

# INSURANCE COMPANIES CONTROL SERVICE

## REPORT ON INSURANCE IN CYPRUS 2011

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## REPORT ON INSURANCE IN CYPRUS - 2011

<u>CONTENTS</u>		<u>Pages</u>
<b>Main parts:</b>		
<b>Part 1: General Overview of the Insurance Market in Cyprus and main results for the year 2011</b>		<b>3 – 5</b>
<b>Part 2: Significance of Insurance Business in Cyprus in terms of written premiums and GDP</b>		<b>6</b>
<b>Part 3: Gross Premiums Written – By type of Insurance Business (Non-Life and Life) and by Type of Undertakings</b>		<b>7 – 8</b>
<b>Part 4: Gross Premiums Written Analysis for Non-Life Business</b>		<b>9 – 10</b>
<b>Part 5: Gross Premiums Written &amp; New Business Analysis for Life Business</b>		<b>11 – 14</b>
<b>Part 6: Aggregate (whole market) Total of Results transferred to/from the Non-technical Accounts</b>		<b>15 – 16</b>
<b>Part 7: Total Assets, Shareholders Equity and Results transferred to/from the Non-technical Accounts</b>		<b>17 – 21</b>
<b>Part 8: Gross Technical Reserves and Gross Total Liabilities</b>		<b>22 – 24</b>
<b>Part 9: Available Assets and Minimum Solvency Margin</b>		<b>25 – 26</b>
<b>Appendices:</b>		
<b>Appendix 1:</b>	<b>Analysis of Premiums Written by Undertaking</b>	<b>27 – 28</b>
<b>Appendix 2:</b>	<b>Analysis of the Investments covering technical reserves</b>	<b>29 – 37</b>
<b>Appendix 3:</b>	<b>Analysis of Claims and Expenses incurred by type of business and by insurance class</b>	<b>38 – 41</b>
<b>Appendix 4:</b>	<b>Insurance/Reinsurance Undertakings transacting business in or outside Cyprus</b>	<b>42 – 45</b>

Note:

All the statistical figures included in this Report are strictly insurance business figures, and they are based on the 2011 Annual Statutory Accounts, which were submitted by 31/5/2012, by the insurance undertakings supervised by the Insurance Companies Control Service.

Also, this Report does not include any statistical figures relating to the business carried out in Cyprus by Branches of EU Insurance Undertakings, which are transacting this business under the FOE regime or under the FOS regime.

# 1. General Overview of the Insurance Market in Cyprus and main results for the year 2011

## 1.1 Undertakings supervised by the Cyprus Insurance Companies Control Service

During the year **2011**, the Insurance Companies Control Service (ICCS) of the Ministry of Finance of the Republic of Cyprus Government, which is under the authority of the Superintendent of Insurance Mrs Victoria Natar, was responsible for the supervision of **35** insurance/reinsurance undertakings or branches of Non-EU insurance/reinsurance undertakings incorporated in Cyprus as follows:

- **26** Domestic Business Undertakings, which transact all or the greatest part of their business in Cyprus,
- **6** International Business Undertakings, which transact all or the greatest part of their business outside Cyprus, and
- **3** Foreign Undertakings, which are branches of Non-EU insurance/reinsurance undertakings, while 2 of these branches transact domestic business and the other one transacts its business outside Cyprus.

A detailed list and classification of all the insurance/reinsurance undertakings, including the insurance classes in which they were authorized, as at 31/12/2011, is provided in sections A, B and C of *Appendix 4* of this Report.

The supervision of the above undertakings was exercised in accordance with the Insurance Services and Other Related Issues Laws of 2002-2011 and their accompanying Regulations.

## 1.2 Undertakings Supervised by other EU or EEA authorities

Following the accession of Cyprus in the EU on 1/5/2004, insurance undertakings, which are incorporated in any other EU or EEA Member State, are allowed, after appropriate notification by their respective Home supervisory authorities, to provide insurance services in the Republic of Cyprus under the regimes of Freedom of Establishment (FOE) or Freedom of Services (FOS).

During 2011, there were **4** EU/EEA insurance undertakings with permission from their home supervisory authorities to provide insurance services in the Republic of Cyprus through branches, under the FOE regime. In addition, there were **394** EU/EEA insurance undertakings with permission to provide insurance services in the Republic of Cyprus, under the FOS regime.

More information about these undertakings is provided in sections D and E of *Appendix 4* of this Report. The supervision of these undertakings is exercised by the supervisory authorities of their Home EU or EEA Member States.

## 1.3 Main parameters and results of the Domestic Insurance Business in Cyprus for the year 2011

### 1.3.1 Written Premiums

As per Part 3 of the Report, during 2011, the total gross premiums written by all the undertakings which transact Domestic Business and are supervised by ICCS, including the Branches of Non-EU undertakings, were **€847.745.000**, and they present an **increase of 3.15%** compared to the previous year. This amount includes the premiums produced outside Cyprus by the Domestic Business undertakings, and, at the same time, it excludes the premiums produced in Cyprus by the International Business undertakings.

The respective amount, as shown in Part 2 of the Report, after exclusion of the premiums produced outside Cyprus by the Domestic Business undertakings, and after inclusion of the premiums produced in Cyprus by the International Business undertakings, was **€815.544.000**. This amount presents an **increase of 1.41%** compared to the previous year, and represents a rate of **4.59%** of the Gross Domestic Product.

The respective life business gross premiums written, as per Part 3 of the Report, including the life business premiums produced by Composite undertakings, were **€379.157.000**, and they show an **increase of 2.76%** (6.32% in 2010) over the previous year. These premiums held a share of **43.35%** (43.52% in 2010) of the total premiums. The respective premiums for non-life business, including the non-life business premiums produced by Composite undertakings, were **€495.315.000**, and they present an increase of **3.46%** (5.31% in 2010) over the previous year. These premiums held a share of **56.65%** (56.48% in 2010) of the total premiums.

### 1.3.2 Claims and expenses incurred

As per section I of *Appendix 3* of the Report, the total gross claims incurred during 2011 for the undertakings which transact Domestic Business were **€287.830.000** (€251.206.000 in 2010) for Life Business, and **€587.041.000** (€245.963.000 in 2010) for Non-Life Business. For the life business, the claims incurred include claims relating to death, disability and critical illness benefits, and also claims for surrenders, maturities and annuity benefits. Also, for the Non-Life business, the 2011 amount, is an extraordinary amount, as it includes a provision of about €350.000.000 for the expected damages from a single catastrophic event that incurred that year.

As per section II of *Appendix 3* of the Report, the expenses incurred during 2011 for the undertakings which transact Domestic Business amounted to **€79.571.000** (€82.608.000 in 2010) for Life Business, and **€142.320.000** (134.641.000 in 2010) for Non-Life business. The corresponding ratios of gross expenses over gross premiums were **21%** (22% in 2010) and **29%** (28% in 2010) respectively.

### 1.3.3 Underwriting Result – Amount transferred to Profit & Loss Accounts

As per the analysis in Part 6 of the Report, at 31/12/2011 the Aggregate Result transferred to the non-technical account for Life Domestic Business undertakings was at the level of **-€25.338.000** (€27.299.000 in 2010). This result though, is not representative for the whole market, as the biggest part came from one undertaking, which had a loss of €46.000.000 in 2011 compared to a loss of €1.000.000 in 2010.

The respective result for Non-Life Business undertakings was positive at the level of **€34.119.000** (€27.434.000 in 2010).

For the Composite undertakings, the result was also positive at the level of **€1.048.000** (-€1.247.000 in 2010).

### 1.3.4 Technical Provisions

As per the analysis in Part 8 of the Report, at 31/12/2011 the Gross Technical Reserves for Life Domestic Business (including the respective amount coming from Composite Business Companies) were at the level of **€1.723.634.000** (€1.865.261.000 at 31/10/2010). The respective Gross Total Liabilities for Life Business (including the Gross Technical Reserves) were **€1.785.904.000** (€1.901.810.000 at 31/10/2010).

The respective amount for technical provisions for non-Life business was at the level of **€808.124.000** (€467.552.000 at 31/10/2010), and the total Liabilities (including the Gross Technical Reserves) were **€977.031.000** (€604.463.000 at 31/10/2010).

### 1.3.5 Total Assets

As per the analysis in Part 7 of the Report, at 31/12/2011 the Total assets (including the Shareholders Assets) for domestic life business were at the level of **€2.022.351.000** (€2.104.957.000 at 31/10/2010). The Shareholders Assets included therein were **€271.043.000** (€247.529.000 at 31/10/2010).

The respective amount for domestic non-life business was at the level of **€1.028.822.000** (€665.227.000 at 31/10/2010). The respective amount for the Shareholders Assets included therein was **€193.466.000** (€200.981.000 at 31/10/2010).

The respective amount for domestic composite companies business was at the level of **€206.341.000** (€218.607.000 at 31/10/2010). The respective amount for the Shareholders Assets included therein was **€30.070.000** (€34.009.000 at 31/10/2010).

### 1.3.6 Solvency Requirements and Free Shareholders' Assets

As per the analysis in Part 9 of the Report, at 31/12/2011 the Minimum Solvency Margin requirement for all the Domestic Business Companies (life and non-life together) was at the level of **€196.638.000** (€184.760.000 at 31/12/2010). The respective Solvency Coverage Ratio (MSM over the Free Shareholder Assets, which were approved for solvency coverage purposes) was **2.14** (2010: 2.29).

## 2. Significance of Insurance Business in Cyprus in terms of written premiums\*

**Table 1: Domestic Business Premiums as % of GDP**

	2011	2010	2009
<b>GDP (Euro thousand)</b>	17.761.400*	17.465.100	16.945.700
<b>Life Premiums written in Cyprus (Euro thousand)</b>	366.143	356.537	336.587
<b>Ratio of Life Premiums to GDP</b>	<b>2,06%</b>	<b>2,04%</b>	<b>1,99%</b>
<b>Non-Life Premiums written in Cyprus (Euro thousand)</b>	449.401	447.644	438.718
<b>Ratio of Non-Life Premiums to GDP</b>	<b>2,53%</b>	<b>2,56%</b>	<b>2,59%</b>
<b>Aggregate Premiums written in Cyprus (Euro thousand)</b>	<b>815.544</b>	<b>804.181</b>	<b>775.305</b>
<b>Ratio of Aggregate Premiums to GDP</b>	<b>4,59%</b>	<b>4,60%</b>	<b>4,58%</b>

\* The GDP values are current values and are based on the most recent National Accounts published by the Cyprus Statistics Service.

Notes: (1) The above premiums refer to premiums produced in Cyprus by Domestic Business Undertakings and by Foreign Undertakings which are branches of Non-EU Insurance Undertakings in Cyprus and are transacting Domestic Business. (2) Any premiums produced outside Cyprus by Domestic Business Undertakings have been excluded, while any premiums produced in Cyprus by International Business undertakings have been included.

**Table 2: Domestic Business Premiums (as per Table 1a) per capita**

	2011	2010	2009
<b>Population (areas controlled by Republic of Cyprus Government)</b>	862.000	839.800	800.100
<b>Life Premiums written in Cyprus (Euro thousand)</b>	366.143	356.537	336.587
<b>Life Premiums per capita (Euros)</b>	<b>425</b>	<b>425</b>	<b>419</b>
<b>Non-Life Premiums written in Cyprus (Euro thousand)</b>	449.401	447.644	438.718
<b>Non-Life Premiums per capita (Euros)</b>	<b>521</b>	<b>533</b>	<b>545</b>
<b>Aggregate Premiums (Euro thousand)</b>	<b>815.544</b>	<b>804.181</b>	<b>775.305</b>
<b>Aggregate Premiums per capita (Euros)</b>	<b>946</b>	<b>958</b>	<b>965</b>

### 3. Gross Written Premiums – By type of Insurance Business (Non-Life and Life) and by type of Undertakings

#### 3.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Table 3: Gross premiums written in Cyprus by type of insurance business (in Euro Thousand)**

	2011	2010	2009
<b>LIFE BUSINESS</b>	379.157	368.977	347.055
<b>NON-LIFE BUSINESS</b>	495.315	478.768	454.645
<b>TOTAL</b>	<b>874.472</b>	<b>847.745</b>	<b>801.700</b>

Notes:

(1) The gross premiums written in other EU or EEA states, either through FOE or through FOS, by Domestic Business Undertakings which transact mainly domestic business, have been taken in consideration in all relevant Tables in this Report (except in tables 1 & 2, of Part 2 of the Report). (2) The premiums produced by Composite Undertakings have been split accordingly between Life and Non-Life business, and the premiums for Accident & Health classes of business which are attached on Life policies as riders have been included in the Non-Life Business in all relevant Tables in the Report.

**Table 4: Gross Premiums written in Cyprus by type of undertaking (in Euro Thousand)**

	2011	2010	2009
<b>Life undertakings</b>	406.936	393.392	373.835
<b>Non-life undertakings</b>	384.110	366.685	345.759
<b>Composite undertakings</b>	83.426	87.668	82.106
<b>Total Premiums written in Cyprus</b>	<b>874.472</b>	<b>847.745</b>	<b>801.700</b>

A more detailed analysis by undertaking is provided in Appendix 1.

### 3.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Table 5: Gross premiums written outside Cyprus by type of insurance business (in Euro Thousand)**

	2011	2010	2009
<b>LIFE BUSINESS</b>	93.581	94.704	106.377
<b>NON-LIFE BUSINESS</b>	67.238	69.896	78.078
<b>TOTAL</b>	<b>160.819</b>	<b>164.600</b>	<b>184.455</b>

Note: The premiums produced by Composite Undertakings have been split accordingly between Life and Non-Life business, and the premiums for Accident & Health classes of business which are attached on Life policies as riders have been included in the Non-Life Business in all relevant Tables in this Report.

