



BANKA QENDRORE E REPUBLIKËS SË KOSOVËS
CENTRALNA BANKA REPUBLIKE KOSOVA
CENTRAL BANK OF THE REPUBLIC OF KOSOVA

Governor's Opening Speech

October 10, 2024

Conference: 22nd Meeting of the Central, Eastern and South-Eastern European - European Insurance Supervision Initiative (CESEE – ISI)
Organizer: European Insurance Supervision Initiative
Host: Central Bank of the Republic of Kosovo
Time and Venue: Swiss Diamond Hotel, Boulevard Mother Teresa N.N. - 10000 Prishtina, Kosovo

Dear Mr. Peter Braumüller, Managing Director of Insurance and Pension Supervision at the Austrian Financial Market Authority,

Dear Deputy Governor Cakaj,

Distinguished representatives of Insurance Regulatory Authorities,

Ladies and gentlemen,

It is with great pleasure that I welcome you to Prishtina at the 22nd Meeting of the CESEE - European Insurance Supervision Initiative – ISI (Central, Eastern and South-Eastern European).

Before I continue with my opening remarks, I would like to extend a special thank you to Mr. Peter Braumüller and to all the team involved to the organisation of this event.

Mr. Braumüller, your leadership continue to be crucial in keeping this initiative a success. Your commitment to fostering collaboration and knowledge-sharing among our diverse community is truly admirable, and we are grateful for your efforts!

This event marks a significant milestone, not only for Kosovo, but also for the Central Eastern and South-Eastern European region, as we unite under the common goal of enhancing insurance supervision and cross-border cooperation. Since its inception in 2011, the meeting has proven to

be an invaluable platform for insurance regulators where they are able to exchange insights, share experiences, and discuss pressing issues on insurance supervision.

Today, as we meet in Kosovo for the first time, we continue to honour this wonderful tradition of cooperation, knowledge-sharing, but also collegiality. It is a privilege to host such a diverse group of dedicated professionals committed to enhancing supervision and strengthening our regulatory frameworks and ensuring the integrity of our insurance markets.

This year is particularly special for us; as the Central Bank of the Republic of Kosovo proudly celebrates its 25th anniversary. Hosting the forum aligns perfectly with our anniversary events and we believe that this occasion resonates with the spirit of our meeting - a celebration of growth, resilience, and commitment to mutual as well as shared values.

I would like to briefly highlight the significant progress we have made in our insurance sector, particularly through specific reforms which we have successfully implemented with the aim of restoring the financial position of our insurance sector. CBK as regulator and supervisor has successfully addressed several challenges while implementing prudent measures to resolve those issues and make sure that the sector perform according to the rules and protect the policyholders or beneficiaries and victims.

Taking into consideration all the important measures we have undertaken, including the strengthening of our regulatory framework, these efforts have paved the way for further growth and sustainability, and an increase of the consumer confidence.

We are committed to advancing the regulatory and supervisory framework of the Insurance Industry in line with EU standards and best practices.

We have received the Roadmap for Solvency II from the World Bank, which is an ambitious, challenging, and demanding project. This means we are gradually transitioning from purely compliance-based supervision to prudential risk-based supervision. This transition also involves the introduction of a risk-based supervision manual, with support from the IMF.

We have received also the roadmap for the IFRS 17. The implementation of the Solvency II and the IFRS 17 in our regional countries can certainly be a significant challenge, for which we will have the support of the World Bank.

We are working on enhancing the supervision of market conduct among our financial institutions by ensuring the CBK has adequate powers and resources to implement effective oversight. Recently, we established the Consumer Protection Department to improve support for financial consumers. Within this department, we have created a dedicated division focused on market conduct.

In our sector and in the most jurisdictions in the region, Motor Third Party Liability (MTPL) continues to play a dominant role in the insurance market. While MTPL is essential to provide basic cover and protect consumers from liabilities arising from the use of vehicles, as regulators we recognise the importance of diversifying the insurance portfolio to enhance overall financial

stability. We are therefore committed to increasing the share of voluntary non-life and life insurance products.

Currently, Kosovo is the only European country not a member of the Green Card system, despite our ongoing efforts to gain membership. Therefore, our insurers cannot issue Green Cards and vehicles from most European countries entering Kosovo must purchase border MTPL at the frontier for their stay. Although Kosovo officially applied to join the Green Card system, this application was unsuccessful. While progress has been made in meeting many criteria for membership, Council of Bureaux membership remains the step to be achieved. Addressing this issue is important for improving cross-border insurance coverage, support free move of people and capital and aligning Kosovo with regional insurance standards. Here, dear participants and guest, the support of your institutions and followed countries is needed.

Our team will provide you with more detailed insights on these developments later today, and I strongly encourage you to engage with them on this important topic.

As a Central Bank we recognize the importance of strong collaboration with other financial regulators and supervisors. Working together allows us to ensure the stability and security of our financial systems. By coordinating efforts, sharing information, and aligning policies we can better manage risks and support sustainable growth in our economies.

And lastly, as we embark on this journey together, let us embrace the opportunities ahead of us. There is an intensive agenda ahead of us, filled with discussions on current challenges in insurance supervision and a vision for our joint future. I encourage each of you to actively engage, share your insights, and build connections that will extend beyond this meeting.

By working together, we can strengthen our commitment to advance the insurance regulatory and supervisory framework towards a more integrated and resilient financial sector in our region.

Once again, thank you for being here, and let us make this meeting a success!