



Based on Article 35, Paragraph 1.1 of the Law No. 03/L-209 on the Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo, No. 77/16 August 2010), Article 4, Paragraph 3 and Article 81, Paragraph 2 and 3 of Law No. 05/L-045 on Insurance (Official Gazette of the Republic of Kosovo, No. 38/24 December 2015), the Board of the Central Bank of the Republic of Kosovo in the meeting held on 27 June 2016 adopted the following:

## **REGULATION ON PUBLICATION OF INFORMATION BY INSURERS**

### **Article 1**

#### **Purpose and Scope**

1. The purpose of this regulation is to define the information that insurers shall publish and the manner, form, and deadlines for its publication in order to increase the transparency and discipline in the insurance sector, as well as to ensure the sustainability and reliability of this sector.
2. This regulation applies to all insurers licensed by the CBK to operate in the Republic of Kosovo.

### **Article 2**

#### **Definitions**

1. All terms used in this regulation are defined in Article 3 of Law No. 04/L-45 on Insurance (hereinafter: *Law on Insurance*) and/or as set forth for the purpose of this regulation:
  - a) *Financial year* - means the period from 1 January to 31 December of that year.

### **Article 3**

#### **Requests for publication procedures and characteristics of information**

1. Companies shall develop and adopt internal acts on procedures for the preparation and publication of information, which should include the types of information to be published, frequency of publication and systems of control for the publication process.

2. Insurers should publish information on the risks that they are exposed to during their activity, by giving out a general overview of their risk profile.
3. Information published by the insurers should be of a material nature, so that it adjusts to and serves the decision-making requirements of its users and help them out in assessing risks and potential profit on their investments, other possible exposures or the performance and the future financial position of their activity.
4. Under this Regulation, the information will be considered to be of a material nature in cases where its exclusion or inaccurate statement, can affect or change the economic decision of the user of this information.
5. Insurers should publish reliable information that reflects their economic positions. This information should be verifiable at any time, complete in all aspects that represent importance to the user.
6. Insurers must present the information publication date. In case of correction of information published by the insurers they also must publish the date of the correction made.
7. Insurers must use their logo, as a noticeable mark in their publications.
8. Insurers should not publish information that is considered to be confidential or secret to their customers based on applicable laws or bylaws, or other information which could have an impact in their competitive position in the market.
9. Insurers should publish the information in one of two official languages of the Republic of Kosovo and on a voluntary basis in other languages.

#### **Article 4**

#### **Publication of Annual Reports**

1. Insurers should prepare and publish an audited annual report approved by the governing board of the insurer, no later than 6 months from the end of the calendar year.
2. The annual report should contain:
  - a) audited financial statements;
  - b) opinion of the external auditor on the financial statements;
  - c) opinion of an independent actuary, engaged by the external auditor for the purpose of auditing.
3. Insurers should keep annual reports published on their web page for at least the last three financial years.

4. Besides this, as it is determined in Paragraph 2 of this Article, insurers should disclose on their annual reports the following:
  - a) General data on the insurer, which should at least include:
    - i. name of the insurer and headquarters address;
    - ii. previous name of the insurer (if applicable);
    - iii. if the insurer belongs to a group, name of the organizing group, main branches and participants;
    - iv. territorial coverage of the insurer (branches, affiliates, representative offices in and out of the country);
    - v. data the insurer was established and its legal status;
    - vi. names of main people, such as: members of the board, senior management, main people in the control function (if applicable, risk managers, compliance officers, internal auditors and actuaries);
    - vii. names and addresses of external auditors and actuaries;
    - viii. contact data;
    - ix. insurance classes for which the insurer was licensed.
  - b) Information on the structure of the capital and shares, a list of shareholders and their participation share in percentage to the shareholders capital;
  - c) Objectives, policies and management;
  - d) Corporate governance;
  - e) Risk management policy;
  - f) Information on the financial position and performance, which should at least include:
    - i. ~~f~~Financial position (balance sheet);
    - ii. ~~f~~Financial performance (Income and expense statement);
    - iii. ~~c~~Capital adequacy (solvency);
    - iv. ~~d~~Disclosure of contracts and agreements with reinsurers on ceded risks;
    - v. ~~i~~Information on premium and claims by insurance classes in number and value;
    - vi. ~~m~~Main insurance indicators (ratios), such as: incurred claims ratio, expense ratio, combined ratio, operational ratio, adjusted claims ratio, technical reserve coverage ratio, capital adequacy ratio, gross and net risk ratio;
    - vii. ~~o~~Other financial indicators (ratios) such as: return on average assets indicator, return on average equity indicator, return on average investment indicator, debt to equity indicator.
5. Information covered in Paragraph 2 of this Article should be clearly presented and in an appropriate manner, with the goal of achieving a sufficient level of transparency of the insurer.
6. Insurers must submit a copy of their annual report to the CBK and publish it on their web page.

7. Information required in Paragraph 4, ~~point~~ a) of this Article should be published at all times on the insurer's web page and should be updated whenever there are changes.

