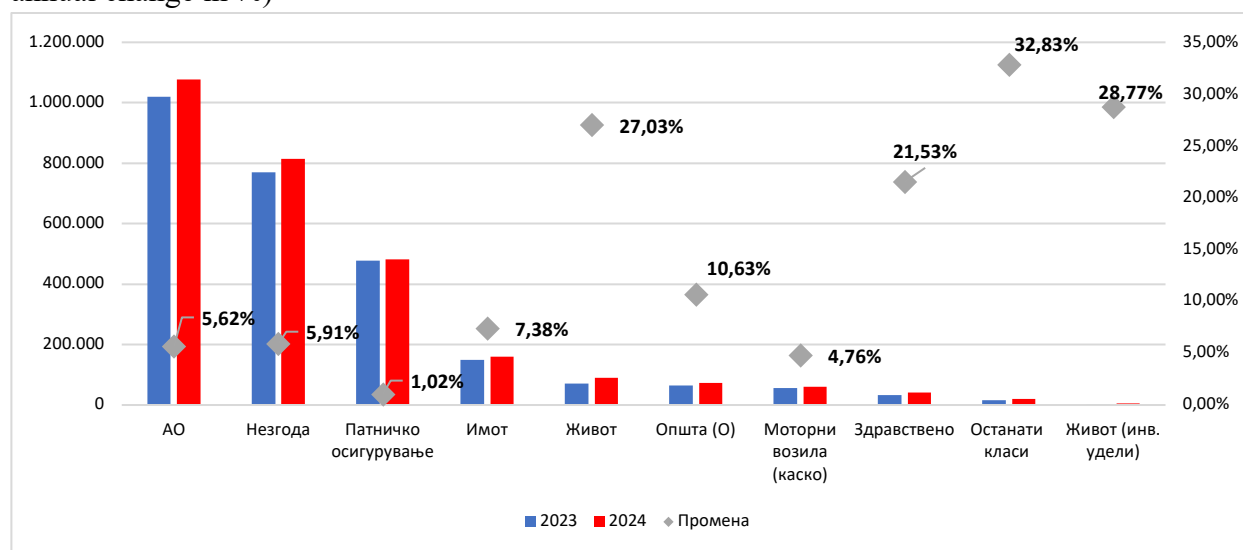
In this context, the Insurance Supervision Agency (ISA) continuously conducts educational events to increase policyholders’ awareness regarding the characteristics, benefits, and risks associated with these investment-linked products.

The total value of units in investment funds as of 31 December 2024 amounted to MKD 2,043,602, representing 14.2% of the total assets of life insurance companies (31 December 2023: MKD 1,391,946, or 10.6% of assets).

Funds from these life insurance policies are invested in units issued by investment funds managed by four companies: WVP Fund Management AD Skopje, KB Invest AD Skopje, NLB Funds AD Skopje, and Vega Funds AD Skopje. The largest share, 65.6% of UL policy investments, is in units of the open-ended WVP Premium Equities Fund, managed by WVP Fund Management. The market leader in the sale of these products, and in total market value of units acquired on behalf of policyholders, is Wiener Life.

During 2024, insurance companies concluded 2,047,885 contracts (policies), representing an increase of 5.04% compared to 2023, when 1,949,592 contracts were concluded. Of the total, 1,952,867 policies belong to the non-life segment, marking an increase of 4.16% compared to 2023 (2023: 1,874,841 contracts), while 95,023 contracts relate to life insurance, an increase of 27.12% compared to 2023, when 74,751 life insurance contracts were concluded. Changes in the number of contracts by major¹¹ insurance classes are presented in Graph 6.

CHART NO. 6: Contracts concluded with insurance companies (left axis - number; right axis - annual change in %)



Source: ISA

4.1.5. Gross Claims Paid (GCP)

In 2024, insurance companies paid gross claims amounting to MKD 6,272,470 (Table 11). Compared to 2023, gross claims paid increased by 7.72% (2023: MKD 5,822,812). The share of

¹¹ On the ISA website <https://aso.mk/izveshtaj-za-rabotata-na-drushtvata-za-osiguruvanje-vo-periodot-1-1-2024-31-12-2024/> aggregated annual statistical data on the number of concluded insurance contracts by insurance classes, and separately for different coverages under MTPL insurance policies, as well as for life insurance, are published.

reinsurance in gross claims paid amounted to MKD 683,683, representing 10.9% of total gross claims paid during the year.

TABLE NO. 11: Claims paid by insurance classes (thousands MKD)

Insurance class	2023	2024	Change	Share 2023	Share 2024
MTPL	2.367.717	2.432.841	2,75%	40,66%	38,79%
Life	804.584	943.704	17,29%	13,82%	15,05%
Health	659.008	843.263	27,96%	11,32%	13,44%
Motor vehicles (CASCO)	716.745	763.995	6,59%	12,31%	12,18%
Property	760.351	623.811	-17,96%	13,06%	9,95%
Accident	349.227	396.140	13,43%	6,00%	6,32%
Travel insurance	84.486	132.046	56,29%	1,45%	2,11%
Life (Inv. share)	52.357	103.660	97,99%	0,90%	1,65%
General Liability Insurance	17.630	24.667	39,91%	0,30%	0,39%
Other classes	10.707	8.343	-22,08%	0,18%	0,13%
Total non-life	4.965.871	5.225.106	5,22%	85,28%	83,30%
Total life	856.941	1.047.364	22,22%	14,72%	16,70%
Total	5.822.812	6.272.470	7,72%	100,00%	100,00%

Source: ISA

In the structure of gross paid claims, the largest share relates to motor third-party liability insurance (MTPL) at 38.79%, followed by life insurance at 15.05%, voluntary health insurance at 13.44%, motor vehicle casco insurance at 12.18%, and property insurance at 9.95% of total claims paid.

Similar to the share in MTPL premiums, the vast majority—nearly 80%—of the total amount of claims paid under MTPL insurance relates to mandatory MTPL policies, amounting to MKD 1,936,434. For issued green cards, a total of MKD 449,158 was paid in 2024, representing 18.46% of total claims paid under MTPL insurance.

TABLE NO. 12: Structure of GCP for insurance by MTPL, in thousands MKD

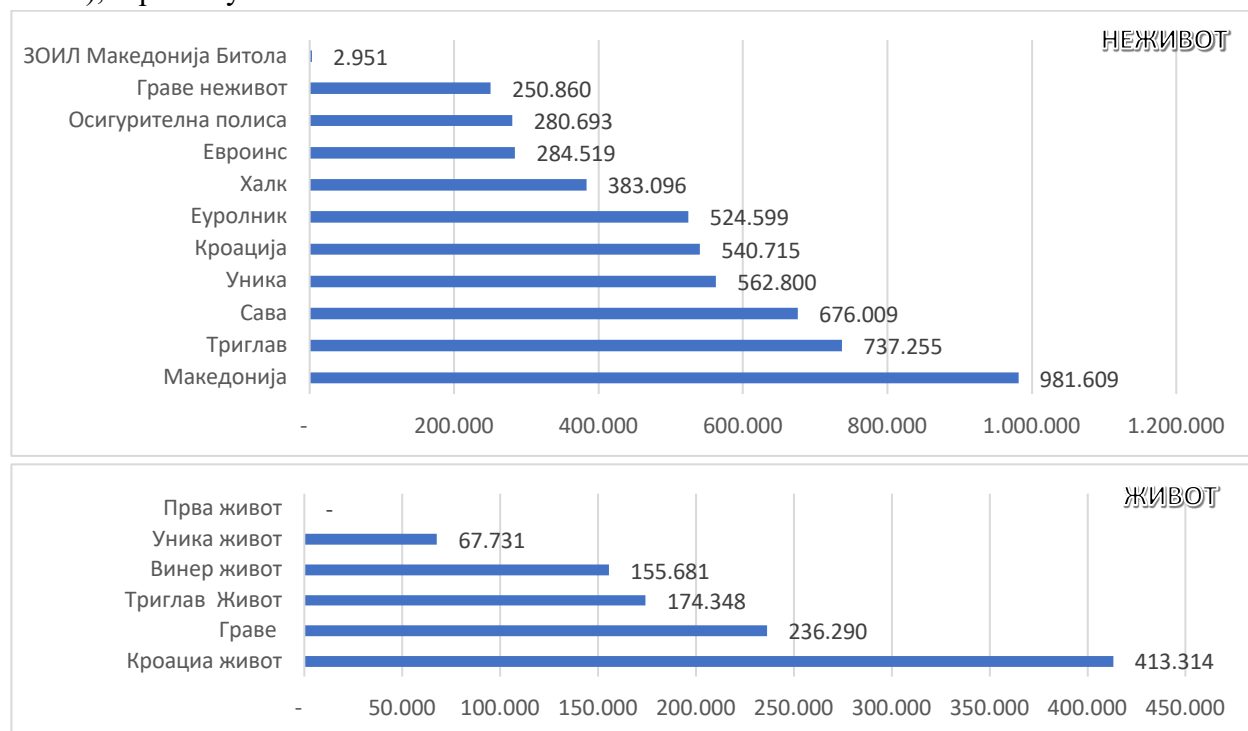
Type of insurance from MTPL	2023	2024	Change in %	2023	2024
Compulsory Insurance from MTPL	1.837.299	1.936.434	5,40%	77,60%	79,60%
Green card (GC)	502.815	449.158	-10,67%	21,24%	18,46%
Border Insurance (BI)	3.908	2.430	-37,82%	0,17%	0,10%
Driver's liability insurance for received goods	23.695	44.819	89,15%	1,00%	1,84%
Total	2.367.717	2.432.841	2,75%	100,00%	100,00%

Source: ISA

Of the total of MKD 623,811 in claims paid on the basis of property insurance, MKD 162,189 or 26% were paid on the basis of agricultural insurance of crops, fruits and livestock. In 2023, a total amount of MKD 194,664 was paid on this basis, which represented 25.6% of the total annual amount of claims paid on property insurance.

