



# **Actuarial Association of Moldova (AAM)**

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OLEG VEREJAN,  
PRESIDENT OF THE AAM

# Short Personal Resume (Oleg Verejan)

## Studies

- PhD : Economic Statistics | The Academy of Economic Studies of Moldova Research topic – Actuarial statistics in general insurance;
- Masters: Actuarial practices and risk in business | The Academy of Economic Studies of Moldova ;
- Bachelors: Statistics and Economic Forecasting | The Academy of Economic Studies of Moldova.

## Employment

- Actuarial consultations for insurance sector | part time – actuary , Donaris Vienna Insurance Group (2016 - current );
- Associate professor (2003 – current , part time ) | Department of Econometrics and Economic Statistics | Actuarial analysis in insurance , Actuarial Practices , Actuarial Basics , Statistics , Econometrics | 60 publications in the field of actuarial research, 1 monograph (287 pages) – Actuarial statistics in insurance (Romania, Economica Publishing House, 2004);
- Head of the Corporate Investment Department | Bank "Moldova Agroindbank " JSC (2008-2014)
- Non-life actuary | Life actuary | Insurance company "QBE ASITO" JSC (1997-2008)

## Experience in consulting projects

- Key expert in the development of normative acts for the Supervisory Authority | Technical reserves, Own funds, Solvency, National methodology for calculating rates regulated at MTPL, Regulation on actuarial activity, Actuarial report | Law on insurance activity 92/2022 (5 projects of basic normative acts);
- National Key , sectoral expert | consulting for the Government in the economic -financial field | GIZ, USAID, UNDP, World Bank;
- Member of the team to create the normative framework for the implementation of the Insurance Law 407/2006 (which was repealed at 31.12.2022) | 4 experts | developed 18 normative acts.

## Professional certifications

- Certificate of the Actuary
- Certificates in Securities.

# Country overview - 2022

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- Population - 2.54 million people
- GDP - 13.8 billion EUR
  - Share of industry in GDP - 13.1%
- GDP, real growth - - 5.0% (+4.1% - average for 2016-2019)
- GDP per inhabitant - 5427.3 EUR/person
- Inflation rate - 30.2% (+ 4.5% - average for 2016-2019)
- Employment rate - 40.5%
- Unemployment rate - 3.1%
- Export – 4.3 billion USD
  - EU export share - 58.6%



# Overview of the insurance sector - 1

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## Supervision Authority of the insurance sector

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- National Commission of Financial Markets (NCFM) - from 2007 until 30.06.2023 (still responsible for consumer protection in insurance, capital market, private pensions)
- National Bank of Moldova - starting from 01.07.2023 (banking, insurance, non-banking landing sector)

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## Insurance companies

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- 10 - Non-life
- 1 - Life
- 2 - with foreign capital (Austria): 1 non-life ( Donaris Vienna Insurance Group), 1 composite (GRAWE CARAT)

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## Insurance intermediaries

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- 46 – brokers (1 – life insurance )
- 71 – insurance agents (legal persons )

# Overview of the insurance sector - 2

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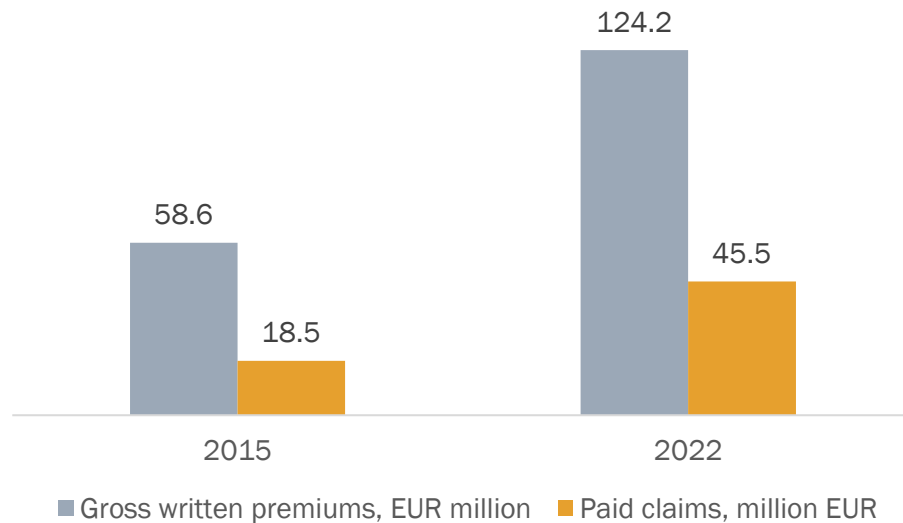
Indicators	2022	
Insurance penetration	0.90	% of GDP
Insurance density	48.9	GWP/pers, EUR
Assets	213.0	million EUR
Technical reserves	125.5	million EUR
ROE	8.0	%
ROA	2.4	%

