

ANALYSIS OF RCA INSURANCE DURING 2010-2017

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Abstract:

Insurance, is a very important field but also a segment of commercial sales that have a permanent development. Currently, the RCA insurance market is going through one of the most chaotic periods of time confronting with various issues that put under question its operation and evolution.

The Romanian insurance market is characterized by the excessive addiction of the auto portfolio - auto insurance represents 74% of the total gross written premiums for general insurance and 60% of the total gross written premiums at the market level.

Through the presented data, the present paper focuses on the analysis of the evolution of the RCA insurance which is until now the only mandatory general insurance requirement imposed by the Romanian state.

To understand better, theoretical and practical information we used as methods of research synthesis, comparative analysis, classification.

Keywords: insurance, market, premium, RCA, damage, insurers.

JEL Classification: I15

1. Introduction

Insurance is an essential aspect of modern life. Without insurance, many elements of today's society and economy could not work. The insurance industry provides coverage for economic, climatic, technological, and demographic risks, enabling people to live their daily lives and companies to operate, innovate and grow.

Civil liability insurance also called **RCA** is insurance whereby third parties injured as a result of a car accident caused by the insured driver's fault are compensated for material damage and / or death or personal injuries sustained in the accident.

The insurance industry has made many progresses over time, and its existence has generated other sectors of related activity, such as civil liability insurance. In other words, RCA is the method of protection by which those affected by car accidents are helped by providing compensation that varies from case to case.

2. Research methodology

Considering the above, the main objective of this paper is to analyze civil liability insurance by means of specific terms.

This paper is based on various types of data provided by the insurance market through different sources of information, which gives it a qualitative and quantitative character.

3. Presentation and analysis of data

2010 was the year in which cost reductions on all affected insurance budgets, expansion targets were replaced by customer retention, phase reflected in price reductions and commercial subscriptions by market players, even under the which car insurance is responsible for the ever-increasing growth losses of the insurance industry in recent years.

However, the civil liability category increased by 11.3% of premiums written, so its share in non-life insurance increased by more than 6 percentage points to 37%.

Thus, in 2010, compulsory RCA insurance generated a gross written subscriptions of about 2.5 billion lei, equal to the level of CASCO subscriptions, with more than 6.5 million contracts. Regarding complaints submitted to CSA by RCA customers, in 2010, the number was 5.300, as insurers opened over 350,000 claims last year.

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Thus, only 2.4% of companies' open claims files were subsequently reported to CSA as complaints

At the same time, RCA insurance concluded with the application of a malus class accounted only for 2% of the total of policy for insured individuals. The rest of the policies were concluded with the application of a bonus class, respective a 5% or 10% reduction, depending on the policy validity period.

The difference between this 2% value and the initially estimated 10-12% was attributed to data entry errors based on CEDAM, as well as the fact that are taken into account only the paid claims, not those approved.

Also, as a consequence of the implementation of the bonus-malus system, but also in view of the economic context, more and more companies have begun to apply retail tariffs to individuals using vehicles financed by leasing. In 2010, compared with 2009, compensation paid by the Road Victims Protection Fund for accidents caused by uninsured RCA vehicles or an unknown author increased by 107%, although in the same period the number of compensated persons increased by only 35%. In these conditions the average compensation paid by the Fund increased by 53%, reaching to 15,786 Ron the total amount paid as compensation amounting to 6,57 million in 2010. Number of persons compensated by F.P.V.S. has reached to 416, 35% more than in 2009, when 308 people were compensated. In terms of approved cases, their number increased from 608 in 2009 to 860 in 2010.

So if 2009 was the year when the crisis hit, with the first annual decline in the insurance market, 2010 was for the insurers the year when they actually faced its effects, so the main growth advantage of the few years, the development of the auto segment, which generates double digits, has become the main threat to the market.

If we are talking about **2011**, the insurance market in Romania dropped by 7.4% in the first semester, to 4.02 billion, given that the 3.81% increase in life insurance was offset by the decrease by 10, 08% of underwritings on the non-life segment, according to the Insurance Supervisory Commission (CSA). At the same time, premiums written on civil liability insurance decreased by 17.49% compared to the same period of 2010 to 1.13 billion, as a direct and exclusive effect of the high tariff cuts of insurance companies.

In total, motor insurance generated in the first six months of 2011 a volume of gross written In contrast, the rate of damage recorded in 2011 at the level of the entire MTPL insurance market was 94%, rising to 2010, when the paid compensation level accounted for 80% of the total subscriptions.premiums of 2.13 billion meaning 19.1% less than in the same period of last year.

