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DEVELOPMENT AND COMPETITIVENESS ASPECTS OF INSURANCE MARKETS OF FORMER YUGOSLAVIA: THE EMPHASIS ON MONTENEGRIN INSURANCE MARKET

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Abstract

Insurance is a key form of risk financing that is in close interdependence with the economic development. The development of insurance that accompanied economic development and changes in the social system, in the countries of the region, had certain common characteristics because of the shared history but also there are differences in the economic development that have led to a different level of competitiveness and the overall development of the insurance market. The focus of this paper is the development of insurance in Montenegro, the analysis of the insurance market in the region of former Yugoslavia, a comparative analysis of the market situation and an analysis of the competitiveness of the insurance sector in the region.

Keywords: *Insurance, Insurance market, Competition, Region of former Yugoslavia, Montenegro.*

1. INTRODUCTION

Insurance is a key form of protection against risks in the economy and society. Insurance roots in the former Yugoslavia, and especially Montenegro are numerous. The beginnings of the typical mutual insurance risk sharing with the aim to ensure that risks are transferred to the level of the individual groups. Historically original forms of insurance occur in Montenegro is 1353 (Marović and Purić, 2010). At that time there were so called Brotherhood sharing of maritime risk with the purpose to bring the individual risks at the group level, which is basically a characteristic of modern insurance. The oldest known document that mentioned insurance in Montenegro is Budva statute from the fifteenth century.

The world economy in 2010 and 2011 achieved the positive results in terms of gross domestic product (GDP). The average rate of about 5% compared to 2009 (World Economic Outlook, 2011) continued in 2011 when the average growth rate was about 4% compared to 2010 (World Economic Outlook, 2012). Due to the positive developments in the real economy, positive results have been achieved in the field of insurance. According to figures related to the gross domestic product for 2010 and 2011, we can assume that the trend continued during 2012. At the global level, the total insurance premiums in 2010 amounted to more than 4324 billion dollars (Straib and Bever, 2011 and Straib and Bever, 2012).

The insurance market in the former Yugoslavia went through different stages of social and state system with different roles of concept of ownership, market and competition. Along with changes in the general social and economic environment the changes in the field of insurance took place. In the region of the former Yugoslavia in the early nineties there was a fragmentation of companies across the financial services industry, and thus the insurance companies began to do their business in small national markets, with a consequent reduction in the benefits of economies of scale and opportunities to disperse the risk in terms of establishing a new legal framework and regulatory institutions. During the first decade of the new millennium the stabilization of the insurance market occurred due to actual improvements in the economy, ceased war tensions, and implementation of economic and political reforms that create conditions for a relatively free flow of capital and money and achieve a relatively high rate of economic growth. These changes in the entire socio-economic system have a positive impact on the insurance sector, where there is business liberalization, demonopolization of former state monopoly insurance companies, all of which cumulatively have a positive impact on the development of insurance in the region. Although the financial crisis and subsequent economic recession had not significantly impacted insurance industries in the countries of former Yugoslavia, it was evident that they simultaneously influenced the decrease in the value of assets and an increase in the value of liabilities of insurance companies (Marović, Njegomir and Maksimović, 2010).

However, insurance market in the region managed to maintain stability. During the whole period, the pace of growth and subsequent possibility for profit generation, the need for servicing their multinational customers and geographical risk spreading have attracted foreign insurers to regional non-life insurance markets (Njegomir and Stojić, 2010a). Market performance is determined by market conduct, which in turn directly and indirectly depends on market structure that is usually a measure of market competitiveness. If market concentration is greater the greater are possibilities for larger profits (Njegomir and Stojić, 2011). Previous research results indicate that the main forces affecting market attractiveness in Eastern Europe, including countries of the former Yugoslavia, are insurance demand, entry barriers, market concentration and the return on investment and only market concentration showed negative impact (Njegomir and Stojić, 2012).

The paper points out the characteristics of the insurance market in Montenegro, which will be followed by a comparative analysis of trends in the insurance market in the former Yugoslavia countries, and then it will point to specific market structure and competition in the insurance sector.

