INSURANCE SUPERVISION AGENCY

ANNUAL REPORT ON THE OPERATIONS OF THE INSURANCE SUPERVISION AGENCY IN 2025

June 2026

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INTRODUCTION

The Insurance Supervision Agency (hereinafter: the Agency) is an autonomous and independent regulatory body with public powers established by the Law on Insurance Supervision. Within its remit, the Agency safeguards the lawful and efficient functioning of the Macedonian insurance market in order to protect the rights and interests of policyholders, users of insurance services and third-party claimants.

Through its activities, the Agency plays a key role in ensuring a secure, competitive and sustainable insurance market that contributes to the country's economic development and financial stability.

The operations of the Agency are governed by the Law on Insurance Supervision ("Official Gazette of the Republic of Macedonia" Nos. 27/2002, 84/2002, 98/2002, 33/2004, 88/2005, 79/2007, 8/2008, 88/2008, 56/2009, 67/2010, 44/2011, 112/2011, 7/2012, 30/2012, 45/2012, 60/2012, 64/2012, 23/2013, 188/2013, 43/2014, 112/2014, 153/2015, 192/2015, 23/2016, 83/2018 and 198/2018, and "Official Gazette of the Republic of North Macedonia" Nos. 101/2019, 31/2020, 173/2022 and 3/2025) and the Compulsory Motor Vehicle Insurance Law ("Official Gazette of the Republic of Macedonia" Nos. 88/2005, 70/2006, 81/2008, 47/2011, 135/2011, 112/2014 and 145/2015, and "Official Gazette of the Republic of North Macedonia" No. 220/2019).

- ***In pursuing the objectives for which it was established, the Agency has the following statutory responsibilities:***

- conducting supervision of insurance companies, insurance brokerage companies, insurance agencies, banks performing insurance agency activities, insurance brokers and insurance agents, legal entities affiliated with insurance companies, and the National Insurance Bureau;
- issuing and revoking permits, consents and licenses;
- imposing supervisory measures in the form of orders and decisions;
- adopting secondary legislation for the implementation of the Law on Insurance Supervision and proposing amendments to insurance legislation;
- protecting consumer rights and handling complaints submitted by policyholders, insurance users and third-party claimants;
- encouraging the development and growth of the insurance market by raising public awareness of the role of insurance and implementing activities relating to financial education, financial inclusion and policyholder protection;
- maintaining the stability of the insurance market and contributing to stronger public confidence;
- cooperating with relevant domestic and foreign institutions and bodies.

In addition, the Agency works to develop modern regulatory standards, foster innovation and align its work with international practices.

The purpose of this Annual Report is to provide a transparent, comprehensive and structured overview of the Agency's activities, results and achievements in 2025.

Among the individual achievements in 2025 that created value for the market and policyholders, this Report highlights the following: positive market results—sector growth, increased competition, stability and financial security; continuous and strengthened supervisory and regulatory activities concerning market participants; improvement of the regulatory framework through new regulations, amendments and alignment with European and international standards; monitoring the financial stability of insurance companies; monitoring compliance with statutory requirements and taking action where irregularities were identified; conducting training and examinations for actuaries; handling complaints submitted by policyholders and improving the protection of their rights; continuous financial-education activities aimed at improving financial literacy and the public's understanding of insurance and strengthening confidence in the insurance system; promoting financial inclusion in the insurance sector; adopting strategic documents to maintain the sector's financial stability; fostering innovation in the financial sector; identifying challenges and priorities for the period ahead; strengthening institutional capacity; international cooperation through memberships, partnerships and participation in regional and international initiatives; and increased transparency through the publication of reports, data and information accessible to the public.

Institutional Governance

*1.1. **Council of experts***

The Council of experts is the governing body of the Agency.

The Council of experts of the Agency consists of five members, one of whom is the President.

The President of the Council of experts manages the Agency and represents it in relations with third parties.