In contrast, the rate of damage recorded in 2011 at the level of the entire MTPL insurance market was 94%, rising to 2010, when the paid compensation level accounted for 80% of the total subscriptions. Although the number of paid claims files dropped by 8%, from 330,100 files in 2010 to 302,488 files in 2011, the value of paid claims remained at 1.6 billion lei, the average MTPL damage increasing by 9%, from 4,855 lei, to 5,297

At the same time, RCA subscriptions declined by 21% in 2011 to just below ROL 2 billion, both as a result of the decrease of the number of concluded contracts and in the context of the reduction of the tariffs applied by the insurers.

Table no. 1

Quarterly rate of return for main classes of non-life insurance (%) Period	Indicator	Class III	Class VIII	Class X
T3 2011	Damage rate	81,72	18,38	92,01
Costs rate	31,75		47,19	38,83
Combined rate	113,47		65,56	130,84
T3 2012	Damage rate	93,24	21,8	99,06
Costs rate	34,19		37,54	41,25
Combined rate	127,43		59,34	140,3
T3 2013	Damage rate	88,37	19,66	78,29
Costs rate	35,04		40,52	38,89
Combined rate	123,41		60,18	117,19
T3 2014	Damage rate	79,89	32,1	80,71
Costs rate	35,82		42,86	39,52
Combined rate	115,72		74,96	120,23
T3 2015	Damage rate	79,43	19,33	94,48
Costs rate	37,09		38,48	37,67
Combined rate	116,52		57,61	132,15

Source:<https://asfromania.ro>

Thus, at the level of the entire market, the average annualized insurance premium recorded in 2011 was 480 l, decreasing by 26% compared to 2010, when the first average value was 646 l. The number of concluded insurance contracts registered a slight decrease compared to 2010 respectively, 2% with a total of 6,400,241 insurance policies, compared to 6,554,509 in 2010, of which only 34% were contracts concluded on period of 12 months.

Table no.2

The evolution of the first RCA average and the average market damage in 2011	2011
Number of RCA contracts completed in the reporting year - 1 month	296.955
Number of RCA contracts completed in the reporting year - 6 months	3.856.165
Number of RCA contracts completed in the reporting year -12 months	2.185.317
Number of RCA contracts concluded in the reporting year	6.338.437
Subscribed premiums RCA - of which:	1.849.005.264
Annual exposure units (12-month contracts + 6-month contracts divided by 2 + 1-month contracts divided by 12)	4.138.146
The first annual average RCA - RON calculated as the report between	446,82
gross written premiums and annual exposure units	
Average RCA damage	5.285

Source:<https://asfromania.ro>

Of the total number of insurance policies subscribed during this period, 4,852,161 policies (76%) represent policies concluded for individuals

Table no.3

<i>Evolution market shares registered on the RCA in 2011 Nr.crt</i>	<i>Society</i>	<i>Share</i>
1	EUROINS	12,80%
2	CARPATICA	9,20%
3	ASIROM VIG	15,60%
4	CITY INSURANCE	0,30%
5	OMNIASIG VIG	20,40%
6	ASTRA	20,30%
7	ALLIANZ - TIRIAC	8,00%
8	GROUPAMA	4,30%
9	UNIQA	4,30%
10	GENERALI	4,60%
11	ABC	0,10%
Total	100%	

Source:<https://asfromania.ro>

As far as the damage reserves are concerned, it is noted that, at the level of the entire RCA market, they have registered increases compared to previous year, almost all authorized insurers have to practice the RCA by increasing their reserves. Therefore, the registered indemnity reserve, constituted on December 31, 2011, in the amount of 1.5 billion was 335 higher compared to the end of 2010, while the IBNR registered a plus of 23 %, to 702 millions . Analyzing the costs incurred in connection with MTPL insurance, there is a market share of 33%.. Taking into account both the loss rate and the expense, the combined ROA market rate for 2011 was 127%, rising over the same period previous year, when it was 110.

In terms of damage to body fatalities and death, CSA data show a decrease in the number of licensed dossiers by 10%, accompanied by a increase of 140% increase in paid claims and 73 % as well as on the registered loss reserves.

The value of the average damage paid for corporal vouchers was 62,868 l, the share of this type of damage in the total damages paid for the indemnity increased by 13 percent.

In the financial year **2012**, 11 non-life insurance companies were compulsorily insured for motor vehicle damage (MTPL), namely: *ABC INSURANCE - REINSURANCE SA, ALLIANZ-TIRIAC INSURANCE SA, ROMANIAN INSURANCE - ASIROM VIENNA INSURANCE GROUP SA, REINSURANCE ASSURANCE ASTRA SA, CARPATICA ASIG SA, INSURANCE AND REINSURANCE SOCIETY CITY INSURANCE SA, EUROINS ROMÂNIA INSURANCE - REINSURANCE SA, GENERALI ROMÂNIA INSURANCE - REINSURANCE SA, GROUPAMA INSURANCE SA, OMNIASIG VIENNA INSURANCE GROUP SA and UNIQA INSURANCE SA.*

The number of insurers authorized to underwrite MTPL insurance has changed during 2012, given that BCR VIENNA INSURANCE GROUP SA merged through absorption with SC OMNIASIG VIENNA INSURANCE GROUP SA.