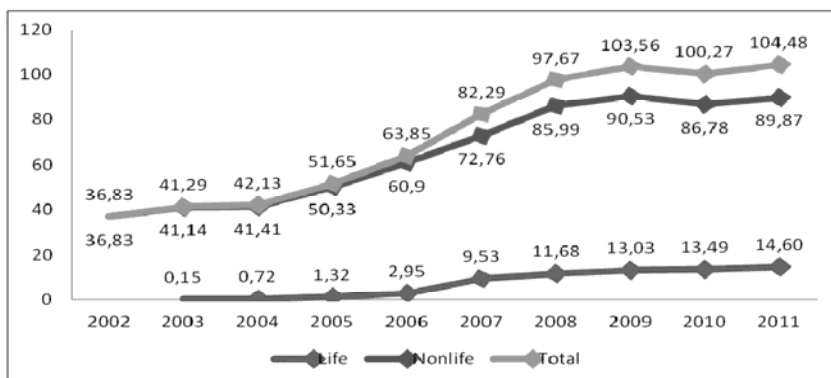
2. THE INSURANCE MARKET IN MONTENEGRO

Insurance market development in Montenegro does not differ significantly from the conditions in which insurance markets developed in other countries of the former Yugoslavia. During this period, particularly in the twentieth century, the hyperinflation in 1993 had the most catastrophic impact on operation and future development of the insurance market in Montenegro. Tightening of the political situation between Serbia and Montenegro in the common state, the Federal Republic of Yugoslavia, have resulted in the foundation of the first and currently the only reinsurance company in the insurance market of Montenegro – Lovćen Re. In fact, by the year 2000, when it was formed this reinsurance company, insurance companies in Montenegro bought reinsurance coverage from reinsurance companies in Serbia. Montenegro declared independence on June 3rd 2006. Insurance market development has followed the path of the development of economy in general.

The insurance market in Montenegro is still underdeveloped as witnessed by numerous data. The first indicator is an indicator of premiums per capita. It is still very low and is particularly small life insurance premium during 2011 reached a level of only 14.60 EUR per capita (see Figure 1).

Figure 1

Movement of premiums per capita, by types of insurance and the total between 2002 and 2011 (in EUR)

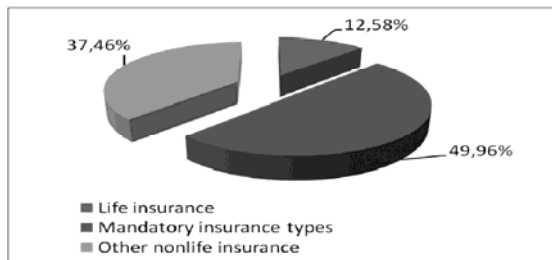


Source: Insurance Supervision Agency of Montenegro. Note: Preliminary data were used for 2011.

Figure 1 explicitly shows a small insurance premium per capita, but also indicates the presence of positive trends. It can be seen that in 2010 a slight slowdown in the life insurance was marked but in the field of life insurance during the entire period the growth of premiums per capita was realized. There was the growth of the life insurance premiums per capita in 2011. But neither has yet reached the level from 2009, nor the growth rate from the period 2004-2009. Also, a very bad structure of insurance premiums is apparent. The domination of nonlife premium over life insurance premium is evident. That is a bad structure for the overall economy as the nonlife premium is the source of short-term funding while life insurance premium is source for long-term, development funding. A more detailed insight into the structure of insurance premiums in Montenegro achieved in 2011 is presented in Figure 2 at which is the structure of insurance portfolio in Montenegro and which emphasizes the role of compulsory insurance.

Figure 2

Structure of insurance portfolio in Montenegro in 2011



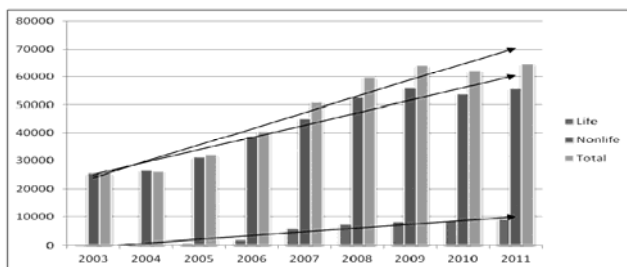
Source: Insurance Supervision Agency of Montenegro. Note: Preliminary data were used for 2011.

