

Annual Report 2002 Czech Insurance Association

Live responsibly – with insurance

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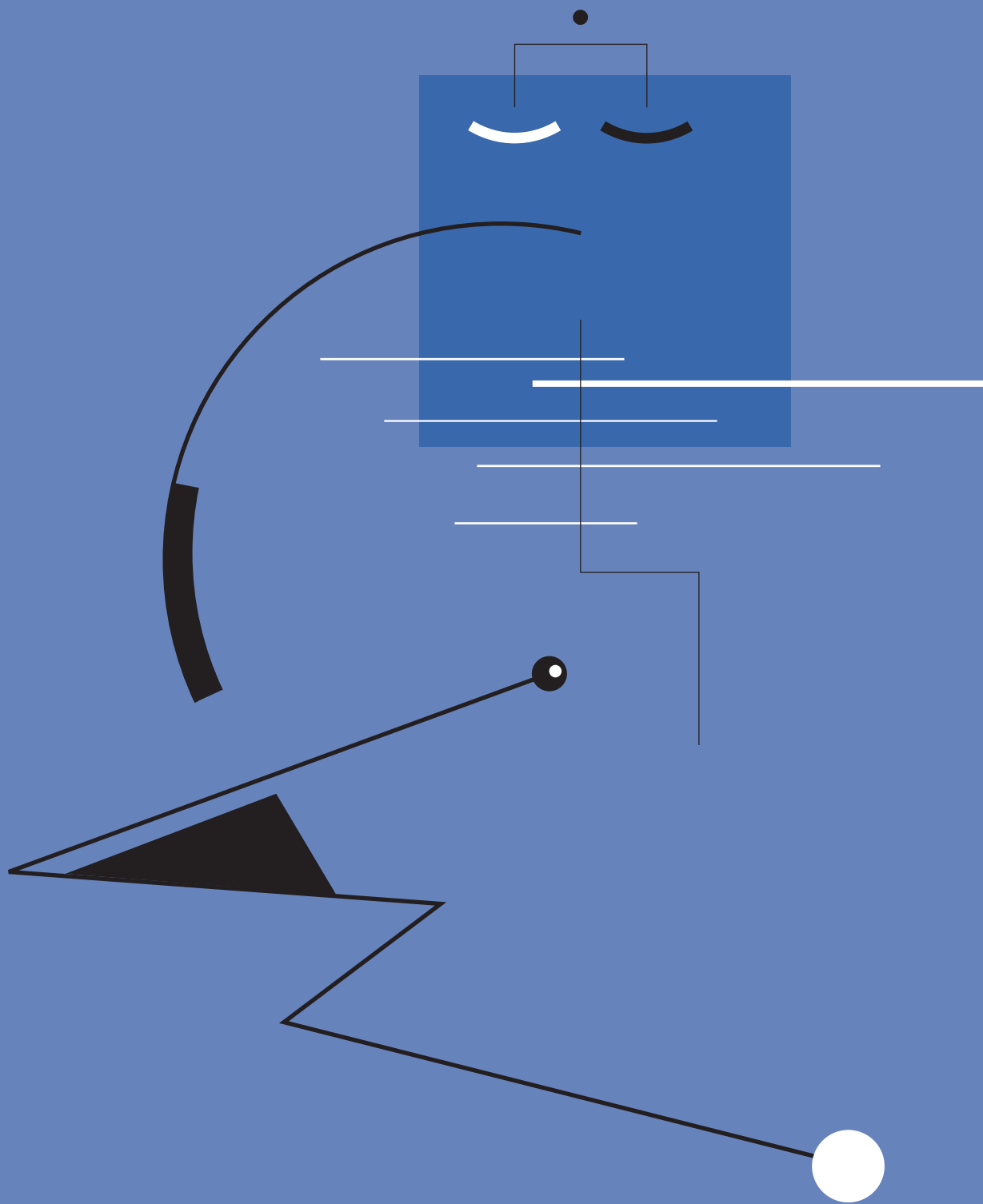
Czech Insurance Association (ČAP)

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The Insurance Industry in the Czech Republic



FOREWORD

In terms of insurance and the insurance industry, the year 2002 will always be associated with the largest natural catastrophe in Central & Eastern Europe – the floods that occurred in August. These floods put a considerable portion of the Czech Republic's land area under water and, what is more, it was land area with considerable concentrations of population and property. The total economic losses reached roughly CZK 73 billion, and insured losses are estimated at CZK 37 billion. The most important for the general public was the announcement made by the Association shortly after the flood occurred and the initial loss estimates were completed, i.e., that insurance companies were capable of meeting their obligations. Further developments confirmed the truth of these words. By 30 June 2003, a total of CZK 27 billion in insurance claims had already been paid out. Investigations are still ongoing in certain complicated loss events which require a number of technical and other expert opinions. This is common business practice not just in the Czech Republic, but in other countries as well.

The floods of August, as catastrophic as they undoubtedly were, did however clearly underline the necessity of changing how risks are valued and reassessing rates even on existing insurance products. Considerable pressure for change came from reinsurers, which bore a substantial share of the flood losses. Starting in 2003, insurance companies began to revise property insurance rates, set limits on claims and deductibles, stipulate specific methods for insuring catastrophic risks, institute stricter risk valuations, model possible flood scenarios for various areas, and set aside sufficient provisions to cover future losses. We are satisfied to report that the Association supported insurance companies in these efforts. For example, the Association prepared recommendations for future insuring of flood hazards, provided insurance companies with information on flood plains (i.e., the maximum historical flood boundary), contributed to a decision on wider use of the Geographical Information System (GIS) by insurance companies, and began implementing a "tariff zones" project.

One piece of good news in respect of the flood and insurance companies is that, according to a market survey ordered by the Czech Insurance Association in May 2003, flood victims are of the opinion that, insurance companies did a good job of adjusting claims. Most of all, they appreciated the helpfulness and willingness of insurance company representatives; 84% of those surveyed expressed satisfaction. According to the survey results, approximately one quarter of uninsured households contacted in the survey are interested in obtaining property insurance soon. That is much more than after the 1997 flood in Moravia. This interest represents demand for insurance services that should be met.

In 2002, despite the destructive flood and other influences, insurance companies managed to grow their businesses. Premiums written rose by 12.5% overall, and the pace of growth was faster in life insurance than in non-life. Despite differences in performance between individual insurers, which are inevitable, the aggregate after-tax result is a positive figure.

Premiums written in life insurance grew by 20.9%. Here we continued to see the influence of tax incentives for so-called "private life insurance", which were instituted by an amendment to the Income Tax Act that took effect as of 1 January 2001. Another factor in the above pace of growth was strength in single-premium policies, but this was due to reasons that may not be repeated in the future. In comparison with European Union Member States, we are still behind in terms of the share of premiums in Gross Domestic Product (GDP). On the other hand, however, this means there is still potential for growth in life insurance. That potential should be strengthened by public sector budgetary reform and by the reform of the pension system. We are confident that, as these systemic changes take form, an equal playing field for all operators in the second and third pillars will win out in the end.

Non-life insurance premiums written grew by 8% in 2002. This figure is an average from 18 individual classes of insurance, whose performance was quite differentiated. Driven by new legislation, premiums written grew 55% in workmen's compensation insurance. Premiums in buildings and structures insurance for individuals grew by roughly 16%. We believe that the necessary turnaround has arrived in this type of property insurance. Medical expenses abroad insurance, on the other hand, saw premiums written decline by approximately 7%.

An important characteristic of development in 2002 was acceleration in the pace of work on completing the harmonization of Czech insurance law with European insurance legislation. The Ministry of Finance produced a draft amendment of the Insurance Act, a draft Act on Insurance Intermediaries and Independent Loss Adjusters, a draft Act on the Insurance Contract, and a draft amendment of the Act on Motor Third Party Liability Insurance. The Association contributed to the legislation drafting process through its comments and suggestions. In January 2003, these legislative drafts came before the Legislative Council of the Government of the Czech Republic and by June they had already entered the second reading in the Chamber of Deputies of the Parliament of the Czech Republic. Final passage is expected by the end of 2003. What do these acts bring? Most of all, concordance with European law so that the Czech insurance industry can operate within the EU common insurance market starting 1 May 2004. An important element shared by all of the above drafts is an emphasis on consumer protection. In this respect, the powers of the State Supervision of the Insurance Industry will be expanded and its activities will be focused primarily on monitoring insurance company financial health. A registration system will be introduced for insurance intermediaries, and one of the conditions for registration will be proof of required professional competence. The new legislation on the insurance contract will improve contractual obligations in insurance. The insurance companies within the Czech Insurance Association support the passage of these laws. They are aware that their implementation will be challenging, but also beneficial to the entire sector as well as to insurance company clients.

In conclusion, please allow me to thank our clients for their trust and to assure them that our insurers will do everything in their power to maintain that trust.



Vladimír Mráz
President

DEVELOPMENT OF THE NATIONAL ECONOMY

Economic growth slowed in 2002 under the influence of changes in both internal and external conditions. External conditions, driven by the down side of the economic cycle in western Europe, played a decisive role in bringing about changes in the composition of the supply and demand sides of the economy. In terms of internal conditions, a combination of favorable and unfavorable trends was seen. Among the positive features of economic development last year was dynamic growth – in household consumption, the services sector, labor productivity, and corporate earnings. Less favorable or downright unfavorable features, on the other hand, included weaker foreign and domestic demand, which was reflected in flat capital spending, slower growth in foreign trade, and higher unemployment.

In an international comparison, the GDP growth of 2.0% (in 1995 prices) was twice the average rate of growth among European Union Member States. In comparison with OECD countries, the Czech Republic maintained a position among the top ten. Within the region, however, GDP growth was slower than that of Slovakia and Hungary.

Czech Republic industrial output grew by 4.8%. This growth was driven primarily by production of electrical and optical devices, the rubber and plastics industries, manufacture of motor vehicles and manufacture of industrial machines. Their share in overall industrial output increased to 35%.

Consumer price growth remained below the OECD and Eurozone averages. The principal factors slowing overall inflation to below 2% were food and energy prices, strength in the Czech currency, and a substantial decline in prices of imported goods. Low inflation supported growth in household real income and consumption, but it also put a damper on capital spending. The unemployment rate was nearly 10% at the end of 2002. Unemployment growth was driven by pressures generated by the economic slowdown and accompanying factors that led to reduced demand for labor.

The deficits of State and other public sector budgets in 2002 were lower than expected. The State budget result to GDP ratio fell to minus 2.0%. This performance was influenced primarily by faster growth in tax and non-tax income, as well as by slower growth in expenditures. In indicators that express the country's external payments and commercial relations – the balance of payments result to GDP and net exports to GDP ratios – the 2002 performance was somewhat worse than in 2001.

Key Macroeconomic Figures (%)

	2001	2002
GDP – year-on-year change (1995 prices)	3.1	2.0
Year-on-year inflation	4.7	1.8
Unemployment rate at year end	8.9	9.8
State budget result to GDP (unadjusted for inflation)	-3.2	-2.0
Balance of payments result to GDP (unadjusted for inflation)	-4.7	-6.5
Net exports to GDP (1995 prices)	-9.6	-10.6

Source: Czech Statistical Office, Prague 2003 (www.czso.cz)

DEVELOPMENT OF THE CZECH INSURANCE INDUSTRY IN 2002

In 2002, insurance as a sector of the economy built on its successful development in past years and showed that it is capable of dealing with natural catastrophes such as the flood of August.

In the area of insurance legislation, the year saw an acceleration of the pace of harmonization with European Union legislation. The following new legislation was prepared: a draft Act on the Insurance Contract, a draft amendment to the Insurance Act, a draft Act on Insurance Intermediaries and Independent Loss Adjusters, and a draft amendment to the Motor Third Party Liability Insurance Act. While they did go through inter-Ministry comment proceedings, due to elections the legislative drafts mentioned above were not finally approved for submission to Parliament until the first quarter of 2003, when they came up for discussion at two meetings of the Legislative Council of the Government of the Czech Republic and were subsequently approved by the Government. The legislative process could be completed in autumn 2003. Then Czech insurance law will be compatible in principle with European Union law. The qualifier "in principle" is used especially because, in the meantime, a number of new insurance industry directives have been passed and they, too, need to be implemented in Czech law within the stipulated period.

The new legislative treatment of the insurance contract is proposed as a separate act. This proposed act deals, e.g., with when and under what conditions insurance arises and ceases, rights and obligations of the insurer and the insured, and definition of the terms "loss insurance" (insurance against loss and damage) and "insurance of agreed sum". Part of this draft is harmonization-specific, for example to the extent that it deals with coinsurance and selected insurance classes (credit insurance, suretyship insurance, legal expenses insurance, etc.).

The draft amendment to the Insurance Act, which in other countries is often called the Act on State Supervision over the Insurance Industry, incorporates the remaining provisions of second- and third-generation directives which have yet to be transposed. These include, in particular, a clarification of conditions for granting insurance licenses and provisions dealing with solvency, technical provisions, financial placements (investments) and insurance company reporting requirements, as well as an expansion and clarification of State Supervision powers to include powers to supervise insurance groups. Also we must not fail to mention the newly proposed treatment of confidentiality and credibility. The draft also reflects such principles of the European Union common market as freedom of establishment, freedom to provide services, and the single "European passport" for insurance. These provisions must enter into force on 1 May 2004, i.e. the date of the Czech Republic's accession to the European Union.

The draft Act on Insurance Intermediaries and Independent Loss Adjusters brings fundamental changes to this area. The new act incorporates provisions from the directive on insurance intermediation issued in December 2002. It envisages the registration of all insurance intermediaries that satisfy all the stipulated requirements, including e.g. demonstration of professional competence. In addition, insurance agents and insurance brokers will be required to prove that they carry professional liability insurance and that they possess the required financial guarantee.

The draft amendment of the Motor Third Party Liability Insurance Act contains various clarifications of the original law based on its application in practice since it was first passed in 1999. In addition,

it transposes the so-called "Fourth Motor Directive" on motor third party liability (MTPL) insurance, the aim of which is to increase consumer protection throughout the entire territory of the European Union.

These new legislative proposals, which should be passed into law by the end of 2003, are to take effect in 2004 or, at the latest, by 1 January 2005. Here it must be added that several pieces of legislation took effect in 2002 that have a substantial impact on the insurance industry.

1 January 2002 is the effective date of Decree No. 440/2001 Coll. on indemnification for pain and suffering and complication of social self-realization, which most importantly increased the value of one "point" to CZK 120 for purposes of calculating indemnification. As of the same date, Decree No. 487/2001 Coll. entered into force, which amends Decree No. 125/1993 Coll., which stipulates conditions and rates for ex lege workmen's compensation insurance, as amended. This revision in rates reacts to the already mentioned increase in value of the so-called "point".

Act No. 449/2001 Coll. on hunting took effect on 1 July 2002. According to this act, anyone who hunts wild animals must be insured for liability arising out of this activity as a result of harm or death caused to other persons, with a claim limit of at least CZK 20,000,000, and for damage to property with a claim limit of at least CZK 500,000 per claim.

Under No. 56/2002 Coll., the consolidated version of Act No. 563/1991 Coll. on accounting, as amended, was published. Exclusively relating to insurance company accounting is Ministry of Finance Regulation No. 2/2002 Coll., ref. no. 282/105 880/2001, dated 21 December 2001, which amends the Chart of Accounts and Bookkeeping Procedures for Insurance Companies and contains a consolidated version thereof. This Regulation took effect on 10 January 2002, as did Ministry of Finance Regulation No. 3/2002 Coll., ref. no. 282/113 409/2001, dated 21 December 2001, which amends the Regulation Stipulating the Order and Content of Items in the Financial Statements of Insurance Companies and contains the consolidated version thereof. The related Ministry of Finance Regulation No. 5/2002 Coll., ref. no. 282/113 417/2001, dated 28 December 2001, which amends the Procedures for Consolidating Insurance Company Financial Statements and which contains a consolidated version thereof, took effect on 16 January 2002.

Among other things, Act No. 126/2002 Coll., which amends Act No. 21/1992 Coll. on banks, as amended, also amended Act No. 363/1999 Coll. on insurance and amending certain related acts (the Insurance Act), as amended. Here it must be mentioned that insurance companies were given greater scope to notify each other of facts relating to insurance of natural persons and legal entities in cases stipulated by the act.

The year 2002 brought a reduction in the number of insurance companies active in the Czech insurance market under licenses issued by the Ministry of Finance from 43 to 42.

Newly licensed was Vitalitas pojišťovna, a.s., which can be designated as a domestic non-life insurer, while on the other hand, the licenses of ČP DIRECT pojišťovna, a.s. (domestic non-life insurer) and KRAVAG-SACH, Pojišťovna německé silniční dopravy, vzájemný pojišťovací spolek – organizational unit for the Czech Republic (foreign non-life insurer) were withdrawn. These 42 insurance companies operating in the market as of year end 2002 did not include the Czech Insurers' Bureau, which was established by Act No. 168/1999 Coll. on motor third party liability insurance, as amended.

Number of Insurance Companies by Insurance Activity

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL NUMBER OF INSURERS	20	27	35	35	40	41	42	41	43	42
of which: life	5	4	5	2	4	5	3	3	3	3
non-life	7	10	15	14	18	19	21	20	23	22
composite	8	13	15	19	18	17	18	18	17	17

Source: Ministry of Finance

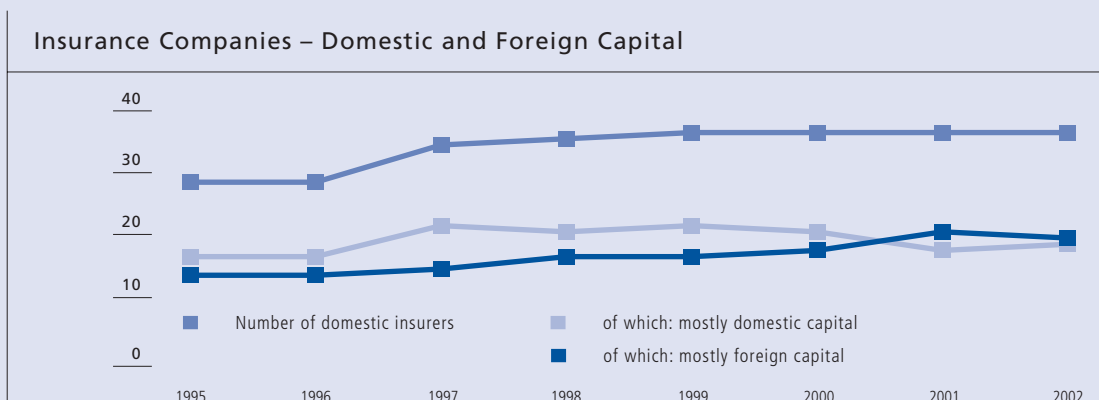
In terms of the year 2002, then, 22 of the insurance companies can be designated as non-life insurers, which means that they wrote one or more classes of non-life insurance, and 3 can be characterized as exclusive life insurers. 17 insurance companies qualify as "composite" insurers because they simultaneously wrote one or more classes of life insurance and one or more classes of non-life insurance.

Number of Insurance Companies – Domestic and Foreign

	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL NUMBER OF INSURERS	35	35	40	41	42	41	43	42
Domestic insurers	27	27	33	34	35	35	35	35
of which: mostly foreign capital	12	12	13	15	15	16	19	18
mostly domestic capital	15	15	20	19	20	19	16	17
Foreign insurer organizational units	8	8	7	7	7	6	8	7

Source: Ministry of Finance

Of the above mentioned 42 insurance companies operating in the Czech Republic in 2002, 35 may be characterized as domestic insurers and 7 as foreign (organizational units of insurance companies whose registered offices are in another country). Of the mentioned number of domestic insurers, 33 were joint stock companies, 1 was a co-operative, and 1 was a legal entity established directly by a special act (Všeobecná zdravotní pojišťovna České republiky, which had a license to write private health insurance). For comparison we can state that, as of 31 December 1991, there were only 3 licensed insurance companies in the Czech Republic.



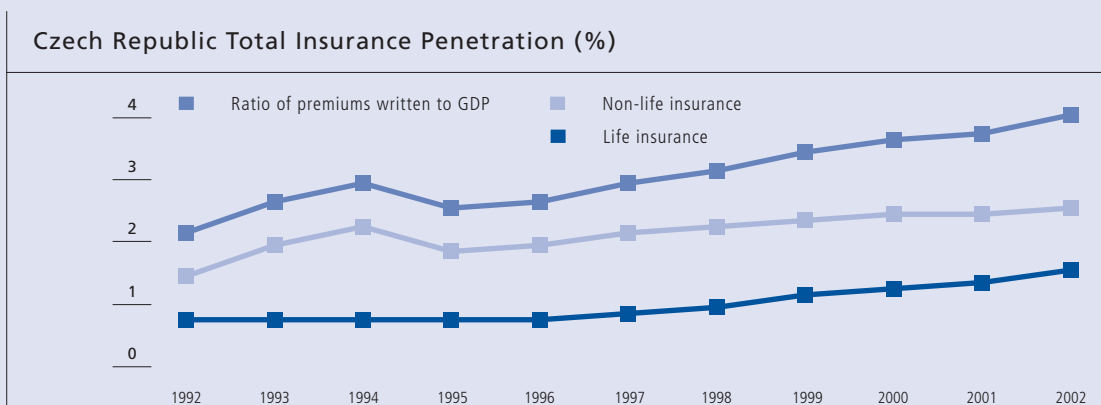
In 2002 there was a further improvement in the quality of insurance protection, both through innovations in insurance products and by expansion in the offerings of various types of insurance by new and existing insurers. Overall, a total of approximately 250 different types of insurance or types of insured risks were available.

In June 2003, 17 ČAP member insurers offered life insurance on death or survival (capital life insurance), 9 insurers offered investment life insurance (or insurance linked to investment fund), 11 insurers offered pension insurance (annuity insurance), 14 insurers offered dread diseases insurance, and 15 insurers offered household contents insurance and buildings and structures insurance for individuals. Clients had a wide variety of insurers to choose from. Later in this Annual Report (p. 34), you will find more detailed information on the current range of insurance products offered by the Association's member insurance companies.