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

The Council of experts consists of:

Eli Drakulovska—President of the Council of experts of the Insurance Supervision Agency, with a term of office until 27 December 2029;

Aleksandra Drangovska, professionally engaged full-time member, with a term of office until 27 December 2029;

Goran Zdravkovski, professionally engaged full-time member, with a term of office until 25 October 2028;

Boban Panovski, non-professionally engaged member, with a term of office until 25 October 2028; and

Maljsor Aziri, non-professionally engaged member, with a term of office until 13 February 2029.

The Council of experts operates and makes decisions at its sessions, adopting decisions by a majority vote of the total number of members. Its operations, the conduct of sessions and decision-making are regulated in accordance with the Law on Insurance Supervision, the Statute of the Agency and the Rules of Procedure of the Council of experts.

During 2025, the Council of experts of the Agency held 36 sessions. The sessions are published chronologically on the Agency's website in the interests of transparency and accountability to the public and stakeholders.

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

1.2. *Mission and Vision*

The mission of the Agency is to ensure a stable, transparent and competitive insurance market through continuous regulation, supervision of insurance companies and other insurance-market participants, and protection of the rights and interests of policyholders, thereby contributing to financial security and confidence in the system.

The vision of the Agency is to be a professional and reliable regulator that fosters sustainable development, innovation and high standards in the insurance sector for the benefit of citizens, companies and the economy as a whole.

As a strategic document, the Agency aligns its Quality Policy with its mission and vision in accordance with the requirements of ISO 9001:2015—Quality Management System. Top management is committed to the continuous implementation of the requirements of ISO 9001:2015 and supports its regular review and alignment with the needs of ISA, its users and changes in the operating environment.

1.3. *Values*

The fundamental standards and values that guide our work are ***accountability, professionalism, diligence, transparency, legality and efficiency***.

1.4. *Risk Management Strategy*

Risk management within the Agency encompasses the systematic identification, assessment and monitoring of strategic and operational risks that may affect the efficient performance of its operations. The Risk Management Strategy is our mechanism for successfully managing risks in order to achieve greater predictability and operational stability, strengthen institutional integrity and accountability, and increase confidence among the public and stakeholders.

1.5. *Planning the Operations of the Agency*

Operational planning at the Agency is a systematic process of defining objectives, priorities and activities through which we fulfil our remit, vision and mission. Strategic acts, operational plans, secondary legislation, decisions and other acts are adopted pursuant to law through processes that include risk analysis, assessment of market needs and consideration of stakeholder expectations, taking into account the operating environment, internal factors and their impact on the achievement of planned objectives and tasks.

The Agency implements its activities in accordance with established plans, strategies and policies, including:

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

These documents are supplemented by annexes containing detailed activities, indicators and other elements relevant to their implementation. As such, they provide a basis for the Agency's transparent, responsible and strategic operations and for effective management of its processes, risks and development activities.

1.6. *Internal Audit*

Through a systematic, disciplined and risk-based approach, internal audit activity at the Agency contributes to improving the effectiveness of governance, risk management and control processes throughout the Agency.

Under its mandate, the internal audit function at the Agency, as a public-sector entity, focuses on:

- assessing whether the results achieved by the Agency are aligned with its strategic objectives;
- ensuring compliance with laws and/or regulations;
- identifying opportunities to improve the performance of processes and programs;
- determining whether public resources are appropriately safeguarded and used to provide services in a fair manner.

1.7. *Organization and Funding of the Agency*

The Agency's operating procedures, internal organization and decision-making by the Expert Council are regulated in accordance with the Law on Insurance Supervision, the Statute of the Agency and the Rules of Procedure of the Expert Council.

For the performance of its regular duties, the Expert Council establishes professional organizational units. The scope of work of the Agency's organizational units is regulated in detail by the Internal Organization Rulebook and the Rulebook on Job Classification. Pursuant to the Internal

Organization Rulebook, employees are assigned to independent directorates, professional services and directorates within the professional services.

As of 31 December 2025, the Agency had a total of 45 employees.

The Agency's operations are financed through fees collected from insurance companies, insurance brokerage companies, insurance agencies and banks performing insurance agency activities, as well as fees collected from other persons subject to Agency supervision.

The funds for the Agency's operations are determined pursuant to Article 158-lj of the Law on Insurance Supervision and are regulated by the Tariff for the Content and Amount of Fees and Charges Collected by the Agency and the Deadlines for Payment. The fees established by the Tariff correspond to the actual costs required for the provision of the Agency's services.