Using data from Figure 2, it is evident that dominant share of compulsory insurance in which the structure of total insurance premiums realized in 2011 in Montenegro accounted for 48.69%. This structure is an indicator of a lack of insurance market development and an indicator of insufficient interest from potential policyholders for insurance coverage. In addition, such a structure of insurance premiums is a clear indication of direction in which insurance companies should operate as well as stimulating economic policies in Montenegro.

Despite the fact that the share of life insurance in total premiums are still low in Montenegro, during the period since 2003 till 2011 Montenegrin insurance market achieved remarkable progress, even when compared with other countries in the region in the relative terms. Of course, we emphasize "relatively speaking" with the victims, because the amount of life insurance premium of 14.60 EUR per capita is very low especially if one takes into account the structure of insurance premiums which actually dominates the mandatory insurance. The growth of life insurance was remarkable in some years, and was over 300% during the period from 2003 to 2011 (see Figure 3) In 2011 it grew over 99 times compared to the 2003 year.

Figure 3

Growth in insurance premiums in the period since 2003 to 2011 (in 000 EUR)



Source: Insurance Supervision Agency of Montenegro. Note: Preliminary data were used for 2011.

Figure 3 represents the growth of all types of insurance. The total premium growth in this period was more than 2.5 times, but it emphasizes the growth of life insurance, given its absence in the actual structure of the insurance premium for the period prior to 2003.

It can be expected that the manifested trends of the insurance market development in Montenegro will continue in future. The reason for this statement is the great interest of foreign investors to invest in the insurance sector in Montenegro as well as the completed legislation in the insurance industry that is supported with the establishment of an independent body for insurance supervision - Insurance Supervision Agency and the National Bureau of Insurers of Montenegro. It is possible to expect further growth in demand for insurance services in future that will follow the growth of general economic activity. With the rise of demand for insurance, achieved legal certainty and increasing presence of foreign insurance companies, we can expect further development of the insurance sector in Montenegro with the accelerating pace of growth and its convergence with the achieved level of development that characterised the period from 2003 to 2008.

3. VIEW OF MARKET TRENDS IN THE REGION

Insurance has an enormous importance in the economy of every country (see for e.g. ABI, 2005, CEA, 2006 and Njegomir, 2010). For example, only in 2009 insurance companies paid out in claims payment around 5% of global GDP (Frey and Curt, 2010, 3). The same holds for the countries of the region of former Yugoslavia (Njegomir and Stojić, 2010b). However, the degree of development of the insurance market in the world, generally speaking is very uneven. The uneven distribution of insurance premiums in the world points to the fact that in the ten leading insurance market in the world is concentrated over 76% of the total world premiums. Table 1 shows the leading insurance market in the world and the insurance market in the region.

Table 1

Leading worldwide insurance market and insurance market in the region of the former Yugoslavia in 2010 (in millions of dollars)

World rank	Country	Life insurance premiums		Nonlife insurance premiums		Total insurance premium		
		in mil \$	in % of world premium	in mil \$	in % of world premium	in mil \$	in % of world premium	% change from 2009
1	USA	506709	20,21%	655450	36,08%	1162160	26,88%	-0,6%
2	Japan	448206	17,87%	115660	6,37%	563866	13,04%	1,2%
3	U.K.	200571	8,00%	99671	5,49%	300242	6,94%	-5,6%
4	France	193133	7,70%	90095	4,96%	283227	6,55%	3,3%
5	Germany	114168	4,55%	120817	6,65%	234985	5,43%	1,8%
6	China	142999	5,70%	71628	3,94%	214626	4,96%	26,2%
7	Italy	122063	4,87%	52285	2,88%	174347	4,03%	6,6%
8	South Korea	71531	2,85%	42533	2,34%	114064	2,64%	7,5%
9	Canada	50298	2,01%	63396	3,49%	113694	2,63%	1,3%
10	Netherlands	28553	1,14%	73727	4,06%	102280	2,37%	2,7%
50	Slovenia	870	0,03%	1907	0,10%	2777	0,06%	-1,0%
57	Croatia	447	0,02%	1235	0,07%	1682	0,04%	-2,8%
78	Serbia	111	0,00%	616	0,03%	727	0,02%	-1,1%
	Bosnia and Herzegovina	51	0,00%	270	0,01%	320	0,01%	2,2%
	Macedonia	8	0,00%	132	0,01%	140	0,0032%	4,8%
	Montenegro	11	0,00%	72	0,00%	83	0,0019%	-5,2%