In 2002, the Czech insurance industry further reinforced its position in the national economy. Total insurance penetration, which is the ratio of premiums written to GDP without adjusting for inflation, advanced from 3.7% in 2001 to approximately 4% in 2002.

Czech Republic Total Insurance Penetration (%)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Ratio of premiums written to GDP	2.1	2.6	2.9	2.5	2.6	2.9	3.1	3.4	3.6	3.7	4.0
Life insurance	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.1	1.2	1.3	1.5
Non-life insurance	1.4	1.9	2.2	1.8	1.9	2.1	2.2	2.3	2.4	2.4	2.5



GDP = Gross Domestic Product unadjusted for inflation (ČSÚ data used – methodology change from 1995)

Source: Czech Statistical Office, ČAP, Ministry of Finance

The rise in total insurance penetration seen in 2002 was more pronounced than in past years. This is given by the fact that GDP growth, unadjusted for inflation, was 4.6% compared to 2001, while premiums written in the Czech Republic grew by 12.5% overall over the same period (in life insurance by 20.9%). In 1992, this indicator stood at 2.1%. A comparison with European Union Member States shows that there is still a considerable gap: their total insurance penetration was 6.2% in 1992 and 8.6% in 2001. This gap needs to be filled mainly in life insurance. The ratio of life insurance premiums to GDP in 2001 was on average 5.4% for EU Member States, while the Czech Republic's 2002 figure was only 1.5%. In non-life insurance, this difference is no longer so pronounced: the average ratio of non-life premiums to GDP in EU Member States in 2001 was 3.2% and in the Czech Republic in 2002 it was 2.5%. Among EU Candidate States, total insurance penetration in 2001 was 5.0% in Slovenia, 4.9% in Cyprus, 3.3% in Hungary, 3.2% in Slovakia, and 3.1% in Poland. As mentioned already, the Czech insurance industry is still lagging considerably behind European Union Member States in life insurance. This is confirmed by the ratio of life insurance premiums written to overall premiums written. In the EU this indicator exceeded 63% in 2001, while in the Czech Republic it was 35.0%; in 2002 it increased to 37.6%.

As the above comparison would indicate, the differences between the Czech Republic and the European Union are structural, and therefore long-term in nature, and they are due to a large number of causes, including differences in social and pension systems, standard of living, incentives available to citizens to take out insurance policies, etc.

The development of the Czech insurance industry in 2001 was positive. However, that does not mean it was free of problems, for example in the insurance market.

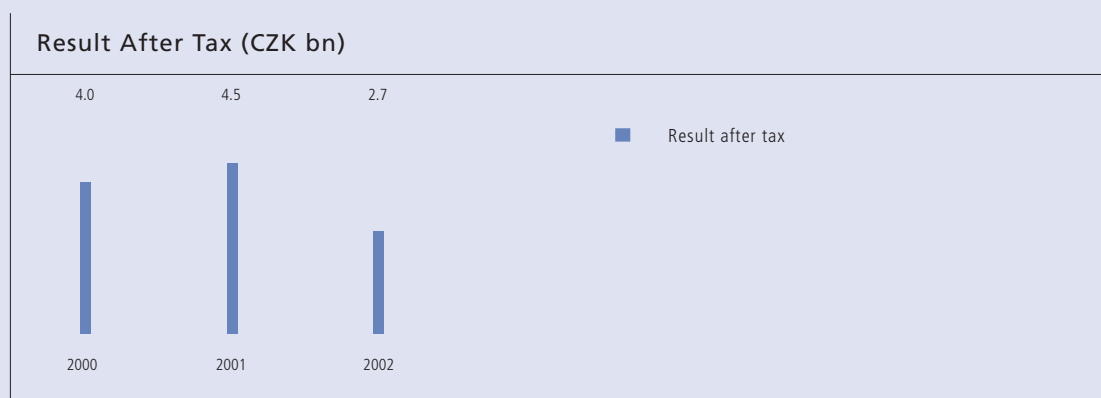
THE INSURANCE MARKET IN 2002

CZECH REPUBLIC INSURANCE MARKET OVERALL

As already mentioned above, overall premiums written increased by 12.5% in 2002. This pace of growth was faster than that of GDP, unadjusted for inflation, and much faster than the rise in consumer prices. The industry succeeded in posting a positive aggregate result (after tax) of CZK 2.7 billion. While it is true that this was CZK 1.8 billion less than in 2001, still it was a good result in view of the flood losses and the decline in returns from insurance companies' investments.

Revenues, Expenses and Result (CZK m)

	2000	2001	2002
Total revenues	373,558	627,851	493,756
Total expenses	369,553	623,353	491,067
Result (after tax)	4,005	4,498	2,689



The relatively large jump in revenues and related costs in 2001 was caused in particular by a change in the method used by insurance companies to account for investment transactions. In 2002, the resulting values of these economic indicators were lower than in 2001.

Premiums written in the Czech Republic in 2002 reached CZK 90.9 billion, which as reported above was 12.5% higher than in the previous year. In life insurance this indicator grew by 20.9% while in non-life insurance the increase was 8.0%. ČAP members' share in overall premiums written in the Czech Republic in 2002 was 98.3%.

In terms of insurance market composition, the rapid growth of life insurance in 2002 was undoubtedly driven by tax incentives for "private life insurance". Certain insurers saw substantial growth in single-premium policies and premiums written in investment life insurance. The share of life insurance in overall premiums written increased to 37.6%. Especially high above-average growth in premiums written was seen especially in workmen's compensation insurance, where premiums were up by 55.3%. Relatively solid growth was recorded in insurance of buildings and structures for individuals and household contents insurance. Here it is worth mentioning that nearly the same rate of growth in premiums written – by approximately 11% – was seen in motor

damage insurance and MTPL insurance. More-or-less flat performance, on the other hand, continued in insurance for industry and business. According to their different paces of growth, various classes or types of insurance saw their position in the Czech insurance market strengthen or worsen during the year.

Composition of the Czech Republic Insurance Market in 2002

Insurance	Premiums written (CZK m)	Share (%)
TOTAL	90,865	100.0
Life insurance total	34,192	37.6
Non-life insurance total	56,673	62.4
• Accident insurance	1,617	1.8
• Insurance of buildings and structures – individuals	2,100	2.3
• Household contents insurance	1,511	1.7
• Liability insurance – individuals	606	0.7
• Medical expenses abroad insurance	844	0.9
• Insurance for industry and business*	20,117	22.1
of which: agricultural insurance	999	1.1
• Motor damage insurance – total	11,991	13.2
• MTPL insurance	17,987	19.8
• Workmen's compensation insurance	4,067	4.5

* includes motor damage insurance

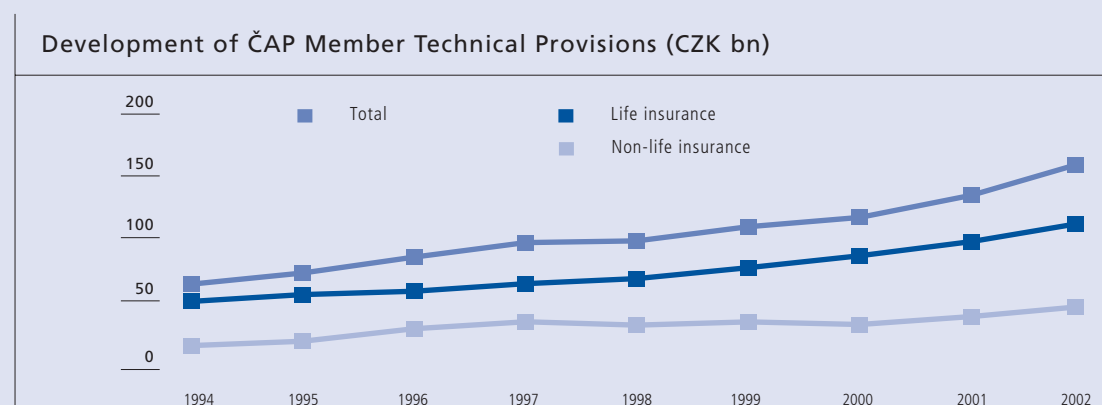
In 2002, motor vehicles insurance continued to occupy an important position in the Czech insurance market. Motor damage and MTPL insurance accounted for 33% of all premiums written during the year. The decline in accident insurance's share, especially in comparison with 2000, is due to a change in how accident insurance/supplementary insurance is reported: when it is taken out together with a life insurance policy, it is now included in life insurance. Starting in 2002 this should be the case for all insurance companies.

INSURANCE MARKET ACCORDING TO ČAP DATA

ČAP members provide the Association with relatively extensive statistical data, thanks to which it is possible to perform a more detailed assessment of the insurance market. What is more, this analysis is of practically the entire market, in view of the aggregate market share of ČAP members already mentioned above. For example, all insurers that provide life insurance in the Czech Republic are members of the Association. In terms of overall revenues, ČAP members account for 98.9% of the market. In 2002, these revenues totaled CZK 488.728 billion. Total costs reached CZK 485.762 billion. The after-tax result, at CZK 2.966 billion, exceeds the result for the whole market by CZK 278 million. ČAP member aggregate premiums written totaled CZK 89.3 billion, up 12.8% from the previous year. Insurance company share capital grew by CZK 0.6 billion compared to 2001 – to approximately CZK 13.5 billion. Insurance company funds increased by 45.6% to CZK 16.6 billion. Life insurance technical provisions rose 13.7% to CZK 111.2 billion while technical provisions in non-life insurance grew by 25.7% to a total of CZK 46.7 billion. The cumulative amount of total technical provisions reached CZK 157.9 billion at year end 2002.

Development of ČAP Member Technical Provisions (CZK bn)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL	63.4	72.4	85.2	96.9	98.3	109.7	117.1	135.0	157.9
Life insurance	49.5	55.0	57.7	63.8	67.9	76.7	86.3	97.8	111.2
Non-life insurance	13.9	17.4	27.5	33.1	30.4	33.0	30.8	37.2	46.7



The aggregate total number of employees of ČAP member insurers at year end 2002 was 15,333, which is 0.3% more than at the end of the previous year. 4,067 of the employees worked in sales. The highest number of employees ever – 16,137 – was reported in 1998. Since then, there have been slight declines each year. In 2002, insurers reported having over 40,000 cooperating partners – insurance intermediaries, both natural persons and legal persons.

Table A – illustrating the development of the above indicators over time – may be found in the Statistical Section of this Annual Report.

According to the aggregate balance sheet of ČAP members for 2002, total assets reached CZK 234.0 billion and financial placements (investments) totaled CZK 198.8 billion.

Structure of Financial Placements in 2002

	Value (CZK bn)	Share (%)
TOTAL FINANCIAL PLACEMENTS	198.8	100.0
Fixed-income securities	135.0	67.9
Bank deposits	20.2	10.2
Land and buildings (real estate)	11.1	5.6
Participating interests in companies with controlling influence	10.8	5.4
Other	21.7	10.9

During the past few years, fixed-income securities have accounted for the bulk of insurance company financial placements. In 2002, their share in the overall total increased by 2% compared to 2001. In logical reaction to low interest rates, the share of bank deposits fell by 2.4%. In the remaining types of financial placements, there were no substantial variations in 2002 compared to 2001 values.

The result of the non-life technical account in 2002 was a negative amount of CZK 2.072 billion. For illustration: in 2000 the result was minus CZK 906 million and in 2001 it was minus CZK 206 million. Table C in the Statistical Section shows the development of premiums written for all the various insurance classes as well as for selected insurance types. In 2002, overall ČAP member premiums written grew by 12.8%. The following classes/types of insurance, inter alia, exhibited above-average growth (regardless of the given insurance's share in overall premiums written):

- sickness insurance,
- damage insurance of land vehicles other than railway rolling stock,
- property insurance,
- workmen's compensation insurance,
- aircraft operation liability insurance,
- suretyship insurance,
- insurance against various financial losses,
- investment life insurance,
- capitalization.

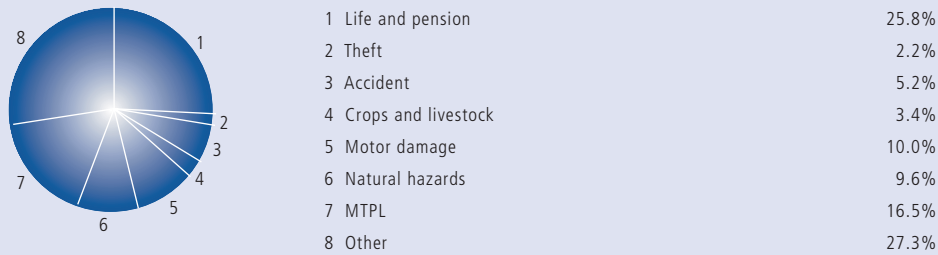
In a number of cases, the increase in premiums written can be partly attributed to pressures exerted by reinsurers and negative previous loss experience (e.g., in property insurance) or to changes in legislation (e.g., workmen's compensation insurance). In other cases (e.g., investment life insurance), it is the result of increased demand for the insurance in question.

New business in 2002 totaled CZK 32.7 billion, up 8% from the previous year. Nearly 76% of this figure is attributable to insurance intermediaries. Of that quantity, insurance agents accounted for an estimated 76% and insurance brokers for an estimated 24% (qualified estimate was made due to incomplete data from insurance companies).

Claims Settled

A total of 2,162,881 claims were settled in 2002, up 3.7% from 2001. The growth in 2002 occurred mainly in natural hazards insurance, where claims rose by 80%. A total of 207,516 claims were settled in this type of insurance. The number of motor damage claims rose by 23%. Also worthy of mention is insurance against theft, where claims settled declined by over 5%.

Composition of Claims Settled in 2002 (%)



2002 Statistics

The Statistical Section of this Annual Report presents a detailed summary of the development of the Czech insurance market. 2001 data are final, while the numbers for 2002 reflect data available as of 31 May 2003. The Statistical Section also includes macroeconomic indicators and other insurance-related statistics (fires, health care, crime and traffic accidents). Compared to past years, however, the information presented there has been reduced in scope, in view of the increased availability of the data (see website references for the institutions in question).

Summary

In 2002, the insurance market overall retained the pace of premium growth seen in past years. Total insurance penetration, which is the ratio of premiums written to GDP, reached 4%. Life insurance continued to be the main driver of growth. As a result, its share in overall premiums written grew. The after-tax result was lower than in 2000 and 2001, but its level is commensurate to the floods that occurred in August, 2002 and the resulting claims. The loss, which was the greatest in history, was handled well by the insurance companies. They estimate their total flood losses at approximately CZK 37 billion; as of 30 June 2003 nearly CZK 27 billion in claims had been paid. Changes in reinsurer policies and the loss experience itself forced radical changes in how insurance is written. In property insurance, insurers improved their risk management, revised insurance rates, set limits on claims, etc. Changes in external and internal conditions (e.g., legislative) were reflected in revised rates for other types of insurance as well. This could be seen in the differing rates of growth among premiums written in various classes and types of insurance.

THE FLOOD OF 2002

The flooding that occurred in August in Central and Eastern Europe, the largest natural catastrophe in the world in 2002, affected a considerable portion of the Czech Republic's territory. The flood was caused by two pronounced low-pressure centers and associated frontal systems, which passed over Central Europe in quick succession. What is more, both of them moved only slowly, which prolonged the period of steady rainfall. Record high water levels and flow rates were recorded on a large number of the Czech Republic's monitored river and streams.

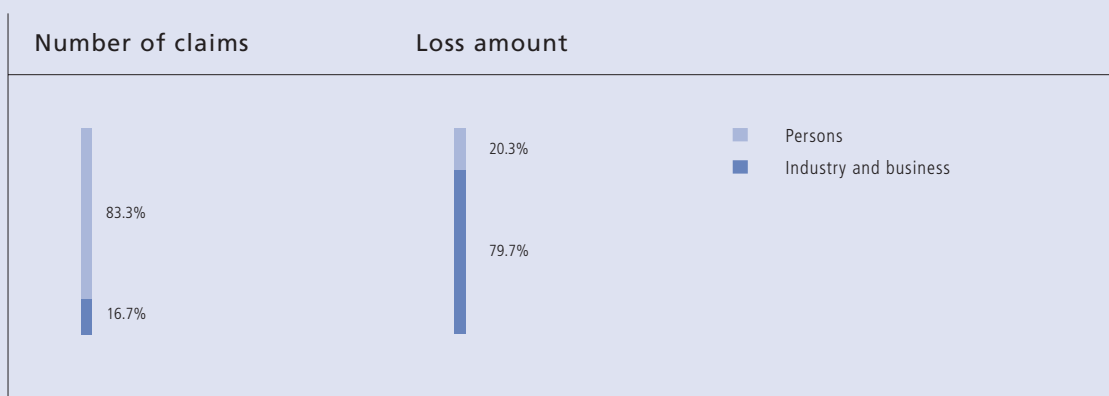
The flood of August, 2002, affected to varying degrees a total of 43 districts in 9 regions. Directly or indirectly, the flood affected 15.5% of the Czech Republic's population. Total property damage has been estimated at over CZK 73 billion.

INSURED LOSSES, THEIR AMOUNT AND STRUCTURE

Flood loss estimates made by 17 ČAP member insurers that investigated claims of their clients show that the August flood caused record damage to insurance company clients. According to estimates valid as of 30 June 2003, there were approximately 82,000 insured loss events corresponding to losses of over CZK 36.7 billion. Compared to the last big flood in 1997, the share of insured losses in overall flood-related economic losses grew substantially. In 1997 the overall losses were CZK 63 billion and insurers paid a total of CZK 9.7 billion in claims, or 15.4%. The estimated flood damage in 2002 is, as already mentioned, CZK 73 billion and the estimated CZK 36.7 billion in claims paid means that insurance companies' share in overall economic losses is over 50%.

Also different are the relative shares of flood-damaged property between individuals and businesses. Compared to 1997, when damage to personal property accounted for a full 35% of overall insured losses, in this year's flood it represents only approximately 20%, while 80% of the losses are attributable to industry and business. As these numbers would imply, the flood of 2002 hit municipal and industrial agglomerations much more than the flood of 1997.

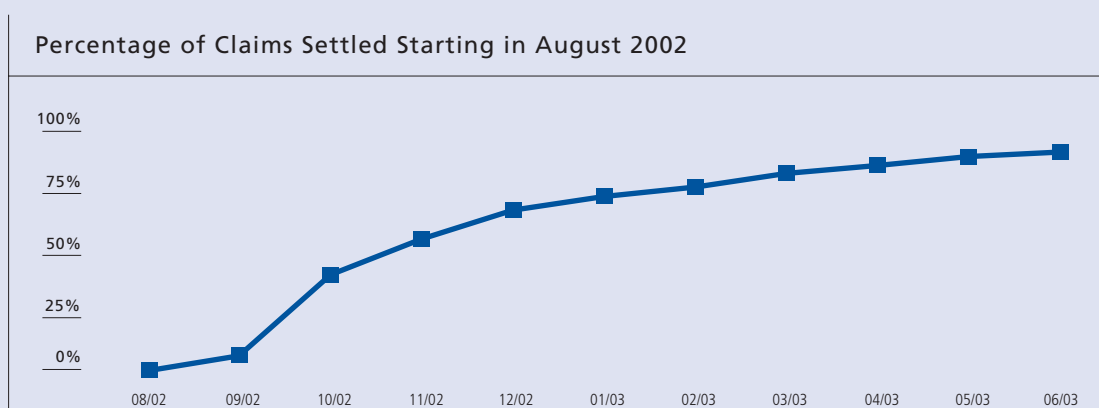
The respective shares of damage to personal property and to property belonging to industrial and business entities in the overall number and value of losses in the flood of 2002 were as follows: insurance of persons accounted for 83.3% of the overall number of loss events but only 20.3% of the total loss value, while the remaining 16.7% of the loss events in insurance for industry and business represented a full 79.7% of the value of all losses.



