

# INSURANCE COMPANIES CONTROL SERVICE

## REPORT ON INSURANCE IN CYPRUS 2013

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## REPORT ON INSURANCE IN CYPRUS - 2013

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### Note:

All the statistical figures included in this Report are strictly insurance business figures, and they are based on the 2013 Annual Statutory Accounts, which were submitted by 31/5/2014, by the insurance undertakings, which are under the supervision of the Insurance Companies Control Service.

This Report does not include any statistical figures relating to the business transacted in Cyprus by Branches of EU Insurance Undertakings, which are transacting such 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 2013

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

During the year **2013**, the Insurance Companies Control Service (ICCS) of the Ministry of Finance of the Government of the Republic of Cyprus, which is under the authority of the Superintendent of Insurance, Mrs Victoria Natar, was responsible for the supervision of **34** insurance/reinsurance undertakings (Cypriot and Foreign), which are all registered in Cyprus as follows:

- (a) **33 Cypriot Undertakings**, of which **25** are Domestic Business Undertakings, i.e. they transact all or the greatest part of their business in Cyprus, and **8** are International Business Undertakings, i.e. they transact all or the greatest part of their business outside Cyprus, and
- (b) **1 Foreign Undertaking**, which is an International Business Undertaking.

Note: The “Cypriot” undertakings are undertakings which are incorporated in Cyprus, while the “Foreign” undertakings are branches of undertakings which are incorporated abroad and outside the EU. The classification “Domestic” and “International” undertaking relates to whether an undertaking transacts most of its business in Cyprus (domestic business) or abroad (non-domestic business), and not whether it is incorporated in Cyprus or abroad.

A detailed list with relevant classification of the above insurance/reinsurance undertakings, including the insurance classes for which they were authorized, as at 31/12/2013, 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 2002-2013 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/reinsurance 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 2013, there were **5** EU/EEA insurance undertakings with permission from their home supervisory authorities to provide insurance services in the Republic of Cyprus through a branch, i.e. under the FOE regime. In addition, there were **432** 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 2013

**Note:** In all sections of the report, the figures of 2013 relate to **25 Domestic Business** and **9 International Business Undertakings**, while the 2012 figures relate to **27 Domestic Business** and **7 International Business Undertakings**, due to the reclassification of 2 undertakings from Domestic Business Undertakings to International Business Undertakings, in view of the fact that their non-Domestic Business exceeded their Domestic Business.

#### 1.3.1 Written Premiums

As per Part 3 of the Report, during 2013, the total Gross Written Premiums (GWP) by the undertakings, which transacted mainly Domestic Business and were supervised by ICCS, including the Branches of Non-EU Undertakings, were **€727.492.000**, and they present a **decrease of -11.07%** (-6.45% in 2012) compared to the previous year. This amount includes the premiums produced outside Cyprus by the above-mentioned undertakings, and, at the same time, it excludes the premiums produced in Cyprus by the undertakings which transact mainly International Business and are also supervised by the ICCS. As presented in Part 2 of the Report though, if the premiums produced outside Cyprus by the Domestic Business Undertakings are excluded, and, at the same time, the premiums produced in Cyprus by the International Business Undertakings are included, the respective GWPs are **€689.211.000**, and they present a **decrease of -9.49%** (-6.62% in 2012) compared to the previous year. These GWPs represent a rate of **4.18%** (4.26% in 2012) of the Gross Domestic Product.

The respective Life Business gross written premiums, as per Part 3 of the Report, including the Life Business premiums produced by Composite Undertakings, were **€301.127.000**, and they present a **decrease of -10.66%** (-7.95% in 2012) with respect to the previous year. These premiums held a share of **43.69%** (42.02% in 2012) of the total premiums. The respective premiums for Non-Life Business, including the Non-Life Business premiums produced by Composite Undertakings, were **€388.084.000**, and they present a **decrease of -8.57%** (-5.55% in 2012) with respect to the previous year. These premiums held a share of **56.31%** (57.98% in 2012) 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 2013 for the Life Business Undertakings were **€398.146.000** (€355.371.000 in 2012). This amount includes the claims relating to death, disability and critical illness benefits, and also the claims for surrenders, maturities and annuity benefits. For the Non-Life Business Undertakings, the respective amount was **€206.193.000** (€239.934.000 in 2012). The ratio of gross claims incurred (incl. the claims management costs) over gross premiums earned for Non-Life Business was **47%** (50% in 2012).

As per section II of *Appendix 3* of the Report, the expenses incurred during 2013 for the undertakings which transact Domestic Business amounted to **€66.483.000** (€72.550.000 in 2012) for Life Business, and **€125.478.000** (140.223.000 in 2012) for Non-Life Business. The corresponding ratios of gross expenses over gross premiums earned were **22%** (21% in 2012) for Life and **29%** (29% in 2012) for Non-Life Business.

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

As per the analysis in Part 6 of the Report, at 31/12/2013 the aggregate result transferred to the non-technical account for Domestic Life Business Undertakings was at the level of **€41.519.000** (€51.361.000 in 2012).

The respective result for Non-Life Business Undertakings was at the level of **€32.268.000** (€28.002.000 in 2012).

For the Composite Business Undertakings, the result was at the level of **€6.431.000** (€3.379.000 in 2012).

### 1.3.4 Technical Provisions-Reserves

As per the analysis in Part 8 of the Report, at 31/12/2013 the Gross Technical Reserves for Life Business (including the respective amount coming from Composite Business Companies) were at the level of **€1.490.188.000** (€1.640.746.000 at 31/12/2012). The respective Gross Total Liabilities for Life Business (including Gross Technical Reserves) were **€1.564.614.000** (€1.710.320.000 at 31/12/2012).

The respective amount for Gross Technical Reserves for Non-Life Business was at the level of **€403.496.000** (€440.081.000 at 31/12/2012), and the Gross Total Liabilities (including Gross Technical Reserves) were **€557.717.000** (€602.423.000 at 31/12/2012).

### 1.3.5 Total Assets

As per the analysis in Part 7 of the Report, at 31/12/2013 the Total assets (including the Shareholders Equity) for the Life Business were at the level of **€1.831.642.000** (€1.972.708.000 at 31/12/2012). The Shareholders Equity included therein were **€293.855.000** (€294.914.000 at 31/12/2012).

The respective amount for the Non-Life Business was at the level of **€587.645.000** (€645.157.000 at 31/12/2012). The respective amount for the Shareholders Equity included therein was **€199.005.000** (€210.662.000 at 31/12/2012).

The total assets of the Composite Business Undertakings were at the level of **€235.592.000** (€235.911.000 at 31/12/2012). The respective amount for the Shareholders Equity included therein was **€39.688.000** (€35.457.000 at 31/12/2012).

### 1.3.6 Solvency Requirements and Free Shareholders' Assets

As per the analysis in Part 9 of the Report, at 31/12/2013 the Minimum Solvency Margin (MSM) requirement for all the Domestic Business Undertakings (Life, Non-Life and Composite together) was at the level of **€169.235.000** (€195.198.000 at 31/12/2012). The respective Solvency Coverage Ratio, i.e. the ratio of MSM over the Free Shareholder Assets, which were approved for solvency coverage purposes, was **2.86** (2012: 2.50).

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

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

	2013	2012	2011
<b>GDP (Euro thousand)</b>	16.504.000*	17.886.000	17.761.400
<b>Life Premiums written in Cyprus (Euro thousand)</b>	301.127	337.052	366.143
<b>Ratio of Life Premiums to GDP</b>	<b>1,82%</b>	<b>1,88%</b>	<b>2,06%</b>
<b>Non-Life Premiums written in Cyprus (Euro thousand)</b>	388.084	424.456	449.401
<b>Ratio of Non-Life Premiums to GDP</b>	<b>2,35%</b>	<b>2,37%</b>	<b>2,53%</b>
<b>Aggregate Premiums written in Cyprus (Euro thousand)</b>	<b>689.211</b>	<b>761.508</b>	<b>815.544</b>
<b>Ratio of Aggregate Premiums to GDP</b>	<b>4,18%</b>	<b>4,26%</b>	<b>4,59%</b>

\* The GDP values are current prices values and are based on the most recent National Accounts published by the Cyprus Statistics Service (Cystat) as at the date of release of this Report.

**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**

	2013	2012	2011
<b>Population (areas controlled by Republic of Cyprus Government)</b>	858.000*	865.000*	862.000
<b>Life Premiums written in Cyprus (Euro thousand)</b>	301.127	337.052	366.143
<b>Life Premiums per capita (Euros)</b>	<b>351</b>	<b>390</b>	<b>425</b>
<b>Non-Life Premiums written in Cyprus (Euro thousand)</b>	388.084	424.456	449.401
<b>Non-Life Premiums per capita (Euros)</b>	<b>452</b>	<b>491</b>	<b>521</b>
<b>Aggregate Premiums (Euro thousand)</b>	<b>689.211</b>	<b>761.508</b>	<b>815.544</b>
<b>Aggregate Premiums per capita (Euros)</b>	<b>803</b>	<b>880</b>	<b>946</b>

\* The Population values are based on the most recent information published by Eurostat.

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

#### 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)**

	2013	2012	2011
<b>Life Business</b>	308.419	343.812	379.157
<b>Non-Life Business</b>	419.073	474.233	495.315
<b>Total</b>	<b>727.492</b>	<b>818.045</b>	<b>874.472</b>

**Notes:**

(1) The gross premiums written outside Cyprus, by Domestic Business Undertakings, have been included in the Domestic Business figures, 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 in all relevant Tables in this Report.

(3) The premiums for Non-Life Accident & Health Business, carried out by Life Undertakings, have been included in the Non-Life Business in the above table.

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

	2013	2012	2011
<b>Life Undertakings</b>	339.576	375.540	406.936
<b>Non-Life Undertakings</b>	290.405	339.284	384.110
<b>Composite Undertakings</b>	97.511	103.221	83.426
<b>Total Premiums written in Cyprus</b>	<b>727.492</b>	<b>818.045</b>	<b>874.472</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)**

	2013	2012	2011
<b>Life Business</b>	77.314	91.386	93.581
<b>Non-Life Business</b>	128.044	87.645	67.238
<b>Total</b>	<b>205.358</b>	<b>179.031</b>	<b>160.819</b>

Notes:

(1) The gross premiums written in Cyprus by International Business Undertakings, have been included in the International Business figures, 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 in all relevant Tables in this Report.

(3) The premiums for Non-Life Accident & Health Business, carried out by Life Undertakings, have been included in the Non-Life Business in the above table.

During 2013, the total gross premiums written by International Business Undertakings and by Branches of Non-EU Undertakings which transact International Business from Cyprus, presented an increase of 14.70% (2012: 11.32%). As far as the Life Business only, the respective gross premiums presented a decrease of -15.39% (2012: -2.35%), and these premiums were 37.71% (2012: 51.04%) of the total premiums. The respective gross premiums for Non-Life Business presented an increase of 46.09% (2012: 30.35%), and they constituted 62.29% (2012: 48.96%) of the total premiums.

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

	2013	2012	2011
<b>Life Undertakings</b>	71.051	85.953	88.159
<b>Non-Life Undertakings</b>	117.564	77.179	57.322
<b>Composite Undertakings</b>	16.743	15.899	15.338
<b>Total Premiums written outside Cyprus</b>	<b>205.358</b>	<b>179.031</b>	<b>160.819</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)**

	2013	2012	2011
Premiums written by Non-Life Undertakings	290.405	339.284	384.110
Non-Life Premiums written by Composite Undertakings	58.326	63.051	43.220
Non-Life Premiums written by Life Undertakings (Accident & Health)	70.342	71.898	67.985
<b>TOTAL</b>	<b>419.073</b>	<b>474.233</b>	<b>495.315</b>

Note: The Non-Life Premiums written by Life undertakings relate to Accident & Health Business, and are premiums which come from either long-term or short-term duration accident and/or health riders attached on Life policies or short term duration accident and/or health individual policies.

