

**Statement of Mr. Branko Vujović, president of the Council of the Insurance Supervision Agency, at the International Conference on Development of Life Insurance Market**

Friday, 19 October 2012 00:00

It is my pleasure to greet you on behalf of the Insurance Supervision Agency of Montenegro and companies engaged in life insurance business in Montenegro, as well as on my behalf, and to welcome you to this Conference and wish you a pleasant stay here in Budva.

The insurance market in Montenegro, even though with a constant upward trend, is still at the low development level, if compared to developed countries markets, EU member countries. Main feature of our insurance is the low share of life insurance premium and dominant share of the non-life insurance premium. Such ratio is approximately 85% to non-life and 15% to life insurance. Regardless of the upward trend of the life insurance from year to year, we are far from being satisfied with the existing situation. Which is more emphasized if we take into account of what could be the impact of the insurance market on GDP, on economy, financial stability, as well as what would be the benefits and safety for citizens of Montenegro.

One of the obligations of the Insurance Supervision Agency of Montenegro is to create preconditions for development of the life insurance market, for the benefit of its citizens and our economy. The obligation of companies engaged in life insurance activities is to develop insurance market, in terms of the diversity and quality of offer for their clients.

We have thus recognized a joint interest and need to engage in development of the life insurance market. This was the reason for us to organize this Conference, with the intent to promote life insurance, as an opportunity, as a need, as a possibility, as an interest of citizens of Montenegro, and to be a promotion of any single institution engaged in insurance of Montenegro.

Participation of eminent pundits in the insurance area, our reverent guests, is an opportunity for education, for new information and experience from countries of the region, experience of the EU countries, education for our colleagues from insurance companies, insurance brokers, insurance agents, our media, our citizens, for all of us engaged in insurance.

One of the key challenges in the coming period will be a preparation for further alignment with the EU directives, in particular with the Solvency II, which is steering the insurance supervision and insurance activities towards adequate risk management. This will require further development of the Agency's capacities, as well as those of insurance companies, in order to accept and apply the European standards in this field. This is one additional confirmation that events like this and similar events covering the insurance field need to take place.

The Insurance Supervision Agency of Montenegro has a good bilateral cooperation with colleagues and friends from our neighborhood, as well as with several EU countries, in particular with Austria and Slovenia. We will continue that cooperation concerning a joint control, participate at college meetings at the group level of companies having their head offices outside of Montenegro (85% of foreign capital is present in insurance sector in Montenegro), but we will also cooperate in segments of provision of technical assistance, human resources advancement and advancement of supervision methods.

I would like to emphasize the cooperation with the Chair of the International Association of Insurance Supervisors and Executive Director for Insurance and Pension Supervision of the Austrian Financial Markets Authority, Mr. Peter Braumüller, and I would like to take this opportunity to thank him for the support he is providing to us.

Experience of our esteemed guests will enable us to consider in a better way joint challenges and possibilities for the life insurance development.

We expect that the information and experience presented at this Conference would be inspirational for all participants in the life insurance market in Montenegro, in order for us to have more dedication to the insurance market development in the coming period.

Thank you for your attention!