- Insurance penetration is very low and has remained at this level for the last 10 years;
- Insurance is not a priority (48.9 EUR/person);
- Assets grow on average by +4.1% per year (1,5% of the GDP, a very small share, indicating that the sector has a small share in the economy)
- Technical reserves increase on average per year by +7.3%. Modification of the legal framework (for prudential purposes) led to the essential increase of insurance reserves in the last 5 years.

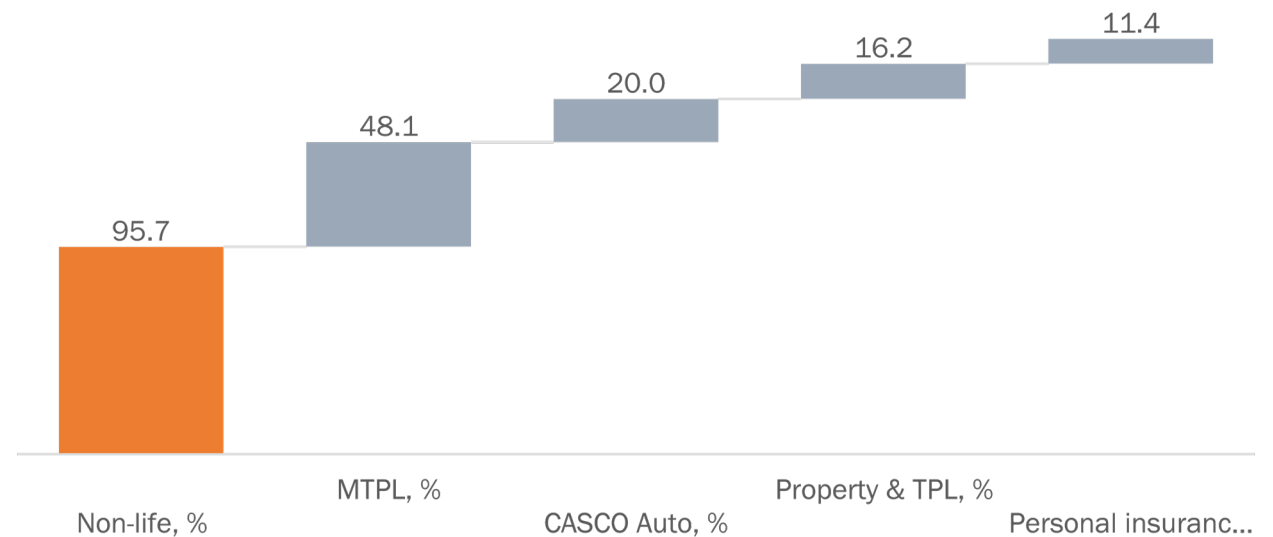


# Overview of the insurance sector - 3

Gross Written Premium & Paid claims, million EUR



Share of the non - live insurance GWP and its breakdown - 2022 , %



- GWPs have increased on average per year **+11.3%**. The increase is mainly due to the increase in regulated prices at MTPL (calculated by the supervisory authority);
- Claims paid increased on average **+13.7% per year**.

- The sector is focused on non- life insurance – the share is **95.7 %** . ;
- The share of car insurance is **68.1%**, of which compulsory car insurance **48.1%**.

# Actuarial Association of Moldova (AAM)

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- **January 29, 2007**

Was created AAM (Chisinau), registered at the Ministry of Justice ;

