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COMPARISON AND ANALYSIS OF THE INSURANCE MARKET IN V4 COUNTRIES

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The Slovak and Czech Republic as well as Poland and Hungary (hereinafter known as Vyšegrad Countries or V4 – Countries represent a group of neighboring countries with a lot of common attributes related to their economic, political and social development. An insurance business became one of most important branch of national economy. At present, the insurance business is considered to be one of significant branches in any national economy. It is an integral part of market economy building and represents a specialized branch providing financial services. The insurance business covers all parts and branches of business and private life of citizens in any country. Since May 1, 2004, the business market of V4 countries creates an integral part of EU country insurance market. It means that EU country commercial insurance companies may provide insurance services in any V4 country and the V4 domestic insurance companies may offer their services in any EU country as well. As a result of that, a new space has been opened for providing and further development of insurance business in V4 countries too. This contribution deals with analysis of selected insurance business indicators related to V 4 countries between 2003 and 2007.

Key words: insurance market of V4 countries, insurance market indicators, life insurance, general insurance.

1. Insurance market – terms and principles

A place where offer and request or demand related to insurance affairs meet each other is considered to be an *insurance market*, while that market operates based on new market oriented principles[1]. A set of appropriate information resources published and issued in Slovakia, Bohemia, Poland and Hungary (hereinafter known as Vysegrad countries or V4 countries) contains different definitions and explanations of the insurance market term, however only some of them will be postulated in this article and they are being transferred from information resources published in Slovakia, Bohemia and Poland. Let us have a look at the following insurance market term definition: «*The insurance market features may be compared with features of any other market type, while negotiators play a role of interconnecting elements between offer and demand in order to assure an easy and efficient functionality of that interconnection which is represented by clients and insurers*», postulated by J. Daňhel,

[1] The Say's market law partially operates within this market. However, the insurance companies are doing best to satisfy requirements and needs postulated by natural and legal personalities, so that they provide an insurance protection for them as well.

as for instance[2]. On the other hand, V Čejková, postulates her definition as follows: «*The insurance market is considered to be a living organism undertaken to continuous changes and further development*», while that definition contains another supplementary dimension[11]. When reading information resources concerned to the above-mentioned definition published in Poland (see also Szromik[8]), the following definition may be discovered: «*The space or area where a demand and offer related to insurance affairs meet each other is considered to be the insurance market*». The citizens and firms or companies are closed to demand area, while they buy insurance products offered by insurance firms and companies in order to transfer their risk operations to these organizations that are closed to offer area as well. When looking at information resources published in the Slovak Republic, the following term definition may be postulated: «*This market a decomposition of which results an objective and investment insurance market is considered to the entire insurance market*» (see also Majtánová[10]). However, the insurance market term meaning may indicate a supplementary dimension and the following definition may be postulated*: «The market, where any insurance company is operating is not situated on one pre-defined location and is considered to be a set or a network of more insurance companies, insurance brokers, as well as a network of people hiring and selling the insurance products» (see also Korauš[12])*. The subsequent insurance market term definition postulated by E. Pastoráková assigned further important aspects and sounds like: *«The insurance market is considered to be a living organism with continuous development, where a lot of external and internal factors are acting altogether»[14].*

There are two areas related to insurance market decomposition. *When considering the insurance company mission statement or business objectives, the following specialized areas may be postulated: insurance offer and demand for insurance and investment of free finances* (See also Chovan[13]).

The insurance and securing is considered to be the principle objective provided within insurance market. An insurance business represents one of important branches related to market economy and offers services concerned to insurance and securing. A set of several institutions creates an integral part an insurance system and its content is postulated as follows: domestic insurance companies, insurance companies coming from other EU countries, insurance companies coming from abroad outside EU countries, securing companies coming from other EU countries, securing companies coming from abroad outside EU countries, insurance brokers, institutions providing insurance business check and control, association of insurance companies, assurer's agency and institutions providing insurance services as their secondary business objectives. There may be the following institutions: banks, firms and companies providing leasing services, service stations, etc.

Commercial insurance companies together with their brokers, agents and moderators try finding their clients or customers within insurance market which is considered to be strongly competitive, while the situation in V4 countries is quite similar like in further advanced countries in the world. A creation of high quality insurance products together with their adequate price evaluation is considered to be the principal issue of a correct competition. This situation is quite similar with situation within other types of market.