Estimates as of 30 June 2003

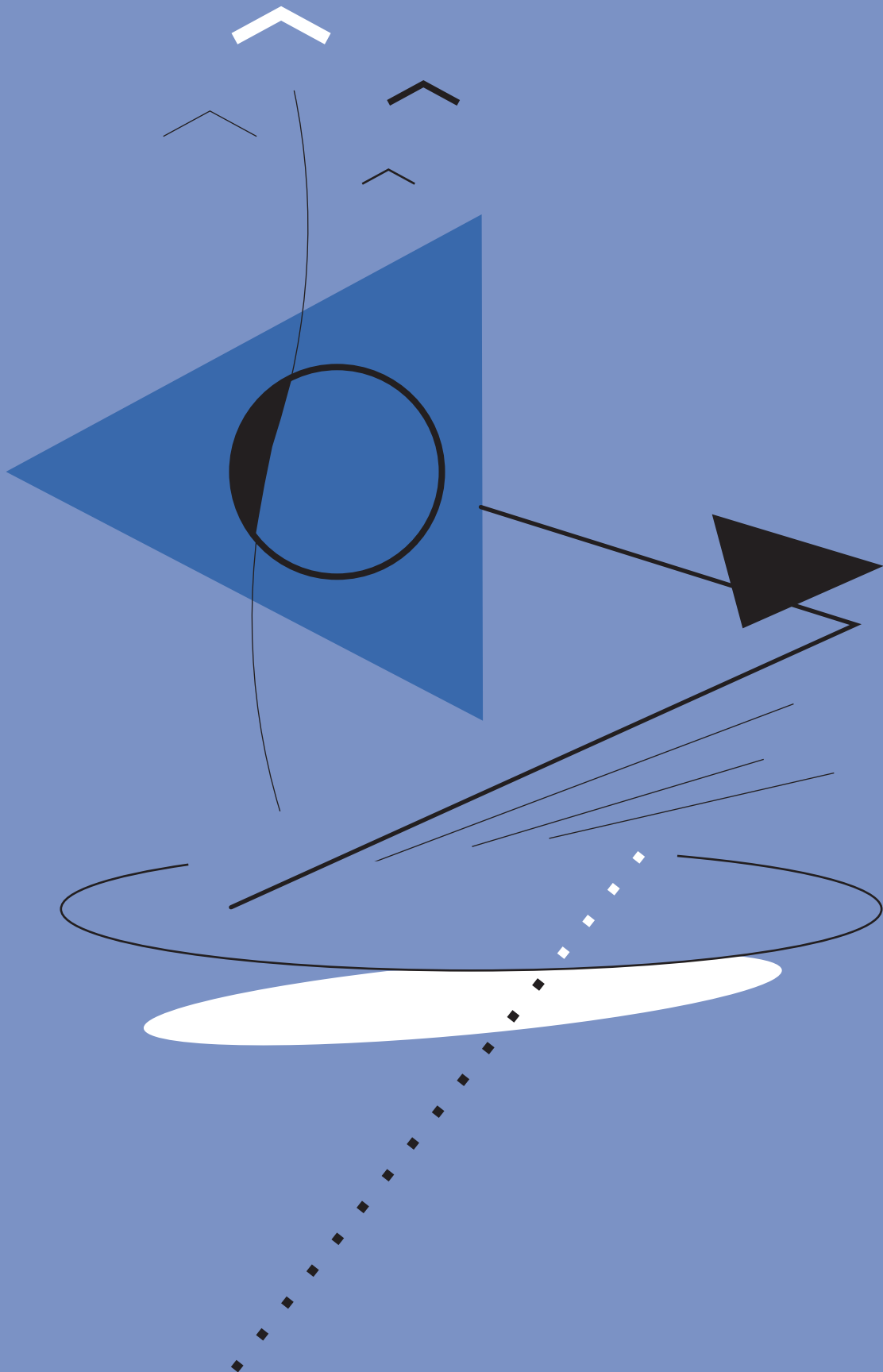
FLOOD CLAIMS PAID BY INSURANCE COMPANIES

The insurers whose clients were hit by the flood went into action immediately. First of all, they reassured the public. As early as the week of the actual crisis, starting on 12 August 2002, they issued a declaration through the Association saying that they have the financial means to handle the situation and meet their obligations. They also reassured the public that their loss adjusters and representatives, which immediately fanned out in the flood-hit regions, would take a flexible approach to adjusting loss events and would provide advances in justified cases when so requested by clients. Further, the insurers executed an extensive information campaign aimed at calling clients' attention to their obligations, relating e.g. to reporting claims, estimating damage, etc. One fact among others documenting the rapid work of insurance companies is that just two months after the flood, 38% of the flood claims had been adjusted and 25% of the total claims amount had been paid, including advances. The overall level of satisfaction with the loss adjustment process in the flood-hit areas was confirmed by the results of a market survey commissioned by ČAP and conducted by STEM/MARK in May 2003. 84% of those contacted in the survey said that insurance company representatives were willing and helpful, 81% expressed a positive opinion of the speed with which claims were settled and 77% were satisfied with how insurance companies fulfilled their obligations. Most (74%) were also satisfied with how they were kept informed during the claims settlement process and with the speed with which their claim was paid (73%). 65% were satisfied with the advance payment provided by their insurer.



ČAP numbers valid as of 30 June 2003 show that, as of the mentioned date, a total of CZK 36 billion in claims had been reported to the total of 17 member insurers that are investigating claims of their clients. This represents over 98% of the estimated overall claims total of CZK 36.7 billion. ČAP member insurance companies had paid out to clients a total of CZK 26.7 billion, including advances, which is 74% of the value of all claims reported. Insurance companies estimate the total number of flood-related claims at 82,205. Of the total number reported so far, 80,516, a full 73,437 had been settled by insurance companies. In other words, 11 months after the flood, insurers had settled 91.2% of the total number of claims reported.

The measures taken by insurers and the Association in reaction to the flood of August 2002, are described in detail in other sections of this Annual Report.



Czech Insurance Association

SUMMARY OPERATIONS REPORT FOR 2002

The principal tasks of the Czech Insurance Association (hereinafter also referred to as "ČAP" or the "Association") for 2002 were approved at the General Assembly of 13 March 2002. These principal tasks also included so-called "priority goals", the fulfillment of which was the main focus of the ČAP Presidium. The Association had the support of its member base. This was important especially in preparing ČAP's position statements on drafts of new legislation. Communication between the Association and the member base was smooth and free of problems, including the areas of statistics gathering and processing, dealing with flood-related issues, etc.

The General Assembly held on 2 April 2003 assessed the Association's activities in 2002 and approved the submitted operations report. It can be stated that most of the principle tasks were fulfilled, although some of them are still being worked on in 2003. The main reason for this is time delays in the legislative process in the case of certain drafts of new legislation.

As of 31 December 2001, ČAP had 30 members and 2 associate members. CERTUSIA, pojišťovna a.s. withdrew from ČAP effective 20 February 2002 and the membership of Kravag-Sach, Pojišťovna německé silniční dopravy, vzájemný pojišťovací spolek – organizational unit was terminated in the fourth quarter of 2002. On 13 March 2002, the ČAP General Assembly accepted AIG CZECH REPUBLIC pojišťovna, a.s. as a member. Thus, as of 31 December 2002, the Association had a total of 29 members and 2 associate members. As of 31 December 2002, ČSOB Pojišťovna a.s. requested to withdraw from ČAP. However, this withdrawal did not take effect until the meeting of ČAP's Presidium on 5 March 2003. Between January 2002 and June 2003, certain members changed their corporate names (see the appropriate section of this Annual Report). As of 30 June 2003, the Association had 28 members and 2 associate members.

The Association's financing was free of problems. The report on budget compliance in 2002 as well as the report of the Inspection Committee on ČAP's financial management in 2002, to which said Committee had no remarks, were approved by the General Assembly on 2 April 2003. An audit of the Association's financial statements was also carried out, on the basis of which the auditors issued an unqualified opinion.

The Secretariat fulfilled properly the activities and tasks assigned to it and provided professional support for the activities of the Sections and other ČAP bodies. It carried out administrative assignments and looked after the day-to-day financing of the Association's operations in compliance with the budget. It also represented the Association in negotiations with outside partners. At the beginning of 2002, the Secretariat had 16 employees. Throughout the entire 2002 year, the Secretariat also utilized an employee of one member insurer, under a contract signed for this purpose, in work on a ČAP project – the Insurance Companies Information System.

PRIORITY GOALS

In 2002, the members called upon the Association to fulfill 11 priority goals. Four of these related to furthering members' interests in the process of preparing new legislation related to insurance and the insurance industry.

This legislation consisted of the draft amendment of the Insurance Act, the draft Act on the Insurance Contract, the draft Act on Insurance Intermediaries and Independent Loss Adjusters, and the draft amendment of the Act on Motor Third Party Liability Insurance. The drafts of the first three acts came before the Government of the Czech Republic in the first half of the year, but due to elections the Government re-opened them in the second half. The Association had to pay extraordinary attention to each newly revised draft. It communicated with members, coordinated the work of the Association's specialized bodies and cooperated with a number of partners. Intensive working consultations continued with the Ministry of Finance. The Association made comments that increased the legal quality of the draft legislation. This could be seen especially at the meeting of the Legislative Council of the Government of the Czech Republic, held on 24 January 2003. Based on its conclusions, the decision was made to finalise the above mentioned drafts. After another round of discussions on them in the Legislative Council and the Government, the drafts, including the draft amendment of the MTPL act, were passed on the Chamber of Deputies of the Parliament of the Czech Republic.

One of the priority tasks was to resolve certain problems connected with the application of Act No. 101/2000 Coll. on the Protection of Personal Data, as amended. To this end, legal opinions were prepared and several consultations took place with officials of the Office for Personal Data Protection and with other specialists. In October 2002, the Association received a final position statement from the Office concerning the processing of personal data, which made it possible to carry on insurance (life insurance in particular) in a feasible and rational manner.

Development of the Insurance Companies Information System (ICIS) came to the forefront of the Association's efforts in 2002. Much more man-hours and funding was dedicated to the project than in previous years. The basic task was to propose, come to agreement within the Association and then implement in practice the optimum manner of information exchange between insurance companies, to make it possible to uncover cases of insurance fraud. Several alternative solutions were worked up with the use of domestic and foreign experience and know-how. A tender was organized to select a contractor to roll out a data transmission system and possibly to operate the database as well. In November, the Presidium of ČAP decided that the so-called "global alternative" would not be implemented. The Presidium's new assignment was clarified in the first months of 2003. In May, an Office for Prevention of Insurance Fraud was set up as part of the ČAP Secretariat for the purpose of seeing to this prevention in a comprehensive manner. Its mission continues to be to put in place a mini-base for data exchange among insurance companies.

In the pension system area, the Association monitored developments in the preparation of pension system reform from the vantage point of insurance companies' interests. The process for issuing confirmations of premium payment in private life insurance was evaluated, and ČAP comments were prepared on the draft amendment of the Income Tax Act, the discussion of which in the Government and before Parliament was later postponed to 2003. The Association's basic approach remained unchanged: i.e., to create a level playing field for all operators in the second and third pillars. The Association intensively promoted the advantages of private life insurances through a PR campaign and through publications for insurance company clients.

In the accounting area, the Association began to follow more intensively the preparation of international accounting standards for insurance companies. The Association participated in the work of the Minister of Finance's Commission for Issues of Regulation and further Development of Accounting and Audit and, in this respect, it took responsibility for the professional aspect of the "insurance companies" panel's activities. It studied new legislation, made comments on a draft of the bookkeeping procedures as well as a draft implementing regulation to the Accounting Act concerning insurance company accounting.

Also fulfilled were tasks in the area of loss prevention. Substantial attention was paid to raising awareness of theft prevention. The Association took part in the Pragoalarm and ISET trade shows in Prague and Brno, respectively. We continued to support the activities of Certifikační institut ČAP, s.r.o. (ČAP Certification Institute) and commenced work on a new plan for the Institute's development through 2006. We cooperated closely with partners in the security industry. Work in fire prevention went forward in a similar fashion. Increased attention had to be paid, for example, to implementing the technical requirements set forth in the CEA directive on sprinkler systems in the conditions of the Czech Republic. The signing of a Framework Agreement on Cooperation between the Ministry of Interior – Fire and Rescue Service of the Czech Republic Headquarters and ČAP in September 2002 gave an impulse for broader and higher quality cooperation between insurance companies and fire departments.

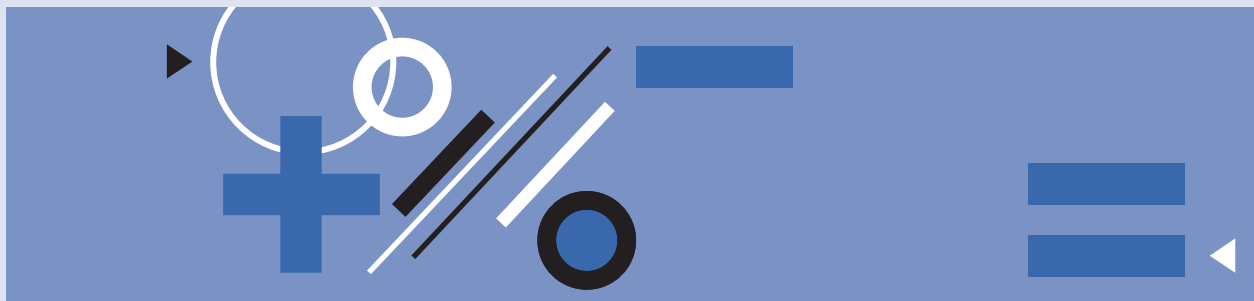
A shift occurred in the area of the Association's statistics. A decision was made for insurance companies to make wider internal use of ČAP statistics and discussions took place on other plans to improve the quality of ČAP statistics. One of these relates to the Annual Report. Certain revisions, including explanatory notes, are already incorporated into this Annual Report. The fulfillment of the basic goal, i.e. to ensure a greater degree of transparency and information value of statistics through clear definitions and unified methods for filling in data, is minimally medium-term in character and will continue to be a priority in the years to come.

Issues of European integration affect all of ČAP's specialized bodies. Provisions of EU directives and other legislation relating to the insurance industry were transposed into the drafts of new Czech legislation. In this respect, translations of the EU legislation prepared by ČAP in past years were found useful. In 2002, the Association translated the CEA Guide, which sets forth rules for doing business over the Internet. It was issued as a ČAP recommendation for members. By the end of 2002 most work was completed on preparing an English-Czech translation dictionary, which will come out in print during second half of 2003.

The flood of 2002 became a new, twelfth ČAP priority goal during the year and it was reflected in a number of areas of Association activity. Specialized statistics on insured losses and settlement of claims were introduced and periodically evaluated, work was commenced on unifying the definition of the terms "flood" and "inudation" and a number of negotiations were held with the aim of preventing the approval of a Ministry for Regional Development program of renewal, which envisioned the partial or full transformation of financial aid to loan status in the event a citizen also received an insurance claim. This effort was also backed by PR activity. However, the main goal was to help insurers quantify flood risk. In this area, a relatively extensive project was approved. Its initial phase included the purchasing of a multi-license for a geographic information system, which will provide insurers with a summary of flood plains in the Czech Republic. Further necessary components of the project will be dealt with by ČAP in 2003. Also of fundamental importance were discussions on future writing of flood insurance in the Czech Republic, which could lead to the proposal of a model solution in 2003.

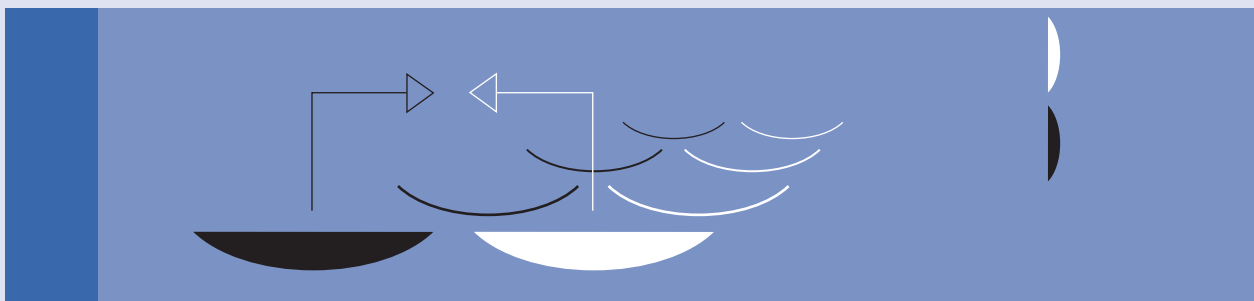
PERFORMANCE OF SECTIONS AND STAND-ALONE WORK GROUPS

In this section of the Association's Summary Operations Report, we focus only on the main results of the work of ČAP's specialized bodies.



ECONOMIC SECTION

This section monitored the preparation of the draft amendment of the Insurance Act and made comments on those parts of the draft that relate to insurance company finances. Special attention was paid to technical provisions. In the tax area, the section prepared comments on the draft amendment of the Income Tax Act, and in the accounting area it commented the draft implementing decree to the amended Accounting Act. It also formulated a plan for developing ČAP statistics and revised the existing statistics.



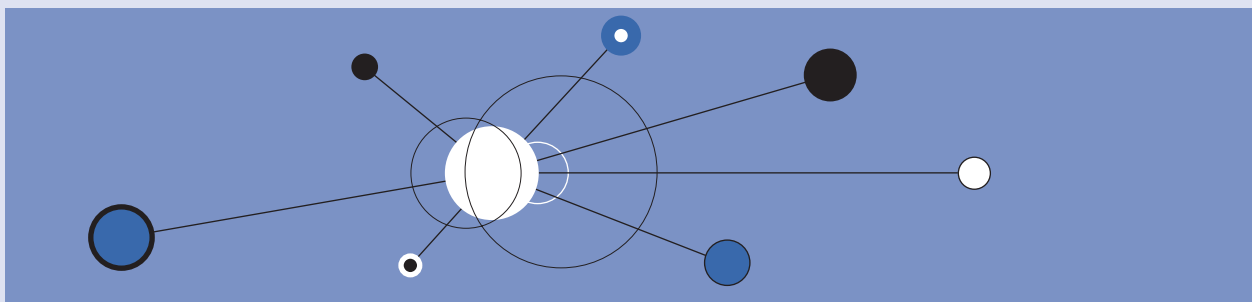
LEGISLATIVE SECTION

The Legislative Section plays an oversight role in ČAP concerning the preparation of new legislation. It drew up ČAP position statements on the draft amendment of the Insurance Act, the draft Act on the Insurance Contract, and the draft Act on Insurance Intermediaries and Independent Loss Adjusters. It also made comments on the draft Act on MTPL Insurance and the draft amendment of the Income Tax Act. Further, it assessed the draft amendment of the Act on the Administrative Code, the draft Civil Service Act, the draft of a Statement of Intent concerning the Labor Code, and a draft amendment of the Act on Certain Measures Against the Legalization of the Proceeds of Criminal Activity. In 2002, it was involved in the work of the Legislative Committee of the Federation of Industry and Transport of the Czech Republic. In terms of the application of laws and regulations, the section dealt, for example, with the Act on Executors and in cooperation with other ČAP bodies it also examined issues concerning the indemnification of sales representatives and taxation in management liability insurance, etc. From a legal perspective,

it expressed opinions on selected proposals of other ČAP bodies, such as the wording of a ČAP recommendation on contractual agreements relating to the registration of private security services by the ČAP Certification Institute and draft materials relating to cooperation between insurance companies and insurance brokers.

The **Standing Work Group for Prevention of Insurance Fraud** prepared comments on the draft Insurance Act from the perspective of its focus area, evaluated insurance company data and, on that basis, prepared a qualified estimate of the extent of insurance fraud. It supported the preparation of the Insurance Company Information System and commenced cooperation with certain partner associations. Considerable attention was paid to cooperation with the Police of the Czech Republic. The culmination of this cooperation was a seminar which took place in December 2002, whose purpose was to facilitate the exchange of experience and know-how between insurance companies and specialists from the Police of the Czech Republic and to explore possibilities of closer cooperation. The most important benefit was the drawing up of a proposal to amend Section 39 of the Insurance Act, which was passed into law together with an amendment of the Banking Act, thereby expanding the possibilities for preventing insurance fraud through information exchange between insurance companies.

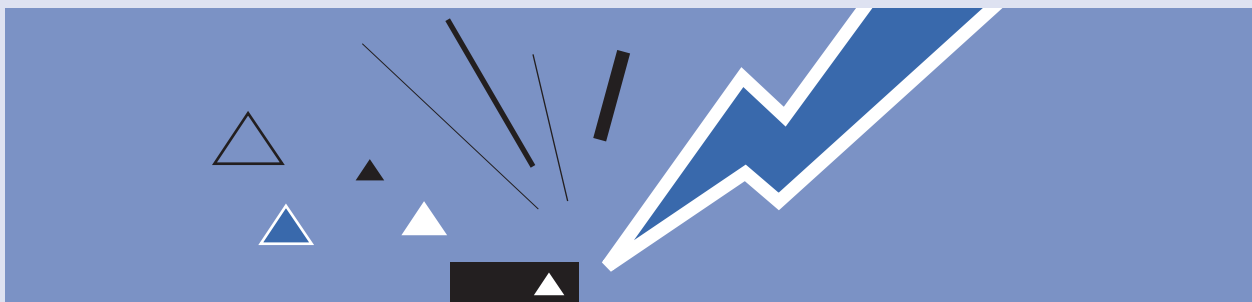
The **Work Group for Protection of Personal Data** played a decisive role in resolving the form of the policyholder's consent for processing of personal data within the insurance company.



SALES AND MARKETING SECTION

The Sales and Marketing Section dealt with the draft Act on Insurance Intermediaries and Independent Loss Adjusters from the perspective of insurance company sales activities. It drew up the first proposal of a methodology for indemnifying insurance company sales representatives, which should be completed in 2003. It also prepared the publication "Offering of Insurance Products 2002", which came out as a special insert in the trade journal *Pojistný obzor*. It prepared a draft market research plan for 2003. It also played a role in preparing the ČAP 2001 Annual Report as well as a proposal for revisions to the structure and graphic design of the Annual Report for 2002.

The **Standing Work Group for Brokerage Issues** dealt primarily with preparing certain methodological materials for better communication between insurance companies and brokers.



PROPERTY INSURANCE SECTION

This section coordinated the activities of its respective work groups and discussed issues of fundamental importance for its activity area. Overall, its activities stepped up significantly in intensity. During the second half of 2002 it dealt primarily with issues relating to the flood and the development strategy for the ČAP Certification Institute.

The **Standing Work Group for Theft Prevention** played a role in preparing the Catalogue of Security Elements, negotiated ČAP participation in the international security trade shows Pragoalarm and ISET, assessed drafts of new and revised ČAP directives concerning property security. It took professional responsibility for preparing the development strategy for the ČAP Certification Institute.

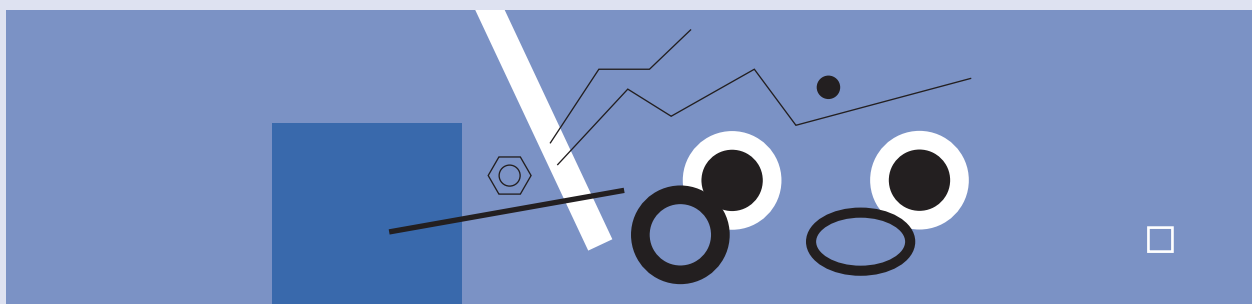
The **Fire Protection Standing Work Group** was responsible for preparing a new Framework Agreement on Cooperation between ČAP and the Ministry of Interior – Fire and Rescue Service of the Czech Republic Headquarters. It designed a form for gathering information on the causes of fires from local units of the Fire and Rescue Service. It worked towards having ČAP/CEA technical specifications recognized as standards documents (e.g. for sprinkler systems).

