

INSURANCE MARKET IN POLAND, 2019–2021

CEE INSURANCE SERIES

Sample slides from the report



by Inteliace Research
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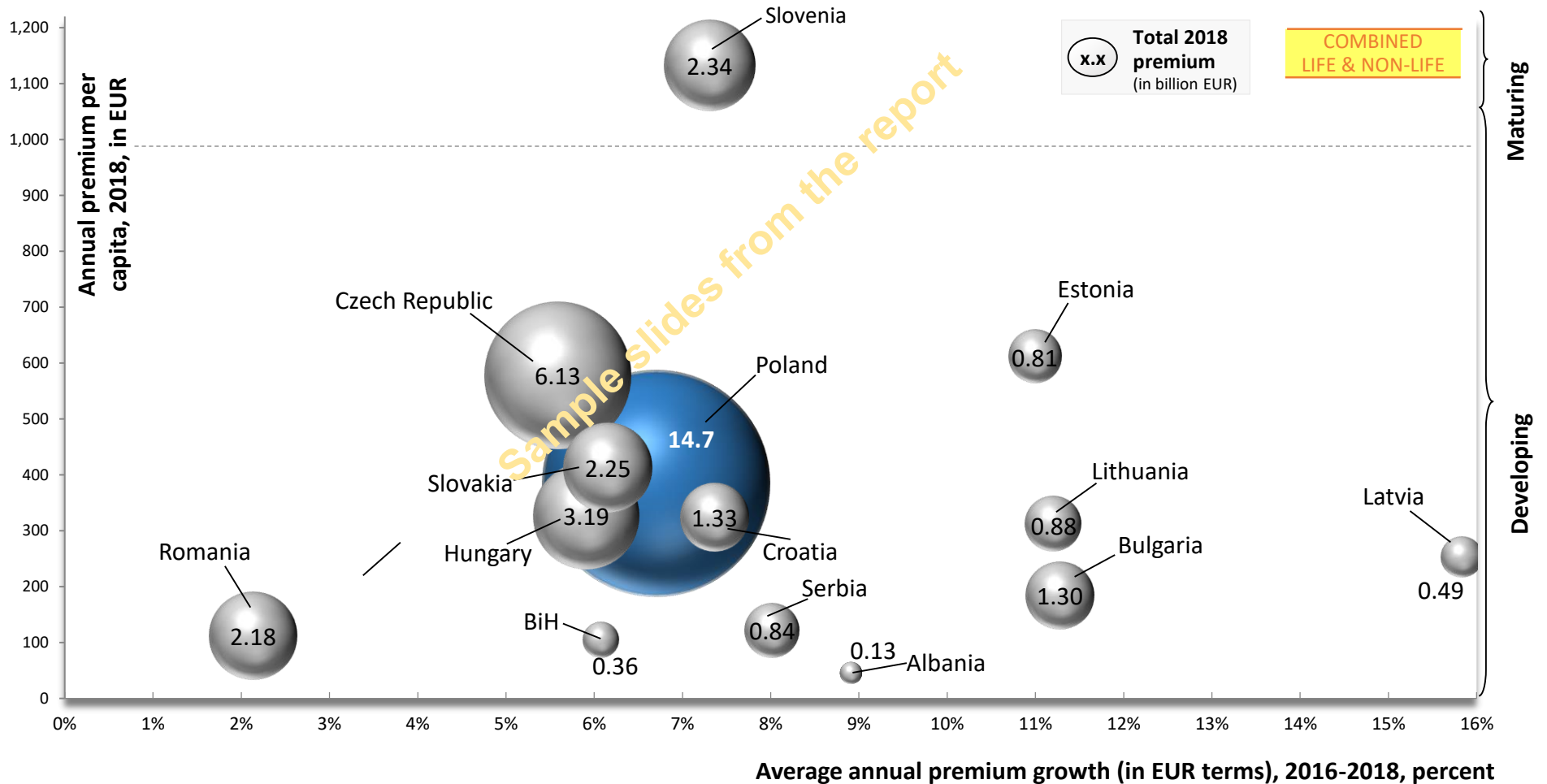
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Poland has the largest insurance market in CEE14*. Nevertheless, there is still an upside potential considering current premium per capita