A functionality of insurance business and insurance market is regulated by set legal norms and standards, while this set consist of two adequate subsets. The first subset contains general legal norms and standards and the second one contains legal norms and standard which regulate appropriate areas and objectives closely related to insurance and securing activities.

A market of V4 countries creates an integral part of EU insurance market[2]. The European insurers provide their activities within common European insurance market for 15 years already. A new qualitative level in multinational activities of insurers is observed, after having created the unified insurance system in 1994. The unified insurance market enables providing insurance activities in any EU country for all insurance activities based on so called single passport, while a set of check and control operations are provided by that country, where the insurance company comes from (insurance company domestic country). A set of harmonizing guidelines have to be created and approved, within previous 10 years period, in order to provide the above-mentioned system [15]. The National Bank of the Slovak Republic (hereinafter known as NBS institution) provides this set of check and control activities[3]. An increasing of competition and an improvement of insurance activities for clients and customer is considered to be the principal aim of the common insurance market creation. A competition level related to European insurance market becomes more and more intensive, as a result of subsequent insurance companies penetration outside their domestic countries. There is a set of subsequent steps related to providing trans-border insurance activities within EU and V4 countries, while the way which leads to a creation of integrated insurance market contains a lot of barriers yet still. A set of considerable structural, legal, currency and tax barriers represent the main problems related to a creation of the above-mentioned integrated insurance market. On the other

[2] At about 5 500 assurers operate within European insurance market, while the market is considered to be a unique and integrated area. Most of significant insurance provider headquarters are located in Great Britain, France and Germany. In Great Britain, there is operating the company LIoyd’s of London which is considered to be a specialized institution not only in Europe and in the world, however, the fact that other insurance companies operate in Great Britain e.g. Prudential, E.C. Heat Group in London, Norwich Union Insurance is considered to be a specialized aspect as well. When looking at a EU insurance market we can see that is very concentrated. It means, a small number of insurance companies have a control over great insurance market territories. Such insurance companies like Allianz, AXA, Winterthur, Generali, Int. Nederlanden Group or Commercial Union. In: www.cea.eu. Cited May 20, 2009.

[3] The NBS institution provides a set of check and control activities related to activities provided by insurance and securing institutions, as well as affiliates of insurance and securing institutions coming from abroad together with Slovak agency of insurance. However, the insurance activity provided within other EU country is check and controlled by the NBS institution as well. A subject of the above-mentioned check and control activities is an observation of appropriate insurance legal norms and standards and other legal norms and standards having a general validity obligatory force, together with an observation related to adequate conditions postulated within granted permissions and authorizations. This facts contains Code No.8/2008 which deals with insurance affairs as amended several other codes and laws together with the code which deals with approval activities related to financial brokering and financial consulting affairs.

hand, there are several differences related to traditions, retiring systems or preferred insurance products among appropriate EU countries. However, a set of closed relations between insurers and clients or customers plays a role of great importance as well, while the clients expect this closed relation within continuous care provided by the insurer for the customer during the customer contract validity[4].

More indicators may be applied in order to describe an insurance market; it means its range, meaning and efficiency related to national economy. The insurance market development level cannot be evaluated without an appropriate evaluation of closely related macroeconomic indicators which describe its character and nature. An efficiency of consummated money is being evaluated and judged based o these indicators. A selection of indicators should be oriented so that they are as complex as possible and enable to compare insurance markets not only within V4 and other EU countries as well.

The most frequent indicators postulated in information resources concerned to insurance problems may be postulated as follows: obligatory insurance within living and general insurance, damage ratio, insurance ratio, number of commercial insurance companies, ratio of living and general insurance related to GDP, ratio of living to general insurance, number of written insurance contracts, insurance market concentration, number of internal and external employees working in commercial insurance institutions, offer of insurance products and other indicators. The next chapter of this contribution deal with problems related to analysis of selected macroeconomic insurance indicators in V4 countries in the years between 2003 and 2007.

