

**Agency of the Republic of Kazakhstan
for Regulation and Development of Financial market**

**CURRENT STATE OF THE
INSURANCE SECTOR OF THE
REPUBLIC OF KAZAKHSTAN**

AS OF 1 NOVEMBER 2023

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THE PURPOSE OF REVIEW

This review is intended to show the dynamics of the insurance sector of the Republic of Kazakhstan and the impact on the economic situation in the country.

DESCRIPTION

The review is presented in the form of tables and figures. as well as explanatory notes. reflecting major changes in indicators of the insurance sector.

- Description of assets structure;
- Description of liabilities structure;
- Description of insurance premiums structure;
- Description of insurance payments structure;
- Description of reinsurance activity;
- Description of compliance with prudential standards by the insurance sector of Kazakhstan;
- Efficiency of the insurance sector of Kazakhstan.

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Key indicators of the insurance sector of Kazakhstan on 1 November 2023

The insurance sector is represented by 25 insurance organizations, 9 of them are life insurance organizations.

Assets

As of 1 November 2023, the **assets** of Kazakhstan insurance organizations amounted to 2 446 577 mln. KZT and has increased 18,4% since the beginning of 2023 (as of the beginning of 2023 – 2 066 614 mln. KZT).

The major asset category in the total assets consists of the **securities** (72,2 % of total assets) which has amounted to 1 767 320 mln. KZT and has increased by 15,4% since the beginning of 2023 (as of the beginning of 2023 – 1 531 697 mln. KZT).

Deposits of the insurance organizations in banks has amounted to 78 821 mln. KZT sharing the 3,2% of the total assets and has increased since the beginning of 2023 by 5,0% (as of the beginning of 2023 – 75 047 mln. KZT or 3,6% of the total assets).

Reinsurance assets has amounted to 79 005 mln. KZT sharing the 3,2% of the total assets and has increased by 19,9% since the beginning of 2023 (as of the beginning of 2023 – 65 900 mln. KZT or 3,2% of the total assets).

Liabilities and reserves

As of 1 November 2023, the **liabilities** of the insurance organizations amounted to 1 537 669 mln. KZT and has increased by 19,1% since the beginning of 2023 (as of the beginning of 2023 – 1 291 418 mln. KZT).

The largest part in the structure of the liabilities (82,5% of the total liabilities) are the **insurance reserves**¹ which have amounted to 1 268 107 mln. KZT and have increased by 15,7% since the beginning of 2023 (as of the beginning of 2023 – 1 098 827 mln. KZT).

Insurance premiums*

As of 1 November 2023, the total volume of the **insurance premiums** amounted to 794 578 mln. KZT which is 23,7% more than the total premiums over the same period of the previous year. Total volume of the insurance premiums taken under direct insurance contracts has amounted to 716 989 mln. KZT.

The main share of the insurance premiums has been collected from the voluntary property insurance (358 091 mln. KZT or 45,1% of the total insurance premiums).

The insurance premiums collected from the compulsory insurance has amounted to 159 531 mln. KZT or 20,1% of the total insurance premiums, voluntary personal insurance – 276 956 mln. KZT or 34,9% of total insurance premiums.

As of 1 November 2023, the total insurance premiums collected in «life insurance» sector has amounted to 286 640 mln. KZT and indicated to an increase of 21,1% in comparison with the same period of the previous year. The share of insurance premiums collected by the «life insurance» sector in total insurance premiums at the reporting date has amounted 36,1% compared to 36,9% as of 1 November 2022.

As of 1 November 2023, the total insurance premiums collected in «non-life insurance» sector has amounted to 507 938 mln. KZT and indicated to an increase of 25,2% in comparison with the same period of the previous year.

¹ in accordance with regulatory reporting

** The sum is shown excluding insurance premiums received under reinsurance agreements from residents and excluding expenses related to terminated agreements*

Reinsurance

The total insurance premiums passed for reinsurance² has amounted to 119 544 mln. KZT, which takes 15,0% of the total insurance premiums. Herewith, 74,8% of the total insurance premiums were passed to non-residents for reinsurance.

The total insurance premiums received for reinsurance³ has amounted to 99 531 mln. KZT including premiums from non-residents which has amounted to 76 684 mln. KZT.

Recovery on risks ceded under agreements of reinsurance has amounted to 16 267 mln. KZT or 7,6% of the total insurance payments.

Insurance payments

Total **insurance payments** (excluding the reinsurance payments) made on the 1 November of 2023 has amounted to 214 848 mln. KZT and has increased by 43,8% in comparison with the same period of the previous year.

From the total amount of the insurance payments made on the 1 November of 2023 the share is occupied by insurance payments for voluntary property insurance – 40,0%, on voluntary personal insurance – 30,2% and on compulsory insurance – 29,8%.

Capital adequacy

Regulatory capital has amounted to 651 736 mln. KZT and has increased by 20,6% since the beginning of 2023 (as of the beginning of 2023 – 540 221 mln. KZT).

Solvency margin equaled to 5,01 (as of the beginning of 2023 – 5,19).

Highly liquid assets have amounted to 2 062 551 mln. KZT or 84,3% of the total assets and have increased by 19,7% since the beginning of 2023 (as of the beginning of 2023 – 1 722 539 mln. KZT).

Profitability of the insurance sector

Net income of the insurance sector on the 1 November of 2023 has amounted to 196 289 mln. KZT, which is 67,3% more than it was at the same period of the previous year.

Net income for the last 12 months to average total assets (ROA) is 9,7%.

Net income for the last 12 months to average total equity (ROE) is 25,7%.

Macroeconomic indicators

The share of the total assets of insurance sector to GDP is 2,2%;

The share of the insurance premiums to GDP – 0,83%;

The insurance premium per capita ratio – 46 289 KZT.

Concentration of the insurance sector

The share of the 10 largest insurance companies in total assets amounted to 81,1%;

The share of the 10 largest insurance companies in total equity capital – 81,3%;

The share of the 10 largest insurance companies in total insurance premiums – 69,9%;

The share of the 10 largest insurance companies in total insurance payments – 71,3%.

²the amount is indicated after deduction of the income related to the termination of insurance contracts transferred for reinsurance

³ the amount is indicated after deduction of the expenses related to the termination of insurance contracts received for reinsurance

I. STRUCTURE OF THE INSURANCE SECTOR OF THE REPUBLIC OF KAZAKHSTAN

Table 1. Structure of the insurance sector of Kazakhstan

Structure of the insurance sector	01.11.2022	01.11.2023
Number of insurance organizations	27	25
<i>including in life insurance</i>	9	9
Number of insurance brokers	9	10
Number of actuaries	57	58
Number of insurance/reinsurance organizations participants of Insurance Indemnity Guarantee Fund. JSC	26	24