Total volume of gross written premiums for the 2012 subscription year increased by 10% compared to 2011, as the number of concluded insurance contracts increased by 6% compared to 2011. The value of the first insurance premium at the level of the entire MTPL insurance market registered a decrease of 4%, from about 480 l in 2011 to about 463 l in 2012. The total gross written premiums for compulsory MTPL insurance in 2012 was 2,054,456,000 l, out of which:

a) the gross premiums written for compulsory MTPL insurance for vehicles belonging to individual entities totaled 1,158,664,000 l representing 56.40% of the total gross written premiums;

b) the gross written premiums for compulsory MTPL insurance for vehicles belonging to legal persons amounted to 895,792,000 l, representing 43.60% of the total gross written premiums for this form of insurance.

In 2012, were concluded 6,776,429 compulsory MTPL insurance policies, out of which 4,040,929 policies (59.63% of the total) with a validity of 6 months, 2,263,356 policies (33.40% of the total) with a validity of 12 months and 472,144 policies (6.97% of the total) with one month validity. Of the total insurance policies concluded, 5,235,211 were issued to individuals and 1,541,218 to legal persons.

Table no 5

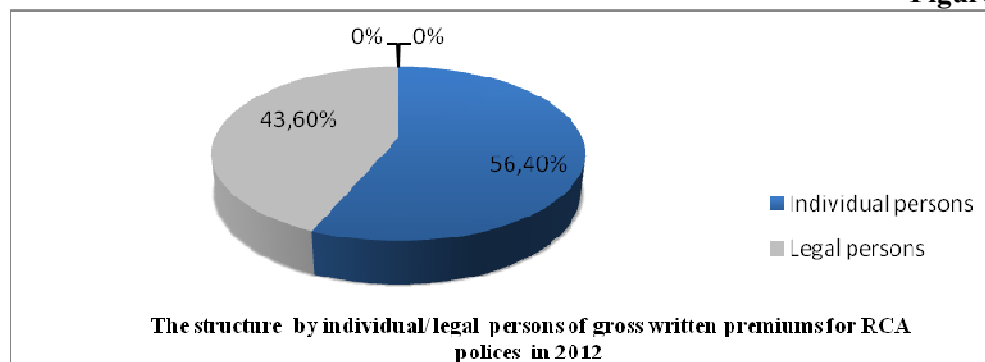
Evolution of premiums written for insurance mandatory RCA and the number of RCA issued in 2010-2012

Year	Subscribed premiums (million)	Number of RCA policies (thousand)
2010	2.464	6.555
2011	1.875	6.400
2012	2.054	6.776

Source: <https://asfromania.ro>

Also, according to the information obtained on 31.12.2012, were in force 4,200,565 RCA insurance policies, out of which 3,144,819 policies for individuals, representing 74.87% of the total, and 1,055,746 policies concluded for legal entities, accounting for 25.13% of the total.

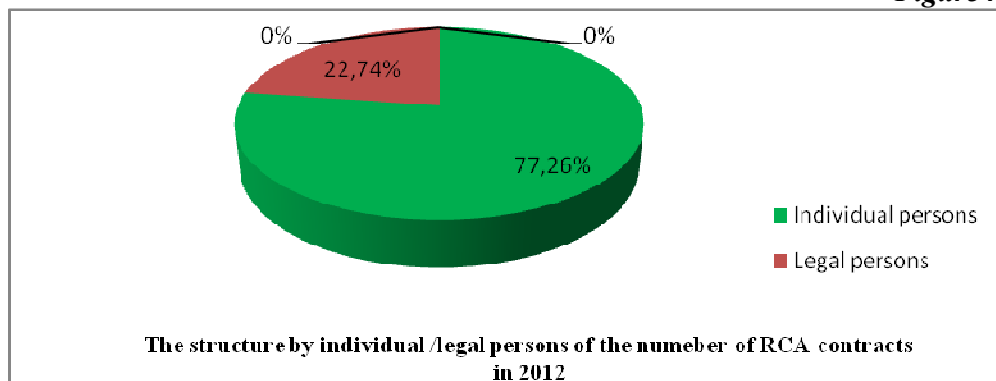
Figure no.1



Source: <https://asfromania.ro>

In 2012, insurance companies authorized to carry out MTPL insurance have approved 296,291 claims files, down 5% compared to 2011, and have paid 292,622 claims, 3% less than 2011. The amount of gross indemnities paid by insurance companies during the financial year 2012 under the compulsory MTPL insurance amounted to 1,781,827,000 lei, registering a nominal increase of 11% compared to 2011. The value of the average damage paid at the level of the entire MTPL insurance market registered a nominal increase of 15%, from 5,307 lei in 2011 to 6,089 lei in 2012. The value of the average damage paid at the level of the entire MTPL insurance market registered a nominal increase of 15%, from 5,307 l in 2011 to 6,089 l in 2012.