2. A comparison and analysis of development related to macroeconomic indicators and selected insurance market indicators in V4 countries in the years between 2003 and 2007

2.1. Comparison and analysis of macroeconomic indicators in V4 countries in the years between 2003 and 2007

All of manufacturing and non-manufacturing branches closely related to national economy, incl. insurance business, which is also non-manufacturing branch, operate within actual economic branch environment represented by a set principal indicators postulated as follows: gross domestic product, gross disposable income, inflation, unemployment and balance of payments.

Furthermore, the problems of relations among gross domestic product, unemployment and inflation ratio in V-4 countries related to insurance business, incl. their development description, will be discussed in the next section. The commercial insurance companies which operate within insurance market related to individual V4-countries have an important influence to other branches of economy and they help to

[4] A set of search results, which was done by European Commission in May 2007 within 25 EU countries, has shown that 83 percent of insurance company clients preferred services provided by the domestic provider and 77 percent of clients considered a change of insurance service provider to be simple. The above-mentioned search results also indicate that most of inhabitants prefer traditional insurance forms, in spite of better information services and improvement of financial awareness. (CEA Annual Report 2007–2008, www.cea.eu cited June 10, 2009)

keep equilibrium in economy of business objects and living standard of inhabitants. At present, a business task is being preferred in a great deal, in V-4 countries, and is performed within investment insurance market via financial facilities allocated in technical reserves and contributes economic growth improvement, as a result of that.

At present, the V4 countries governments pay a great attention to the insurance market. The main reason is that the insurance market dynamics development is considered to be the principal condition for functionality of financial markets and significant stimulation of entire national economy.

The insurance companies providing investments of technical reserves make a judgment of the following criteria especially: security, liquidity of assets and profit ratio, it means investment appreciation.

2.1.1. Comparison of development related to gross domestic product grows rate in V4 countries within period 2003 and 2007

The domestic product grows rate represents the most important development indicator. See also Table 1 which indicates this indicator development in V4 countries within period 2003–2007 in percents.

Table 1

The domestic product grows rate development in V4 countries within period 2003 – 2007 in percents

Country	2003	2004	2005	2006	2007
Czech Republic	3,7	4,0	6,1	6,1	6,0
Hungary	3,0	4,0	4,1	3,9	1,3
Poland	3,7	5,3	3,2	5,8	6,5
Slovakia	4,5	5,5	6,0	8,3	10,4

This data has been found in annual reports published in the Czech, Hungarian, Polish and Slovak Republic.

When considering the investigated years, the highest dynamics related to gross domestic product ratio has been achieved in the Slovak Republic (in the year 2006 – 8,3% and in the year 2007 – 10,4 %), while the Czech Republic and Poland follow the Slovak Republic as well. On the other hand, in Hungary the domestic demand decreased significantly in 2007 and the growth indicator value was 1, 3 percent only. This status was observed as a result of that, an internal and external disequilibrium occurred again and the fiscal consolidation plan has been implemented.

2.1.2. Comparison of inflation ratio development in V4 countries within period 2003 – 2007

Inflation ratio development in V4 countries is considered to be further important indicator shown in Table 2 and expressed in percents.

Table 2

Inflation ratio development in V4 countries expressed in percents

Country	2003	2004	2005	2006	2007
Czech Republic	0,1	2,8	1,9	2,5	2,8
Hungary	4,7	6,8	3,6	3,9	8,0
Poland	1,7	4,4	2,2	1,3	2,6
Slovakia	8,5	7,5	3,7	4,2	2,8

This data has been found in annual reports published in the Czech, Hungarian, Polish and Slovak Republic.

The inflation ration development indicates that the highest value of the ratio has been achieved in the Slovak Republic in 2003 (8,5%). On the other hand, the Czech Republic achieved in the same year (2003) especially low inflation ration value (0,1%), while the value was closely related to specific features of Czech economic development. The inflation ration value development achieved one digit number, after having completed a set of appropriate transformation steps and measures. A control floating currency mode has been set by Czech National Bank in this time. When looking at Table 2, we can see that an inflation ratio value (in the last investigated period of 2007) has been checked and controlled, in the Slovak and Czech Republic as well as in Poland, by their national banks and achieved the value under 3 percent. On contrary, Hungary achieved a very high level of inflation ratio value in 2004 (6,8%) and in 2007 (8,0%). The inflation ratio value increase was shown as a result of energy and food price increase and a depreciate forint trend influenced this value as well.