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

	2013	2012	2011
Accident & Health	99.239	101.458	97.214
Motor Vehicle	164.678	199.115	210.878
Marine, Aviation & Transport	3.520	4.664	5.807
Fire & Other Damage to Property	109.937	119.205	125.489
General Liability	29.477	36.048	41.626
Credit & Suretyship	206	223	189
Miscellaneous	12.016	13.522	14.112
<b>TOTAL</b>	<b>419.073</b>	<b>474.233</b>	<b>495.315</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)**

	2013	2012	2011
Premiums written by Non-Life Undertakings	117.564	77.179	57.322
Non-Life Premiums written by Composite Undertakings	10.480	10.466	9.916
Non-Life Premiums written by Life Undertakings (Accident & Health)	0	0	0
<b>TOTAL</b>	<b>128.044</b>	<b>87.645</b>	<b>67.238</b>

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

	2013	2012	2011
Accident & Health	7.202	6.027	5.103
Motor Vehicle	36.846	15.421	13.312
Marine, Aviation & Transport	5.904	5.453	3.959
Fire & Other Damage to Property	67.461	52.774	38.672
General Liability	6.431	3.135	2.623
Credit & Suretyship	0	0	0
Miscellaneous	4.200	4.836	3.569
<b>TOTAL</b>	<b>128.044</b>	<b>87.645</b>	<b>67.238</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)

	2013	2012	2011
Life premiums written by Life Undertakings	269.234	303.642	338.951
Life premiums written by Composite Undertakings	39.185	40.170	40.206
<b>TOTAL</b>	<b>308.419</b>	<b>343.812</b>	<b>379.157</b>

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

Table 12: Gross Life Premiums (in Euro Thousand)

	2013	2012	2011
Life premiums written by Life Undertakings	71.051	85.953	88.159
Life premiums written by Composite Undertakings	6.263	5.433	5.422
<b>TOTAL</b>	<b>77.314</b>	<b>91.386</b>	<b>93.581</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)

	2013	2012	2011
Unit – Linked	224.672	252.137	285.611
of which Single	11.479	5.742	23.330
of which Regular	213.193	246.395	262.281
Non – Linked	83.747	91.674	93.546
of which Single	720	1.971	1.853
of which Regular	83.027	89.703	91.693
<b>TOTAL</b>	<b>308.419</b>	<b>343.812</b>	<b>379.157</b>

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

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

	2013	2012	2011
<b>Unit – Linked:</b>	10.299	9.283	26.143
of which Single	9.702	8.693	25.331
of which Regular	597	590	812
<b>Non – Linked:</b>	67.015	82.102	67.438
of which Single	19.260	14.679	14.667
of which Regular	47.755	67.423	52.771
<b>TOTAL</b>	<b>77.314</b>	<b>91.386</b>	<b>93.581</b>

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

**Table 15: Domestic Business - Individual and Group policies' Premiums (in Euro Thousand)**

	2013	2012	2011
Individual policies	269.459	300.843	335.324
Group policies	38.960	42.969	43.833
<b>TOTAL</b>	<b>308.419</b>	<b>343.812</b>	<b>379.157</b>

**Table 16: International Business - Individual and Group policies' Premiums (in Euro Thousand)**

	2013	2012	2011
Individual policies	77.314	91.386	93.581
Group policies	0	0	0
<b>TOTAL</b>	<b>77.314</b>	<b>91.386</b>	<b>93.581</b>

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

*Table 17: Unit-Linked and Other Contracts*

	2013			2012		
	Number of Contracts			Number of Contracts		
	Unit-Linked	Other	Total	Unit-Linked	Other	Total
<b>Domestic Business</b>	12.494	9.992	<b>22.486</b>	13.585	11.457	<b>25.042</b>
<b>International Business</b>	153	36.262	<b>36.415</b>	253	44.357	<b>44.610</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 Premiums (Annualized)

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

	2013			2012		
	Unit-Linked	Other	Total	Unit-Linked	Other	Total
<b>Domestic Business</b>	19.615	5.101	<b>24.716</b>	23.858	6.143	<b>30.001</b>
<b>International Business</b>	96	14.480	<b>14.576</b>	68	33.564	<b>33.632</b>

### 5.5.2 New Single Premiums

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

	2013			2012		
	Unit-Linked	Other	Total	Unit-Linked	Other	Total
<b>Domestic Business</b>	11.362	330	<b>11.692</b>	9.526	1.771	<b>11.297</b>
<b>International Business</b>	9.702	17.931	<b>27.633</b>	8.693	14.671	<b>23.364</b>

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

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

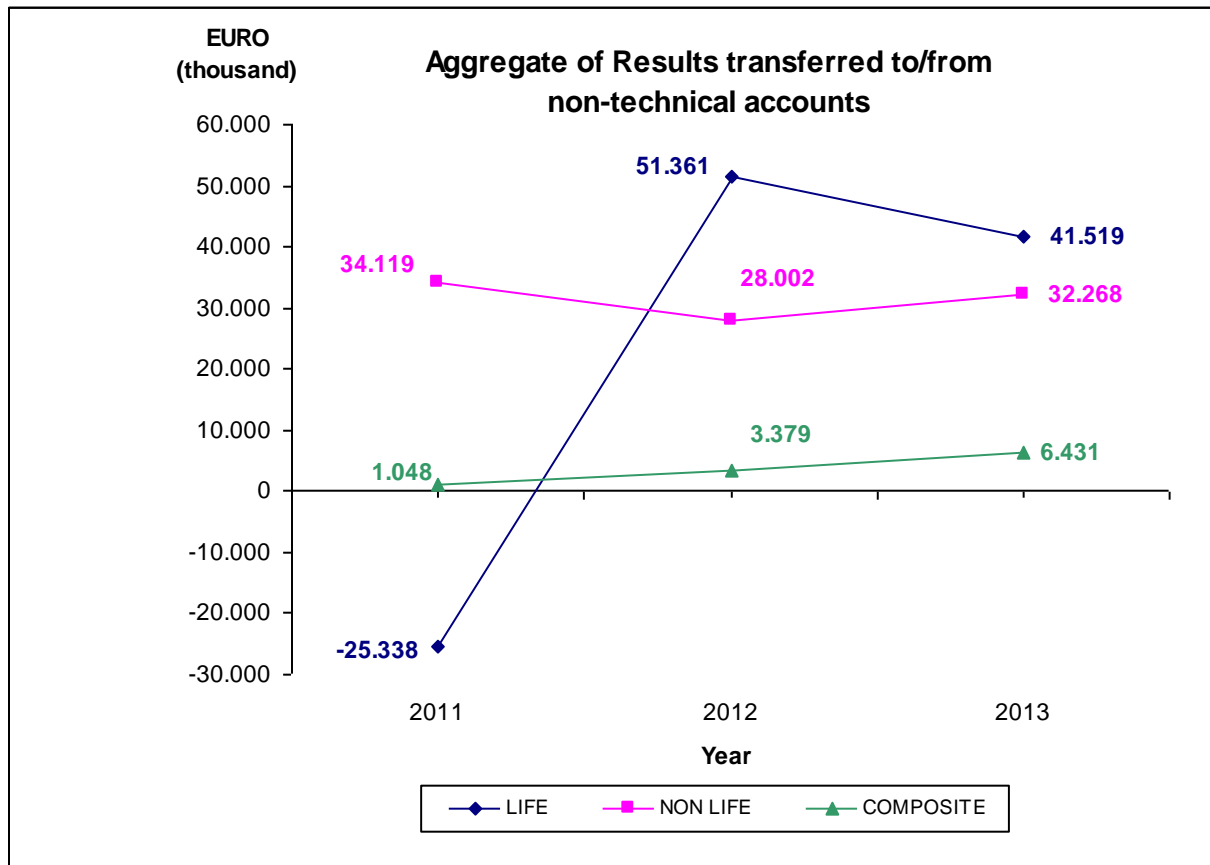
	2013		2012	
	Total Contracts	Total Premiums	Total Contracts	Total Premiums
<b>Domestic Business</b>	<b>95</b>	<b>4.706</b>	<b>63</b>	<b>6.092</b>
<b>International Business</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: The above Group Business Premiums refer to new policies regular premiums and to increases on regular premiums of 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

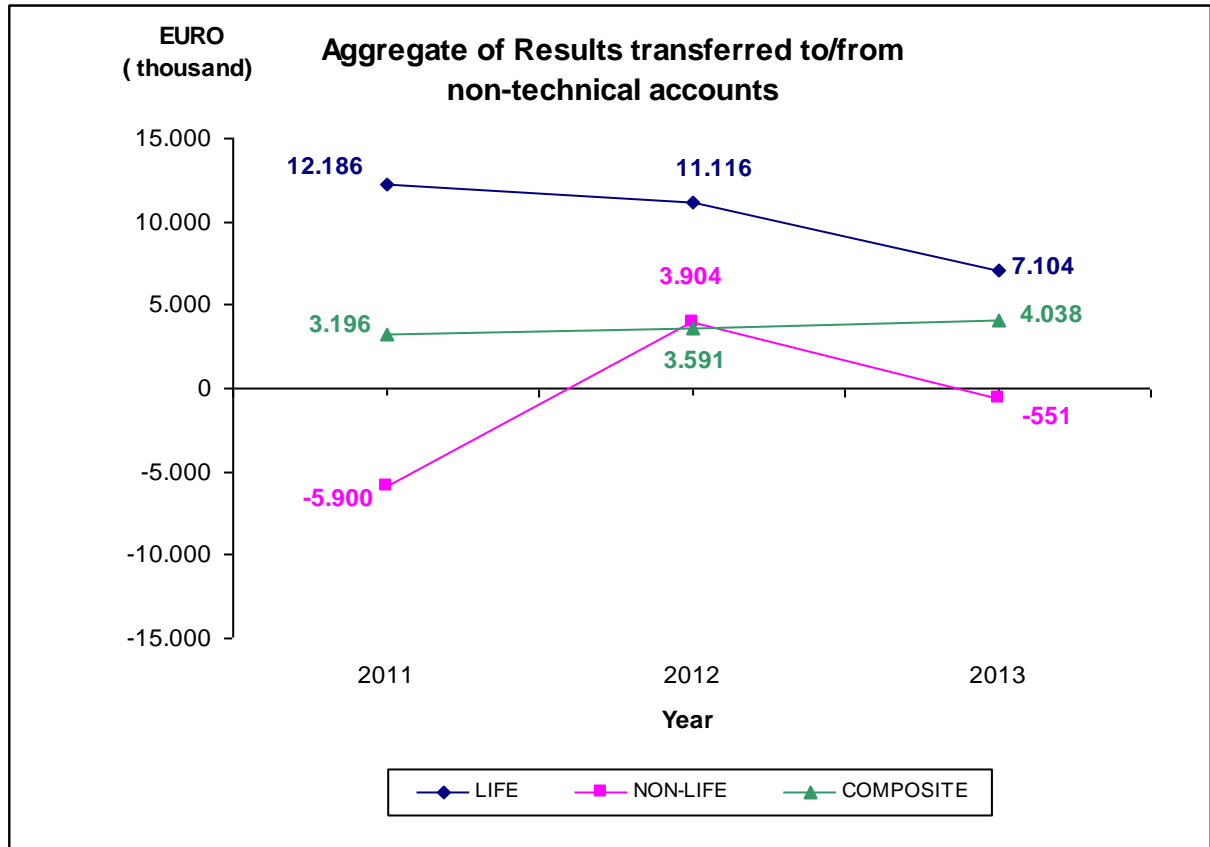
Graph 1



Notes: 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 transacting Non-Life Accident & Health Business, the respective amount from Form 3.2 was added to the amount from Form 3.3. Also, as mentioned last year, the Life Business result for 2011 was not a representative result for the whole market, as the biggest part of it related to one undertaking, which had a loss of €46.000.000 in 2011.