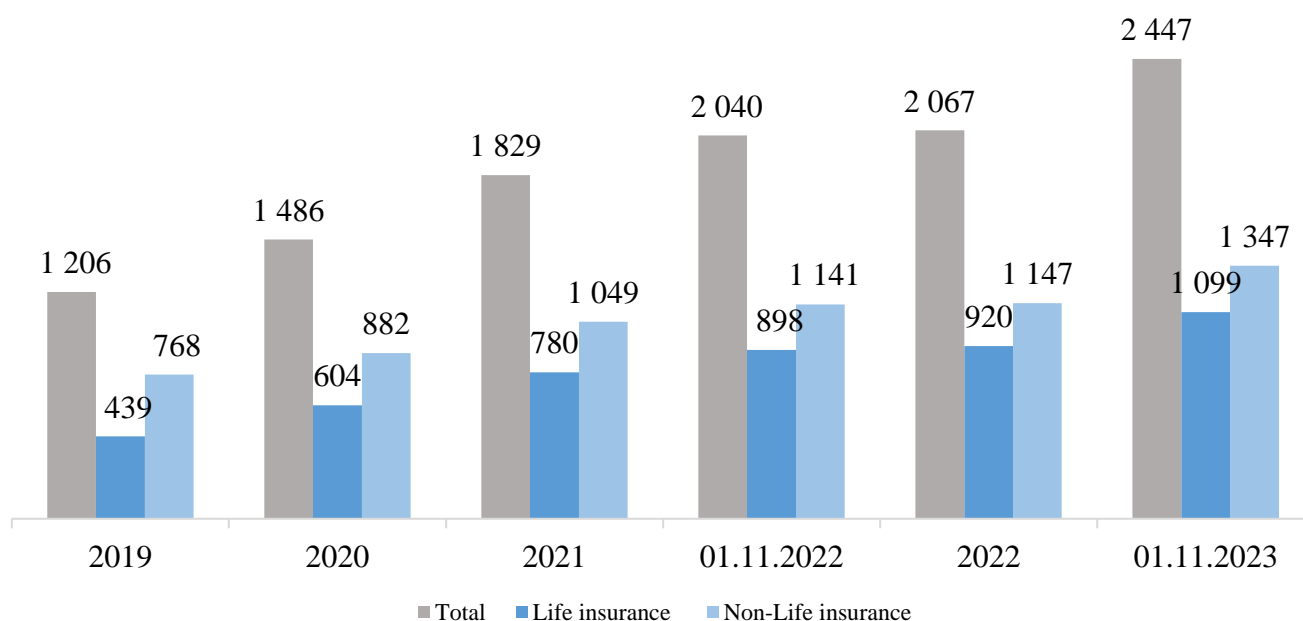
II. ASSETS OF THE INSURANCE SECTOR OF THE REPUBLIC OF KAZAKHSTAN

Table 2. Structure of total assets of the insurance sector of Kazakhstan

Indicator name	01.01.2023		01.11.2023		changes, %
	million KZT	% of total	million KZT	% of total	
Cash money	33 287	1,6	31 497	1,3	-5,4
<i>“Life insurance” sector</i>	8 549	0,4	8 168	0,3	-4,5
<i>“Non-life insurance” sector</i>	24 738	1,2	23 329	1,0	-5,7
Deposits in banks	75 047	3,6	78 821	3,2	5,0
<i>“Life insurance” sector</i>	25 504	1,2	33 030	1,4	29,5
<i>“Non-life insurance” sector</i>	49 544	2,4	45 791	1,9	-7,6
Securities	1 531 697	74,1	1 767 320	72,2	15,4
<i>“Life insurance” sector</i>	765 062	37,0	909 484	37,2	18,9
<i>“Non-life insurance” sector</i>	766 635	37,1	857 836	35,1	11,9
Reverse REPO transactions	123 633	6,0	216 354	8,8	75,0
<i>“Life insurance” sector</i>	42 084	2,0	68 438	2,8	62,6
<i>“Non-life insurance” sector</i>	81 549	3,9	147 916	6,0	81,4
Insurance premiums to be received from insurants and intermediaries	72 938	3,5	85 852	3,5	17,7
<i>“Life insurance” sector</i>	13 551	0,7	16 733	0,7	23,5
<i>“Non-life insurance” sector</i>	59 386	2,9	69 119	2,8	16,4
Fixed capital	17 084	0,8	17 337	0,7	1,5
<i>“Life insurance” sector</i>	2 475	0,1	3 469	0,1	40,2

<i>“Non-life insurance” sector</i>	14 609	0,7	13 868	0,6	-5,1
Reinsurance assets	65 900	3,2	79 005	3,2	19,9
<i>“Life insurance” sector</i>	10 817	0,5	11 210	0,5	3,6
<i>“Non-life insurance” sector</i>	55 083	2,7	67 794	2,8	23,1
Other receivables	21 114	1,0	15 865	0,6	-24,9
<i>“Life insurance” sector</i>	7 198	0,3	3 390	0,1	-52,9
<i>“Non-life insurance” sector</i>	13 917	0,7	12 475	0,5	-10,4
Other assets	125 914	6,1	154 527	6,3	22,7
<i>“Life insurance” sector</i>	44 305	2,1	45 514	1,9	2,7
<i>“Non-life insurance” sector</i>	81 608	3,9	109 013	4,5	33,6
Total assets	2 066 614	100,0	2 446 577	100,0	18,4
<i>“Life insurance” sector</i>	919 544	44,5	1 099 437	44,9	19,6
<i>“Non-life insurance” sector</i>	1 147 070	55,5	1 347 140	55,1	17,4

Figure 1. Dynamics of assets, including "life insurance" and "non-life insurance" sectors (Bln Tenge)



III. LIABILITIES OF THE INSURANCE SECTOR OF THE REPUBLIC OF KAZAKHSTAN

Table 3. Structure of total liabilities of the insurance sector of Kazakhstan

Indicator name	01.01.2023		01.11.2023		changes, %
	million KZT	% of total	million KZT	% of total	
Insurance reserves, including	1 095 948	84,9	1 268 107	82,5	15,7
“Life insurance” sector	660 778	51,2	730 221	47,5	10,5
<i>Unearned premium reserve</i>	52 150	4,0	60 949	4,0	16,9
<i>Reserve of not occurred losses on life insurance contracts</i>	172 083	13,3	193 653	12,6	12,5
<i>Reserve of not occurred losses on annuity contracts</i>	354 529	27,5	367 142	23,9	3,6
<i>Incurred but not reported losses reserve</i>	69 254	5,4	91 667	6,0	32,4
<i>Declared but not settled losses reserve</i>	12 762	1,0	16 809	1,1	31,7
“Non-life insurance” sector	435 170	33,7	537 886	35,0	23,6
<i>Unearned premium reserve</i>	239 225	18,5	310 909	20,2	30,0
<i>Incurred but not reported losses reserve</i>	62 037	4,8	67 318	4,4	8,5
<i>Declared but not settled losses reserve</i>	133 908	10,4	159 660	10,4	19,2
Loans raised	0	0,0	0	0,0	
“Life insurance” sector	0	0,0	0	0,0	
“Non-life insurance” sector	0	0,0	0	0,0	
Settlements with reinsurance companies	25 754	2,0	22 874	1,5	-11,2
“Life insurance” sector	2 248	0,2	1 341	0,1	-40,3
“Non-life insurance” sector	23 506	1,8	21 532	1,4	-8,4
Settlements with intermediaries of insurance/reinsurance activity	7 844	0,6	9 994	0,6	27,4
“Life insurance” sector	2 729	0,2	4 821	0,3	76,7
“Non-life insurance” sector	5 116	0,4	5 173	0,3	1,1
Accounts payable under insurance/reinsurance contracts	5 006	0,4	7 493	0,5	49,7
“Life insurance” sector	2 161	0,2	4 381	0,3	102,7
“Non-life insurance” sector	2 845	0,2	3 111	0,2	9,4
Other payables	13 527	1,0	14 907	1,0	10,2
“Life insurance” sector	4 032	0,3	3 563	0,2	-11,6
“Non-life insurance” sector	9 495	0,7	11 344	0,7	19,5
Other liabilities	143 339	11,1	214 295	13,9	49,5

“Life insurance” sector	73 980	5,7	102 625	6,7	38,7
“Non-life insurance” sector	69 359	5,4	111 670	7,3	61,0
Total liabilities	1 291 418	100,0	1 537 669	100,0	19,1
“Life insurance” sector	745 928	57,8	846 953	55,1	13,5
“Non-life insurance” sector	545 490	42,2	690 717	44,9	26,6

Figure 2. Dynamics of liabilities, including "life insurance" and "non-life insurance" sectors (Bln Tenge)