During 2011, the total gross premiums written by International Business Undertakings and Branches of Non-EU Undertakings which transact International Business from Cyprus presented a reduction of -2.30% (2010: -10.73%). As far as life business only, the respective gross premiums presented a decrease of -1.18% (2010: -17.20%), and they were 58.19% (2010: 57.53%) of the total premiums. The respective gross premiums for Non-Life business presented a reduction of -3.80% (2010: -10.48%), and they were 41.81% (2010: 42.47%) of the total premiums.

**Table 6: Gross premiums written outside Cyprus classified by type of undertaking (in Euro Thousand)**

	2011	2010	2009
<b>Life undertakings</b>	88.159	89.560	100.775
<b>Non-life undertakings</b>	57.322	59.999	68.443
<b>Composite undertakings</b>	15.338	15.041	15.237
<b>Total Premiums written outside Cyprus</b>	<b>160.819</b>	<b>164.600</b>	<b>184.455</b>

A more detailed analysis by undertaking is provided in Appendix 1.



## 4. Gross Written Premiums analysis for Non-Life Business

### 4.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Table 7: Gross Non-life premiums classified by type of undertaking (in Euro Thousand)**

	2011	2010	2009
Premiums written by Non-Life undertakings	384.110	366.685	345.759
Non-Life Premiums written by composite undertakings	43.220	47.748	44.440
Non-Life Premiums written by Life undertakings (Accident & Health)	67.985	64.335	64.446
<b>TOTAL</b>	<b>495.315</b>	<b>478.768</b>	<b>454.645</b>

Note: The Non-Life Premiums written by Life undertakings (Accident & Health) are the premiums which come from long term duration riders attached on Life policies and premiums which come from either short term duration riders attached on Life policies or short term duration individual policies.

**Table 8: Gross Non-life premiums classified by insurance class (in Euro Thousand)**

	2011	2010	2009
Accident & Health	97.214	92.326	87.158
Motor Vehicle	210.878	202.928	195.767
Marine, Aviation & Transport	5.807	6.270	6.766
Fire & Other Damage to Property	125.489	124.417	115.332
General Liability	41.626	41.203	39.754
Credit & Surety ship	189	235	327
Miscellaneous	14.112	11.389	9.541
<b>TOTAL</b>	<b>495.315</b>	<b>478.768</b>	<b>454.645</b>

#### 4.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Table 9: Gross Non-life premiums classified by type of undertaking (in Euro Thousand)**

	2011	2010	2009
Premiums written by non-life undertakings	57.322	59.999	68.443
Non-Life Premiums written by composite undertakings	9.916	9.897	9.635
Non-Life Premiums written by Life undertakings (Accid.&Health)	0	0	0
<b>TOTAL</b>	<b>67.238</b>	<b>69.896</b>	<b>78.078</b>

**Table 10: Non-life premiums classified by insurance class (in Euro Thousand)**

	2011	2010	2009
Accident & Health	5.103	5.534	5.511
Motor Vehicle	13.312	9.573	4.476
Marine, Aviation & Transport	3.959	6.359	11.707
Fire & Other Damage to Property	38.672	39.865	49.466
General Liability	2.623	3.832	2.993
Credit & Suretyship	0	0	0
Miscellaneous	3.569	4.733	3.925
<b>TOTAL</b>	<b>67.238</b>	<b>69.896</b>	<b>78.078</b>

## 5. Gross Written Premiums & New Business analysis for Life Business

### 5.1 Gross Life Premiums classified by type of undertaking (Life or Composite)

#### 5.1.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Table 11: Gross Life Premiums (in Euro Thousand)**

	2011	2010	2009
Life premiums written by Life undertakings	338.951	329.057	309.389
Life premiums written by Composite undertakings	40.206	39.920	37.666
<b>TOTAL</b>	<b>379.157</b>	<b>368.977</b>	<b>347.055</b>

#### 5.1.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Table 12: Gross Life Premiums (in Euro Thousand)**

	2011	2010	2009
Life premiums written by Life undertakings	88.159	89.560	100.775
Life premiums written by Composite undertakings	5.422	5.144	5.602
<b>TOTAL</b>	<b>93.581</b>	<b>94.704</b>	<b>106.377</b>

### 5.2 Gross Life Premiums classified by type of product (Unit-Linked or Non-Linked)

#### 5.2.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Table 13: Gross Life Premiums (in Euro Thousand)**

	2011	2010	2009
<b>Unit – Linked</b>	<b>285.611</b>	<b>279.141</b>	<b>261.128</b>
of which Single	23.330	12.700	6.974
of which Regular	262.281	266.441	254.154
<b>Non – Linked</b>	<b>93.546</b>	<b>89.837</b>	<b>85.926</b>
of which Single	1.853	1.048	797
of which Regular	91.693	88.789	85.129
<b>TOTAL</b>	<b>379.157</b>	<b>368.978</b>	<b>347.054</b>

## 5.2.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Table 14: Gross Life Premiums (in Euro Thousand)**

	2011	2010	2009
<b>Unit – Linked:</b>	26.143	39.114	40.980
of which Single	25.331	38.054	38.030
of which Regular	812	1.060	2.950
<b>Non – Linked:</b>	67.438	55.590	65.397
of which Single	14.667	11.300	19.996
of which Regular	52.771	44.290	45.401
<b>TOTAL</b>	<b>93.581</b>	<b>94.704</b>	<b>106.377</b>

## 5.3 Gross Life Premiums split between Individual & Group policies

**Table 15a: Domestic business - Individual and Group Premiums (in Euro Thousand)**

	2011	2010	2009
<b>Individual</b>	335.324	328.084	310.858
<b>Group</b>	43.833	40.894	36.195
<b>TOTAL</b>	<b>379.157</b>	<b>368.978</b>	<b>347.053</b>

**Table 15b: International business - Individual and Group Premiums (in Euro Thousand)**

	2011	2010	2009
<b>Individual</b>	93.581	94.704	106.377
<b>Group</b>	0	0	0
<b>TOTAL</b>	<b>93.581</b>	<b>94.704</b>	<b>106.377</b>

## 5.4 New Individual Life Business - by Number of Contracts

**Table 17: Unit-Linked and Other Contracts**

	2011			2010		
	Number of Contracts			Number of Contracts		
	Unit-Linked	Other	Total	Unit-Linked	Other	Total
<b>Domestic business</b>	17.624	12.207	<b>29.831</b>	19.670	13.338	<b>33.008</b>
<b>International business</b>	707	46.020	<b>46.727</b>	1.146	52.627	<b>53.773</b>

Note: The above figures are for both regular and single premium policies.

## 5.5 New Individual Life Business - by Premiums

### 5.5.1 New Regular Annualized Premiums for Individual Life Policies

**Table 18: Unit - Linked and Other (in Euro Thousand)**

	2011			2010		
	Unit-Linked	Other	Total	Unit-Linked	Other	Total
<b>Domestic business</b>	30.936	6.312	<b>37.248</b>	37.504	8.669	<b>46.173</b>
<b>International business</b>	46	19.389	<b>19.435</b>	83	13.485	<b>13.568</b>

### 5.5.2 New Single Premiums for Individual Life Policies

**Table 19: Unit - Linked and Other (in Euro Thousand)**

	2011			2010		
	Unit-Linked	Other	Total	Unit-Linked	Other	Total
<b>Domestic business</b>	20.313	1.798	<b>22.111</b>	10.685	1.049	<b>11.734</b>
<b>International business</b>	25.332	14.660	<b>39.992</b>	37.708	11.687	<b>49.395</b>

## 5.6 New Annualized Premiums for Group Life Business – by number of contracts and premiums

**Table 20: Other (in Euro Thousand)**

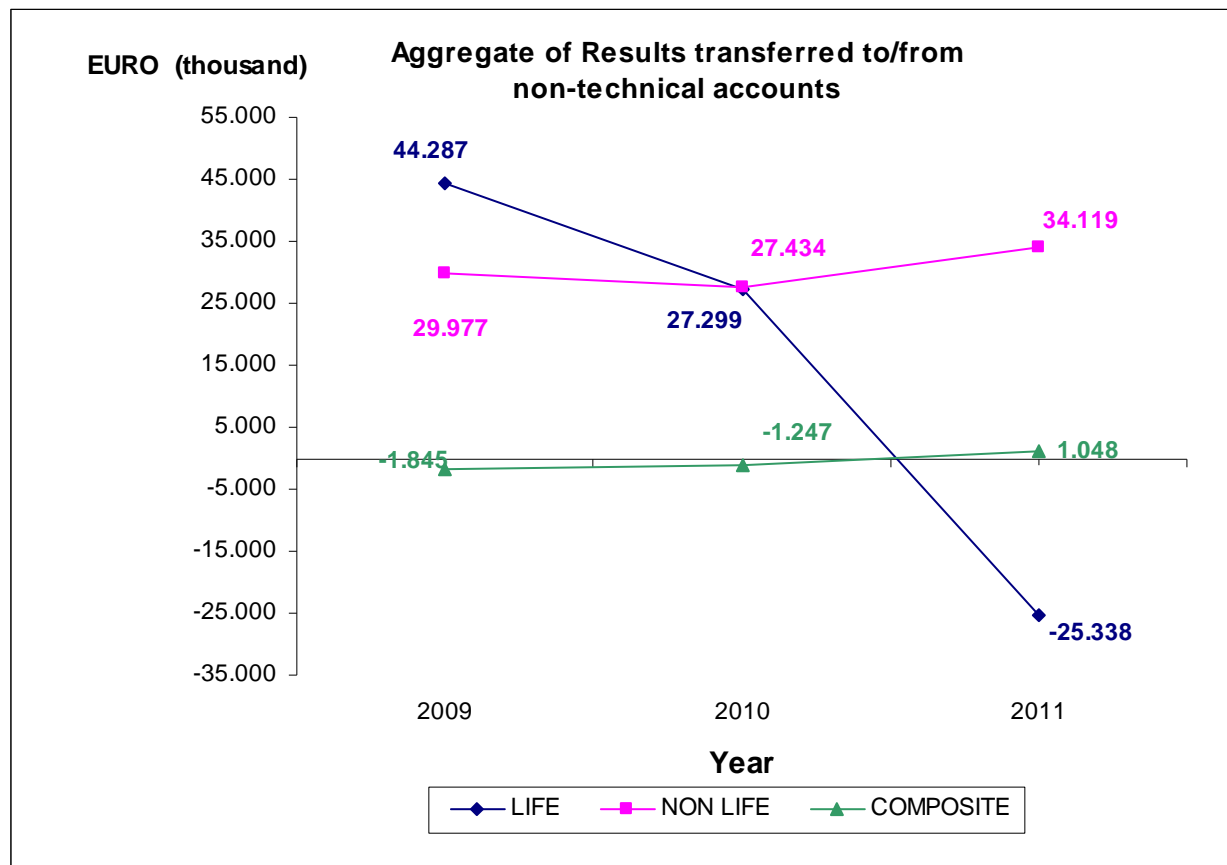
	2011		2010	
	Total Contracts	Total Premiums	Total Contracts	Total Premiums
<b>Domestic business</b>	<b>60</b>	<b>3.657</b>	<b>71</b>	<b>8.861</b>
<b>International business</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: The above Group Business Premiums refer to new policies regular premiums and to increases on existing policies only. Any new additional single premiums coming from Group policies are not included.

## 6. Aggregate (whole market) Total of the Results transferred to/from the Non-technical Accounts

### 6.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Graph 1**

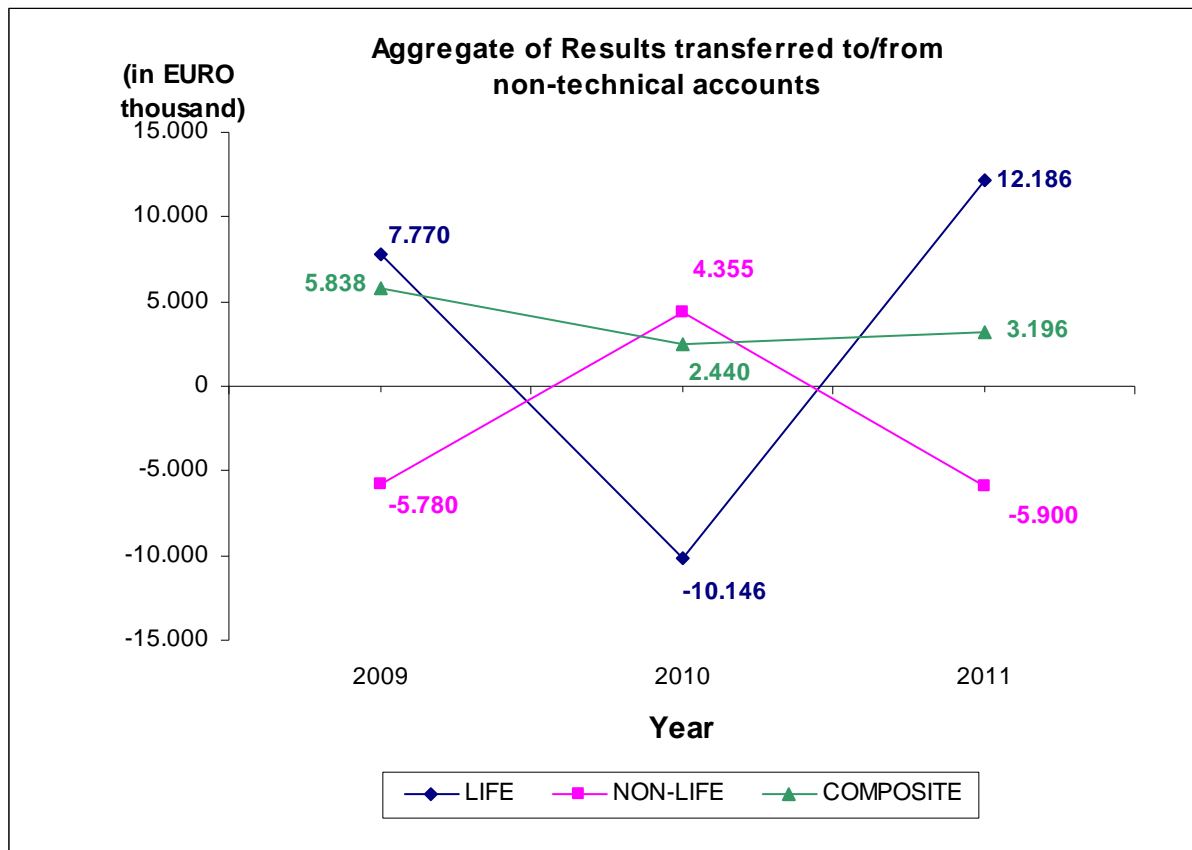


Note: The amounts transferred to/from the non-technical accounts were taken from Forms 3.2 (General Business revenue accounts) and 3.3 (Life Business revenue accounts), and they basically represent the underwriting profits or losses. For Life undertakings doing accident & health business as riders on Life policies, the respective amount from Form 3.2 was added on the amount from Form 3.3.