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

Graph 2



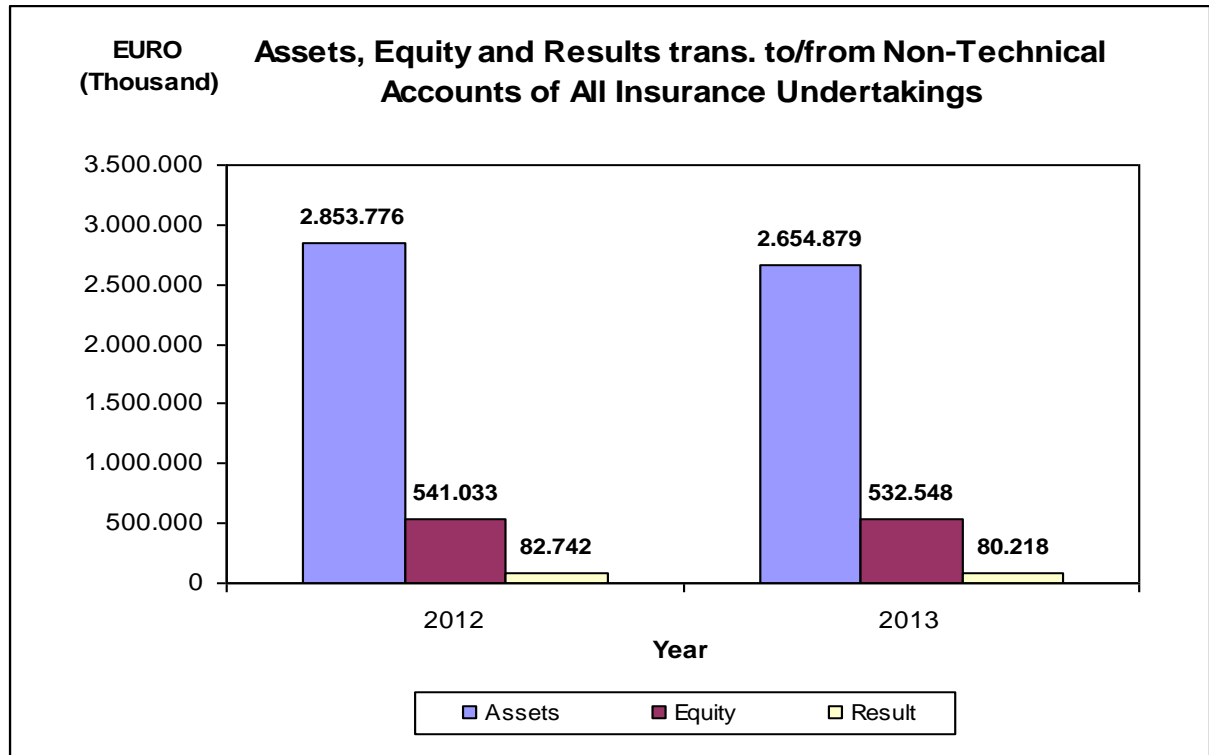
Note: The amounts transferred to/from the non-technical accounts were taken from Forms 3.2 (General Business revenue accounts) and 3.3 (Life Business revenue accounts) and they basically represent the underwriting profits or losses. For Life undertakings transacting Non-Life Accident & Health Business, the respective amount from Form 3.2 was added to 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

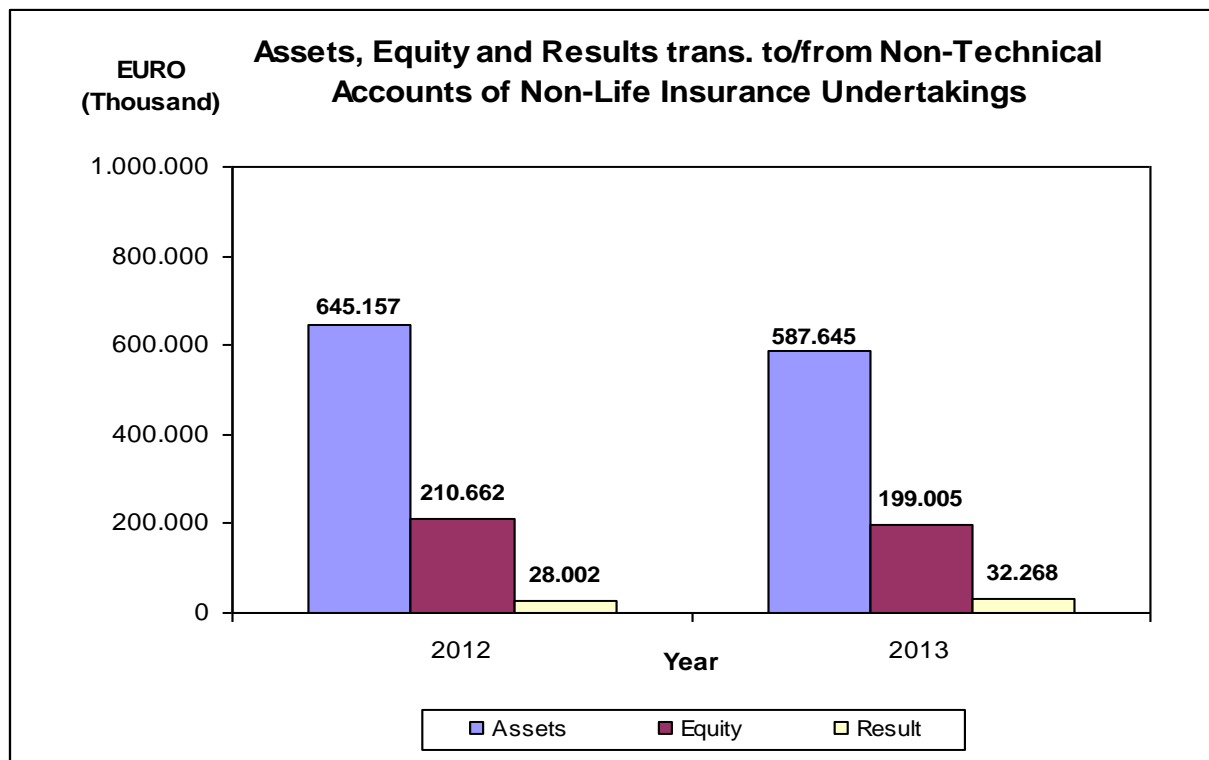
Graph 3



Note: The assets amounts, shown in the above graph, include the shareholders' equity (capital and reserves), and also the reinsurers' reserve and the surplus amounts carried forward. The same note applies for all other graphs in this section.

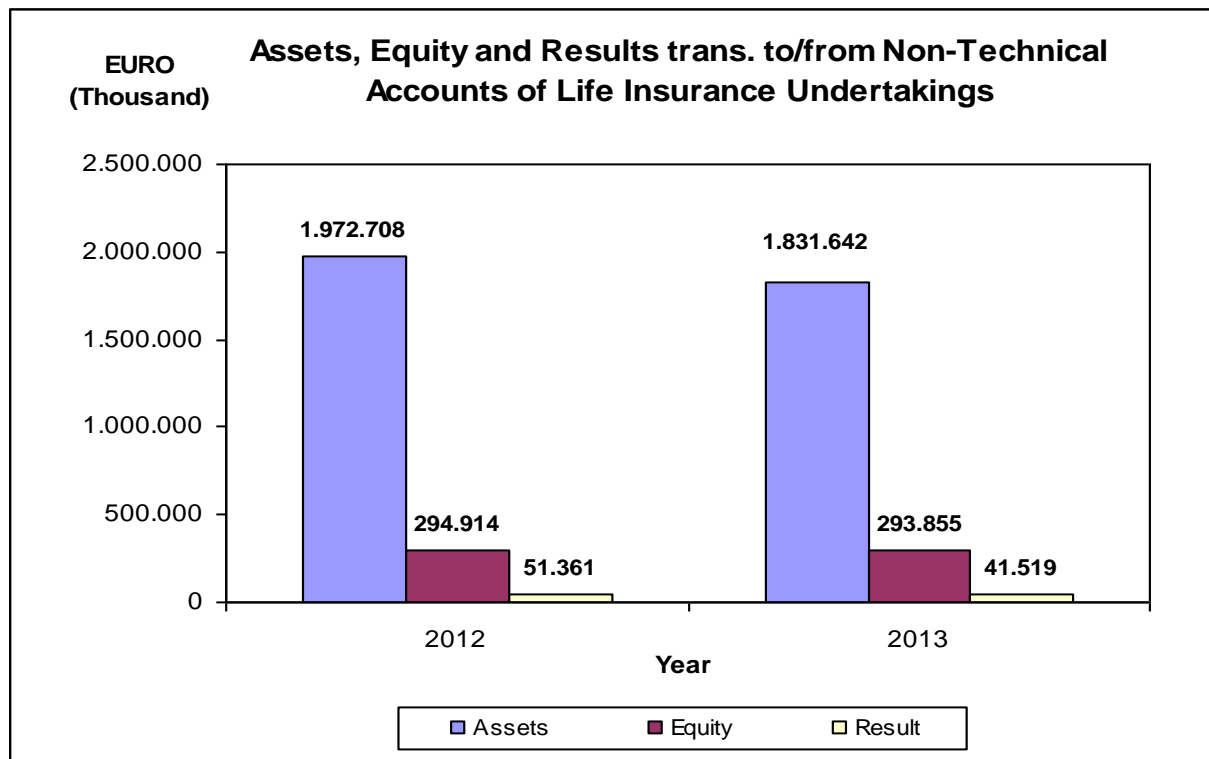
The Underwriting Return on Equity rate, i.e. the ratio of the result transferred to/from the non-technical accounts over the shareholders' equity amount, for all undertakings together was 15,06% for 2013 compared to 15,29% for 2012.

**Graph 4**



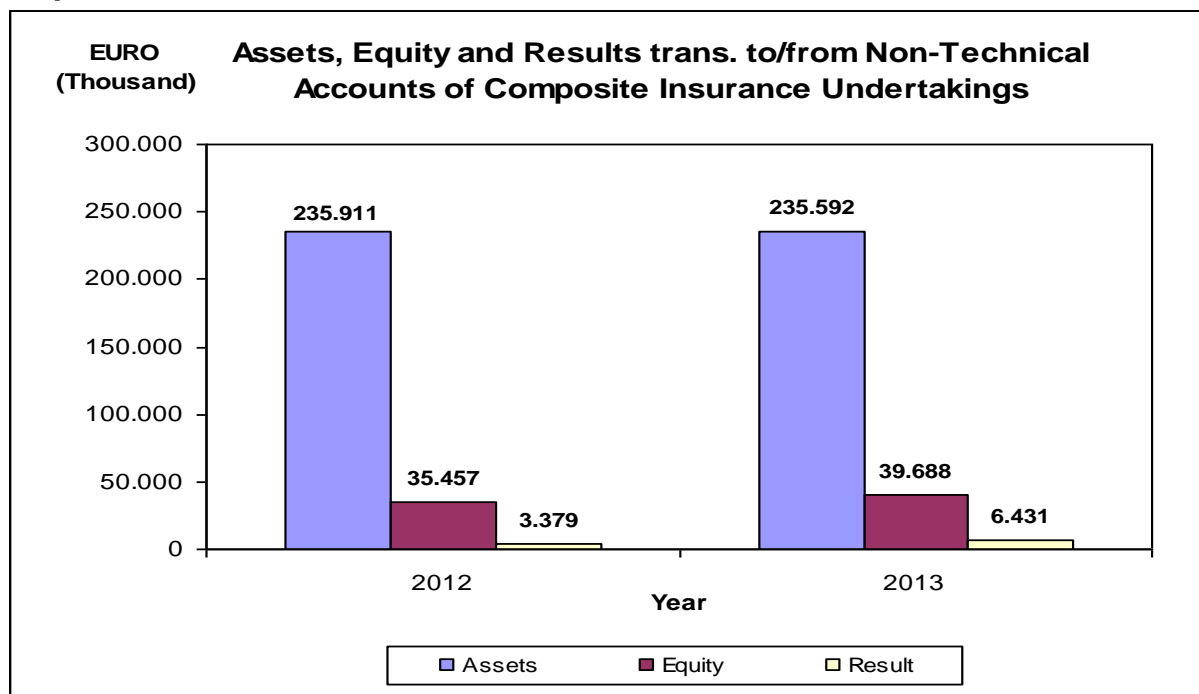
The respective Underwriting Return on Equity rate for Non-Life Undertakings only was 16,21% for 2013 compared to 13,29% for 2012.

**Graph 5**



The Underwriting Return on Equity rate for Life Undertakings only was 14,13% for 2013 compared to 17,42% for 2012.