2.1.3. Comparison of unemployment ratio grow in V4 countries between 2003 and 2007

An unemployment ratio value is considered to be a significant indicator as well and its value development is postulated in Table 3.

Table 3

Unemployment ratio value in V4 countries (%)

Country	2003	2004	2005	2006	2007
Czech Republic	10,3	10,3	8,9	8,1	6,6
Hungary	5,8	5,9	7,2	7,5	7,4
Poland	18,0	19,1	17,7	13,8	9,6
Slovak Republic	17,4	18,1	16,2	13,3	11,0

This data has been found in annual reports published in the Czech, Hungarian, Polish and Slovak Republic.

The above-mentioned ratio is achieving two digit values for long term period in the Slovak Republic and in Poland, while they are considered to be the highest within EU countries. The unemployment ratio value has a structured nature in both of the above-mentioned countries, while season oscillations and a lot of people with low qualification degree and significant differences in a regional structure related to labor opportunities, determine this development in a great deal. When considering the Slovak Republic, this problem may be extended by further relating items, while they may be postulated as follows: relatively low offer of working places, the difference between labor force qualification and working places offered by great employers, a large number of long term unemployed people and a high ration of unemployed graduated a undergraduate young people. A recent decrease of unemployment ratio value is observed as a result of newly created working places by investors coming from abroad. However, the unemployment ratio value was decreasing in the Czech Republic between 2005 and 2007. On the other hand, the unemployment ratio value was increasing in Hungary within last years, while this macroeconomic indicator value achieved over 7 percent, as a result of an economic grow deceleration.

2.2. Comparison and analysis of development related to selected insurance market indicators in V4 countries between 2003 and 2007

2.2.1. Comparison and analysis of development related specified insurance fees in V4 countries between 2003 and 2007

An indicator denoted as specified insurance fees creates an integral part of indicators which describe performance of insurance market and this indicator is being pre-defined for any commercial insurance company. It contains a premium paid; it means a payment (price) for insurance protection. A time line related to premium paid in V4 countries between 2003 and 2007 is contained in Table 4.

Table 4

Premium paid values in V4 countries (period between 2003-2007)

Year	2003	2004	2005	2006	2007
Premium paid in SR (billion Sk)	37,6	41,5	50,5	53,8	57,7
Growth between two years (medziročný) %	15,8	10,4	21,7	6,5	7,3
Premium paid in CZ (billion Kč)	105,9	104,7	117,1	122,1	132,9
Growth between two years (medziročný) %	16,9	0,9	4,0	4,2	8,8
Premium paid in Hungary (billion HUF)	494,5	559,4	686,5	830,2	930,3
Growth between two years (medziročný) %	17,9	13,1	22,7	20,9	25,6
Premium paid in Poland (billion PLZ)	23,18	24,8	30,90	37,56	43,82
Growth between two years (medziročný) %	1,6	6,9	24,6	21,2	16,7

This data has been found in annual report which deals with insurance business status in the Slovak Republic and in annual report which deals with insurance business status in Hungary (2003), www.cap.cz, www.plu.org.pl.

The premium paid values are expressed in V4 countries for period 2003–2007 in different units and a number of inhabitants in each of V4 countries are different as well. However, a rate of growth related to premium paid enables making a judgment of development concerned to premium paid values. The greatest grow in premium paid values within five years period in V4 countries (with respect to growth between two years) has been postulated as follows: the Slovak Republic 2004–2005, 21,7%, the Czech Republic 2002–2003, 16,9 %, Hungary 2006–2007 25,6%, Poland 2004–2005, 24,6 %.

In the Slovak Republic, there was change an appropriate reporting methodology related to premium paid values within insurance market in 2006 as result of International Accounting Standard (IAS) implementation and implementation of International Financial Reporting Standards (IFRS).