Also, the life business result is not representative for the whole market, as the biggest part came from one undertaking, which had a loss of €46.000.000 in 2011 compared to a loss of €1.000.000 in 2010.

## 6.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Graph 2**



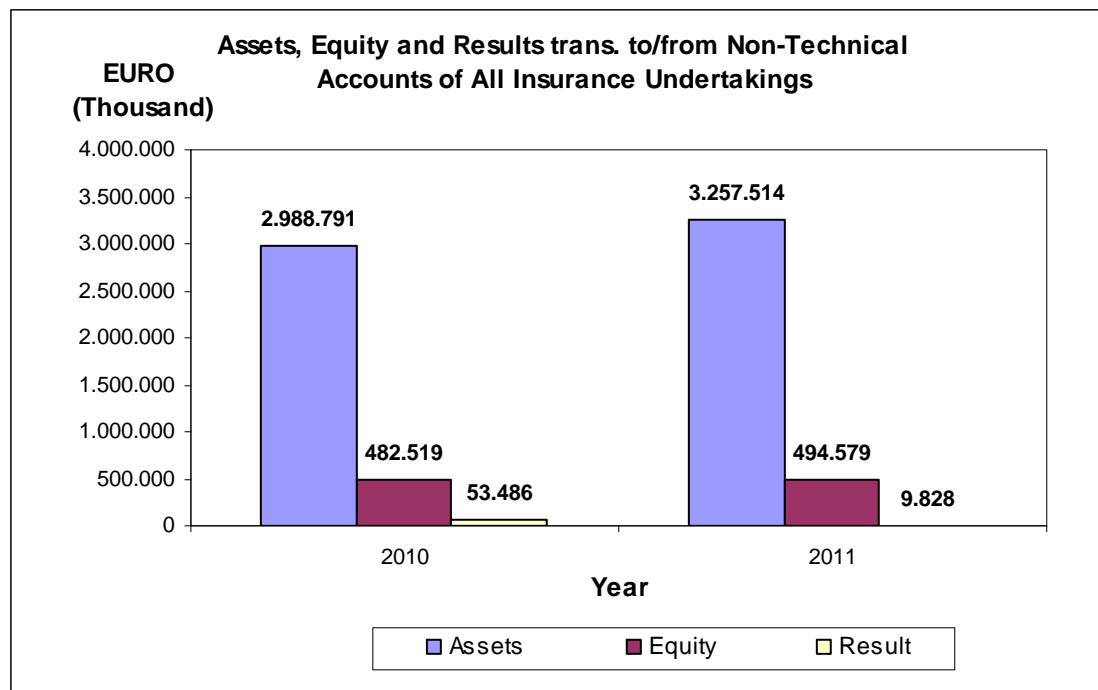
Note: The amounts transferred to/from the non-technical accounts were taken from Forms 3.2 (General Business revenue accounts) and 3.3 (Life Business revenue accounts) and they basically represent the underwriting profits or losses. For Life undertakings doing accident & health business as riders on life policies, the respective amount from Form 3.2 was added on the amount from Form 3.3.



## 7. Total Assets, Shareholders Equity and Results transferred to/from the Non-technical Accounts

### 7.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

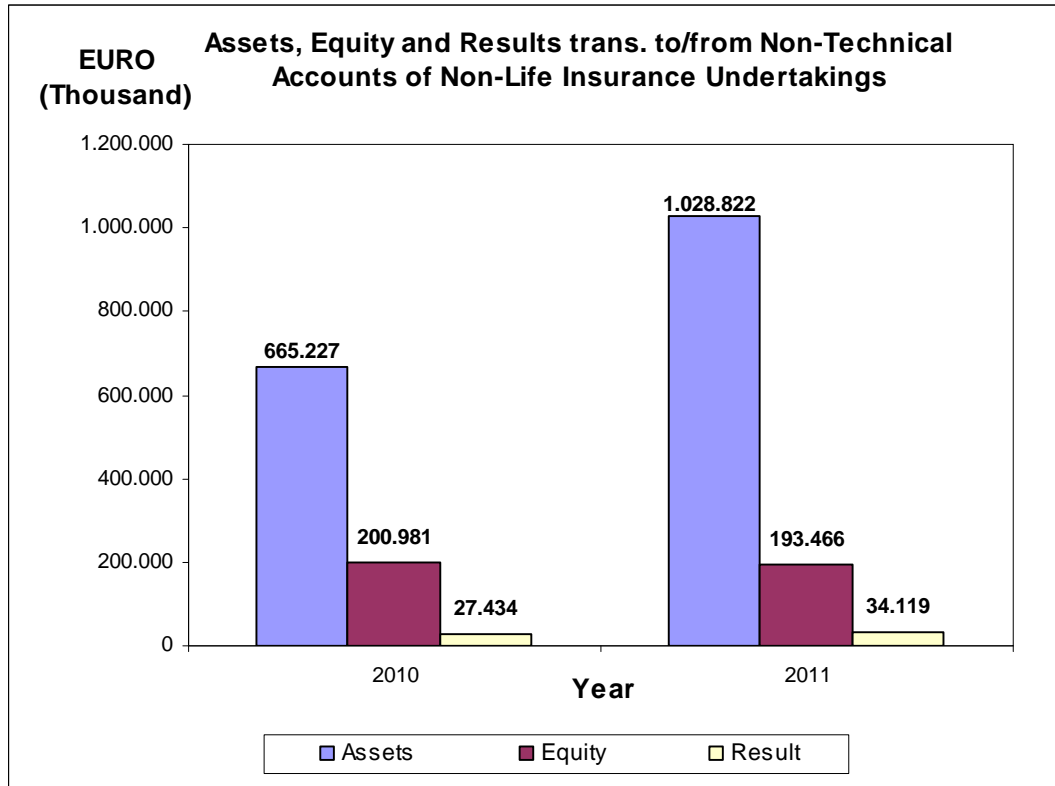
**Graph 3**



Note: The assets shown in the above graph include shareholders' equity as well. The same note applies for all other graphs in this section.

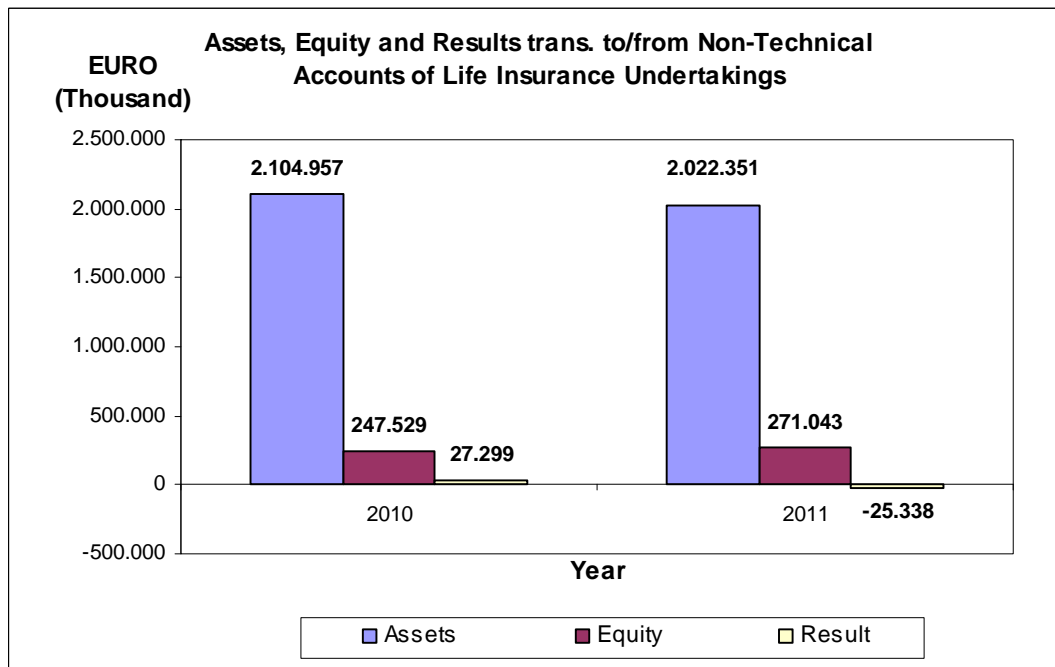
The Underwriting Return on Equity rate, i.e. the ratio of the result transferred to/from the non-technical accounts over the shareholders' equity amount, for all undertakings together was 1,99% for 2011 compared to 11,08% for 2010. This substantial drop in the result transferred to/from the non-technical accounts is not representative for the whole market since, as already pointed out in Part 6, the life business result, includes an extraordinary change in the result of one undertaking, which had a loss of €46.000.000 in 2011 compared to a loss of €1.000.000 in 2010.

**Graph 4**



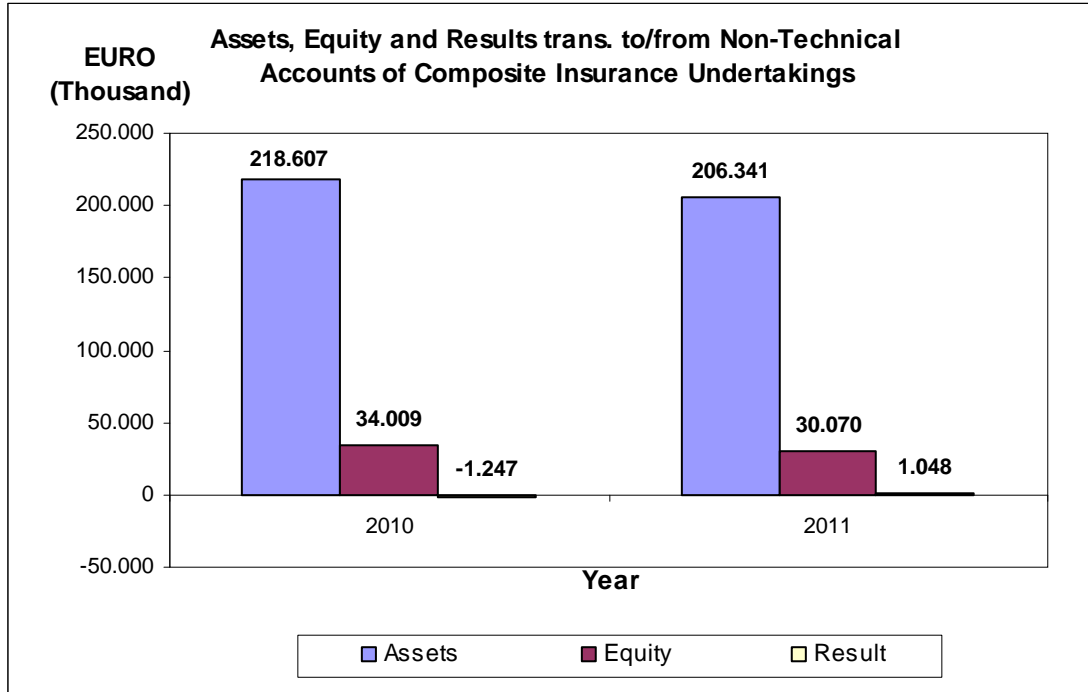
The respective Underwriting Return on Equity rate for Non-Life Undertakings only was 17,64% for 2011 compared to 13,65% for 2010.

**Graph 5**



The Underwriting Return on Equity rate for Life Undertakings only was -9,35% for 2011 compared to 11,03% for 2010.