1.8. Corporate Social Responsibility

In addition to fulfilling our statutory obligations, and with the aim of contributing to sustainable development and strengthening the Agency's role, we act responsibly toward society, the environment and all stakeholders.

In this context, our corporate responsibility places particular emphasis on the following:

- initiatives aimed at increasing transparency and confidence in the insurance sector;
- partnerships supporting pupils and students, their participation in activities that raise awareness of risks and the importance of insurance, and promotion of their interests in order to strengthen the role of young people in society;
- promotion of the actuarial profession as an activity of essential importance to insurance;
- support for educational programs in financial education and inclusion;
- organization of campaigns and workshops for citizens;
- participation in social initiatives;
- raising public awareness of climate-related risks and encouraging responsible conduct among insurance entities;
- cooperation with academic and non-governmental organizations.

ACTIVITIES IMPLEMENTED BY AREA

The Agency's operations in 2025 were conducted in accordance with the Law on Insurance Supervision, the Compulsory Motor Vehicle Insurance Law, other relevant legislation, and the adopted operational and strategic plans.

A detailed overview by area follows:

1.9. Regulation and Licensing

During 2025, the Agency, together with the Ministry of Finance, continued working on the preparation of a new Insurance Law aimed at aligning domestic legislation with European and international standards. The new Insurance Law will transpose the provisions of Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as well as the Insurance Distribution Directive.

As part of the activities initiated to implement International Financial Reporting Standard (IFRS 17)—Insurance Contracts, during the reporting period the Agency held several working meetings with representatives of insurance companies and certified auditors concerning the implementation of IFRS 17, which has been translated into Macedonian and published in the Official Gazette. Insurance companies are required to apply the new financial-reporting requirements for insurance contracts and financial instruments (IFRS 17/9) from 1 January 2028.

In this regard, at the initiative of the Agency and with the full support of the World Bank's Centre for Financial Reporting Reform, a workshop was organized for insurance companies. In addition, to monitor the business processes through which insurance companies are aligning with the requirements of IFRS 17/9, the Agency issued written guidelines and recommendations requiring companies to report regularly on the implementation of activities and testing of business systems during the transition period up to the effective date of the financial-reporting standard.

Within this framework, on 26 November 2025, at the invitation of the Institute of Certified Auditors of the Republic of Macedonia, representatives of the Agency attended and contributed to an educational event organized under the Institute's Continuing Professional Education program. The event presented practical aspects of applying IFRS 17 requirements relating to the recognition and measurement of insurance contracts, transition and the audit approach, differences in financial statements, and the regulator's approach.

In view of current conditions and needs, the Agency also established priorities for the more efficient performance of its statutory responsibilities:

- Preparing a plan for the adoption of secondary legislation arising from the new Insurance Law and determining the resources and timetable for adopting the new regulations;
- To achieve further alignment with the Motor Insurance Directive, the Agency will participate in preparing a proposal to amend the Compulsory Motor Vehicle Insurance Law;
- Identifying the need for changes to insurance regulation to accommodate the use of new technological solutions in the development, distribution and marketing of insurance products and their use by consumers, with the aim of stimulating and facilitating the entry of innovative technological solutions into the insurance market, improving insurance services, increasing product accessibility for consumers and supporting further development of the insurance market;
- Activities aimed at improving public information, strengthening the protection of policyholder rights, increasing transparency and encouraging the informed use of insurance services.

*1.10. **Adopted Rulebooks, Guidelines and Manuals***

In order to increase legal certainty and improve transparency and efficiency, during 2025 the Agency adopted the Regulation Amending the Regulation on the Minimum Standards for Information Systems of Insurance Companies, Insurance Brokerage Companies and Insurance Agencies, published in the "Official Gazette of the Republic of North Macedonia" No. 188/2025.