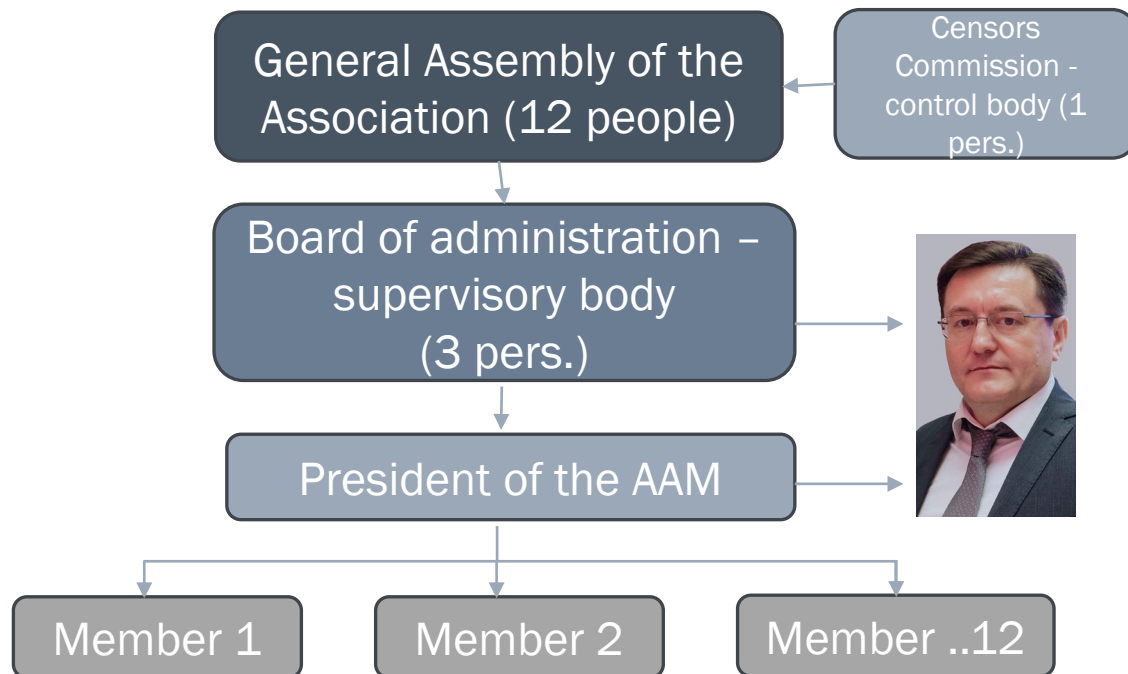
- **October 28, 2007**

Becomes an associate member of the International Actuarial Association (IAA) ;

- **AAM is recognized by the National Commission of Financial Market,** as an important association in promoting and developing the actuarial profession in the Republic of Moldova.

# Governance and Members of the Association

## Governance of the Association



- The President of the Council is also the President of the association
- In the current year, we will change AAM status in accordance with the normative framework in force, whereby the head of the executive body is not also a member of the Supervisory Board

## Members of the Association

	Name, First name	
1	Verejan Oleg	Certified actuary
2	Nicholas Iliev	Certified actuary
3	Mihail Popa	Certified actuary
4	Victor	Certified actuary
5	Dolghi Vladimir	Certified actuary
6	Siscanu Lina	Certified actuary
7	Cornaciu Gheorghe-Valentin	Certified actuary
8	Adrian Allott	Fellowship Institute of Actuaries of Australia (Bank of New Zealand, CEO Aviva Pension, Romania)
9	Pârțachi Ion	University professor, head of the Econometrics and Economic Statistics department, AECM
10	Barber Lilian	Risk manager, Chef Underwriter
11	TĂTARU Andrian	Statistician, expert in modeling of the financial risks
12	Bradul Marcel	Risk manager (OTP bank)



# The purpose of the Moldovan Actuarial Association

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- Contribution to recognition, support and promoting the actuary profession in the Republic of Moldova;
- Affirmation and defense of the rights of all actuaries or persons professionally assimilated to them who operates in the Republic of Moldova;
- Acquiring and spreading knowledge in the actuarial field.

# **The normative acts that regulate the activity of the Association**

## **(internal normative acts)**

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- The Statute;
- The disciplinary code (part of the statute);
- Code of professional ethics;
- Standards of Practice in General insurance;
- Standards of Practice in Life Insurance.

# The main activities carried out by the AAM

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- **March 27-28, 2008 ( Chisinau ) ( Twining )**

*Workshop - The role of the actuary in the economy and in the insurance business .*

Speakers : Chris Daykin ( Former Government Actuary and IAA expert , UK ) , Adrian Allott ( President ARA), Roger Bevan (Actuarial Profession , UK), Ad Kok ( Chairman, European Actuarial Consultative Group ), Erzsebet Kovacs ( Director of the Actuarial Education and Research Group, Budapest ), Mike North ( Government Actuary's Department, United Kingdom ) ;

- **August, 2016 ( Chisinau )**

AAM in collaboration with the Department of "Econometrics and Economic Statistics" within the Academy of Economic Studies of Moldova, a Master's program was created "Actuarial and business risk" ;

- **June, 2018 ( Chisinau )**

5 days workshop for local supervision Authority (NCFM) regarding actuarial practices ;