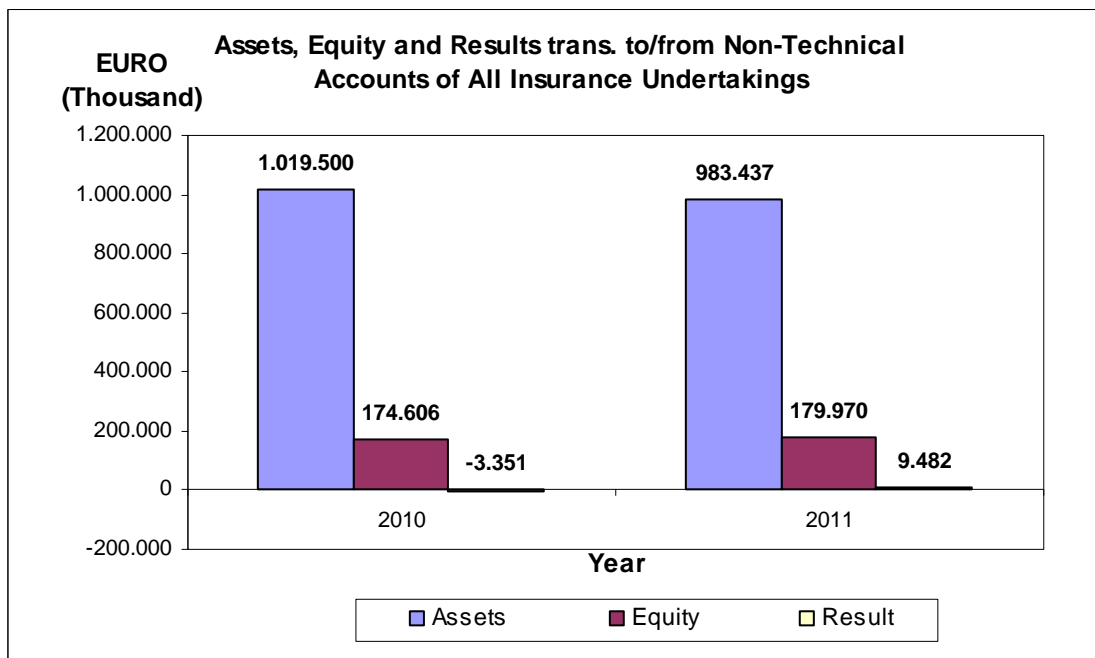
**Graph 6**



The relative Underwriting Return on Equity rate for Composite Undertakings only was 3,48% for 2011 compared to -3.67% for 2010.

## 7.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

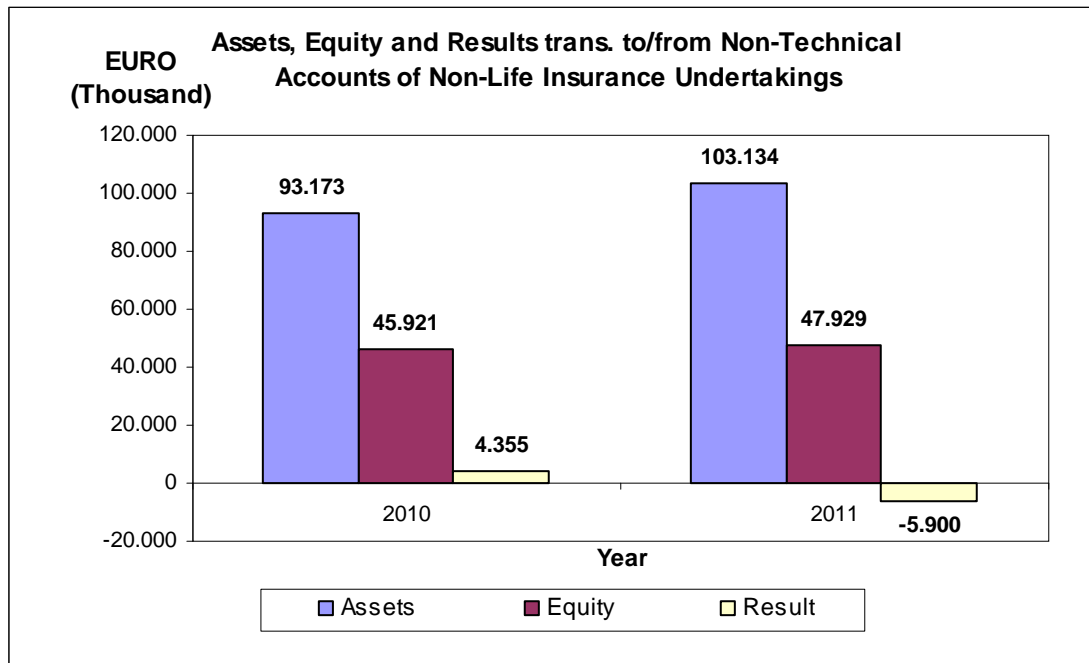
**Graph 7**



Note: The assets shown in the graph include shareholders' equity as well. The same note counts for all other graphs in this section.

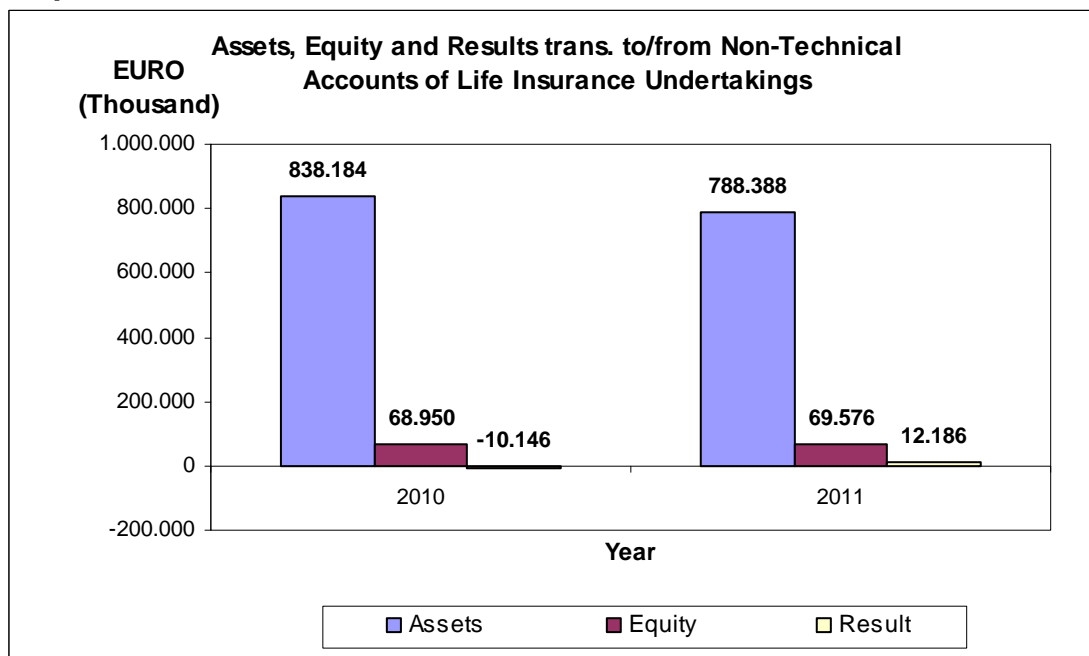
The Underwriting Return on Equity, i.e. the ratio of the result transferred to/from the non-technical accounts over the shareholders' equity amount, for all undertakings together is 5,27% for 2011 compared to -1,92% for 2010.

**Graph 8**



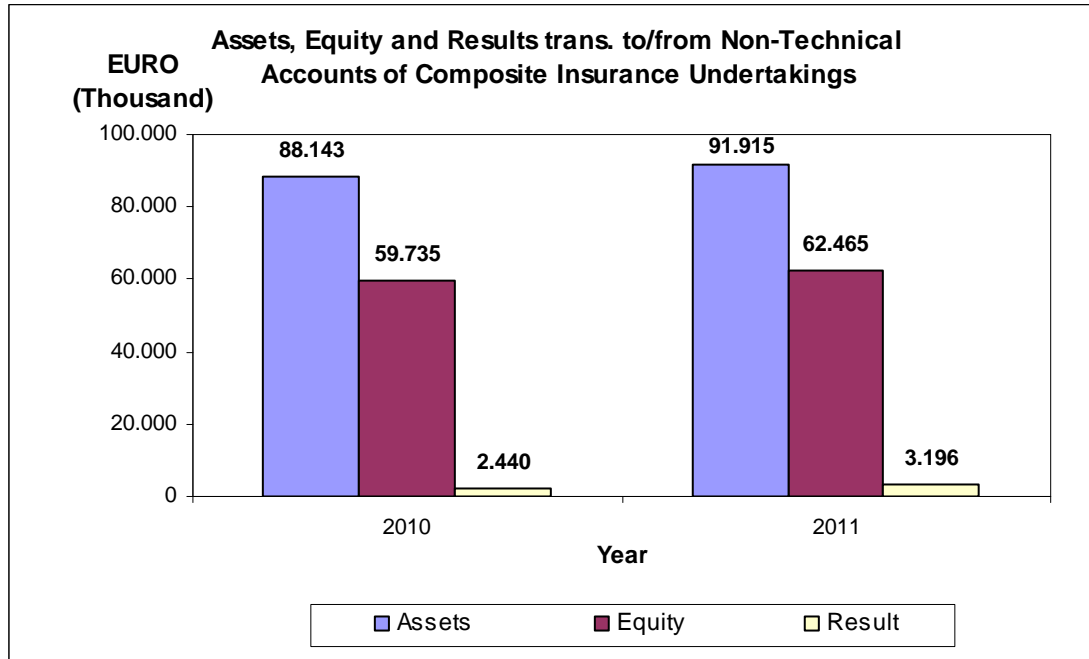
The respective Underwriting Return on Equity rate for Non-Life Undertakings only is -12,31% for 2011 compared to 9,48% for 2010.

**Graph 9**



The Underwriting Return on Equity rate for Life Undertakings only is 17,51% for 2011 compared to -14,72% for 2010.

**Graph 10**

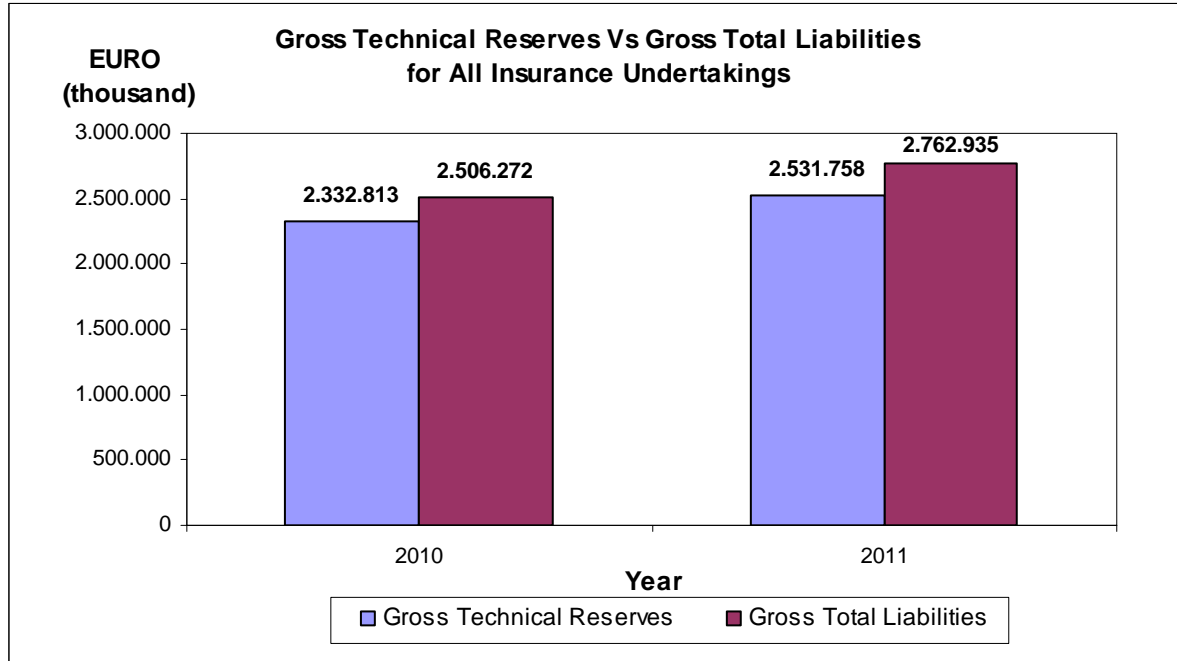


The Underwriting Return on Equity rate for Composite Undertakings only is 5,12% for 2011 compared to 4,08% for 2010.