The **Standing Work Group for Mass Insured Events in the Property Insurance Area** drew up a methodology document entitled "Basic Procedures for Insuring Flood Risks", which was provided as one of the possible alternatives for use by member insurers. The group had a Geographic Information System workstation set up in the ČAP Secretariat, including the necessary hardware and software. After the flood of August 2002, the group focused on preparing a project to utilize the Geographic Information System in insurance companies, where it would help assess risk, determine Maximum Possible Loss (MPL) etc. In late 2002, contracts were signed with the supplier for purchase of a maximum historical flood boundary and work began on an assignment concerning a tariff zone project.

The **Standing Work Group for Agricultural Insurance**, which is also part of the Property Insurance Section, discussed with the Ministry of Agriculture several practical and organizational issues relating to State financial support to livestock farmers to cover costs associated with livestock epidemic insurance and State financial support to crop growers to cover costs associated with crop damage insurance. Insurance grants were obtained.

The **Property Insurance for Individuals Standing Work Group** was occupied primarily with preparing comments on legislative drafts and, in particular, with the issue of multiple insurance in the draft Act on the Insurance Contract.

The **Insurance for Industry and Business Work Group** was occupied primarily with preparing draft rules for coinsurance. This task was not completed in 2002, and therefore work on it will continue in 2003 as well.

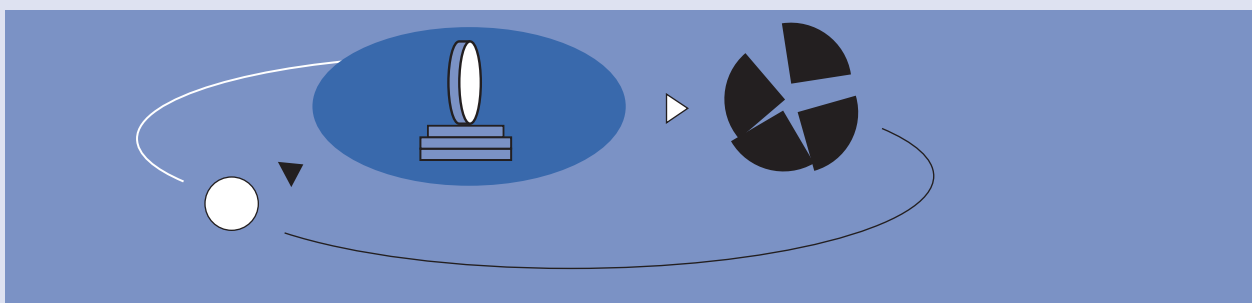


MOTOR VEHICLES INSURANCE SECTION

This section played a major role in preparing the position statement on the draft amendment of Act No. 168/1999 Coll. on motor third party liability insurance and amending certain related acts, as amended.

It continued to pay attention to legislation under preparation in the area of road transport, which relates to motor vehicle and MTPL insurance. For example, the section made comments on the draft of a Ministry of Transport and Communications decree amending Decree No. 301/2001 Coll. on approving technical fitness and on technical conditions for operating vehicles on roads. These comments were accepted in full.

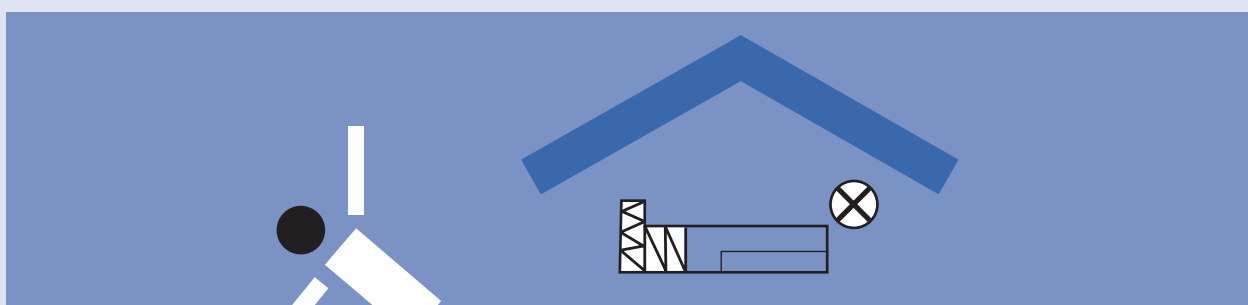
Major attention was paid to cooperation with specialized bodies of the Association of Leasing Companies of the Czech Republic, in which substantial progress was made in resolving specific problems. Another significant activity of this section was providing for an accompanying program on motor vehicles insurance at the Autoexpo 2002 trade show in Prague.



LIABILITY INSURANCE SECTION

This section worked with the Secretariat to prepare for the plenary session of the CEA Liability Committee, which took place in Prague in May 2002. Some members of the section had the opportunity to attend a portion of this session's program for specialists. The section reviewed and discussed a report on the development of liability insurance in the Czech Republic, which was prepared for the CEA. The section dealt with the issue of mandatory insurance for pleasure crafts in Croatia, with a focus on ensuring that insurance taken out in the Czech Republic is accepted there, provided it satisfies the conditions given by Croatian law. This task was completed by the newly established stand-alone work group for marine and transport insurance in May 2003. The section initiated cooperation with the Czech Association of Elevator Manufacturers and evaluated possibilities for insurance companies in eliminating security risks. Over the year, the section

prepared ČAP comments on the draft Protocol on Civil Liability and Compensation for Damage Caused by the Transboundary Effects of Industrial Accidents on Transboundary Waters and maintained collaboration with the Ministry of Environment. The year saw continued activity of the section's work group which is cooperating with the Czech Insurers' Bureau on a recommended interpretation concerning the application of Decree No. 440/2001 Coll. relating to indemnification for pain and suffering and complication of social self-realization in contractual liability insurance. This group also regularly monitored developments in this area.



INSURANCE OF PERSONS SECTION

The section discussed issues of key importance in the development of personal insurance. It cooperated with the Office of State Supervision in Insurance and Pension Funds, with the Ministry of Labor and Social Affairs and a number of other partners. It coordinated the activities of its standing work groups. Together with them it organized a total of six high-quality educational events.

The **Standing Work Group for Actuarial Issues** prepared a Recommendation to ČAP Members containing a unified interpretation of the share in the surplus upon sale of life insurance. It monitored the technical interest rate and analyzed the possibility that it may change. It helped to determine the share of life insurance in net pre-retirement income and contributed to a number of other tasks as well.

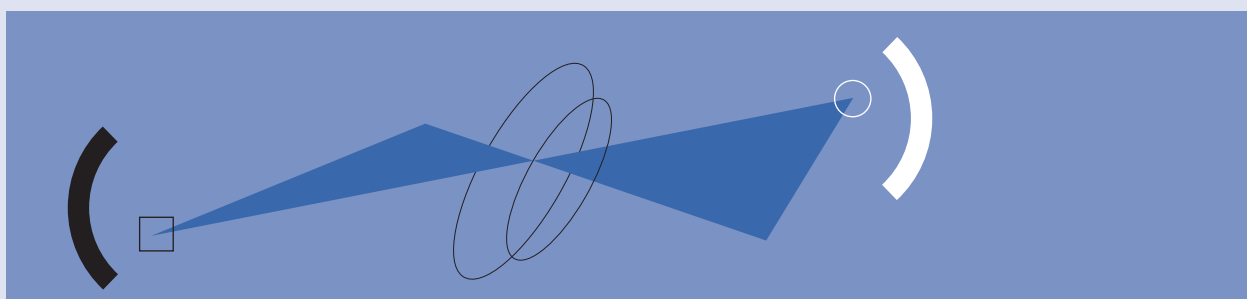
The **Standing Work Group for Travel Insurance** drafted the ČAP position statement on a measure put in place in Ukraine, under which Czech insurance companies must cooperate exclusively with a Ukraine State joint stock company in medical expenses abroad insurance for trips to Ukraine. Further, it dealt with the issue of collecting compensation of the corresponding part of paid-up claims from public insurance companies and performed an analysis of inter-governmental treaties on mutual provision of health care to citizens. It defined reasons why it is useful to take up private insurance even in cases where these treaties exist.

The **Standing Work Group for Pension Insurance Issues** worked with other bodies to prepare a methodology and calculate the share of life insurance in pre-retirement income. It organized a seminar on the benefits of life insurance for the Czech Republic pension system, which was attended by specialists from the Ministry of Labor and Social Affairs and the Ministry of Finance. The group monitored and evaluated the process of issuing confirmations of payment of private life insurance premiums, and played a role in the preparation of ČAP position statements on the draft amendment of the Income Tax Act.

The **Standing Work Group for Accident Insurance** organized a seminar on a system for gathering accident data and utilizing it in accident prevention. The group gathered data on accident insurance for children and youth in 2001. In promoting and raising awareness of prevention and data gathering, it cooperated with a number of partners, including for example the Center for Epidemiology and Prevention of Children's Accidents at the Second Medical Faculty of the Charles University in Prague-Motol.

The **Standing Work Group for Private Health Insurance** organized a seminar on the future of public and private sickness insurance. It also conducted an inquiry to determine the degree to which insurance companies are interested and prepared to insure medical expenses of foreigners living in the Czech Republic under long-term residence permits. For ČAP members, it obtained the results of a market survey relating to private health insurance in the Czech Republic. It cooperated with a number of partners, including for example the Federation of Industry and Transport of the Czech Republic, in analyzing sickness rates in the country. The group's representative was invited to participate in a panel discussion organized in the Senate of the Czech Parliament as part of a seminar on responsibility and solidarity in health care.

The **Standing Work Group for Cooperation with Health Care Institutions** helped to organize seminars on medical subjects. It also held working meetings with underwriters as well as with loss adjusters.

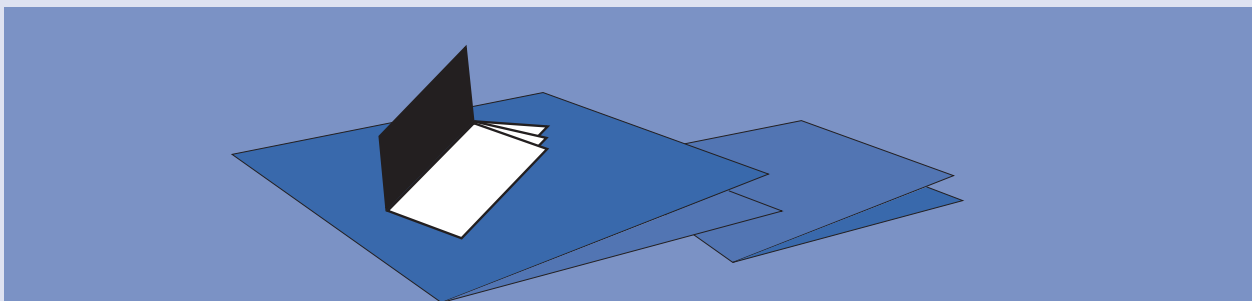


PUBLIC RELATIONS SECTION

In the first half of the year, this section's activities focused mainly on providing media support for the development of life insurance. A number of articles were published in daily newspapers and magazines, much more space was dedicated to life insurance in commercial inserts, and its exposure in other medias increased as well.

In the second half of the year, the focus was on flood-related matters. ČAP kept the public informed at regular intervals on estimates of insured losses and payment of claims. The section managed to arrange radio and television appearances.

The section played a role in implementing the IT support plan for the ČAP Certification Institute, especially by promoting the activities of this Association subsidiary in the internal company magazines of its members and at the international trade fairs Pragoalarm and ISET 2002. It contributed to the publishing of a ČAP flyer on the results of member insurers.



EDUCATION AND PUBLISHING SECTION

This section prepared the ČAP Program of Educational Events for 2002 and paid specific attention to several individual events. A total of 25 events were organized, which were attended by a total of 2,517 insurance company employees and selected guests. Considerable member interest was seen in specialized course on basic insurance law and in specialized seminars. For several seminars the section was able to arrange for lecturers from abroad, for example to lecture on the implementation of EC Council life directives.

The draft Act on Insurance Intermediaries and Independent Loss Adjusters came to the forefront of the section's interest. The relevant work group prepared several rounds of comments on this draft legislation and also addressed certain related practical problems, including the preparation of textbooks for education and examinations of insurance intermediaries as required by this act.

The section continued to support teaching about insurance and the insurance industry at universities, vocational colleges and specialized secondary schools. It cooperated with the appropriate committee of the Federation of Industry and Transport of the Czech Republic, the Club of Human Resources Specialists at ČAP, and other educational institutions.



STAND-ALONE WORK GROUPS

Work Group for European Integration

This group prepared a seminar on life insurance directives. It translated and proofread the CEA Guide for selling insurance over the Internet. After being reviewed at a meeting of the ČAP Presidium, the text was sent to member insurers for their use.

The members of this group focused most of their efforts on preparing an English-Czech translation dictionary of insurance and reinsurance terms. Terms of current interest, from EU legislation in particular, were added to the dictionary draft. By the end of the year lectoral work had been completed and the dictionary will be published in the second half of 2003.

Standing Work Group for the ČAP Information System

The group did not implement any major independent projects in 2002. Instead, it occupied itself by supporting the activity of the team for the preparation of the Insurance Companies Information System Project as well as the establishment of a model GIS (Geographic Information System) workstation in the ČAP Secretariat.

It dealt with the rules and principles for e-commerce in the insurance industry. It assessed the already mentioned CEA Guide from the perspective of its focus area. The group also served as a consultation platform for other ČAP bodies.

ČAP CERTIFICATION INSTITUTE

This ČAP subsidiary acts as a component of the ČAP certification system. During 2002 it implemented the following projects: certification of electric security system (ESS) products, registration of installation companies, and registration of private security services. The Institute also runs the "Pyramid of Security" project, at the center of which is a system for classifying locks (mainly mechanical) into the various levels of a pyramid according to their degree of resistance against physical force. The greatest positive shift occurred in the registration of installation companies. Certain open specialized issues with the Grémium Alarm Association were resolved, after which this association supported ČAP's activities even more. In 2002, ČAP and the Institute began to analyze the benefits of the Institute for insurance company practice and identified obstacles and shortcomings. On this basis, the strategy of the Institute's development through 2006 was prepared and, in March 2003, discussed by the ČAP Presidium. ČAP also increased the financial stability of the ČAP Certification Institute.

ČAP TRADE JOURNALS

In 2002, the specialized monthly **Pojistný obzor** contained articles focused on the following core topics: the flood of August 2002 and its impacts, life insurance and the utilization of tax incentives for private life insurance, preparation of new legislation on insurance and the insurance industry, etc. Attention was also paid to individual types of insurance, including legal expenses insurance and travel insurance, as well as insurance company financial issues such as accounting and balanced tariff policy. Space in the journal was also dedicated to its major anniversary, 80 years since the journal's first issue was published. **Pojistný obzor** is available in electronic form on the ČAP website. The journal's circulation was around 1,300 copies.

Pojistné rozpravy is ČAP's insurance theory bulletin. In 2002, only one issue was published – Issue No. 12, which focused especially on the use of mathematical models in insurance. **Pojistné rozpravy** has a circulation of 500 copies.

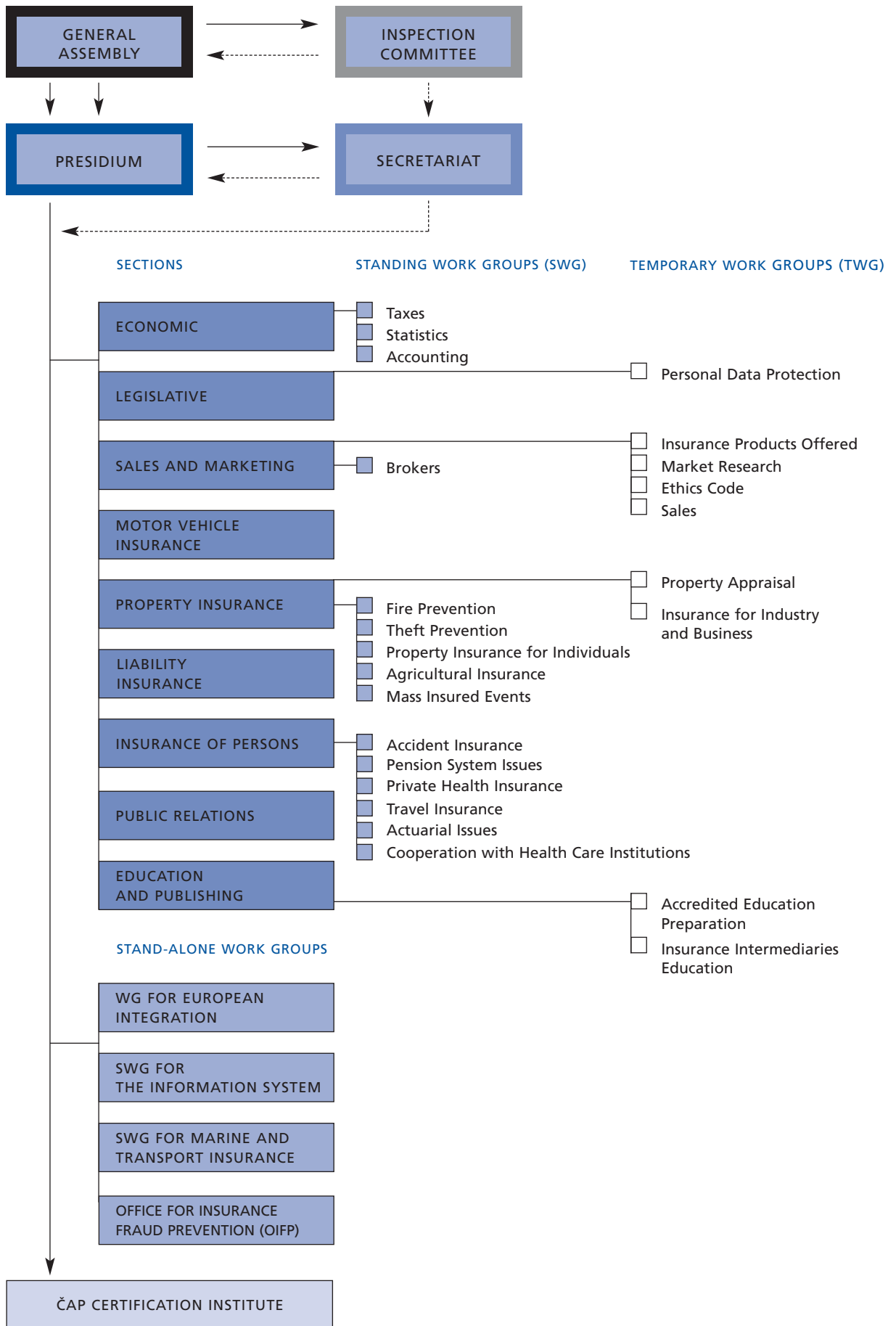
ČAP'S PRIORITY TASKS IN 2003

The General Assembly held on 2 April 2003 approved the plan of principal tasks of the Sections, the Stand-alone Work Groups and the Secretariat for 2003.

It also defined the "**primary goals**", which include:

- preparing position statements on the draft amendment of the Insurance Act, the draft Act on the Insurance Contract, the draft Act on Insurance Intermediaries and Independent Loss Adjusters, and the draft amendment of the Act on Motor Third Party Liability Insurance, as well as advocating these positions within the legislative process,
- monitoring the ongoing work on preparing the pension system reform and advocating measures to increase the role of life insurance in the second and third pillars,
- preparing a proposal for an amendment to the Income Tax Act relating to private life insurance and greater focus on accounting issues, in particular the preparation of international accounting standards for insurance companies,
- utilizing the Geographic Information System for risk management and other activities in insurance companies that carry on property insurance,
- supporting prevention activity, in particular the activities of the ČAP Certification Institute,
- taking a systemic approach to prevention of insurance fraud; arranging for exchange of the relevant information amongst insurers,
- implementing a PR campaign to justify the necessary growth in property insurance rates; PR support for development of life insurance,
- analyzing and proposing improvements to the suppliers management system in motor vehicles insurance (access to repair shops),
- drafting a proposal for a unified property appraisal system.

ORGANIZATION CHART



As of 30 June 2003

OFFICERS

PRESIDIUM

President

Vladimír Mráz

Chairman of the Board and CEO, Kooperativa, pojišťovna, a.s.

Vice President

Ladislav Bartoníček

Chairman of the Board and CEO, Česká pojišťovna a.s.

Members

Vladimír Krajíček

Chairman of the Board and CEO, Evropská Cestovní Pojišťovna, a.s.

Jaroslav Kulhánek

Chairman of the Board and CEO, Pojišťovna České spořitelny, a.s.

Jeroen K. van Leeuwen

Chairman of the Board and CEO, ČSOB Pojišťovna, a.s., Member of ČSOB Holding

Milan Odehnal

Director Life Insurance, ING Nationale-Nederlanden

Pavol Parížek

Vice Chairman of the Board and CEO, Exportní garanční a pojišťovací společnost, a.s.

Miroslav Tacl

Chairman of the Board, Allianz pojišťovna, a.s.

Marek Venuta

Chairman of the Board and CEO, UNIQA pojišťovna, a.s.

PRESIDENT EMERITUS

Vlastimil Uzel († 5 May 2003)

Advisor to the CEO, Česká pojišťovna a.s.

INSPECTION COMMITTEE

Chairman

Libor Jelínek

Komerční pojišťovna, a.s.

Members

Jaroslava Reichlová

Hasičská vzájemná pojišťovna, a.s.

Milan Tulach

Exportní garanční a pojišťovací společnost, a.s.

