

THE SLOVAK INSURANCE ASSOCIATION

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The Slovak Insurance Association is an interest group of insurance companies and reinsurance companies, authorised to perform insurance and reinsurance activity in the Slovak Republic. It has been established for organising and supporting mutual assistance, cooperation and for ensuring the joint interests of insurance companies.

The Association began its operations on January 1, 1994 as one of the successor organisations of the Czechoslovak Insurance Association.

On January 1, 2003 the Association had 22 commercial insurers and three permanent associate members. The member insurance companies are: Allianz – Slovenská poisťovňa, a.s., AMSLICO AIG Life poisťovňa, a.s., Česká poisťovňa – Slovensko, a.s., D.A.S poisťovňa právnej ochrany, a.s., ERGO poisťovňa, a.s., Generali poisťovňa, a.s., POISŤOVŇA GERLING Slovensko, a.s., Hasičská poisťovňa, a.s., KONTINUITA – Slovenská životná poisťovňa, a.s., Komunálna poisťovňa, a.s., KOOPERATIVA poisťovňa, a.s., Nationale-Nederlanden poisťovňa, a.s., Prvá česko-slovenská poisťovňa, a.s., QBE poisťovňa, a.s., R +V Poisťovňa, a.s., Poisťovňa TATRA, a.s., UNION, poisťovňa, a.s., UNIQA poisťovňa, a.s., Univerzálna banková poisťovňa, a.s., VIKTORIA – VOLKSBANKEN Poisťovňa, a.s., Vzájomná životná poisťovňa, a.s., Wüstenrot životná poisťovňa, a.s. The three permanent associate members are the Slovak Section of the International Association of Insurance Law – AIDA, The Slovak Insurers' Bureau and EXIMBANKA SR.

In addition to 22 member insurance companies, other four commercial insurance companies operate in the Slovak insurance market – Poisťovňa AIG Slovakia, a.s., Zürich poisťovňa, a.s., Poisťovňa CARDIF Slovakia, a.s. and Poisťovňa DRUKOS, a.s.

Representing its members the Slovak Insurance Association is actually the representative of the Slovak insurance industry. The market share of the association's members of total premium written in the Slovak Republic exceeds 99%.

The Association exercises its functions via seven expert sections consisting of representatives from the member insurance companies and experts from various economic branches. The sections carry out tasks set by its Presidium and present their recommendations to it. The Association's secretariat coor-

dinates the sections' work and Association's bodies. Between two and three hundred employees of the member insurance companies are involved in the sections' activities, temporary working groups and the Association's bodies.

The Association co-operates closely with central bodies of the state administration, other associations and colleges. With some of its partners it concluded framework agreements on cooperation. It plays a significant role in developing international contacts. The Association is an associate member of the European Insurers Committee (Comité Européen des Assurances – CEA). Association to this committee allows the transfer of experience and information, as well as using the outputs of the CEA, for example guidelines for preventing theft, fires etc.

The Slovak Insurance Association by means of its insurance journal has been incorporated into the International Association of Insurance Press – PRESSE INTERNATIONALE DES ASSURANCES (PIA). This brings the advantage of a whole flow of information to the insurance industry from 28 journals in this association.

The Association's activity is primarily:

- to represent, protect and advocate the common interests of insurance and reinsurance companies vis-à-vis state administration bodies, other legal entities, the broad public as well as foreign partners.
- to present comments and suggestions on legal regulations concerning the insurance industry, insurance or other interests of insurance companies and to propose legislative amendments,
- to represent member insurance companies in international organisations and their bodies and to participate in their activities,
- to present, at the request of courts and the other bodies, expert opinions from the field of insurance,
- to issue promotional materials, cooperate with mass media with the objective of creating a fair insu-



rance market, promoting insurance and loss prevention among the broad public,

- to be active in resolving disputes between Association members,
- to organise joint training sessions for managing employees of insurance companies, as well as for experts working in insurance and those from the theoretical sphere, and to issue methodology recommendations,
- to support and organise the creation of a unified information system in the insurance industry for the needs of member insurance companies as regards data of common interest,
- to support the development of scientific activity concerning the insurance industry, to publicise important findings, to publish expert journals and publications,
- to organise and mediate training of employees, international exchange of experience,
- to operate in the field of loss prevention, in particular to co-operate with bodies and organisations active in the field of loss prevention,
- to support the creation of standards in this field and on the basis of a decision by the Association members to merge and provide resources for preventive activity,
- to co-operate in creating joint funds and to otherwise gather financial resources for the common interests of insurance companies,
- to support international relations of insurance companies, to create and co-ordinate information flows by the publication of professional articles and research findings from foreign literature and journals as well as by gaining foreign lecturers for the professional education of insurance employees,
- to co-operate closely with secondary schools, universities and other theoretical-research organisations in the education of insurance professionals and in the development of insurance theory.