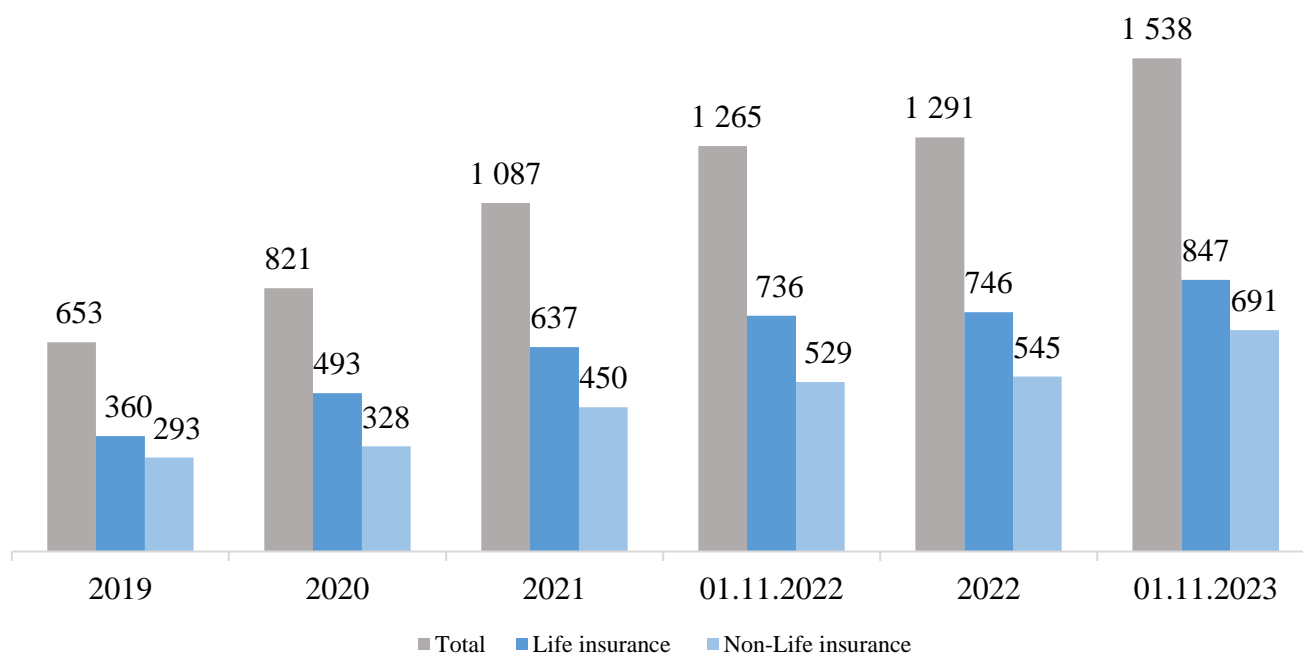
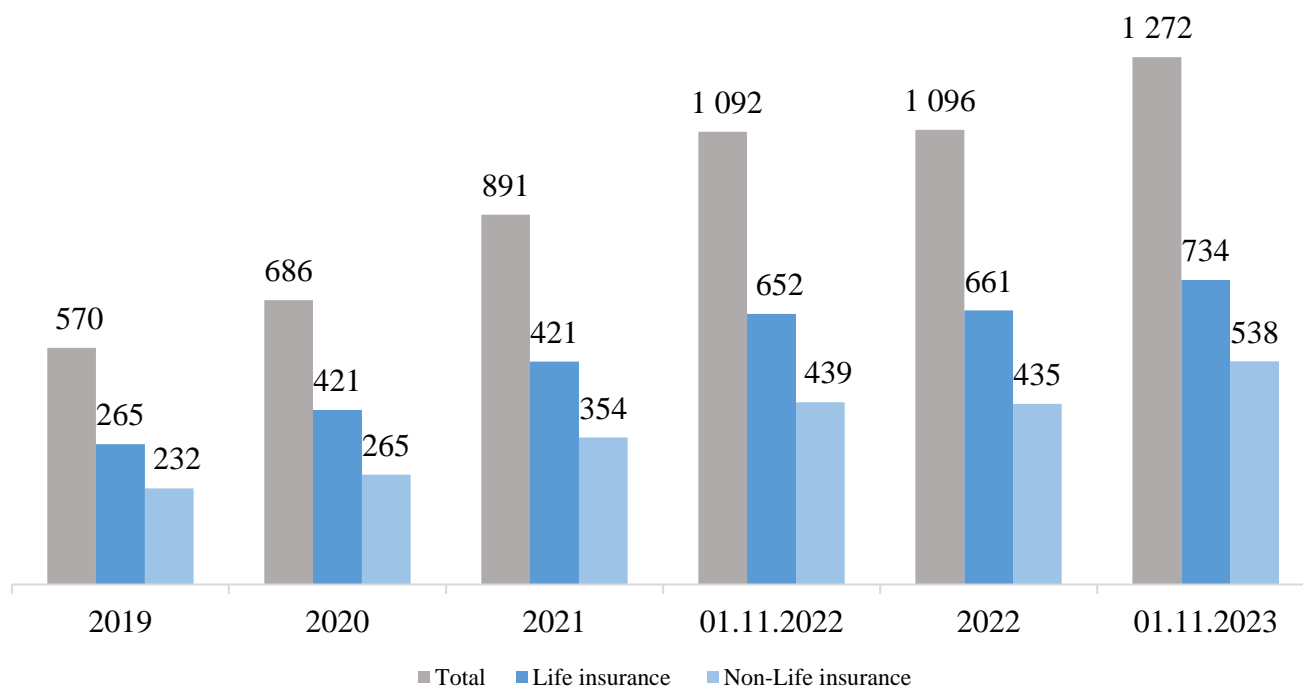


Figure 3. Dynamics of insurance reserves, including "life insurance" and "non-life insurance" sectors (Bln Tenge)

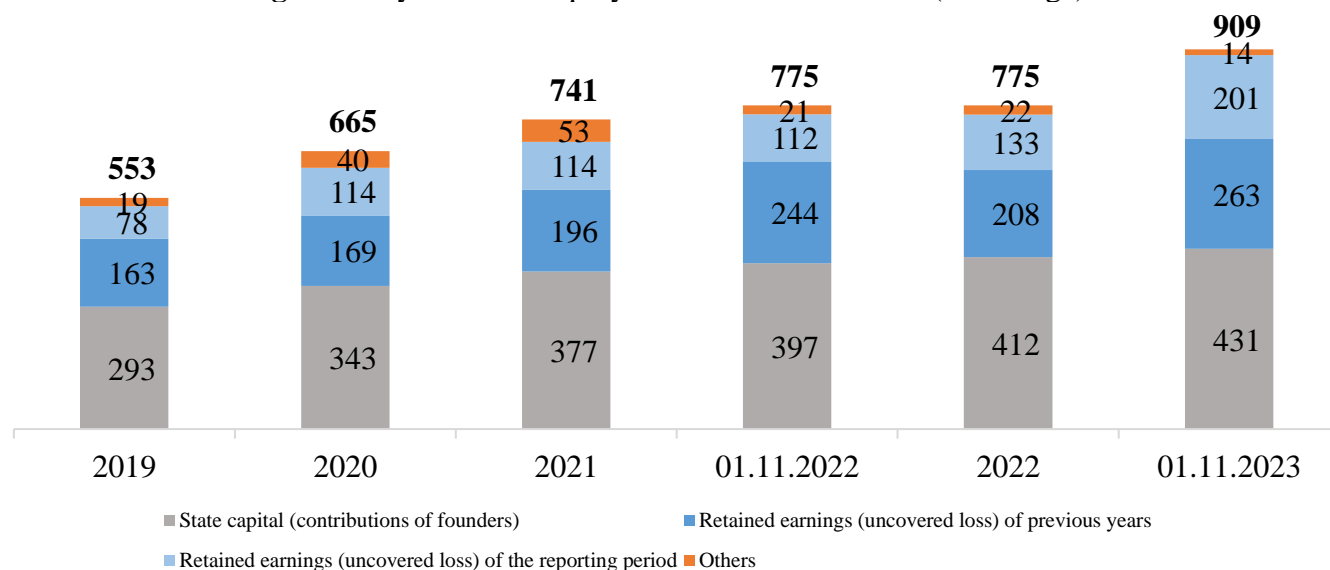


IV. EQUITY OF THE INSURANCE SECTOR OF THE REPUBLIC OF KAZAKHSTAN

Table 4. Structure of equity of the insurance sector

Indicator name	01.01.2023		01.11.2023		changes, %
	million KZT	% of total	million KZT	% of total	
Authorized capital (contributions of founders), including:	411 535	53,1	431 410	47,5	4,8
“Life insurance” sector	58 215	7,5	57 488	6,3	-1,2
“Non-life insurance” sector	353 320	45,6	373 922	41,1	5,8
Retained earnings (uncovered loss) of the reporting period, including:	132 539	17,1	201 096	22,1	51,7
“Life insurance” sector	59 013	7,6	98 684	10,9	67,2
“Non-life insurance” sector	73 526	9,5	102 413	11,3	39,3
Retained earnings (uncovered loss) of previous years, including:	208 290	26,9	262 895	28,9	26,2
“Life insurance” sector	56 080	7,2	93 531	10,3	66,8
“Non-life insurance” sector	152 210	19,6	169 364	18,6	11,3
Others, including:	22 832	2,9	13 506	1,5	-40,8
“Life insurance” sector	309	0,0	2 782	0,3	801,0
“Non-life insurance” sector	22 524	2,9	10 725	1,2	-52,4
Total, including:	775 196	100,0	908 908	100,0	17,2
“Life insurance” sector	173 617	22,4	252 484	27,8	45,4
“Non-life insurance” sector	601 580	77,6	656 424	72,2	9,1

Figure 4. Dynamics of equity of the insurance sector (Bln Tenge)



V. INSURANCE PREMIUMS

Table 5. Receipt of insurance premiums

Insurance premiums*	01.11.2022		01.11.2023		Changes, %
	million KZT	% of total	million KZT	% of total	
Total, including:	642 329	100,0	794 578	100,0	23,7
Compulsory insurance, including:	140 000	21,8	159 531	20,1	14,0
Compulsory motor third-party liability	77 501	12,1	81 421	10,2	5,1
Compulsory employers' liability	52 256	8,1	65 692	8,3	25,7
Compulsory third-party liability for carriers	2 019	0,3	2 373	0,3	17,6
Other compulsory	8 223	1,3	10 043	1,3	22,1
Voluntary personal insurance, including:	234 177	36,5	276 956	34,9	18,3
Sickness insurance	42 502	6,6	49 733	6,3	17,0
Annuity insurance	28 707	4,5	21 080	2,7	-26,6
Life insurance	135 249	21,1	157 590	19,8	16,5
Accident insurance	27 718	4,3	48 346	6,1	74,4
Voluntary property insurance, including:	268 152	41,7	358 091	45,1	33,5
Property insurance	137 912	21,5	160 621	20,2	16,5
Third-party liability	38 383	6,0	42 408	5,3	10,5
Insurance against other financial losses	13 222	2,1	11 145	1,4	-15,7
Motor car insurance	37 898	5,9	78 170	9,8	106,3
Cargo insurance	14 428	2,2	24 832	3,1	72,1
Other voluntary property	26 310	4,1	40 915	5,1	55,5