As of 30 June 2003

SECTIONS AND SECRETARIAT

SECRETARIAT

Jaroslav Mesršmíd
Secretary General

Zuzana Tvarohová
Deputy Secretary General

Secretaries

Josef Keller

Jaroslav Šikula

Hana Štěpánková

Milan Šulista

Pavel Bušta

Zuzana Tvarohová

Rudolf Voborský

Jan Kábrt

Jitka Böhmová

SECTION

Economic

Legislative

Sales and Marketing

Property Insurance

Motor Vehicle Insurance

Liability Insurance

Insurance of Persons

Public Relations

Education and Publishing

SECTION CHAIRS

Ladislav Korobczuk

Věra Škopová

Václava Škopková

Michael Neuwirth

Milan Maxima

Petr Gruber

Petr Poncar

Martin Diviš

Otokar Cudlman

Josef Čížek

Secretary for European Integration

Martin Komárek

Secretary for the Information System

Vratislav Kašpar

Acting Head of Office for Insurance Fraud Prevention

Eva Trojanová

Editor-in-Chief of ČAP Journals

Milena Šejvlová

Assistant to the Secretary General

Lucie Tylšarová

Librarian

Šárka Vomelová

Administrative Assistant

As of 30 June 2003

INSURANCE PRODUCTS OFFERED IN 2003

	Insurance of persons													Property and liability insurance (individuals)											
	Insurance on death	Capital life insurance	Pension insurance	Insurance of children	Investment life insurance	Accident insurance ¹	Combined insurance ²	Group insurance	Medical expenses abroad insurance	Dread disease insurance	Insurance of medical expenses due to hospitalization	Sickness insurance (private health insurance)	Credit insurance ³	Other insurance	Motor damage insurance	Motor third-party liability insurance ¹⁰	Professional liability insurance	Other liability insurance / ¹⁴	Household contents insurance	Recreational household insurance	Building and structures insurance ⁶	Travel insurance	Legal expenses insurance	Other property insurance	
AIG CZECH REPUBLIC						✓		✓	✓	✓	✓		✓										✓		
Allianz	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
AMCICO AIG Life	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓											
AVIVA	✓		✓	✓	✓	✓	✓		✓				✓												
CARDIF PRO VITA	✓					✓					✓	✓	✓	✓											
CREDIT SUISSE	✓	✓		✓	✓	✓	✓				✓	✓	✓	✓											
ČESCOB																									
Česká pojišťovna	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ČP ZDRAVÍ						✓		✓			✓	✓	✓	✓											
ČSOB Pojišťovna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ČPP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
D.A.S.																								✓	
Evropská Cestovní								✓	✓													✓			
EGAP																									
Generali	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
GERLING						✓		✓																	
Gothaer																	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hasičská	✓	✓	✓	✓		✓	✓	✓	✓				✓												✓
ING Nationale-Nederlanden ***	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓											
Komerční pojišťovna	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓		✓	✓	✓	✓	✓
Kooperativa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓											✓
MAXIMA	✓	✓		✓		✓																			✓
Pojišťovna ČS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓											✓
Slavia						✓		✓	✓																✓
Union	✓	✓		✓		✓	✓	✓	✓																
UNIQA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
VICTORIA	✓	✓		✓		✓	✓	✓			✓	✓	✓	✓			✓	✓	✓	✓	✓				
Wüstenrot	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓											

More detailed information on the expanded offering of insurance products is available at www.cap.cz.

MEMBERS

AIG CZECH REPUBLIC pojišťovna, a.s.
Allianz pojišťovna, a.s.
Aviva životní pojišťovna, a.s. (until 31 December 2002 Commercial Union, životní pojišťovna, a.s.)
CREDIT SUISSE LIFE & PENSIONS POJIŠŤOVNA A.S.
ČESCOB, úvěrová pojišťovna, a.s.
Česká podnikatelská pojišťovna, a.s.
Česká pojišťovna a.s.
Česká pojišťovna ZDRAVÍ a.s.
ČSOB Pojišťovna a.s. (effective 1 January 2003 owned by IPB Pojišťovna, a.s.,
under a Sale of Enterprise Agreement between IPB Pojišťovna, a.s. and ČSOB Pojišťovna a.s.)
ČSOB Pojišťovna, a.s., člen holdingu ČSOB (until 6 January 2003 IPB Pojišťovna, a.s.)
D.A.S. pojišťovna právní ochrany, a.s.
Evropská Cestovní Pojišťovna, a.s.
Exportní garanční a pojišťovací společnost, a.s. (EGAP)
Generali Pojišťovna a.s.
GERLING-Konzern Všeobecná pojišťovací akciová společnost – organizational unit
GOTHAER Allgemeine Versicherung AG, organizational unit for the Czech Republic
Hasičská vzájemná pojišťovna, a.s.
Komerční pojišťovna, a.s.
Kooperativa, pojišťovna, a.s.
KRAVAG-SACH, Pojišťovna německé silniční dopravy, vzájemný pojišťovací spolek
– organizational unit for the Czech Republic (ČAP member until 27 December 2002)
MAXIMA pojišťovna, a.s. (until 6 March 2003 Pojišťovna UNIVERSAL, a.s.)
Nationale-Nederlanden Levensverzekering Maatschappij N.V.,
organizational unit Nationale-Nederlanden životní pojišťovna
POJIŠŤOVNA CARDIF PRO VITA, a.s.
Pojišťovna České spořitelny, a.s.
Pojišťovna Slavia a.s.
PRVNÍ AMERICKO-ČESKÁ POJIŠŤOVNA, a.s. / AMCICO AIG Life
Union pojišťovna, a.s.
UNIQA pojišťovna, a.s.
VICTORIA-VOLKSBANKEN pojišťovna, a.s.
Wüstenrot, životní pojišťovna, a.s.

Associate Members

Česká kancelář pojistitelů (Czech Insurers' Bureau)
Česká sekce AIDA (International Association for Insurance Law)

List of members in 2002 updated as of 30 June 2003

AIG CZECH REPUBLIC pojišťovna, a.s.

V Celnici 1031/4, 110 00 Praha 1, tel.: +420 234 108 311, fax: +420 234 108 384, e-mail: informace@aig.com, internet: www.aig.cz, toll-free info line: 800 172 172



AIG Czech Republic
A Member of American International Group, Inc.

Start of operations:	1. 12. 2001	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 264 m	Luděk Menčík
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	30	Bengt Lennart Westergren
Result:	CZK -61.7 m	<i>CEO:</i>
Premiums written:	CZK 595.5 m	Luděk Menčík

Allianz pojišťovna, a.s.

Římská 103/12, 120 00 Praha 2, tel.: +420 224 405 111, fax: +420 224 405 555, e-mail: klient@allianz.cz, internet: www.allianz.cz, toll-free info line: 800 170 000



Start of operations:	1. 1. 1993	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 600 m	Miroslav Tacl
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	742	Werner Zedelius
Result:	CZK -376.5 m	
Premiums written:	CZK 7,707.7 m	

Aviva životní pojišťovna, a.s.

Londýnská 41, 120 21 Praha 2, tel.: +420 221 416 111, fax: +420 221 416 101, e-mail: info@avivazp.cz, internet: www.aviva-pojistovna.cz, toll-free info line: 800 128 482



Start of operations:	3. 11. 1997	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 255 m	Austin Kimm
Foreign participation:	100%	<i>Members of the Supervisory Board:</i>
Recorded adjusted number of employees:	64	Mark Brennan Webb
Result:	CZK -24.5 m	Jean-Marc Boyer
Premiums written:	CZK 343.9 m	Karel Veselý
		<i>CEO:</i>
		Austin Kimm

Information valid as of 31 May 2003

CREDIT SUISSE LIFE & PENSIONS POJIŠŤOVNA A.S.

Lazarská 13/8, 120 00 Praha 2, tel.: +420 225 021 111, fax: +420 225 021 200, e-mail: info@cslife.cz, internet: www.cslife.cz, toll-free info line: 841 111 121



Start of operations:	14. 7. 1995	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 374 m	Petr Žaluda
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	107	Daniel Adamec
Result:	CZK -130.6 m	<i>CEO:</i>
Premiums written:	CZK 1,098.7 m	Petr Žaluda

ČESCOB, úvěrová pojišťovna, a.s.

Palác KOVO, Jankovcova 2, 170 00 Praha 7, contact address: Molákova 576/11, 186 00 Praha 8, tel.: +420 266 109 521, fax: +420 266 109 520, e-mail: info.cz@eulerhermes.com, internet: www.eulerhermes.com



Start of operations:	21. 8. 1997	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 156 m	Július Kudla
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	23	Jochen Dümler
Result:	CZK 8.2 m	<i>CEO:</i>
Premiums written:	CZK 103.5 m	Július Kudla

Česká podnikatelská pojišťovna, a.s.

Budějovická 5/64, 140 21 Praha 4, tel.: +420 261 126 116, fax: +420 261 122 163, e-mail: pojistovna@cpp.cz, internet: www.cpp.cz



Start of operations:	6. 11. 1995	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 560 m	Vlastimil Navrátil
Foreign participation:	0%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	610	Rudolf Bubla
Result:	CZK -366.2 m	<i>CEO:</i>
Premiums written:	CZK 2,082.4 m	Vlastimil Navrátil

Česká pojišťovna a.s.

Registered office: Spálená 75/16, 113 04 Praha 1 – Nové Město, tel.: +420 261 319 111, fax: +420 224 052 200, e-mail: cpas@cpoj.cz, internet: www.cpoj.cz, toll-free info line: 800 133 666, toll-free info-line for motorists: 800 176 662, head office: Na Pankráci 121/1658, 140 00 Praha 4



Start of operations:	1. 5. 1992	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 3,412 m	Ladislav Bartoníček
Foreign participation:	84.1%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	6,425	Ivan Kočárník
Result:	CZK 4,047.5 m	<i>CEO:</i>
Premiums written:	CZK 33,280.0 m	Ladislav Bartoníček

Information valid as of 31 May 2003

Česká pojišťovna ZDRAVÍ a.s.

Kodaňská 1441/46, 100 10 Praha 10, tel.: +420 234 068 181, fax: +420 234 068 482, e-mail: pojistovna@zdravi.cz, internet: www.zdravi.cz, toll-free info line: 800 149 149



ČP ZDRAVÍ

Start of operations:	1. 7. 1993	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 100 m	Přemysl Gistr
Foreign participation:	0%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	67	Pavel Východský
Result:	CZK -15.8 m	<i>CEO:</i>
Premiums written:	CZK 197.7 m	Přemysl Gistr

ČSOB Pojišťovna, a.s., člen holdingu ČSOB (Until 6 January 2003 IPB Pojišťovna, a.s.)

Masarykovo nám. 1458, 532 18 Pardubice, tel.: +420 467 007 111, fax: +420 467 007 444, e-mail: info@csobpoj.cz, internet: www.csobpoj.cz



ČSOB Pojišťovna

Start of operations:	17. 4. 1992	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 920 m	Jeroen K. van Leeuwen
Foreign participation:	75%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	1,101	Christian F. R. M. Defrancq
Premiums written:	CZK 5,525.1 m	<i>CEO:</i>
		Jeroen K. van Leeuwen

D.A.S. pojišťovna právní ochrany, a.s.

Benešovská 40, 101 00 Praha 10, tel.: +420 267 990 711, fax: +420 267 990 722, e-mail: das@das.cz, internet: www.das.cz, toll-free info line: 800 105 510



Start of operations:	1. 2. 1995	<i>Board of Directors:</i>
Share capital:	CZK 46 m	Jitka Pokorná Chizzola
Foreign participation:	100%	Andreas Schiller
Recorded adjusted number of employees:	71	<i>Chairman of the Supervisory Board:</i>
Result:	CZK 4.1 m	Peter Wiegand
Premiums written:	CZK 144.1 m	<i>Director:</i>
		Jitka Pokorná Chizzola

Evropská Cestovní Pojišťovna, a.s.

Kozí 5/916, 111 21 Praha 1, tel.: +420 221 860 111, fax: +420 221 860 100, e-mail: ecp@evropska.cz, internet: www.evropska.cz



EVROPSKÁ
Cestovní Pojišťovna a.s.

Start of operations:	16. 9. 1993	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 74 m	Vladimír Krajíček
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	52	Ib Uhrenholt
Result:	CZK 9.5 m	<i>CEO:</i>
Premiums written:	CZK 94.7 m	Vladimír Krajíček

Information valid as of 31 May 2003

Exportní garanční a pojišťovací společnost, a.s. (EGAP)

Vodičkova 34, 111 21 Praha 1, tel.: +420 222 841 111, fax: +420 222 844 001, e-mail: egap@egap.cz, internet: www.egap.cz



EXPORTNÍ GARANČNÍ
A POJIŠŤOVACÍ SPOLEČNOST, a.s.

Start of operations:	1. 6. 1992	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 1,300 m	Ladislav Zelinka
Foreign participation:	0%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	141	Miroslav Somol
Result:	CZK -869.9 m	<i>CEO:</i>
Premiums written:	CZK 452.5 m	Pavol Parížek

Generali Pojišťovna a.s.

Bělehradská 132, 120 84 Praha 2, tel.: +420 221 091 000, fax: +420 221 091 300, e-mail: servis@generali.cz, internet: www.generali.cz, toll-free info line: 800 150 155



Start of operations:	23. 7. 1993	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 410 m	Jaroslav Mlynář
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	474	Dietrich Karner
Result:	CZK 5.5 m	
Premiums written:	CZK 2,724.0 m	

GERLING-Konzern Všeobecná pojišťovací akciová společnost – organizational unit

Na Zátorce 5, 160 00 Praha 6, tel.: +420 220 190 211, fax: +420 220 190 299, e-mail: secrprg@gerling.cz, internet: www.gerling.cz



GERLING

Start of operations:	1. 12. 1993	<i>Head of Organizational Unit:</i>
Recorded adjusted number of employees:	19	Ladislav Vostárek
Result:	CZK 46.4 m	<i>CEO:</i>
Premiums written:	CZK 300.1 m	Michal Kaněra (until 30. 4. 2003) Bohumil Švec (since 1. 5. 2003)

GOTHAER Allgemeine Versicherung AG, organizational unit for the Czech Republic (Until 13 March 2002 GOTHAER Versicherungen – Czech Republic Branch)

Radimova 36, 169 00 Praha 6, tel.: +420 233 089 811, fax: +420 233 089 822, e-mail: gothaer@gothaer.cz, internet: www.gothaer.cz



Start of operations:	14. 1. 1993	<i>Chairman of the Board of Directors:</i>
Recorded adjusted number of employees:	4	Werner Görg
Result:	CZK -11.7 m	<i>Chairman of the Supervisory Board:</i>
Premiums written:	CZK 30.8 m	Roland Schultz
		<i>Branch Director:</i>
		Otokar Cudlman

Information valid as of 31 May 2003

Hasičská vzájemná pojišťovna, a.s.

Římská 45, 120 00 Praha 2, tel.: +420 222 515 657, 224 255 295, 222 521 428, fax: +420 222 514 412, 222 513 705, e-mail: info@hvp.cz, internet: www.hvp.cz



*Hasičská
vzájemná
pojišťovna, a.s.*

Start of operations:	11. 11. 1992	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 236 m	Josef Kubeš
Foreign participation:	0%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	114	Jaroslav Schulz
Result:	CZK 9.7 m	
Premiums written:	CZK 236.1 m	

Komerční pojišťovna, a.s.

Jindřišská 17, 111 21 Praha 1, tel.: +420 222 095 111, fax: +420 224 236 696, e-mail: servis@komercpoj.cz, internet: www.komercpoj.cz, customer service: +420 222 095 999



KB
Pojišťovna

Start of operations:	6. 11. 1995	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 752 m	Arnaud de la Hossieraye
Foreign participation:	0%	(since 10. 7. 2003)
Recorded adjusted number of employees:	200	Zbyněk Veselý (until 9. 7. 2003)
Result:	CZK -40.9 m	<i>Chairman of the Supervisory Board:</i>
Premiums written:	CZK 2,349.2 m	Libor Löfler
		<i>Chairman of the Board:</i>
		Zbyněk Veselý

Kooperativa, pojišťovna, a.s.

Templová 747, 110 01 Praha 1, tel.: +420 221 000 610, +420 221 000 111, fax: +420 222 322 633, e-mail: info@koop.cz, internet: www.koop.cz, toll-free info line: 800 105 105



Kooperativa
POJIŠŤOVNA A.S.

Start of operations:	1. 3. 1993	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 1,000 m	Vladimír Mráz
Foreign participation:	89.3%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	2,985	Günter Geyer
Result:	CZK 262.8 m	<i>CEO:</i>
Premiums written:	CZK 16,369.0 m	Vladimír Mráz

Information valid as of 31 May 2003

KRAVAG-SACH, Pojišťovna německé silniční dopravy, vzájemný pojišťovací spolek – organizational unit for the Czech Republic

Šmeralova 7/128, 170 00 Praha 7, contact address: pojišťovna UNIQA, Bělohorská 19/269, 160 12 Praha 6, tel.: +420 225 393 400, fax: +420 225 393 389, e-mail: info@kravag.cz



Start of operations:	23. 6. 1995	<i>Head of Organizational Unit:</i>
Recorded adjusted number of employees:	7	Frank Schäfer
Result:	CZK -9.3 m	
Premiums written: do 30. 6. 2002	CZK 22.7 m	
ČAP member until 27 December 2002		

MAXIMA pojišťovna, a.s.

Na dlouhém lánu 508/41, 160 00 Praha 6, tel.: +420 224 305 401, fax: +420 224 305 412, e-mail: info@maxima-as.cz, internet: www.maxima-as.cz



Start of operations:	1. 1. 1995	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 250 m	Milan Točina
Foreign participation:	0%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	4	Miroslav Kavka
Result:	CZK 3.2 m	<i>Acting CEO:</i>
Premiums written:	CZK 1.1 m	Pavel Černý

Nationale-Nederlanden Levensverzekering Maatschappij N.V., organizational unit Nationale-Nederlanden životní pojišťovna

Nádražní 344/25, 150 00 Praha 5 – Smíchov, tel.: +420 221 770 444, fax: +420 221 770 555, e-mail: klient@ing.cz, internet: www.ing.cz



Start of operations:	1. 6. 1992	<i>CEO:</i>
Recorded adjusted number of employees:	101	J. J. T. van Oijen
Result:	CZK 520.1 m	
Premiums written:	CZK 4,808.9 m	

Pojišťovna CARDIF PRO VITA, a.s.

Na Rybníčku 5/1329, 120 00 Praha 2, tel.: +420 296 368 888, fax: +420 296 368 880, e-mail: info@cardif.cz, internet: www.cardif.cz



Start of operations:	1. 12. 1997	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 106 m	Petr Illetško
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	18	Pierre de Villeneuve
Result:	CZK 29.4 m	<i>CEO:</i>
Premiums written:	CZK 101.0 m	Petr Illetško

Information valid as of 31 May 2003

Pojišťovna České spořitelny, a.s.

nám. Republiky 115, 530 02 Pardubice, tel.: +420 466 051 111, fax: +420 466 051 380, e-mail: pojistovnacs@pojistovnacs.cz, internet: www.pojistovnacs.cz, toll-free info line: 800 154 154



Start of operations:	1. 1. 1993	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 1,117 m	Jaroslav Kulhánek (since 25. 2. 2003)
Foreign participation:	44,8%	Tomáš Nidetzký (until 21. 1. 2003)
Recorded adjusted number of employees:	709	<i>Chairman of the Supervisory Board:</i>
Result:	CZK 177.5 m	Jiří Škorvaga
Premiums written:	CZK 6,281.7 m	<i>CEO:</i>
		Jaroslav Kulhánek (since 25. 2. 2003)
		Tomáš Nidetzký (until 31. 1. 2003)

Pojišťovna Slavia a.s.

Ve Struhách 27/1076, 160 00 Praha 6, tel.: +420 255 725 133, fax: +420 255 725 160, e-mail: pojisteni@pojistovna-slavia.cz, internet: www.slavia.as, toll-free info line: 800 100 011



Start of operations:	1. 6. 1994	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 225 m	Petr Černý
Foreign participation:	0%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	66	Jiří Pelouch
Result:	CZK -12.8 m	<i>CEO:</i>
Premiums written:	CZK 43.9 m	Petr Černý

PRVNÍ AMERICKO-ČESKÁ POJIŠŤOVNA, a.s. / AMCICO AIG Life

V Celnici 1028/10, Millennium Plaza, 117 21 Praha 1, tel.: +420 221 033 888, fax: +420 221 033 777, e-mail: amcico@amcico.cz, internet: www.amcico.cz



Start of operations:	October 1992	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 106 m	Christos Mistillioglou
Foreign participation:	100%	<i>Chairman of the Supervisory Board:</i>
Recorded adjusted number of employees:	84	Andreas Vassiliou
Result:	CZK 208.3 m	<i>CEO:</i>
Premiums written:	CZK 1,381.2 m	Milan Fitko

Union pojišťovna, a.s.

Havlíčková 15, 110 00 Praha 1, tel.: +420 296 332 870, fax: +420 296 332 871, e-mail: sekretariat_praha@unionpoj.cz, internet: www.unionpoj.cz, toll-free info line: 800 114 411



Start of operations:	22. 11. 1995	<i>Chairman of the Board of Directors:</i>
Share capital:	CZK 300 m	Igor Valtr
Foreign participation:	0%	<i>Vice Chairwoman of the Supervisory Board:</i>
Recorded adjusted number of employees:	122	Danuše Spiššiaková
Result:	CZK -232.9 m	<i>CEO:</i>
Premiums written:	CZK 249.5 m	Igor Valtr

Information valid as of 31 May 2003

UNIQA pojišťovna, a.s.

Bělohorská 19/269, 160 12 Praha 6, tel.: +420 225 393 111, fax: +420 220 513 134, e-mail: uniqa@uniqa.cz, internet: www.uniqa.cz, toll-free info line: 800 120 020



Start of operations: 1. 7. 1993
Share capital: CZK 480 m
Foreign participation: 100%
Recorded adjusted number of employees: 585
Result: CZK -54.6 m
Premiums written: CZK 1,795.9 m

Chairman of the Board of Directors:
Marek Venuta

Chairman of the Supervisory Board:
Herbert Schimetschek

CEO:
Marek Venuta

VICTORIA-VOLKSBANKEN pojišťovna, a.s. (Until 24. 6. 2002 VICTORIA pojišťovna, a.s.)

