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TRENDS IN INSURANCE MARKET DEVELOPMENT

Abstract

The global insurance market is a crucial part of the world economy and its development is influenced by macroeconomic factors, the intensification of existing risks and the emergence of new ones, regulatory changes, globalization, liberalization, and more. The COVID-19 pandemic, large-scale natural disasters, inflation, and geopolitical events have significantly impacted the decline or slowdown in the growth of the global economy and the world insurance market. There was a slight decrease in global insurance premiums in 2022 compared to 2021, and preliminary results suggest a slight increase in insurance premiums in 2023 compared to 2022. Changes have occurred in the provision of insurance services, demand for them, and insurers' operations. The focus of this paper is the analysis of the trends in the development of the global insurance market. The goal is to highlight the degree of insurance development worldwide and to assess the global insurance market's readiness to withstand negative phenomena and leverage contemporary challenges for growth and performance improvement.

Keywords: *insurance market, life insurance, non-life insurance, development trends, COVID-19, natural disasters, inflation, digitalization.*

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I. Introduction

By ensuring the stability of vital processes, insurance contributes to creating conditions for the economic growth of society. The phased slowdown in global economic growth, high inflation, and geopolitical uncertainty have a tremendous impact on the global insurance market. Analyzing these changes is crucial for defining the possibilities for adaptation and market development strategies. This paper will analyze the trends and contemporary challenges in the global insurance market.

II Indicators of the Development of the Global Insurance Market

The world has been exposed to an increasing number of macroeconomic shocks for many years, starting from the global financial crisis of 2008/2009, followed by the euro crisis, to the crisis triggered by the COVID-19 pandemic[5], as well as devastating geopolitical conflicts. Despite the negative impacts of these shocks, the global insurance market has demonstrated relative resilience. Economic shocks can negatively affect insurance premiums, the volume of claims, and investment results.[6] In 2023, it is estimated that global insurance premiums amounted to approximately $7,100 billion, representing a slight increase compared to 2022, when they amounted to around $6,782 billion (and a real growth of 1.7% is expected in 2024 compared to 2023, although these results are below the ten-year average (2012–2021) of 2.6%). This slight growth follows a 1.1% decline in global insurance premiums in 2022 compared to 2021. In 2022, global non-life insurance premiums reached about $3,969 billion (58.52% of global insurance premiums), while global life insurance premiums reached around $2,813 billion (41.48% of global insurance premiums).[7] The three insurance markets with the highest nominal insurance premiums in 2022 were: the US insurance market ($2,960 billion), China ($698 billion), and the UK ($363 billion).[8] The share of US insurance premiums in the total global insurance premiums increased from about 40% in 2021 to around 44% in 2022 due to the growth in premiums of major insurance types and the appreciation of the dollar against nearly all major currencies worldwide. The Chinese insurance market

5 The World Health Organization declared the COVID-19 pandemic on March 11, 2020, and declared its end on May 5, 2023 (approximately 765 million cases and around 6.9 million deaths worldwide due to COVID-19), Tatjana Rakonjac-Antić, *Penzijsko i zdravstveno osiguranje*, Faculty of Economics, University of Belgrade, 2024, p. 223, according to *www.who.int*.

6 Allianz Research, "Allianz Global Insurance Report 2023: Anchor in turbulent times," 2023, *https://www.allianz.com/en/economic_research/insights/publications/specials_fmo/global-insurance-report.html*, accessed on: 10. 7. 2024, p. 18.

7 Swiss Re Institute, "World insurance: stirred, and not shaken," *Sigma*, No. 3/2023, Zurich, 2023, pp. 19–42.

8 In 2021, the Japanese insurance market was in third place with premiums of $398 billion, and the UK insurance market was in fourth place with premiums of $374 billion.

maintained its share of 10.3% of total global insurance premiums, while the share of the UK insurance market in total global insurance premiums was 5.4% (see detailed information in Table 1). The share of total insurance premiums of the five largest insurance markets (US, China, UK, Japan, France) in total global insurance premiums increased in 2022 (68.3%) compared to 2021 (66.5%).