- **July , 2016 & 2017 ( Chisinau )**

2 summer schools were organized for actuaries with a period of 1 week each. Topics covered: Actuarial issues in general and life insurance ( Speaker : Adrian Allott , president of the ARA);

- **March 20-22 & 27-28, 2023 ( Chisinau ) (USAID)**

Solvency II - the role and the responsibility actuaries and others \_ functions key ( Siegbert Baldauf);

" IFRS 17 – Insurance contracts - the role and the responsibility actuaries , Valuation model: approach with variable fees (VFA, PAA);

- **2007-2023**

AAM participated in the elaboration of over 40 normative acts with actuarial specifics and in the field of insurance , private pensions , elaborated by the Supervisory Authority and the Government of the Republic of Moldova ;

AAM has a close collaboration with the Economic Council under the Prime Minister of the Republic of Moldova and other public authorities.

# Normative acts that regulate actuarial activity in the Republic of Moldova

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- *Law on insurance or reinsurance activity, no. 92/2022 (art. 42. Actuarial function)* - new law that partially transposes the Solvency II directive - except for pillar I ( capital requirements ) ( not SCR, only MCR);
- *The regulation on actuarial activity* I regulates the rights and obligations of the actuary;
- *The regulation on Actuarial Report* I regulates the preparation method, the structure, the stress tests that must be carried out, the annual presentation method to the Supervisory Authority of the actuarial report;
- *The regulation on key functions* I regulates the requirements for key functions: actuary, risk manager, compliance, internal audit ;
- *Regulation on the technical reserves of the insurance company* I are consistent with Solvency I and IFRS 4 and not Solvency II/IFRS 17;
- *Regulation on the solvency of the insurer* I the actuary is responsible for calculating the solvency and liquidity of insurance companies;
- The normative acts under the new Law, 92/2022, will **enter into force by the end of 2023**:
  - Regulation on own funds, minimum capital requirements, solvency and liquidity of the insurance company
  - Regulation on the preparation and presentation of ORSA (step in of the actuaries and risk managers)

# Duties of the actuarial function (Law on insurance or reinsurance activity, 92/2022)

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- coordination of the calculation of insurance premiums / tariffs ;
- coordination of the calculation of technical provisions, involving actuarial calculation, ensuring the appropriate methodologies, the basic models used and the assumptions made, assessing the sufficiency and quality of the data used in the calculation of technical provisions, and identifying data which distort the calculation of technical provisions and proposing their removal;
- calculation of solvency ratio \_
- coordination of the dispersion of eligible assets;
- calculating the benefits from the realization of assets eligible for technical provisions for life insurance;
- comparing best estimates with past experience;
- expressing an opinion on the overall underwriting policy;
- expressing an opinion on the appropriateness of reinsurance contracts;
- contributing to the effective implementation of the risk management system, in particular as regards risk modeling underlying the calculation of solvency ratio requirements, minimum capital requirements and internal risk and solvency assessment;
- confirmation of the reports submitted to the supervisory authority containing the actuarial calculations;
- preparation and submission of the insurer's or reinsurer's annual actuarial report or other actuarial calculations in accordance with the supervisory authority's regulations; l ) notifying , within 15 working days, the board of the insurance or reinsurance undertaking and the supervisory authority of irregularities detected or of situations indicating or leading to a breach of the provisions of the law relating to insurance or reinsurance activity as far as the duties of the actuary are concerned.

# Become actuary in the Republic of Moldova – requirements of the normative acts

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- Definition provided by Low 92/2022.

*actuary* - natural person specialized in the evaluation of financial risks through actuarial methods (statistical, mathematical and economic), holder of an actuary's qualification certificate, issued by the supervisory authority ;

- Qualification requirements (obtaining the actuary certificate):
  - **university and/or postgraduate studies** in the field of mathematics , statistics and /or financial-economics ;
  - **experience of at least 3 years** in the field of insurance, pension funds, financial mathematics or statistics, the activity carried out involving actuarial calculations;
  - **demonstrating the possession of practical knowledge in the actuarial field** by presenting the competence report in the actuarial field that will contain: the methodologies, applied techniques and own estimates related to the calculations performed in the practical activity of a junior actuary;
  - **taking the exam at the supervisory authority** (2.5 hours, 10 theoretical and practical subjects, knowledge of the legislation).