Source: Straib, D. and Bever, L.: *World insurance in 2010: Premiums back to growth - capital increases*, Sigma No. 2, Statistical Appendix, Swiss Re, January 2012. Data for Bosnia and Herzegovina, Montenegro and Macedonia - Insurance Agency of Bosnia and Herzegovina, Insurance Supervision Agency of Montenegro and Insurance Supervision Agency of Macedonia. Data reduced the value of the dollar 31.12.2010.

Note: Ranking of countries is determined by the share of total insurance premiums of individual countries in total premiums earned in world.

The table clearly shows the position of the insurance market in the region of former Yugoslavia. Rank of insurance market in Slovenia, Croatia and Serbia is determined by Swiss Re's and by the size of the premium, the insurance

market of Bosnia and Herzegovina, Macedonia and Montenegro would be in the places below the 87th. Absolute dominance in the world realizes the insurance market in the U.S., which is the largest insurance market measured by various parameters such as total earned premiums, or premiums of life or non-life insurance. Over 26% of the world's total premiums is achieved in this country, where in the field of non-life insurance situation is even more pronounced, since the non-life insurance in the U.S. share in world's total was over 36%. The structure of the top ten insurance markets in the world insurance market is dominated by the developed or industrialized countries. The only exception is the insurance market in China, which only recently has recorded strong growth rates that occurs as a result of strong economic growth in the conditions of the manifestation of the economic crisis. It is evident that the insurance market in China recorded huge growth rates when compared not only with the so-called mature insurance markets, but also the markets of the developing countries, the group of countries that regional economies belong to. The growth rate of over 26.2% was noted only in some types of insurance in some countries of the region during the first decade of the new millennium. When it comes to countries of the region, a gradual lag and negative growth is evident. In 2010 compared to 2009, total insurance premiums decreased in all countries except in Bosnia and Herzegovina and Macedonia, where the growth of insurance premiums by 2.2% and 4.8% has been marked. Looking at the position on the ranking list, according to the share of total insurance premiums in relation to the total insurance premium in the world, Slovenia has maintained the same position as it had in 2009, while Croatia fell to 57 from 55 and Serbia fell from 70 to 78 position.

When observing the overall structure of insurance premiums the disparity in favor of life insurance is evident. The life insurance sector had a larger share of the total premium in relation to non-life insurance sector. Life insurance premium in total insurance premium in the world accounted for 58% and non-life insurance premiums 42%. However, there are some differences by regions in the world in terms of greater or lesser presence of certain types of insurance. The largest share of life insurance premiums have Asian countries, which is completely understandable bearing in mind the cultural preferences in terms of savings in any form, including life insurance. The share of life insurance in Central and Eastern Europe is far less (22.34%) than in Western Europe (61.73%) and the average for developing countries. These imbalances in Europe, especially considering the dominance of compulsory types of insurance in relation to voluntary, among other things, a product of lack of public confidence in insurance due to a long-term historical trend of the lack of consumer protection and years of monopolistic and oligopolistic structure of the insurance market.

As a measure of insurance market development in different countries two indicators are used: the indicator of density and the insurance penetration indicator (Njegomir, 2011). Insurance density is essentially the average annual insurance premium per capita. This ratio is an indicator of spending on security by the average citizen of a country and represents the most appropriate way of describing the importance of insurance purchases in individual national economies. As indicators expressed in national currencies are denominated in convertible currency for better comparison, most frequently in EUR or U.S. dollars, discrepancies may occur in

measurements depending on exchange rate movements and the day that is chosen for value discounting. Insurance penetration is the share of insurance premiums to gross domestic product, or the ratio of annual insurance premiums to gross domestic product. This implies an indication of the relative importance of insurance in a particular national economy and is commonly used as an approximation of the demand for insurance. However, there are limitations to this information as it ignores the specifics of the insurance market and the characteristics of the national economy such as the existence of different levels of insurance premiums in different countries and differences in the method of calculation of gross domestic product and its structure.