## **Article 5**

### **Quarterly Publications**

1. Insurers should publish their financial positions and performance on their web page within 30 days after the end of each quarter, according to the annexes provided in this regulation.
2. The published summary of the quarterly financial position and performance should be accurate, true and be in accordance with the summary from the previous period, which should be included as a reference. In case of changes to applied accounting methods, projections from the previous period should be determined and published in accordance with the new methods.
3. Preliminary summary of the balance sheet and income statement for the fourth quarter, ending on 31 December, should be published within 30 days without waiting on the opinion of the external auditor, without cutting short on the obligation to publish the final audited balance sheet and income statement within 6 months after the end of the financial year together with the opinion of the external auditor.
4. Balance sheet and income statement should be compiled according to the International Financial Reporting Standards, by reflecting additional rules and standards as determined by the CBK and be published in accordance with the forms attached at the bottom of this regulation.
5. Insurers, besides the balance sheet and income statement, should also publish on their official web page quarterly indicators as determined in Article 4, Paragraph 4, Subparagraph g) of this regulation.

## **Article 6**

### **Informing the Public**

For purposes of informing the public, the insurer should publish in its web page, information as determined with Article 53 of the Law on Insurance.

## **Article 7**

### **Enforcement, Remedial Measures and Civil Fines**

Violations of this regulation will be subject to remedial measures and fines foreseen in Articles 124, 125, and 126 of the Law on Insurance.

**Article 8**  
**Annexes**

Annex 1 with the attached tables represents an integral part of this regulation.

**Article 9**  
**Entry into Force**

This regulation enters into force on 1 July 2016.

Chairman of the Board of the Central Bank of the Republic of Kosovo

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Prof. Dr. Bedri Peci

## Annex 1

<b>BALANCE SHEET</b>	<b>Euro '000</b>	
	<b>Preceding quarter</b>	<b>Upcoming quarter</b>
<b>ASSETS</b>		
Cash at hand and in banks		
Investments in deposits		
Deferred Acquisition Costs		
Accounts receivable from insurance and reinsurance		
Reinsurance assets		
Land and buildings		
Other tangible assets		
Intangible assets		
Other assets		
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Claim reserves and claims handling costs		
Unearned premium and unexpired risk reserves		
Accounts payable for insurance and other liabilities		
Loans and credit		
Other credit and accruals		
<b>TOTAL LIABILITIES</b>		
<b>SHAREHOLDER'S CAPITAL</b>		
Shareholder's capital		
Accumulated profit		
Other reserves		
<b>TOTAL SHAREHOLDER'S CAPITAL</b>		
<b>TOTAL LIABILITIES AND CAPITAL</b>		

**INCOME STATEMENT****Euro '000**

	<b>Preceding quarter</b>	<b>Upcoming quarter</b>
<b>Earned premium, net of reinsurance</b>		
Gross written premium		
Premium ceded to the reinsurer (-)		
Change in unearned premium (+/-)		
Change in unearned premium, reinsurance portion (+/-)		
Income earned from interest, net		
Other income		
<b>Total income</b>		
<b>Incurred losses, net of reinsurance</b>		
Gross paid claims		
Reinsurance portion (-)		
Change in claim reserves		
Reinsurance portion (-)		
Underwriting expenses		
Change in underwriting expenses (+/-)		
Administrative expenses		
Reinsurance commissions (-)		
<b>Total losses and expenses</b>		
<b>Net profit / loss for the year</b>		
Other comprehensive income		
<b>Total comprehensive income for the year</b>		

### Written Premium and Paid Claims by type of insurance

	Type of insurance	Number of contracts			Gross Written Premium			Number of paid claims			Amount of paid claims		
		Preceding quarter	Current period	Change (%)	Preceding quarter	Current period	Change (%)	Preceding quarter	Current period	Change (%)	Preceding quarter	Current period	Change (%)
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
	<b>Total</b>												

#### Insurance indicators (ratios):

- Net incurred claims ratio = Net incurred claims / Net earned premium
- Net expense ratio = (Total expenses – reinsurance commissions) / Net earned premium
- Net combined ratio = Net incurred claims ratio + Net expense ratio
- Investments ratio = Net investment income / Net earned premium
- Operational ratio = Combined ratio – Investment ratio
- Adjusted claims ratio = Claim paid during the period / Claims reported during the period
- Technical reserves coverage ratio = Admissible assets / Total technical reserves
- Gross risk ratio = Gross written premium / Equity
- Net risk ratio = Net written premium / Equity
- Return on average assets indicator = Net profit / average assets



- Return on average equity indicator =  $\text{Net profit} / \text{average equity}$
- Return on average investments indicator =  $\text{Income earned from investments} / \text{average invested assets}$
- Debt to equity indicator =  $\text{Total liabilities} / \text{shareholder's capital}$
- Capital adequacy indicator =  $\text{Available capital} / \text{regulatory required capital}$ .