

INSURANCE & INVESTMENT

SPECIAL

INSURANCE COMPANIES 

The environment of low interest rates in the long run also influences the development of the insurance sector. As the National Bank of Slovakia (NBS) notes further, it is a direct risk to achieving guaranteed yields in life insurance. A significant portion of life insurance contracts guarantees a yield that is difficult to achieve in the current conditions on maintaining a reasonable level of risk. • [SITA \(29.5.\)](#)

Statistics show that Slovaks still insure cars or real estate more than life. It is not only because some insurance policies such as compulsory car liability insurance are compulsory. 2”We are not used to thinking in advance about unpleasant events that may occur and they usually put financial burden on us and our relatives,” says Mirian Funova from insurance company Kopperativa. The Association of Financial Mediators and Advisors says that Slovaks rely more on good luck than on insurance when it comes to life protection. • [Plus jeden den \(1.6.\), pg. 12](#)

Hundreds of people mainly from Eastern Slovakia reported damages reaching millions of euros to insurance companies in past days, not only after floods but also hailstorm. “Clients should immediately call infoline and report insurance event. Insurance companies register the event and if needed, they arrange the date of inspection. It is also good to have one’s own photo documentation,” said Arthur Sturman from Allianz. • [Markíza \(31.5.\)](#)

The National Highway Company will pay 1.28 million euros ex-VAT for damages caused by members of its bodies for four years for damage liability insurance. The group of insurance companies Allianz Slovenska Poistovna, (main co-insurer), QBE Insurance (Europe) Limited seated in London – subsidiary in Kosice and Kooperativa Poistovna, Vienna Insurance Group will provide these services. According to the result of the public tender, the highway company received the only offer from this group of insurance companies. • [SITA \(31.5.\)](#)

PENSION SAVING 

At the session of Parliament in June MPs for SMER-SD will break the president's veto of the amendment to the law on social insurance and minimum pension and approve it in its original form. Prime Minister Robert Fico said this at a press conference on Friday. This means that savers in the second pillar will be eligible for a lower minimum pension than those

who remained exclusively in the state-run pay-as-you-go pension system. "If we guaranteed in the second pillar the same level of minimum pension as we do in the social security agency Socialna Poistovna, then the state would take on the risks that must be taken by the pension fund management company," said the prime minister. The Prime Minister does not see anything discriminatory in savers in the second pension pillar being entitled to a lower minimal pension. • [SITA \(29.5.\)](#) • [Pravda \(30.5.\), pg. 2](#) • [Plus jeden den \(1.6.\), pg. 3](#) • [STV \(29.5.\)](#) • [TA3 \(29.5.\)](#) • [JOJ \(29.5.\)](#) • [Markíza \(29.5.\)](#) • [Expres \(30.5.\)](#) • [SRo \(29.5.\)](#)

- Deputy Speaker of Parliament Erika Jurinova thinks that the law on minimal pension creates the group of small-time pensioners. “I am glad that President Andrej Kiska identified with concerns of opposition in connection with the law on social insurance. The law discriminates and that is not fair, said Jurinova. She thinks that President’s involvement in the issue is a good signal. “Vetoed law will be returned to parliament and if it is passed again without removal of injustice, the matter will be forwarded to the Constitutional Court, said Jurinova. • [SITA \(30.5.\)](#)

- Andrej Kiska ruled right again, reads a think piece in SME daily. Presidential veto of the minimal pension is exactly the case which called for the extreme measure. Kiska challenged articles that discriminate participants in the second pension pillar and create the risk of unconstitutionality that cannot be signed. In full correctness, Kiska also used the second argument that the calculation of payment of pension from the first pension pillar is also discriminatory towards savers. • [SME \(30.5.\), pg. 10](#)

Since the start of this year until May 28, 2015, a total of 530 savers have asked for the payout of pension from the second pension pillar, informed the spokesman for the social insurance agency Socialna Poistovna (SP), Peter Visvader. According to him, 180 savers have signed a contract with a life insurer on the payout of pension from the second pillar. The saver does not have to pick from the offer of pensions now but can ask for a pension from the second pillar anytime later. • [SITA \(29.5.\)](#) • [STV \(31.5.\)](#)

OTHER FINANCIAL SERVICES 

No relevant news in this category.

STOCK MARKET WEEKLY

ANALYSIS 

Bratislava Stock Exchange firmed last week. The value of the Slovak share index SAX grew 5.46 points to 251.34 points.

Mainly shares of pharmaceutical company Biotika increased while on the other hand the value of shares of Best Hotel Properties substantially decreased which was a consequence of reduction in the face value of these securities.

Shares of Best Hotel Properties were temporarily excluded from the SAX index base because of reduction in the face value last week. Company's shares were traded at 3.20 euros per shares after repricing at the end of last week while the week before their exchange rate was 12.20 euros per share with the original face value. Shares of crude oil refiner Slovnaft also weakened by 6.9 percent to 31 euros. On the other hand, shares of the pharmaceutical company Biotika firmed by 17.8 percent to 53 euros. Shares of VUB Banka also slightly increased by 0.4 percent to 117.50 euros. Tatra Mountain Resorts shares also registered a cosmetic increase by one cent to 21.31 euros.

SAX share index started last week's trading at 245.88 points. The index remained on this level also after Monday trading

but increased by as much as 8.5 points on Tuesday to 254.38 points. Further strengthening by 0.41 points was registered on Wednesday to the highest level of the week at 254.38 points. The index was slightly reduced by 3.47 points on Thursday and cosmetically formed by 0.2 points on Friday to close the trading at 251.34 points.

Turnover on the Bratislava Stock Exchange (BCPB) during last week totaled 240.7 million euros with 3.3 million euros in anonymous transactions and 40,000 euros in share trading. In the previous week, anonymous transactions accounted for 5.1 million euros and share trading reached 67,500 euros on a total turnover of EUR 194.9 million euros. • [SITA \(31.5.\)](#)