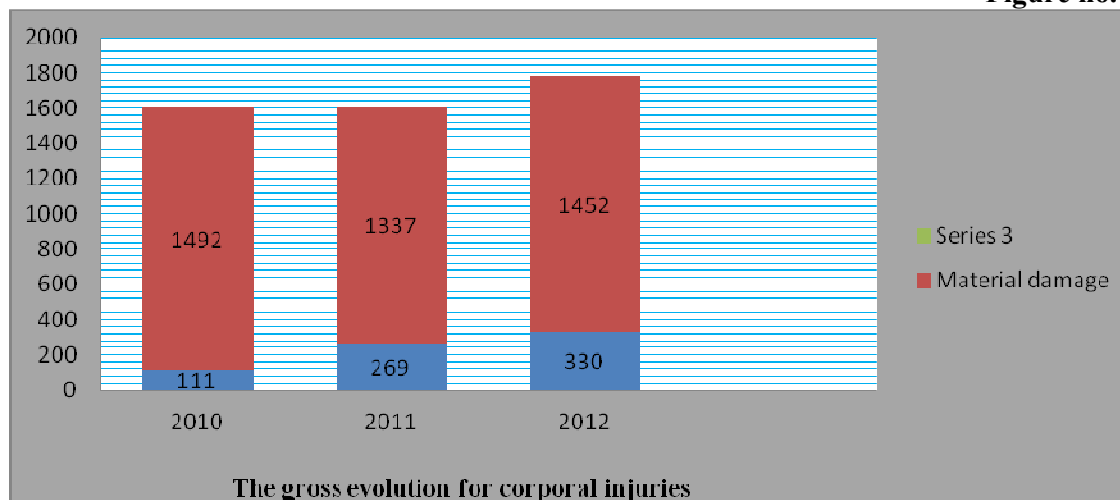
Figure no.2



Source: <https://asfromania.ro>

Increased average damage paid in the context of a higher volume of gross indemnities paid and a slight decrease in the number of paid cases is a result of the increase in compensation costs. Of the total gross indemnities paid during the financial year 2012, the largest share is held by the indemnities paid for material damages, namely 81.48%, while for injuries paid the compensations represented 18.52% of the total. Extending the territorial validity of compulsory MTPL insurance across the EEA space and increasing the compensation limits are prerequisites for increasing the value of compensation for bodily injuries. Gross indemnities paid during the 2012 financial year for corporal injuries registered a nominal increase of 22.68% compared to 2011.

Figure no. 3



Source: <https://asfromania.ro>

Technical reserves

a) Reserve premium The total volume of the premium reserve at 31.12.2012 was by 731,155,000 RON, up by 11.67% compared to 2011.

b) Reserve for Indemnified Damages The total gross reserves for endowment claims as of 31.12.2012 amounted to RON 1,357,877,000, down by 10.05% in nominal terms compared to 2011, in the context of the amendment of the legislation regarding the for the creation of damages for personal injuries.

c) Reserve for non-settled claims (IBNR) The total volume of gross indemnities for non-settled claims (IBNR) as of 31.12.2012 was by 716,727,000, RON with a nominal decrease of 4,42% compared to the year 2011.

Table no.6

Year	Indemnified damages	Reserves unreported damage
2010	1.126	569
2011	1.510	750
2012	1.358	717

Source: <https://asfromania.ro>

Therefore, we can say that in 2012 the RCA assurances had a positive evolution, registering increases in all categories

If we talk about the year **2013**, the share of RCA insurers in total underwritings on general insurers was close to 38%, which, under the conditions of uncontrolled damage, could have generated systemic risks according to specialists. The combined RCA injury rate was among the largest in Europe respectively 130.8%

Table no.7

Evolution market shares registered on the MTPL in 2013 Nr crt.	Society	Share
1	EUROINS	19,50%
2	Carpatica	17,30%
3	ASIROM VIG	8,60%
4	City Insurance	7,50%
5	OMNIASI G VIG	7,90%
6	ASTRA	15,10%
7	ALLIANZ - TIRIAC	8,70%
8	Groupama	5,20%
9	UNIQA	8,20%
10	GENERA LI	1,70%
11	ABC	0,30%
Total		100%

As for the related premiums, they had a value of 2,467 billion lei more than the revenues in 2012, when they had only 2,137 billion RON.

