



ASSOCIATION ACTUARIELLE INTERNATIONALE

INTERNATIONAL ACTUARIAL ASSOCIATION

**Seventh International Professional Meeting of Leaders of the Actuarial Profession
and Actuarial Educators in Central and Eastern Europe**

STRENGTHENING THE PROFESSION

Monday 4 September to Tuesday 5 September 2006

University of Warsaw, Warsaw, Poland

ALBANIAN SITUATION: COMMENTS

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I. SITUATION IN MARKET INSURANCE

- 10 COMPANIES IN TOTAL
- Even for 2005: the overwhelming of domestic capital, 70% of capital
- Foreign capital is represented by 39% in INSIG (IFC and EBRD) and 12% in SIGAL (Albanian-American Enterprise Fund)
- The activity is extended in Macedonia and Kosovo (INSIG, SIGAL)

II. INSURANCE MARKET SHARE ACCORDING TO PORTFOLIOS

- **MOTOR INSURANCE: 70.47% (75.74% IN 2004)**
- **PROPERTY INSURANCE: 20.00% (17.20% IN 2004);** continue to be oriented towards the big clients, steps regarding involvement of complex classes of insurance or big risks; encreasing of insuring banks, airplanes, hotels, etc.
- **HEALTH INSURANCE: 3.58% (4.31% IN 2004)**
- **LIFE INSURANCE: 5.95% (2.75% IN 2004),** three companies; in 2005 efforts were made to improve the existing products or in the direction of preparation and implementation of new products.

iii. THE Legislation

- **Law nr 9267, date 29.07.2004: « On insurance and reinsurance activity... »**
- **Law nr 9268, date 29.07.2004: « On organization and functioning of Supervisory Authority of Insurance »**
- **Decision nr 191, date 25.03.2005, concerning some rules for calculation in life and non life insurance..**
- **Decision nr 192 date 25.03.2005 for rules for licensing the agents...**
- **DIFERENT OTHER DECISION AND RULES CONCERNING MATHEMATICAL CALCULATION, OFFICIAL DOCUMENTS OF WORK, REINSURANCE PROCESS, PUBLIC INFORMATION AND TRANSPARENCY, SUPERVISORY AUTHORITY OF INSURANCE, ETC.**
- **IN TOTAL THERE ARE 22 LAWS AND DECISIONS APPROVED DURING 2004 AND 2005 IN INSURANCE ACTIVITY**

IV. ACTUARY PROFESSION

- **AROUND 25 ACTUARIES**
- **Qualified actuaries, partly qualified actuaries (who have received some training as an actuary or passed some examinations, but are not regarded as fully qualified)**
- **Interested persons (who have not received any formal training as an actuary, but are engaged in actuarial work).**

V. The actuarial education:

- **Diploma Course organised by the UK actuarial profession (actually doing the course): 20**
- **Warsaw Actuarial Summer School: 7**
- **Other: 2**
- **University education, Actuarial science programme: 2**
- **Actuarial options on some other degree programme: 4**
- **Masters (or similar higher degree) programme: 0**
- **Doctorate or other research based degree: 0**
- **Distance-learning education and examination systems, faculty and Institute of Actuaries: 2**

VI. Higher education institutions and formal actuarial education

- **At the Faculty of Natural Sciences, Mathematics Department actually offer in a Master Program in Probability, Statistics and Applications some subjects related closely to the General Insurance. Not any specific actuarial program is developed in first degree program in Albanian universities (if we are not speaking on statistics, probability and random processes programs).**
- **From 2006 Faculty of Natural Sciences is collaborating in a formal actuarial program organized together with Faculty of Economics of Tirana University and supported technically mostly by IA of London. The activity, organized at the faculty, will continue two years, and the participants are from Albanian or Kosovo Insurances companies or individual private persons interested in actuarial profession. The initiative of organizing was taken from AMS (Insurance Supervisory Authority of Albania) and FSVC (Financial Service Voluntary Corps), with the partial support of USAID. Peoples who will be successful at the end will be licensed. All the materials (the programs and teaching materials were offered by Institute of Actuaries in London)**
- **The program offered during this activity has to be a model and support for organizing after two years a master program in Mathematics Department of University of Tirana according to the Bologna Convention for organizing the university studies in HE space in Europe. The department is discussing the question.**

VII. Laws on the role and task to be carried out by an actuary, qualifications required

The law nr 9267, of 29.07.2004, for the Insurance and Reinsurance activity in Albania, requires the level of qualification and the tasks to be carried out by an actuary. In Chapitre 1, General Disposition, in section 1, paragraph 16, we have:

“...the actuary is a mathematician, qualified even in statistics and accountability, authorized by the Insurance Supervisory Authority, responsible for the prime calculation, technical provisions, dividends and the mortality tables...

Further...

In Chapter 4, the Organization, Functioning and the Control of the Insurance Company, in section 66, it is described who is considered as an authorized actuary:

- Then actuarial activity has to be done by an actuary, authorized by the Insurance Supervisory Authority
- The insurance company is obliged to nominate an authorized actuary and to inform the Insurance Supervisory Authority
- The Insurance Supervisory Authority fixes the criteria's and the conditions for the authorization and the tasks to perform by the actuary;
- The Insurance Supervisory Authority informs the insurances companies for the list of authorized persons to be actuary in a company
- The Insurance Supervisory Authority do a nomination in case when an insurance company in three months from the beginning of the activity don't have employed an actuary
- Actually, the Insurance Supervisory Authority is working on a Regulatory document concerning the work of the actuary. The draft is ready to be approved.

VIII. Committee of actuaries...

- **In 2002, a Committee of actuaries working in all insurances companies was created; around 10 peoples are members of this Committee.**
- **The committee is consulted every time that it is necessary by the Insurance Supervisory Authority. Example: the definition of different primes.**
- **The head of this Committee is Mrs Oriana ZACE, an actuary working for Insurance Supervisory Authority**

IX. ISSUES...!

- **. A new market, not developed really as an insurance activity. General Insurance is dominant, the other activities are modest.**
- **The actuary profession is a new profession, to be created, not estimated first by companies, second by the state institutions.**
- **This is to combine with the low level of peoples working in the profession, their short time experiences: they have to discover the profession in a country where the informal economy is considerable strong**
- **We see good chances for actuaries:**
- **In the insurance sector, the activity is growing, the competition is present**
- **State institutions are more and more present by laws and regulatory documents**
- **The presence of actuary in a company it is not refused: by law obligation or by necessity every company has own actuary**
- **The problem is their level and what they offer to the company! Question of professionalism...**
- **Association... is after. It is not in our culture of work to be associated “outside” the work place, not only in this field, but almost every where...!**

WE HAVE TO SHOW THAT WE HAVE
COMPETENCIES AND NOT ONLY SUN!

THANKS FOR THE
ATTENTION!