CEE14* insurance markets - Size vs. growth matrix, 2017-2019

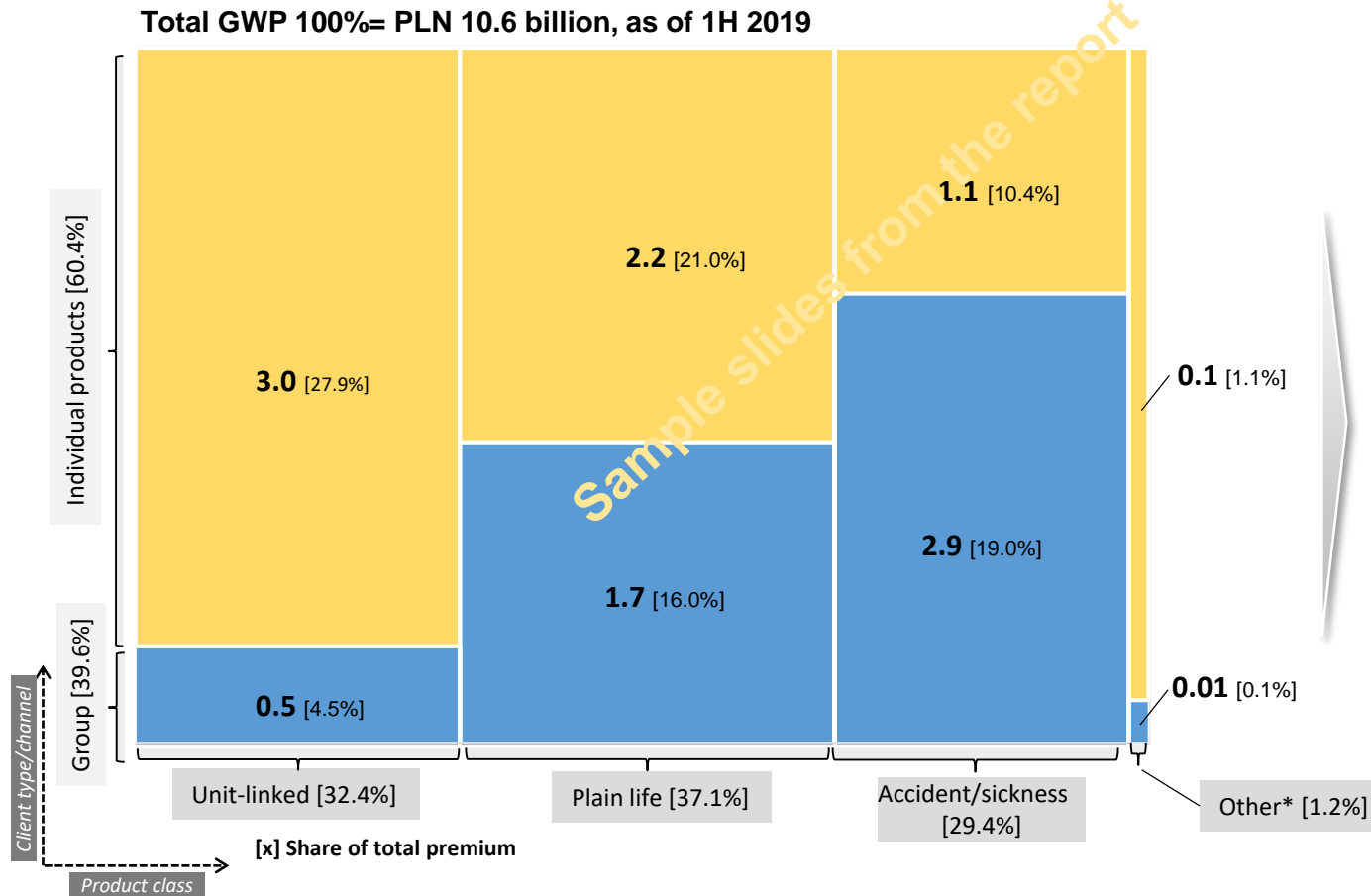


*Major 14 CEE countries. Russia, Ukraine, Belarus and North Macedonia not included
 Source: National supervision authorities, IMF, Inteliace Research