This approach caused the situation that the premium paid data reported since 2006 cannot compared with data from previous years. The premium paid values were reported with respect to Slovak accounting standards up to 2005. Since 2006, the sums paid by clients based on so called investment contracts[5] do not create an integral part of premium paid values. However, the premium paid values do not contain any recognized insurance bonus or discounts provided with respect to insurance conditions as well. Both of the above-mentioned changes represent a significant effect related to life and general insurance. The NBS institution introduced a new term denoted as *Technical Insurance* which enables providing premium paid time line analysis

The term *Technical Insurance* represents the price which was agreed within appropriate insurance contract without any reporting way for this value. Table 5 contains a set technical insurance value related to December 31, 2007 and December 31, 2008, while the values are expressed in Slovak crowns. In order to compare the indicator development technical insurance values for both of the above-mentioned years are postulated in this table.

Table 5

Technical Insurance values in the Slovak Republic related to December 31, 2007 and December 31, 2008

Year	Life Insurance	Ratio	General Insurance	Ratio	Total
2007	28 801 887	49,9 %	28 888 305	50,1	57 690 193
2008	33 313 206	52,3 %	30 177 669	47,7	63 490 875

This data has been found in internal materials prepared by Slovak Association of Insurance Firms and Companies in 2009.

When comparing year 2007 and 2008, we can see that technical insurance total value related to December 31, 2007 is 57 690 193 Slovak Crowns (Sk), while the technical insurance value related to life insurance is 28 801 887 Sk and the technical insurance value related to general insurance is 28 888 305 Sk. A technical insurance item achieved the value of 63 490 875 Sk, while a technical insurance related to life insurance was represented by 33 3133 206 Sk and a technical insurance related to general insurance was represented by 30 177 669 Sk. (This data is related to December 31, 2008. Total values of technical insurance are growing between 2007 and 2008. A life insurance ratio related to total technical insurance was 49,9% in 2007 and 52, 3% in 2008.

A ratio of life insurance value related to total technical insurance value was 50,1% (in 2007) and 47,7% in 2008. A ratio of life insurance related to general insurance was 49,9 : 50,1 in 2007, what is in favor of general insurance. A change of ratio in favor of life insurance was observed in 2008, as a result of continuous growth of life insurance related to other type of insurance. This effect was observed at first within insurance business provided in the Slovak Republic. A ratio of general insurance related to total technical insurance represented a value of 47,7% in that year. A ratio between life and general insurance was 52, 3: 47,7.

Premium paid value per one inhabitant in V4 countries (2003–2007)

The insurance market in V4 countries creates an integral part of EU insurance market since May 1, 2004. It means the commercial business companies of all EU

[5] The contracts which do not fulfill a condition of insurance contract which deals a significant insurance risk related to the insurance company are denoted as *investment contracts*.

countries are allowed to provide insurance activities within V4 countries territory. However, it has contra directional validity as well. It means that any insurance company coming form V4 country may offer its services for clients within any EU country too. The next section of this contribution deals with premium paid values per one inhabitant in V4 countries between 2004 and 2007 expressed in Euro currency.

Table 6.

Premium paid values per one inhabitant in V4 countries between 2004 and 2007 expressed in Euro currency

Country	2004	2005	2006	2007
Czech Republic	345,4	383,5	419,7	463,7
Hungary	235,5	274,1	311,8	367,7
Poland	159,9	201,8	283,6	340,7
Slovak Republic	195,7	242,1	267,3	316,1

This data has been found in annual report concerned to the insurance business status in the Slovak Republic and in annual report which deals with insurance business status in Hungary, www.cap.cz, www.plu.org.pl and processed based on my own calculations.

When looking at Table 5, we can see that the premium paid item per one inhabitant expressed in Euro currency in V4 countries between 2004 and 2007 achieved the highest value in Czech Republic while its lowest value was achieved in the Slovak Republic (316,1 Euro).

2.2.2. Insurance ratio in V4 countries between 2003 and 2007

An insurance ratio value creates an integral part of aggregated indicators which describe an insurance market development. In principle, the value represents a ratio calculated based on an insurance business branch related to entire national economy and is being expressed in percents.

Table 7 indicates insurance ratio value development within V4 countries.