## 8. Gross Technical Reserves and Gross Total Liabilities

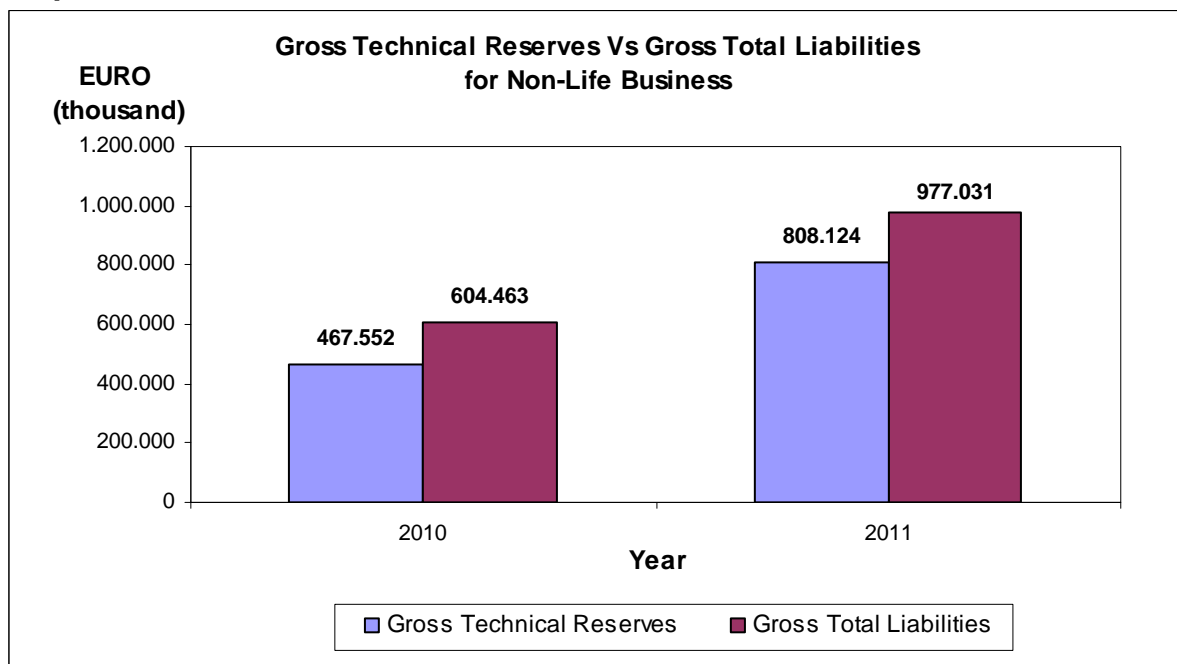
### 8.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Graph 11**



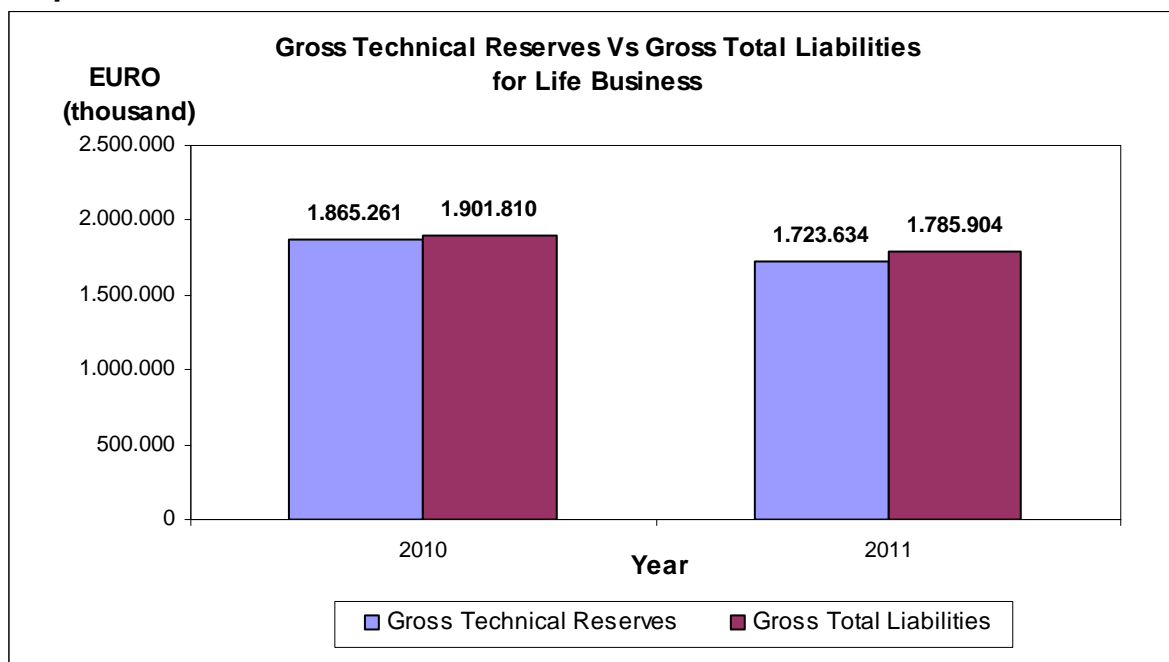
Notes: 1. Gross Technical Reserves include the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus carried forward.

**Graph 12**



Notes: 1. Gross Technical Reserves include the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus carried forward.

**Graph 13**

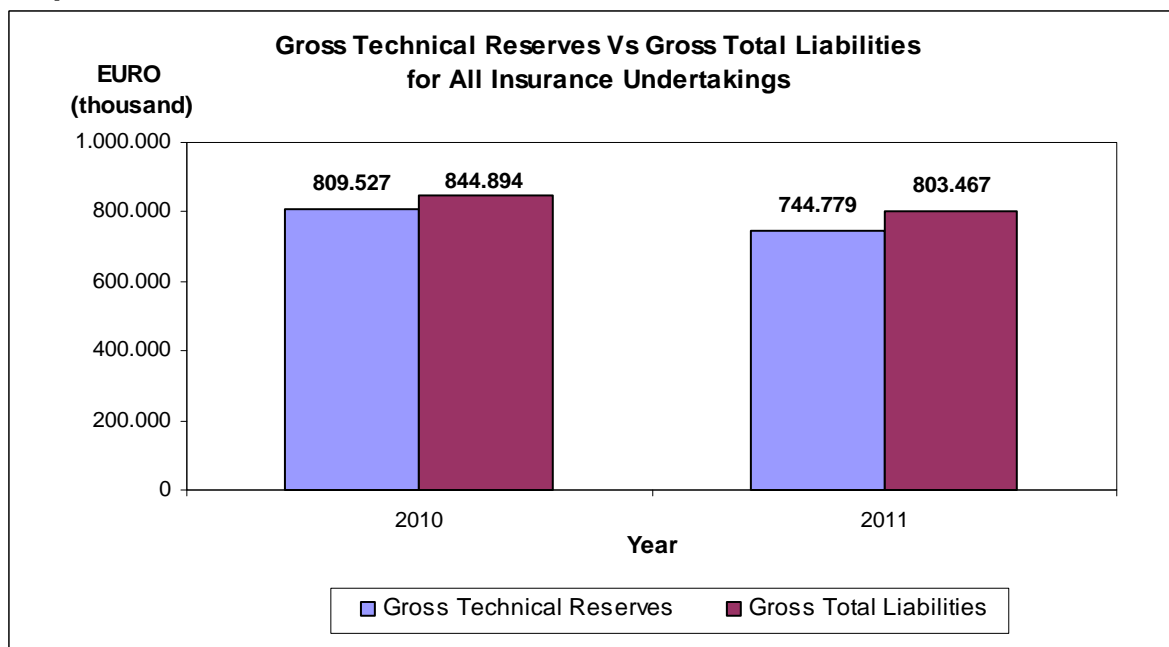


Notes: 1. Gross Technical Reserves include the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus carried forward.

A complete analysis of the investments supporting the technical reserves shown in graphs 11, 12 and 13 above, is given in Appendix 2 - section A2.1.

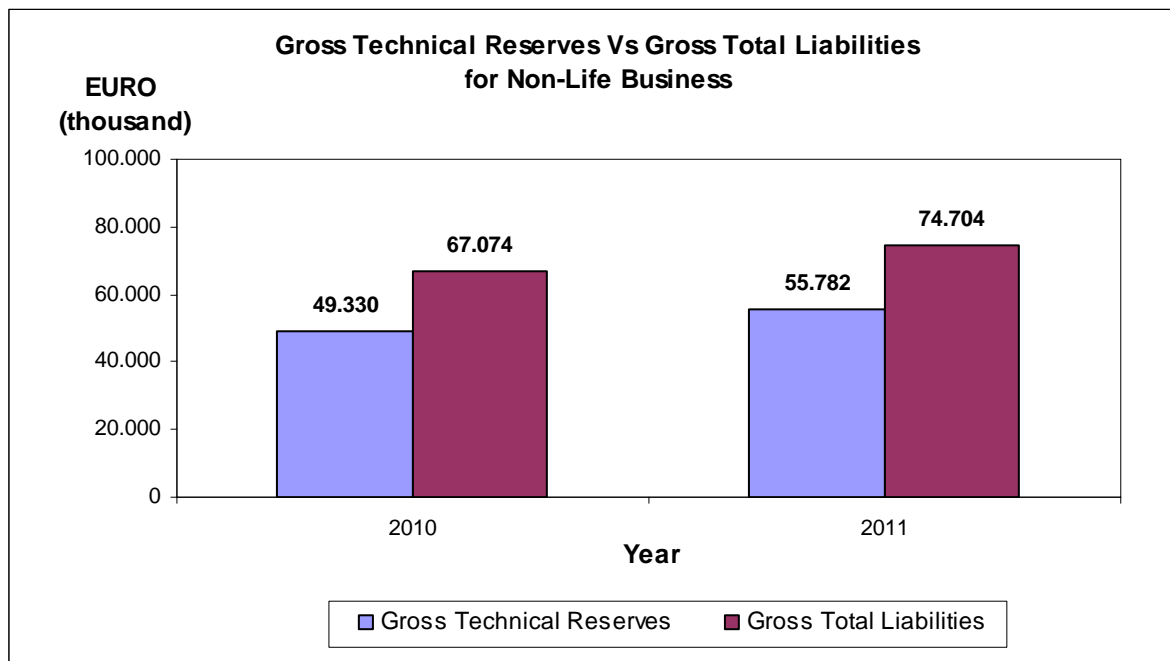
## 8.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Graph 14**



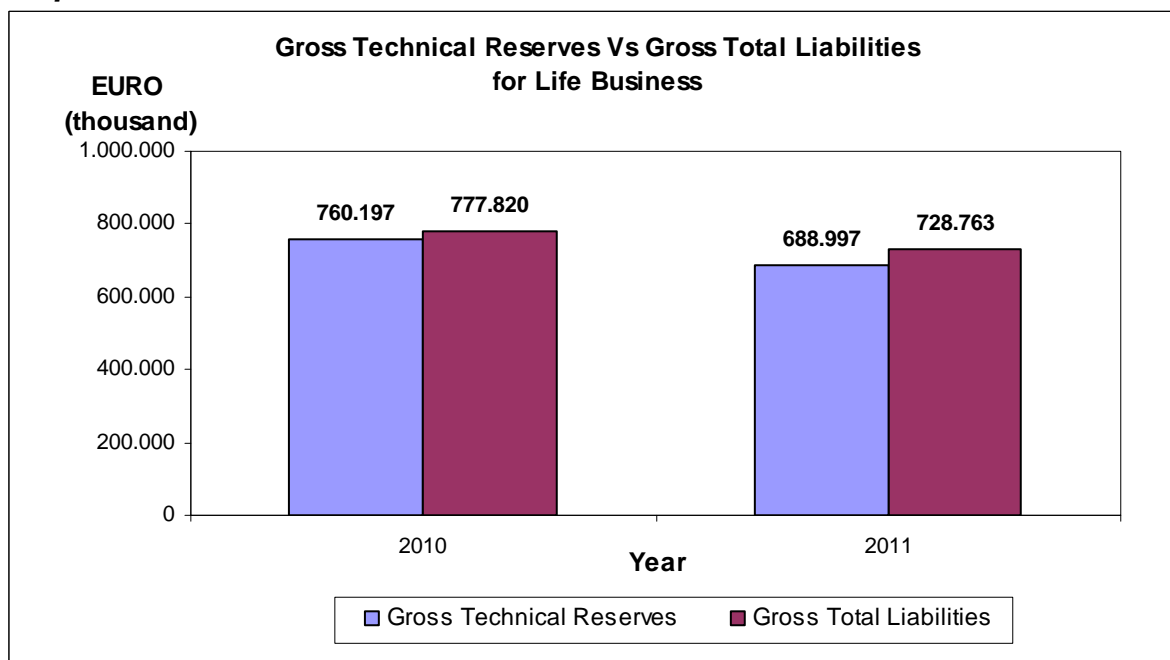
Notes: 1. Gross Technical Reserves includes the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus carried forward.

**Graph 15**



Notes: 1. Gross Technical Reserves include the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus carried forward.

**Graph 16**



Notes: 1. Gross Technical Reserves include the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus carried forward.

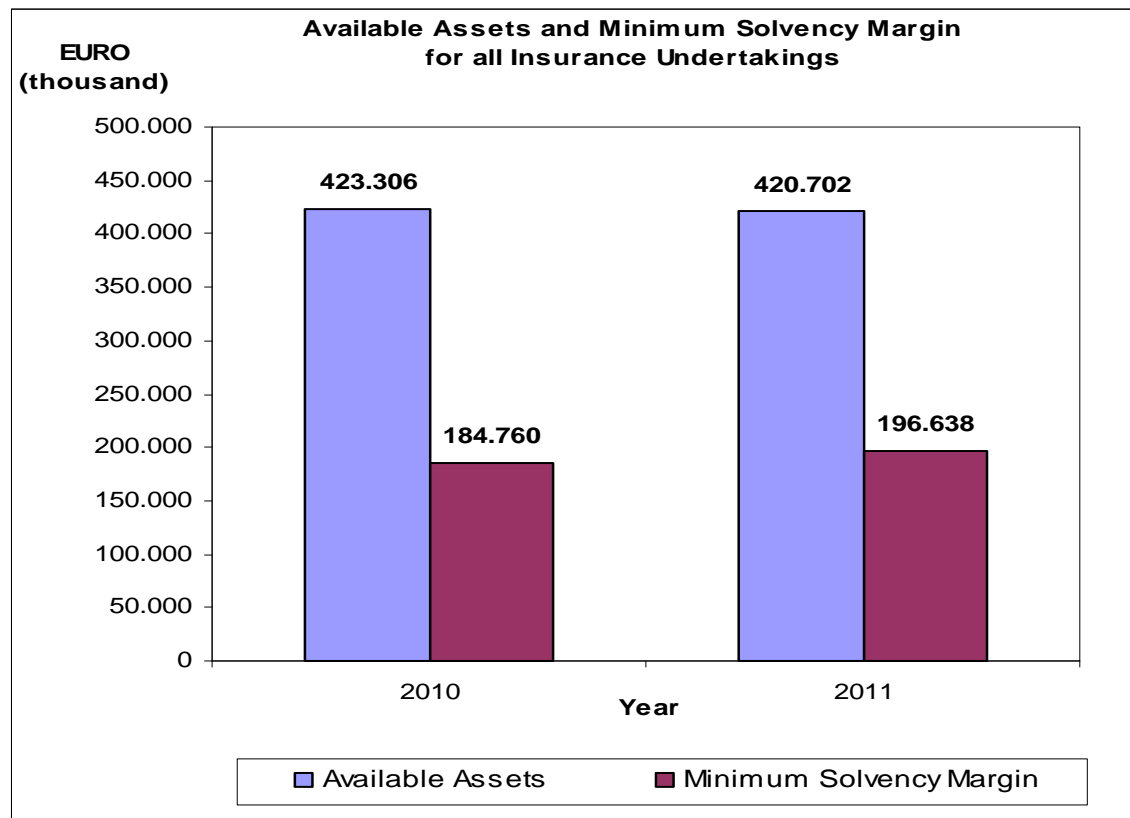
**A complete analysis of the investments supporting the technical reserves, shown in graphs 14, 15 and 16 above, is given in Appendix 2 - section A2.2.**