Graph no. 7 shows the individual participation of insurance companies in the total amount of claims paid for 2023.

CHART NO. 7: Participation of insurance companies in gross claims paid in 2024 (thousands MKD), separately for non-life and life



Source: ISA

An analysis of the number of paid claims for compensation and insured sums by insurance class shows that in 2024, as in the previous year, the highest number of claims paid by insurance companies relates to voluntary health insurance. The high number of settled claims in this insurance class indicates a relatively low average payout per individual claim. On average¹², insurance companies paid MKD 10,365 per claim under these policies.

For comparison, the average payout per claim for motor third-party liability insurance in 2024 amounted to MKD 74,792 (calculated based on data from Tables 11 and 13).

TABLE NO. 13: Number of claims paid

Insurance class	2023	2024	Change
Health	68.255	81.360	19,20%

¹² The average amount paid per claim, per individual insurance class, is calculated as the ratio between the paid claim amounts from table no. 11 and the number of paid claims from table no. 13.

MTPL	29.798	32.528	9,16%
Motor vehicles (Casco)	8.446	8.450	0,05%
Accident	8.329	8.858	6,35%
Property	7.133	6.933	-2,80%
Travel Insurance	4.669	5.162	10,56%
Life	4.513	5.133	13,74%
Life (Inv. shares)	425	604	42,12%
General Liability Insurance	378	469	24,07%
Other classes	93	146	56,99%
Non-life	127.101	143.906	13,22%
Life	4.938	5.737	16,18%
Total	132.039	149.643	13,33%

Source: ISA

4.1.5.1. Complaints submitted by policyholders

In cases where a policyholder or insurance beneficiary believes that an insurance company is not adhering to the provisions of the insurance contract, they may submit a complaint to:

1. The relevant organizational unit responsible for resolving disputes between contractual parties within the insurance company;
2. The internal audit department of the insurance company;
3. Consumer protection organizations; and
4. The Insurance Supervision Agency (ISA).

In 2024, 6,419 complaints were submitted directly to insurance companies, representing an increase of 7.18% compared to 2023 (2023: 5,989 complaints submitted). Of the total complaints submitted, 23.04% (2023: 25.58%) were resolved positively, i.e., in favor of the policyholder/beneficiary, while 63.22% (2023: 60.31%) were resolved unfavorably.

Table 14 presents data on the number and outcomes of complaints submitted and resolved by insurance company.

TABLE NO. 14: Complaints submitted by insured persons to insurance companies in 2024

Name of entity	No. of complaints	Number of positively resolved complaints	Number of negatively resolved complaints	Number of partially resolved complaints	Number of complaints that are in the decision-making process	% market share in relation to GDP	% of number of complaints in relation to number of claims settled/paid	% of complaints in DO out of total complaints (entire market)	% of negatively resolved complaints in number of complaints (in the company)
Wiener Life	20	7	13	0	0	3,7%	2,5%	0,3%	65,0%
Grawe	28	14	13	1	0	3,5%	2,6%	0,4%	46,4%
Croatia Life	71	25	46	0	0	5,2%	2,9%	1,1%	64,8%

Prva Life	0	0	0	0	0	0,1%	0,0%	0,0%	0,0%
Triglav Life	12	5	6	0	1	3,7%	1,3%	0,2%	50,0%
Uniqa Life	27	8	19	1	0	2,0%	5,4%	0,4%	70,4%
Grawe Non-life	434	53	334	0	47	4,5%	10,5%	6,8%	77,0%
Euroins	232	2	180	44	6	5,6%	4,0%	3,6%	77,6%
Eurolink	467	51	312	69	35	9,3%	2,3%	7,3%	66,8%
Zoil Makedonija	8	0	0	0	8	0,3%	19,5%	0,1%	0,0%
Croatia Non-life	456	46	368	26	16	7,9%	1,9%	7,1%	80,7%
Makedonija Osiguruvanje	1.111	306	739	23	43	14,4%	3,9%	17,3%	66,5%
Osiguritelna Polisa	413	178	212	0	23	5,6%	9,0%	6,4%	51,3%
Sava	629	249	317	39	24	8,6%	4,5%	9,8%	50,4%
Triglav	1.242	2	849	379	12	10,1%	5,8%	19,3%	68,4%
Uniqa	798	326	423	25	24	9,4%	6,4%	12,4%	53,0%
Halk Insurance	471	207	227	0	37	6,0%	5,3%	7,3%	48,2%
Total Non-life	6.261	1.420	3.961	605	275	81,9%	4,4%	97,5%	63,3%
Total Life	158	59	97	2	1	18,1%	2,8%	2,5%	61,4%
Total	6.419	1.479	4.058	607	276	100,0%	4,3%	100,0%	63,2%

Source: ISA

In absolute terms, the insurance companies with the highest number of complaints in 2024 were Triglav and Makedonija Osiguruvanje. As a percentage of complaints relative to total claims paid by each insurance company, the highest rates were observed at Zoil Makedonija, Grawe Non-Life, and Osiguritelna Polisa. When considering the market share of each insurance company in terms of gross written premiums (GWP) and the proportion of complaints each company received relative to the total number of complaints, the following companies had a higher share of complaints than their market share in GWP would suggest: Grawe Non-Life, Makedonija Osiguruvanje, Triglav, Uniqa, Osiguritelna Polisa, and Halk Insurance.

Analyzing the responsiveness of insurance companies in addressing complaints, a high percentage of complaints were resolved unfavorably across nearly all life insurance companies. Among non-life insurance companies, Croatia Non-Life, Euroins, and Grawe Non-Life recorded the highest percentage of unfavorable outcomes.

Policyholders, insurance beneficiaries, and third-party claimants have the right to submit complaints to the Insurance Supervision Agency (ISA) regarding the operations of insurance and reinsurance companies, insurance brokerage companies, insurance agencies, individual agents, and the National Insurance Bureau. This right applies only if the complainant has first submitted a written complaint to the respective entity and is unsatisfied with the response, or if the entity has failed to decide on the complaint and notify the complainant in writing within the statutory period of 30 days from receipt.

In 2024, 291 complaints were submitted to ISA, representing a minimal increase compared to 2023, when 290 complaints were filed. Of the total complaints submitted, 12.03% (2023: 12.8%) were resolved in favor of the complainant, while 72.16% (2023: 61.6%) were resolved unfavorably. By category, 35.05% of complaints related to motor liability insurance, 14.43% to accident insurance, 21.30% to health insurance, 10.31% to property insurance, and the remaining complaints pertained to other insurance classes.

Table 15 presents data on the number and outcome of complaints submitted to ISA, broken down by insurance entity.

TABLE NO. 15: Complaints submitted by insured persons to ISA in 2024

Name of entity	No. of complaints	No. of positively resolved complaints	No. of negatively resolved complaints	No. of complaints that are in the decision-making process	No. of withdrawn complaints	No. of complaints submitted without grounds for action
Halk Insurance	12	2	10	/	/	22
Zoil Makedonija	1	1	/	/	/	
Euroins	16	1	13	1	1	
Grawe Non-life	16	4	11	/	1	
Makedonija Osiguruvanje	30	2	23	5	/	
Uniq Non-life	36	7	24	5	/	
Osiguritelna Polisa	19	1	16	2	/	
Wiener Non-Life[1]	21	3	18	/	/	
Triglav	39	3	33	3	/	
Eurolin	14	1	13	/	/	
Sava	22	3	18	1	/	
Croatia Non-Life	22	2	19	1	/	
Croatia Life	6	2	4	/	/	
Grawe	1	/	/	1	/	
Wiener Life	1	/	1	/	/	
Triglav Life	1	/	1	/	/	

SN Broker	10	2	5	1	2	22
National Insurance Bureau	2	1	1	/	/	
Total	291	35	210	20	4	

Source: ISA

The most common reasons for submitting complaints to the Insurance Supervision Agency (ISA) regarding the operations of insurance entities include: issues in the application of the European Statement, dissatisfaction with the amount of compensation, differing court practices, disputed out-of-court settlements, problems in concluding or renewing insurance contracts, insufficient communication regarding claims with policyholders, and inadequate explanation of contract terms by agents.

The complaints submitted provide ISA with valuable information for taking further actions aimed at protecting policyholders, including enhanced supervision, as well as preventive educational initiatives to present insurance contract content more clearly to the public.

