

**457,962**

contracts concluded between the insurance companies and the citizens in the country during the first half of this year.

# iSIGURIMET

Nr. #024 • September 2021 • [www.bks-ks.org](http://www.bks-ks.org)

The insurance market grew by 19%

02



MAZREKU: THE AGREEMENT WITH MONTENEGRO IS CONSIDERED HISTORIC

08

## **GOVERNOR MEHMETI: POSITIVE REFORMS HAVE TAKEN PLACE IN THE KOSOVO INSURANCE BUREAU**

Mr. Fehmi Mehmeti, the Governor of the Central Bank of the Republic of Kosovo, stated that the Kosovo insurance industry has shown a favorable performance which is a result of the reforms that have been taken in this sector. The head of the CBK has very high consideration for the developments in the Kosovo Insurance Bureau (KIB) which has been run for almost 1 year by Mr. Sami Mazreku, and according to him, positive reforms have taken place.

04

# THE INSURANCE MARKET GREW BY 19%

During the period of January-June 2021, the insurance market grew by 18.71% compared to the same period of 2020. The volume of gross premiums written compared to the same period of the previous year grew by 8.68 million Euros, reaching a total amount of 55,088,193 Euros

**T**he insurance market grew by almost 19% during the first six months of this year, compared to the same period of the previous year. The official data of the Central Bank of Kosovo (CBK) show that during the period January-June 2021, the insurance market grew by 18.71% compared to the same

## 69.72%

The number of life insurance contracts increased by 69.72% during the first half of this year, compared to the same period of January-June 2020.

period of 2020. The volume of gross premiums written compared to the same period of the previous year grew by 8.68 million Euros, reaching a total amount of 55,088,193 Euros. Representatives of the insurance industry in Kosovo say that the insurance market in our country has started to recover after facing major problems, especially in 2020 as a result of the COVID-19 pandemic.

"The market continues to develop, following the industry trends in the developed countries. Companies have increased the functionality, in particular the online services during the pandemic", say representatives of the insurance sector in the country.

### NUMBER OF CONTRACTS INCREASED BY 29%

The number of contracts concluded between the insurance companies operating in

## 13,807

life insurance contracts were concluded in the first half of this year between the insurance companies and the citizens in the country.

Kosovo and the citizens has increased by no less than 29%. The official data of the Central Bank of Kosovo show that as of January this year until the end of June of this year, a total of 457,962 contracts have been concluded, marking an increase of 28.73% compared to



There are a total of

**457,962** contracts concluded between the insurance companies and the citizens in the country during the first half of this year.

**28%**

The number of contracts increased by 28.73% during the first half of this year, compared to the same period of January-June 2020.

the same period of 2020. The report of CBK further notes that the volume of gross premiums written in the Non-Life activity reached the amount of 52,911,455 Euros, marking an increase of 18.47% compared to the period of January-June 2020. "The volume of gross premiums written in the Non-Life activity reached the amount of 52,911,455 Euros, marking an increase of 18.47% compared to the period of January-June 2020", further

notes the report of the Central Bank of Kosovo.

**MEHMET: THE INDUSTRY HAS HAD A MORE FAVORABLE PERFORMANCE**

In an exclusive interview, the Governor of the Central Bank of Kosovo said that the insurance industry has had a more favorable performance during this period of time as a result of the reforms that were undertaken. "Other than the improvements in financial indicators and capitalization, there have been significant improvements in the implementation of modern corporate governance models. Compared to the past, today I can say that there is one company that stands below the legal requirement for capitalization and provisioning, whereby there were up to 7 companies in the past. The said company is under the legal measure of administration and further measures are expected to be taken if it does not meet the legal criteria by the end of the month. In two other instances, there are two companies that are in the process of addressing the remarks made by the examinations, according to the official reports of CBK", said governor Mehmet.