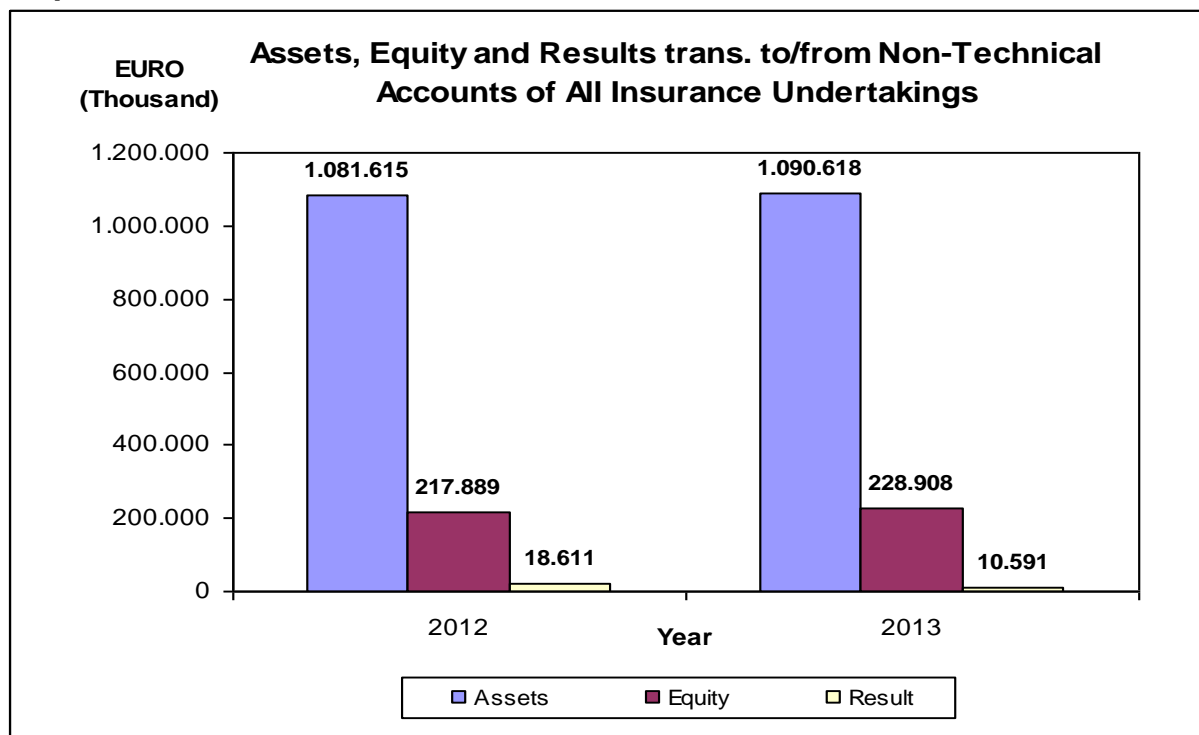
**Graph 6**



The relative Underwriting Return on Equity rate for Composite Undertakings only was 16,20% for 2013 compared to 9,53% for 2012.

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

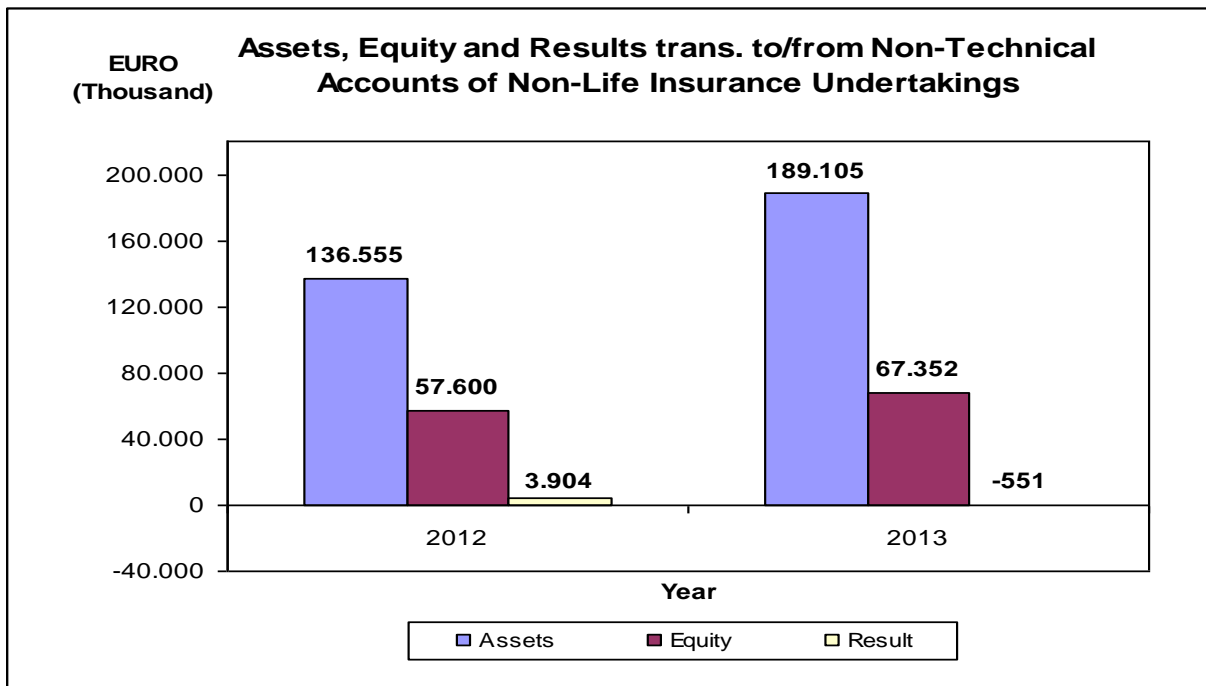
**Graph 7**



Note: The assets amounts, shown in the graph above, include the shareholders' **equity (capital and reserves)**, and also the reinsurers' reserve and the surplus amounts carried forward. The same note counts for all other graphs in this section.

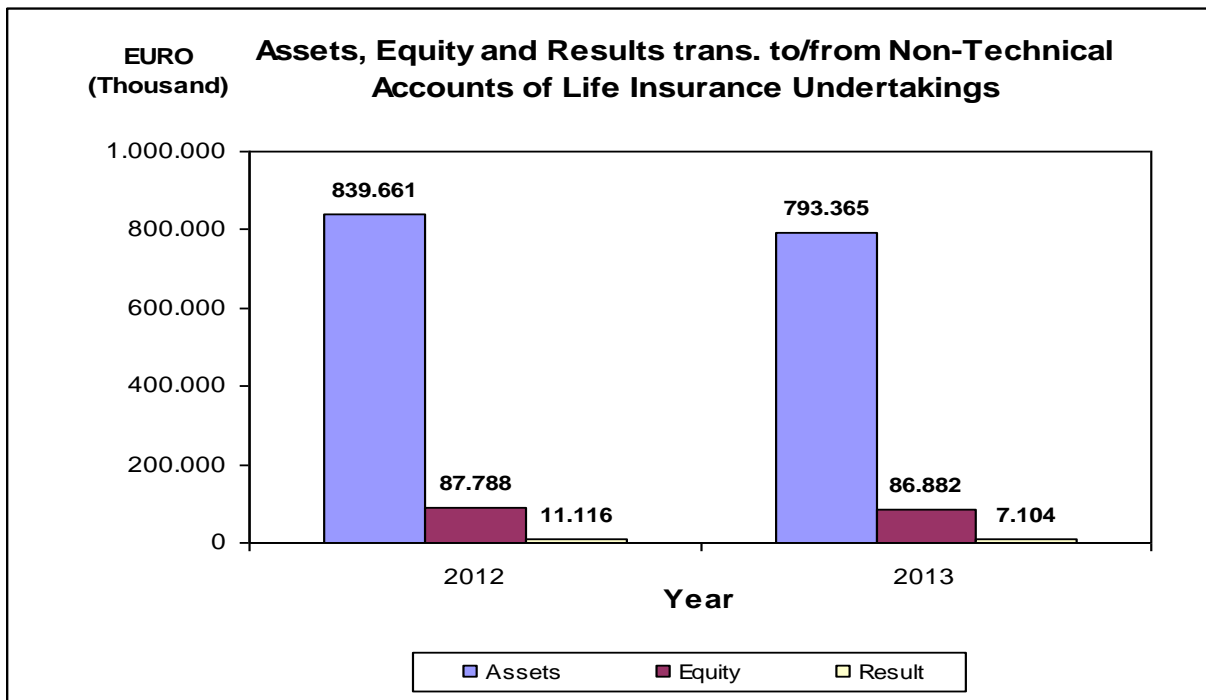
The Underwriting Return on Equity, i.e. the ratio of the result transferred to/from the non-technical accounts over the shareholders' equity amount, for all undertakings together is 4,63% for 2013 compared to 8,54% for 2012.

**Graph 8**



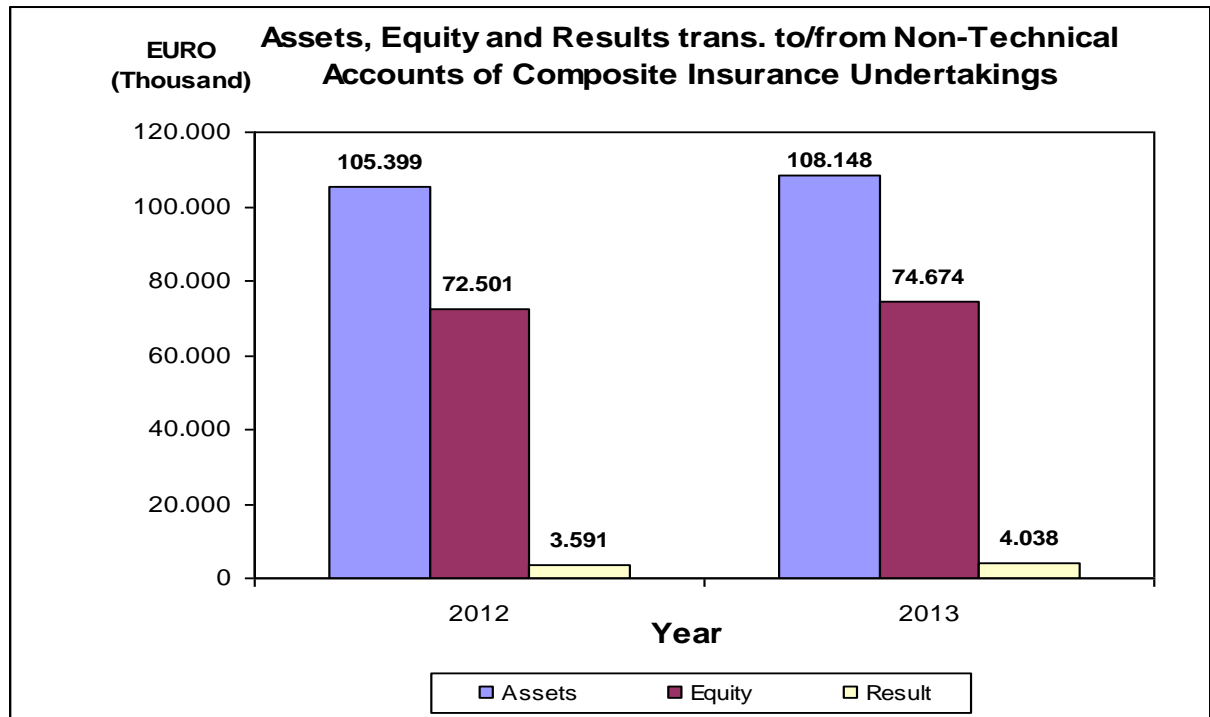
The respective Underwriting Return on Equity rate for Non-Life Undertakings only is -0,82% for 2013 compared to 6,78% for 2012.

**Graph 9**



The Underwriting Return on Equity rate for Life Undertakings only is 8,18% for 2013 compared to 12,66% for 2012.