In parallel with the supervision process and complaint handling, ISA intensified activities aimed at improving public financial literacy to enhance awareness of insurance risks and benefits. This approach follows a systematic and integrated strategy that includes:

- Financial education – through educational campaigns, the establishment of an educational web portal, interactive events, cooperation with educational institutions, media promotion, publication of analyses and reports, and integration of education into consumer protection processes. This increases public awareness of risks, the role of insurance, policyholders' rights and obligations, and the importance of financial planning. The educational initiatives target different groups, including students, university students, and adults.
- Financial inclusion – through activities and policies promoting access to financial products for all citizens, ISA contributes to reducing inequality and building a resilient community. Development of innovative activities, digital solutions, and improved accessibility to insurance in rural and less developed areas is encouraged.
- Ongoing coordination with insurance companies – to promote financial education as part of policyholder protection, aiming to build consumer trust, increase public engagement in insurance, enhance awareness, and improve risk management.

4.1.6. Assets and sources of assets

4.1.6.1. Structure of assets

The total assets of insurance companies as of 31 December 2024 amount to MKD 36,802,229, representing an increase of 8.45% compared to the end of 2023 (31 December 2023: MKD 33,935,269).

An analysis of the asset structure by insurance company shows that, for life insurance companies, the main category consists of investments in government debt securities and bank deposits. On the other hand, non-life insurance companies have a more diversified asset structure, where investments in government debt securities and bank deposits represent approximately 55% of total assets, while the remaining assets consist of receivables (mainly from deferred premium payments), portions of gross technical reserves ceded to reinsurance, real estate and other tangible and intangible assets, investments in units of open-end investment funds, prepaid expenses, equity investments, as well as investments in the Guarantee Fund of the National Insurance Bureau.

The value of individual asset categories and their percentage share of total assets on the last day of 2024 and 2023, for both non-life and life insurance segments, are presented in Tables 16 and 17, respectively.

TABLE NO. 16: Structure of assets of non-life insurance companies (thousands MKD)

Asset category	31.12.2023	31.12.2024	Share 2023	Share 2024	Change 24/23
Government (MKD) securities	6.261.931	6.935.925	30,03%	30,89%	10,76%
Deposits in banks and cash	4.970.688	5.257.311	23,84%	23,42%	5,77%
Receivables	3.222.348	3.254.323	15,46%	14,50%	0,99%
Part of gross technical reserves in reinsurance	2.013.071	2.194.317	9,66%	9,77%	9,00%
Prepayments and accrued income	1.387.127	1.577.115	6,65%	7,02%	13,70%
Real estate, intangible and tangible assets	1.410.059	1.604.251	6,76%	7,15%	13,77%
Units in open-ended investment funds	1.031.078	1.078.032	4,95%	4,80%	4,55%
Stocks	258.102	324.284	1,24%	1,44%	25,64%
Units in the National Insurance Bureau	185.760	185.170	0,89%	0,82%	-0,32%
Other assets	86.861	40.073	0,42%	0,18%	-53,87%
Bonds – corporate	22.421	0	0,11%	0,00%	-100,00%
Total assets, Non-life	20.849.447	22.450.802	100,00%	100,00%	7,68%

Source: ISA

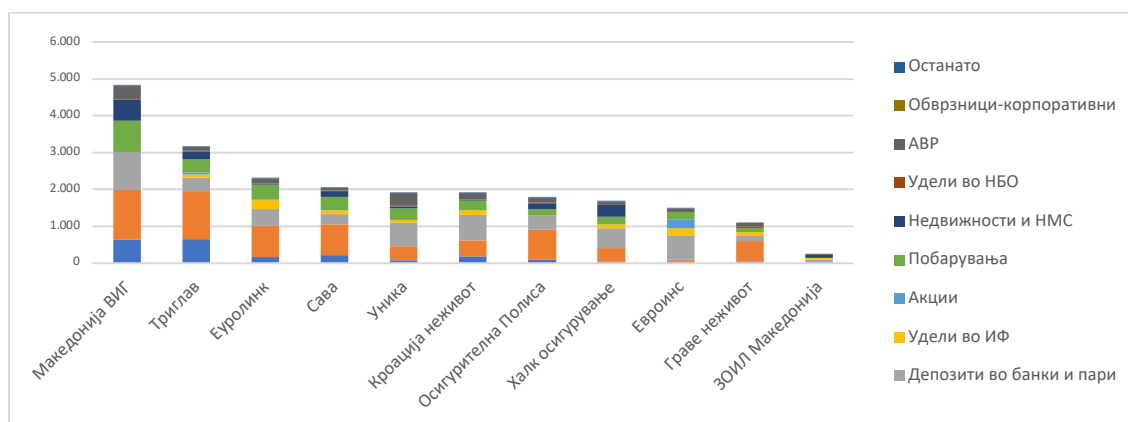
TABLE NO. 17: Structure of assets of life insurance companies (thousands MKD)

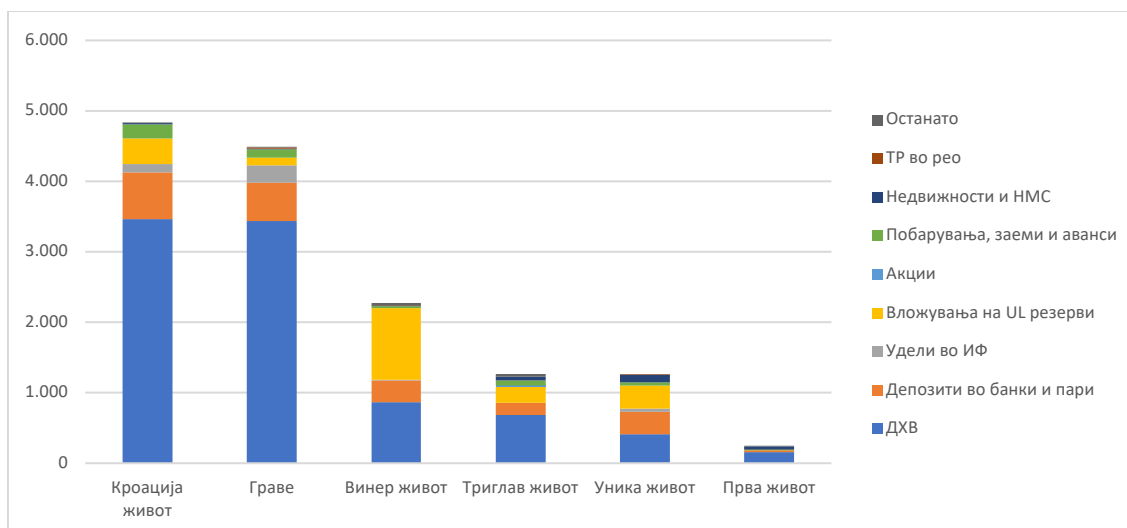
Asset category	31.12.2023	31.12.2024	Share 2023	Share 2024	Change 24/23
Government (MKD) securities	8.529.026	9.018.747	65,18%	62,84%	5,74%
Deposits in banks and cash	1.858.996	2.028.053	14,21%	14,13%	9,09%
Investments of funds from the special reserve under unit-linked life insurance contracts	1.391.946	2.043.602	10,64%	14,24%	46,82%
Receivables, loans and advances	507.800	479.506	3,88%	3,34%	-5,57%
Units in open-ended investment funds	352.606	424.015	2,69%	2,95%	20,25%
Part of gross technical provisions in reinsurance	153.384	27.681	1,17%	0,19%	-81,95%
Real estate, intangible and tangible assets	191.844	235.144	1,47%	1,64%	22,57%
Other assets	92.194	77.530	0,70%	0,54%	-15,91%
Bonds – corporate	6.211	0	0,05%	0,00%	-100,00%
Shares	1.816	17.149	0,01%	0,12%	844,33%
Total assets, life	13.085.822	14.351.427	100,00%	100,00%	9,67%

Source: ISA

The structure of the participation of insurance companies in the total assets of the insurance sector is shown in Chart No. 8.

CHART NO. 8: Asset structure of insurance companies as of 31.12.2024, separately for non-life and life





Source: ISA

4.1.6.2. Structure of Sources of Assets

The largest share, or 59.17%, of the total sources of funds of the insurance companies consists of gross technical reserves (2023: 59.15%). Compared to the position at the end of the previous year, they recorded an annual increase of 8.48%.

The following two tables present, separately for non-life and life insurance, the structure of the sources of funds as of 31 December 2024 and 31 December 2023.