**18.47%**

"The volume of gross premiums written in the Non-Life activity reached the amount of 52,911,455 Euros, marking an increase of 18.47% compared to the period of January-June 2020"

**THE NUMBER OF LIFE INSURANCE CONTRACTS HAS INCREASED BY 69.72%**

Furthermore, the official reports of the Central Bank of Kosovo show that during the first half of this year, life insurance has had a very positive development. "The volume of gross premiums written in the Life activity reached the amount of 2,176,738 Euros, marking an increase of 24.75% compared to the period of January-June 2020", further notes the report of the Central Bank of Kosovo. It further says that the number of life insurance contracts reached 13,807, marking an increase of 69.72% compared to the same period of January-June 2020.



# Governor Mehmeti: Positive reforms have taken place in the Kosovo Insurance Bureau

Mr. Fehmi Mehmeti, the Governor of the Central Bank of the Republic of Kosovo, stated that the Kosovo insurance industry has shown a favorable performance which is a result of the reforms that have been taken in this sector. The head of the CBK has very high consideration for the developments in the Kosovo Insurance Bureau (KIB) which has been run for almost 1 year by Mr. Sami Mazreku, and according to him, positive reforms have taken place.

Mr. Fehmi Mehmeti, the Governor of the Central Bank of the Republic of Kosovo, stated that the insurance industry in Kosovo has had a more favorable performance which is a result of the reforms that have been taken in this sector. Mehmeti made these comments in an interview on the specialized insurance supplement "iInsurance",

stating that in addition to improvements in financial indicators and capitalization, there have been significant improvements in the implementation of modern corporate governance models.

The head of the CBK praised the work of the Kosovo Insurance Bureau (KIB) which has been run for a year by Mr. Sami Maz-

reku. According to the governor of the CBK, many positive reforms have taken place in KIB and such reforms were not easy, but have nevertheless increased the performance and efficiency within the KIB.

However, he added that beyond the current results, it is important to aim further improvements related to the allocation of



## SUCH RE-FORMS WERE NOT EASY, BUT HAVE NEVERTHELESS INCREASED THE PERFORMANCE AND EFFICIENCY WITHIN THE KIB

In two other instances, there are two companies that are in the process of addressing the remarks made by the examinations, according to the official reports of CBK.

### **KOSOVO IS THE FIRST COUNTRY IN THE REGION TO MODERNIZE THE INSURANCE INDUSTRY TO A COMPARABLE LEVEL WITH THAT OF THE EU**

Kosovo's insurance industry faced consequences last year due to the COVID-19 pandemic.

Where exactly was this sector affected and has it started to recover this year?

**Mehmeti:** The consequences of the COVID-19 pandemic have been felt in every sector of the economy in Kosovo. Similarly, the insurance industry has been affected as a result of the lockdown for a period of time and there were no extensions of vehicle insurance in the country. However, during this period of time, there were less accidents caused as a result of traffic being almost under lockdown. Nevertheless, the effects of the pandemic have been somewhat neutralized, but the long-term effects may take time to be noticed. CBK, however, is now, along with the World Bank, developing advanced models whereby we will be able to predict the effects of pandemic-like situations in the insurance industry.

These models are related to a series of substantial reforms which are the most advanced in the region and relate to market liberalization, the development of stress test for the insurance industry and the sensitivity analysis, and we are ultimately moving towards the Solvency II regulation. All of these reforms will not be easy for the industry, but Kosovo will be the first country in the region to modernize the insurance industry at a level comparable to the European Union countries.

### **CBK HAS NOTICED A DECREASE IN THE OPERATING COSTS OF KIB AND AN INCREASE IN THE PAYMENT OF CLAIMS**

A year ago, changes were made in the management of the Kosovo Security Bureau which is overseen by CBK.

How do you assess the one-year work of this institution?

reserves, payment of damages and above all, to have consistency in the payment of damages between the KIB and individual companies.

Hence, the Governor suggests to the KIB to take a more proactive role in communicating with the public, so that the citizens, as he says, are informed about their rights, the legal structure of the KIB, the responsibilities of the KIB within the compensation fund and the role of the KIB in educating the public about the compulsory insurance, and communicate with the central institutions to reduce the number of uninsured vehicles.