Table 5-1. Receipt of insurance premiums in “life insurance” sector

Insurance premiums*	01.11.2022		01.11.2023		Changes, %
	million KZT	% of total	million KZT	% of total	
Total, including:	236 783	36,9	286 640	36,1	21,1
Compulsory insurance, including:	52 256	8,1	67 104	8,4	28,4
Compulsory employers' liability	52 256	8,1	65 692	8,3	25,7
Voluntary personal insurance, including:	184 527	28,7	219 537	27,6	19,0
Sickness insurance	3 085	0,5	3 069	0,4	-0,5

Annuity insurance	28 707	4,5	21 080	2,7	-26,6
Life insurance	135 249	21,1	157 590	19,8	16,5
Accident insurance	17 485	2,7	37 591	4,7	115,0

Table 5-2. Receipt of insurance premiums in “non-life insurance” sector

Insurance premiums*	01.11.2022		01.11.2023		Changes, %
	million KZT	% of total	million KZT	% of total	
Total, including:	405 546	63,1	507 938	63,9	25,2
Compulsory insurance, including:	87 743	13,7	92 427	11,6	5,3
Compulsory motor third-party liability	77 501	12,1	81 421	10,2	5,1
Compulsory third-party liability for carriers	2 019	0,3	2 373	0,3	17,6
Other compulsory	8 223	1,3	8 632	1,1	5,0
Voluntary personal insurance, including:	49 650	7,7	57 419	7,2	15,6
Sickness insurance	39 417	6,1	46 664	5,9	18,4
Accident insurance	10 233	1,6	10 755	1,4	5,1
Voluntary property insurance, including:	268 152	41,7	358 091	45,1	33,5
Property insurance	137 912	21,5	160 621	20,2	16,5
Third-party liability	38 383	6,0	42 408	5,3	10,5
Insurance against other financial losses	13 222	2,1	11 145	1,4	-15,7
Motor car insurance	37 898	5,9	78 170	9,8	106,3
Cargo insurance	14 428	2,2	24 832	3,1	72,1
Other voluntary property	26 310	4,1	40 915	5,1	55,5

* The sum is shown excluding insurance premiums received under reinsurance agreements from residents and excluding expenses related to terminated agreements

Figure 5. Dynamics of insurance premiums (Bln Tenge)

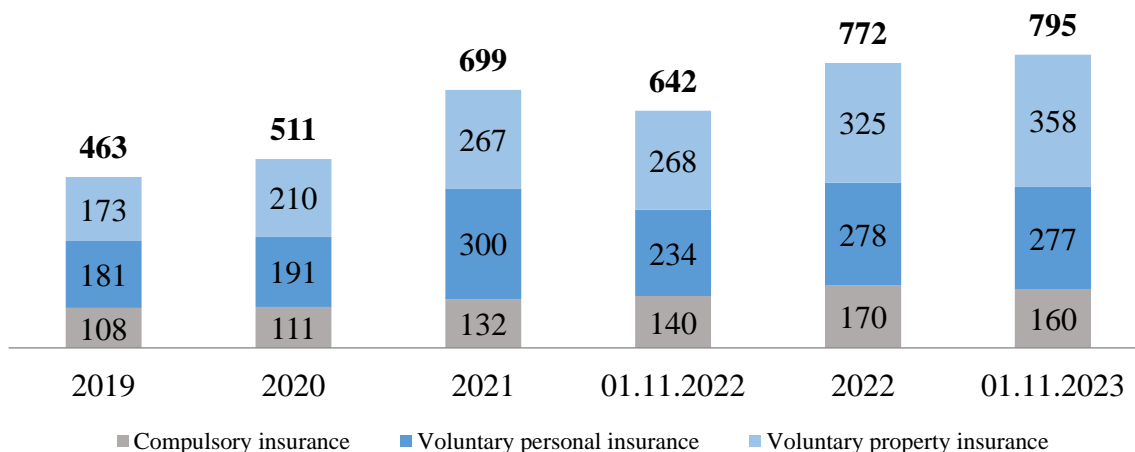


Figure 5-1. Dynamics of insurance premiums in “life insurance” sector (Bln Tenge)

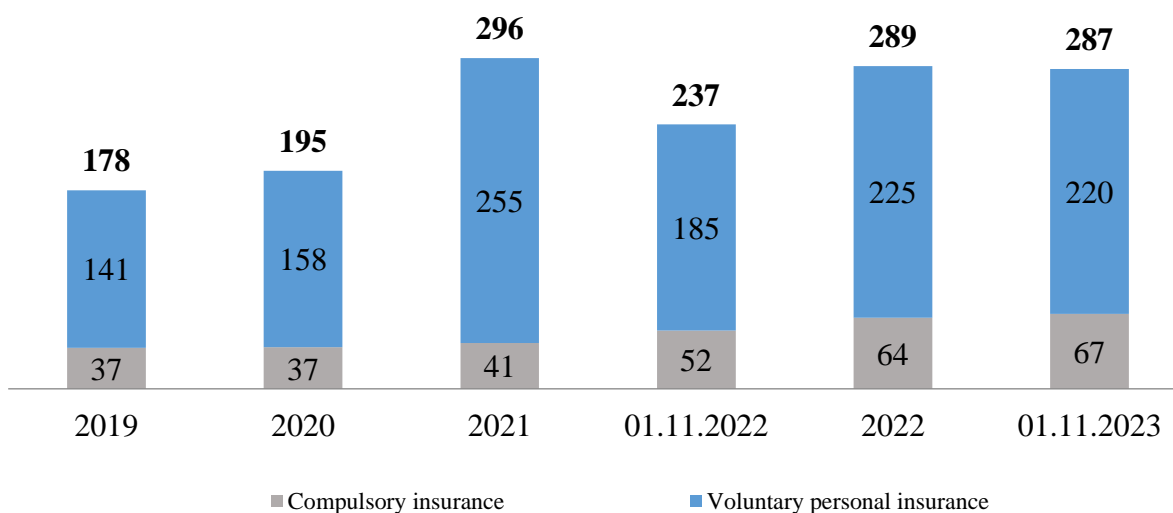
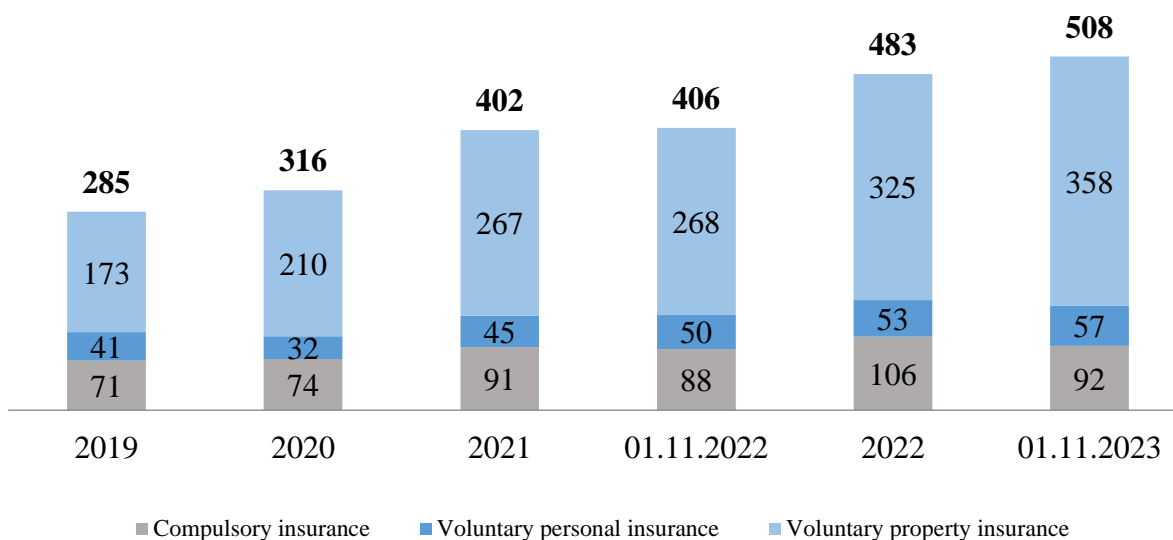