1.11. Issued Permits and Consents

Based on applications received from market participants, during 2025 we issued the following permits and consents:

- 1 permit to carry out insurance brokerage activities;
- 8 permits for licensed actuaries;
- 16 consents for audit firms;
- 10 consents for amendments to articles of association;
- 1 consent for a change of registered office;
- 2 consents for a change of company name;
- 6 consents for the performance of the function of member of the management body of an insurance company;
- 2 consents for acquiring qualified participation in an insurance agency;
- 3 consents for acquiring qualified participation in an insurance brokerage company;
- 2 consents for acquiring qualified participation in an insurance company.

1.12. Issued Licenses

In 2025, based on applications received from the entities, the Agency issued 17 licenses for insurance brokers and 80 licenses for insurance agents.

1.13. *Revoked Permits and Licenses*

In 2025, following the termination of employment contracts between insurance companies and insurance agents, the Agency revoked 56 licenses of individuals to perform insurance agency activities in accordance with the Law on Insurance Supervision.

1.14. Organized Training

In 2025, the two-year actuarial training program was completed as part of the 2023–2025 Actuarial Education Cycle. Seven candidates participated in the training and, after completing the training and examinations, obtained certificates as licensed actuaries.

During the reporting period, the Agency also conducted the planned training and examinations for insurance intermediaries: 218 persons attended training and examinations for insurance agents, and 108 persons attended training and examinations for insurance brokers.

SUPERVISION ACTIVITIES

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

The Agency conducts supervision through **ongoing off-site supervision**, namely the collection, analysis and verification of reports and information submitted by insurance companies and other persons as required by law; **on-site supervision** (full or partial) of the operations of insurance companies; and **additional supervision** whenever this is deemed necessary in the interests of protecting policyholder rights and determining supervisory measures. The Agency also supervises individuals performing insurance brokerage and insurance agency activities.

Pursuant to the Law on the Prevention of Money Laundering and Other Proceeds of Crime and Financing of Terrorism and the Law on Restrictive Measures, the Agency oversees the implementation of measures and actions aimed at preventing money laundering and terrorist financing.

1.15. On-Site Supervision

The Agency conducted on-site supervision without interruption and in accordance with the Annual On-Site Supervision Plan. In 2025, 14 on-site supervisions were planned, comprising 1 full and 13 partial supervisions. One full and 9 partial supervisions were completed, while 4 procedures were initiated and will continue in 2026. Of the 13 partial supervisions, two concerned on-site checks of entities' compliance in relation to the receipt, processing, reservation and payment of claims; two concerned anti-money laundering and counter-terrorism financing (AML/CTF); eight concerned actuarial matters; and one on-site supervision concerned an insurance brokerage company.

1.16. Off-Site Supervision

During 2025, the Agency continuously conducted off-site supervision by collecting, analyzing and verifying data and reports submitted by insurance companies and other entities in accordance with statutory provisions.

Activities focused on monitoring compliance with the regulatory framework and on the timely identification of deviations and trends in reporting, financial position and risk management. During the year, certain deviations were identified in reporting practices and in individual segments of operations, requiring additional monitoring and appropriate supervisory activities.

In the area of policyholder protection, off-site supervision focused on verifying compliance with the obligation to report received and resolved complaints in accordance with statutory provisions. The review covered the compliance of submitted data with the prescribed forms (SP-7 and SP-9), as well as the accuracy, completeness and appropriate classification of the data under the prescribed reporting structure.

As a result of the continuous off-site supervision conducted throughout the year, and based on the conditions identified and checks performed, ten off-site supervision records were prepared in 2025. They concern multiple aspects of the entities' operations, including application of the regulatory framework, financial position and risk management, internal control systems, reporting practices and treatment of policyholders.

Through this approach, off-site supervision ensured continuous monitoring of market conditions and timely action on identified issues, thereby helping to improve reporting quality, strengthen reporting discipline and maintain the stability of the insurance sector.

1.17. *Supervisory Measures Imposed*

The on-site and off-site supervisions identified certain irregularities and weaknesses for which, within its remit, the Agency imposed the appropriate supervisory measures: 5 orders, 15 decisions imposing additional measures, 53 supervisory measures and 20 settlement procedures, including the issuance of recommendations.