Table no.8

The evolution of the first MTPL average and the average market damage in 2013	
Indicator	
Number of RCA contracts concluded in the reporting year -1 month	489.705
Number of RCA contracts concluded in the reporting year -6 month	4.107.785
Number of RCA contracts concluded in the reporting year -12 months	2.304.367
Number of RCA contracts concluded in the reporting year	6.901.857
Subscribed prime RCA – RON of which:	2.367.107.761
Annual exposure units (12-month contracts + 6-month contracts divided by 2 + 1-month contracts divided by 12)	4.399.068
The first annual average RCA - RON calculated as the ratio between	538,09
gross written premiums and annual exposure units	
Average RCA damage	5.285

Source: <https://asfromania.ro>

Regarding the damages granted, the insurers paid in 2013 by 5.74% less than in 2012 respectively 1.925 billion RON

On the other hand, damages for bodily injury and death accounted for 19.6% of total RCA indemnities in 2013

An analysis carried out by UNSAR on the RCA market in several European countries has highlighted the fact that the first averages in the segment of Romanian Motor civil Liability Insurance in 2013 continued to remain at a low level compared to other countries

The level of the first RCA class average in Romania amounted to 114 Euros in 2013, and the average premium paid on this segment placed Romania among countries where this indicator was close to 1,400 Euro, which is a mean value among the countries analyzed.

In terms of average damage recorded on the MTPL market, it has maintained its growth trend, from 1,252 Euros in 2011 to 1,385 Euro in 2013. The increase was due to compensation for bodily injuries and death, which reached , to hold a share of 19.16% in the total damages paid by the Romanian insurers.

It should be highlighted that the indicator that best measures the profitability of an insurance segment, namely the combined loss rate, registered in 2013 the highest value among all the analyzed countries, namely 130.8%

So, it can be said that 2013, was a difficult year for the RCA segment, which faced many problems, and consequently the profitability was extremely low

During 2014, until the end of the third quarter, 11 insurance undertakings had authorization to conduct RCA activity. As follows:

Table no.9

	Society	Share
<i>Evolution market shares registered on the MTPL in 2014</i>		
1	EUROINS	16,60%
2	CARPATICA	18,00%
3	ASIROM VIG	9,40%
4	CITY INSURANCE	10,70%
5	OMNIASIG VIG	9,90%
6	ASTRA	15,40%
7	ALLIANZ - TIRIAC	8,30%
8	GROUPAMA	4,30%
9	UNIQA	5,50%
10	GENERALI	1,70%
11	ABC	0,30%
Total	100%	

Source:<https://asfromania.ro>

As for the total amount of insurance premiums subscribed for RCA, in 2014 at the end of the third quarter, it reached the value of 1,944,189,977 RON . Compared to the same period of 2013, when the premiums written for motor civil liability insurance amounted to 1,756,811,038 RON , there was an increase of 11% on the total market and the number of insurance contracts concluded in the first three quarters of the year, was 5,371,183, rising against the same period of 2013, by about 4%.

Table no.10

Indicator	01.01-30.09.2013	01.01-30.09.2014
Gross written premiums (million lei)	1.756	1.944

At the level of the entire market, the average annualized insurance premium recorded in the analyzed period was 515 RON, slightly increasing by 3% compared to the one recorded in the similar period of 2013 when the first average value was 502 RON.

Table no.11

Indicator	30.09.2013	30.09.2014
The first annualized average (RON)	502	515

Source:<https://asfromania.ro>

Regarding the damages and the damage reserves on the total market, between 01.01-30.09.2014 were registered, a number of 202,351 registered claims files decreasing by 10% compared to the same period of 2013, when 225,885 files were notified. The number of claims files paid during the same period decreased by 11%, from 228,962 files on 30.09.2013 to 202,694 files on 30.09.2014. The amount of paid claims decreased slightly by 1% from 1.401.787.275 RON on 30.09.2013 to 1.390.271.648 RON on 30.09.2014.

The average damage paid on the total market amounted to 6,859 RON, up 12% compared to the similar period of 2013, when the average paid damage was worth 6,122 RON. The value of the average damage paid for material damage was 5,266 RON, maintaining the same level as compared to the similar period of 2013, respectively 5,239 RON.

The value of the average damage paid for personal injuries and death was on September 30, 2014, of 63,308 RON, up by 14% over the same period of 2013, when the value of the average damage was 55,630 ROL.