**Graph 10**

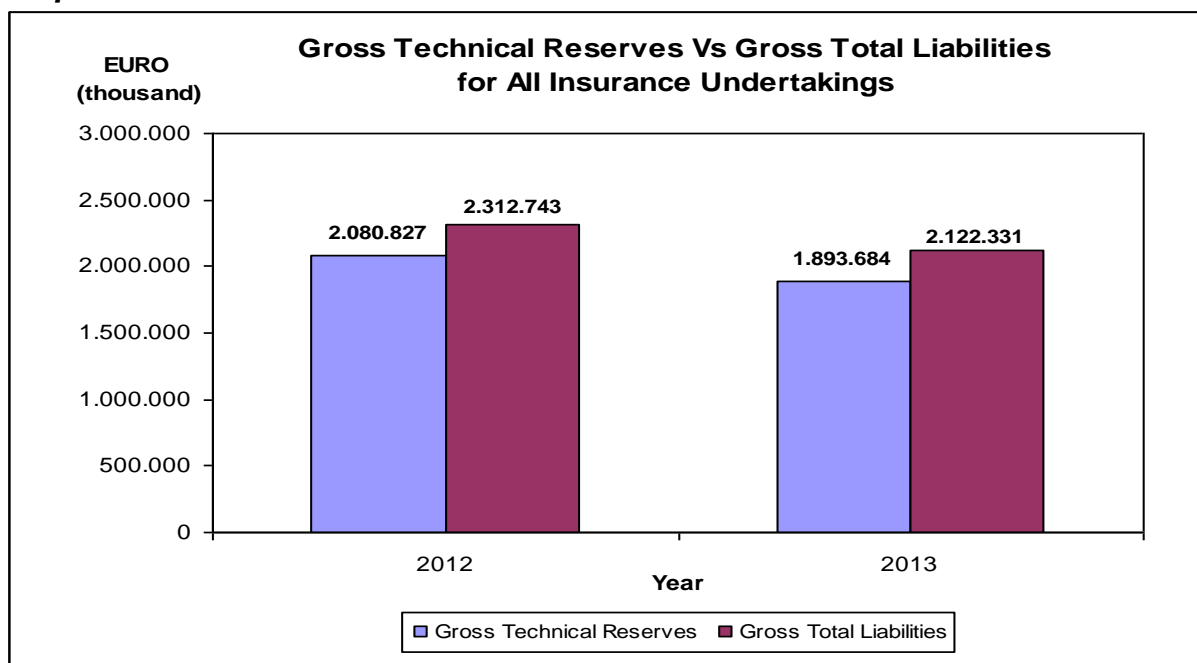


The Underwriting Return on Equity rate for Composite Undertakings only is 5,41% for 2013 compared to 4,95% for 2012.

## 8. Gross Technical Reserves and Gross Total Liabilities

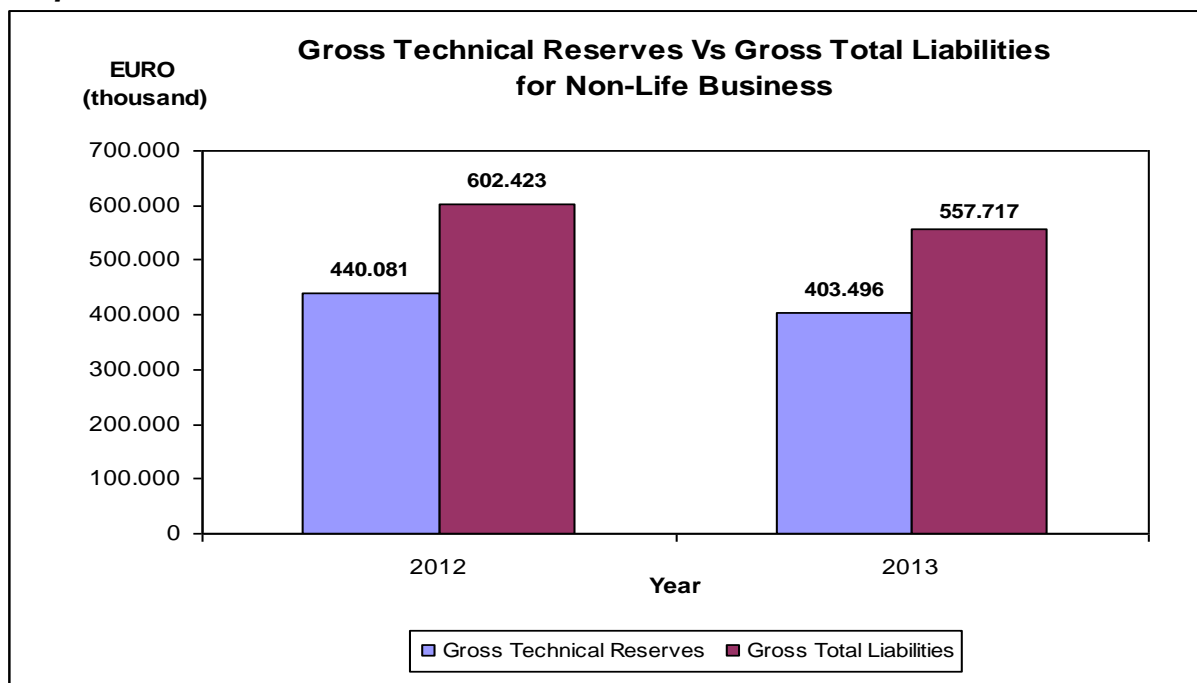
### 8.1 Domestic Business Undertakings and Branches of Non-EU Undertakings transacting Domestic Business

Graph 11



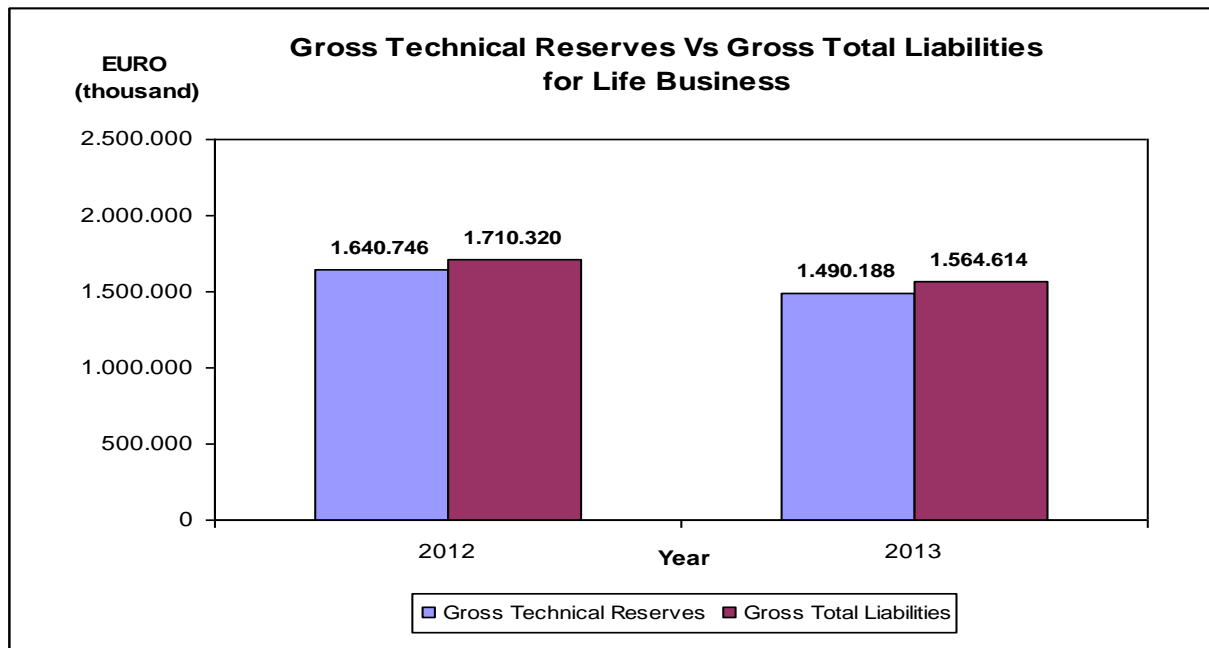
- Notes:**
1. Gross Technical Reserves include the Reinsurers' Reserve.
  2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus amounts carried forward.

Graph 12



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

**Graph 13**

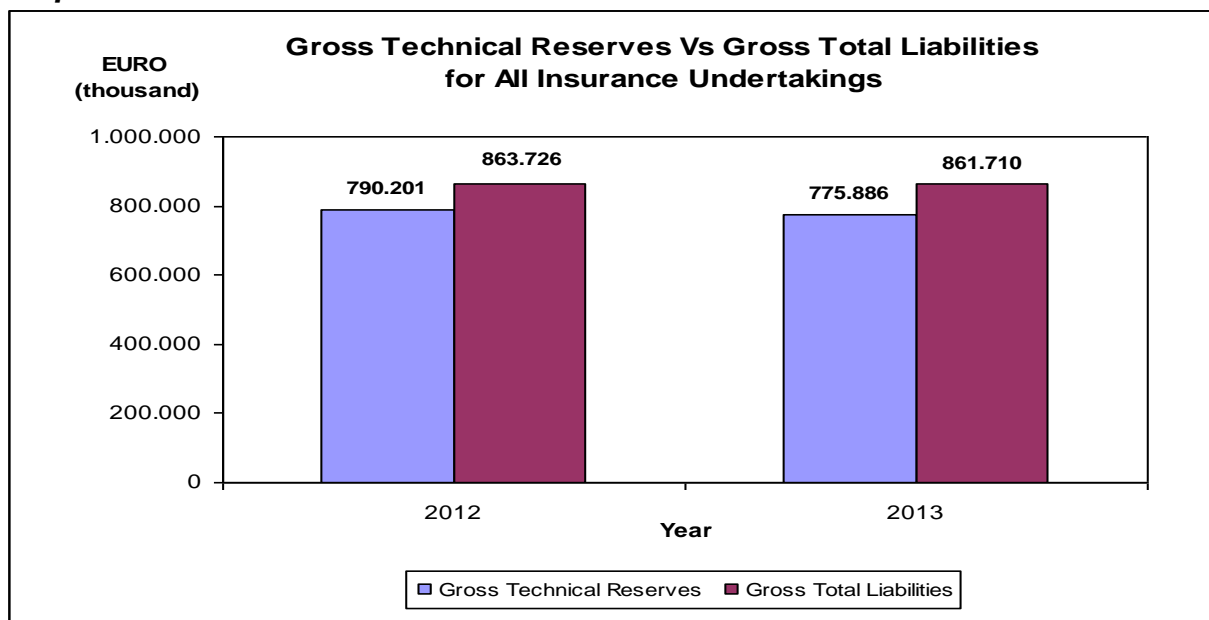


**Notes:** 1. Gross Technical Reserves include the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus amounts carried forward.

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.

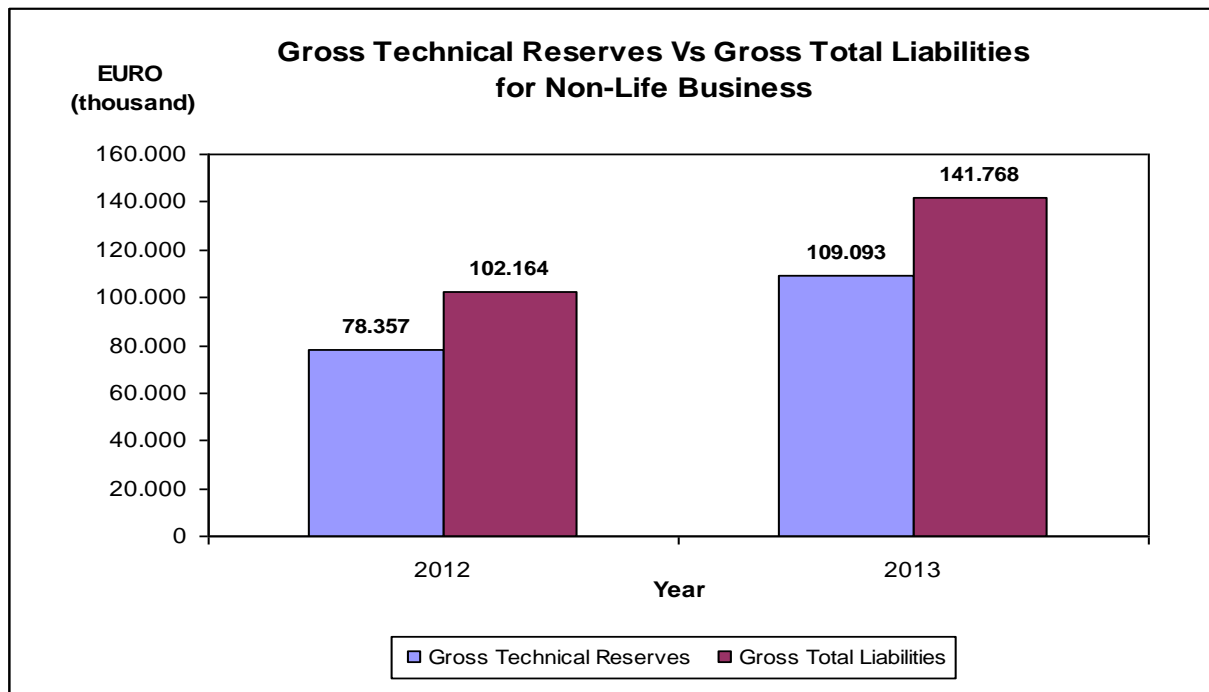
## **8.2 International Business Undertakings and Branches of Non-EU Undertakings transacting International Business**

