

Serbia

Insurance market in Serbia

Banking is one major sector which has been on a continuous growth curve since the revival of the Serbian economy. Taking into account the growth in per capita income (up to 7% per annum) together with several other driving factors, a huge opportunity is also in store for the insurance companies in Serbia.

With the entry of foreign players, the Serbian insurance market has become more vibrant. Competition in this market is increasing with companies continuously exerting effort to lure customers with offers of new products.

The total amount of premiums for all 20 insurance companies operating in Serbia has reached around 630 million Euros, a 16% growth on last year. This is, in itself, an indicator that the growth potential for the insurance sector is immense. The expected growth rate of insurance premiums in the next 12 months is 15%-20%.

What about now?

This is what is expected, but what is happening now?

According to our latest research findings, nearly 50% of the Serbian population has some form of insurance, whether mandatory (such as Third Party Liability Motor insurance) or optional (such as life insurance.)

The perception of the insurance market in Serbia amongst the general population has changed during 2007 and 2008. Whilst in 2007 a citizen in Serbia was able to recall the names of an average of 5.42 insurance companies, this year the figure has risen to 6.05. The insurance companies' advertisement saliency in 2008 remained similar to that of 2007 at around 70%.

In terms of brand likeability, in 2008 62% of the population in Serbia named at least one insurance company as likeable whereas in 2007 almost half of the population did not find any insurance company particularly likeable (45%.)

When it comes to brand trust, trust in insurance companies has risen to 55% in 2008 from 45% in 2007.

The most used insurance products in Serbia remain the same in 2008 as they were last year with around 37% of the population having Third Party Liability Motor insurance, 9% having life insurance (with a further 4% having life insurance coupled with retirement insurance) and 7% of the general population in Serbia have insured their property.

Insurance market potential

Around half of the Serbian population still does not have any form of insurance. This untapped market is even more lucrative given that 12% of those who are currently non-insurance-users already indicating the intention of acquiring some form of insurance product in the near future.

However, the real opportunity for the insurance companies lies in their chance to educate the local population about insurance products and their benefits by offering attractive insurance packages and gaining the clients' trust.



The Research

IMDS (Insurance Market Data Survey) is a survey conducted several times a year amongst nationally representative sample populations of citizens over 15 years of age using face-to-face methods. The size and representativity of the sample allows conclusions to be drawn for the whole population on the basis of the data gained through this research.

Source: GfK Belgrade, IMDS 2007/2008, Statistics Bureau, National Bank of Serbia, Insurance Companies Guild

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