Table no.11

Indicator	01.01-30.09.2013	01.01-30.09.2014
Filed folders	225.885	202.351
Compensation paid (million RON)	1.402	1.390
Paid Average Damage (RON)	6.122	6.859

Source:<https://asfromania.ro>

Regarding the registered indemnity reserve, constituted on 30.09.2014, in the amount of 1,503,795,018 RON, it recorded a 21% increase compared to the reserve constituted on 30.09.2013. The IBNR also increased by 9%, being on 30.09.2014 in the amount of 830,632,652 ROL.

Table no.12

Indicator	30.09.2013	30.09.2014
Indemnified Indemnity Reserve (ROL million)	1.245	1.504
IBNR (milioane lei)	761	831

Source:<https://asfromania.ro>

On the other hand, across the market, the damage rate in 2014 was by 84%

Analyzing the costs incurred in connection with MTPL insurance, is found a market share of 34% .An important share of the expenses is represented by the intermediation commissions, respectively the entire market represents 18.6% of the gross premiums earned.

Taking into account the recorded expenses the combined rate at the level of the entire MTPL market, on September 30, 2014, was by 117%.

Table no.13

30.09.2009	30.09.2010	30.09.2011	30.09.2012	30.09.2013	30.09.2014
Damage Rate (%)	95	74	94	105	80
Combined rate (%)	123	104	128	140	117

Source:<https://asfromania.ro>

At the same time, 3,894 injury and death cases were reported, down from the same period in 2013, when 4,548 files were notified. The amount of damages paid for personal injuries and death in the amount of 352,181,546 RON increased by 40% compared to the similar period of 2013. Of the total compensation paid for personal injuries and death, about 70% is indemnity paid for non-pecuniary damage (moral damages). The Indemnified Damage for Personal Injury and Death was, on 30.09.2014, in the amount of 626,950,052 lei, slightly decreasing compared to the registered indemnity reserve registered on 30.09.2013.

Out of the total of approved damage claims for personal injuries and deaths, about 62% represent reserves set up for non-pecuniary damage (moral damages).

Table no.14

Indicator	30.09.2013	30.09.2014
Damages paid for injuries (millions ROL)	252	352
Indemnified damages for injuries (millions ROL)	630	627

Source:<https://asfromania.ro>

It should be stressed that the compensation paid for personal injuries and deaths accounted for 25% of the total compensation paid and the value of the approved damages for personal injuries and death amounted to 42% of the total value of the indemnity damages.

Given the presented data, we can say that in 2014, RCA's assurances again crossed an agitated stage where many changes were made on the market, insurers wanted cheap policies on the basis of which to quickly obtain compensation, and insurance companies woke up with more and more petitions whose damages were as we mentioned in the increase.

At the beginning of **2015**, the following insurance undertakings authorized by the ASF for the RCA activities were operating on the insurance market: *ABC Insurance Allianz-Țiriac Insurance S.A., Romanian Insurance - Asirom Vienna Insurance Group S.A., Reinsurance Insurance, Astra S.A., Insurance - Reinsurance Company City Insurance S.A., Carpatica SA, Euroins România Insurance – Reinsurance S.A., Generali Romania Insurance - Reinsurance S.A., Groupama Insurance S.A., Omnisig Vienna Insurance Group S.A. and Uniqa S.A*

If we talk about the gross premiums written for RCA, the total amount in 2015 reached the value of 3,155,103,957 ROL, compared with 2014 with an increase of 16,64%.

Table no.15

Period	PBS RCA (rol)	PBS Class X (RCA + CMR) (rol)	PBS RCA change rate (%)	PBS RCA weight in PBS class X (%)
2014	2.670.798.666	2.800.428.974	12,83%	95,37%
2015	3.115.103.957	3.289.018.458	16,64%	94,71%

Source: <https://asfromania.ro>

Concerning the number of contracts in force at the market level at the end of 2015, there were 5,191,915 contracts and the number of new contracts concluded during the same period was 7,314,599.

In 2015, at the market level, the number of claims filed declined by 0.17%, from 274.426 files on 31.12.2014 to 273.975 files on 31.12.2015. while the amount of compensations paid increased by 2.80%, from 1,893,894,056 RON on 31.12.2014, to 1,946,900,171 RON on 31.12.2015

The average market price paid for the total market was about 7,106 lei, up by 2.97% compared to the same period in 2014, when the average paid damage was 6,901 lei.

At the market level, 6,792 injury cases were paid in 2015, the amount of gross claims paid amounted to 438,045,048 RON.. Therefore, the average compensation for bodily injuries was 64,494 RON. For material damages, gross were paid, indemnities amounting to 1,508,855,123 RON resulting in an average compensation of 5,647 RON.

