

Country Analysis Report – 2012

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Turkey</p>	<p>For Engineering Insurance lines, total premium production has shown an increase by 17.42% in TRY terms when compared to results of 2011 and reached to TRY 941,313,923 (522.5 million USD) in 2012. With this premium production, Engineering Insurance lines have produced to 5.50% of the whole non-life premium production in 2012. Machinery Breakdown Insurance had the first rank with 45.54% of total premium production, CAR has increase premium production by 30.5% now being about 30% of total Engineering Premium.</p>	<p>The overall loss ratio for the Engineering insurances decreased to 72.25% from the rate of 130.36%. In the Engineering insurance lines, total paid losses has increased by 25.35% in TRY terms when compared to 2011 results and has reached TRY 598,466,211 (332 million USD) in 2012. Similar as 2011, total paid & reserved losses in Machinery Breakdown Insurance, had the highest share of all in 2012, 40.21%, the Erection All Risks Insurance followed with a share of 25.61%.</p>	<p>The Engineering insurance market improved the technical result to 8.63% in 2012 from -3.25% due to the technical pricing and avoidance of the price-based competition.</p>	<p>Reforms in Turkey have strengthened the economy with an average annual the real GDP grew at a rate of 5 percent over the past decade between 2002 and 2012. In Engineering the first quarter of 2013 shows a dramatic increase in written premium over the same time in 2013, mainly in CAR which can be explained the the lagre projects of the Gulf of İzmit Bridge and Istanbul-Izmir Highway. The contract amount is approximately 6.1 billion USD. The new highway project stretching from the town of Gebze in the north-western province of Kocaeli to the Aegean province of Izmir, including a bridge over the Gulf of Izmit.</p>