# Next steps

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- Creation of a qualitative and reliable education/training platform for actuaries (master's degree supported by local and external professors, discussions with the National Bank of Moldova);
- Strengthening of the Association's activity and certification of actuaries on the Association's platform, after completion of the above-mentioned training programme for actuaries;
- Adjustment of internal acts (Statutes in accordance with the new law on public associations, code of ethics, disciplinary, standards of practice);
- Focusing on the IFRS17, will come in force at 01.01.2024;
- Identification of possibilities to increase the number of Association's members (but only active members with an interest in developing the actuarial profession);
- Active collaboration with EAA and other external associations (workshops, meetings, discussions).

# Website of AAM

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<https://actuariat.org.md/>



# International expansion

- Associated Member of the International Actuarial Association ( IAA) – since 2007 ;
- AAM was accepted as an Institutional Partner on Actuvie platform – since 2022 ;



November 9, 2007

Mr. Verejan Oleg  
President  
Asociatia de Actuarii din Moldova  
86/3, Albisoara str., Chisinau City  
Republic of Moldova  
(ver\_oleg@yahoo.com)

Dear Mr. Oleg:

We are pleased to confirm that the Asociatia de Actuarii din Moldova was admitted as an Associate Member of the International Actuarial Association (IAA) at the Council meeting in Dublin, Ireland on October 28, 2007.

As an Associate Member, the contact person identified on your application form will be granted access to the IAA Newsletter and various other documents through the Members' site. The Asociatia may also send an observer to the IAA Council meetings. Our next Council and committee meetings will be held in Québec, Canada, 11-14 June 2008 and we hope that we will have the pleasure of welcoming a representative from your association at this event.

Dues for Associate Members are \$50 CAD per year (January 1 – December 31). Please find enclosed the invoice for the year 2008. Under certain conditions, the Secretariat can accept the payment of fees for a period of three years in advance in order to reduce the financial burden on smaller associations in paying their dues. If your association is interested in paying its dues in advance for the next three (3) years, please advise the Secretariat and you will receive a revised invoice for the years 2008, 2009 and 2010.

We look forward to working with the Asociatia de Actuarii din Moldova towards your qualifying for full membership as soon as possible. If you have any questions about the requirements for full membership, please do not hesitate to contact Celeste Leclerc (celeste.leclerc@actuaries.org), Project Manager, Membership and Development, at the IAA Secretariat.

Welcome to the IAA and congratulations on your new Associate Member status.

Yours sincerely,

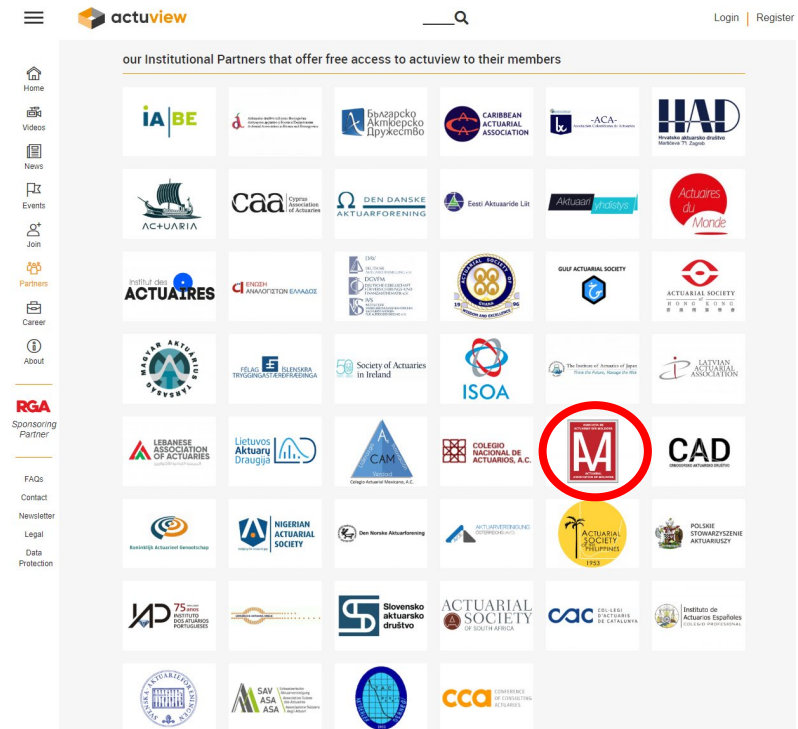
*Yves Guérard*

Yves Guérard  
Secretary General

*Juan Carlos Padilla*

Juan Carlos Padilla  
Chairperson, Accreditation Committee

Enclosure



*Thank you*



OLEG VEREJAN, AAM