Insurance density indicator for the ten countries with the highest per capita premium in the world is shown in Table 2. This table gives an overview of insurance premiums per capita, separately for the total, life and non-life insurance premiums for each country in the region of former Yugoslavia.

Table 2

Insurance premiums per capita in 2010 in the 10 countries with the highest per capita premium in the countries of former Yugoslavia (in dollars)

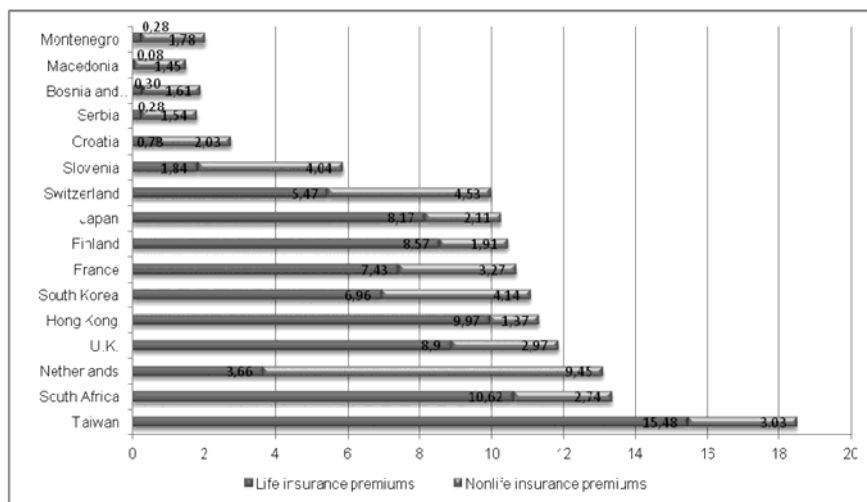
World rank	Country	Total insurance premiums	Life insurance premiums	Nonlife insurance premiums
1	Switzerland	6724,0	3678,2	3045,8
2	Netherlands	6159,8	1719,6	4440,2
3	Luxembourg	5536,8	3559,8	1977,0
4	Denmark	5223,9	3568,9	1655,1
5	Finland	4666,2	3817,2	849,0
6	Japan	4440,8	3529,9	910,9
7	Ireland	4308,8	3226,0	1082,9
8	U.K.	4298,2	3223,3	1074,9
9	France	4221,8	2930,3	1291,5
10	Sweden	4081,7	3141,2	940,5
29	Slovenia	1353,3	423,9	929,4
44	Croatia	379,2	100,8	278,4
66	Serbia	99,6	15,2	84,4
	Bosnia and Herzegovina	84,2	13,4	71,1
	Macedonia	69,2	4,0	65,3
	Montenegro	133,8	17,7	116,1

Source: Straib, D. and Bever, L.: *World insurance in 2010: Premiums back to growth - capital increases*, Sigma No. 2, Statistical Appendix, Swiss Re, January 2012. Data for Bosnia and Herzegovina, Montenegro and Macedonia - Insurance Agency of Bosnia and Herzegovina, Insurance Supervision Agency of Montenegro and Insurance Supervision Agency of Macedonia. Data reduced the value of the dollar 31.12.2010.

As is shown in the table, the region largely lags behind developed countries in terms of the size of the total insurance premium per capita. Particularly noticeable lag is evident in life insurance premiums per capita, which is in the four countries of the former Yugoslavia at less than \$20. Figure 3 shows the movement of the indicators of insurance penetration and share of insurance premiums to gross domestic product.

Figure 3

Top 10 countries according to the share premium in gross domestic product and the insurance penetration in the countries of the former Yugoslavia in 2010 in %



Source: Straib, D. and Bever, L.: *World insurance in 2010: Premiums back to growth - capital increases*, Sigma No. 2, Statistical Appendix, Swiss Re, January 2012. Data for Bosnia and Herzegovina, Montenegro and Macedonia - Insurance Agency of Bosnia and Herzegovina, Insurance Supervision Agency of Montenegro and Insurance Supervision Agency of Macedonia. Data reduced the value of the dollar 31/12/2010.