Francouzská 28, 120 00 Praha 2, tel.: +420 221 585 111, fax: +420 221 585 555, e-mail: victoria@victoria.cz, internet: www.victoria.cz



Start of operations: 11. 8. 1994
Share capital: CZK 216 m
Foreign participation: 90.3%
Recorded adjusted number of employees: 42
Result: CZK 0.034 m
Premiums written: CZK 159.1 m

Chairman of the Board of Directors:
Karl Vosatka (since 25. 6. 2002)

Chairman of the Supervisory Board:
Gerhard Dassow

CEO:
Klemens Pachinger

Wüstenrot, životní pojišťovna, a.s.

nám. Kinských 602/2, 150 00 Praha 5, tel.: +420 257 092 549, fax: +420 257 092 596, e-mail: pojistovna@wuestenrot.cz, internet: www.wuestenrot.cz, toll-free info line: 800 111 141



Start of operations: 21. 12. 1998
Share capital: CZK 70 m
Foreign participation: 100%
Recorded adjusted number of employees: 20
Result: CZK -12.0 m
Premiums written: CZK 189.0 m

Chairman of the Board of Directors:
Jaroslav Vostatek

Chairman of the Supervisory Board:
Helmut Geier

ASSOCIATE MEMBERS

Česká kancelář pojistitelů (Czech Insurers' Bureau)

Štefánikova 32, 150 00 Praha 5, tel.: +420 221 413 111, fax: +420 257 322 370, e-mail: info.ckp@ckp.cz, internet: www.ckp.cz



Start of operations: 1. 1. 2000
Recorded adjusted number of employees: 44
Guarantee fund: CZK 4,447.0 m
Premiums written: CZK 3.1 m

Chairman of the Board of Directors:
Vladimír Mráz

Chief Executive:
Jakub Hradec

Česká sekce AIDA (International Association for Insurance Law)

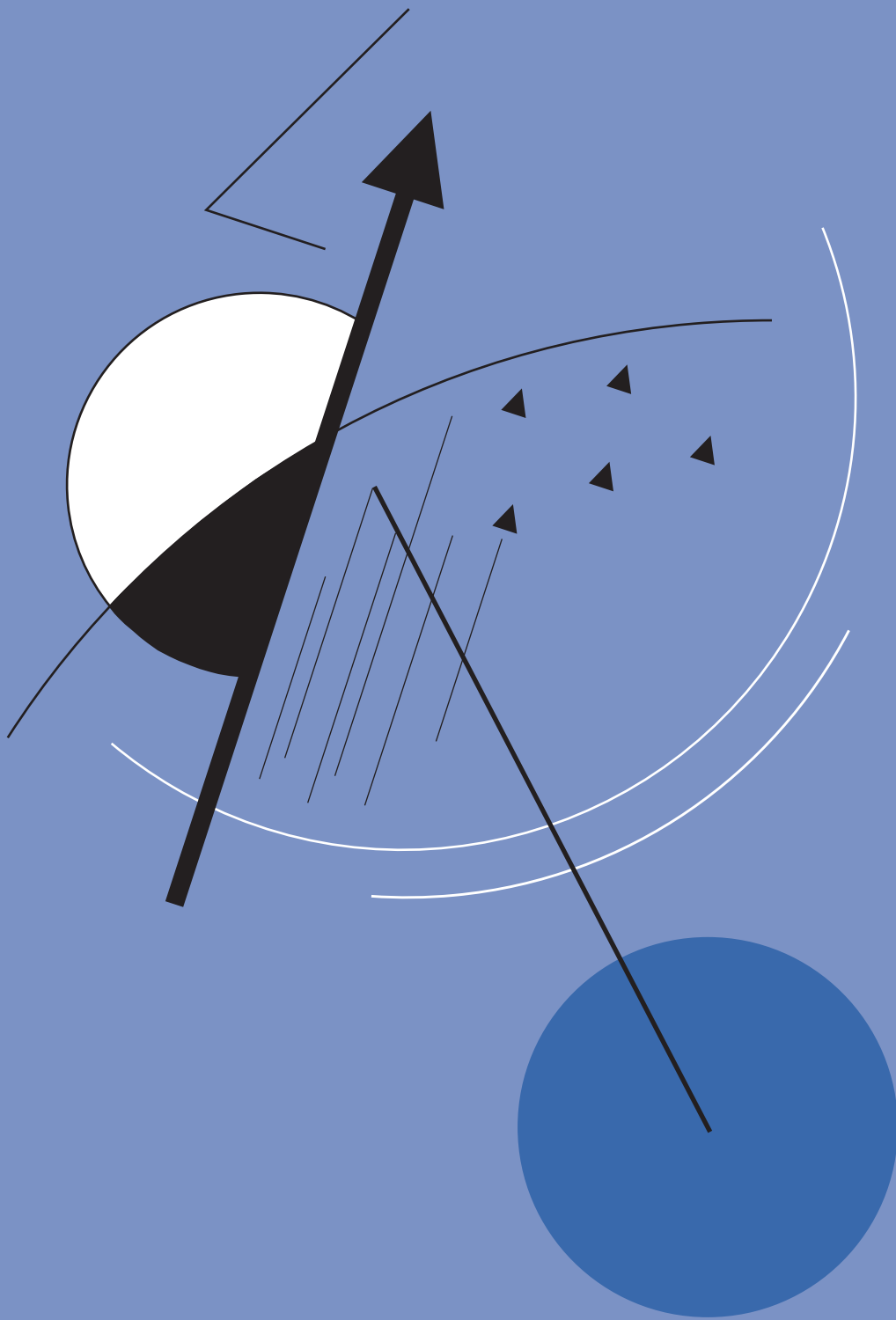
Spálená 75/16, 113 04 Praha 1, tel.: +420 224 053 128, fax: +420 224 053 285, e-mail: jkotrbata@cpoj.cz



Start of operations: 1. 1. 1993

Chairwoman:
Jiřina Kotrbatá

Information valid as of 31 May 2003



Statistical Section

The Czech Insurance Market Overall

Indicator	Unit	Czech market overall		ČAP share (%)	
		2001	2002	02/01	2002
1 TOTAL REVENUES	CZK '000	627,851,276	493,755,586	78.64	98.98
2 Premiums written total	CZK '000	80,744,745	90,865,305	112.53	98.30
3 • life insurance	CZK '000	28,281,966	34,191,811	120.90	100.00
4 • non-life insurance total	CZK '000	52,462,779	56,673,494	108.03	97.27
5 accident insurance	CZK '000	3,929,049	1,616,519 *	41.14	99.74
6 buildings and structures insurance (individuals)	CZK '000	1,807,642	2,100,438	116.20	86.96
7 household contents insurance	CZK '000	1,381,714	1,510,996	109.36	99.97
8 liability insurance of individuals	CZK '000	525,736	606,374	115.34	72.52
9 medical expenses abroad insurance	CZK '000	910,695	843,542	92.63	74.23
10 industrial and business risks**	CZK '000	19,046,034	20,117,294	105.62	99.12
11 – agricultural insurance	CZK '000	938,570	998,775	106.41	100.00
12 motor damage insurance total	CZK '000	10,783,361	11,990,707	111.20	97.38
13 motor third-party liability insurance	CZK '000	16,108,481	17,987,165	111.66	98.67
14 workmen's compensation insurance	CZK '000	2,618,722	4,067,310	155.32	100.00
15 TOTAL EXPENSES	CZK '000	623,353,469	491,067,347	78.78	98.92
16 RESULT (after tax)	CZK '000	4,497,807	2,688,239	59.77	110.32
17 NUMBER OF EMPLOYEES	persons	15,718	15,740	100.14	97.41

Source: ČAP – with the use of aggregate Ministry of Finance data.

* change in reporting methodology

** including in particular insurance of property, general liability, credits, motor damage other than MTPL and workmen's compensation insurance.

Notes:

- ČAP appreciates the fact that even the insurers listed below which were not Association members at the time data were gathered were willing to provide data:
ARAG – pojišťovna právní ochrany, a.s.; Cestovní pojišťovna ADRIA Way družstvo; HALALI, všeobecná pojišťovna, a.s.; HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit, organizational unit; KRAVAG-LOGISTIK Versicherungs-Aktiengesellschaft – organizational unit for the Czech Republic; Nationale-Nederlanden pojišťovna, a.s.; První česká servisní pojišťovna a.s.; Triglav pojišťovna, a.s.; Všeobecná zdravotní pojišťovna České republiky (contractual insurance); XL INSURANCE COMPANY LIMITED, organizational unit.
- Vitalitas pojišťovna, a.s., which obtained an insurance license in 2002, informed ČAP that it reported no results from insurance activity in 2002.
- 2001 data are final; data for 2002 are preliminary data available as of 31 May 2003 as provided by insurers (applies to Czech Insurance Market Overall and ČAP – tables A-H).
- In 2001 and 2002, insurers adapted their reporting to the valid Insurance Act. This resulted in certain material changes in comparison with the 2001 ČAP Annual Report. This concerns in particular the following classes: life insurance, accident insurance and supplementary insurance to life insurance.

ČAP Member Results

A. TOTAL RESULTS

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Total revenues	CZK '000	371,312,833	621,302,718	488,727,769	167.33	78.66
2 Total expenses	CZK '000	367,296,299	616,884,125	485,762,016	167.95	78.74
3 Result (after tax)	CZK '000	4,016,534	4,418,593	2,965,753	110.01	67.12
4 Total premiums written	CZK '000	69,284,554	79,197,369	89,319,073	114.31	112.78
5 Share capital	CZK '000	12,690,594	12,880,755	13,469,755	101.50	104.57
6 Funds	CZK '000	7,650,899	11,366,338	16,551,321	148.56	145.62
7 Technical provisions – non-life	CZK '000	30,769,958	37,160,167	46,701,192	120.77	125.68
8 Technical provisions – life	CZK '000	86,330,280	97,768,694	111,180,486	113.25	113.72
9 • where investment risk is borne by policyholder	CZK '000	1,650,465	2,547,689	3,630,017	154.36	142.48
10 Total number of employees	persons	15,771	15,295	15,333	96.98	100.25
11 • total sales staff	persons	4,880	4,274	4,067	87.58	95.16
12 Total insurance intermediaries	number	25,996	39,704	40,465	152.73	101.92

1 Total credit/debit turnover difference on class 6 accounts

2 Total credit/debit turnover difference on class 5 accounts

3 Line 1 – Line 2

4 Total credit/debit turnover difference on accounts 601 and 621

5 Balance on account 401

6 Balance on accounts 402, 403, 404, 405, and class 41 accounts

7, 8, 9 Balance on class 44 accounts

10 Recorded adjusted number of employees for the year

12 All private individuals and legal entities cooperating with ČAP member insurers; aggregated data provided by insurers

B. BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

I. Assets

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Intangible assets	CZK '000	593,741	641,592	780,154	108.06	121.60
2 Formation expenses	CZK '000	7,448	3,913	1,364	52.54	34.86
3 Goodwill	CZK '000	–	–	–	–	–
4 Financial placements (investments)	CZK '000	141,471,186	165,503,583	198,802,927	116.99	120.12
5 Land and buildings (real estate)	CZK '000	10,736,746	11,136,435	11,132,611	103.72	99.97
6 • land and buildings used in operations	CZK '000	2,821,164	2,968,883	3,031,404	105.24	102.11
7 Financial placements in third-party companies and other long-term receivables	CZK '000	9,442,257	13,743,294	14,704,307	145.55	106.99
8 • participating interests in companies with controlling influence	CZK '000	5,491,192	8,632,829	10,790,615	157.21	125.00
9 • participating interests in companies with substantial influence	CZK '000	762,984	918,186	1,133,208	120.34	123.42
10 • bonds and other debentures, loans – to companies with controlling influence	CZK '000	165,471	173,749	137,037	105.00	78.87
11 • bonds and other debentures, loans – to companies with substantial influence	CZK '000	–	–	–	–	–
12 • other participating interests and other long-term receivables	CZK '000	3,022,610	4,018,530	2,643,447	132.95	65.78
13 Other financial placements	CZK '000	119,619,079	138,001,167	169,255,409	115.37	122.65
14 • variable-yield securities	CZK '000	7,576,262	5,299,803	10,791,157	69.95	203.61
15 • fixed-income securities	CZK '000	93,393,223	108,953,174	134,983,387	116.66	123.89
16 • financial placements in investment companies and investment funds	CZK '000	1,272,542	1,460,797	440,048	114.79	30.12
17 • financial placements in associations with legal entity status	CZK '000	430	430	430	100.00	100.00
18 • financial placements in associations without legal entity status	CZK '000	–	–	–	–	–
19 • mortgage loans	CZK '000	43	–	–	–	–
20 • other loans	CZK '000	445,663	442,085	1,918,363	99.20	433.94
21 • bank deposits	CZK '000	16,680,824	20,859,186	20,191,923	125.05	96.80
22 • other financial placements	CZK '000	250,092	985,692	930,101	394.13	94.36
23 Receivables for advance deposits paid	CZK '000	23,911	18,570	10,069	77.66	54.22
24 Financial placements (investments) in name of policyholders	CZK '000	1,649,193	2,604,117	3,700,531	157.90	142.10

Indicator	Unit	2000	2001	2002	01/00	02/01
25 Receivables	CZK '000	19,057,307	18,235,552	18,896,162	95.69	103.62
26 Receivables arising out of direct insurance and reinsurance	CZK '000	10,304,741	11,621,950	14,848,595	112.78	127.76
27 • owed by policyholders	CZK '000	7,127,905	8,322,024	8,796,020	116.75	105.70
28 • owed by intermediaries	CZK '000	143,465	155,923	259,224	108.68	166.25
29 • reinsurance receivables	CZK '000	3,033,371	3,144,004	5,793,351	103.65	184.27
30 Receivables for subscribed capital	CZK '000	369,460	35,700	–	9.66	–
31 Other receivables	CZK '000	8,383,106	6,577,902	4,047,567	78.47	61.53
32 Other assets	CZK '000	6,174,866	8,089,158	7,078,966	131.00	87.51
33 Tangible movable assets	CZK '000	2,001,821	1,977,279	1,748,918	98.77	88.45
34 • movable assets used in operations	CZK '000	1,860,761	1,826,727	1,586,652	98.17	86.86
35 • movable assets not subject to depreciation	CZK '000	141,019	152,552	162,266	108.18	106.37
36 Acquisition of property	CZK '000	568,892	561,645	1,282,305	98.73	228.31
37 • Payments on account toward acquisition of intangible and tangible assets	CZK '000	233,808	167,438	377,113	71.61	225.23
38 Other assets	CZK '000	65,775	83,026	68,934	126.23	83.03
39 Cash and other financial assets	CZK '000	3,538,378	5,467,208	3,978,809	154.51	72.78
40 • current accounts	CZK '000	3,256,585	3,556,726	2,072,483	109.22	58.27
41 • cash and cash equivalents	CZK '000	177,347	132,365	128,209	74.64	96.86
42 • cheques	CZK '000	–	–	–	–	–
43 • own shares	CZK '000	104,446	1,778,117	1,778,117	1,702.43	100.00
44 Temporary accounts of assets	CZK '000	6,783,983	6,924,797	5,132,166	102.08	74.11
45 Interest and rent	CZK '000	278,790	363,239	54,312	130.29	14.95
46 Acquisition costs arising out of insurance contracts	CZK '000	2,665,933	2,816,993	2,909,989	105.67	103.30
47 Other temporary accounts of assets	CZK '000	3,839,262	3,744,565	2,167,865	97.53	57.89
48 Loss brought forward	CZK '000	952,441	1,804,314	1,016,333	189.44	56.33
49 Loss for the current financial year	CZK '000	1,523,892	501,331	2,325,572	32.90	463.88
50 TOTAL ASSETS	CZK '000	176,557,416	201,700,327	234,032,280	114.24	116.03

II. Liabilities and Equity

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Share capital and funds	CZK '000	20,341,493	24,247,093	30,021,076	119.20	123.81
2 Share capital	CZK '000	12,690,594	12,880,755	13,469,755	101.50	104.57
3 Share premium account	CZK '000	227,870	615,913	1,071,026	270.29	173.89
4 Other capital accounts	CZK '000	5,687,870	6,691,413	10,821,557	117.64	161.72
5 Re-valuation reserve fund	CZK '000	–	–	–	–	–
6 Statutory reserve fund	CZK '000	572,348	2,443,386	2,677,682	426.91	109.59
7 Other funds	CZK '000	1,162,811	1,615,626	1,981,056	138.94	122.62
8 Technical provisions	CZK '000	115,449,773	132,381,172	154,251,661	114.67	116.52
9 Provision for unearned premiums	CZK '000	10,414,564	11,622,522	13,121,504	111.60	112.90
10 Life assurance provision	CZK '000	82,656,627	92,386,501	103,324,664	111.77	111.84
11 Outstanding claims provision	CZK '000	16,733,329	19,840,542	24,947,924	118.57	125.74
12 Bonuses and rebates provision	CZK '000	667,120	724,013	747,586	108.53	103.26
13 Equalisation provision and Other technical provisions	CZK '000	4,978,133	7,807,594	12,109,983	156.84	155.11
14 Life insurance provision where investment risk is borne by policyholder	CZK '000	1,650,465	2,547,689	3,630,017	154.36	142.48
15 Provision for other risks and losses	CZK '000	804,289	991,346	654,711	123.26	66.04
16 Statutory provisions	CZK '000	4,049	197	–	4.87	–
17 Other provisions	CZK '000	800,240	991,149	654,711	123.86	66.06
18 Advance payments received	CZK '000	497,430	640,229	832,285	128.71	130.00
19 Subordinated debt	CZK '000	–	–	–	–	–
20 Payables	CZK '000	22,938,318	25,716,596	26,866,246	112.11	104.47
21 Payables arising out of direct insurance and reinsurance	CZK '000	8,800,112	8,722,579	12,717,113	99.12	145.80
22 • owed to insureds	CZK '000	4,705,830	4,537,114	6,280,238	96.41	138.42
23 • owed to intermediaries	CZK '000	515,534	518,943	640,797	100.66	123.48
24 • payables arising out of reinsurance operations	CZK '000	3,544,878	3,666,522	5,796,078	103.43	158.08
25 Payables secured by debenture	CZK '000	–	–	–	–	–
26 • payables secured by debenture in convertible currency	CZK '000	–	–	–	–	–
27 Bank credits	CZK '000	519,000	478,747	–	92.24	–
28 Tax payables	CZK '000	331,103	666,779	1,530,857	201.38	229.59
29 Social security and public health insurance payables	CZK '000	183,395	179,163	199,414	97.69	111.30
30 Payables to companies with controlling influence	CZK '000	13,719	19,289	12,133	140.60	62.90
31 Payables to companies with substantial influence	CZK '000	–	–	–	–	–
32 Other payables	CZK '000	13,090,989	15,650,039	12,406,729	119.55	79.28
33 Temporary accounts of liabilities	CZK '000	5,600,705	6,997,192	5,891,547	124.93	84.20
34 Profit brought forward	CZK '000	3,734,520	3,259,508	6,593,412	87.28	202.28
35 Profit for the financial year	CZK '000	5,540,423	4,919,502	5,291,325	88.79	107.56
36 TOTAL LIABILITIES AND EQUITY	CZK '000	176,557,416	201,700,327	234,032,280	114.24	116.03

I. Technical Account – Non-life insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Earned premiums, net of reinsurance	CZK '000	31,095,121	33,739,306	36,819,479	108.50	109.13
2 Gross premiums written	CZK '000	46,514,422	50,915,403	55,282,727	109.46	108.58
3 • gross premiums written ceded to reinsurers	CZK '000	14,410,199	16,160,925	17,647,244	112.15	109.20
4 Change in balance of provision for unearned premiums	CZK '000	1,601,698	1,616,478	1,098,971	100.92	67.99
5 • change in balance of provision for unearned premiums – reinsurers' share	CZK '000	592,596	601,306	282,967	101.47	47.06
6 Return from financial placements transferred from the non-technical account	CZK '000	434,604	589,620	685,384	135.67	116.24
7 Other technical income, net of reinsurance	CZK '000	2,174,104	100,915,114	42,521,871	4,641.69	42.14
8 Claims paid, net of reinsurance	CZK '000	20,472,800	21,305,198	26,180,977	104.07	122.89
9 Claims paid	CZK '000	23,472,623	26,146,024	45,474,758	111.39	173.93
10 • claims paid, reinsurers' share	CZK '000	7,781,424	7,789,196	23,904,849	100.10	306.90
11 Change in outstanding claims provision	CZK '000	7,866,787	5,834,471	24,616,626	74.17	421.92
12 • change in outstanding claims provision, reinsurers' share	CZK '000	3 085,186	2,886,101	20,005,558	93.55	693.17
13 Change in balance of other provisions, net of reinsurance	CZK '000	1,810,793	1,521,802	204,251	84.04	13.42
14 Bonuses and rebates, net of reinsurance	CZK '000	149,771	253,259	327,545	169.10	129.33
15 Operating expenses, net amounts	CZK '000	9,958,772	9,900,143	9,644,898	99.41	97.42
16 Acquisition costs on insurance contracts	CZK '000	7,117,454	6,590,127	7,235,371	92.59	109.79
17 Deferred acquisition costs on insurance contracts	CZK '000	348,646	540,454	66,927	155.02	12.38
18 Administrative expenses	CZK '000	6,873,500	7,550,357	7,077,652	109.85	93.74
19 Reinsurance commissions and profit participation, net of reinsurance	CZK '000	4,380,828	4,780,795	4,735,052	109.13	99.04
20 Other technical charges, net of reinsurance	CZK '000	2,265,838	101,737,646	45,470,661	4,490.07	44.69
21 Change in balance of equalisation provision	CZK '000	-48,048	732,476	269,903	-	36.85
22 RESULT of non-life technical account	CZK '000	-906,097	-206,484	-2,071,501	-	-