1.18. Participation in Supervisory Colleges

During 2025, the Agency regularly participated in all working meetings (colleges) for the routine exchange of information with supervisory authorities within supervisory colleges for insurance companies belonging to European insurance groups headquartered abroad. The cooperation is intended to familiarize supervisors with current trends and risks in the insurance markets in which group-member insurance companies operate and to support appropriate prioritization of future supervisory activities. The cooperation was assessed as high-quality due to the timely and reliable processing and exchange of information concerning the operations of insurance companies that are members of insurance groups.

1.19. Opinions and Circulars

To support the stable, compliant and efficient operation of market participants, the Agency issued circulars and professional guidelines providing guidance on the application of regulations and good business practices.

COOPERATION

During the reporting period, the Agency cooperated with domestic and foreign regulatory bodies, institutions and international organizations in accordance with statutory requirements, with the aim of maintaining the financial stability of the insurance market, improving the regulatory framework, exchanging good practices and strengthening supervisory capacity.

- ***Domestic and International Cooperation***

Cooperation with the Ministry of Finance continued on matters relating to insurance regulation, participation in working groups, preparation of proposals for drafting legislation, participation in professional bodies such as the Capital Development Council, and strategies in the fields of economics and finance.

The Agency maintained regular communication with the Secretariat for Economic Affairs and submitted analyses containing data and indicators on conditions and progress in the Macedonian insurance market.

Cooperation with the National Bank took place in several areas: exchange of data and information concerning financial stability; membership of and participation in the Coordination Body for Financial

Education; activities relating to development of the fintech sector; and continuous exchange of experience and practices from the supervision process.

To strengthen cooperation with the Consumers' Organization of Macedonia, the Agency initiated a working meeting at which the parties discussed the importance of continuous communication and joint activities, particularly in education, awareness-raising and consumer-rights protection, increasing social responsibility among insurance-market participants, and taking further steps and initiatives that will contribute to more inclusive policyholder protection.

A meeting was held with the actuarial association, with particular emphasis on issues relating to actuarial practice and the importance of the role of actuaries in the insurance sector.

A representative of the Agency participated in the first meeting of the Regional Initiative for Catastrophe Risk Insurance for the Countries of South-East Europe, held in Athens in November 2025. The meeting was organized by the Regional Cooperation Council (RCC), in coordination with the Hellenic Association of Insurance Companies. Its purpose was to highlight the importance of, and consider the application of, a regional approach to managing risks that cause catastrophic losses in the countries of the region.

The Agency maintained continuous cooperation with foreign regulatory bodies to improve regulatory practices, exchange experience and align its work with European and international standards. Cooperation took place through participation in regional and international forums and through the exchange of information and good practices in supervision and regulation. These activities contributed to strengthening institutional capacity and achieving greater integration into international regulatory developments.

Strengthening and deepening regional cooperation among insurance regulators is one of the Agency's highest priorities. To deepen, broaden and strengthen regional cooperation, several working meetings were held at the Agency's headquarters with representatives of the Insurance Supervision Agency of the Federation of Bosnia and Herzegovina, the Insurance Supervision Agency of Montenegro, and the Austrian Financial Market Authority (FMA). Discussions covered several current topics, including the process of harmonizing Macedonian regulation with Solvency II standards, implementation of the international financial-reporting standard IFRS 17, activities to raise risk awareness, and improvement of policyholder rights and financial literacy.

The Agency is a long-standing member of the professional International Association of Insurance Supervisors (IAIS), through which it contributes to knowledge exchange, improvement of professional practices and alignment with international standards. Membership enables continuous participation in professional initiatives and strengthens institutional capacity.

- ***Memoranda of Cooperation***

Pursuant to memoranda of cooperation concluded with regulatory bodies and relevant institutions and organizations, the Agency continuously maintains communication and cooperation aimed at the efficient performance of its statutory responsibilities, exchange of information and coordination in the implementation of activities of common interest.

Activities mainly take place through the exchange of professional opinions and analyses, regular operational-level communication, participation in thematic working groups, organization of joint events and educational sessions, and preparation and exchange of reports and proposals for policy improvement. By maintaining continuous cooperation, these activities aim to foster institutional connectivity and create a foundation for long-term stability and confidence in the sector.