### **MEHMETI: THE MAIN PRIORITY DURING MY TERM WAS TO COMPLETE REGULATION OF THE INSURANCE INDUSTRY**

Since you took over as governor of CBK, many positive developments have taken place in the area of insurance in Kosovo. This sector which previously performed with losses is now performing with a positive trend. Can you identify in detail at least three most positive developments in this sector in the recent years?

**Mehmeti:** The insurance industry in Kosovo has faced many problems during the two decades of its operation. Among the main problems have been the poor corporate governance, delays in the payment of damages as well as the most serious violations such as lack of capitalization and provisioning according to the legal requirements. However, during my term in the office, I have made the complete regulation of this industry a top priority, commencing

with the capitalization. We have made serious efforts to give companies the opportunity and time to be regulated - adding capital within the legal timelines. Licenses were revoked in the instances where there was no response to capitalization and provisioning. By initiating such measures, we have seen an increased response from the industry as the shareholders of the insurers have added about 15 million Euros of capital over a short period of time. As a result, in September 2020, the industry was provisioned over 100% for the first time in a very long time. There are also some smaller issues which we are solving and expect to start in 2022 with a fully capitalized industry and an industry provisioned over 100%.

How was the performance of the insurance companies at the time you took over the CBK and how is it this year, can you make a comparison?

**Mehmeti:** The insurance industry has performed more favorably during this period of time as a result of the reforms that have been taken. Other than the improvements in financial indicators and capitalization, there have been significant improvements in the implementation of modern corporate governance models.



# 25-30%

of vehicles circulating in Kosovo are without insurance policies, according to different figures.

**Mehmeti:** I consider that KIB has been characterized by positive reforms. These reforms have not been easy but have nevertheless increased the performance and efficiency within the KIB. However, beyond the current results, it is important to aim further improvements related to the allocation of reserves, payment of claims and above all, to have consistency in the payment of claims between the KIB and individual companies. In addition, KIB should take a more proactive role in communicating with the public, so that the citizens are informed about their rights, the legal structure of the KIB, the responsibilities of the KIB within

the compensation fund and the role of the KIB in educating the public about the compulsory insurance, and communicate with the central institutions to reduce the number of uninsured vehicles.

**Has KIB managed to increase its performance after the changes that have taken place in its management?**

**Mehmeti:** There have been significant improvements. We greatly appreciate the fact that insurance companies have been more accountable to the Compensation Fund and this is one of the key areas of responsibility of the KIB. Beyond that, CBK has noticed

that there has been a reduction in expenditures in the KIB budget for operational and administrative matters, while there has been an increase in the budget for the payment of claims. We consider this a positive step because CBK has had instances in the past where it rejected the KIB budget as a result of not increasing the budget for the payment of damage claims. CBK considers other operational matters that increase the effectiveness of the KIB to be the responsibility of decision-making bodies within the KIB.

**Has KIB made progress in paying vehicle damages this year?**

**Mehmeti:** The CBK considers that despite the sporadic improvements that may occur, it is necessary to insist on a sustainable development and maximum reduction of claims. Therefore, CBK will continue to argue that KIB should use every mechanism to increase the efficiency and further improve the payment of claims.

**AGREEMENT WITH MONTENEGRO, POSITIVE FOR THE CITIZENS OF KOSOVO**

This summer, for the first time, the citizens of Kosovo traveled to Montenegro without paying the 15 Euro border insurance premium. Is this one of the main achievements of KIB?

**Mehmeti:** I consider that such agreements, not only with Montenegro but with any country in the region are positive for the citizens of the country. However, we need to



# 15%

of accidents in Kosovo directly involve uninsured vehicles.



# 2-3%

of the vehicles in the countries of the region are uninsured vehicles. Therefore, to get the membership in the green card, Kosovo should aim to reduce the total number of uninsured vehicles to at least 2-3%.

work on an approach that solves the problem permanently, which means green card membership.