## 9. Available Assets and Minimum Solvency Margin

### 9.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

**Graph 17**

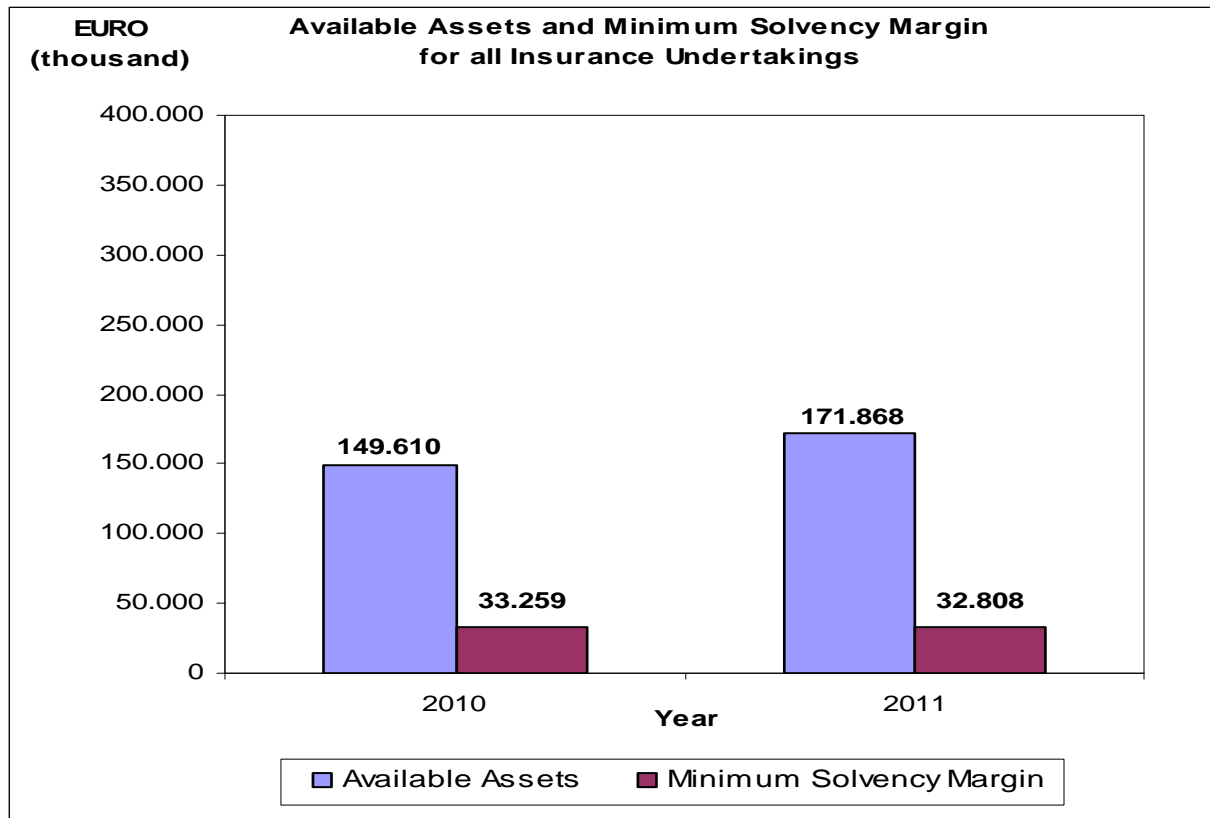


As at 31/12/2011, the relevant Aggregate (whole market) Minimum Solvency Margin (MSM) Coverage Ratio, i.e. the ratio of MSM over Available Assets, was 2.14 compared to 2.29 for 31/12/2010 and 2.64 for 31/12/2009.

Note: The «Available Assets» represent the Net (Free) Approved Assets after the Total Liabilities are deducted from the Total Approved Assets, as these are defined in the relevant Orders of Approved Investments for Insurance Undertakings. The «Minimum Solvency Margin» represents the Solvency Capital Margin-Requirement as this is defined in the relevant provisions which have been endorsed into the Insurance Law at the end of 2004. As far as the absolute minimum amount (known as the guaranteed amount) used in the Solvency Capital Margin-Requirement calculation, this has remained stable on the levels set during 2004 for the years 2005 and 2006, but as per the provisions of the relevant Solvency Requirements EU Directive, it has been increased substantially to €3.2m for life Business and €3.2m for non-life business in 2007. At 31/12/2009 these two amounts were further increased to €3.5m for life Business and €3.5m for non-life business.

## 9.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business

**Graph 18**



As at 31/12/2011, the relevant Aggregate (whole market) Minimum Solvency Margin (MSM) Coverage Ratio, i.e. the ratio of MSM over Available Assets, was 5.24 compared to 4.50 for 31/12/2010 and 3.93 for 31/12/2009.

Note: The same note used under the previous graph, with regards to Available Assets and Minimum Solvency Margin, applies for this graph as well.

## APPENDIX 1: Analysis of Premiums Written by Undertaking

### A1.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business (Euro Thousand)

GROSS PREMIUMS WRITTEN in Cyprus during 2011 by companies supervised in Cyprus (EURO 000)

	INSURANCE UNDERTAKINGS	TOTAL GROSS PREMIUMS WRITTEN	LIFE	ACCIDENT & HEALTH	MOTOR VEHICLE	MARINE, AVIATION & TRANSPORT	FIRE & OTHER DAMAGE TO PROPERTY	LIABILITY	CREDIT & SURETYSHIP	MISCELL.
<b>LIFE INSURANCE UNDERTAKINGS</b>										
1	American Life Insurance Co	39.277	26.697	12.580	N/A	N/A	N/A	N/A	N/A	N/A
2	Ethniki Insurance (Cyprus) Ltd	7.435	7.435	0	N/A	N/A	N/A	N/A	N/A	N/A
3	Eurolife Ltd	131.425	119.667	11.758	N/A	N/A	N/A	N/A	N/A	N/A
4	Hellenic Alico Life Ins. Co Ltd	13.292	12.663	629	N/A	N/A	N/A	N/A	N/A	N/A
5	Laiki Cyprialife Ltd	124.444	111.843	12.601	N/A	N/A	N/A	N/A	N/A	N/A
6	Liberty Life Insur. Public Co. Ltd	9.715	6.765	2.950	N/A	N/A	N/A	N/A	N/A	N/A
7	Universal Life Ins.Public Co Ltd	81.348	53.881	27.467	N/A	N/A	N/A	N/A	N/A	N/A
	<b>SUB TOTAL</b>	<b>406.936</b>	<b>338.951</b>	<b>67.985</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NON-LIFE INSURANCE UNDERTAKINGS</b>										
1	American Home Assurance Co	25.694	N/A	740	5.120	460	7.765	6.890	0	4.719
2	Atlantic Insurance Co Public Ltd	22.749	N/A	4.158	12.076	321	5.022	1.104	0	68
3	Commercial General Insur. Ltd	13.486	N/A	139	8.261	125	3.529	1.235	8	189
4	Cosmos Insurance Co Ltd	27.299	N/A	4.532	18.541	228	2.963	1.035	0	0
5	Demco Insurance Ltd	24.911	N/A	307	20.914	512	2.222	867	0	89
6	Ethniki General Ins.(Cyprus) Ltd	11.198	N/A	3.548	3.984	157	2.550	733	0	226
7	Eurosure Insurance Co Ltd	7.460	N/A	663	3.861	22	1.657	1.211	0	46
8	Gan Direct Insurance Ltd	10.161	N/A	53	9.272	6	816	14	0	0
9	General Ins. Co of Cyprus Ltd	70.078	N/A	3.326	13.955	1.239	39.713	8.834	78	2.933
10	Hermes Insurance Ltd	0	N/A	0	0	0	0	0	0	0
11	Hydra Insurance Co Ltd	12.131	N/A	632	9.698	5	1.291	505	0	0
12	Kentriki Insurance Co Ltd	6.146	N/A	283	3.887	243	1.063	439	0	231
13	Laiki Insurance Co Ltd	74.501	N/A	1.727	30.754	1.160	28.946	7.658	80	4.176
14	Olympic Insurance Co Ltd	18.205	N/A	380	16.641	22	606	555	0	1
15	Pancyprian Insurance Ltd	35.807	N/A	670	17.884	720	12.832	3.323	0	378
16	Progressive Insurance Co Ltd	4.813	N/A	22	2.817	111	1.171	612	23	57
17	Royal Crown Insurance Co Ltd	10.967	N/A	70	5.235	206	3.590	982	0	884
18	Ydrogios Insur. Co (Cyprus) Ltd	8.504	N/A	343	4.620	33	2.155	1.353	0	0
	<b>SUB TOTAL</b>	<b>384.110</b>	<b>0</b>	<b>21.593</b>	<b>187.520</b>	<b>5.570</b>	<b>117.891</b>	<b>37.350</b>	<b>189</b>	<b>13.997</b>
<b>COMPOSITE INSURANCE UNDERTAKINGS</b>										
1	Alpha Insurance Ltd	28.606	12.660	4.077	4.421	183	5.087	2.178	0	0
2	Minerva Insurance Co Ltd	15.598	2.412	981	10.318	34	850	989	0	14
3	Prime Insurance Co Ltd	39.222	25.134	2.578	8.619	20	1.661	1.109	0	101
	<b>SUB TOTAL</b>	<b>83.426</b>	<b>40.206</b>	<b>7.636</b>	<b>23.358</b>	<b>237</b>	<b>7.598</b>	<b>4.276</b>	<b>0</b>	<b>115</b>
	<b>AGGREGATE TOTAL</b>	<b>874.472</b>	<b>379.157</b>	<b>97.214</b>	<b>210.878</b>	<b>5.807</b>	<b>125.489</b>	<b>41.626</b>	<b>189</b>	<b>14.112</b>

#### Notes:

1. Premiums written outside Cyprus, but are included in above table:

Demco Insurance Ltd: €17.610K

Eurolife Ltd: €13.013K

Eurosure Insurance Co Ltd: €169K

General Insurance Co. of Cyprus Ltd: €13.582K

Laiki Insurance Co Ltd: €4.801K

Olympic Insurance Co Ltd: €9.750K

2. Non-Linked premiums included in above life premiums: €93.546K

## A1.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business (*Euro Thousand*)

GROSS PREMIUMS WRITTEN outside Cyprus during 2011 by companies supervised in Cyprus (EURO 000)

INSURANCE UNDERTAKINGS		TOTAL GROSS PREMIUMS WRITTEN	LIFE	ACCIDENT & HEALTH	MOTOR VEHICLE	MARINE, AVIATION & TRANSPORT	FIRE & OTHER DAMAGE TO PROPERTY	LIABILITY	CREDIT & SURETYSHIP	MISCELL.
<b>LIFE INSURANCE UNDERTAKINGS</b>										
1	Ancoria Insurance Public Ltd	36.768	36.768	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Medlife Insurance Ltd	51.391	51.391	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SUB TOTAL</b>		<b>88.159</b>	<b>88.159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NON-LIFE INSURANCE UNDERTAKINGS</b>										
1	Berytus Marine Insurance Co Ltd	1.026	N/A	0	0	1.026	0	0	0	0
2	MOL Reinsurance Co Ltd	17.839	N/A	0	0	0	14.474	0	0	3.365
3	Trust International Insurance Co (Cyprus) Ltd	37.036	N/A	483	13.312	2.728	19.210	1.099	0	204
4	Trust International Insurance and Reins.Co B.S.C.(Closed) Trust Re	1.421	N/A	125	0	205	1.017	74	0	0
<b>SUB TOTAL</b>		<b>57.322</b>	<b>0</b>	<b>608</b>	<b>13.312</b>	<b>3.959</b>	<b>34.701</b>	<b>1.173</b>	<b>0</b>	<b>3.569</b>
<b>COMPOSITE INSURANCE UNDERTAKINGS</b>										
1	Grawe Reinsurance Ltd	15.338	5.422	4.495	0	0	3.971	1.450	0	0
<b>SUB TOTAL</b>		<b>15.338</b>	<b>5.422</b>	<b>4.495</b>	<b>0</b>	<b>0</b>	<b>3.971</b>	<b>1.450</b>	<b>0</b>	<b>0</b>
<b>AGGREGATE TOTAL</b>		<b>160.819</b>	<b>93.581</b>	<b>5.103</b>	<b>13.312</b>	<b>3.959</b>	<b>38.672</b>	<b>2.623</b>	<b>0</b>	<b>3.569</b>

**Notes:**

- Premiums written in Cyprus, but are included in above table:  
Grawe Reinsurance Ltd: €2.438K  
Trust International Insurance Co (Cyprus) Ltd: €11.699K
- Non-Linked premiums included in above life premiums: €67.438K