TABLE NO. 18: Structure of sources of assets of non-life insurance companies (thousands MKD)

Sources of assets	31.12.2023	31.12.2024	Share 2023	Share 2024	Change 24/23
Gross technical reserves	11.478.223	12.669.186	55,05%	56,43%	10,38%
Core capital	6.618.991	7.097.714	31,75%	31,61%	7,23%
Liabilities to reinsurers	553.854	508.354	2,66%	2,26%	-8,22%
Insurance liabilities	673.502	612.875	3,23%	2,73%	-9,00%
Accrued costs and deferred revenues	995.170	976.048	4,77%	4,35%	-1,92%
Additional capital (revaluation reserve and subordinated debt)	300.312	330.860	1,44%	1,47%	10,17%
Other liabilities	138.707	165.395	0,67%	0,74%	19,24%
Liabilities based on financial investments	90.688	90.370	0,43%	0,40%	-0,35%
Total Non-Life	20.849.447	22.450.802	100,00%	100,00%	7,68%

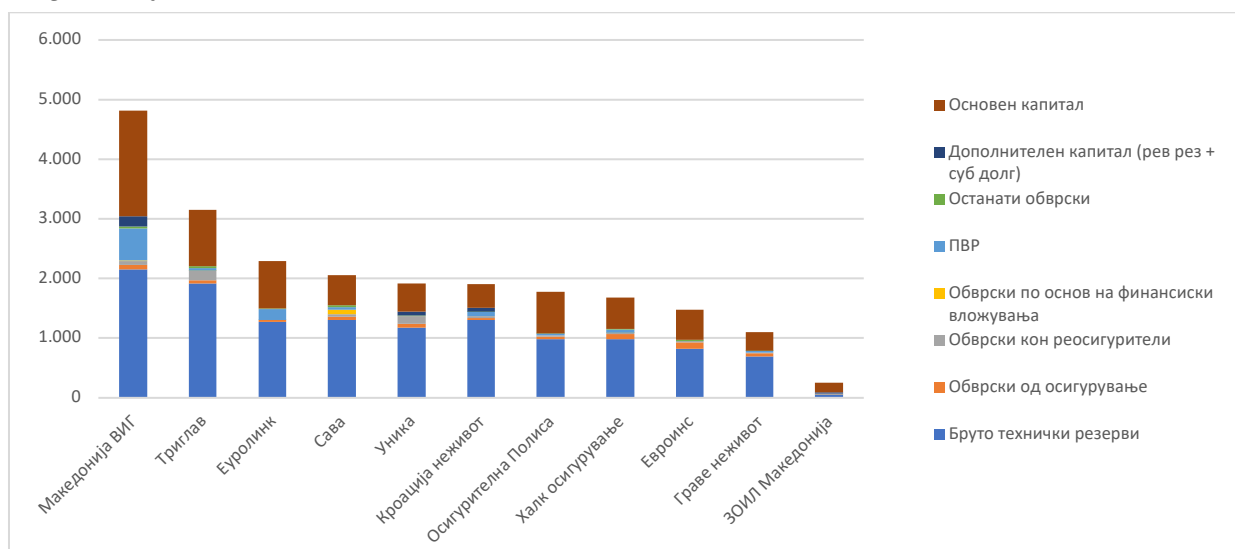
Source: ISA

TABLE NO. 19: Structure of sources of assets of life insurance companies (thousands MKD)

Sources of assets	31.12.2023	31.12.2024	Share 2023	Share 2024	Change 24/23
Gross technical reserves	8.593.808	9.105.527	65,67%	63,45%	5,95%
Core capital	2.611.453	2.791.484	19,96%	19,45%	6,89%
Special reserve for unit-linked contracts	1.401.851	2.058.302	10,71%	14,34%	46,83%
Insurance liabilities	235.109	264.272	1,80%	1,84%	12,40%
Liabilities arising from deposits of reinsurance companies with cedants, based on reinsurance contracts	110.288	0	0,84%	0,00%	-100,00%
Liabilities to reinsurers	70.906	11.702	0,54%	0,08%	-83,50%
Accrued costs and deferred revenues	33.468	37.229	0,26%	0,26%	11,24%
Other liabilities	11.328	60.874	0,09%	0,42%	437,38%
Additional capital (revaluation reserve and subordinated debt)	17.611	22.037	0,13%	0,15%	25,13%
Total life	13.085.822	14.351.427	100,00%	100,00%	9,67%

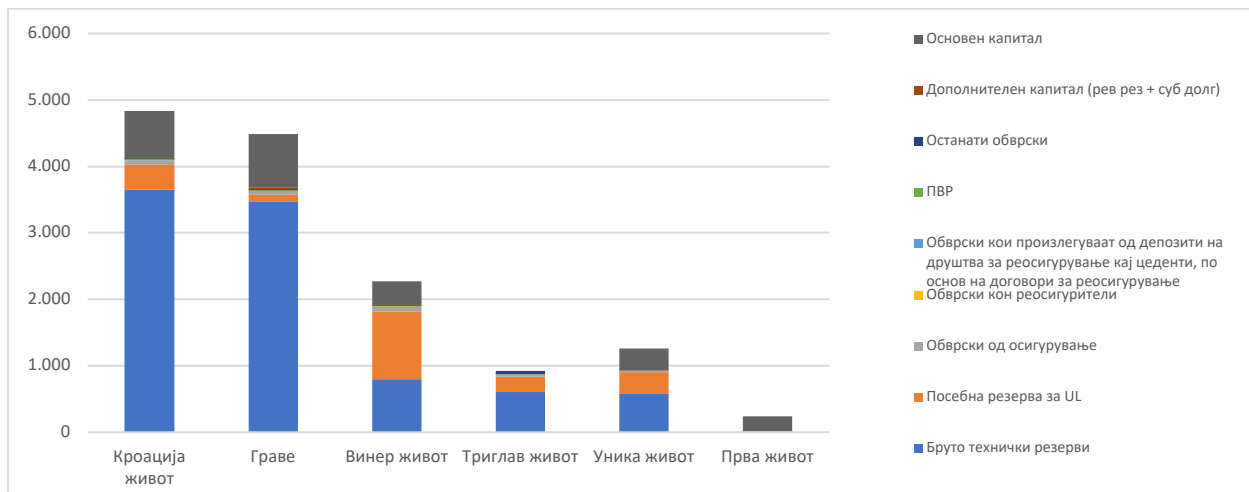
Source: ISA

The following two charts show the structure of the Sources of Assets, by insurance company as of 31.12.2024

CHART NO. 9: Structure of sources of assets, insurance companies - non-life, in millions of MKD, on 31.12.2024

Source: ISA

CHART NO. 10: Structure of sources of assets, insurance companies -life, in millions of MKD, on 31.12.2024



Source: ISA

4.1.7. Technical reserves

The total amount of technical reserves (gross) of the non-life insurance companies at the end of 2024 amounted to MKD 12,669,186 , representing an increase of 10.38% compared to the level at the end of the previous year (31.12.2023: MKD 11,478,223).

The total amount of technical reserves (gross) of the life insurance companies amounted to MKD 9,105,527, which represents an annual increase of 5.95% (31.12.2023: MKD 8,593,808).

Within the non-life insurance segment, the largest share is held by claims reserves and unearned premium reserves, while in life insurance the most significant component is the mathematical reserve¹³.

4.1.8. Assets covering technical reserves

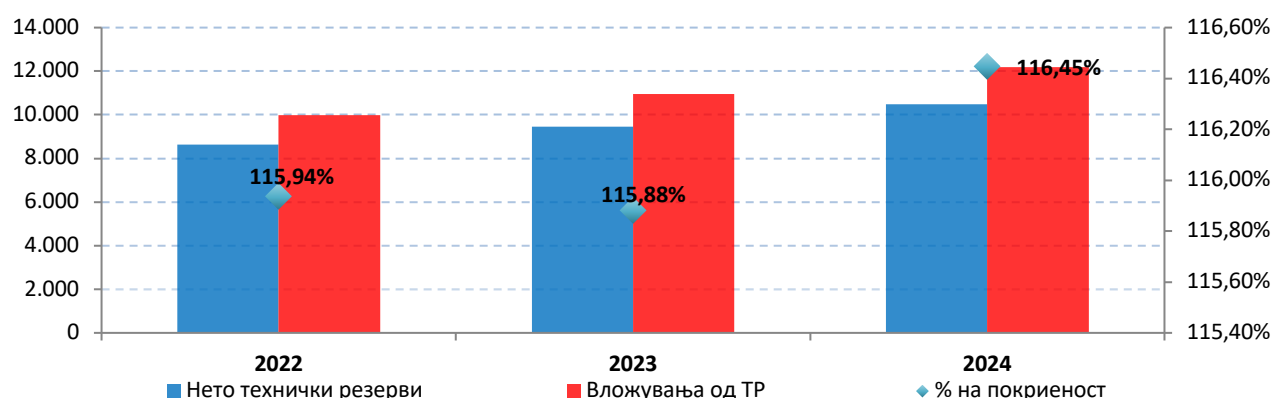
The assets covering the technical reserves represent the assets used for covering the obligations of the insurance company arising from insurance contracts, as well as for covering potential losses related to insurance operations, for which the insurance company is required to allocate assets to cover the net technical reserves. The insurance company is obliged to invest assets in an amount at least equal to the value of the technical reserves, net of reinsurance, in accordance with the provisions of the Insurance Supervision Law and the Rulebook on the Types and Characteristics of the Assets Covering the Technical Reserves and the Assets Covering the Mathematical Reserve, as well as the

¹³ More data on the structure of gross technical provisions by individual insurance classes is presented on the ISA website: <https://aso.mk/izveshtaj-za-rabotata-na-drushtvata-za-osiguruvanje-vo-periodot-1-1-2024-31-12-2024/> in the appropriate tables of the aggregated forms for the period 1.1.2024 – 31.12.2024.

detailed allocation, limitations of such investments, and their valuation (“Official Gazette of the Republic of Macedonia” Nos. 64/11, 127/14, 61/16, 36/19, 107/20, and 118/22).