During 2025, a memorandum of cooperation was concluded with the Red Cross of the Republic of North Macedonia to plan and implement joint activities in the public interest and promote socially responsible initiatives.

- ***Activities Based on National Strategic Documents***

The Agency's activities during the reporting period were implemented in accordance with national strategies and strategic priorities in the financial sector. Their consistent implementation contributes to improving the regulatory framework, increasing the stability of the insurance market and strengthening the protection of users of services.

ORGANIZING EVENTS

To mark the annual event—Insurance Day on 1 November—and the Agency's many years of institutional existence as an independent regulatory body responsible for regulating, supervising and developing the insurance market, a number of organizational, promotional and communication activities were undertaken to affirm institutional values, results and strategic commitments.

Selected activities included:

- Organization of a ceremonial event;
- Presentation of achieved results and institutional development;
- Organization of panel discussions and professional presentations;
- Educational visits and cooperation with educational institutions;
- Activities promoting financial literacy and insurance;
- Promotional activities on social media and the website;
- Presentation of a plaque and award for the best paper by a young researcher selected through the 2025 Young Researchers Competition;
- Presentation of awards to pupils for the best literary and artistic works in the Primary and Secondary School Competition;
- Presentation of licensed-actuary certificates to candidates who successfully completed the 2023–2025 actuarial training and examinations;
- Presentation of certificates of appreciation to associates and partners;
- In the spirit of social responsibility, the Agency, in cooperation with representatives of the insurance industry, organized a blood-donation campaign aimed at demonstrating collective care for the community and fostering a culture of solidarity and humanity among institutions and citizens.

EDUCATION AND CAPACITY BUILDING

The Agency also bases the fundamental principles of its Quality Policy on the objectives of enhancing institutional and administrative capacity by investing in employees through training and professional development. Staff competence is a prerequisite for the efficient, high-quality and timely performance of statutory responsibilities, and the Agency therefore continuously invests in its human resources.

In 2025, employees completed the planned training, while thematic visits to foreign regulators and participation in international and domestic conferences and seminars were also organized to enhance staff knowledge. Educational programs and seminars were also conducted through the International Association of Insurance Supervisors (IAIS), the European Insurance and Occupational Pensions Authority (EIOPA), the Bank for International Settlements (BIS), the OECD International Network on Financial Education (OECD/INFE), and other relevant institutions and organizations.

Representatives of the Agency participated in the 23rd Conference of Insurance Supervisory Authorities of the Countries of Central, Eastern and South-Eastern Europe (CESEE ISI).

INTEGRATED APPROACH TO CONSUMER PROTECTION, FINANCIAL EDUCATION AND FINANCIAL INCLUSION

ISA's primary objectives relating to the stability and development of the insurance market and monitoring the legality of operations of supervised entities are directly linked to the protection of policyholders and users of insurance products and services. In this area, the Agency applies an integrated approach encompassing three interrelated pillars:

- ✓ **Consumer protection—**active handling of complaints received from policyholders, insurance users and third-party claimants, monitoring market practices, and supervising compliance with policyholder rights;
- ✓ **Financial education—**through educational campaigns, interactive events and cooperation with schools and the media, the Agency raises public awareness of risks and the role of insurance, policyholder rights and obligations, and the importance of financial literacy. Education targets different groups: young people, households and businesses;
- ✓ **Financial inclusion—**through activities and policies promoting access to financial products for all citizens, the Agency contributes to reducing inequality and building resilient communities. It encourages the development of innovative products, digital solutions and improved access to insurance in rural areas.

The activities are described below:

During the reporting period, the Agency ensured the timely and professional handling of complaints received from policyholders, insurance contract holders and third-party claimants. A total of 395 complaints were received, each of which was reviewed individually in accordance with the principles of impartiality, efficiency and protection of policyholder rights. Where irregularities were identified, recommendations for corrective action were issued to the supervised entities. This figure indicates a higher level of public awareness and confidence, more active protection of citizens' rights, and increased visibility and presence of the Agency. At the same time, complaints are an important source of information for improving practices among supervised entities and strengthening the protection of policyholders and third-party claimants.