#### **CROSS-BORDER INSURANCE COVERAGE FOR THE DIASPORA**

This year the Government of Kosovo has financially supported the payment of cross-border insurance for our compatriots.

Should this tradition continue or should another model be found?

Mehmeti: This year and last year, the Government of Kosovo has signed an agreement in cooperation with CBK and KIB, to cover the insurance premium for the Kosovo diaspora. I consider that for 2020 and 2021 there were economic reasons given that the intention of the Government was to facilitate the arrival of the diaspora in the country as the diaspora is an important source of economic development in the country. Throughout 2021, there has been an extraordinary influx of diaspora. We believe that this influx has substantially improved the economic activity in the country. However, I do not consider that paying cross-border insurance for our compatriots is a sustainable solution. This payment represents a significant financial burden for the budget of the Republic of Kosovo. In addition to being a financial burden, I consider that we should orient our commitments towards Kosovo's membership in the Green Card. If for some reason, be it even political,

this cannot be achieved in the short term, we should focus on ensuring the mechanisms through a third country to cover Kosovo with a Green Card. Let us not forget that the cost of cross-border insurance is much higher in other countries that apply it on the citizens of Kosovo when they travel to any country of the European Union. Therefore, by having access to the Green Card, we protect the citizens of the Republic of Kosovo.

**Your goal is Kosovo's membership in the Green Card Bureaux.**

**What commitments are being made in this regard and when is such a thing expected to happen?**

Mehmeti: We have consistently had concrete commitments for membership in the Green Card. We are also coordinating with government institutions, whereby a joint working group has now been established for this purpose. We will give our full contribution to become a member. In case of any difficulties due to political reasons, we aim to cover Kosovo with the insurance policy under the Green Card Agreement, through a third country.

#### **KOSOVO HAS MET 2 OF THE 3 MAIN REQUIREMENTS FOR MEMBERSHIP IN THE GREEN CARD**

A condition for membership in the Green Card Bureaux is also the reduction of the

number of unregistered vehicles.

**Some time ago you took the initiative to reduce such a number and is there any progress in this regard?**

Mehmeti: Kosovo has met 2 of the 3 main requirements for membership in the Green Card. These conditions include the establishment of the Kosovo insurance Bureau, the approval of the Motor Third Party Liability Law and the reduction of the number of uninsured vehicles. We must keep in mind that the latter requirement has not been met as the number of uninsured vehicles continues to be high. There are various figures regarding the number of uninsured vehicles and such figures indicate that about 25-30% of vehicles circulating have no insurance policies. I consider that this figure is exaggerated as the registration database within the Ministry of Internal Affairs has not undergone a clean-up process. However, the number is very high and at unacceptable levels. I say this based on the fact that about 15% of accidents in the country directly involve uninsured vehicles whereas about 17% of damages are paid in these accidents as damage values.

These are high figures. Before joining the Green Card, the countries in the region had about 2-3% of uninsured vehicles. Therefore, to get the membership in the green card, Kosovo should aim to reduce the total number of uninsured vehicles to at least 2-3%.



# Mazreku: The agreement with Montenegro is considered historic

The citizens of Kosovo will not pay 15 Euros of border insurance from the 1st of July. The agreement between the two countries on mutual recognition of insurance policies has entered into force.

The citizens of Kosovo will not pay 15 Euros of border insurance from the 1st of July. The agreement between the two Bureaus on mutual recognition of insurance policies has entered into force. This agreement was made possible thanks to the memorandum of understanding which was signed between the

Insurance Bureaus of the two countries.

Mr. Sami Mazreku, the director of the Kosovo Insurance Bureau, said that this is considered a great and historic agreement.

"The Kosovo Bureau, the Central Bank, the Ministry of Finance and the Ministry of Internal Affairs signed an agreement last week

(on 24 June). This agreement will enter into force on the 1st of July, according to which all policies that will be issued at border crossing points for the duration of one month, will be covered by the Government of Kosovo, the Ministry of Finance, and it ends on the 31st of December", said director Mazreku.