The investments of the assets covering the technical reserves of non-life insurance companies amounted to MKD 12,197,608 at the end of 2024, covering 116.45% of total net technical reserves (31.12.2023: MKD 10,968,344). The positive trend has been maintained both in the growth of net technical reserves and in the investments into categories of instruments that, under the law, qualify as admissible coverage of technical reserves.

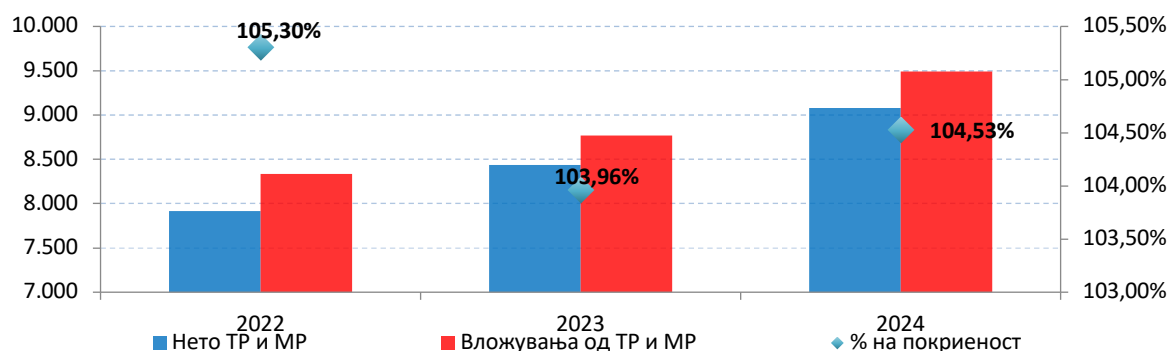
CHART NO. 11: Coverage of net technical reserves in non-life insurance companies (millions of MKD; right axis – %)



Source: ISA

For life insurance companies, investments of assets from technical reserves and the mathematical reserve amounted to MKD 9,489,115 (31.12.2023: MKD 8,771,979), providing coverage of net technical reserves of 104.53%. In this segment as well, the positive trend has been maintained in the growth of net technical reserves (primarily consisting of the mathematical reserve under life insurance contracts), as well as in the investments of assets covering the technical reserves into eligible categories of financial instruments.

CHART NO. 12: Coverage of net technical reserves in life insurance companies (millions of MKD; right axis – %)



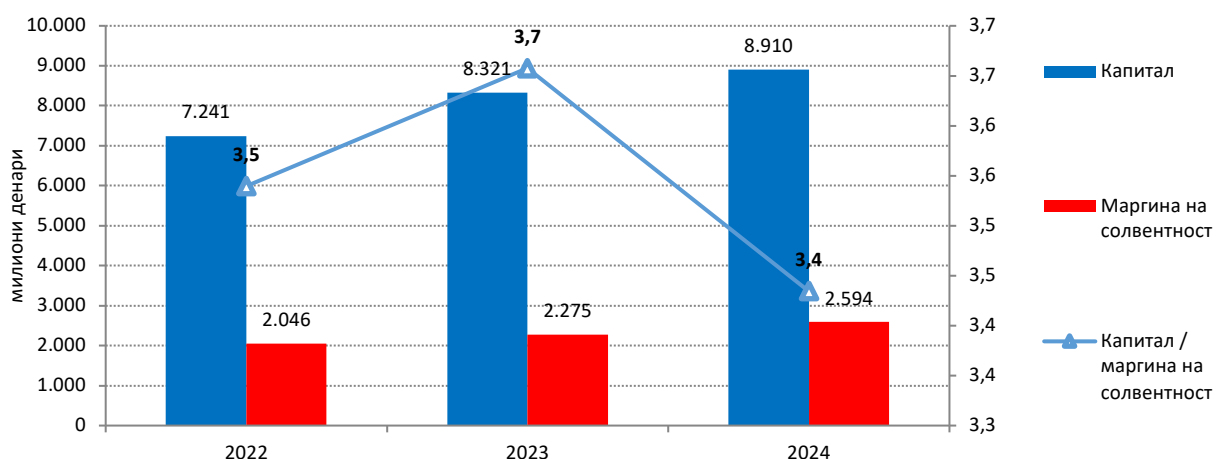
Source: ISA

4.1.9. Capital adequacy of insurance companies

In accordance with Articles 75 and 76 of the Insurance Supervision Law, insurance companies are required to maintain the value of their capital at least at the level of the required solvency margin, i.e., the minimum guarantee fund. According to the data submitted to the Insurance Supervision Agency (ISA), at the end of 2024 the total calculated capital of insurance companies¹⁴ amounted to MKD 8,909,563 (31.12.2023: MKD 8,320,949). Analyzed by insurance groups, the capital of non-life insurance companies amounted to MKD 6,406,806 (31.12.2023: MKD 5,990,473), while the capital of life insurance companies amounted to MKD 2,502,757 (31.12.2023: MKD 2,330,476).

The required level of the solvency margin, as the main indicator of the minimum necessary capital that the insurance sector must maintain, amounted in aggregate to MKD 2,594,217 (non-life insurance: MKD 1,923,337; life insurance: MKD 670,880). Accordingly, the capital of the insurance sector exceeded the required solvency margin level by a factor of 3.43. The movements of capital and the required solvency margin of insurance companies are presented in Chart 13.

CHART NO. 13: Capital movements and required solvency margin in insurance companies (millions of MKD)

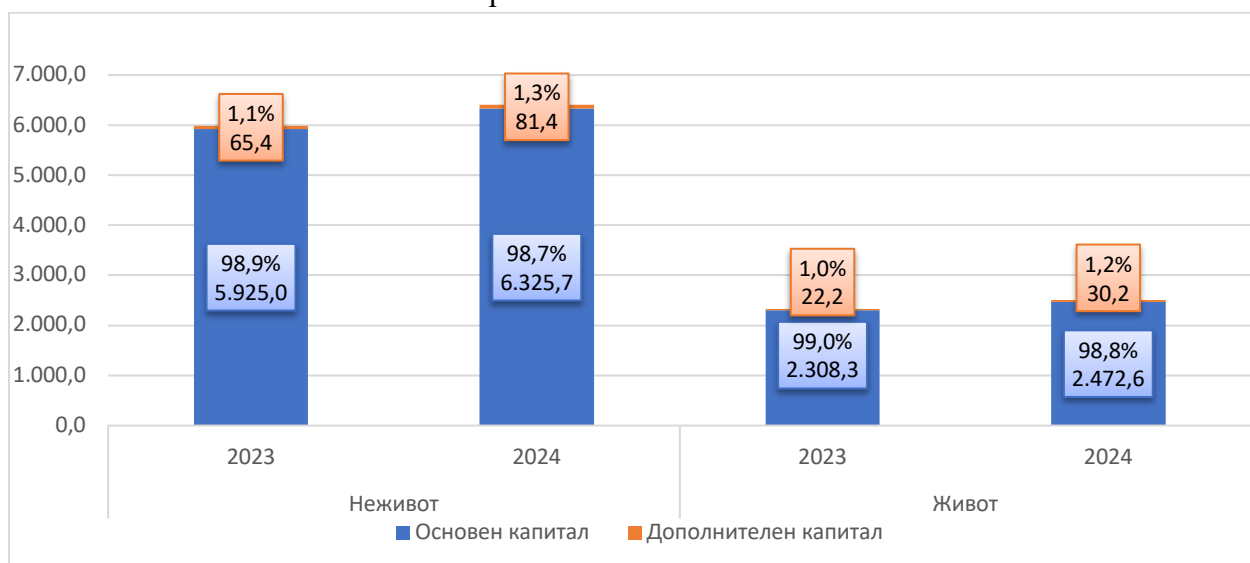


Source: ISA

In the capital structure of insurance companies, share capital is predominant. Specifically, it originates from the highest-quality categories of funding sources: paid-in share capital from issued common shares, statutory reserves, as well as accumulated retained earnings. The share of supplementary capital in the total capital of the insurance sector is negligible. This fosters confidence that the financial position and solvency of the insurance sector remain sound.

¹⁴Rulebook on the types and description of items to be taken into account when calculating the capital of an insurance and/or reinsurance company ("Official Gazette of the Republic of Macedonia" No. 5/11, 64/11, 61/16, 170/19 and 96/20)

CHART NO. 14: Capital structure of insurance companies (separately for non-life and life), in millions of MKD and in % of total capital



Source: ISA

4.1.10. Financial results from the operations

The aggregated financial results for 2024 are positive in both segments. The total aggregated post-tax profit at the sector level in 2024 amounted to MKD 697,401, which is close to the aggregated result achieved in 2023, amounting to MKD 685,993 (Chart no. 15).