Individual life contracts and unit-linked products dominate in the life premium

LIFE INSURANCE

Premium written in life insurance business by insurance class and segment, 1H 2019
in PLN billion, [share of total in%]



- Individual insurance contracts dominate in new sales with over 60% share in new life premium written and their share is particularly big in case of unit linked and plain life products
- Group contracts account for nearly 40% of life premium and they prevail in case of accident/sickness insurance

* e.g. Endowment, disability etc.
Source: KNF, Inteliace Research

Key facts

- Company name:** TUiR WARTA S.A.
- HQ:** ul. Chmielna 85/87, 00-805 Warszawa
- CEO:** Mr. Jarosław Parkot
- Major shareholders:** 75.7% Talanx International AG, 24.3% Meiji Yasuda
- Key Subsidiaries:** Life Insurance

Overview

- Warta has been historically among the largest insurers in Poland and it had a particular focus on the non-life business (car, travel, corporate).
- Since 2016, Warta has been able to reverse the trend of falling market share thanks to amended strategy, in particular with regards to products and sales

History

- 1993: State-owned Warta privatized
- 1995: IPO on the Warsaw Stock Exchange
- 2000-2006: KBC becomes shareholder of Warta and increases its stake to 100%
- 2005: First joint branch Warta/Kredyt Bank
- 2012 Talanx acquires Warta from KBC
- 2012 Warta merges with HDI Asekuracja
- 2013/2014 Integration of sales systems life/non-life and full product offer revision
- 2015 Mobile claims app launched
- 2016 DataWalk anti-fraud system launched
- 2017 New sales system introduced
- 2018 Consolidation of sales network; Sales stimulation and loyalty schemes; Implementation of eAgent system
- 2019 Launch of automated claim processing systems with use of bots and AI supported systems

Products

- Warta offers in total >120 products in retail and corporate segments with a dual brand strategy under Warta and HDI
- Car insurance (MTPL+Casco) prevails in non-life business with ca. 69% share of total GWP
- Within car insurance, Warta has the market-leading claims handling and enjoys the lowest ratio of customer complaints vs. GWP**. Company applies advanced 600+ parameters models for the purpose of product pricing
- In retail segment, other popular classes include property insurance (Dom) and travel insurance
- In corporate segment, Warta holds strong position in fleets, leasing, and industrial insurance

Channels

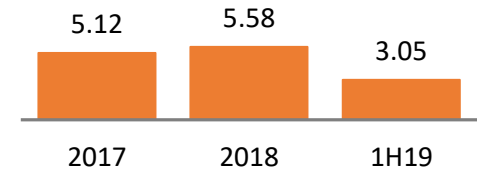
- Own distribution network of >2k exclusive agents and >1k dealers
- Cooperation with 2k multi-agents and 6k sales reps
- Partnerships with over 10 big banks and with financial intermediaries, e.g. Expander
- Sales channels consolidation in progress with the goal of cross-selling non-life and life products

Customers

- Over 4 million clients (non-life) and >1 million (life)
- Mass-market retail clients served mostly with car and property insurance
- Commercial clients (manufacturing industry) and entrepreneurs served with property and other business risks insurance

Financials

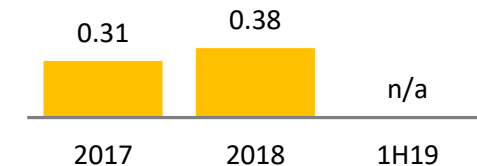
Gross Premium Written PLN billion



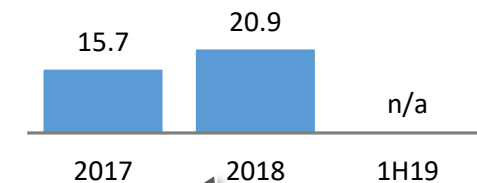
Market share* (percent)