According to him, the citizens moving from Kosovo to Montenegro, will have the TPL Plus policy which they receive for Macedonia and Serbia and the said policy will apply to the territory of Montenegro, without having to pay an additional price.



#### **THE GOVERNMENT SUPPORTS THE KOSOVO INSURANCE BUREAU ON THE AGREEMENT WITH THE NATIONAL BUREAU OF MONTENEGRO ISNURES**

On the invitation of the Deputy Prime Minister of the Government of the Republic of Kosovo, Emilja Redžepi, a meeting was held with Mr. Sami Mazreku, the Executive Director of the Kosovo Insurance Bureau. They discussed

the initiative of the Kosovo Insurance Bureau to sign a Memorandum of Understanding with the National Bureau Montenegro In-surers regarding the mutual recognition of insurance policies by both countries. Deputy Prime Minister Redžepi and her associates expressed the full support of the Government of the Republic of Kosovo for the Kosovo Security Bureau in the processes of representing the institution and in enabling the free movement of citizens of both countries, without being obliged to buy the mutual border insurance, until full membership in the Council of Bureaux in Brussels. In addition, in the meeting it was discussed to formalize the working group by the Government of the Republic of Kosovo with regard to meeting other preconditions for the above membership, with particular emphasis on addressing the issue of unregistered and uninsured motor vehicles which are among the main criteria to be met. Mr. Mazreku, the Executive Director informed Deputy Prime Minister Redžepi that the Kosovo Insurance Bureau will take a decision in the coming days to support the Kosovo Police with advanced technological equipment to identify motor vehicles that have no registration and insurance, as well as the need to address the issue of conditional payment of municipal and other taxes for the

registration of motor vehicles in the country which will be handled institutionally.



#### **TAK AND THE KOSOVO SECURITY BUREAU SIGN A COOPERATION AGREEMENT**

The Tax Administration of Kosovo and the Kosovo Insurance Bureau signed a Cooperation Agreement today. The agreement was signed by the General Director of TAK, Mr. Ilir Murtezaj and the Executive Director of KIB, Mr. Sami Mazreku.

The purpose of this agreement is the exchange of information between TAK and KIB in real time concerning legal entities in the Republic of Kosovo. This exchange of information between the two institutions enables the improvement of the motor vehicle registration cycle in Kosovo, as well as the avoidance of cases of fraud and the implementation of compensation procedures for injured parties in a timely and appropriate manner, and KIB being the institution responsible to take such actions and follow the procedures. This agreement obliges KIB to share electronically, all the details related to various insurances, their categorization, as well as compensation for damages to natural and legal persons, with the Tax Administration of Kosovo based on the specifications required by the latter institution. KIB must also provide data on technical provisions, receivables provisions, reserves, income from insurance premiums, reinsurance, premiums earned, including the number of insured and uninsured vehicles by citizens and businesses. Under the terms of the agreement, all official data and documents which are made available by the signatory parties will be used only for the purposes of official activities.



#### MEMORANDUM OF COOPERATION WITH THE CIVIL REGISTRATION AGENCY

Memorandum of Cooperation signed between the Civil Registration Agency and the Kosovo Insurance Bureau for the electronic exchange of data.



#### SIGNING OF A MEMORANDUM WITH "TEMPULLI" COLLEGE

Signing of the Memorandum of Cooperation between the Kosovo Security Bureau, represented by the Executive Director Mr. Sami Mazreku and Tempulli Academy, represented by the Director Mr. Muhamed Krasniqi. The agreement provides for professional cooperation in the area of insurance, organization of professional training for insurance, organization of scientific roundtables, exchange of literature in the area of insurance, professional internships and lectures for students.