## **APPENDIX 2: Analysis of the Investments covering technical reserves**

### **A2.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business (Euro Thousand)**

*Note: The amounts below are for net (of reinsurers' reserve) technical reserves for life business and for gross technical reserves for non-life business. For life business, the reinsurers' reserve, which was not included in the amounts below, was €42.328K at 31-12-2011.*

#### **a) Life & Non-Life Business**

<b>Description of investments that cover the technical reserves for domestic life &amp; non-life business</b>				<b>31/12/2011</b>	<b>31/12/2010</b>
Debt securities	Fixed interest	Approved securities	1	247.403	425.176
		Other securities	2	174.685	67.291
	Other than fixed interest	Approved securities	3	2.281	4.179
		Other securities	4	31.917	39.961
Shares in companies other than group undertakings		Listed	5	67.735	152.416
		Unlisted	6	1.317	1.083
Other variable yield securities			7	540	1.293
Money market bills, certificates of deposit and similar instruments			8	0	0
Units or other beneficial interests in collective investment funds		Falling within UCITS Directive	9	386.371	379.205
		Other	10	42.144	32.382
Beneficial interests in limited partnerships			11	0	0
Deposits with approved credit institutions		Short term deposits	12	71.459	53.403
		Other deposits	13	247.431	242.997
Loans secured by mortgages			14	5.776	9.094
Loans secured on policies of insurance			15	47.361	51.785
Other loans	Secured		16	0	0
	Unsecured		17	360	422
Rights under derivative contracts			18	959	476
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	5.754	7.045
		Debts	22	41.139	28.668
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	6.073	21.750
		Debts	26	307.470	328.159

Land		27	189.458	168.101
Reversionary interests		28	0	0
Equipment		29	348	321
Debtors	Outstanding premiums	30	35.362	35.222
	Owed by intermediaries	31	23.675	22.197
	Owed by reinsurers	32	717	522
	Other	33	7.402	8.604
Reinsurers' share of technical provisions	Provision for unearned premiums	34	69.891	62.225
	Claims outstanding	35	427.494	98.713
	Provision for unexpired risks	36	1.601	1.923
	Other	37	0	0
Deferred acquisition costs		38	31.105	30.258
Accrued interest and rent		39	18.316	13.389
Other prepayments and accrued income		40	444	873
Cash		41	39	10
Other assets		42	6.097	8.128
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>2.500.122</b>	<b>2.297.269</b>
Reductions for counter party exposure in accordance with the Orders of Approved Investments of the Minister of Finance		44	0	0
<b>Total admissible assets (43 - 44)</b>		<b>45</b>	<b>2.500.122</b>	<b>2.297.269</b>

#### b) Life Business

Description of investments that cover the technical reserves for domestic life business				31/12/2011	31/12/2010
Debt securities	Fixed interest	Approved securities	1	237.993	406.184
		Other securities	2	170.843	63.299
	Other than fixed interest	Approved securities	3	1.939	2.854
		Other securities	4	20.080	31.070
Shares in companies other than group undertakings	Listed	5	65.226	145.880	
	Unlisted	6	1.313	1.080	
Other variable yield securities			7	0	0
Money market bills, certificates of deposit and similar instruments			8	0	0
Units or other beneficial interests in collective investment funds	Falling within UCITS Directive	9	385.531	378.171	
	Other	10	42.144	31.874	

Beneficial interests in limited partnerships		11	0	0	
Deposits with approved credit institutions	Short term deposits	12	28.629	25.329	
	Other deposits	13	168.680	160.356	
Loans secured by mortgages		14	5.776	9.094	
Loans secured on policies of insurance		15	47.361	51.785	
Other loans	Secured	16	0	0	
	Unsecured	17	0	0	
Rights under derivative contracts		18	959	476	
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	5.691	6.386
		Debts	22	41.139	28.668
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	6.073	21.750
		Debts	26	262.244	286.762
Land		27	161.875	141.842	
Reversionary interests		28	0	0	
Equipment		29	0	0	
Debtors	Outstanding premiums		30	6.903	6.753
	Owed by intermediaries		31	452	460
	Owed by reinsurers		32	0	0
	Other		33	7.208	8.430
Reinsurers' share of technical provisions	Provision for unearned premiums		34	0	0
	Claims outstanding		35	0	0
	Provision for unexpired risks		36	0	0
	Other		37	0	0
Deferred acquisition costs		38	0	0	
Accrued interest and rent		39	17.537	12.656	
Other prepayments and accrued income		40	164	700	
Cash		41	0	0	
Other assets		42	6.061	7.858	
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>1.691.818</b>	<b>1.829.716</b>	
Reductions for counter party exposure in accordance with the Orders of Approved Investments of the Minister of Finance		44	0	0	
<b>Total admissible assets (43 - 44)</b>		<b>45</b>	<b>1.691.818</b>	<b>1.829.716</b>	

### c) Non-Life Business

Description of investments that cover the technical reserves for domestic non-life business				31/12/2011	31/12/2010
Debt securities	Fixed interest	Approved securities	1	9.409	18.991
		Other securities	2	3.842	3.992
	Other than fixed interest	Approved securities	3	342	1.325
		Other securities	4	11.837	8.891
Shares in companies other than group undertakings	Listed	5	2.509	6.536	
	Unlisted	6	4	3	
Other variable yield securities			7	540	1.293
Money market bills, certificates of deposit and similar instruments			8	0	0
Units or other beneficial interests in collective investment funds	Falling within UCITS Directive		9	840	1.034
	Other		10	0	508
Beneficial interests in limited partnerships			11	0	0
Deposits with approved credit institutions	Short term deposits		12	42.831	28.074
	Other deposits		13	78.751	82.641
Loans secured by mortgages			14	0	0
Loans secured on policies of insurance			15	0	0
Other loans	Secured		16	0	0
	Unsecured		17	360	422
Rights under derivative contracts			18	0	0
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	63	659
		Debts	22	0	0
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	0	0
		Debts	26	45.225	41.397
Land			27	27.583	26.259
Reversionary interests			28	0	0
Equipment			29	348	321
Debtors	Outstanding premiums		30	28.459	28.470



	Owed by intermediaries	31	23.223	21.737
	Owed by reinsurers	32	717	522
	Other	33	194	174
Reinsurers' share of technical provisions	Provision for unearned premiums	34	69.891	62.225
	Claims outstanding	35	427.494	98.713
	Provision for unexpired risks	36	1.601	1.923
	Other	37	0	0
Deferred acquisition costs		38	31.105	30.258
Accrued interest and rent		39	779	733
Other prepayments and accrued income		40	280	173
Cash		41	39	10
Other assets		42	36	270
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>808.304</b>	<b>467.553</b>
Reductions for counter party exposure in accordance with the Orders of Approved Investments of the Minister of Finance		44	0	0
<b>Total admissible assets (43 - 44)</b>		<b>45</b>	<b>808.304</b>	<b>467.553</b>

**Note: The amounts in (b) above, include the assets for the life business of composite companies, and the amounts in (c) above include the respective assets for the non-life business of composite companies.**

## A2.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business (Euro Thousand)

*Note: The amounts below are for net (of reinsurers' reserve) technical reserves for life business and for gross technical reserves for non-life business. For life business, the reinsurers' reserve, which was not included in the amounts below, was €5.750K at 31-12-2011.*

### a) Life & Non-Life Business

Description of investments that cover the technical reserves of international life & non-life business				31/12/2011	31/12/2010
Debt securities	Fixed interest	Approved securities	1	102.115	108.617
		Other securities	2	109.051	105.863
	Other than fixed interest	Approved securities	3	0	0
		Other securities	4	298	228
Shares in companies other than group undertakings	Listed	5	79.052	93.512	
	Unlisted	6	0	0	
Other variable yield securities			7	45.189	47.222
Money market bills, certificates of deposit and similar instruments			8	0	0
Units or other beneficial interests in collective investment funds	Falling within UCITS Directive		9	266.446	307.627
	Other		10	8.333	11.247
Beneficial interests in limited partnerships			11	0	0
Deposits with approved credit institutions	Short term deposits		12	26.230	20.826
	Other deposits		13	63.855	66.697
Loans secured by mortgages			14	0	0
Loans secured on policies of insurance			15	0	0
Other loans	Secured		16	0	0
	Unsecured		17	0	0
Rights under derivative contracts			18	0	0
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	5.213	5.312
		Debts	22	330	329
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	0	0
		Debts	26	443	931
Land			27	1.210	0
Reversionary interests			28	0	0
Equipment			29	99	0
Debtors	Outstanding premiums		30	6.295	5.357
	Owed by intermediaries		31	0	0

	Owed by reinsurers	32	0	0
	Other	33	764	2.712
Reinsurers' share of technical provisions	Provision for unearned premiums	34	14.856	12.550
	Claims outstanding	35	14.714	17.025
	Provision for unexpired risks	36	0	0
	Other	37	0	0
Deferred acquisition costs		38	1.259	693
Accrued interest and rent		39	4.062	4.948
Other prepayments and accrued income		40	0	0
Cash		41	8	0
Other assets		42	707	22
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>750.529</b>	<b>811.717</b>
Reductions for counter party exposure in accordance with the Orders of Approved Investments of the Minister of Finance		44	0	0
<b>Total admissible assets (43 - 44)</b>		<b>45</b>	<b>750.529</b>	<b>811.717</b>

#### b) Life Business

Description of investments that cover the technical reserves of international life business			31/12/2011	31/12/2010	
Debt securities	Fixed interest	Approved securities	1	91.735	99.686
		Other securities	2	108.244	103.714
	Other than fixed interest	Approved securities	3	0	0
		Other securities	4	298	228
Shares in companies other than group undertakings	Listed	5	79.052	93.512	
	Unlisted	6	0	0	
Other variable yield securities			7	45.189	47.222
Money market bills, certificates of deposit and similar instruments			8	0	0
Units or other beneficial interests in collective investment funds	Falling within UCITS Directive		9	264.578	305.947
	Other		10	8.333	11.247
Beneficial interests in limited partnerships			11	0	0
Deposits with approved credit institutions	Short term deposits		12	19.219	18.751
	Other deposits		13	63.104	66.454
Loans secured by mortgages			14	0	0
Loans secured on policies of insurance			15	0	0
Other loans	Secured		16	0	0
	Unsecured		17	0	0
Rights under derivative contracts			18	0	0
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	5.213	5.312

		Debts	22	330	329
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	0	0
		Debts	26	393	760
Land		27	1.210	0	
Reversionary interests		28	0	0	
Equipment		29	22	0	
Debtors	Outstanding premiums		30	1.774	1.767
	Owed by intermediaries		31	0	0
	Owed by reinsurers		32	0	0
	Other		33	764	2.712
Reinsurers' share of technical provisions	Provision for unearned premiums		34	589	0
	Claims outstanding		35	379	0
	Provision for unexpired risks		36	0	0
	Other		37	0	0
Deferred acquisition costs			38	0	0
Accrued interest and rent			39	3.798	4.724
Other prepayments and accrued income			40	0	0
Cash			41	0	0
Other assets			42	523	22
<b>Total ( 1 to 42)</b>			<b>43</b>	<b>694.747</b>	<b>762.386</b>
Reductions for counter party exposure in accordance with the Orders of Approved Investments of the Minister of Finance			44	0	0
<b>Total admissible assets (43 - 44)</b>			<b>45</b>	<b>694.747</b>	<b>762.386</b>

### c) Non-Life Business

Description of investments that cover the technical reserves of international non-life business				31/12/2011	31/12/2010
Debt securities	Fixed interest	Approved securities	1	10.380	8.931
		Other securities	2	807	2.149
	Other than fixed interest	Approved securities	3	0	0
		Other securities	4	0	0
Shares in companies other than group undertakings	Listed	5	0	0	
	Unlisted	6	0	0	
Other variable yield securities			7	0	0
Money market bills, certificates of deposit and similar instruments			8	0	0

Units or other beneficial interests in collective investment funds		Falling within UCITS Directive	9	1.868	1.680
		Other	10	0	0
Beneficial interests in limited partnerships			11	0	0
Deposits with approved credit institutions		Short term deposits	12	7.011	2.075
		Other deposits	13	751	243
Loans secured by mortgages			14	0	0
Loans secured on policies of insurance			15	0	0
Other loans	Secured		16	0	0
	Unsecured		17	0	0
Rights under derivative contracts			18	0	0
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	0	0
		Debts	22	0	0
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	0	0
		Debts	26	50	171
Land			27	0	0
Reversionary interests			28	0	0
Equipment			29	77	0
Debtors	Outstanding premiums		30	4.521	3.590
	Owed by intermediaries		31	0	0
	Owed by reinsurers		32	0	0
	Other		33	0	0
Reinsurers' share of technical provisions	Provision for unearned premiums		34	14.267	12.550
	Claims outstanding		35	14.335	17.025
	Provision for unexpired risks		36	0	0
	Other		37	0	0
Deferred acquisition costs			38	1.259	693
Accrued interest and rent			39	264	224
Other prepayments and accrued income			40	0	0
Cash			41	8	0
Other assets			42	184	0
<b>Total ( 1 to 42)</b>			<b>43</b>	<b>55.782</b>	<b>49.331</b>
Reductions for counter party exposure in accordance with the Orders of Approved Investments of the Minister of Finance			44	0	0
<b>Total admissible assets (43 - 44)</b>			<b>45</b>	<b>55.782</b>	<b>49.331</b>

**Note: The amounts in (b) above, include the assets for the life business of composite companies, and the amounts in (c) above include the respective assets for the non-life business of composite companies.**

## **APPENDIX 3: Analysis of Claims and Expenses Incurred by type of Business and by insurance class**

### **(I) Claims incurred**

#### **(A) Non-Life business**

##### **A3.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business**

**Table 1: Data from Non-Life Technical Account (Euro Thousand) - 2011**

	<b>Total</b>	<b>Accident &amp; Health</b>	<b>Motor Vehicle</b>	<b>Marine, Aviation &amp; Transp.</b>	<b>Fire</b>	<b>General Liability</b>	<b>Credit</b>	<b>Miscell.</b>
Gross Claims Incurred	<b>587.041</b>	65.330	129.813	1.416	381.270	9.985	191	-964
Net Claims Incurred	<b>183.117</b>	47.615	115.740	594	9.706	8.952	26	484

Note: Net claims means net of reinsurance.