The share of total, life and non-life insurance premiums in GDP was the most expressed in Taiwan, the Netherlands and the UK. The key impact on the high penetration of insurance in the ten leading countries is life insurance, except for the Netherlands. In the countries of the region the relatively small, almost negligible contribution to gross domestic product is evident.

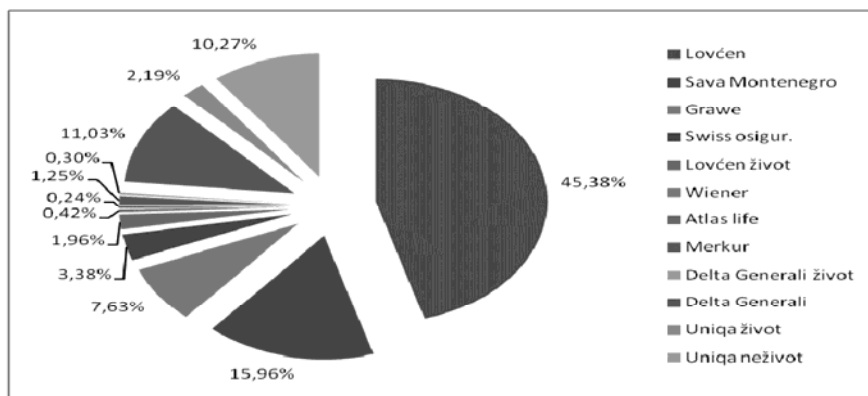
4. THE COMPETITIVENESS OF THE INSURANCE MARKET IN THE COUNTRIES OF EX-YUGOSLAVIA

Market competence is the essence of success (Porter, 1985, 32). The greater insurance market competition is in the interest of both the insured and wider societal interests, but is contrary to the interests of insurance companies. Many various studies confirm the abovementioned relationship either in insurance or other markets (see e.g. Bain, 1951, Chidambaran, Pugel and Sunders, 1997, Bajtelsmit and Bouzouita, 1998 and Pope and Ma, 2008). The usual measures for market concentration used in studies is the absolute number of companies at the market, Herfindahl-Hirschman index and the relative market share of several companies in the total insurance premium, but the most widespread measure used is the last mentioned.

The insurance market in Montenegro in 2011 consisted of 12 companies, of which five companies have been engaged exclusively in non-life insurance while seven companies have exclusively been engaged in life insurance. Insurance companies in the insurance market of Montenegro in 2011 were mostly foreign-owned. The share of foreign ownership in total capital structure of the insurance industry in Montenegro has reached 85.40%. The trend of establishing new insurance companies, which testifies the potential of the insurance market, has been present throughout the observed period. The insurance market in Montenegro is highly concentrated as the market share of the first three insurance companies in 2011 was over 72% of the total insurance premium, while the leading insurance company “Lovćen osiguranje” had a market share of 45.38% of the total premium (see Figure 4).

Figure 4

The structure of the insurance market in Montenegro in 2011.

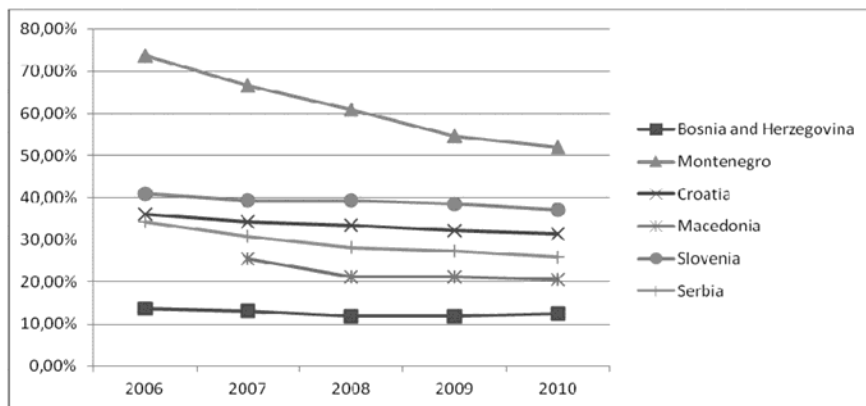


Source: Insurance Supervision Agency of Montenegro. Note: Preliminary data were used for 2011.