## The signing of the agreement covering the border insurance premium

The Ministry of Finance, Labor and Transfers in cooperation with the Central Bank of the Republic of Kosovo, the Ministry of Internal Affairs and the Kosovo Insurance Bureau, signed today the Memorandum to cover the cost of the border insurance for the parties that are subjected to border insurance. "The object of this agreement are all cars and motorcycles entering the border crossings points in the Republic of Kosovo for which the Government of the Republic of Kosovo covers 100% of the value of the border insurance premium. The insurance policy becomes effective at the time of issuance and is valid for

1 month from the date of issuance. The insurance policy will be purchased in a hard-copy in all KIB sales shops in border crossing points", it was said in the announcement of the Ministry of Finance, Labor and Transfers. At the same time, the Central Bank of the Republic of Kosovo has decided today to reduce the fee by 35% which will consequently reduce the overall cost. The signing of this agreement is a symbolic act in support of our diaspora which serves as a pillar of the country's economy. In 2020 alone, remittances from the diaspora have reached an amount of more than 1 billion Euros.



#### KIB ALSO SUPPORTS THE 6TH GLOBAL ROAD SAFETY WEEK IN THE COUNTRY

The Kosovo Insurance Bureau remains concerned about the large number of unregistered vehicles in Kosovo and there are currently more than 200,000 unregistered vehicles. The movement of these unregistered vehicles on the roads of the country constantly endanger all participants in road traffic. In order to support the 6th Global Road Safety Week in the country, the Executive Director Mr. Sami Mazreku considers that the movement of vehicles at a speed of 30 km per hour in urban areas is vital to road safety and has a direct impact on the significant reduction of human injuries and material damages in the event of traffic accidents.



#### AGREEMENT WITH AAB COLLEGE

The agreement's goal is the professional cooperation in the area of insurance, organization of professional training on insurance such as: insurance basics, risk management, risk analysis, life and non-life insurance products, reinsurance, marketing, sales channels; joint lecture in insurance mediation training and other professional training. In addition, under this agreement, the parties agreed to jointly organize debates and scientific roundtables where issues of interest will be addressed, such as: discussions on the development of the financial insurance market; insurance market analysis and impact on the economy; trends in insurance - development of systems and products, etc.

#### Agreement with "Pjetër Budi" college

Signing of the Memorandum of Cooperation between the Kosovo Security Bureau, represented by the Executive Director Mr. Sami Mazreku and "Pjetër Budi" College represented by Rector Artan Haziri.



## MP Balje receives support for mutual recognition of insurance with Bosnia

Today, the Member of the Assembly of the Republic of Kosovo, Dude Balje, met with the Executive Director of the Kosovo Insurance Bureau Mr. Sami Mazreku from whom she received support for the removal of the application of the border insurance with Bosnia and Herzegovina, through mutual recognition of insurance certificates, valid for the respective countries.

MP Balja asked the Kosovo Insurance Bureau to look into the possibilities based on its legal powers, for Kosovo and Bosnia to remove the application of border

insurance, by applying the modalities recognized by the Green Card system.

"Today we met with the director of the Kosovo Insurance Bureau. We asked him to remove this obstacle for the movement of the citizens of both countries. Mazreku gave us his support for this initiative which I consider will be welcomed by both countries. This initiative would be positive as the Government has taken the decision to travel with ID cards," she said.

On the other hand, the Executive Director of the Kosovo Insurance Bureau, Mr. Sami Mazreku, thanked MP Balje and the Deputy Minister of Re-

gional Development Mr. Almir Veliji for the visit and expressed his readiness to open a new window of cooperation with Bosnia and Herzegovina.

"We welcomed MP Balje in a meeting today. We supported her initiative in that we as the Bureau look into the possibility of removing border insurance with Bosnia, enabling the movement through mutual recognition of insurance certificates of both countries. For the moment, we are finalizing such a process of mutual recognition of insurance with the Montenegrin Bureau for the respective territories" he said.



### MARRËVESHJE ME UNIVERSITETIN HAXHI ZEKA

Nënshkrimi i Memorandumit të bashkëpunimit në mes Byrosë Kosovare të Sigurimit, përfaqësuar nga drejtori ekzekutiv z. Sami Mazreku dhe Universitetit "Haxhi Zeke" përfaqësuar nga dektori prof. dr. Fadil Millaku.