Table 1. Insurance premiums (nominal) in the ten largest insurance markets worldwide

Country (market)	Total Premium in $ Billion in 2022	Total Premium in $ Billion in 2021	% change	Global Market Share in 2022	Global Market Share in 2021
USA	2960	2725	8,6%	43,7%	40,3%
China	698	696	0,2%	10,3%	10,3%
United Kingdom	363	374	-2,8%	5,4%	5,5%
Japan	338	398	-15,1%	5,0%	5,9%
France	261	293	-10,7%	3,9%	4,5%
Germany	242	272	-11,3%	3,6%	4,0%
South Korea	183	193	-5,3%	2,7%	2,9%
Canada	171	166	2,8%	2,5%	2,5%
Italy	160	192	-16,5%	2,4%	2,8%
India	131	123	6,5%	1,9%	1,8%

Source: Prepared according to Swiss Re Institute, "World insurance: stirred, and not shaken," *Sigma*, No. 3/2023, Zurich, 2023, p. 40.

Among the twenty largest insurance markets in 2022, seven were Asian markets (China, Japan, South Korea, India, Taiwan, Hong Kong, Singapore) with a share of 22.9% in the global insurance premiums. The average real annual growth rate of insurance premiums in China from 2009 to 2018 was 13.4%.[9] If this trend continues, it is likely that China, along with other Asian countries that rank among the top twenty global insurance markets by premium size, will remain a significant driver of development in the future. It is estimated that China will be one of the key participants in the global economy both in terms of production and consumption.[10] The Indian insurance market is one of the fastest-growing insurance markets in the world (with a global market share of approximately 1.9% in 2022). In 2022, compared

[9] Jelena Kočović, Tatjana Rakonjac-Antić, Marija Koprivica, Predrag Šulejić, *Osiguranje u teoriji i praksi*, Faculty of Economics, University of Belgrade, 2021, p. 433.

[10] Allianz Research, p. 10.

to 2021, premiums in India increased by 6.5%. Forecasts suggest that if this growth continues, the Indian insurance market could become the sixth-largest insurance market by total global premiums by 2032.[11]

Table 2. Top ten countries by total insurance premiums *per capita* and % of GDP, 2022

Rank	Country	Total insurance premiums *per capita* ($)	Rank	Country	Total insurance premiums as % of GDP
1.	Cayman Islands	20.834	1.	Cayman Islands	23,2
2.	Hong Kong	9159	2.	Macau	20,9
3.	USA	8885	3.	Hong Kong	19,0
4.	Singapore	7563	4.	USA	11,6
5.	Denmark	7320	5.	Taiwan	11,4
6.	Macau	6605	6.	South Africa	11,3
7.	Switzerland	6364	7.	South Korea	11,1
8.	Ireland	5438	8.	Denmark	10,9
9.	Sweden	5180	9.	United Kingdom	10,5
10.	Finland	5036	10.	Finland	10,0
	World (Total)	853		World (Total)	6,8

Source: Prepared according to Swiss Re Institute, "World Insurance: Stirred, and Not Shaken", *Sigma*, No. 3/2023, Zurich, 2023.

The total insurance premium *per capita* worldwide in 2022 amounted to $853, representing 6.8% of GDP (see detailed information by country in Table 2).

III Global Changes in Insurance Operations

In addition to existing challenges, recent years have seen an intensification of new digital, social, economic, health, climate, geopolitical, and other risks that affect the operations of insurers and the range of insurance services offered.[12] The impact of COVID-19 has accelerated the process of automation and digitalization in the insurance market, providing better conditions for adequate preparation for potential future pandemics. This pandemic, along with climate change, catastrophic natural events, inflation, labor market changes, policyholders' demands, regulatory changes, the emergence of competitive institutions, and new technological and financial services, etc., have all contributed to global changes in the operations of

[11] Swiss Re Institute, "World insurance: inflation risks front and centre," *Sigma*, No. 4/2022, Zurich, 2022, p. 15.
[12] Kennedys Law, "2022 Insurance Industry Forecast: Trends and Future Risks," accessed on: 6. 7. 2024, *https://kennedyslaw.com/en/thought-leadership/reports/trends-and-future-risks*, pp. 2-14.

insurers. Climate change is accelerating, with extreme manifestations in recent years, requiring a swift response from insurers.[13] For better management of climate change risks, it is necessary to strengthen public-private partnerships.[14] In 2023, economic losses from natural disasters were recorded at $291 billion, exceeding the ten-year average of $235 billion. Insurers paid out $108 billion in claims for natural disaster-related damages in 2023, making it one of the highest years for claims payouts in history. For the fourth consecutive year, insured losses from natural disasters on a global scale surpassed $100 billion, and they are expected to continue growing at an annual rate of 5% to 7% in the long term.[15] The global macroeconomic environment is becoming increasingly complex year by year. Under inflationary conditions, the purchasing power of policyholders and potential policyholders decreases, costs related to claims compensation rise (especially in the health and property insurance sectors), and the risk of not achieving adequate returns on invested insurance premiums increases, among other factors.[16] Monetary policy measures aimed at stabilizing inflation can also lead to recession, among other consequences. The gig economy is developing, where employers engage workers for short-term tasks. This is a new form of employment that is changing the traditional employer-employee relationship. Working hours are flexible, tasks are mostly short-term, and many workers are working remotely. These new forms of employment are influencing the design of new insurance services. Regulations regarding the solvency of insurers are becoming more stringent, with the goal of ensuring smooth operations for insurers and, above all, protecting insurance consumers.

