

## THE TRANSFORMATION OF INSURANCE

doc. Ing. Viktória Čejková, PhD., Masaryk University, Brno  
Martina Poláčková, Pojišťovna České spořitelny, a. s.  
(Insurance Company of the Czech Savings Bank)

*An international conference organized by the National Economic Faculty of the Economics University in Bratislava was held at the end of 2001. The aim of the conference was to present the results of research and the economic practice of the insurance industry in the conditions of Slovakia and the Czech Republic, and to compare the present state of preparations in both republics in the area of insurance, for joining the developed economies of the EU states. This conference was the second continuation of the exchange of experience in this area at the Economics University in Bratislava. More than 60 experts from theoretical, university and other institutions, experts from economic practice and students concerned with the problem of the insurance market in Slovakia and the Czech Republic participated in the conference. The majority came from Slovakia and the Czech Republic, but also included guests from Poland and Hungary.*

The discussions were opened by Doc. Ing. Anna Majtánová PhD. She especially welcomed the guests from abroad and representatives from economic practice. Doc. Ing. Rudolf Sivák CSc., chairman of the international committee of the conference and dean of the National Economic Faculty of the Economics University in Bratislava, gave an introductory talk. He especially emphasized the importance of insurance and this conference for building up the reputation of his faculty, for research and for the education of experts at the Bratislava Economics University for the needs of economic practice.

The first day of the conference was led by Doc. Majtánová, and consisted of papers and talks about the development of the insurance market in Slovakia after 1993, transformation of insurance accounting in the process of Slovakia's preparation to join the EU, pension insurance as part of the social system in Poland, study of insurance at the Faculty of Economics of the Technical University at Liberec, investment activity of commercial insurance companies in the Czech Republic, comparison of credit insurance in Slovakia and selected countries, insurance and the population as the main factor of market change in the insurance industry.

The second day consisted of an expert section led by Doc. Čejková from the Faculty of Economics of Masaryk University in Brno. The participants spoke about the situation in the Czech insurance market, insurance of responsibility for damage to the environment, the position of insurance brokers in selected European countries, trends in the global insurance market, selected indicators of the insurance market in Slovakia and its possibilities for integration into the European Union, the importance and creation of fluctuating reserves in Slo-

vakia and in selected European countries, different approaches to the definition of costs in commercial insurance. The participants added to the themes of the lectures with many discussion contributions, questions and supplements. We have selected the most interesting of the various stimuli, ideas and conclusions from the discussions:

- Preparation for the integration of the Czech Republic and Slovakia into the EU requires the transformation of universal insurance companies into specialized insurance companies, that is into life or non-life insurance companies. This process will continue even if there are further mergers of insurance companies and the expected decrease in the number of companies in both insurance markets occurs. Further integration of banking and insurance services, involving the widening of bank insurance can also be expected in both republics.

- The further changes expected in the near future include the more equal division of the insurance market according to size of the indicator *prescribed insurance*. The former monopoly insurance companies still have a large proportion in both republics.

- In comparison with developed economies, the percentage of insurance is low in the Czech Republic and Slovakia. Growth is expected mainly in the area of life insurance.

- Widening of the mediation net of the insurance companies is expected. Great emphasis will be placed on the high professional level of the mediator of insurance in the new insurance products and services for clients.

- The problem of transformation of legal insurance into contractually obligatory insurance is also connected with integration into the EU. This process already started in the Czech Republic in 2000. It will begin in Slovakia in 2002.

- Changes in the accounting of commercial insurance are also necessary. The ministries in both republics are preparing new accounting systems according to European systems, for companies, which need auditing, and from 2005 for companies, which trade in public markets.

- The possibilities of locating parts of the technical reserves of insurance companies were also discussed, especially in connection with the changes in the Czech Republic in act no.363/1999 Sb. on the insurance industry, which also enabled investment in derivatives on financial markets.

### Conclusion

Insurance was designated a promising area on which the attention of economic practice and universities should be concentrated, because it appears to be one of the important parts of the financial market in both republics. The conference po-



inted to the open problems in Slovak and Czech insurance in the process of its transformation before integration into the EU. The results of scientific studies, contributions from those involved in the joint scientific and technical co-operation project of the Czech Republic and Slovakia and the views and problems of experts from economic practice were presented at the conference. Space was created for the confrontation of individual views and their results, which can be presented in the educational process, in the scientific research activity of the joint project.

The conference contributed to the development of cooperation between experts in insurance, it enabled the creation of new contacts and stimulated consideration of the possibility to widen teaching of insurance at universities. It is especially necessary to thank its organizers, and we recommend the holding of a similar theoretical-practical expert seminar concerned with topical problems in the area of insurance every year. People from academic institutions, economic practice and ministries in both republics could exchange views and experiences at it.