Alongside supervision and complaint handling, the Agency continuously conducted activities in the area of financial literacy, with a focus on insurance, recognizing education as an important tool for the development of the insurance market.

Through educational campaigns, workshops, public appearances, cooperation with educational institutions and encouragement of insurance companies, these activities helped increase public awareness of the importance of insurance, policyholder rights and obligations, and the benefits of financial planning and risk management. They contribute to building greater confidence, financial inclusion and sustainable development of the insurance sector.

Selected activities included:

- The Agency works proactively to improve financial education and financial inclusion, with particular emphasis on encouraging transparent, responsible and ethical conduct by insurance companies. Through communication and cooperation with insurance companies, public campaigns and educational initiatives, and the promotion of good practices, the Agency helps strengthen transparent, professional and ethical conduct by market participants toward policyholders and builds a higher level of confidence in the insurance sector;
- The Agency's educational website is an important tool for improving financial literacy and awareness in insurance, providing citizens with access to clear, understandable and useful information about insurance products and policyholder rights and obligations. Through the educational website, the Agency continuously publishes useful educational content, information and activities to provide timely information and education and strengthen awareness among citizens and policyholders. The website also enables users to submit questions and complaints, thereby further improving communication and the protection of users of insurance services;
- Promotion and creation of brochures, publications and e-newsletters as educational and informational materials for young people, adults and companies, aimed at strengthening financial literacy as a skill, raising awareness of insurance and bringing important information closer to citizens and policyholders. All materials are publicly available and published on the Agency's website. In addition, through social media, the Agency provides faster and more accessible public information and helps strengthen transparency and confidence in the insurance sector;
- The Agency continuously conducted activities in cooperation with schools and universities by organizing educational workshops, panel discussions and interactive sessions on financial literacy and insurance. It also maintains a standing invitation to educational institutions to participate in and initiate such activities, while encouraging teaching staff to cooperate actively and integrate financial-literacy content into the educational process in order to strengthen financial culture, with a focus on insurance, among young people;
- To mark Insurance Day on 1 November, the Agency conducted its two annual competitions: the Young Researchers Competition in the field of insurance and the Primary and Secondary School Competition on insurance-related topics. The competitions are a tool for education through engagement, rather than information alone. Their continuous implementation provides several key benefits to the Agency:
    - increasing awareness of and interest in financial literacy and insurance among young people;

- strengthening the Agency's visibility and recognition as a regulator and socially responsible institution;
- enabling the direct involvement of pupils in matters of public interest;
- encouraging cooperation with educational institutions and teaching staff.

The Agency will continue implementing activities in financial education and policyholder protection while developing new initiatives aimed at improving financial literacy, inclusion and transparency in the insurance sector.

PROJECT ACTIVITIES

In this regard, the Agency continues activities to develop policies and guidelines for raising financial-literacy levels with a focus on insurance and risks, participate actively in financial-literacy research and measurement, deepen cooperation with the education system, exchange good practices among countries, organize initiatives and promote consumer protection.

PUBLIC INFORMATION AND TRANSPARENCY

As part of improving transparency and accountability in its operations, the Agency regularly undertakes activities to inform the public and provides access to relevant information on the results of its work.

1. Public Information—During the reporting period, the Agency continuously published:

- press releases on adopted decisions, opinions, recommendations and guidelines;
- responses to questions relating to laws, secondary legislation and policyholder rights;
- reports, analyses and statistical data available on the official website;
- educational content through the website, educational portal and social-media profiles, among other channels.

2. Promotion of Transparency—To ensure consistent application of open-governance principles:

- all relevant documents and decisions are available on the Agency's website;
- requests for access to public information and whistleblower reports are duly answered and processed;
- educational booths and open days are organized for the public.

3. Public and Media Presence—ISA participates in public events, forums and media appearances to raise awareness of its regulatory role, activities and decisions within its remit.

The Agency continuously improves its public and media presence through transparent, timely and educational communication aimed at strengthening confidence in the insurance system and raising public awareness.

INSURANCE SUPERVISION AGENCY
President of the Council of experts,
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Number 01-628/1

Skopje, 5 June 2026

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