Table 7

Insurance ratio value development within V4 countries (expressed in percents)

Country	2003	2004	2005	2006	2007
Czech Republic	4,2	4,1	3,9	3,8	3,7
Hungary	3,0	3,0	3,1	3,5	3,7
Poland	2,9	3,0	3,1	3,5	3,8
Slovak Republic	3,5	3,9	3,5	3,3	3,1

This data has been found in annual reports published in the Czech, Hungarian, Polish and Slovak Republic.

The insurance ratio vale decreased in spite of the economy growth. This development trend was observed as a result of minimization of free insurance filed together with other appropriate factors which have an influence related to insurance market. An insurance ratio values were growing slightly in Hungary and in Poland between 2003 and 2007. The highest value of insurance ratio was observed in Hungary (3,7%) in 2007. The Hungarian insurance market was more stabilized between 2003 and 3007, in spite of a rather complicated economic period, when comparing it with other financial branches of economy and a set of better conditions was created for investment into alternative product where the unitlinked product played a role of great importance and the premium paid value 44, 27 billions HUF (in 2005) increased to 67, 22 billions (in 2007). These results confirm that the Hungarian insurance market is considered to be long term resistant related to negative macroeconomic forces. In Poland, the insurance ratio value was growing rapidly within investigated period. This trend is observed as a result of positive development of economy, an awareness improvement among inhabitants and relatively large insurance field as well. In 2007, Poland achieved the highest value insurance ratio (3,8%), when comparing it within all V4 countries.

This indicator values are significantly lower, than an international CEA[6] average is and the values do not achieve even the half of a general average value. The insurance ratio value within EU-25 countries achieved 9,1% in 2007[7]. With respect to the above-mentioned facts, the following statement may be postulated: the process a result of which shall be the same level of insurance ratio value in V4 countries like in other well developed European countries is considered to be a long term process, because of economic crisis impacts which concern manufacturing and non-manufacturing branches within national economy as well, in spite of unsaturated insurance market.

2.2.3. Loss experience in V4 countries between 2003 and 2007

The loss experience value is considered to be further significant indicator. The loss experience value is calculated as ratio between levels of insurance provided insurance fulfillments and premium paid levels and is expressed in percents. The loss experience value development in V4 counties between 2003 and 2007 concerned to general insurance is postulated in Table 8.

Table 8

General insurance loss experience development (%) in V4 countries between 2003 and 2007

Loss experience	2003	2004	2005	2006	2007
Slovak Republic	54,20	56,60	35,60	45,80	41,40
Czech Republic	69,00	49,70	47,50	51,20	57,10
Hungary	55,58	52,79	53,85	52,67	59,36
Poland	57,98	60,87	55,27	51,03	50,44

This data has been found in annual report concerned to the insurance business status in the Slovak Republic and in annual report which deals with insurance business status in Hungary, www.cap.cz, www.plu.org.pl.

Mass insurance events play a role of great importance related to loss experience value. In Hungary and in the Czech Republic a high flood played a role of great importance, as for instance. The loss experience value was decreasing slightly in V4 countries since 2003. When considering the investigating period, that item achieved the lowest value (35,60%) in the Slovak Republic in 2005. On the other hand, that item highest value (69,00%) was achieved in the Czech Republic in 2003, while high floods caused this increase.

[6] CEA – European Assurance Committe
[7] Slovak fininacial market analysis for 2007. www.nbs.sk

2.2.4. Investment activities in V4 countries between 2003 and 2007

In commercial insurance companies, technical reserves create the principle resource for property covering of insurance company bound in form of investments; it means that property which is applied in order to achieve capitalizing of temporary free financial facilities. When considering investments, these technical reserves are more significant which have a long term nature, it means life insurance. A set of long term investment is considered to be more suitable tool applied for investment of technical reserves. When providing investment of long term technical reserves, the commercial insurance companies shall consider security principles (at investment choice) together with profitability principle and other principles like diversification and liquidity principle as well. When providing investment of short term technical reserves, the commercial insurance companies shall consider a liquidity principle. An investment activity indicator is being represented as a ratio between investment activities and technical reserves and is expressed in percents. Standard and Poor's rating agency recommends a minimum value of 100%, because the investments should achieve a level of technical reserves at least. The investment activity development values between 2003 and 2007 in V4 countries are postulated in Table 9 and are expressed in percents.