Figure 5-2. Dynamics of insurance premiums in “non-life insurance” sector (Bln Tenge)



VI. REINSURANCE

Table 6. Structure of insurance premiums passed for reinsurance and recovery from reinsurer

Reinsurance structure	01.11.2022		01.11.2023		Changes , %
	million KZT	% of total	million KZT	% of total	
Total premiums passed for reinsurance, including	104 690	100,0	119 544	100,0	14,2
to non-residents	86 352	82,5	89 369	74,8	3,5
to residents	18 338	17,5	30 175	25,2	64,5
Recovery on risks received under agreements of reinsurance, including	10 475	100,0	16 267	100,0	55,3

from non-residents	9 634	92,0	14 971	92,0	55,4
from residents	841	8,0	1 296	8,0	54,1
Total received premiums for reinsurance from non-residents	61 522		76 415		24,2

Table 6-1. Structure of insurance premiums passed for reinsurance and recovery from reinsurer in “life insurance” sector

Reinsurance structure	01.11.2022		01.11.2023		Changes, %
	million KZT	% of total	million KZT	% of total	
Total premiums passed for reinsurance, including	9 509	100,0	3 441	100,0	-63,8
to non-residents	5 498	57,8	641	18,6	-88,3
to residents	4 011	42,2	2 800	81,4	-30,2
Recovery on risks received under agreements of reinsurance, including	666	100,0	630	100,0	-5,4
from non-residents	193	28,9	323	51,2	67,6
from residents	473	71,1	307	48,8	-35,1
Total received premiums for reinsurance from non-residents	4		27		535,7

Table 6-2. Structure of insurance premiums passed for reinsurance and recovery from reinsurer in “non-life insurance” sector

Reinsurance structure	01.11.2022		01.11.2023		Changes, %
	million KZT	% of total	million KZT	% of total	
Total premiums passed for reinsurance, including	95 181	100,0	116 103	100,0	22,0
to non-residents	80 854	84,9	88 728	76,4	9,7
to residents	14 327	15,1	27 375	23,6	91,1
Recovery on risks received under agreements of reinsurance, including	9 809	100,0	15 637	100,0	59,4
from non-residents	9 441	96,3	14 648	93,7	55,1
from residents	367	3,7	988	6,3	169,1
Total received premiums for reinsurance from non-residents	61 518		76 388		24,2

Figure 6. Share of insurance premiums passed for reinsurance by countries, %

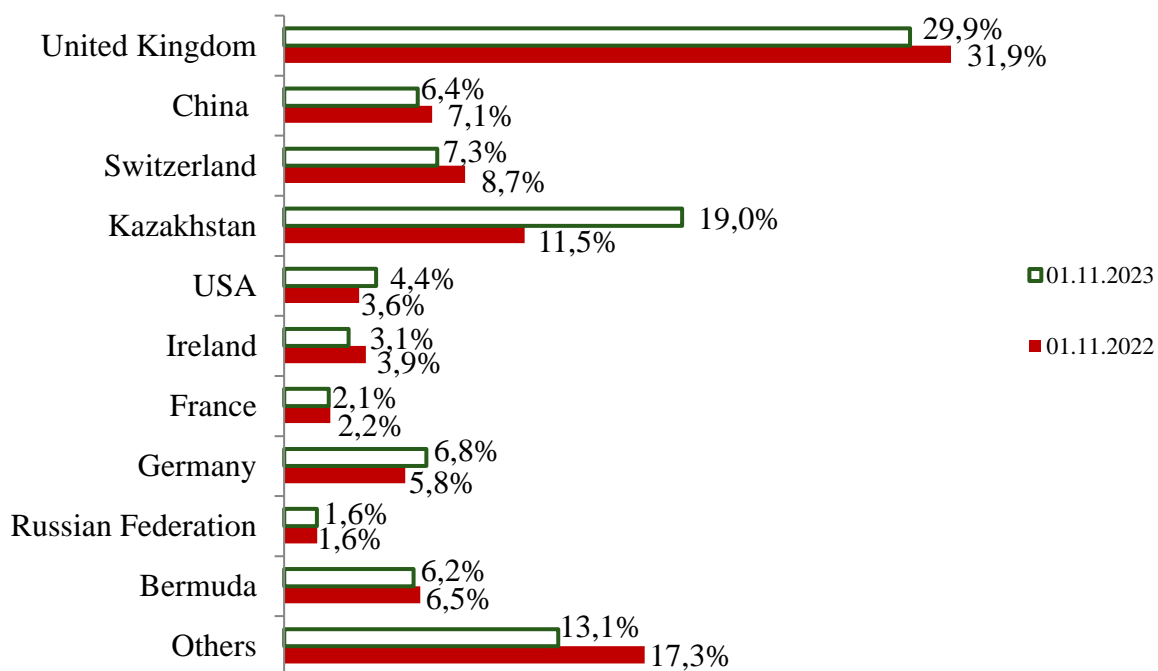


Figure 6-1. Share of insurance premiums passed for reinsurance by countries in “life insurance”, %

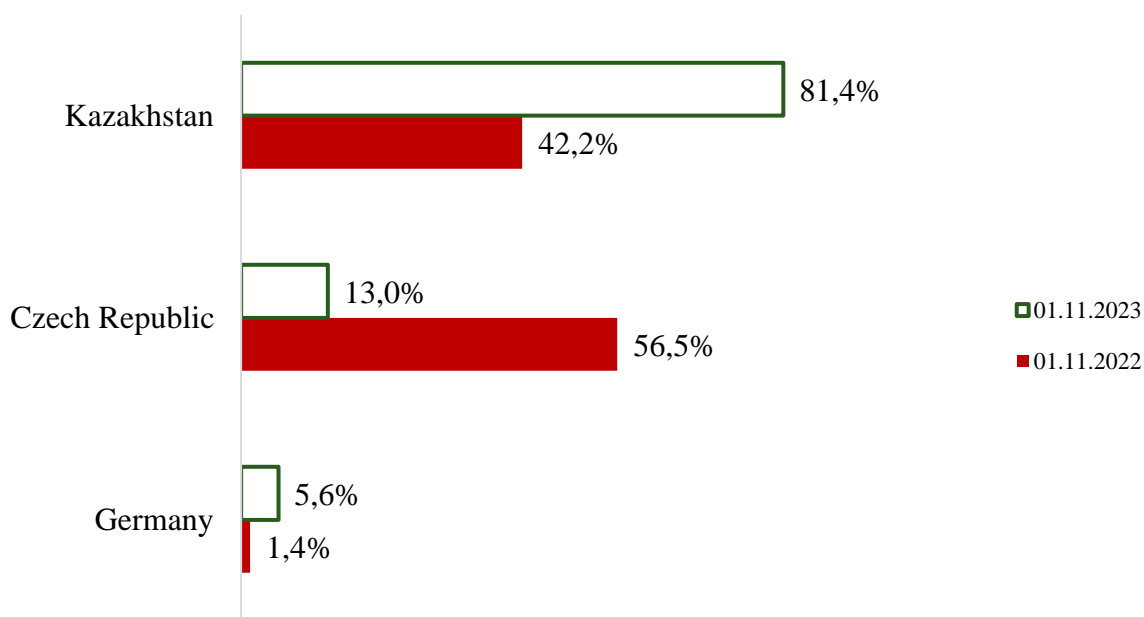
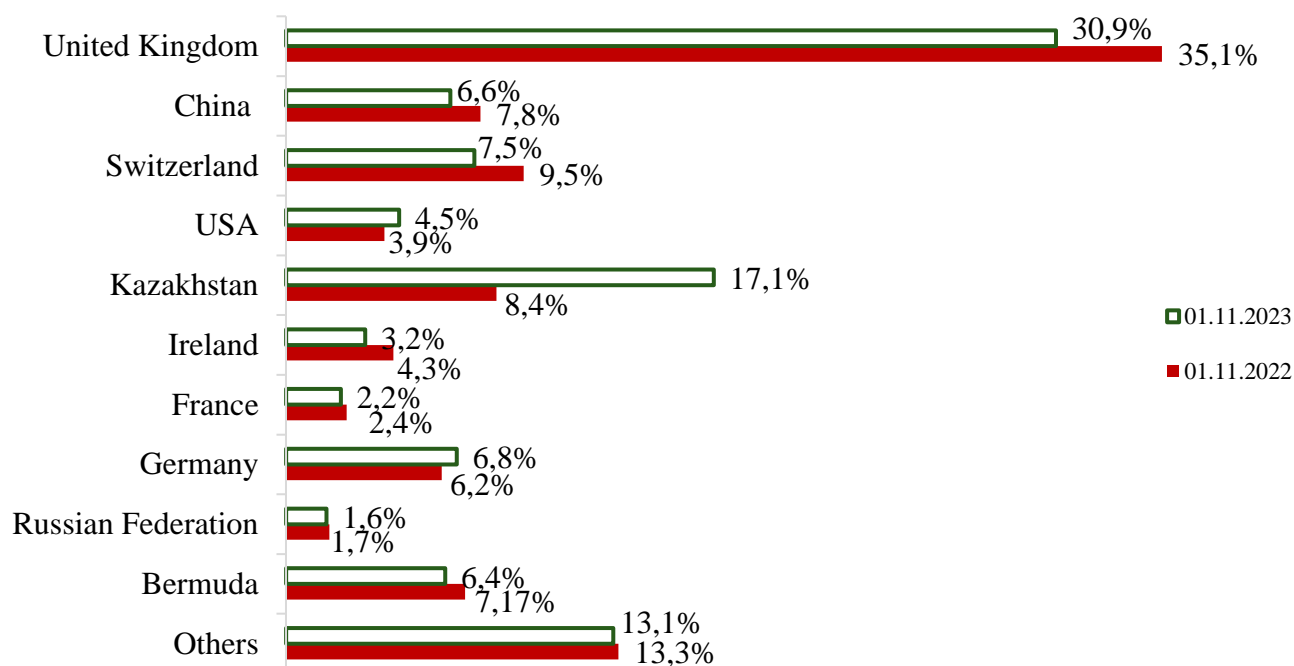