The primary drivers of the fourth industrial revolution are artificial intelligence[17], »big data«, i.e. big data analytics, machine learning, the Internet of Things, robotics, »blockchain«, autonomous vehicles, 3D printing, nanotechnology, biotechnology, and more. The application of these technologies enables insurers to survive and thrive in the digital world.[18] "Big data" (big data analytics) refers to the massive data sets that insurers can access or have collected themselves, which they can analyze to obtain information about policyholder risks, business risks, etc. The availability of these data gives insurers a competitive advantage over other entities

[13] International Association of Insurance Supervisors, Global Insurance Market Report, Basel, 2023, pp. 41-56.
[14] Miloš Pjanić, Milica Inđić, Vera Zelenović, Mirela Mitrašević, "Insurance industry: opportunities and challenges" in Engineering management and competitiveness (2024) (EMC 2024), pp. 225-230.
[15] Swiss Re Institute, "Natural Catastrophes and Inflation in 2023: Gearing Up for Today's and Tomorrow's Weather Risks," *Sigma*, No. 1/2024, Zurich, 2024.
[16] Eduardo D'Alma, August Majer, Global Insurance Market Pulse 2023/2024, Wavestone, 2023, p. 6.
[17] Karl Hersch, James Colaco, Michelle Canaan, 2024 global insurance outlook, Deloitte Center for Financial Services, 2024, pp. 12-15.
[18] Jelena Kočović, Tatjana Rakonjac-Antić, Marija Koprivica, Predrag Šulejić, *Insurance in theory and practice*, Faculty of Economics, University of Belgrade, 2021, pp. 444-448, according to Schwab K., Davis N. "Shaping the Fourth Industrial Revolution", World Economic Forum, Geneva, 2018, p. 7.

that do not have access to such information.[19] Digitalization in insurance establishes new ways of communicating with policyholders, new ways of implementing business processes, but also creates new risks. The most significant effects of digitalization on the insurance sector include: improving the policyholder experience, enhancing business processes, and developing new products (services).[20]

"Insurtech" companies are new competitors in the insurance market, leveraging new technologies to provide insurance coverage for digitally literate policyholders. They offer personalized services and operate under fully automated business processes. These companies focus on untapped segments of the insurance market and specific services (e.g., telematics insurance). The most significant effects of digitalization in this sector include improving the customer experience, enhancing insurers' business processes, and developing new insurance services. Insurers use websites, mobile applications, robo-advisors, social networks (e.g. *Facebook*), video platforms (e.g. *YouTube*), etc. to provide timely and relevant information to policyholders and potential policyholders. Alongside traditional sales channels (direct sales, sales through agents and brokers), the share of alternative digital sales channels via the internet, social media, and mobile apps is also growing.[21] The trend of capital concentration and centralization is also a characteristic of the global insurance market. The main drivers of consolidation in insurance are the increasing frequency of catastrophic risks, regulatory changes, and technological progress. The accumulation of capital stems from the need to insure against major risks, growing solvency capital requirements, and the efforts to facilitate the digital transformation of traditional insurers through mergers and acquisitions with innovative, technologically leading companies.[22] For the modern insurance market, catastrophic risks pose a challenge that threatens the performance of insurers but also presents an opportunity for further expansion and development of the sector, particularly in developing countries where the level of insurance coverage for catastrophic damages is low.[23]

[19] Dino Wilkinson, Alec Christie, Anthony A Tarr, Juli-Anne Tarr, "Big Data, Artificial Intelligence and Insurance." In The Global Insurance Market and Change, 2024., Chapter 2.

[20] Jelena Kočović, Tatjana Rakonjac-Antić, Marija Koprivica, Predrag Šulejić, *Insurance in theory and practice*, Faculty of Economics, University of Belgrade, 2021, pp. 444-448, according to Eling M., Lehman M. "The Impact of Digitalization on the Insurance Value Chain and the Insurability of Risks", Geneva Papers on Risk and Insurance - Issues and Practice, 43(3), 2018, p. 363.