The Association does not pursue political or religious goals, nor does it provide for any control of its members' business activity.

A significant step in the history of the Slovak insurance industry was the transformation from *ex lege* to compulsory contractual motor third party liability insurance. This transformation on such a scale was a demanding process. It began with a change in the philosophy of insurance from a single insurance company to insurance at various insurance companies. The new system required new procedures in liability insurance, as well as a change in the understanding of the rights and responsibilities ensuing from this insurance, not only by the insurance companies themselves, but mainly among drivers. In

2001, the Association worked intensively on preparing the Act on motor third party liability insurance, as well as on establishing the Slovak Insurers' Bureau, which was to fulfil tasks in respect of both the insured and the party damaged in a Green Card system, and to realise a number of other important roles ensuing from this act. This concerns primarily the protection of road accident victims' rights. A completely new element has been the administration of a register of insured motor vehicles, the settlement of compensation for damage caused by unknown and uninsured vehicles as well as by vehicles insured at insurance companies that have become insolvent. The Slovak Insurers' Bureau was established within a remarkably short time, becoming operative in the last two months of 2002.

At the start of 2001 Parliament approved an amendment to Act no. 24/1991 Zb. on insurance, bringing a new market mechanism into the insurance industry structure. The need to implement further provisions of EU directives into insurance legislation soon however required the preparation of a new Insurance Act, which was drawn up in close co-operation with the SR Ministry of Finance, the Financial Market Authority, The Slovak Insurance Association, as well as with the assistance of foreign experts. On 1 February 2002 the new Act no. 95/2002 Coll. on insurance and the amendment to certain acts was passed by the National Council of the Slovak Republic, and came into effect on 1 March 2002.

Under the conditions prevailing in the Slovak Republic the new act ensures an implementation of the European Union directives of the 1st, 2nd and 3rd generations concerning commercial insurance and creates conditions for acting more effectively on the part of the supervisory body in order to protect the vested interests of insured parties.

With regard to the fact that the aim was to create an act that would be fully compatible with EU legislation, which requires that insurance operators from one member state are not discriminated against in another member state, and with regard to the strides made by the Slovak Republic for accession into these structures, there are certain relations that will become governed by the Insurance Act only upon the Slovak Republic's accession to the EU. This concerns the provision of the so-called single European passport, where an insurer registered in one member state may, on the basis of a licence granted by the supervisory authority in the state in which it is registered, provide insurance services also in the other member states. Therefore the new Act contains provisions governing the conditions under which an insurance company registered in the Slovak Republic



lic may provide insurance services in the EU countries without another licence and vice-versa the conditions under which a foreign insurance company registered in an EU member state may provide insurance services in the Slovak Republic, something which in the future will bring new possibilities both for subjects operating in the insurance industry, as well as for their clients.

What new tasks await the Slovak Insurance Association in the coming period? Firstly, the priority will again be given to the legislative tasks. The Slovak Republic still does not have laws worded in such a way as to allow the problem-free operation in all areas. Let us look simply at tax laws and life insurance. The Insurance Act and also the Act on compulsory contractual motor third party liability insurance will again require amendment.

The preparation of new EU directives and their

application in the conditions of the Slovak Republic will remain a demanding task.

We are also concerned about establishing a system of protecting the economy and clients against so-called uninsurable risks, the preparation of preventive measures against fraudulent claims and claims against damage caused by a catastrophic or terrorist event.

From the aspect of protecting insurance companies there remains the task of building up a joint information system.

The insurance industry is a branch of the financial market where it is very important that its subjects adhere strictly to certain rules. I believe that also by the contribution of the Slovak Insurance Association this goal will be met. I hope that very soon we will find ourselves in conditions that may be seen as standard from the viewpoint of developed Western countries.