Figure 6-2. Share of insurance premiums passed for reinsurance by countries in “non-life insurance”, %



VII. INSURANCE PAYMENTS

Table 7. Structure of insurance payments

Insurance payments*	01.11.2022		01.11.2023		Changes , %
	million KZT	% of total	million KZT	% of total	
Total, including:	149 421	100,0	214 848	100,0	43,8
Compulsory insurance, including:	46 561	31,2	63 962	29,8	37,4
Compulsory motor third-party liability	40 272	27,0	50 090	23,3	24,4
Compulsory employers' liability	4 711	3,2	11 914	5,5	152,9
Other compulsory	1 578	1,1	1 958	0,9	24,1
Voluntary personal insurance, including:	46 599	31,2	64 840	30,2	39,1
Sickness insurance	18 293	12,2	23 876	11,1	30,5
Annuity insurance	17 905	12,0	14 597	6,8	-18,5
Life insurance	7 866	5,3	22 044	10,3	180,3
Accidents insurance	2 535	1,7	4 323	2,0	70,5
Voluntary property insurance, including:	56 261	37,7	86 046	40,0	52,9
Motor car insurance	12 371	8,3	17 623	8,2	42,5
Insurance against other financial losses	3 522	2,4	3 329	1,5	-5,5
Property insurance	26 609	17,8	51 687	24,1	94,2
Third-party liability	2 540	1,7	7 461	3,5	193,8
Other	11 220	7,5	5 946	2,8	-47,0

Table 7-1. Structure of insurance payments in “life insurance” sector

Insurance payments*	01.11.2022		01.11.2023		Changes , %
	million KZT	% of total	million KZT	% of total	
Total, including:	32 611	21,8	53 458	24,9	63,9
Compulsory insurance, including:	4 528	3,0	12 157	5,7	168,5
Compulsory employers' liability	4 528	3,0	11 914	5,5	163,1
Voluntary personal insurance, including:	28 083	18,8	41 301	19,2	47,1
Sickness insurance	105	0,1	696	0,3	564,8
Annuity insurance	17 905	12,0	14 597	6,8	-18,5
Life insurance	7 866	5,3	22 044	10,3	180,3
Accidents insurance	2 208	1,5	3 964	1,8	79,5

Table 7-2. Structure of insurance payments in “non-life insurance” sector

Insurance payments*	01.11.2022		01.11.2023		Changes , %
	million KZT	% of total	million KZT	% of total	
Total, including:	116 809	78,2	161 390	75,1	38,2
Compulsory insurance, including:	42 033	28,1	51 805	24,1	23,2
Compulsory motor third-party liability	40 272	27,0	50 090	23,3	24,4
Compulsory employers' liability	183	0,1	-	-	-100,0
Other compulsory	1 578	1,1	1 715	0,8	8,7
Voluntary personal insurance, including:	18 515	12,4	23 539	11,0	27,1
Sickness insurance	18 188	12,2	23 180	10,8	27,4
Accidents insurance	327	0,2	359	0,2	9,8
Voluntary property insurance, including:	56 261	37,7	86 046	40,0	52,9
Motor car insurance	12 371	8,3	17 623	8,2	42,5
Insurance against other financial losses	3 522	2,36	3 329	1,55	-5,5
Property insurance	26 609	17,8	51 687	24,1	94,2
Third-party liability	2 540	1,7	7 461	3,5	193,8
Other	11 220	7,5	5 946	2,8	-47,0

* The sum is shown excluding the insurance payments performed under reinsurance agreements from residents

Figure 7. Dynamics of insurance payments (Bln Tenge)

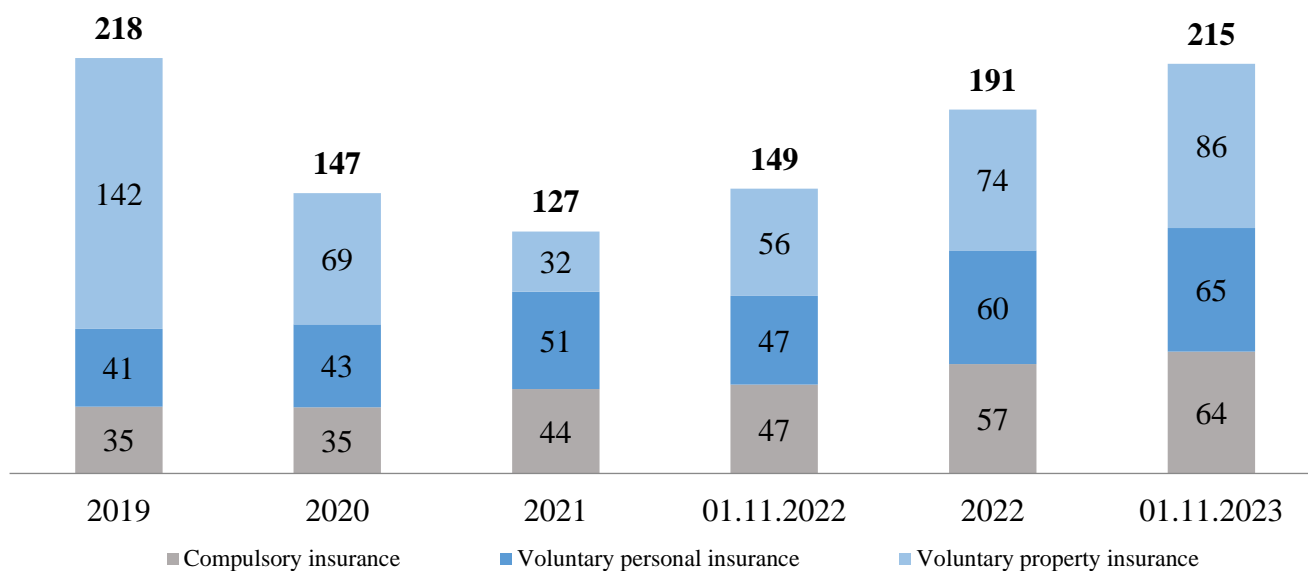


Figure 7-1. Dynamics of insurance payments in “life insurance” sector (Bln Tenge)

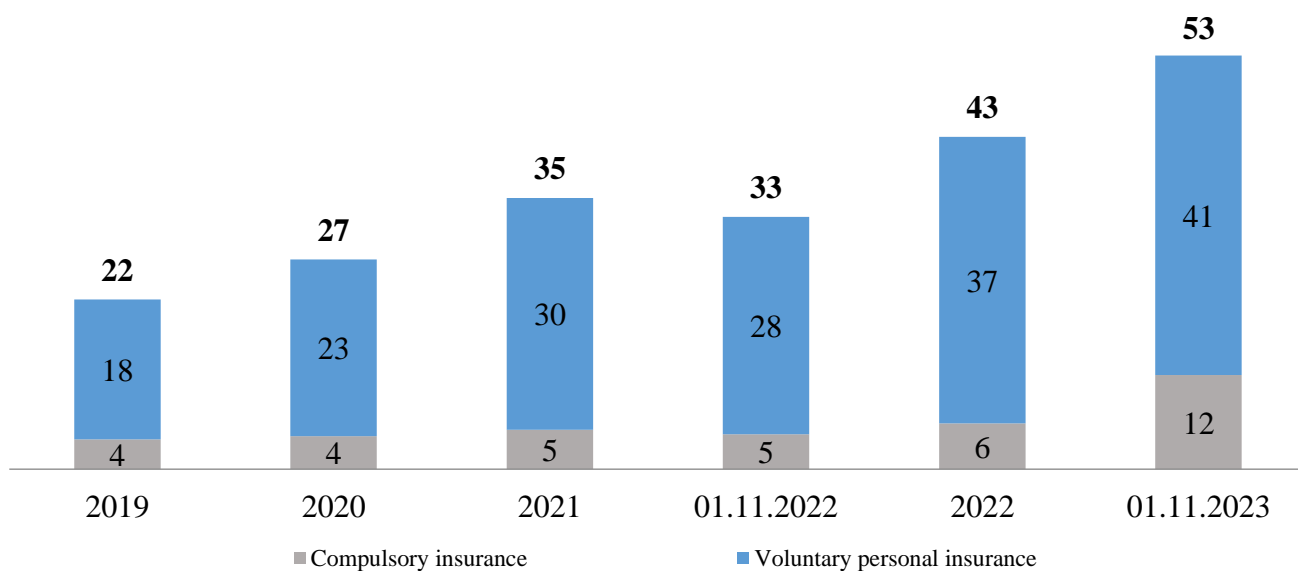


Figure 7-2. Dynamics of insurance payments in “non-life insurance” sector (Bln Tenge)

