

Life and non-life total gross written premium amounts to HRK 11.8 billion in 2021 – HRK 1.1 billion more than in 2020

Within its regular annual activities, the Croatian Competition Agency carried out a market investigation into the insurance sector in the Republic of Croatia in 2021. The investigation traditionally covered the life and non-life insurance market including the automobile insurance market. The objective of the investigation was to collect the data and to establish the key indicators on the relevant market by defining the market shares of the undertakings active on the insurance market including the market concentration indicators. The market shares held by the undertakings in certain market segments have been determined on the basis of the total gross written premium.

The CCA used the publications submitted by the Croatian Insurance Office (HUO) for the purposes of determining the basic market indicators. For the purposes of this research, the following publications were used: "Insurance market in the Republic of Croatia 2021" and "Motor vehicles and insurance 2021". Additionally, data from the HUO brochure entitled "Key information on the insurance market in the Republic of Croatia in 2021" were used.

General indicators of the insurance market in Croatia in 2021

In 2021 there were 15 insurance companies active in the Croatian insurance market. One insurance company with its place of establishment in another EU Member State – Sava osiguranje d.d. – Subsidiary Croatia were also produced effects in the Croatian insurance market.

The number of insurers in 2021 did not change compared with 2020. There were 15 insurers plus Sava osiguranje d.d. – Subsidiary Croatia.

Groupama from France entered the Croatian market in the third quarter of 2021 by acquiring OTP osiguranje d.d. from the Hungarian OTP. Since 7 September 2021 OTP osiguranje has been present in the market under a new name – Groupama osiguranje d.d., Zagreb.

The 2021 total gross written premium (life and non-life insurance) amounted to HRK 11.8 billion (including the above-mentioned Sava osiguranje – Subsidiary Croatia). In comparison with 2020 when the total gross written premium amounted to HRK 10.7 billion the rise in 2021 was by HRK 1.1 billion or 10.7 %.

The rise in total gross written premium came as a result of the rise of total gross written premium in non-life insurance in 2021. Yet, after two years in a row of a negative trend, the premium rose also in the segment of life insurance.

The life insurance gross written premium in 2021 amounted to HRK 2.9 billion. At the same time, the non-life insurance gross written premium in 2021 was HRK 8.9 billion.

The highest gross written premium in 2021 was realized by Croatia osiguranje that held 24 per cent market share. In second place was Euroherc osiguranje with a market share of 12.5 per

cent. In third place was Allianz Hrvatska that held a market share of 10.4 per cent. Vienna Insurance Group took fourth place with 10.2 per cent market share, Generali in fifth place on the list with an 8.3 per cent market share, whereas Agram Group - Euroherc osiguranje, Adriatic and Agram Life, took a lead with a combined market share of its members with 26.2 per cent joint market share in 2021.

Based on the market concentration data the insurance market in Croatia in 2021 was relatively well structured and competitive, indicating moderate market concentration whereas individually there has been a slightly falling trend in the concentration ratio (HHI), unlike in 2020 when the concentration ratio trend was slightly rising.

The HHI in the total insurance market in 2021, taken individually, was 1.219, whereas in 2020 it had been 1.243 whereas there has been HHI rise in the total insurance market in 2021 compared with 2020.

Where CR5 measures the market share of the five largest companies in a specific market, the ratio of the five largest insurers in the market in 2021 valued 67.6 compared with 2020 when it valued 67.3 which means a slight rise in market concentration.

Observed by segments, the HHI of the life insurance market in 2021, observed according to individual insurers, was 1.313, while in the previous year 2020 the same indicator was 1.243, indicating a slight growth of the HHI. The market concentration ratio expressed by the market shares of the first five insurers (CR5), observed through the individual market shares of insurers in this segment of the market, was 72, and compared to 2020, when it was 71.4, recorded a slight increase in concentration.

The HHI of the non-life insurance market in 2021, observed according to individual insurers, was 1.460, while in the previous year 2020, the same indicator was 1.491, i.e., a slight decrease in the said indicator was recorded. The market concentration ratio expressed by the market shares of the first five insurers (CR5), observed through the individual market shares of insurers in this market segment, was 74.4, and compared to 2020, when it was 74.5, there has been a slight decrease in concentration.

The motor car insurance market – including both the third-party motor insurance (compulsory third party insurance) and the comprehensive automobile insurance (full coverage) as the most important types of insurance, took a share of 37.2 per cent in the total gross written premium in the insurance market in 2021.

The highest market share of 51.7 per cent in the third-party insurance for motor vehicles was held by Agram Group (Euroherc osiguranje and Adriatic osiguranje insurers) indicating a rising trend compared with 2020. They were followed by Croatia osiguranje with an 18.9 per cent market share, then Generali with 6.8 percent, and Wiener VIG and Triglav, that individually held a market share of about 4.8 per cent. Compared with 2020, in 2021 Wiener VIG outdid Allianz and Triglav.

Individually, outside their respective connected companies, the highest third-party motor insurance gross written premium and the highest market share was recorded by Euroherc - 25.9 per cent. Another member of Agram Group - Adriatic was in second place holding a market share of 25.8 per cent. Croatia osiguranje was in third place with the market share that was 18.9 per cent.

As for the concentration of this market in the observed year 2021, there was an increase in concentration primarily due to the growth of the market shares of the members of the Agram Group and Generali osiguranje, which is a continuation trend compared with 2020. The HH index was 3.166, which indicates a highly concentrated market.

The most represented distribution channel in the sale of insurance (life and non-life) in 2021 was in-house sale, followed by agencies, commission-free sales, bancassurance operators, brokers and others.