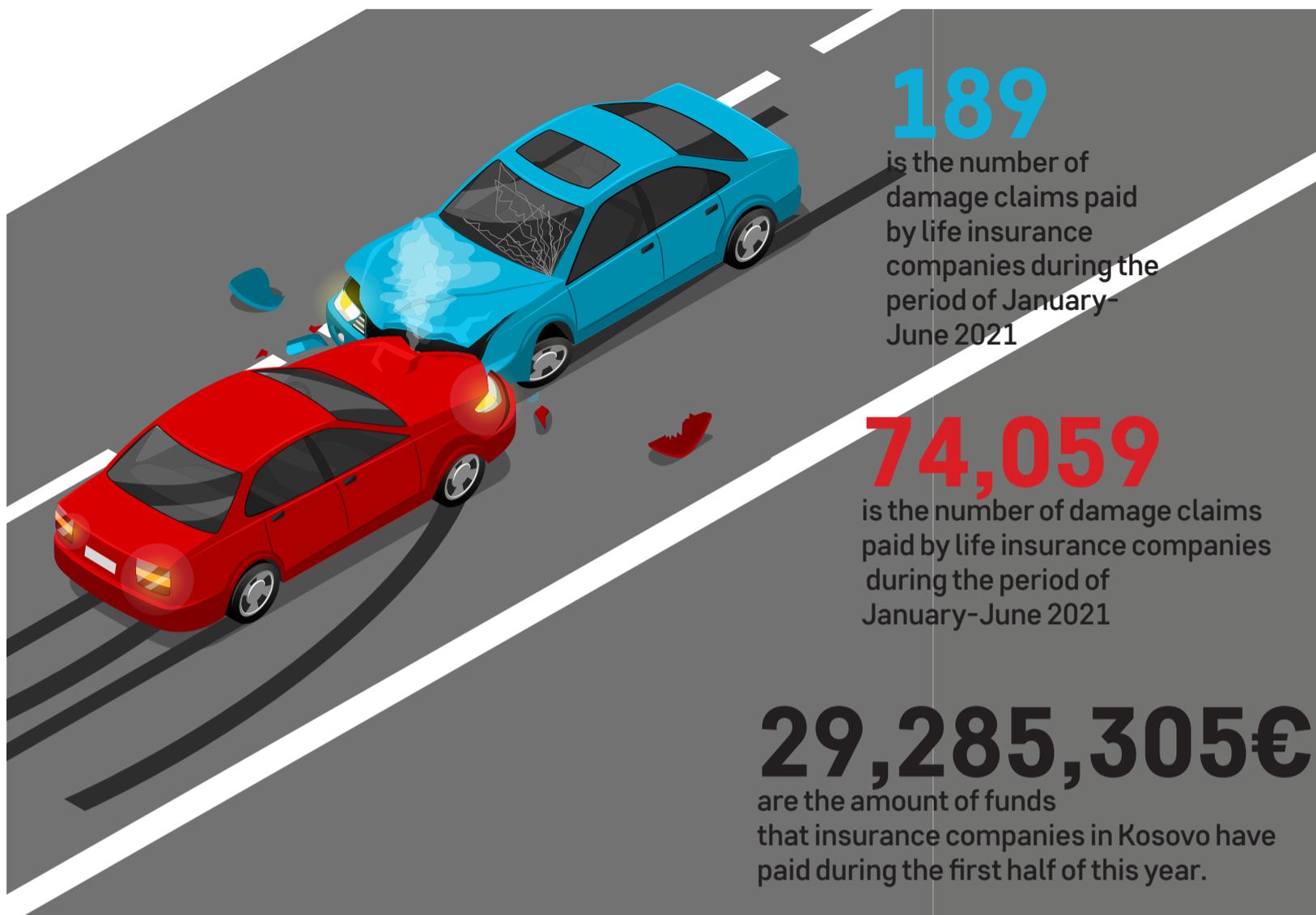
### Agreed cooperation

Drejtori i Byrosë Kosovare të Sigurimit (BKS), Sami Mazreku, ka prit drejtorin e Odës Ekonomike të Britanisë në Kosovë, Bekim Kastratin, me të cilin kanë biseduar për mundësitë e bashkëpunimit në mes të këtyre dy Institucioneve të rëndësishme. Në takim përfaqësuesit e Odës Ekonomike të Britanisë në Kosovë kanë bërë të ditura projektet në vazhdim, të cilat do të kenë ndikim në sigurimin e automjeteve. Të dyja palët u pajtuan ta zyrtarizojnë bashkëpunimin duke nënshkruar memorandum bashkëpunimi.

### Marrëveshje me kolegjin "Universum"

Kolegji Universum dhe Byroja Kosovare e Sigurimit kanë nënshkruar Memorandum bashkëpunimi. Memorandumi në mes të Kolegjit Universum dhe BKS-së është nënshkruar nga Z. Sami Mazreku, drejtor ekzekutiv i BKS-së dhe Z. Alejtin Berisha, president i Kolegjit Universum. Marrëveshja parasheh bashkëpunimin profesional në fushën e sigurimeve, në organizimin e trajnimeve profesionale për sigurimet, organizimin e tryezave të rumbullakëta debatuese shkencore, shkëmbimin e literaturës në fushën e sigurimeve, praktika profesionale dhe ligjërata për studentë.





## Insurance companies increased the payment of claims by 35.42%

Payment of claims during the first half of this year has increased by 35.42%, compared to the same period of the previous year. Representatives of the insurance industry say that the fast payment of damages is a priority of every company operating in our country

The insurance companies operating in our country paid about 30 million Euros in damages only during the first half of this year. The official data of the Central Bank of Kosovo show that during the period of January-June 2021 a total of 29,285,305 Euros were paid in damages or 35.42% more than during the same period of January-June 2020.

“The number of claims paid during the period of January-June 2021 compared to the same period of the previous year has increased by 15,598 damage claims, reaching 74,059 damage claims, of which 73,870 damage claims were paid by non-life insurance companies and 189 by Life insurance companies”, says the official report of the Central Bank of Kosovo.