The degree of market concentration is usually measured with the participation of leading insurance company, or the movement of the market share of the dominant insurance company. Market concentration represented by trends of market share of leading insurance companies for countries of the former Yugoslavia for the period from 2006 to 2010 is presented in Figure 5

Figure 5

Trends in market share of the dominant insurance company in the region of former Yugoslavia in the period from 2006 to 2010



Source: author's calculations – Data are obtained from: Insurance Supervision Agency of Slovenia, Slovenian Insurance Association, Croatian Insurance Bureau, Croatian Financial Services Supervisory Agency, National bank of Serbia, Insurance Agency of Bosnia and Herzegovina, Insurance Supervision Agency of Montenegro, National Insurance Bureau of Macedonia and Insurance Supervision Agency of Macedonia.

As it can be seen from the Figure 5, all markets in the region, with the exception of the insurance market in Bosnia and Herzegovina and Macedonia, for which the data are not available, at the beginning of the period had a relatively high market concentration. According to the market share of the leading insurance company the insurance market in Bosnia and Herzegovina is the least concentrated while the insurance market in Montenegro is the least competitive. In Bosnia and Herzegovina during the observed period the dominant insurer was “Sarajevo osiguranje”. However, market shares of this company during the observed period decreased, although slightly, from 13.72% in 2006. year to 12.43% in 2010. Although during the whole observed period the leading market share had insurance company “Lovćen osiguranje”, as the dominant insurer in the insurance market in Montenegro, the change was much more dramatic. With a fully dominant market share of 73.70% in 2006 its share in insurance market in Montenegro dropped by more than 20%, to 52% in 2010. However, despite a reduction in the market share of the dominant insurance company in Montenegro, this is the only market in the region that in 2010 was highly concentrated as the

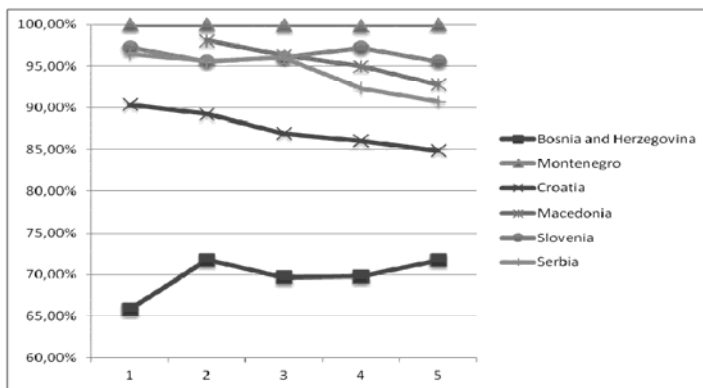
participation of the leading insurance company was over 50%, or more than half of the total insurance premium in Montenegro was attributed to the dominant insurer.

In Croatia, the dominant insurer “Croatia osiguranje” has partially lost its market share during the observed period. The share of this insurer in the insurance market during the period from 2006 to 2010 declined from 36.08% to 31.37%. Similar situation is in Macedonia. Leading insurance company “Vardar osiguranje” has reduced its market share from 25.45% in 2007 to 20.60% in 2010. In Slovenia, the dominant insurance company “Triglav” also reduced its relative market share but to a lesser extent than was the case in Montenegro, Croatia, Macedonia and Serbia. The market share of this insurance company fell from 41% in 2006 to 37% in 2010. Finally, in Serbia, the market share of the dominant insurance company also declined during the observed period. Market share of the insurance company “Dunav osiguranje” decreased from 34.23% in 2006 to 25.93% in 2010.

The degree of competition in a particular market can be expressed by market share of the leading eight or ten insurance companies. In the analysis of the degree of concentration in the markets of the former Yugoslavia, we used an indicator of participation of leading ten insurance companies. Figure 6 shows the results of the market concentration movement of ten leading insurance companies for the period from 2006 to 2010.

Figure 6

Market concentration of leading 10 companies as a measure of the competitiveness of the insurance market in the countries of the former Yugoslavia in the period from 2006 to 2010.