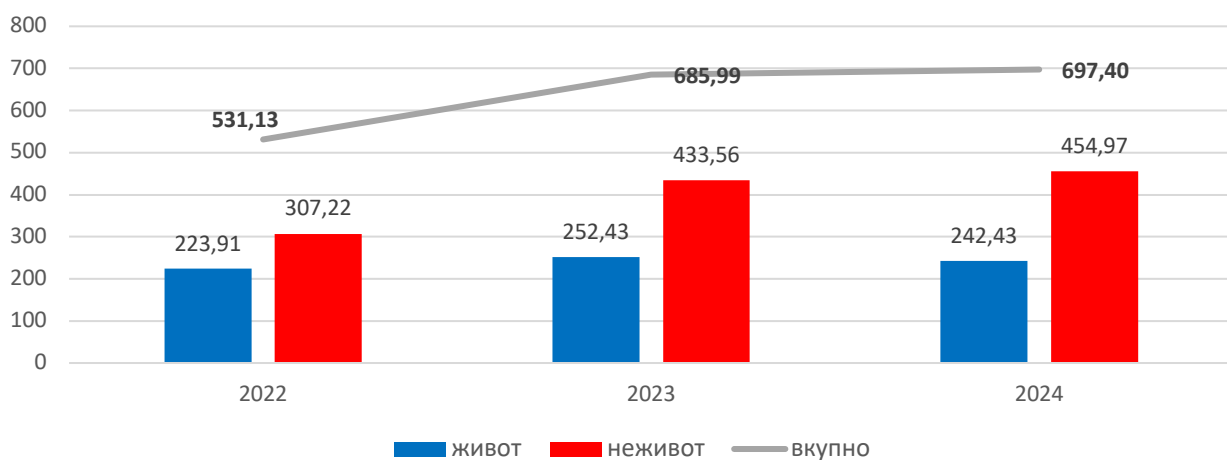
The aggregated result of non-life insurance undertakings was positive, amounting to MKD 454,966, compared to MKD 433,562 in 2023. The aggregated result of life insurance undertakings in 2024 was also positive, amounting to MKD 242,435 (2023: profit of MKD 252,431).

The analysis of the aggregated income statement in both segments, non-life and life insurance, shows growth in annual revenues and expenses in 2024 compared to 2023.

In the non-life insurance segment, total revenues from earned premiums (net premium income) in 2024 amounted to MKD 9,930,845, an increase of MKD 992,597 or 11.1% compared to 2023 (2023: MKD 8,938,248). Total net claims expenses in 2024 amounted to MKD 4,795,516, which is higher by MKD 524,670 or 12.3% compared to the realized net claims expenses in 2023 (2023: MKD 4,270,846). The aggregated income statement data for the non-life segment indicate a net loss ratio for 2024 of 48.3% (2023: 47.8%). Total net expenses for insurance operations in the non-life segment in 2024 amounted to MKD 4,899,759, higher by MKD 358,458 or 7.9% compared to 2023 (2023: MKD 4,541,300). The net expense ratio calculated from these two income statement categories for 2024 amounted to 49.3% (2023: 50.8%). Investment income, calculated as the difference between investment revenues and investment expenses for the non-life insurance sector, amounted to MKD 521,609 (2023: MKD 365,061).

In the life insurance segment, total annual revenues from earned premiums in 2024 amounted to MKD 2,845,703, higher by MKD 421,341 or 17.4% compared to 2023 (2023: MKD 2,424,362). Total net claims expenses in 2024 amounted to MKD 1,034,077, higher by MKD 177,999 or 20.8% compared to 2023 (2023: MKD 856,078). In 2024, the mathematical reserve increased by MKD 518,746, similar to the growth of MKD 509,127 realized in 2023. Considering the structural changes in the life insurance segment and the significant increase in so-called unit-linked insurance, a notable growth of the special reserve was recorded. This reserve is recognized by insurance undertakings for life insurance contracts related to investments in investment fund units, where the policyholder assumes the investment risk. In 2024, the growth of this special reserve amounted to MKD 656,992, compared to MKD 482,202 in 2023. Total net expenses for insurance operations in the life segment in 2024 amounted to MKD 1,014,895 (2023: MKD 803,206). Investment income, calculated as the difference between investment revenues and investment expenses for the life insurance sector, amounted to MKD 654,811 (2023: MKD 535,223). These income statement positions of life insurance undertakings also include investment revenues and expenses from assets related to life insurance contracts connected to units in investment funds, where the policyholder assumes the investment risk. The realized investment revenues and expenses from these assets do not affect the financial result of life insurance undertakings, since every change in the market value of the units recorded in the income statement as investment income/expense is simultaneously recorded as an increase/decrease in the special reserve (expense/income).

CHART NO. 15: Financial result from the operations of insurance companies (millions of MKD)



Source: ISA

4.1.11. Insurance sector risks

The insurance sector remains solvent and successfully manages the risks arising from the external environment. These risks primarily result from increased uncertainty related to global geopolitical developments and their impact on the domestic economy, as well as from the growing exposure to risks of natural disasters.

Nevertheless, taking into account the relatively simple structure of business models, insurance products, distribution channels, and the territorial distribution of policyholders and insured risks, the key risks to the profitability and solvency of insurance undertakings in 2024 remained inherent to the very nature of their operations.

The majority of total liabilities under insurance contracts and paid compensation amounts for claims and/or insured sums are concentrated in: motor vehicle insurance, property insurance, life insurance, health insurance, and accident insurance. The data on annual revenues from earned premiums and incurred claims expenses, separately for non-life and life insurance (Section 4.1.10), indicate that the total market revenues from premiums are sufficient to cover the obligations arising from the insured risks under insurance contracts.

However, the continued multi-year increase in operating expenses, particularly commission expenses, exerts pressure on the available funds from collected premiums. Furthermore, competition in the non-life insurance segment—driven also by the strategic objectives of companies to increase market share measured by gross written premiums—has led to business practices that encourage deferred premium payments by policyholders. While such practices aim to retain existing clients and attract new ones, they simultaneously contribute to an increase in premium receivables reported in the financial statements of insurance companies.

Global climate change and the occurrence of floods caused by torrential rains, wildfires, hail, droughts, and other weather-related disasters are, unfortunately, becoming more frequent and more intense than in the past, including locally in the territory of North Macedonia. The country's geographical location and the fact that it lies in a seismically active tectonic zone also make it exposed to the risk of strong earthquakes.

A significant portion of these risks remains uninsured. On the one hand, this situation is influenced by the disposable income of households and businesses, as well as the general level of awareness and education about insurance. On the other hand, insurance companies are highly cautious in underwriting risks when uncertainty and the intensity of such adverse events increase, as they may lead to significant financial liabilities and business losses.

Given that such phenomena and systemic risks, often described as “protection gaps,” are also present in more developed market economies, one of the ways to address these challenges is through the development and implementation of a national strategy aimed at reducing these gaps and building long-term resilience and adaptation to such risks, with shared financial participation of both the public and private sectors.

The domestic insurance sector traditionally follows a conservative investment strategy, with a dominant share of investments in domestic government securities and bank deposits. Exposure to international financial markets is very limited in the case of non-life insurers, while life insurance companies hold almost no foreign financial instruments. This investment structure contributes to the sector's stability, as it provides protection from risks associated with volatility in global financial

markets. However, the high concentration of investments in government bonds, valued at fair (market) value, impacts the overall financial performance of insurance companies in times of increased volatility in interest rates at which such instruments are issued.

In the life insurance segment, the trend of stronger growth in unit-linked products and pure risk insurance continued, while the growth of traditional mixed life insurance—covering both the basic risk of loss of life and the payment of a guaranteed sum upon maturity—slowed down.

Preparing the insurance market to align with and begin operating under IFRS 9 and IFRS 17 as of 2028 represents a significant challenge for every insurance company, particularly in terms of investments in IT systems and human resources. This challenge will be especially pronounced for domestically owned insurance companies, as they lack the possibility to transfer know-how from parent insurance groups that are already operating under IFRS 17 and IFRS 9.

4.1.12. Indicators for the insurance sector

Below is a brief analysis of the key indicators used in the insurance industry for better monitoring and comparison.

The following provides a brief analysis of the key indicators used in the insurance business for better monitoring and comparison.

The **loss ratio** is calculated as the ratio of claims incurred during the period to the premium, while the **expense ratio** represents the ratio of insurance operating expenses to the premium. The sum of these two ratios gives the **combined ratio**. More specifically, by insurance groups, Table 20 presents the ratios on a gross basis and a net basis, i.e., after isolating the effect of reinsurance.

TABLE NO. 20: Technical ratios

	2023			2024		
	Loss ratio	Expense ratio	Combined ratio	Loss ratio	Expense ratio	Combined ratio
Net ratios						
Non-Life	49,95%	49,17%	99,12%	51,24%	48,76%	100,00%
Life	76,27%	31,43%	107,70%	81,87%	36,03%	117,90%
Total	55,70%	45,29%	101,00%	58,30%	45,82%	104,12%
Gross ratios						
Non-Life	49,20%	43,60%	92,81%	47,83%	42,75%	90,58%
Life	75,51%	31,19%	106,70%	76,62%	35,98%	112,60%
Total	54,02%	41,33%	95,35%	53,40%	41,44%	94,84%

Source: ISA

Reinsurance plays an important role in managing the risks assumed in insurance. Financial indicators suggest that insurance companies engaged in non-life insurance transfer a significant portion of their risk to reinsurance, unlike companies operating in life insurance. This is evident from the above table, which presents gross and net technical ratios from reinsurance, separately for non-life and life insurance.

An analysis of the data from the published¹⁵ annual aggregated statistical forms, which present the structure of technical income and expenses by individual insurance classes, can provide further insight into the nature of operating costs and claims-related expenses that affect annual technical ratios, as well as market trends.