At company level, the situation regarding the number of claims files paid and the amount of gross claims paid in 2015 was the following:

Table no.16

Situation of claims files paid in 2015Nr. Crt.	Society		Number of paid claims files (pcs)		Weight in total (%)		Compensated gross claims (RON)		Weight in total (%)	
	VC	DM	Total		VC	DM	Total			
1	ABC Asigurări	13	219	232	0,08	1.122.0 57	1.664.5 73	2.786.6 30		0,14
2	Allianz Tiriac	389	19.464	19.853	7,25	22.682. 620	99.308. 746	121.991 .366		6,27
3	Asirom VIG	1.037	24.590	25.627	9,35	45.797. 744	155.836 .788	201.634 .532		10,36
4	Astra	548	22.733	23.281	8,50	39.347. 731	114.663 .209	154.010 .940		7,91
5	City	319	29.229	29.548	10,78	12.213. 352	166.242 .200	178.455 .552		9,17
6	Carpati ca	1.468	44.142	45.610	16,65	74.998. 590	266.467 .038	341.465 .628		17,54
7	Euroins	942	70.529	71.471	26,09	102.530 .977	351.117 .252	453.648 .229		23,30
8	Genera li	233	4.884	5.117	1,87	11.308. 814	27.013. 466	38.322. 280		1,97
9	Groupa ma	456	12.763	13.219	4,82	27.006. 669	75.223. 117	102.229 .786		5,25
10	Omnias ig VIG	1.072	26.044	27.116	9,90	68.212. 296	138.861 .651	207.073 .947		10,64
11	Uniqa	315	12.586	12.901	4,71	32.824. 198	112.457 .083	145.281 .281		7,46
TOTAL	6.792	267.183	273.975	100,00	438.045.04 8	1.508.855.1 23	1.946.900.1 71	100,00		

It can be said that the RCA insurance market in Romania has reversed the downward trend in the previous period in 2015 and has registered a positive evolution after a long time.

As for the year 2016 on the insurance market, the following authorized insurers for RCA activities were: *Allianz-Tiriac Insurance S.A., Romanian Insurance - Asiom Vienna Insurance Group S.A., Reinsurance Insurance, Astra S.A., Insurance - Reinsurance Company City Insurance S.A., Carpatica SA, Euroins România Insurance – Reinsurance S.A., Generali Romania Insurance - Reinsurance S.A., Groupama Insurance S.A., Omnisig Vienna Insurance Group S.A. and Uniqa S.A.*

Table no.17

Nr. crt.	Society	Total subscribed premiums	Market share
1	EUROINS	833.142.226	20,65%
2	ASIROM VIG	698.875.670	17,33%
TOTAL (1-2)		1.532.017.896	37,98%
3	CITY INSURANCE	650.398.378	16,11%
4	CARPATICA	424.054.342	10,51%
5	ALLIANZ - TIRIAC	382.351.193	9,48%
6	OMNIASIG VIG	359.604.951	8,92%
7	GROUPAMA	282.239.447	7,00%
8	GENERALI	204.985.868	5,08%
9	UNIQA	197.982.872	4,91%
TOTAL		4.033.634.947	100

Source:<https://asfromania.ro>

There is a significant concentration on the top first insurers, reaching the situation where the first two insurers accumulate about 38% of the Romanian RCA portfolio. At the same time, there is a significant increase in the market share for most of the MTPL insurance companies (eg City Insurance rose from 10.4% to 16.1%) due to the redistribution of the Carpatica portfolio, an important player on the RCA market in the past.

If we refer to the total amount of insurance premiums subscribed for RCA, in 2016 it reached the value of 4,033,634,947 RON, the remainder up to the total of the A10 class representing the carrier's insurance for the goods transported as a carrier. It can be appreciated that compared to the same period of the previous year, was registered an increase in gross written premiums by 29.5%.

The number of MTPL contracts concluded in 2016 was by 4,983,409 contracts, which is equivalent to an increase of 5.07% over the previous year.

In 2016, similar to previous years but decreasing, the largest share is represented by policies with a valid 6 months.

Table no.18

Number of contracts concluded during the period in total contracts according to the contracted period - 2015-2016	T4 2015	T4 2016
	Over the 12 months	35,08%
Over the 6 months	57,52%	51,37%
Over the 1 months	7,40%	10,71%
Total	100%	100%

Source:<https://asfromania.ro>

In the analyzed year, there were no significant changes in the structure of customer portfolios, so that the share of contracts with individuals entities remained at a constant level, around 78%.