### **MAZREKU: PAYMENT OF DAMAGES IS A PRIORITY FOR EVERY COMPANY**

Mr. Sami Mazreku, the representatives of the Kosovo Insurance Bureau says that the fast

payment of claims is a priority of every company operating in our country.

Mr. Mazreku further informs me that from year to year there is a significant increase, both in the amount of claims paid, as well as the rapid timing of compensation.

“Despite the difficult time faced by the insurance industry as well as the entire local economy as a result of the COVID-19 pandemic, the payment of claims continued at an accelerated pace. The vast majority of damages are currently paid in record time”, said director Mazreku.

According to him, there has been a significant increase in the amount of payment, but also in the fast time of payment in the Kosovo Insurance Bureau.

### **GOVERNOR: THE INDUSTRY HAS BEEN PROVISIONED WITH OVER 100%**

Mr. Fehmi Mehmeti, the Governor of the Central Bank of Kosovo said that the insurance industry in Kosovo has faced many prob-

lems during its period of operation. Among the main problems have been the poor corporate governance, delays in the payment of claims, and even the most serious violations such as lack of capitalization and provisioning according to the legal requirements. “However, during my term in the office, I have made the complete regulation of this industry a top priority, commencing with the capitalization. We have made serious efforts to give companies the opportunity and time to be regulated - adding capital within the legal timelines. Licenses were revoked in the instances where there was no response to capitalization and provisioning. By initiating such measures, we have seen an increased response from the industry as the shareholders of the insurers have added about 15 million Euros of capital over a short period of time. As a result, in September 2020, the industry was provisioned over 100% for the first time in a very long time” he said.