Technical result PLN billion



Return on Average Equity (ROAE) Percent



*Non-life insurance share by gross premium written

** Based on reports published by Rzecznik Finansowy (2018/2019)

Source: Company, Press, Inteliace Research

Notes on methodology

FX rates:

- For the purpose of conversion from local currency (PLN) into EUR for most values presented in this report, including premium written, annual results, etc., **average** exchange rates have been used
- Exchange rates used in the report:

EUR / PLN	2010	2011	2012	2013	2014	2015	2016	2017	2018
Average	3.99	4.12	4.19	4.20	4.19	4.18	4.36	4.26	4.26
End of period	3.96	4.42	4.09	4.15	4.26	4.26	4.42	4.17	4.30

Estimates and Forecasts:

- In some cases, recent or verified data was not available. Therefore, necessary short-term estimates have been calculated to fill the gaps. Short-term estimates are indicated with “E” while forecasts are marked with “F”
- When preparing forecasts/estimates, we have built models using latest observed trends, available forecasts of main economic indicators, seasonal changes observed in the past and other specific factors considered important.

Multiple sources:

- In some cases, multiple sources of similar data exist. In this situation we always try to select the most appropriate one in our view. The source is indicated in the footer area of each slide. Nevertheless, in specific cases, before interpreting the data, it is recommended to get a good understanding on the methodology of data collection.

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Our company specializes in value-added research services and tailored business intelligence solutions.

Through our customized research services we help our clients to better understand their customers, competitors and overall market dynamics.

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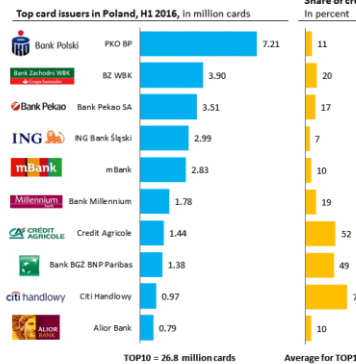


Since no leading market standard has been set yet, banks bet on partnerships and develop own solutions at the same time

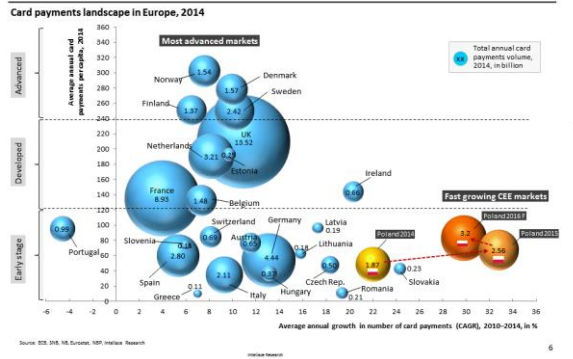
Key players in payment applications/wallets, 2016

Bank	Number of retail accounts (ROA) As of Q3 2016 in million	Key payment applications (mobile, wallets, etc.)					
		HCE	blisk	pay	MasterPass	Visa Checkout	Legend
Bank Pekao	5.8	✓	✗	✗	✗	✗	Legend: 1. available, 2. not available, 3. available but no merchants in Poland
Bank Pekao	3.8	✓	✗	✗	✗	✗	
mBank	3.2	✗	✓	✓	✓	✗	
BZ WBK	3.1	✓	✓	✓	✓	✗	
ING	2.6	✗	✓	✗	✗	✗	

PKO Bank Polski is by far the largest card issuer in Poland



The volume of card payments in Poland is expected to exceed 3 billion in 2016



Recent Reports:

2019

- February - Mortgage Lending in Poland '19
- May - Bank outlets database '19
- May - Top banks in CEE'19
- October - Payments in Poland '19
- November - Investment Funds and Asset Mgmt. '19

and many other ...

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