

## Insurance Market Growth Rate Increases by 2% on Year-on-Year Basis

The total written premium of the members of the Czech Insurance Association (Česká asociace pojišťoven – ČAP) has increased by c. CZK 1.2 billion on year-on-year basis, which corresponds to 2% growth. The positive development of the insurance market in the first six months is still supported by non-life insurance, which reported c. 4.5% volume growth and thus again became the most dynamic segment. Also life insurance, which has been showing a more significant decrease in the last two years, slowed down the decline from 3.4% in the 1<sup>st</sup> quarter to 2.2%.

Compared to the 1<sup>st</sup> quarter of 2016 non-life insurance experienced the growth by CZK 1.7 billion and reached the level of CZK 38.8 billion. Namely the 9.6% growth of accident insurance has contributed to the achieved results. Jan Matoušek, the Czech Insurance Association Director, comments on the results: *The growing insurance rate in the area of accident insurance is good news. People are becoming more aware that it is better to cover damages caused to their vehicles most often by accidents but often by natural disasters, vandalism, theft or collision with an animal, from a suitable insurance than to considerably burden the family budget* and adds: *„Also entrepreneurs protect their property more. The 3% year-on-year growth in the number of contracts and also the total volume of business risk insurance provides a proof of their greater responsibility and a favorable development of Czech economy.“*

Also the **mandatory damage liability insurance** has experienced a year-on-year growth by 2.5%, which, compared to the increase by 1.9% in the 1<sup>st</sup> quarter, demonstrates a slight acceleration, which however depends namely on the growing number of insured vehicles.

**Life insurance** is still on a decline; however the decline tempo is slowing down (from 3.4% in the 1<sup>st</sup> quarter) to 2.2%. Higher decline continues for products with lump-sum premiums, in particular by 30%, however, this represents only a fractional correction compared to the decline by 43% in the 1<sup>st</sup> quarter of 2016. Products with **regular premiums** show the current decline by only 0.8%.

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*The Czech Insurance Association (Česká asociace pojišťoven) is a professional association of 28 commercial insurance companies, whose share in total prescribed premiums in the Czech Republic is 97%. The Association represents, defends and promotes the interests of member insurance companies in regard to bodies of state administration, the professional and lay public, and promotes the interests of the Czech insurance sector in the EU. The Association supports the long-term growth of the insurance sector and insurance market in the Czech Republic.*

*[www.jaksepojistit.cz](http://www.jaksepojistit.cz) is an independent internet portal, focusing in detail on individual areas of insurance products, the goal of which is to raise the level of public awareness in regard to the insurance sphere.*