Table 9

Investment activity development values between 2003 and 2007 in V4 countries expressed in percents

Country	2003	2004	2005	2006	2007
Slovak Republic	80,74	81,56	82,64	92,48	100,49
Czech Republic	100,20	108,45	116, 80	114, 20	100,20
Hungary	116,80	119,34	120,70	119,00	121,50
Poland	125,02	127,89	128,94	128, 94	130,16

This data has been found in annual report concerned to the insurance business status in the Slovak Republic and in annual report which deals with insurance business status in Hungary, www.cap.cz, www.plu.org.pl.

The investment item achieved the lowest values in the Slovak Republic within investigated period. The Slovak insurance market was indicating a decrease of investment activities since 2003 up to 2006. The value of 100, 49% has been observed in 2007 and there is only a little over the value of 100% what is considered to be a recommended value. The highest values have been achieved in Poland, in 2007 especially, when the value was 130, 16 percent and in the Czech Republic there was observed a value of 121,50%.

After the V4 countries had become EU member countries and running reforms were completed subsequently and the higher competitive capability together with labor productivity and an advantage related to lower labor force costs, this region started to be interesting for investors coming from abroad. However, the public finance development is considered to be a risk for this region yet still and the Czech

Republic[8], Poland and Hungary postponed the planned date related to a European Currency Union membership, as a result of that.

The Slovak Republic fulfilled convergence criteria and became a member of exchange ERM II system since January 1, 2009. After that, the unified European currency Euro was established to be unified means of payment. The General Code valid since January 1, 2008 except several specialized provisions[9] covers all legal needs related to Euro currency implementation.

With respect to insurance market existing within V4 countries the two phases Solvency II Project should be noted[10]. The above-mentioned Solvency II Project represents a set of regulations related to providing insurance business which shall be implemented and operated since 2012. A customer protection is considered to be the principal aspect of Solvency II Project, while the best way for achievement of that protection is represented by insurance market which should be more efficient. The aim of Solvency II Project is to assure a complex regulation framework for insurance companies operating within EU territory incl. so called group regulation[11].

Conclusion

In conclusion, a statement may be postulated which deals with the fact that an insurance business development in V4 countries between 2003 and 2007 was dynamic. The V4 countries had been preparing and changing their legal norms and standards related to providing insurance business in order to achieve an agreement

[8] Code No. 659/2007 Col. which deals with Euro currency implementation in the Slovak Republic as amended several supplementary codes and laws

[9] The insurers also become active players within preparation phase related to Euro currency implementation, while they provided appropriate activities via Slovak Association of Insurance Companies and cooperated with Ministry of Finance and National Bank of the Slovak Republic. A duty of dual value visualization become a rather difficult problem for insurance companies, while the concrete conditions closely related to this duty determined needs for implementation of new application programs within existing information systems. A dual visualization of values became obligatory for insurance companies since August 2008. A set of appropriate contracts remained valid, however the customer's accounts, calculation of fees or payable insurance fulfillments or penalties had to be rebuilt as well.

[10] Phase no.1, duration from May 2001 to September 2003, and dealt with the following problems: key principles, main concepts and framework conditions related to insurance business European check and control system. Phase no.2 dealt with concrete settings and specifications for the above mentioned framework conditions. The European Commission published the Solvency II Document denoted as: *Organization of work, discussion, on pillar I works areas and suggestions of further work on pillar II for CEIOPS Markt /2543/03,* while the document was published in February 2004 and postulated a set of concrete working steps for Phase no.2. In July 2007, the European Commission the European Parliament and European Council guideline proposal which dealt with providing of direct insurance and securing SOLVENCY II.

[11] An insurance sector regulation shall have bee re-evaluated in the future with respect to World Financial Crisis from 2008. On one hand, the risk management and transparency improvement shall have been reinforced, however keeping of clear regulation differences among banks and insurance companies shall be respected as well, because this institutions do not represent the same system risks for financial sector. On the other hand, securitization and liquidity, preventing pro-cyclic regulation and accounting rules (related to active pricing, rating utilization and capital requirements especially), reinforcement of international co-operation and check-and control operations provided on group basis play a role of great importance.

with EU insurance legal norms and standards, before they became EU member countries in May 1, 2004. The premium paid values were growing in any of V4 countries between 2003 and 2007, however when comparing it with well developed EU countries we can say, a rather low level or standard was achieved in these branches. However, a situation related to insurance market indicator values analyzed within this contribution was quite similar as well. After the V4 countries subsequently completed their reforms, confirmed their competitive capability, the higher labor productivity, advantage because of low labor costs and became EU member countries, they started to be interesting for abroad.