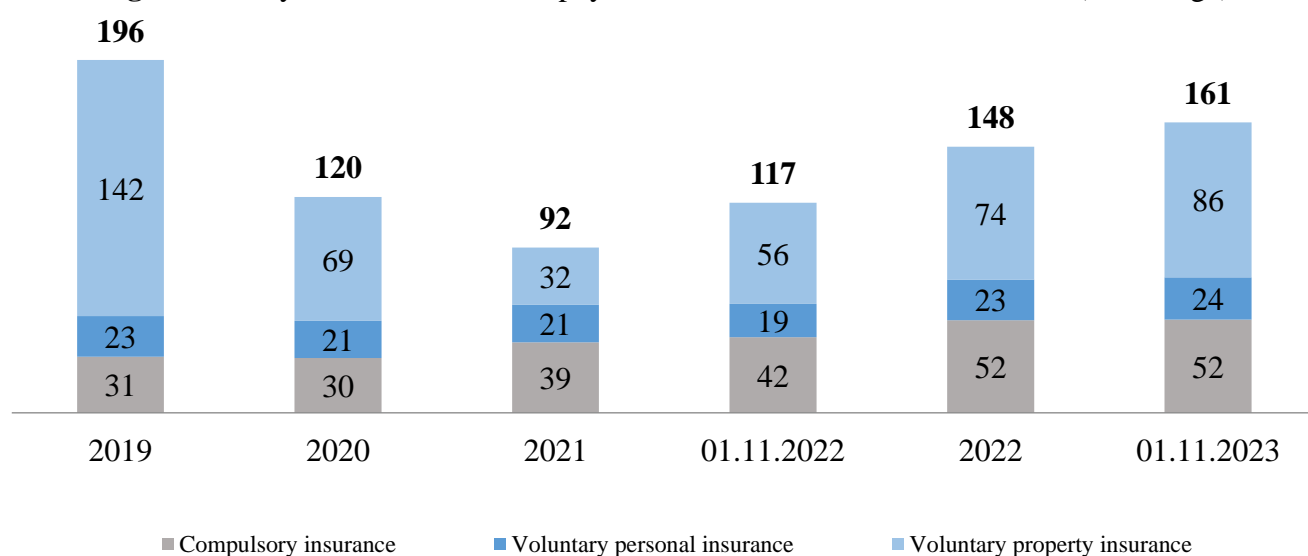


Figure 8. Ratio of insurance payments to insurance premiums*

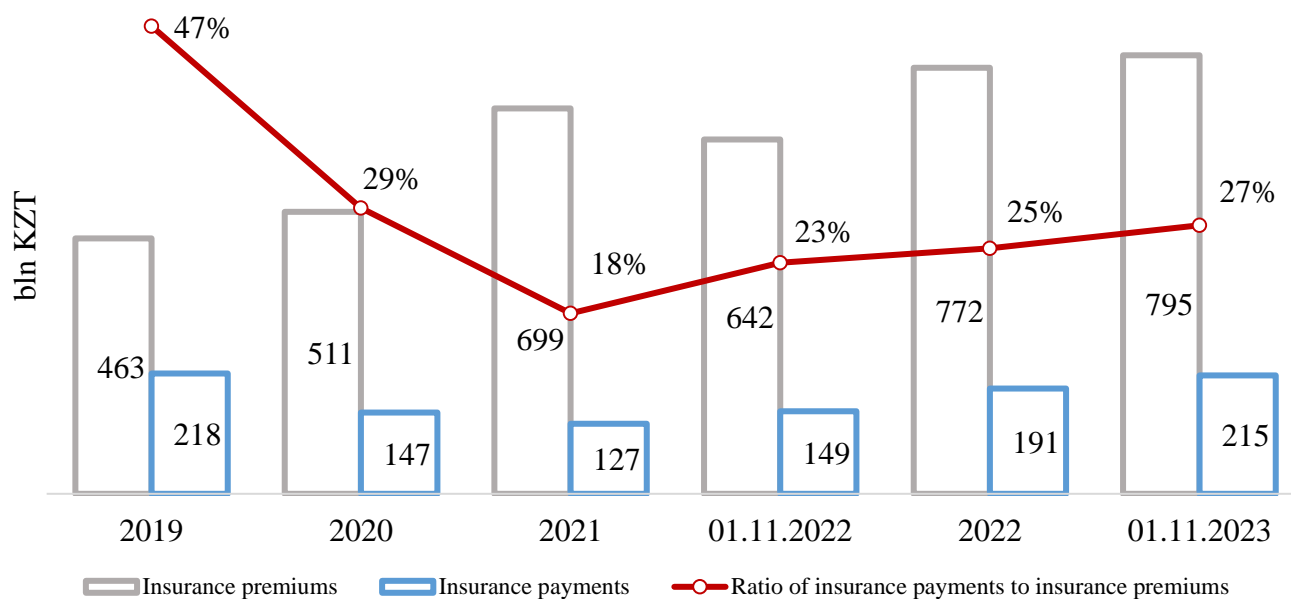


Figure 8-1. Ratio of insurance payments to insurance premiums in “life insurance” sector*

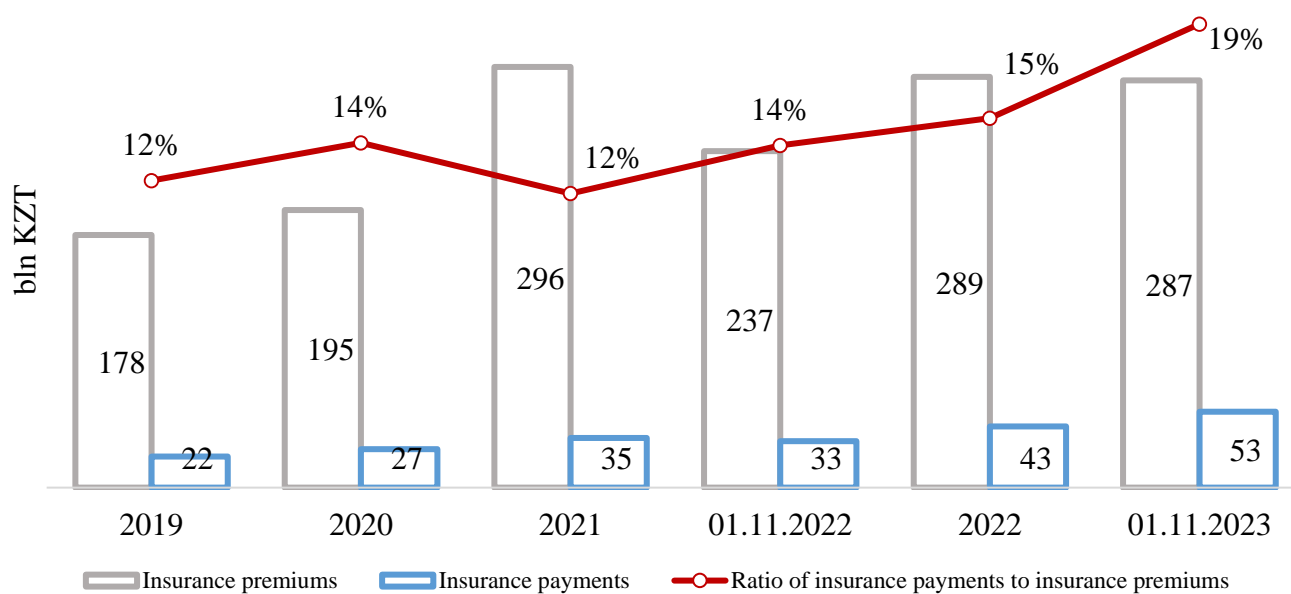
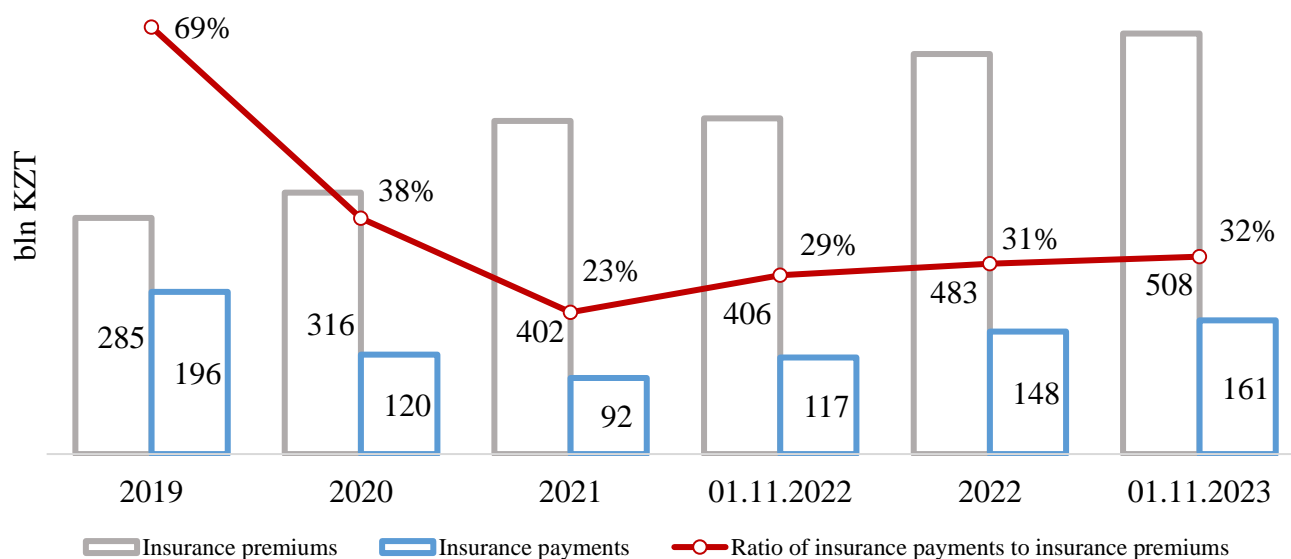