II. Technical Account – Life Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Earned premiums, net of reinsurance	CZK '000	22,116,218	27,825,264	32,760,140	125.81	117.74
2 Gross premiums written	CZK '000	22,770,132	28,281,966	34,036,346	124.21	120.35
3 • gross premiums written ceded to reinsurers	CZK '000	217,594	265,474	691,219	122.00	260.37
4 Change in balance of provision for unearned premiums, net of reinsurance	CZK '000	436,320	191,228	584,987	43.83	305.91
5 Income from financial placements	CZK '000	138,057,183	165,524,640	124,600,039	119.90	75.28
6 Income from participating interests	CZK '000	49,031	109,670	113,518	223.67	103.51
7 Income from other financial placements	CZK '000	7,842,585	9,099,385	9,983,756	116.03	109.72
8 • income from land and buildings	CZK '000	448,282	451,364	381,209	100.69	84.46
9 • income from other financial placements	CZK '000	7,394,303	8,648,021	9,602,547	116.96	111.04
10 Value re-adjustments on financial placements	CZK '000	1,729,631	3,680,562	8,294	212.79	0.23
11 Gains on the realization of financial placements	CZK '000	128,435,936	152,635,023	114,494,471	118.84	75.01
12 Increases in value of financial placements	CZK '000	–	–	3,713,276	–	–
13 Other technical income, net of reinsurance	CZK '000	127,194	207,474	400,622	163.12	193.10
14 Claims incurred, net of reinsurance	CZK '000	9,882,536	12,813,202	12,411,231	129.65	96.86
15 Claims paid	CZK '000	10,392,765	12,532,932	12,416,508	120.59	99.07
16 • claims paid, reinsurers' share	CZK '000	14,693	19,017	99,588	129.43	523.68
17 Change in provision for claims	CZK '000	-486,072	298,147	140,199	–	47.02
18 • change in provision for claims, reinsurers' share	CZK '000	9,464	-1,140	45,888	–	–
19 Change in balance of other provisions	CZK '000	10,307,574	11,532,047	15,994,066	111.88	138.69
20 Change in balance of life insurance provision	CZK '000	9,339,031	10,493,860	11,057,437	112.37	105.37
21 • change in balance of life insurance provision – reinsurers' share	CZK '000	5,278	2,421	5,208	45.87	215.12
22 Change in balance of other provisions, net of reinsurance	CZK '000	973,821	1,040,608	4,941,837	106.86	474.90
23 Bonuses and rebates, net of reinsurance	CZK '000	103,975	120,482	164,633	115.88	136.65

Indicator	Unit	2000	2001	2002	01/00	02/01
24 Net operating expenses	CZK '000	5,733,238	7,189,918	8,268,312	125.41	115.00
25 Acquisition costs on insurance contracts	CZK '000	3,591,980	4,673,051	5,022,254	130.10	107.47
26 Deferred acquisition costs on insurance contracts	CZK '000	-196,345	-463,956	-210,211	–	–
27 Administrative expenses	CZK '000	2,478,990	3,147,635	3,860,438	126.97	122.65
28 Reinsurance commissions and profit participations, net	CZK '000	141,387	166,812	404,169	117.98	242.29
29 Charges for financial placements	CZK '000	133,390,488	156,716,796	119,952,699	117.49	76.54
30 Charges for financial placements	CZK '000	5,059,673	3,281,731	5,040,759	64.86	153.60
31 Value adjustments to financial placements	CZK '000	4,105,485	2,273,732	–	55.38	–
32 Costs of realization of financial placements	CZK '000	124,225,330	151,161,333	114,911,940	121.68	76.02
33 Diminutions in value of financial placements	CZK '000	–	–	2,299,451	–	–
34 Other technical charges, net of reinsurance	CZK '000	255,557	592,636	586,501	231.90	98.96
35 Transfer of return from financial placements to the non-technical account	CZK '000	257,454	340,557	328,211	132.28	96.37
36 RESULT of life technical account	CZK '000	369,773	4,251,740	1,468,973	1,149.82	34.55

III. Non-Technical Account

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Non-life insurance technical account result	CZK '000	-906,097	-206,484	-2,071,501	-	-
2 Life insurance technical account result	CZK '000	369,773	4,251,740	1,468,973	1,149.82	34.55
3 Income from financial placements	CZK '000	104,814,528	205,076,625	118,670,207	195.66	57.87
4 Income from participating interests	CZK '000	11,986	24,156	16,175	201.54	66.96
5 Income from other financial placements	CZK '000	2,896,089	4,096,364	3,120,879	141.44	76.19
6 • income from land and buildings	CZK '000	366,321	52,784	56,696	14.41	107.41
7 • income from other financial placement components	CZK '000	2,529,768	4,043,580	3,064,183	159.84	75.78
8 Value re-adjustments on financial placements	CZK '000	117,811	859,858	64,421	729.86	7.49
9 Gains on the realization of financial placements	CZK '000	101,788,642	200,096,247	115,468,732	196.58	57.71
10 Allocated return from financial placements transferred from life insurance technical account	CZK '000	257,454	340,557	328,211	132.28	96.37
11 Charges for financial placements	CZK '000	102,203,512	202,950,971	116,956,950	198.58	57.63
12 Management charges on financial placements	CZK '000	613,347	1,893,704	1,434,779	308.75	75.77
13 Value adjustments on financial placements	CZK '000	178,464	320,660	53,269	179.68	16.61
14 Losses on the realization of financial placements	CZK '000	101,411,701	200,736,607	115,468,902	197.94	57.52
15 Transfer of allocated return from financial placements to non-life technical account	CZK '000	434,604	589,620	685,384	135.67	116.24
16 Other income	CZK '000	2,146,571	3,203,634	3,352,523	149.24	104.65
17 Other charges	CZK '000	2,937,186	3,233,940	2,966,010	110.10	91.72
18 Income tax on ordinary activities	CZK '000	-2,783,579	1,615,194	1,298,672	-	80.40
19 Profit or loss on ordinary activities after tax	CZK '000	3,890,506	4,276,347	-158,603	109.92	-
20 Extraordinary income	CZK '000	644,393	1,051,918	7,402,947	163.24	703.76
21 Extraordinary charges	CZK '000	493,104	790,874	4,227,944	160.39	534.59
22 Extraordinary result	CZK '000	151,289	261,044	3,175,003	172.55	1,216.27
23 Income tax on extraordinary activities	CZK '000	31,375	61,474	10,350	195.93	16.84
24 Other taxes and fees	CZK '000	-6,114	57,324	40,297	-	70.30
25 PROFIT OR LOSS for the financial year	CZK '000	4,016,534	4,418,593	2,965,753	110.01	67.12

C. PREMIUMS WRITTEN

Indicator	Unit	2000	2001	2002	01/00	02/01
1 TOTAL PREMIUMS WRITTEN	CZK '000	69,284,554	79,197,369	89,319,073	114.31	112.78
2 Non-life insurance total	CZK '000	46,514,422	50,915,403	55,127,262	109.46	108.27
3 Accident insurance	CZK '000	3,343,162	3,924,667	1,612,380 *	117.39	41.08
4 Sickness insurance (private health insurance)	CZK '000	211,001	263,400	306,703	124.83	116.44
5 Damage insurance of land vehicles other than railway rolling stock	CZK '000	10,367,271	10,308,311	11,676,382	99.43	113.27
6 Rail damage insurance	CZK '000	2,196	4,398	5,351	200.27	121.67
7 Aircraft hull insurance	CZK '000	178,956	313,024	176,508	174.92	56.39
8 River/sea hull insurance	CZK '000	16,186	5,909	7,504	36.51	126.99
9 Transport (freight) insurance	CZK '000	385,976	442,646	472,344	114.68	106.71
10 Property insurance – total	CZK '000	10,702,796	11,209,608	12,733,152	104.74	113.59
11 • property insurance – individuals	CZK '000	2,579,373	3,086,182	3,513,431	119.65	113.84
12 – fire	CZK '000	218,282	299,363	367,542	137.15	122.77
13 • insurance of businesses	CZK '000	7,248,420	7,184,856	8,220,946	99.12	114.42
14 – fire	CZK '000	1,311,419	1,200,225	1,536,538	91.52	128.02
15 • livestock insurance	CZK '000	396,099	416,738	427,901	105.21	102.68
16 • crop insurance	CZK '000	478,904	521,832	570,874	108.96	109.40
17 Workmen's compensation insurance	CZK '000	2,402,173	2,618,722	4,067,310	109.01	155.32
18 Motor third-party liability insurance	CZK '000	13,930,146	15,946,229	17,747,416	114.47	111.30
19 Aircraft liability insurance	CZK '000	9,623	132,692	303,242	1,378.90	228.53
20 Marine liability insurance	CZK '000	10,787	6,055	10,054	56.13	166.04
21 Liability insurance	CZK '000	2,242,902	2,452,441	2,790,298	109.34	113.78
22 • individuals	CZK '000	342,111	378,622	439,742	110.67	116.14
23 • industry and business	CZK '000	1,900,791	2,073,818	2,350,556	109.10	113.34
24 Credit insurance	CZK '000	1,183,985	1,494,162	1,255,012	126.20	83.99
25 Suretyship insurance	CZK '000	95,513	116,512	164,882	121.99	141.52
26 Insurance against various financial losses	CZK '000	237,536	398,884	500,433	167.93	125.46
27 • insurance against losses caused by business interruption	CZK '000	186,927	342,365	432,206	183.15	126.24
28 Legal expenses insurance	CZK '000	103,602	123,483	145,488	119.19	117.82
29 Assistance insurance for persons in emergency situations while travelling or otherwise away from their place of permanent residence	CZK '000	805,548	769,930	718,176	95.58	93.28
30 Inwards reinsurance	CZK '000	285,063	384,330	434,627	134.82	113.09

* change in reporting methodology

Indicator	Unit	2000	2001	2002	01/00	02/01
31 Life insurance total	CZK '000	22,770,132	28,281,966	34,191,811	124.21	120.90
32 • insurance on survival/death or survival	CZK '000	13,966,327	17,752,459	19,570,152	127.11	110.24
33 • pension insurance (annuity)	CZK '000	2,712,789	3,263,133	2,788,614	120.29	85.46
34 • marriage insurance, birth insurance	CZK '000	2,334,313	2,793,960	2,875,944	119.69	102.93
35 • insurance on death	CZK '000	625,298	314,001	365,709	50.22	116.47
36 • insurance linked to investment fund – adults	CZK '000	1,406,123	2,315,420	2,977,737	164.67	128.60
37 • insurance linked to investment fund – children	CZK '000	115,857	137,417	161,239	118.61	117.34
38 • capitalization	CZK '000	533,823	489,859	1,026,445	91.76	209.54
39 • supplementary insurance – total	CZK '000	1,075,602	1,215,717	4,425,971*	113.03	364.06

* change in reporting methodology

D. NEW BUSINESS

Indicator	Unit	2000	2001	2002	01/00	02/01
1 New business total	CZK '000	29,600,886	30,278,362	32,694,221	102.29	107.98
2 • insurance intermediaries	CZK '000	16,382,852	17,654,618	24,852,687	107.76	140.77
3 – insurance agents	CZK '000	12,416,481	13,074,642	18,770,348	105.30	143.56
4 – insurance brokers	CZK '000	3,966,371	4,579,976	6,082,339	115.47	132.80

E. SUMMARY TABLES FOR SELECTED INSURANCE TYPES

E.1 Insurance on Survival/Death or Survival

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	13,966,327	17,752,459	19,570,152	127.11	110.24
2 • single premiums	CZK '000	3,966,887	5,390,933	5,792,900	135.90	107.46
3 Claims paid	CZK '000	5,586,021	5,396,461	5,662,714	96.61	104.93
4 Portfolio premiums under policies valid as of 31 December	CZK '000	13,068,920	15,395,643	16,865,695	117.80	109.55
5 Portfolio – number of policies as of 31 December	pcs	2,933,553	3,010,861	2,968,935	102.64	98.61
6 Number of claims settled	pcs	332,652	330,040	302,905	99.21	91.78
7 Number of claims outstanding	pcs	5,219	5,614	5,961	107.57	106.18

E.2 Pension Insurance (Annuity)

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	2,712,789	3,263,133	2,788,614	120.29	85.46
2 • single premiums	CZK '000	291,074	921,067	282,986	316.44	30.72
3 Claims paid	CZK '000	1,879,290	3,687,155	2,219,459	196.20	60.19
4 Portfolio premiums under policies valid as of 31 December	CZK '000	2,657,793	2,447,044	2,574,624	92.07	105.21
5 Portfolio – number of policies as of 31 December	pcs	752,736	663,529	648,047	88.15	97.67
6 Number of claims settled	pcs	89,309	166,898	86,807	186.88	52.01
7 Number of claims outstanding	pcs	1,085	1,040	1,193	95.85	114.71

E.3 Marriage Insurance and Birth Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	2,334,313	2,793,960	2,875,944	119.69	102.93
2 • single premiums	CZK '000	48,015	63,904	90,297	133.09	141.30
3 Claims paid	CZK '000	2,321,108	2,274,523	2,297,188	97.99	101.00
4 Portfolio premiums under policies valid as of 31 December	CZK '000	2,229,052	2,611,178	2,923,644	117.14	111.97
5 Portfolio – number of policies as of 31 December	pcs	1,117,197	1,071,140	1,093,941	95.88	102.13
6 Number of claims settled	pcs	126,189	117,600	113,634	93.19	96.63
7 Number of claims outstanding	pcs	2,180	1,579	1,495	72.43	94.68

E.4 Insurance on Death

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	625,298	314,001	365,709	50.22	116.47
2 • single premiums	CZK '000	19,397	20,234	17,916	104.32	88.54
3 Claims paid	CZK '000	98,769	93,643	105,341	94.81	112.49
4 Portfolio premiums under policies valid as of 31 December	CZK '000	237,995	254,382	309,014	106.89	121.48
5 Portfolio – number of policies as of 31 December	pcs	519,663	543,454	667,958	104.58	122.91
6 Number of claims settled	pcs	9,423	8,564	8,030	90.88	93.76
7 Number of claims outstanding	pcs	98	444	390	453.06	87.84

E.5 Insurance Linked to Investment Fund

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	1,521,980	2,452,837	3,138,976	161.16	127.97
2 • single premiums	CZK '000	315,386	756,906	996,295	239.99	131.63
3 Claims paid	CZK '000	99,140	246,515	491,183	248.65	199.25
4 Portfolio premiums under policies valid as of 31 December	CZK '000	1,070,348	1,774,367	2,473,593	165.77	139.41
5 Portfolio – number of policies as of 31 December	pcs	99,556	196,936	287,829	197.81	146.15
6 Number of claims settled	pcs	2,034	1,842	3,110	90.56	168.84
7 Number of claims outstanding	pcs	58	158	47	272.41	29.75

E.6 Capitalization

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	533,823	489,859	1,026,445	91.76	209.54
2 • single premiums	CZK '000	533,823	416,912	822,355	78.10	197.25
3 Claims paid	CZK '000	268,111	243,931	320,644	90.98	131.45
4 Portfolio premiums under policies valid as of 31 December	CZK '000	–	18,773	223,556	–	1,190.84
5 Portfolio – number of policies as of 31 December	pcs	173,435	187,041	341,175	107.85	182.41
6 Number of claims settled	pcs	15,645	14,025	16,089	89.65	114.72
7 Number of claims outstanding	pcs	229	247	298	107.86	120.65

E.7 Supplementary Insurance to Life Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	2,812,622	3,264,087	4,425,971	116.05	135.60
2 • single premiums	CZK '000	89,570	70,316	340,656	78.50	484.46
3 Claims paid	CZK '000	970,775	1,245,532	1,252,486	128.30	100.56
4 Portfolio premiums under policies valid as of 31 December	CZK '000	2,732,914	3,101,628	3,443,084	113.49	111.01
5 Number of claims settled	pcs	342,301	315,580	317,948	92.19	100.75
6 Number of claims outstanding	pcs	124,272	115,354	105,573	92.82	91.52

Note: This table includes practically all types of insurance that are presented as supplementary to life insurance, regardless of whether or not they are included in the relevant classes of life or non-life insurance.

E.8 Accident Insurance

Indicator	Unit	2000	2001*	2002*	01/00	02/01
1 Premiums written	CZK '000	3,343,162	1,428,726	1,385,170	42.74	96.95
2 Claims paid	CZK '000	1,228,791	468,435	562,873	38.12	120.16
3 Portfolio premiums under policies valid as of 31 December	CZK '000	2,907,682	1,215,689	1,247,390	41.81	102.61
4 Number of claims settled	pcs	391,231	90,995	112,324	23.26	123.44
5 Number of claims outstanding	pcs	112,860	33,344	34,811	29.54	104.40

* change in reporting method

E.9 Household Contents Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	1,273,542	1,381,408	1,510,528	108.47	109.35
2 Claims paid	CZK '000	726,731	617,514	1,663,894	84.97	269.45
3 Portfolio premiums under policies valid as of 31 December	CZK '000	1,319,259	1,405,235	1,555,316	106.52	110.68
4 Number of claims settled	pcs	88,310	77,811	97,028	88.11	124.70
5 Number of claims outstanding	pcs	3,779	3,539	5,420	93.65	153.15

E.10 Insurance of Buildings and Structures (Individuals)

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	1,447,657	1,559,464	1,826,522	107.72	117.12
2 Claims paid	CZK '000	883,579	666,520	3,823,495	75.43	573.65
3 Portfolio premiums under policies valid as of 31 December	CZK '000	1,478,083	1,547,013	1,875,066	104.66	121.21
4 Number of claims settled	pcs	68,286	53,697	115,750	78.64	215.56
5 Number of claims outstanding	pcs	2,119	2,379	20,275	112.27	852.25

E.11 Travel Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	805,548	896,692	893,126	111.31	99.60
2 • medical expenses abroad	CZK '000	637,784	677,302	626,141	106.20	92.45
3 Claims paid	CZK '000	301,057	337,570	343,778	112.13	101.84
4 Number of claims settled	pcs	27,535	31,759	33,097	115.34	104.21
5 Number of claims outstanding	pcs	4,184	2,954	4,731	70.60	160.16

E.12 Industrial and Business Risks Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	19,446,307	18,946,318	19,940,833	97.43	105.25
2 Claims paid	CZK '000	12,388,779	11,118,208	23,211,429	89.74	208.77
3 Portfolio premiums under policies valid as of 31 December	CZK '000	18,220,339	18,071,361	18,009,649	99.18	99.66
4 Number of claims settled	pcs	333,015	311,500	328,346	93.54	105.41
5 Number of claims outstanding	pcs	69,534	50,506	82,199	72.63	162.75

E.13 Property Insurance in Insurance for Industry and Business

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	6,668,673	7,049,994	8,339,139	105.72	118.29
2 Claims paid	CZK '000	4,410,200	4,048,740	15,763,188	91.80	389.34
3 Portfolio premiums under policies valid as of 31 December	CZK '000	6,315,589	7,097,489	7,606,849	112.38	107.18
4 Number of claims settled	pcs	62,437	55,300	69,613	88.57	125.88
5 Number of claims outstanding	pcs	23,511	13,396	21,086	56.98	157.41

E.14 Liability Insurance in Insurance for Industry and Business

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	1,900,203	2,294,350	2,767,154	120.74	120.61
2 Claims paid	CZK '000	785,793	844,972	919,385	107.53	108.81
3 Portfolio premiums under policies valid as of 31 December	CZK '000	1,749,557	2,393,412	2,948,100	136.80	123.18
4 Number of claims settled	pcs	72,273	77,292	83,834	106.94	108.46
5 Number of claims outstanding	pcs	14,230	13,251	15,543	93.12	117.30

E.15 Export Credit Insurance Against Commercial Risks

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	213,842	333,969	332,824	156.18	99.66
2 Claims paid	CZK '000	77,933	87,925	267,984	112.82	304.79
3 Value of insured exports	CZK '000	62,135,000	86,885,000	92,469,000	139.83	106.43
4 Portfolio premiums under policies valid as of 31 December	CZK '000	291,779	338,796	339,860	116.11	100.31
5 Number of claims settled	pcs	266	204	470	76.69	230.39
6 Number of claims outstanding	pcs	369	226	325	61.25	143.81

E.16 Export Credit Insurance Against Territorial Risks

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	918,093	1,091,409	269,409	118.88	24.68
2 Claims paid	CZK '000	579,487	428,790	868,523	73.99	202.55
3 Value of insured exports	CZK '000	33,775,000	35,095,000	16,251,000	103.91	46.31
4 Portfolio premiums under policies valid as of 31 December	CZK '000	918,093	1,091,409	269,409	118.88	24.68
5 Number of claims settled	pcs	14	17	15	121.43	88.24
6 Number of claims outstanding	pcs	14	17	25	121.43	147.06

E.17 Damage Insurance for Land Vehicles Other than Railway Rolling Stock (businesses and individuals)

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	10,367,271	10,308,311	11,676,382	99.43	113.27
2 Claims paid	CZK '000	7,943,663	7,176,729	7,977,553	90.35	111.16
3 Number of claims settled	pcs	251,487	176,055	215,887	70.01	122.62
4 Number of claims outstanding	pcs	33,071	35,256	36,588	106.61	103.78

E.18 Motor Third Party Liability (MTPL) Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums written	CZK '000	13,930,146	15,946,229	17,747,416	114.47	111.30
2 • frontier insurance	CZK '000	5,863	3,853	3,054	65.72	79.26
3 • group insurance (fleets)	CZK '000	1,832,248	2,243,625	2,477,927	122.45	110.44
4 Claims paid under MTPL insurance	CZK '000	3,859,374	6,404,570	7,402,045	165.95	115.57
5 Claims paid under ex lege MTPL insurance	CZK '000	3,211,980	805,687	449,414	25.08	55.78
6 Number of insured vehicles at 31 December	pcs	5,137,617	5,222,125	5,355,452	101.64	102.55
7 Average claim paid per loss event by year of occurrence						
– MTPL insurance	CZK/pcs	27,344	26,105	25,547	95.47	97.86
8 Number of claims settled – MTPL insurance	pcs	216,869	320,301	357,497	147.69	111.61
9 Number of claims settled – ex lege MTPL insurance	pcs	111,176	18,790	n. a.	16.90	n. a.
10 Number of claims outstanding – MTPL insurance	pcs	74,818	82,648	99,012	110.47	119.80
11 Number of claims outstanding – ex lege MTPL insurance	pcs	59,090	25,588	n. a.	43.30	n. a.