Table no. 19

<i>Share of contracts concluded during the period in total contracts depending on the contractor (individual person or legal entity) - 2015-2016</i>	2015	2016
Individual entities	78,80%	78,29%
Legal entities	21,20%	21,71%
Total	100%	100%

Source:<https://asfromania.ro>

The first annual average annual RCA can be said that the whole of the market has risen by about 23% in 2016 compared to the previous year, reaching 809 RON

Table no.20

<i>Evolution of the first annualized RCA average over the period 2015-2016</i>	2015	2016
Market total	657	809
Individual entities	455	528
Legal entities	1.311	1.725

Source:<https://asfromania.ro>

With regard to the average RCA damage paid for personal injury, it decreased by 11% in 2016 compared to the previous year, while the material damage increased by 2% per total, the average loss remaining at a relatively constant level.

Table no.21

<i>Evolution of RCA paid damages - body injuries</i>	2015	2016
Damages paid IE	256.575.512	252.414.068
Damages paid LE	182.603.559	165.861.391
Total damages paid	439.179.071	418.275.459

Source:<https://asfromania.ro>

Table no.22

<i>Evolution of claims paid to RCA - material damage 2016</i>	2015	2016
Damages paid IE	826.935.413	846.950.774
Damages paid LE	683.675.610	664.660.729
Total damages paid	1.510.611.023	1.511.611.503

Source:<https://asfromania.ro>

In conclusion, it can be said that the RCA insurance market continued its sustained growth trend in 2016, registering a growth of gross written premiums by 29.5%.

In the first quarter of **2017** on the insurance market the following insurers authorized by A.S.F. for RCA activities: *Allianz-Țiriac Insurance S.A., Romanian Insurance - Asiom Vienna Insurance Group S.A., Reinsurance Insurance, Astra S.A., Insurance - Reinsurance Company City Insurance S.A., Grawe Insurance, Euroins România, Reinsurance Insurance SA, Groupama Insurance S.A., Omnisig Vienna Insurance Group S.A. and Uniqa S.A.*

In the first quarter of 2017 there is a significant concentration on the top first insurers, reaching the situation where the first 2 insurers accumulate about 59% of the Romanian RCA portfolio.

Table no.23

Market share in the first quarter of 2017	Society	Total subscribed premiums (RON)	Market share
1	CITY INSURANCE	336.106.868	31,63%
2	EUROINS	294.184.808	27,68%
TOTAL (1-2)	630.291.676	59,31%	
3	ASIROM VIG	108.705.403	10,23%
4	ALLIANZ - TIRIAC	90.663.883	8,53%
5	OMNIASIG VIG	76.690.099	7,22%
6	GENERALI	65.220.416	6,14%
7	GROUPAMA	53.670.747	5,05%
8	UNIQA	36.902.360	3,47%
9	GRAWE	519.595	0,05%
TOTAL	1.062.664.179	100,00%	

Source:<https://asfromania.ro>

In the last year there were no significant changes in the structure of client portfolios depending on the type of the insured, so that at the level of the entire market the share of the contracts concluded with individuals remained at a constant level, around 78%.

Table no.24

Share of contracts concluded during the period in total contracts depending on the contractor (individual or legal person) - 2012-2017	2016	2017
Individual Persons	77,35%	78,52%
Legal Persons	22,65%	21,48%
Total	100%	100%

Source:<https://asfromania.ro>

With regard to the first annual average RCA on the whole market, it is estimated to have decreased by about 3% in the first quarter of 2017 compared to the same period of the previous year, reaching 727 RON.

Table no.25

	T1 2016	T1 2017
Market total	747	727
Individual Persons	477	533
Legal Persons	1.593	1.340

Source:<https://asfromania.ro>

Average RCA paid for personal injury in the first quarter of 2017 grew by 48% compared with the same period last year, while material damage fell by 3%.

In the first quarter of 2017, compared with the same period last year, the first average recorded a decrease of 3% and the average damage an increase of 2%.

Table no.26

Evolution of RCA paid damages - body injuries	T1 2016	T1 2017
Damages paid IP	56.216.290	82.041.282
Damages paid LE	41.843.743	62.710.230
Total Damages Paid	98.060.033	144.751.512
The Evolution of Damages Paid RCA - Material Damage	T1 2016	T1 2017
Damages paid IP	231.004.383	242.702.238
Damages paid LE	184.733.647	159.286.029
Total Damages Paid	415.738.030	401.988.267

Source:<https://asfromania.ro>

4. Conclusions:

The macroeconomic factors as well as the decrease in the financing activity have determined that the segment of RCA insurers faces many problems in the analyzed period, leading to uncertainty about the market evolution and poor results.

However, RCA assurance remains a particularly important role and remains a basic branch of general insurance.

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