However, the public finance development is considered to be a risk for this region yet still and the Czech Republic, Poland and Hungary postponed the planned date related to a European Currency Union membership, as a result of that.

The Slovak Republic fulfilled convergence criteria and became a member of exchange ERM II system since January 1, 2009. After that, the unified European currency Euro was established to be unified means of payment.

This fact may have a positive effect related to insurance market development in the Slovak republic, for the future.

The V4 countries shall implement Solvency II Project since 2012, while the aim of this implementation is to achieve the higher client protection level and to improve the Slovak insurance market. On the other hand, the aim of the Solvency II Project rules is to assure an adequate risk visualization which may occur in insurance business, stability and certainty of appropriate branches, while a high security of insurance business may be achieved as a result of that. The new system shall provide a real-time absorption of risks submitted by the insurance company and require to be covered by own resources.

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ПОРІВНЯЛЬНИЙ АНАЛІЗ СТРАХОВИХ РИНКІВ КРАЇН ВИШЕГРАДСЬКОЇ ЧЕТВІРКИ

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Словаччина, Чехія, Польща та Угорщина (відомі як країни Вишеградської Четвірки або V4 – країни) представляють собою групу країн-сусідів з багатьма спільними рисами, що стосуються економічного, політичного та соціального розвитку. Страховий бізнес став однією із найвагоміших сфер їхніх національних економік. Сьогодні страховий бізнес вважають і найуспішнішою сферою у національних економіках. Це особлива сфера фінансових послуг, яка є невід'ємною частиною процесу побудови ринкової економіки. Страховий бізнес охоплює усі сфери бізнесу та приватного життя громадян у будь-якій з країн. З 1 травня 2004 року бізнес-ринки країн Вишеградської Четвірки стали складовою частиною ринку страхових послуг країн ЄС. Це означало, що комерційні

страхові компанії країн ЄС отримали можливість надавати страхові послуги у будь-якій країні Четвірки. Водночас внутрішні страхові компанії отримали доступ до ринку страхових послуг країн ЄС. Унаслідок цього відкрився новий простір для зростання та розширення страхового бізнесу у країнах V4. Проаналізовано відповідні індикатори, що характеризують страховий бізнес країн Четвірки за період 2003–2007 рр.

Ключові слова: ринок страхових послуг країн V4, індикатори страхового ринку, страхування життя, загальне страхування.

СРАВНЕНИЕ И АНАЛИЗ СТРЫХОВЫХ РЫНКОВ СТРЫН ВЫШЕГРАДСКОЙ ЧЕТВЕРКИ

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Словакия, Чехия, Польша и Венгрия (известные как страны Вышеградской Четверки или V4-страны) представляют собой группу стран-соседей со многими общими чертами, касающиеся экономического, политического и социального развития. Страховой бизнес стал одним из наиболее весомых сфер их национальных экономик. Сегодня страховой бизнес считается и наиболее успешной сферой в национальных экономиках. Это особая сфера финансовых услуг, которая является неотъемлемой частью процесса построения рыночной экономики. Страховой бизнес охватывает все сферы бизнеса и частной жизни граждан в любой из стран. С 1 мая 2004 года бизнес-рынки стран Вышеградской Четверки стали составной частью рынка страховых услуг стран ЕС. Это означало, что коммерческие страховые компании стран ЕС получили возможность предоставлять страховые услуги в любой стране Четверки, одновременно внутренние страховые компании получили доступ к рынку страховых услуг стран ЕС. Вследствие этого открылось новое пространтсво для роста и расширения страхового бизнеса в странах V4. Проанализированы соответствующие индикаторы, характеризующие страховой бизнес стран Четверки за период 2003–2007 гг.

Ключевые слова: рынок страховых услуг стран V4, индикаторы страхового рынка, страхование жизни, общее страхование.