Source: author's calculations – Data are obtained from: Insurance Supervision Agency of Slovenia, Slovenian Insurance Association, Croatian Insurance Bureau, Croatian Financial Services Supervisory Agency, National bank of Serbia, Insurance Agency of Bosnia and Herzegovina, Insurance Supervision Agency of Montenegro, National Insurance Bureau of Macedonia and Insurance Supervision Agency of Macedonia.

The changes of market share of the top ten insurance companies in the countries of the former Yugoslavia show similar trends to the changes of the parameters of a market share of the leading insurance companies. The reason is the fact that in Bosnia and Herzegovina the number of companies has been reduced while in Montenegro the total number of insurance companies during the observed period was below ten.

Top ten insurance companies in the insurance market in Bosnia and Herzegovina during the observed period increased its market share from 65.87% in 2006 to 71.71% in 2010. The indicator of the top ten insurance companies in comparison with other countries in the region shows the highest level of competition in the insurance market in Bosnia and Herzegovina and the highest degree of concentration in the insurance market in Montenegro, where the share of the top ten insurance companies in the whole observed period was 100%. The share of premium of top ten insurance companies in the insurance market of Croatia was reduced from 90.34% to 84.89% in the period between 2006 and 2010. In Macedonia, the share of the top ten insurers reduced the market share of 98.06% in 2007 to 92.80% in 2010.

5. CONCLUSION

Insurance markets in the region of former Yugoslavia are still underdeveloped as is evidenced by their relative share in the world's premium, as well as by their ranking of life and nonlife insurance premiums. Also, the structure of total insurance premium is dominated by non-life insurance, which is an additional indicator of the lack of development of these markets. In all insurance markets, there is a continuous increase in premiums but negative growth is evidenced in 2011 due to the consequences of the global economic crisis as well as the crisis in the eurozone. Explicit backward trend in the development of insurance markets in the region can be clearly seen from the relatively small share of insurance premiums in GDP and low insurance premium per capita. In all countries of the region, except in Slovenia and Croatia, total insurance premiums and especially life insurance premiums are far behind levels achieved in developed countries. In Serbia, Bosnia and Herzegovina, Macedonia and Montenegro premium per capita is below \$ 100.

Not overly positive situation was manifested in the insurance market in Montenegro during the period from 2003 to 2011. On this particular insurance market the low share of life insurance is particularly emphasised. In the period before 2003, the life insurance was almost not existent. The current situation shows that the largest share in the structure of insurance premiums have mandatory insurance that make up almost half of the total premiums earned in the insurance market. Insurance premiums in the life insurance field, however, during the observed period increased significantly. Although it is still low at only 14.60

EUR per capita, there has been significant growth that can be expected in the future.

The structure of insurance premium and its size are a clear indication of the direction in which insurance companies should operate and stimulating economic policy in Montenegro should be oriented. It is evident that the insurance companies and economic policies must be directed primarily towards encouraging and promoting the development of life insurance. It can be expected that the stimulating economic environment with the support of the insurance companies and the expected acceleration of economic growth, after the elimination of negative impacts from external macroeconomic environment characterized by recurrence of the economic crisis and the public debt crisis in the euro area, will foster insurance market in Montenegro to continue to grow. Special opportunity lies in the area of life insurance having considered the fact that foreign insurers are particularly interested in this type of insurance.

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RAZVOJ I ASPEKTI KONKURENTNOSTI NA TRŽIŠTU OSIGURANJA U BIVŠOJ JUGOSLAVIJI: S NAGLASKOM NA TRŽIŠTE OSIGURANJA U CRNOJ GORI

Sažetak

Osiguranje je ključni oblik financiranja rizika koje je usko povezano s gospodarskim rastom. Razvoj osiguranja koji je pratio gospodarski rast i promjene u društvenom sustavu ima određene zajedničke karakteristike u zemljama regije zbog zajedničke prošlosti, ali postoje i razlike u gospodarskom razvoju koje su dovele do različitih razina konkurentnosti i općeg razvoja tržišta osiguranja. Fokus ovoga rada je razvoj osiguranja u Crnoj Gori, analiza tržišta osiguranja na području bivše Jugoslavije, komparativna analiza stanja na tržištu i analiza konkurentnosti osiguravajućega sektora u regiji.

Ključne riječi: Osiguranje, tržište osiguranja, konkurencija, područje bivše Jugoslavije, Crna Gora.

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