**Graph 14**



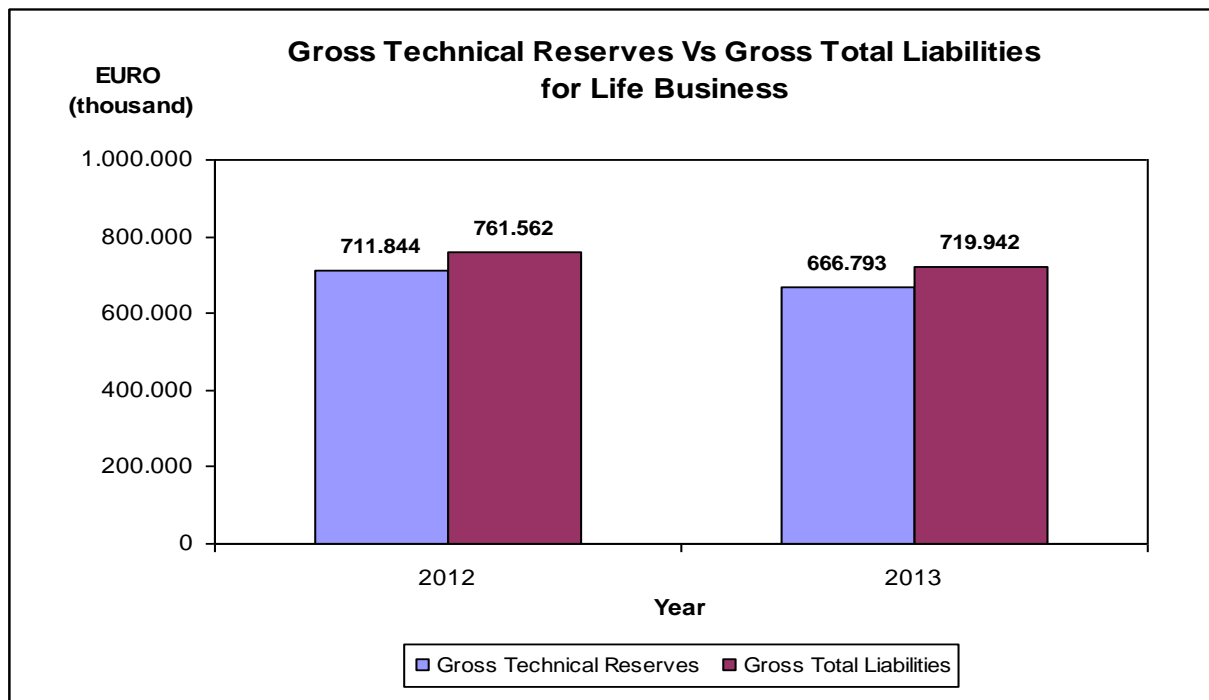
**Notes:** 1. Gross Technical Reserves includes the Reinsurers' Reserve.  
2. Gross Total Liabilities include the Reinsurers' Reserve and the surplus amounts carried forward.

**Graph 15**



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

**Graph 16**



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

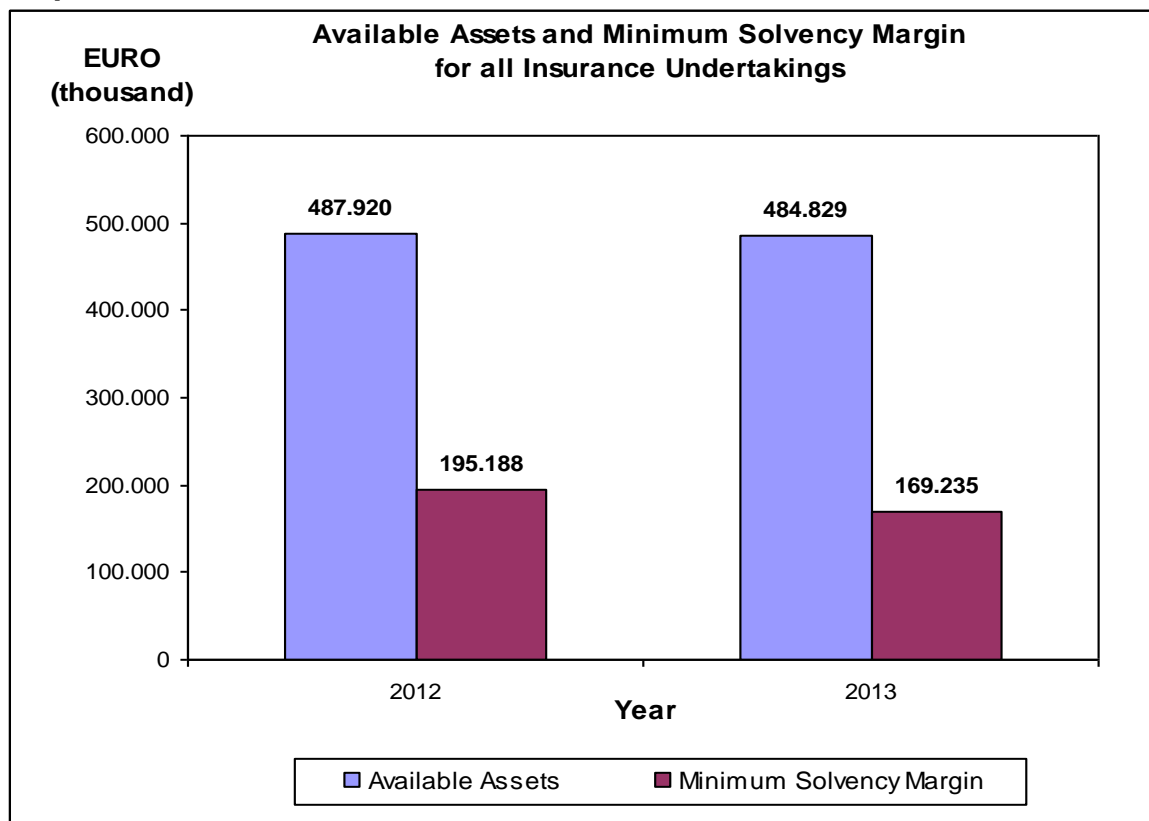
A complete analysis of the investments supporting the technical reserves, shown in graphs 14, 15 and 16 above, is given in Appendix 2 - section A2.2.



## 9. Available Assets and Minimum Solvency Margin

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

Graph 17

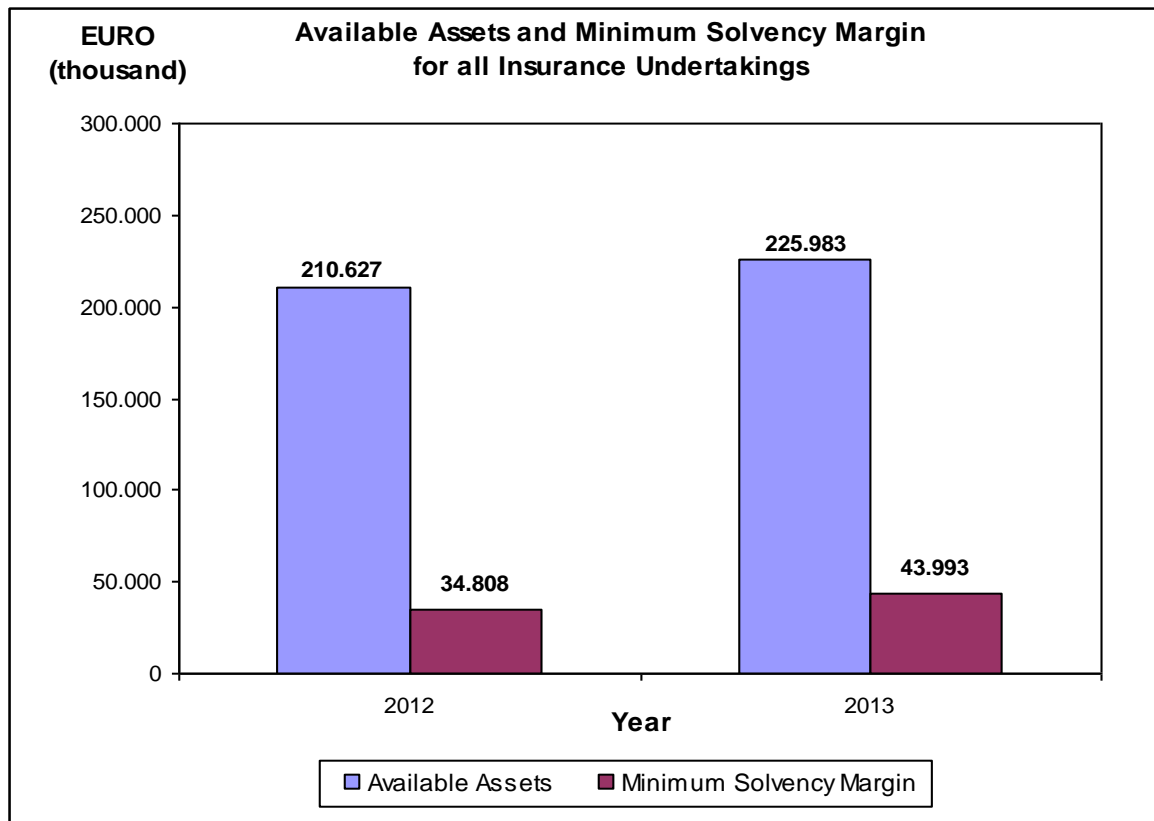


As at 31/12/2013, the relevant Aggregate (whole market) Minimum Solvency Margin (MSM) Coverage Ratio, i.e. the ratio of MSM over Available Assets, was 2.86 compared to 2.50 for 31/12/2012 and 2.14 for 31/12/2011.

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. The absolute minimum amount (known as the guaranteed amount) used in the Solvency Capital Margin-Requirement calculation, was €3.0m for Life Business and €3.0m for Non-Life Business during the years 2004 to 2006. At 31/12/2006 though, and as per the provision, of the relevant Solvency Requirements EU Directive, for annual reviews of these amounts, both amounts have been increased to €3.2m for Life Business and €3.2m for Non-Life Business. At 31/12/2009 these two amounts were further increased to €3.5m for Life Business and €3.5m for Non-Life Business, and at 31/12/2012 they were further increased to €3.7m for Life Business and €3.7m for Non-Life Business.

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

**Graph 18**



As at 31/12/2013, the relevant Aggregate (whole market) Minimum Solvency Margin (MSM) Coverage Ratio, i.e. the ratio of MSM over Available Assets, was 5.14 compared to 6.05 for 31/12/2012 and 5.24 for 31/12/2011.