Source: ČAP, Czech Insurers' Bureau (data are for ČAP members only; in 2002 there were a total of 5,405,549 insured vehicles in the Czech Republic)
n. a.: not available

E.19 Workmen's Compensation Insurance

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Premiums	CZK '000	2,402,173	2,618,722	4,067,310	109.01	155.32
2 Claims paid	CZK '000	1,639,839	1,849,074	2,079,224	112.76	112.45
3 Number of claims settled	pcs	84,379	86,371	84,661	102.36	98.02
4 Number of claims outstanding	pcs	3,622	2,760	3,491	76.20	126.49

F. NUMBER OF CLAIMS SETTLED BY RISK

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Total number of claims settled	pcs	2,000,625	2,085,425	2,162,881	104.24	103.71
2 • natural hazards	pcs	144,897	115,275	207,516	79.56	180.02
3 • theft	pcs	72,914	49,581	46,922	68.00	94.64
4 • motor damage	pcs	251,487	176,055	215,887	70.01	122.62
5 • crop and livestock	pcs	67,720	67,985	73,719	100.39	108.43
6 • accident*	pcs	391,231	90,995	112,324	23.26	123.44
7 • life	pcs	510,111	495,754	470,879	97.19	94.98
8 • pension (annuity)	pcs	89,309	166,898	86,807	186.88	52.01
9 • medical expenses abroad	pcs	23,219	27,802	29,250	119.74	105.21
10 • workmen's compensation insurance	pcs	84,379	86,371	84,661	102.36	98.02
11 • motor third party liability insurance	pcs	216,869	320,301	357,497	147.69	111.61
12 • general liability	pcs	108,862	113,078	118,053	103.87	104.40
13 • other risks	pcs	39,627	375,330	359,366	947.16	95.75

* change in reporting method; since 2001 separate accident only – not including supplementary accident insurance.

G. CLAIMS PAID

Indicator	Unit	2000	2001	2002	01/00	02/01
1 Claims total	CZK '000	–	38,678,956	57,891,266	–	149.67
2 Claims settlement costs	CZK '000	666,675	591,970	1,046,815	88.79	176.84
3 Claims paid total	CZK '000	33,947,511	38,086,986	56,844,451	112.19	149.25
4 • natural hazards	CZK '000	4,239,743	3,341,176	17,433,349	78.81	521.77
5 • theft	CZK '000	1,275,899	1,018,076	1,008,810	79.79	99.09
6 • motor damage	CZK '000	7,943,663	7,176,729	7,977,553	90.35	111.16
7 • crop and livestock	CZK '000	988,467	852,974	873,622	86.29	102.42
8 • accident*	CZK '000	1,228,791	468,435	562,873	38.12	120.16
9 • life	CZK '000	8,456,165	8,656,493	9,185,899	102.37	106.12
10 • pension (annuity)	CZK '000	1,879,290	3,687,155	2,219,459	196.20	60.19
11 • medical expenses abroad	CZK '000	256,100	287,893	351,652	112.41	122.15
12 • workmen's compensation insurance	CZK '000	1,639,839	1,849,074	2,079,224	112.76	112.45
13 • motor third party liability insurance	CZK '000	3,859,374	6,404,570	7,402,045	165.95	115.57
14 • general liability	CZK '000	926,044	1,095,910	1,138,897	118.34	103.92
15 • other risks	CZK '000	1,254,136	3,248,501	6,611,068	259.02	203.51

* change in reporting method; since 2001 separate accident only – not including supplementary accident insurance.

H. PREMIUMS WRITTEN AND MARKET SHARE (CZK '000, %)

	1999		2000		Total		2002	
		%		%	2001	%		%
Česká pojišťovna	33,076,635	52.43	26,910,331	38.12	31,035,286	38.44	33,279,987	36.63
Kooperativa	7,565,277	11.99	11,991,077	16.99	13,569,601	16.81	16,369,034	18.01
Allianz	3,238,899	5.13	6,252,941	8.86	7,287,378	9.03	7,707,692	8.48
Pojišťovna ČS	2,168,881	3.44	3,021,868	4.28	3,659,840	4.53	6,281,657	6.91
ČSOB Pojišťovna, člen holdingu ČSOB	5,974,662	9.47	6,153,284	8.72	5,506,760	6.82	5,525,119	6.08
ING Nationale-Nederlanden	3,535,463	5.60	4,018,863	5.69	4,227,120	5.24	4,808,887	5.29
Generali	1,302,197	2.06	1,743,778	2.47	2,101,003	2.60	2,724,045	3.00
Komerční pojišťovna	462,259	0.73	1,923,148	2.72	2,580,393	3.20	2,349,195	2.59
ČPP	225,663	0.36	834,546	1.18	1,365,862	1.69	2,082,446	2.29
UNIQA	942,883	1.49	1,258,485	1.78	1,455,162	1.80	1,795,879	1.98
AMCICO AIG Life	937,415	1.49	1,198,988	1.70	1,576,262	1.95	1,381,166	1.52
CREDIT SUISSE	566,327	0.90	872,967	1.24	1,044,148	1.29	1,098,709	1.21
ČSOB Pojišťovna (see page 36)	177,997	0.28	290,043	0.41	455,242	0.56	646,829	0.71
AIG CZECH REPUBLIC	–	–	–	–	53,505	0.07	595,518	0.66
EGAP	793,233	1.26	1,074,080	1.52	1,282,503	1.59	452,451	0.50
AVIVA	98,015	0.16	198,125	0.28	270,474	0.33	343,888	0.38
GERLING	244,972	0.39	294,781	0.42	318,887	0.39	300,115	0.33
Union	111,454	0.18	93,029	0.13	120,849	0.15	249,450	0.27
Hasičská	239,250	0.38	227,327	0.32	208,635	0.26	236,110	0.26
ČP ZDRAVÍ	146,887	0.23	174,056	0.25	190,430	0.24	197,749	0.22
Wüstenrot	7,794	0.01	53,572	0.08	103,818	0.13	189,046	0.21
VICTORIA	95,601	0.15	125,435	0.18	163,616	0.20	159,147	0.18
D.A.S.	84,060	0.13	102,232	0.14	122,332	0.15	144,116	0.16
ČESCOB	53,119	0.08	86,749	0.12	110,890	0.14	103,549	0.11
CARDIF PRO VITA	14,082	0.02	51,353	0.07	65,074	0.08	100,991	0.11
Evropská Cestovní	63,893	0.10	77,231	0.11	92,959	0.12	94,739	0.10
Slavia	55,830	0.09	59,591	0.08	42,248	0.05	43,916	0.05
Gothaer	13,538	0.02	22,076	0.03	27,534	0.03	30,784	0.03
KRAVAG-SACH	12,197	0.02	13,984	0.02	31,728	0.04	22,696	0.02
ČKP	–	–	5,863	0.01	3,853	0.00	3,054	0.00
MAXIMA	151,295	0.24	65,461	0.09	65,367	0.08	1,109	0.00
CERTUSIA	81,606	0.13	88,215	0.12	58,610	0.07	–	–
ČP DIRECT	499	0.00	1,075	0.00	–	–	–	–
PATRIE	23,934	0.04	–	–	–	–	–	–
Czech Republic Total	63,086,163	100.00	70,589,346	100.00	80,744,745	100.00	90,865,305	100.00

Non-life insurance					Life insurance				
1999	2000	2001	2002	%	1999	2000	2001	2002	%
24,551,366	17,532,775	19,025,738	20,908,505	36.89	8,525,269	9,377,556	12,009,548	12,371,482	36.18
6,827,061	10,503,720	11,483,738	13,313,217	23.49	738,216	1,487,357	2,085,863	3,055,817	8.94
2,594,302	5,212,770	6,089,314	6,452,866	11.39	644,597	1,040,171	1,198,064	1,254,826	3.67
1,992,908	2,699,087	2,618,371	2,736,157	4.83	175,973	322,781	1,041,469	3,545,500	10.37
1,555,067	2,512,674	2,342,225	2,140,978	3.78	4,419,595	3,640,610	3,164,535	3,384,141	9.90
-	-	-	-	-	3,535,463	4,018,863	4,227,120	4,808,887	14.06
894,042	1,265,451	1,491,532	1,965,899	3.47	408,155	478,327	609,471	758,146	2.22
274,990	1,454,814	1,550,146	1,336,292	2.36	187,269	468,334	1,030,247	1,012,903	2.96
216,250	777,794	1,023,670	1,402,120	2.47	9,413	56,752	342,192	680,326	1.99
759,641	1,055,350	1,176,504	1,402,743	2.48	183,242	203,135	278,658	393,136	1.15
360,090	458,169	578,180	166,389	0.29	577,325	740,819	998,082	1,214,777	3.55
234,968	297,049	263,865	96,262	0.17	331,359	575,918	780,283	1,002,447	2.93
172,725	280,608	440,183	606,200	1.07	5,272	9,435	15,059	40,629	0.12
-	-	53,505	595,518	1.05	-	-	-	-	-
793,233	1,074,080	1,282,503	452,451	0.80	-	-	-	-	-
-	-	-	-	-	98,015	198,125	270,474	343,888	1.01
244,972	294,781	318,887	300,115	0.53	-	-	-	-	-
111,213	91,277	117,069	241,984	0.43	241	1,752	3,780	7,466	0.02
224,053	212,156	193,641	218,311	0.39	15,197	15,171	14,994	17,799	0.05
146,887	174,056	190,430	197,749	0.35	-	-	-	-	-
244	-	-	-	-	7,550	53,572	103,818	189,046	0.55
57,529	55,931	73,591	71,271	0.13	38,072	69,504	90,025	87,876	0.26
84,060	102,232	122,332	144,116	0.25	-	-	-	-	-
53,119	86,749	110,890	103,549	0.18	-	-	-	-	-
10,453	42,575	51,650	78,272	0.14	3,629	8,778	13,424	22,719	0.07
63,893	77,231	92,959	94,739	0.17	-	-	-	-	-
55,830	59,591	42,248	43,916	0.08	-	-	-	-	-
13,538	22,076	27,534	30,784	0.05	-	-	-	-	-
12,197	13,984	31,728	22,696	0.04	-	-	-	-	-
0	5,863	3,853	3,054	0.01	-	-	-	-	-
137,750	62,289	60,507	1,109	0.00	13,545	3,172	4,860	0	0.00
81,606	88,215	58,610	0	0.00	-	-	-	-	-
499	1,075	0	0	0.00	-	-	-	-	-
23,934	0	0	0	0.00	-	-	-	-	-
43,168,766	47,819,214	52,462,779	56,673,494	100.00	19,917,397	22,770,132	28,281,966	34,191,811	100.00

Selected Czech Republic Macroeconomic Data

Indicator	Unit	1999	2000	2001	2002	00/99	01/00	02/01
Total current household income*	CZK m	1,588,834	1,664,580	1,757,004	1,848,526	104.8	105.5	105.2
• wage and salary income	CZK m	655,863	687,075	734,932	780,787	104.7	107.0	106.2
• welfare benefits other than in-kind	CZK m	252,282	276,504	292,808	314,750	109.6	105.9	107.5
Total current household expenditures*	CZK m	497,295	521,090	555,243	600,287	104.8	106.5	108.1
Total household deposits (CZK-denominated, incl. interest)	CZK m	700,107	744,796	826,825	838,855	106.4	111.0	101.4
Number of registered business entities at year-end		1,963,319	2,050,770	2,121,562	2,223,745	104.5	103.4	104.8
Population as of 31 December	persons	10,278,098	10,266,546	10,269,726	10,206,269	99.9	100.0	99.3
Children 18 and under at 31 December	persons	2,256,080	2,205,561	2,021,997	1,985,487	97.8	98.6	98.2
Live births	persons	89,471	90,910	90,715	92,786	101.6	99.8	102.3
Deaths	persons	109,768	109,001	107,755	108,243	99.3	98.9	100.4
Freight transport	kt	540,929	525,100	546,104	568,693	97.1	104.0	104.1
• rail ¹⁾	kt	90,735	98,293	97,011	92,279	108.3	98.7	95.1
• road ²⁾	kt	448,300	414,725	438,683	474,883	92.5	105.8	108.2
• air	kt	17	19	16	18	111.8	84.8	112.5
• water (in-state)	kt	1,877	1,906	1,594	1,513	101.5	83.6	94.9
Gross fixed capital								
• buildings and structures	CZK m	214,902	244,724	273,548	280,529	113.9	111.8	102.6
• machines and equipment	CZK m	288,563	290,265	290,906	282,262	100.6	100.2	97.0
• other	CZK m	24,808	26,530	38,833	36,521	106.9	146.4	94.0
Total housing units in the Czech Republic ³⁾				3,827,678				
Total number of buildings ³⁾				1,969,018				
Total permanently occupied buildings				1,626,789				
Unoccupied buildings				338,003				
Buildings by type of ownership								
• private individual				1,397,377				
• municipality, State				77,998				
• housing cooperative				41,808				
• foreign owner				966				
• legal entity for privatization purposes				12,404				
• other legal entity				33,333				
• combination of owners				55,883				
• not determined				7,020				
Foreign trade ⁴⁾								
• imports	CZK m	973,169	1,241,924	1,386,938	1,325,279	127.6	111.7	95.5
• exports	CZK m	908,756	1,121,099	1,269,749	1,250,439	123.3	113.3	98.5
• trade balance	CZK m	-64,413	-126,783	-117,189	-74,840	-	-	-
Arrivals of foreign visitors to the Czech Republic	persons '000	100,832	104,247	103,070	97,606	103.4	98.9	94.7
Departures of Czech citizens from the Czech Republic	persons '000	39,977	38,177	36,224	34,303	95.5	94.9	94.7
Total motor vehicles	pcs	5,238,778	5,230,846	5,580,151	5,740,823	99.8	106.7	102.9
• passenger cars and light trucks	pcs	3,695,792	3,720,316	3,523,277	3,619,374	100.7	94.7	102.7

* Current household income and expenditures constitute cash and in-kind income/expenditures relating to transactions in products and services and to income distribution transactions. They do not include income relating to capital and financial transactions.

¹⁾ aggregate data for rail transport, i.e. including small freight haulers

²⁾ aggregate data for road transport according to Eurostat methodology, i.e. public and non-public transport

³⁾ final data from the Census of 2001

⁴⁾ data shown use methodology valid as of 1 July 2000; 2002 data are preliminary taken from closing as of 18 April 2003

⁵⁾ data as of 6 January 2003

Source: Czech Statistical Office (www.czso.cz)

Fires

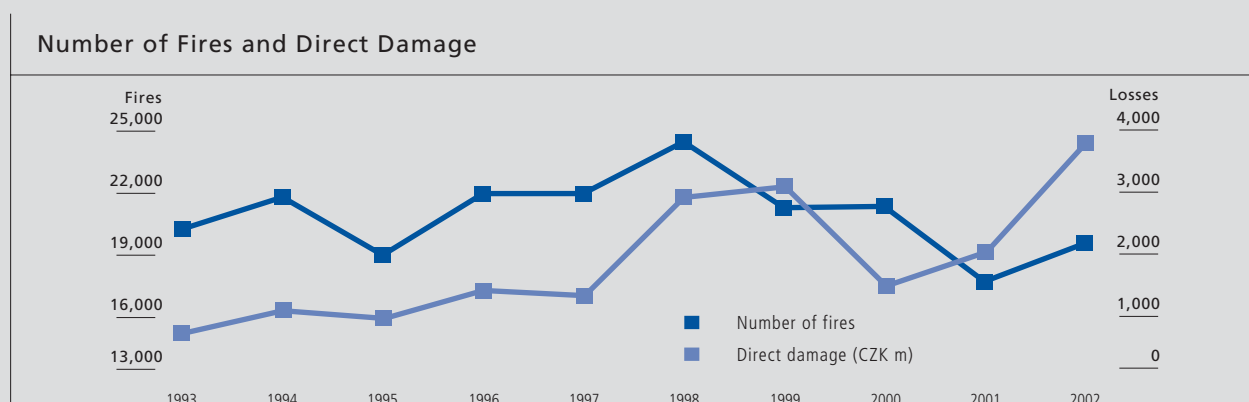
1. Fires by Sector of Economy

Sector	Number of fires				Direct losses (CZK m)			
	1999	2000	2001	2002	1999	2000	2001	2002
1 CZECH REPUBLIC TOTAL	20,857	20,919	17,285	19,132	2,088.6	1,426.3	2,024.7	3,731.9
2 • processing industries and energy generation	960	938	959	955	752.0	309.6	1,038.0	2,688.0
3 • construction	146	103	135	105	31.8	25.9	31.1	10.8
4 • transport and communications	2,352	2,355	2,243	2,429	234.8	333.1	147.8	269.9
5 • agriculture	1,032	888	689	735	130.9	141.6	171.0	129.3
6 • forestry	1,182	1,317	450	569	48.6	26.4	18.3	27.2
7 • residential buildings, households	2,569	2,712	2,534	2,718	172.2	217.1	171.0	217.6
8 • commerce	316	284	293	247	400.2	63.8	305.7	95.1
9 • non-manufacturing activity	2,295	2,360	2,183	2,136	203.7	278.5	142.7	272.5
10 • non-classified and other	10,005	9,962	7,799	9,238	114.4	30.3	29.1	21.5

2. Fires by Cause in 2002

Cause	Number of fires	Consequences		Direct losses (CZK m)
		Injuries	Deaths	
11 • arson	1,339	95	12	194.6
12 • children at play	532	35	1	31.6
13 • negligence of adults	2,698	321	35	179.6
14 • defective chimney	386	29	1	47.4
15 • defective heating system	171	21	1	15.8
16 • mechanical faults, incorrect operation	3,252	146	6	583.7
17 • spontaneous combustion	173	8	0	23.1
18 • traffic accident	198	131	32	25.8
19 • other	263	49	1	42.3
20 • not further investigated	8,618	–	–	–
21 • unknown, under investigation	1,502	107	20	2,588.0
22 CAUSES – TOTAL	19,132	942	109	3,731.9

3. Number of Fires and Direct Damage in 1993 – 2002



Source: Statistical Summaries, Ministry of Interior – Fire and Rescue Service of the Czech Republic Headquarters, May 2003 (www.mvcr.cz)

Health Care

1. Czech Republic Public Health Expenditures (CZK m)

Indicator	1999	2000	2001	2002*	00/99	01/00	02/01
1 TOTAL PUBLIC HEALTH EXPENDITURES	123,453	129,626	145,096	154,100	105.0	111.9	106.2
2 State budget total	13,128	13,708	13,960	16,579	104.4	101.8	118.8
3 • non-investment expenditures	7,418	7,164	8,052	8,760	96.6	112.4	108.8
4 Health insurance companies total	110,325	115,918	131,136	137,521	105.1	113.1	104.9
5 • health care**	106,351	111,387	126,649	132,595	104.7	113.7	104.7
6 Total consumption of medication	36,444	38,392	44,241	48,032	105.3	115.2	108.6
7 Total public expenditures per person CZK	12,006	12,619	14,191	15,107	105.1	111.5	106.4

* data are preliminary

** does not include direct household expenditures for health care

2. Development of Direct Private Health Expenditures of Individuals

Indicator	Unit	1993	1998	1999	2000	2001	2002*
TOTAL	CZK m	3,800	10,604	11,475	12,245	13,703	14,454
Per capita	CZK	959	1,030	1,116	1,193	1,332	1,417

* data are preliminary

3. Reported Cases of Labor Disablement for Illness and Injury (average case duration in days)

Year	Total	Illness	On-the-job injury	Off-the-job injury
1985	17.06	16.17	27.19	22.58
1990	18.39	17.48	28.13	23.98
1995	24.44	23.71	36.03	34.30
2000	28.00	27.72	40.70	37.33
2001	28.59	27.83	40.61	38.58
2002	30.76	30.00	41.69	40.05

Source: Institute of Health Information and Statistics of the Czech Republic (ÚZIS ČR), July 2003 (www.uzis.cz)

Crime

1. Thefts by Category – number, index

Category	1999	2000	2001	2002	00/99	01/00	02/01
1 TOTAL THEFTS	269,972	253,195	227,805	236,671	93.8	90.0	103.9
2 Burglary	85,631	74,231	63,167	72,040	86.7	85.1	114.0
3 • cottages	14,785	12,519	10,510	11,426	84.7	83.9	108.7
4 • restaurants, kiosks	6,907	5,629	4,712	5,814	91.5	83.7	123.4
5 • shops, shop windows	7,067	5,852	4,955	6,463	82.8	84.7	130.4
6 • apartments	12,445	11,294	10,590	11,933	90.8	93.8	112.7
7 • schools	1,335	1,133	991	1,050	84.9	87.5	106.0
8 Simple theft	184,341	178,964	164,638	164,631	97.1	92.0	100.0
9 • items from motor vehicles	67,060	62,005	53,472	66,941	92.5	86.2	125.2
10 • bicycles	14,467	13,040	8,895	6,848	90.1	68.2	77.0
11 • motor vehicle parts	8,146	8,088	6,765	6,303	99.3	76.2	93.2
12 • pick pocketing	10,234	11,465	10,854	12,064	112.0	94.7	111.1
13 • in apartments	6,979	7,001	7,516	5,601	100.3	107.3	74.5
14 • single-track motor vehicles	1,854	1,700	1,400	1,166	91.7	82.3	83.3
15 • double-track motor vehicles	27,092	23,839	22,139	24,977	88.0	92.9	112.8
16 • domestic animals	586	563	421	264	96.1	74.8	62.7

2. Damage (CZK m)

Category	1999	2000	2001	2002	00/99	01/00	02/01
1 TOTAL DAMAGE CAUSED BY CRIME	35,653	63,409	55,741	43,288	177.9	87.9	77.7
2 • burglary	3,349	2,842	2,331	3,131	84.9	82.0	134.3
3 • simple theft	7,446	7,026	6,717	7,592	94.4	92.5	113.0

Source: Statistical Summaries, Police of the Czech Republic, May 2003 (www.mvcr.cz)

Traffic Accidents

Indicator	Unit	1999	2000	2001	2002	00/99	01/00	02/01
1 TOTAL TRAFFIC ACCIDENTS IN THE CZECH REPUBLIC		225,690	211,516	185,666	190,718	93.7	87.8	102.7
2 Total persons injured		34,840	32,588	33,790	34,505	93.5	103.7	102.1
3 Estimated damage	CZK m	7,149	7,096	8,244	8,891	99.3	116.2	107.8
4 Average damage per accident	CZK	31,675	33,547	44,402	46,618	105.9	132.3	105.0
5 Average number of accidents per day		618	580	509	523	93.9	87.7	102.8
6 Number of accidents per 1,000 population		22.0	20.6	20.6	18.7	93.8	100.0	90.8

Source: Statistical Summaries, Police of the Czech Republic, May 2003 (www.mvcr.cz)

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