The aggregated income statement of non-life insurance companies for 2024, similar to the previous year, shows that the portion of the companies' gross premium income ceded to reinsurance amounts to 20.46% (2023: 21.41%), or in absolute terms, the companies transferred MKD 2,555,272 (2023: MKD 2,434,677) from the total gross premium income of MKD 12,486,118 (2023: MKD 11,372,925) to reinsurance. An analysis by individual companies shows significant differences in the relative share of reinsurance in total gross premium income, ranging between 6.8% and 53.7%. Accordingly, reinsurance also affects the companies' expenses, including claims payments and operating costs. The total annual claims paid to reinsurers by non-life insurance companies in 2024 amounted to MKD 896,521 (2023: MKD 1,132,423), representing 15.75% (2023: 20.96%) of the total gross claims paid during the year, out of total incurred claims of MKD 5,692,037 (2023: MKD 5,403,269). The total annual income from commissions of non-life insurance companies amounted to MKD 521,912 (2023: MKD 579,334), representing 20.42% (2023: 23.8%) of the premiums ceded to reinsurers.

Analyzing the share of reinsurance in total gross technical reserves through the aggregated balance sheet of non-life insurance companies, as of 31.12.2024, the total amount of technical reserves ceded to reinsurance amounted to MKD 2,194,317 (31.12.2023: MKD 2,013,071), representing 17.3% (2023: 17.5%) of the total gross technical reserves of MKD 12,669,186 (31.12.2023: MKD 11,478,223).

The return on investment (ROI) is calculated as the ratio of income minus investment costs to the amount of investments. The industry-level ROI for 2024 stands at 4.96%, showing an increase compared to the previous year (2023: 4.1%). By insurance segment, the ROI for non-life insurance in 2024 is 4.11% (2023: 3.12%), while for life insurance it is 5.93% (2023: 5.22%).

Return on assets (ROA) is calculated as the ratio of profit/loss before tax to total assets. At the industry level, this indicator is 2.21% (2023: 2.27%). By insurance segment, ROA for non-life insurance in 2024 is 2.39% (2023: 2.34%), while for life insurance it is 1.93% (2023: 2.16%).

Return on equity (ROE) is calculated as the ratio of profit/loss before tax to capital and reserves. At the industry level, ROE is 8.07% (2023: 8.05%). By insurance segment, ROE for non-life insurance in 2024 is 7.36% (2023: 7.04%), while for life insurance it is 9.90% (2023: 10.74%).

¹⁵ <https://aso.mk/izveshtaj-za-rabotata-na-drushtvata-za-osiguruvanje-vo-periodot-1-1-2024-31-12-2024/>

The debt ratio is calculated as the ratio of total liabilities to total assets. This ratio indicates the proportion of assets financed by liabilities (technical reserves and other liabilities), excluding capital and statutory reserves. In 2024, this ratio stands at 72.62% (2023: 71.83%).

An overview of all these financial indicators is given in Table 21.

TABLE NO. 21: Financial indicators

	2023				2024			
	ROI	ROA	ROE	Debt	ROI	ROA	ROE	Debt
Non-Life	3,12%	2,34%	7,04%	66,80%	4,11%	2,39%	7,36%	67,61%
Life	5,22%	2,16%	10,74%	79,91%	5,93%	1,93%	9,90%	80,46%
Total	4,10%	2,27%	8,05%	71,83%	4,96%	2,21%	8,07%	72,62%

Source: ISA

4.2. INTERMEDIATION IN INSURANCE

The role of intermediation in sales has an increasingly significant impact on the insurance sector. In 2024, 37.09% (2023: 38.4%) of the total gross written premium (GWP) was generated through direct sales by insurance companies, while 62.91% (2023: 61.6%) was realized through indirect intermediation channels (Table 22).

TABLE NO. 22: Structure of policy sales channels according to realized GWP (thousands MKD)

	Non-Life				Life				Total			
	2023		2024		2023		2024		2023		2024	
	GWP	%	GWP	%	GWP	%	GWP	%	GWP	%	GWP	Share
Direct sales	4.932.346	41,60%	5.227.650	39,98%	576.549	23,17%	695.394	24,03%	5.508.896	38,40%	5.923.044	37,09%
Insurance brokerage companies	3.733.489	31,49%	4.001.516	30,61%	982.700	39,49%	1.037.221	35,84%	4.716.189	32,88%	5.038.737	31,55%
Insurance representation companies	897.565	7,57%	912.826	6,98%	169.443	6,81%	192.521	6,65%	1.067.008	7,44%	1.105.347	6,92%

Travel agencies	21.561	0,18 %	23.961	0,18 %	0	0,00 %	0	0,00 %	21.561	0,15 %	23.961	0,15 %
Car dealerships	17.811	0,15 %	13.280	0,10 %	0	0,00 %	0	0,00 %	17.811	0,12 %	13.280	0,08 %
Banks	437.864	3,69 %	553.886	4,24 %	577.936	23,23 %	758.505	26,21 %	1.015.800	7,08 %	1.312.391	8,22 %
Agents	1.787.418	15,08 %	2.302.445	17,61 %	181.597	7,30 %	210.409	7,27 %	1.969.015	13,73 %	2.512.854	15,74 %
Other distribution channels	28.409	0,24 %	38.619	0,30 %	0	0,00 %	0	0,00 %	28.409	0,20 %	38.619	0,24 %
Total	11.856.463	100,0 0%	13.074.183	100,0 0%	2.488.225	100,0 0%	2.894.050	100,0 0%	14.344.688	100,0 0%	15.968.233	100,0 0%

Source: ISA

In the distribution channel structure for non-life insurance, the largest share is held by direct sales at 40%, followed by sales through insurance brokerage companies at 30.61%, sales through agents (natural persons) at 17.61%, sales through insurance agency companies at 7%, banks at 4.24%, and 0.48% through other distribution channels.

In the distribution channel structure for life insurance, the largest share is held by insurance brokerage companies at 35.84%, followed by banks at 26.21%, direct sales at 24.03%, sales through agents (natural persons) at 7.27%, and insurance agency companies at 6.65%.

4.2.1. Insurance representation

Insurance agency activities involve the preparation and conclusion of insurance contracts on behalf of and for the account of one or more insurance companies, for insurance products that do not compete with each other. Agency services are carried out through insurance agents—natural persons, insurance agency companies, and banks that have obtained a license to perform insurance agency activities. Through these channels, in 2024, 30.88% of the Gross Written Premium (GWP) was generated (2023: 28.25%), amounting to MKD 4,930,592 (2023: MKD 4,051,822), representing an increase of 21.7% compared to the previous year.

Insurance agency activities conducted by natural persons are based on a license issued by the Insurance Supervision Agency (ISA) following the successful completion of an examination for conducting insurance agency work. In the total GWP, insurance agency activities performed by natural persons accounted for 15.74% (2023: 13.73%).

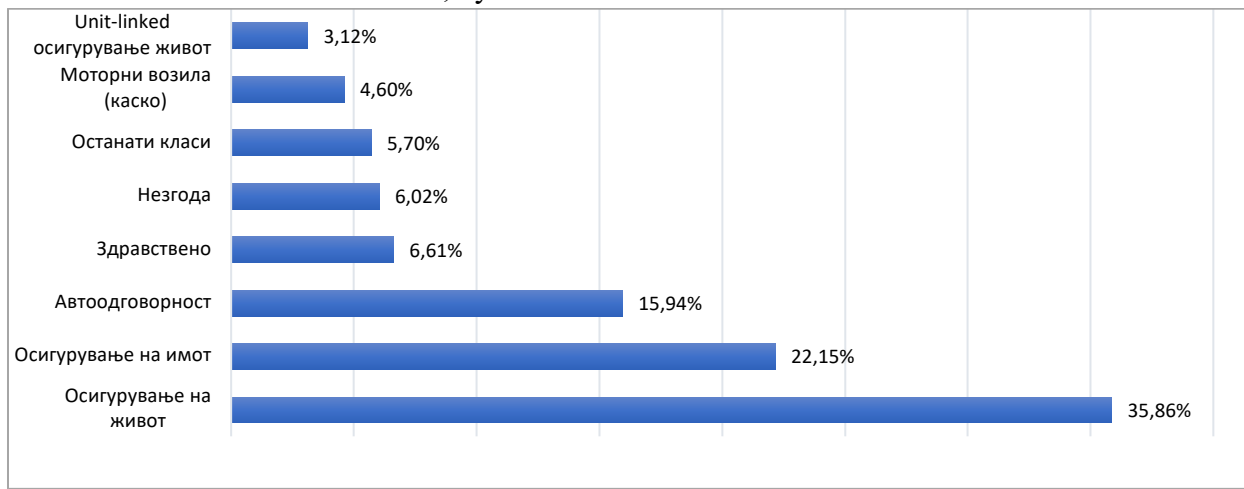
Insurance agency companies contributed MKD 1,105,347 (2023: MKD 1,067,008), or 6.92% (2023: 7.44%), of the total GWP in 2024.

Banks may also conduct insurance agency activities if they have obtained a license from the National Bank of the Republic of North Macedonia, based on prior approval from the ISA. In 2024, banks contributed MKD 1,312,391 (2023: MKD 1,015,800), or 8.22% (2023: 7.08%), to the total GWP.