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 2013 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 Insur.Co (CY) Ltd	38.797	24.996	13.801	N/A	N/A	N/A	N/A	N/A	N/A
2	Ethniki Insurance (Cyprus) Ltd	5.764	5.764	0	N/A	N/A	N/A	N/A	N/A	N/A
3	Eurolife Ltd	108.513	95.972	12.541	N/A	N/A	N/A	N/A	N/A	N/A
4	Hellenic Alico Life Ins. Co Ltd	11.875	11.406	469	N/A	N/A	N/A	N/A	N/A	N/A
5	CNP Cyprialife Ltd	91.001	81.001	10.000	N/A	N/A	N/A	N/A	N/A	N/A
6	Liberty Life Insur. Public Co. Ltd	7.874	4.700	3.174	N/A	N/A	N/A	N/A	N/A	N/A
7	Universal Life Ins.Public Co Ltd	75.752	45.395	30.357	N/A	N/A	N/A	N/A	N/A	N/A
	<b>SUB TOTAL</b>	<b>339.576</b>	<b>269.234</b>	<b>70.342</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	Atlantic Insurance Co Public Ltd	24.701	N/A	4.042	11.664	246	7.578	1.011	86	74
2	CNP Insurance Ltd	60.375	N/A	1.512	24.960	680	25.374	6.113	53	1.683
3	Commercial General Insur. Ltd	11.146	N/A	137	7.019	79	3.179	625	10	97
4	Cosmos Insurance Co Ltd	22.198	N/A	4.691	14.126	134	2.528	719	0	0
5	Ethniki General Ins.(Cyprus) Ltd	12.244	N/A	5.236	3.733	93	2.490	620	0	72
6	Eurosure Insurance Co Ltd	6.332	N/A	836	3.380	109	915	963	0	129
7	Gan Direct Insurance Ltd	12.525	N/A	109	11.278	2	1.113	23	0	0
8	General Ins. Co of Cyprus ltd	68.311	N/A	2.343	12.676	737	34.853	9.198	41	8.463
9	Hermes Insurance Ltd	0	N/A	0	0	0	0	0	0	0
10	Hydra Insurance Co Ltd	11.783	N/A	460	9.486	1	1.371	465	0	0
11	Kentriki Insurance Co Ltd	4.805	N/A	135	2.881	264	973	386	0	166
12	Pancyprian Insurance Ltd	33.151	N/A	651	15.318	528	13.405	3.042	0	207
13	Progressive Insurance Co Ltd	4.208	N/A	22	2.514	83	1.030	477	16	66
14	Royal Crown Insurance Co Ltd	10.133	N/A	93	4.884	174	3.437	656	0	889
15	Ydrogios Insur. Co (Cyprus) Ltd	8.493	N/A	907	4.217	29	2.466	874	0	0
	<b>SUB TOTAL</b>	<b>290.405</b>	<b>0</b>	<b>21.174</b>	<b>128.136</b>	<b>3.159</b>	<b>100.712</b>	<b>25.172</b>	<b>206</b>	<b>11.846</b>
<b>COMPOSITE INSURANCE UNDERTAKINGS</b>										
1	Alpha Insurance Ltd	30.808	15.062	4.913	3.440	121	4.939	2.333	0	0
2	Minerva Insurance Co Ltd	11.703	1.347	944	7.937	17	752	699	0	7
3	Prime Insurance Co Ltd	55.000	22.776	1.866	25.165	223	3.534	1.273	0	163
	<b>SUB TOTAL</b>	<b>97.511</b>	<b>39.185</b>	<b>7.723</b>	<b>36.542</b>	<b>361</b>	<b>9.225</b>	<b>4.305</b>	<b>0</b>	<b>170</b>
	<b>AGGREGATE TOTAL</b>	<b>727.492</b>	<b>308.419</b>	<b>99.239</b>	<b>164.678</b>	<b>3.520</b>	<b>109.937</b>	<b>29.477</b>	<b>206</b>	<b>12.016</b>

#### Notes:

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

- Prime Insurance Co Ltd: €16.508K
- Eurosure Insurance Co Ltd: €189K
- General Insurance Co. of Cyprus Ltd: €10.292K
- CNP Insurance Ltd: €4.000K
- CNP Cyprialife Ltd: €2.000K
- Eurolife Ltd: €5.292K

2. Non-Linked premiums included in above life premiums: € 83.747K

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

GROSS PREMIUMS WRITTEN outside Cyprus during 2013 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	24.559	24.559	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Medlife Insurance Ltd	46.492	46.492	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SUB TOTAL</b>		<b>71.051</b>	<b>71.051</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	1.116	N/A	0	0	1.116	0	0	0	0
2	HD Insurance Ltd	1.750	N/A	0	1.750	0	0	0	0	0
3	MOL Reinsurance Co Ltd	15.982	N/A	0	0	0	12.201	0	0	3.781
4	Olympic Insurance Co Ltd	19.996	N/A	185	18.614	19	751	425	0	2
5	Trust International Insurance Co (Cyprus) Ltd	56.504	N/A	2.086	16.482	3.310	32.213	1.996	0	417
6	Trust International Insurance and Reins.Co B.S.C.(Closed) Trust Re	22.216	N/A	544	0	1.459	17.790	2.423	0	0
<b>SUB TOTAL</b>		<b>117.564</b>	<b>0</b>	<b>2.815</b>	<b>36.846</b>	<b>5.904</b>	<b>62.955</b>	<b>4.844</b>	<b>0</b>	<b>4.200</b>
<b>COMPOSITE INSURANCE UNDERTAKINGS</b>										
1	Grawe Reinsurance Ltd	16.743	6.263	4.387	0	0	4.506	1.587	0	0
<b>SUB TOTAL</b>		<b>16.743</b>	<b>6.263</b>	<b>4.387</b>	<b>0</b>	<b>0</b>	<b>4.506</b>	<b>1.587</b>	<b>0</b>	<b>0</b>
<b>AGGREGATE TOTAL</b>		<b>205.358</b>	<b>77.314</b>	<b>7.202</b>	<b>36.846</b>	<b>5.904</b>	<b>67.461</b>	<b>6.431</b>	<b>0</b>	<b>4.200</b>

### Notes:

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

Grawe Reinsurance Ltd: € 2.030K

Trust International Insurance Co (Cyprus) Ltd: € 19.413K

Olympic Insurance Co. Ltd: €6.225K

Ancoria Insurance Public Ltd: €11.108K

2. Non-Linked premiums included in above life premiums: € 67.015K

## **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 €44.120K at 31/12/2013.*

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

<b>Description of investments that cover the technical reserves for Domestic Life &amp; Non-Life Business</b>				<b>31/12/2013</b>	<b>31/12/2012</b>
Debt securities	Fixed interest	Approved securities	1	235.147	226.896
		Other securities	2	189.574	191.889
	Other than fixed interest	Approved securities	3	2.337	1.944
		Other securities	4	5.156	14.147
Shares in companies other than group undertakings		Listed	5	44.664	48.615
		Unlisted	6	2.728	1.929
Other variable yield securities			7	300	275
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	450.479	471.233
		Other	10	12.307	13.122
Beneficial interests in limited partnerships			11	0	20
Deposits with approved credit institutions		Short term deposits	12	121.312	75.459
		Other deposits	13	168.973	187.109
Loans secured by mortgages			14	3.662	5.189
Loans secured on policies of insurance			15	36.666	41.719
Other loans	Secured		16	0	0
	Unsecured		17	0	0
Rights under derivative contracts			18	359	578
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	17.638	4.017
		Debts	22	26.967	34.302
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	721	5.730
		Debts	26	141.843	282.361

Land		27	177.207	204.773
Reversionary interests		28	0	0
Equipment		29	131	154
Debtors	Outstanding premiums	30	32.279	32.123
	Owed by intermediaries	31	23.387	28.250
	Owed by reinsurers	32	888	545
	Other	33	2.793	4.863
Reinsurers' share of technical provisions	Provision for unearned premiums	34	52.638	60.304
	Claims outstanding	35	74.717	76.780
	Provision for unexpired risks	36	43	0
	Other	37	205	133
Deferred acquisition costs		38	23.008	28.218
Accrued interest and rent		39	3.831	5.752
Other prepayments and accrued income		40	225	256
Cash		41	30	7
Other assets		42	653	2.042
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>1.852.867</b>	<b>2.050.734</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>1.852.867</b>	<b>2.050.734</b>

#### b) Life Business

Description of investments that cover the technical reserves for Domestic Life Business				31/12/2013	31/12/2012
Debt securities	Fixed interest	Approved securities	1	227.538	218.861
		Other securities	2	184.817	190.494
	Other than fixed interest	Approved securities	3	2.022	1.669
		Other securities	4	4.991	12.714
Shares in companies other than group undertakings	Listed	5	44.008	45.749	
	Unlisted	6	2.696	1.419	
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	448.709	471.233	
	Other	10	12.307	13.122	

Beneficial interests in limited partnerships		11	0	0	
Deposits with approved credit institutions	Short term deposits	12	57.791	24.002	
	Other deposits	13	120.685	140.024	
Loans secured by mortgages		14	3.662	5.189	
Loans secured on policies of insurance		15	36.666	41.719	
Other loans	Secured	16	0	0	
	Unsecured	17	0	0	
Rights under derivative contracts		18	321	578	
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	17.562	3.961
		Debts	22	26.967	34.302
Investments in group undertakings other than related undertakings	Insurance companies	Shares	23	0	0
		Debts	24	0	0
	Other companies	Shares	25	721	5.730
		Debts	26	97.637	215.006
Land		27	147.214	173.170	
Reversionary interests		28	0	0	
Equipment		29	0	0	
Debtors	Outstanding premiums		30	6.955	7.225
	Owed by intermediaries		31	476	460
	Owed by reinsurers		32	0	0
	Other		33	2.170	2.637
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	3.079	4.954	
Other prepayments and accrued income		40	225	218	
Cash		41	0	0	
Other assets		42	615	2.042	
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>1.449.833</b>	<b>1.616.478</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>1.449.833</b>	<b>1.616.478</b>	

### c) Non-Life Business

Description of investments that cover the technical reserves for Domestic Non-Life Business				31/12/2013	31/12/2012
Debt securities	Fixed interest	Approved securities	1	7.609	8.035
		Other securities	2	4.757	1.395
	Other than fixed interest	Approved securities	3	315	275
		Other securities	4	165	1.433
Shares in companies other than group undertakings	Listed	5	656	2.866	
	Unlisted	6	32	510	
Other variable yield securities			7	300	275
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	1.770	0
	Other		10	0	0
Beneficial interests in limited partnerships			11	0	20
Deposits with approved credit institutions	Short term deposits		12	63.521	51.457
	Other deposits		13	42.288	47.085
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	38	0
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	76	56
		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	44.206	67.355
Land			27	29.993	31.603
Reversionary interests			28	0	0
Equipment			29	131	154
Debtors	Outstanding premiums		30	25.324	24.898
	Owed by intermediaries		31	22.911	27.790



	Owed by reinsurers	32	888	545
	Other	33	623	2.226
Reinsurers' share of technical provisions	Provision for unearned premiums	34	52.638	60.304
	Claims outstanding	35	74.717	76.780
	Provision for unexpired risks	36	43	0
	Other	37	205	133
Deferred acquisition costs		38	23.008	28.218
Accrued interest and rent		39	752	798
Other prepayments and accrued income		40	0	38
Cash		41	30	7
Other assets		42	38	0
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>403.034</b>	<b>434.256</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>403.034</b>	<b>434.256</b>

*Note: The amounts in (b) above, include the assets for the Life Business of Composite Undertakings, and the amounts in (c) above include the respective assets for the Non-Life Business of Composite Undertakings.*

## 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 €1.772K at 31/12/2013.*

### a) Life & Non-Life Business

Description of investments that cover the technical reserves of International Life & Non-Life Business				31/12/2013	31/12/2012	
Debt securities	Fixed interest	Approved securities	1	94.582	83.862	
		Other securities	2	102.513	124.260	
	Other than fixed interest	Approved securities	3	0	0	
		Other securities	4	220	98	
Shares in companies other than group undertakings		Listed	5	57.464	73.871	
		Unlisted	6	0	0	
Other variable yield securities			7	66.619	74.302	
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	267.907	284.402	
		Other	10	13.038	12.011	
Beneficial interests in limited partnerships			11	0	0	
Deposits with approved credit institutions		Short term deposits	12	55.686	25.656	
		Other deposits	13	23.112	45.859	
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	186	0	
Investments related undertakings		Insurance companies	Shares	19	0	0
			Debts	20	0	0
		Other companies	Shares	21	5.531	4.962
			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	702	261
Land			27	1.141	0	
Reversionary interests			28	0	0	
Equipment			29	94	120	
Debtors		Outstanding premiums	30	11.212	4.978	
		Owed by intermediaries	31	5.192	0	