Figure 8-2. Ratio of insurance payments to insurance premiums in “non-life insurance” sector



* - Insurance premiums are shown excluding insurance premiums received under reinsurance agreements from residents and excluding expenses related to terminated agreements
 - Insurance payments are shown excluding the insurance payments performed under the reinsurance agreements from residents

VIII. EFFICIENCY OF THE INSURANCE SECTOR OF THE REPUBLIC OF KAZAKHSTAN

Table 8. Profitability of the insurance sector

Income/Losses	01.11.2022		01.11.2023		Changes, %
	million KZT	% of total	million KZT	% of total	
Income from insurance activities	577 197	79,2	761 888	81,5	32,0
“Life insurance” sector	279 196	38,3	379 839	40,6	36,0
“Non-life insurance” sector	298 001	40,9	382 049	40,9	28,2
Income from investment activities	146 073	20,0	170 360	18,2	16,6
“Life insurance” sector	64 774	8,9	84 019	9,0	29,7
“Non-life insurance” sector	81 299	11,2	86 341	9,2	6,2
Income from other activities	5 752	0,8	2 428	0,3	-57,8
“Life insurance” sector	4 219	0,6	663	0,1	-84,3
“Non-life insurance” sector	1 533	0,2	1 765	0,2	15,1
Total income	729 022	100,0	934 675	100,0	28,2
“Life insurance” sector	348 189	47,8	464 521	49,7	33,4
“Non-life insurance” sector	380 833	52,2	470 154	50,3	23,5
Net expenses related with insurance payments	133 105	22,1	196 093	26,9	47,3

“Life insurance” sector	32 076	5,3	53 041	7,3	65,4
“Non-life insurance” sector	101 030	16,8	143 053	19,7	41,6
Change in net insurance reserves	139 253	23,2	89 882	12,3	-35,5
“Life insurance” sector	103 022	17,1	60 297	8,3	-41,5
“Non-life insurance” sector	36 231	6,0	29 585	4,1	-18,3
Expenses related with payment of commission fees on insurance activities	106 922	17,8	162 309	22,3	51,8
“Life insurance” sector	50 868	8,5	87 831	12,1	72,7
“Non-life insurance” sector	56 054	9,3	74 478	10,2	32,9
Expenses related with termination of an insurance (reinsurance) contract	83 007	13,8	130 525	17,9	57,2
“Life insurance” sector	61 670	10,3	102 613	14,1	66,4
“Non-life insurance” sector	21 336	3,6	27 911	3,8	30,8
General and administrative expenses	109 541	18,2	129 311	17,8	18,0
“Life insurance” sector	39 690	6,6	53 066	7,3	33,7
“Non-life insurance” sector	69 851	11,6	76 245	10,5	9,2
Other expenses	29 105	4,8	4 453	0,6	-84,7
“Life insurance” sector	11 414	1,9	2 075	0,3	-81,8
“Non-life insurance” sector	17 691	2,9	2 378	0,3	-86,6
Total expenses	600 933	100,0	727 900	100,0	21,1
“Life insurance” sector	298 740	49,7	361 513	49,7	21,0
“Non-life insurance” sector	302 193	50,3	366 386	50,3	21,2
Net income/loss before corporate income tax	128 089		206 776		61,4
“Life insurance” sector	49 449		103 008		108,3
“Non-life insurance” sector	78 640		103 768		32,0
Corporate income tax	10 767		10 486		-2,6
“Life insurance” sector	2 749		3 568		29,8
“Non-life insurance” sector	8 018		6 918		-13,7
Total net income/loss after taxes	117 322		196 289		67,3
“Life insurance” sector	46 700		99 440		112,9
“Non-life insurance” sector	70 622		96 850		37,1

Table 9. Loss ratio for policies

Class name	01.01.2020		01.01.2021		01.01.2022		01.01.2023	
	including reinsurer's share, %	excluding reinsurer's share, %	including reinsurer's share, %	excluding reinsurer's share, %	including reinsurer's share, %	excluding reinsurer's share, %	including reinsurer's share, %	excluding reinsurer's share, %
Compulsory insurance	36	39	43	43	41	41	46	50
Voluntary personal insurance	31	32	24	25	31	32	27	28
Voluntary property insurance	57	36	27	38	28	43	32	45
Total	44	36	31	36	32	39	34	41

IX. MACROECONOMIC INDICATORS AND CONCENTRATION OF THE INSURANCE SECTOR

Table 10. Macroeconomic indicators of the insurance sector

Key indicators of the insurance sector	01.11.2022	01.01.2023	01.11.2023 ⁴
GDP in billion KZT	91 720,5	101 523,0	110 975,9
Assets to GDP ratio, %	2,22%	2,04%	2,20%
“Life insurance” sector	0,98%	0,91%	0,99%

⁴ Data as of 01.11.2023:

- According to preliminary data of the Bureau of National statistics of the Agency for strategic planning and reforms of the Republic of Kazakhstan, GDP is indicated as of 01.07.2023 (for the last 12 month).

- Insurance premiums are indicated for the last 12 months.

- According to preliminary data of the Bureau of National Statistics, of the Agency for strategic planning and reforms of the Republic of Kazakhstan, the population of Kazakhstan is 19 968,0 thousand people as of 1 October 2023.

“Non-life insurance” sector	1,24%	1,13%	1,21%
Equity capital to GDP ratio, %	0,84%	0,76%	0,82%
“Life insurance” sector	0,18%	0,17%	0,23%
“Non-life insurance” sector	0,67%	0,59%	0,59%
Insurance premiums to GDP ratio, %	0,84%	0,76%	0,83%
“Life insurance” sector	0,32%	0,28%	0,31%
“Non-life insurance” sector	0,52%	0,48%	0,53%
Insurance premium per capita, KZT	39 196	39 109	46 289
“Life insurance” sector	14 960	14 647	16 978
“Non-life insurance” sector	24 236	24 462	29 312

Table 11. Concentration of the insurance sector, %

The indicators of the ten largest insurance companies⁵, %	01.11.2022	01.01.2023	01.11.2023
Share of the assets	80,5	80,6	81,1
Share of the equity capital	80,9	81,7	81,3
Share of the insurance premiums	66,0	65,8	69,9
Share of the insurance payments	64,8	68,5	71,3

⁵ The shares of the indicators of the ten largest insurance companies are based on data of the assets of the ten largest insurance organizations.