During 2024, insurance agency companies concluded 107,430 insurance contracts (2023: 113,602). Through banks, 210,585 insurance contracts were concluded (2023: 207,480).

The distribution of total GWP by insurance classes, as generated by insurance agency companies and banks, is presented in Chart No. 16.

CHART NO. 16: GWP Structure, by insurance classes



Source: ISA

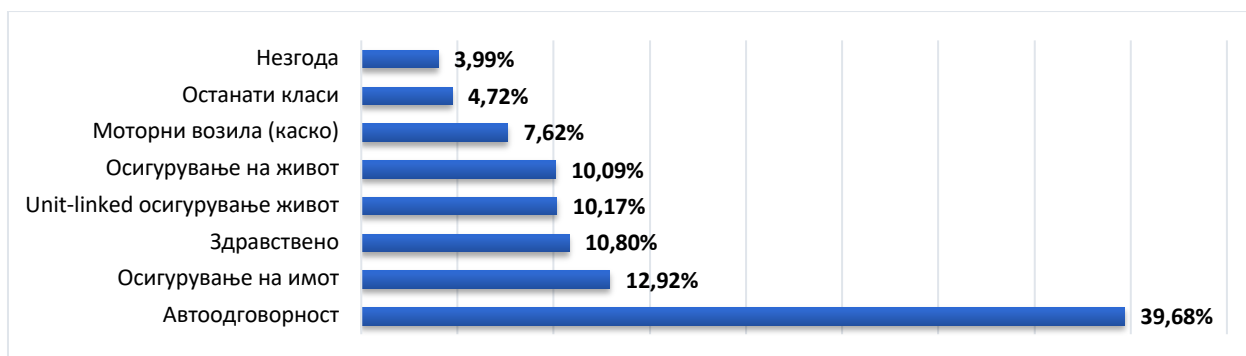
4.2.2. Insurance brokerage activities

Insurance brokerage activities involve the intermediation in arranging insurance and reinsurance coverage, as well as in handling claims for compensation arising from insured events with insurance and reinsurance companies, on behalf of and for the account of clients. Through this distribution channel, insurance companies in 2024 generated 31.55% of the Gross Written Premium (GWP) (2023: 32.88%), amounting to MKD 5,038,737 (2023: MKD 4,716,189), representing an increase of 7.78% compared to the previous year.

During this period, insurance brokerage companies sold 544,736 policies (2023: 479,298), which represents an increase of 13.65% compared to the previous year.

The distribution of the total GWP by insurance classes, generated by insurance brokerage companies, is presented in Chart No. 17.

CHART NO. 17: GWP Structure, by insurance classes



Source: ISA

4.3. NATIONAL INSURANCE BUREAU

In accordance with the Law on Compulsory Motor Vehicle Insurance, the National Insurance Bureau (hereinafter: “NIB”) performs tasks stipulated by international agreements concerning the insurance of motor vehicle owners and users against liability in road traffic (Green Card system) and represents the insurance companies of the Republic of North Macedonia in international insurance organizations and institutions. The NIB also issues and stamps international Green Cards for the needs of its members, maintains statistical records, performs statistical processing of data from insurance companies, and establishes and maintains a central system for the registration of policies and claims arising from the use of motor vehicles.

Since 1994, the NIB has been a member of the Council of Bureaux in Brussels, which aims to facilitate international road traffic for motor vehicles and trailers by providing third-party liability insurance according to the regulations of the visited country and ensures that injured parties in the event of a traffic accident are compensated for damages caused by the use of a motor vehicle, applying the national legislation of that country. Furthermore, as a member of the Council, the NIB participates in the work of the Southeast European Group, which includes countries from the region.

At the end of 2024, eleven insurance companies—namely all non-life insurance companies—are members of the NIB.

In the operational report submitted by the NIB to the Insurance Supervision Agency (ISA), in accordance with Article 54, paragraph (3) of the Law on Compulsory Motor Vehicle Insurance, the financial operations of the NIB and the Guarantee Fund for 2024 are presented.

As of 31 December 2024, the total assets of the NIB amount to MKD 306,125, of which MKD 176,000, or 57.49%, are bank deposits, MKD 92,806, or 30.32%, are receivables, MKD 11,054, or 3.61%, are cash balances in bank accounts, with the remaining amount consisting of intangible and tangible assets. Compared to the previous year, the total assets show no significant changes. In the total sources of funds of the NIB in 2024, capital accounts for 61.21% and liabilities for 38.79%. In 2024, the NIB recorded a profit of MKD 2,189 (2023: profit of MKD 1,101).

4.3.1. Guarantee Fund of NIB

In accordance with Article 58 of the Law on Compulsory Motor Vehicle Insurance, the National Insurance Bureau (NIB) establishes a Guarantee Fund, which serves to cover the payment of:

- Claims occurring on the territory of North Macedonia caused by unidentified and uninsured motor vehicles and trailers, uninsured boats and motor-driven ships, as well as uninsured aircraft;
- Claims occurring on the territory of North Macedonia caused by vehicles registered for public passenger transport, for which the owners have not concluded passenger accident insurance agreements;

- Claims under compulsory insurance policies that the injured parties are unable to recover due to the termination of the insurance company with which the insurance contract was concluded, whereby only the portion of the damage not covered by the company's bankruptcy estate is paid; and
- Claims caused by insured motor vehicles originating from the territory of North Macedonia, which are guaranteed by the National Insurance Bureau under the Cretan Agreement and other international treaties.

The operation of the Guarantee Fund is based on the Law on Compulsory Motor Vehicle Insurance, as well as the Rulebook on the Establishment and Use of the Guarantee Fund and the Instructions for Record-Keeping and Payment Procedures from the Guarantee Fund, adopted by the NIB.

TABLE NO. 23: Share in the Guarantee Fund by insurance companies for the period 1.1.2024 - 31.12.2024 (in MKD)

Name of the insurance company	Total GWP for all mandatory insurances	% of participation in GWP for all mandatory insurances	Share in the Guarantee Fund
Makedonija Osiguruvanje	914.674.849	15,671%	28.910.655
Triglav Insurance	464.756.498	7,963%	14.689.827
Sava Insurance	512.408.066	8,779%	16.195.977
Euroins Insurance	461.014.960	7,899%	14.571.566
Eurolink Insurance	449.990.762	7,710%	14.223.117
Grawe Insurance	651.650.300	11,165%	20.597.087
Uniqa Insurance	835.811.318	14,320%	26.417.970
Osiguritelna Polisa	557.977.610	9,560%	17.636.320
Halk Insurance	383.154.316	6,565%	12.110.579
Croatia Insurance	559.357.391	9,583%	17.679.932
Zoil Makedonija	45.937.419	0,787%	1.451.970
Total	5.836.733.489	100%	184.485.000

Source: Report on the operations of the NIB for 2024

Insurance companies that carry out compulsory motor third-party liability insurance are required to contribute funds to the Guarantee Fund in an amount proportional to the premium earned in individual classes of compulsory motor third-party liability insurance in the previous quarter, for the current quarter of the current year.

In accordance with a decision of the Board of Directors of the National Insurance Bureau (NIB), each calendar year a new allocation of funds from the Guarantee Fund is made in the amount of EUR 3,000,000, according to the insurance company's share in the total insured premium for all

compulsory insurances. For 2024, the participation in the Guarantee Fund by insurance companies is shown in Table no. 23.

4.3.2. Reimbursement of Claims from the Guarantee Fund

Pursuant to Article 60, paragraph (4) of the Law on Compulsory Traffic Insurance, an insurance company that has processed and paid a claim for compensation has the right to reimburse the paid amount from the Guarantee Fund.

The Guarantee Fund does not cover damages caused by the use of uninsured foreign motor vehicles operating in the territory of North Macedonia, for which special international agreements to which North Macedonia is a signatory apply.

TABLE NO. 24: Reported and accepted claims for refund from the Guarantee Fund for the period 1.1.2024 – 31.12.2024

Name of the insurance company	Number of claims reported for refund	Number of claims accepted in the Guarantee Fund	Claims accepted in the Guarantee Fund (claims + fee) amount in MKD
Makedonija	52	52	8.534.625
Triglav	33	32	3.763.747
Euroins	33	33	2.972.211
Sava	48	48	11.464.211
Wiener	16	16	3.027.371
Eurolink	38	38	8.427.990
Grawe Non-Life	54	53	10.095.007
Uniq	51	50	8.371.090
Osiguritelna Polisa	39	39	7.207.795
Halk	45	45	6.116.625
Croatia Non-Life	36	36	5.539.479
Zoil Makedonija Bitola	3	3	1.090.750
Total	448	445	76.610.901

Source: Report on the operations of the NIB for 2024

In 2024, a total of 448 claims for reimbursement from the Guarantee Fund were submitted to the NBO by insurance companies, of which 445 were accepted and reimbursed, amounting to a total of MKD 76,611,000.

Compared to the previous year, a downward trend in the total reimbursed amount has been observed, while the number of submitted and accepted claims for reimbursement from the Guarantee Fund has not shown significant changes.

The number of submitted and accepted claims for reimbursement from the Guarantee Fund during 2024, as well as the amounts of the accepted claims, are presented in Table no. 24.

Number 01-575/1

Skopje, 19.6.2025

President of the Council of Experts

M.Sc Eli Drakulovska