	Owed by reinsurers	32	0	8.489
	Other	33	3.823	864
Reinsurers' share of technical provisions	Provision for unearned premiums	34	22.416	22.587
	Claims outstanding	35	21.031	16.897
	Provision for unexpired risks	36	0	0
	Other	37	1.596	295
Deferred acquisition costs		38	4.269	1.611
Accrued interest and rent		39	2.802	3.958
Other prepayments and accrued income		40	0	0
Cash		41	10	9
Other assets		42	18.675	597
<b>Total ( 1 to 42)</b>		<b>43</b>	<b>779.821</b>	<b>789.949</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>779.821</b>	<b>789.949</b>

#### b) Life Business

Description of investments that cover the technical reserves of International Life Business			31/12/2013	31/12/2012	
Debt securities	Fixed interest	Approved securities	1	84.338	73.814
		Other securities	2	100.675	122.345
	Other than fixed interest	Approved securities	3	0	0
		Other securities	4	91	98
Shares in companies other than group undertakings	Listed	5	57.464	73.871	
	Unlisted	6	0	0	
Other variable yield securities			7	66.619	74.302
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	265.728	282.319
	Other		10	12.061	12.011
Beneficial interests in limited partnerships			11	0	0
Deposits with approved credit institutions	Short term deposits		12	31.477	18.313
	Other deposits		13	20.917	43.935
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	186	0
Investments in related undertakings	Insurance companies	Shares	19	0	0
		Debts	20	0	0
	Other companies	Shares	21	4.238	4.962

		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	505	220
Land			27	0	0
Reversionary interests			28	0	0
Equipment			29	0	0
Debtors	Outstanding premiums		30	2.706	1.068
	Owed by intermediaries		31	0	0
	Owed by reinsurers		32	0	0
	Other		33	3.823	864
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	2.589	3.958
Other prepayments and accrued income			40	0	0
Cash			41	0	0
Other assets			42	18.563	564
<b>Total ( 1 to 42)</b>			<b>43</b>	<b>671.980</b>	<b>712.644</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>671.980</b>	<b>712.644</b>

### c) Non-Life Business

Description of investments that cover the technical reserves of International Non-Life Business				31/12/2013	31/12/2012
Debt securities	Fixed interest	Approved securities	1	10.244	10.048
		Other securities	2	1.838	1.915
	Other than fixed interest	Approved securities	3	0	0
		Other securities	4	129	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	2.179	2.083		
		Other	10	977	0		
Beneficial interests in limited partnerships			11	0	0		
Deposits with approved credit institutions		Short term deposits	12	24.209	7.343		
		Other deposits	13	2.195	1.924		
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 related undertakings in		Insurance companies		Shares	19	0	0
				Debts	20	0	0
		Other companies		Shares	21	1.293	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	197	41
Land			27	1.141	0		
Reversionary interests			28	0	0		
Equipment			29	94	120		
Debtors		Outstanding premiums		30	8.506	3.910	
		Owed by intermediaries		31	5.192	0	
		Owed by reinsurers		32	0	8.489	
		Other		33	0	0	
Reinsurers' share of technical provisions		Provision for unearned premiums		34	22.416	22.587	
		Claims outstanding		35	21.031	16.897	
		Provision for unexpired risks		36	0	0	
		Other		37	1.596	295	
Deferred acquisition costs			38	4.269	1.611		
Accrued interest and rent			39	213	0		
Other prepayments and accrued income			40	0	0		
Cash			41	10	9		
Other assets			42	112	33		
<b>Total ( 1 to 42)</b>			<b>43</b>	<b>107.841</b>	<b>77.305</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>107.841</b>	<b>77.305</b>		

**Note: The amounts in (b) above, include the assets for the Life Business of Composite Undertakings, and the amounts in (c) above include the respective assets for the Non-Life Business of Composite Undertakings.**

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

### **(I) CLAIMS INCURRED**

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

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

**Table 1: Claims Data from Non-Life Technical Account (Euro Thousand) - 2013**

	<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>206.193</b>	65.946	106.041	826	20.968	11.662	35	714
Net Cl. Incurred	<b>153.958</b>	48.810	88.634	368	7.083	8.903	25	136

Note: "Net claims" means net of reinsurance.

**Table 2: Claims Data from Non-Life Technical Account (Euro Thousand) - 2012**

	<b>Total</b>	<b>Accident &amp; Health</b>	<b>Motor Vehicle</b>	<b>Marine, Aviation &amp; Transp.</b>	<b>Fire</b>	<b>General Liabil.</b>	<b>Credit</b>	<b>Miscell.</b>
Gross Cl. Incurred	<b>239.934</b>	68.653	127.768	253	28.294	10.112	69	4.785
Net Cl. Incurred	<b>184.991</b>	51.555	113.838	293	10.706	8.305	4	290

Note: As pointed out in the 2011 report, the gross claims amount for 2011 for the Fire class of insurance, was an extra-ordinary amount, as it included a provision of €350.000.000 for the expected damages from a single catastrophic event that incurred in 2011. During 2012 an amount of €191.000.000 has been recovered from the reinsurers, in relation to the 2011 catastrophic event, and the above 2012 amounts relating to the Fire class of insurance, as well as the total amounts, are those before deduction of this recovery amount.

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

**Table 3: Data from Non-Life Technical Account (Euro Thousand) - 2013**

	<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>41.569</b>	3.088	18.629	652	15.747	2.419	0	1.033
Net Cl. Incurred	<b>29.496</b>	2.653	17.224	569	7.159	1.888	0	4

**Table 4: Data from Non-Life Technical Account (Euro Thousand) - 2012**

	<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 Cl. Incurred	<b>36.446</b>	1.525	5.876	1.365	17.067	1.120	0	9.493
Net Cl. Incurred	<b>11.969</b>	1.456	5.559	245	3.607	1.100	0	2

**(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>2013</b>	<b>2012</b>
Deaths	29.826	28.488
Maturities	45.320	46.119
Annuities payments	0	1.060
Other Insured Events (Disabilities e.t.c.)	24.204	22.149
Surrenders	298.796	257.555
<b>TOTAL:</b>	<b>398.146</b>	<b>355.371</b>

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

**Table 2**

<b>Claim Type</b>	<b>2013</b>	<b>2012</b>
Deaths	3.346	5.021
Maturities	25.814	22.760
Annuities payments	0	373
Other Insured Events (Disabilities e.t.c.)	330	274
Surrenders	85.865	57.603
<b>TOTAL:</b>	<b>115.355</b>	<b>86.031</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)*

	2013	2012
Gross expenses	125.478	140.223
Gross earned premiums	438.000	483.718
Ratio of Gross expenses over Gross earned premiums	29%	29%

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

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

	2013	2012
Gross expenses	35.292	20.932
Gross earned premiums	121.960	78.880
Ratio of Gross expenses over Gross earned premiums	29%	27%

### **(B) Life Business**

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

*Table 1*

	2013	2012
Gross expenses	66.483	72.550
Gross earned premiums	308.419	343.812
Ratio of Gross expenses over Gross earned premiums	22%	21%

*Note: For the purposes of calculating the ratios in the above Life Business table, the earned premiums were assumed to be equal to the written premiums.*



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

**Table 2**

	<b>2013</b>	<b>2012</b>
<b>Gross expenses</b>	<b>19.234</b>	<b>31.032</b>
<b>Gross earned premiums</b>	<b>77.314</b>	<b>91.386</b>
<b>Ratio of Gross expenses over Gross earned premiums</b>	<b>25%</b>	<b>34%</b>

*Note: For the purposes of calculating the ratios in the above Life Business table, the earned premiums were assumed to be equal to the written premiums.*

## **APPENDIX 4: Insurance/Reinsurance Undertakings, which were transacting Domestic Business in Cyprus or International Business from Cyprus or both, as at 31/12/2013**

*Note: A full description of the insurance risks/classes, which are included in the Tables below, is given in a relevant Table in page 45.*

### **A. CYPRIOT INSURANCE/REINSURANCE UNDERTAKINGS TRANSACTING DOMESTIC BUSINESS**

A1

<b>Non-Life Undertakings</b>		<b>Insurance Classes</b>
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	CNP Insurance Ltd <sup>1,3</sup>	1,2,3,6,7,8,9,10,12,13,15,16
4	Commercial General Insurance Ltd	1,2,3,6,7,8,9,10,12,13,15,16
5	Cosmos Insurance Co Public Ltd	1,2,3,6,7,8,9,10,12,13,15,16
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	Pancyprian Insurance Ltd	1,2,3,6,7,8,9,10,12,13,15,16
14	Progressive Insurance Co Ltd	1,3,7,8,9,10,13,15,16
15	Royal Crown Insurance Co Ltd	1,2,3,6,7,8,9,10,12,13,15,16

Note: As from 2013, HD Insurance and Olympic Insurance have been reclassified and included in the International Business Undertakings, due to the fact that their non-Domestic Business exceeded their Domestic Business.

A2

<b>Life Undertakings</b>		<b>Insurance Classes</b>
1	American Life Insurance Co (CY) Ltd*	I,III, IV, VII & 1,2
2	Ethniki Insurance (Cyprus) Ltd	I,III,IV
3	EuroLife Ltd <sup>1</sup>	I,III, IV, VII & 1,2
4	Hellenic Alico Life Insurance Co Ltd	I,III & 1,2
5	CNP CypriaLife Ltd <sup>2,3,4</sup>	I,III & 1,2
6	Liberty Life Insurance Public Co Ltd**	1,2
7	Universal Life Insurance Public Co Ltd	I,III, IV & 1,2

\* American Life Insurance Co (CY) Ltd\* is the company to which the portfolio of American Life Insurance Co (Cyprus Branch) during 2013.

\*\* The Life insurance classes of this undertaking have been excluded from the above table since, as from 13/12/2013, the company decided to stop transacting new Life Business, and to maintain its existing Life portfolio on a run-off basis.

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*	1,2,3,6,7,8,9,10,12,13,15,16

\* The Life insurance classes of this undertaking have been excluded from the above table since, as from 1/1/2013, the company decided to stop transacting new Life Business, and to maintain its existing Life portfolio on a run-off basis.

**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 of Services.

**B. CYPRIOT INSURANCE/REINSURANCE UNDERTAKINGS TRANSACTING INTERNATIONAL BUSINESS**

B1

Non-Life Undertakings		Insurance Classes
1	Berytus Marine Insurance Co Ltd	6,7
2	HD Insurance Ltd <sup>5</sup>	1,3,7,10,17,18
3	MOL Reinsurance Co Ltd	8,16
4	Olympic Insurance Co Ltd <sup>6</sup>	1,2,3,6,7,8,9,10,12,13,15,16,18
5	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>8</sup>	I,III
2	MedLife Insurance Ltd	I,III

B3

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

**Notes for all the 3 tables in this part:**

- 5) Insurance undertaking which carries out all of its business in Greece, under the Freedom of Establishment.
- 6) Insurance undertaking also carrying out insurance business in Bulgaria, under the Freedom of Establishment.
- 7) Insurance undertaking which carries out reinsurance business outside Cyprus, for all the insurance classes shown above, and insurance business in Cyprus for classes 1,3,7,8,9,10,13 & 16.

8) Insurance undertaking which carries out all of its business in Sweden, under the Freedom of Establishment.

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

**C1 International Business**

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

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

Insurance Undertakings		Insurance Classes
1	Allianz Greece SA	Life I & Non-Life 1,3,7,8,9,10,13,15
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
5	AIG Europe Limited	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18

\* This undertaking transacts also reinsurance business for the same insurance classes.

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

As at 31/12/2013, the EU & EEA Insurance Undertakings, which have permission from their home supervisory authorities to provide insurance services in Cyprus under the FOS regime, were **432** (2012: 418). 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 Directorate of the Insurance Companies Control Service.

A summary Table by Home Country is provided below. The country with the most FOS Undertakings in Cyprus is the United Kingdom with 124 undertakings (2012: 118).

Home Country	Number of Undertakings
United Kingdom	124
Ireland	43
Germany	30
Luxembourg	30
France	21
The Netherlands	17
Austria	16
Italy	13
Sweden	15
Liechtenstein	14
Belgium	12
Poland	10
Malta	9
Hungary	8
Greece	8
Denmark	7
Spain	7
Finland	7
Norway	6
Czech Republic	6
Gibraltar	6
Bulgaria	6
Romania	4
Slovenia	4
Iceland	3
Lithuania	2
Estonia	2
Latvia	2
Croatia	2

### **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