Also, the above amount for Fire Insurance, is an extra-ordinary amount, as it includes a provision of about €350.000.000 for the expected damages from a single catastrophic event that incurred in 2011.

**Table 2: Data from Non-Life Technical Account (Euro Thousand) - 2010**

	<b>Total</b>	<b>Accident &amp; Health</b>	<b>Motor Vehicle</b>	<b>Marine, Aviation &amp; Transp.</b>	<b>Fire</b>	<b>General Liability</b>	<b>Credit</b>	<b>Miscell.</b>
Gross Claims Incurred	<b>245.963</b>	59.038	142.053	1.063	30.026	13.791	46	-54
Net Claims Incurred	<b>195.070</b>	44.488	131.127	480	9.747	8.904	19	304

##### **A3.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business**

**Table 3: Data from Non-Life Technical Account (Euro Thousand) - 2011**

	<b>Total</b>	<b>Accident &amp; Health</b>	<b>Motor Vehicle</b>	<b>Marine, Aviation &amp; Transp.</b>	<b>Fire</b>	<b>General Liability</b>	<b>Credit</b>	<b>Miscell.</b>
Gross Claims Incurred	<b>24.590</b>	1.141	5.911	1.057	15.373	1.106	0	2
Net Claims Incurred	<b>19.412</b>	1.120	4.354	161	12.678	1.097	0	2

**Table 4: Data from Non-Life Technical Account (Euro Thousand) - 2010**

	<b>Total</b>	<b>Accident &amp; Health</b>	<b>Motor Vehicle</b>	<b>Marine, Aviation &amp; Transp.</b>	<b>Fire</b>	<b>General Liability</b>	<b>Credit</b>	<b>Miscell.</b>
Gross Claims Incurred	<b>18.807</b>	1.750	3.702	-1.657	13.777	1.228	4	3
Net Claims Incurred	<b>13.247</b>	1.485	2.062	1.096	7.182	1.419	0	3

**(B) Life Business (Gross Claims Incurred for Individual and Group Contracts)**

**A3.3 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business**

**Table 1**

<b>Claim Type</b>	<b>2011</b>	<b>2010</b>
<b>Deaths</b>	33.658	28.333
<b>Maturities</b>	48.414	61.395
<b>Annuities payments</b>	134	380
<b>Other Insured Events (Disabilities e.t.c.)</b>	29.928	22.845
<b>Surrenders</b>	175.696	138.253
<b>TOTAL:</b>	<b>287.830</b>	<b>251.206</b>

**A3.4 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business from Cyprus**

**Table 2**

<b>Claim Type</b>	<b>2011</b>	<b>2010</b>
<b>Deaths</b>	4.920	3.456
<b>Maturities</b>	25.624	8.561
<b>Annuities payments</b>	247	159
<b>Other Insured Events (Disabilities e.t.c.)</b>	-215	85
<b>Surrenders</b>	65.800	69.979
<b>TOTAL:</b>	<b>96.376</b>	<b>82.240</b>

## (II) Expenses incurred

### **(A) Non-Life business**

#### **A3.5 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business**

**Table 1: Data from Non-Life Technical Account (Euro Thousand)**

	<b>2011</b>	<b>2010</b>
<b>Gross expenses</b>	<b>142.320</b>	<b>134.641</b>
<b>Gross earned premiums</b>	<b>495.315</b>	<b>478.768</b>
<b>Ratio of Gross expenses over Gross earned premiums</b>	<b>29%</b>	<b>28%</b>

#### **A3.6 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business**

**Table 2: Data from Non-Life Technical Account (Euro Thousand)**

	<b>2011</b>	<b>2010</b>
<b>Gross expenses</b>	<b>14.827</b>	<b>18.332</b>
<b>Gross earned premiums</b>	<b>67.238</b>	<b>69.896</b>
<b>Ratio of Gross expenses over Gross earned premiums</b>	<b>22%</b>	<b>26%</b>

### **(B) Life Business (Gross Claims Incurred for Individual and Group Contracts)**

#### **A3.7 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business**

**Table 1**

	<b>2011</b>	<b>2010</b>
<b>Gross expenses</b>	<b>79.571</b>	<b>82.608</b>
<b>Gross earned premiums</b>	<b>379.157</b>	<b>368.977</b>
<b>Ratio of Gross expenses over Gross premiums</b>	<b>21%</b>	<b>22%</b>



**A3.8 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business from Cyprus**

**Table 2**

	<b>2011</b>	<b>2010</b>
<b>Gross expenses</b>	<b>24.050</b>	<b>20.788</b>
<b>Gross earned premiums</b>	<b>93.582</b>	<b>94.704</b>
<b>Ratio of Gross expenses over Gross premiums</b>	<b>26%</b>	<b>22%</b>

**APPENDIX 4: Insurance/Reinsurance Undertakings, which were transacting domestic business in Cyprus or international business from Cyprus, as at 31/12/2011**

*Note: A full description of the insurance risks/classes, included in the Tables below, is given in the relevant Table in page 43.*

**A. DOMESTIC BUSINESS INSURANCE/REINSURANCE UNDERTAKINGS**

A1

Non-Life Undertakings		Insurance Classes
1	Asfalistiki Eteria I Kentriki Ltd	1,2,3,6,7,8,9,10,12,13,15,16
2	Atlantic Insurance Public Co Ltd	1,2,3,5,6,7,8,9,10,11,12,13,15,16
3	Commercial General Insurance Ltd	1,2,3,6,7,8,9,10,12,13,15,16
4	Cosmos Insurance Co Public Ltd	1,2,3,6,7,8,9,10,12,13,15,16
5	Demco Insurance Ltd <sup>1</sup>	1,2,3,5,6,7,8,9,10,11,12,13,16,17,18
6	Ethniki General Insurance (Cyprus) Ltd	1,2,3,6,7,8,9,10,12,13,16
7	Eurosure Insurance Co Ltd	1,2,3,6,7,8,9,10,11,12,13,16
8	Gan Direct Insurance Ltd	1,3,7,8,9,10,12,13,16
9	General Insurance Co of Cyprus Ltd <sup>1</sup>	1,2,3,6,7,8,9,10,12,13,14,15,16,17,18
10	Hermes Insurance Ltd	14,15
11	Hydra Insurance Co Ltd	1,2,3,7,8,9,10,13,16,18
12	Hydrogios Insurance Co (Cyprus) Ltd	1,2,3,6,7,8,9,10,12,13,16
13	Laiki Insurance Co Ltd <sup>1,3</sup>	1,2,3,6,7,8,9,10,12,13,15,16
14	Olympic Insurance Co Ltd <sup>5</sup>	1,2,3,6,7,8,9,10,12,13,15,16,18
15	Pancyprian Insurance Ltd	1,2,3,6,7,8,9,10,12,13,15,16
16	Progressive Insurance Co Ltd	1,3,7,8,9,10,13,15,16
17	Royal Crown Insurance Co Ltd	1,2,3,6,7,8,9,10,12,13,15,16

Note: As from 23/4/2012, Demco Insurance Ltd, was granted permission to transfer its portfolio and merge it with Interlife Insurance Co. Ltd, which, as from 1/9/2011, has been renamed to Prime Insurance Co. Ltd.

A2

Life Undertakings		Insurance Classes
1	Ethniki Insurance (Cyprus) Ltd	I,III,IV
2	Eurolife Ltd <sup>1</sup>	I,III, IV, VII & 1,2
3	Hellenic Alico Life Insurance Co Ltd	I,III & 1
4	Laiki Cyprialife Ltd <sup>2,3,4</sup>	I,III & 1,2
5	Liberty Life Insurance Public Co Ltd	I,III, IV, & 1,2
6	Universal Life Insurance Public Co Ltd	I,III, IV, & 1,2

A3

Life & Non-Life (Composite) Undertakings		Insurance Classes
1	Alpha Insurance Ltd	I,III & 1,2,3,6,7,8,9,10,12,13
2	Prime Insurance Co Ltd	I,III,IV & 1,2,3,6,7,8,9,10,12,13,15,16
3	Minerva Insurance Co Public Ltd	I,III & 1,2,3,6,7,8,9,10,12,13,15,16

Notes for all the 3 tables in this part:

- 1) Insurance undertakings, which are also carrying out insurance business in Greece, under the Freedom of Establishment.
- 2) Insurance undertakings, which are also carrying out insurance business in Greece, under the Freedom of Services.
- 3) Insurance undertakings, which are also carrying out insurance business in the United Kingdom (UK), under the Freedom of Services.
- 4) Insurance undertakings also carrying out insurance business in Romania under the freedom to provide services.
- 5) Insurance undertaking also carrying out insurance business in Bulgaria, under the freedom of establishment.

## **B. INTERNATIONAL BUSINESS INSURANCE/REINSURANCE UNDERTAKINGS**

B1

Non-life Undertakings		Insurance Classes
1	Berytus Marine Insurance Co Ltd	6,7
2	MOL Reinsurance Co Ltd	8,16
3	Trust International Insurance Co.(Cyprus) Ltd <sup>7</sup>	1,2,3,6,7,8,9,10,12,13,16

B2

Life Undertakings		Insurance Classes
1	Ancoria Insurance Public Ltd <sup>6</sup>	I,III
2	Medlife Insurance Ltd	I,III

B3

Life & Non-Life (Composite) Undertakings		Insurance Classes
1	Grawe Reinsurance Ltd	I & 1,8,9,13,16

Notes for all the 3 tables in this part:

- 6) Insurance undertaking also carrying out insurance business in the Sweden, under the freedom of establishment.
- 7) Insurance undertaking also carrying out insurance business in Cyprus, for the insurance classes 1,3,7,8,9,10,13 and 16.

**C. BRANCHES OF NON-EU INSURANCE/REINSURANCE UNDERTAKINGS, WHICH WERE TRANSACTING EITHER DOMESTIC OR INTERNATIONAL BUSINESS**

**C1 Domestic Business**

Non-life Undertakings		Insurance Classes
1	American Home Assurance Co	1,2,3,6,7,8,9,10,12,13,15,16,18

Life Undertakings		Insurance Classes
1	American Life Insurance Co	I,III,IV & 1,2

**C2 International Business**

Non-life Undertakings		Insurance Classes
1	Trust International Insurance and Reinsurance Co. B.S.C. (Closed) Trust Re <sup>9</sup>	1,6,7,8,9,12,13,16

Notes for the 2 tables in this part:

9) Transacting Insurance Business outside Cyprus (International Business) only.

**D. BRANCHES OF EU INSURANCE/REINSURANCE UNDERTAKINGS, WHICH WERE TRANSACTING BUSINESS IN CYPRUS UNDER THE FOE REGIME**

Insurance Undertakings		Insurance Classes
1	Allianz Greece SA	Non-life classes 1,3,7,8,9,10,13,15 & Life class I
2	Lloyd's Underwriters	1,2,3,4,5,6,7,8,9,10,11,12,13, 14,15,16,17,18
3	The British United Provident Association Insurance Ltd	1,2
4	Gasamamo Insurance Ltd	1,3,7,8,9,10,13,16

**E. EU & EEA INSURANCE UNDERTAKINGS, WHICH WERE TRANSACTING BUSINESS IN CYPRUS UNDER THE FOS REGIME**

As at 31/12/2011, the EU & EEA insurance undertakings with permission from their home supervisory authorities to provide insurance services in Cyprus, under the FOS regime, were **394** (2010: 365). A list with the names of these insurance undertakings is available on the website of the Ministry of Finance ([www.mof.gov.cy](http://www.mof.gov.cy)), under the Insurance Companies Control Service Directorate. A summary Table by Home Country is given below. The country with the most FOS companies' representations in Cyprus is the United Kingdom with 115 companies (2010: 109), which are almost one-third (29.19%) of the total.

Home Country	Number of Undertakings
United Kingdom	115
Ireland	40
Luxembourg	28
Germany	28
France	22
Austria	16
Italy	16
The Netherlands	14
Sweden	14
Liechtenstein	10
Poland	9
Belgium	9
Denmark	8
Hungary	7
Spain	6
Norway	6
Greece	6
Malta	5
Czech Republic	5
Bulgaria	5
Finland	5
Romania	5
Gibraltar	4
Slovenia	4
Lithuania	2
Estonia	2
Latvia	2
Iceland	1

### **INSURANCE RISKS/CLASSES CODES**

#### **NON-LIFE CLASSES**

1 = Accident	10 = Motor Vehicle Liability
2 = Sickness	11 = Aircraft Liability
3 = Land Vehicle	12 = Liability for Ships
4 = Railway Rolling Stock	13 = General Liability
5 = Aircraft	14 = Credit
6 = Ships	15 = Suretyship
7 = Goods in Transit	16 = Miscellaneous Financial Loss
8 = Fire and Natural Forces	17 = Legal Expenses
9 = Other Damage to Property	18 = Assistance

#### **LIFE CLASSES**

I = Life Insurance Class	V = Tontine Class
II = Marriage and Birth Insurance Class	VI = Capital Redemption Class
III = Life Insurance Class Linked to Investments	VII = Management of Group Pension Funds or Provident Funds Class
IV = Permanent Health Insurance Class	VIII = Group Scheme Providence Class
	VIII= Similar Business to Social Insur. Class