[21] Kočović, Rakonjac-Antić, Koprivica, Šulejić, pp. 444-448.

[22] Jelena Kočović, Marija Koprivica, Željko Jović, "Sustainable Developments of Insurance in Crisis Conditions", Contemporary Challenges and Sustainability of the Insurance Industry (editors Jelena Kočović, Biljana Jovanović Gavrilović, Branislav Boričić, Marija Koprivica), University of Belgrade, Faculty of Economics, Belgrade, 2021, pp. 137-157.

[23] Jelena Kočović, Marija Koprivica, Gorana Krstić, "Catastrophic risks and contemporary insurance market", Challenges and tendencies in the contemporary insurance market (editors Jelena Kočović, Branislav Boričić, Biljana Jovanović Gavrilović, Martin Balleer), University of Belgrade, Faculty of Economics, Belgrade, 2017, pp. 3-31.

IV Contemporary Trends in the Global Non-Life and Life Insurance Markets

The global non-life insurance premium grew by 0.5% in real terms in 2022 compared to 2021, with an estimated increase of 1.4% in 2023 compared to 2022 (see Graph 1). The primary driver of future growth in the global non-life insurance premium is expected to be the strengthening of economic activities. Insurers have generally increased insurance premiums to secure funds for covering rising claim costs due to inflation.[24] The highest insurance premium was recorded in health insurance, accounting for 49% of the total non-life insurance premium.[25] The U.S., as the world's largest health insurance market, experienced a real decline of 1.4% in health insurance premiums in 2023 according to preliminary results, due to reduced demand following the COVID-19 pandemic. Unlike developed European countries, where no significant changes are anticipated, the Asian market is expected to continue growing in health insurance premiums. For 2023, an increase of 8.9% is projected, supported by state medical coverage and digitalization. It is estimated that the global health insurance premium decreased by 0.6% in 2023, with a slight increase expected in 2024. In motor vehicle insurance, approximately 21% of the total global non-life insurance premium was achieved, and preliminary results estimated a 2.8% real growth in this type of insurance premium for 2023. For 2024, a 2.2% increase is expected due to strengthening economic conditions and the realization of previously unmet demand for motor vehicles following the resolution of supply chain disruptions. Property insurance accounted for 14% of the global non-life insurance premium in 2022. Significant growth in liability insurance premiums was recorded in 2021 at 12.3%, but in 2022, the growth slowed to just 1.6% (real).[26] Further growth is expected in credit and surety insurance premiums, which have been increasing, for many years, by approximately 5.1% (nominally) annually.[27]

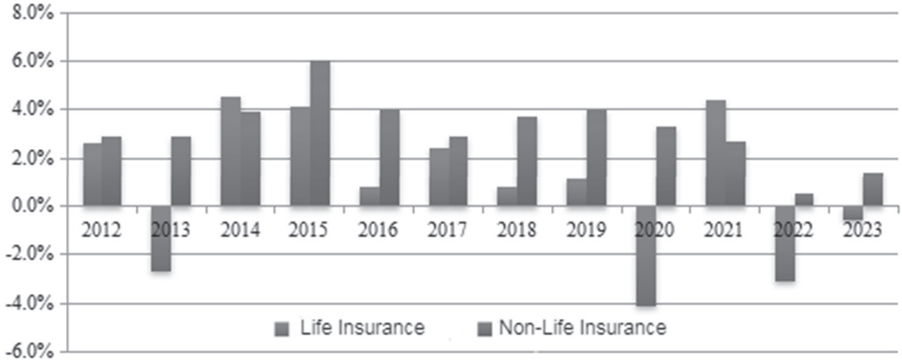
[24] *www.swissre.com*.

[25] If the non-life insurance market is divided into health insurance, personal (individual) insurance, and commercial insurance (where legal entities enter into insurance contracts), in 2022, health insurance premiums accounted for 49% of the global non-life insurance premium, personal insurance contributed 25%, and commercial insurance made up 26% of the global non-life insurance premium.

[26] Growth was modest in all regions of the world except for Asia.

[27] Swiss Re Institute, "World insurance: stirred, and not shaken", *Sigma,* No. 3/2023, Zürich, 2023, pp. 16–26.

Graph 1. Real annual growth rates of life and non-life insurance premiums worldwide (2012-2023)



Source: Prepared according to *https://www.sigma-explorer.com/*

The global growth rate of life insurance premiums in 2020 was negative (-4.4%). In the previous decade, real growth was recorded (at an average annual rate of 1.7%).[28] It is estimated that after a decrease in global life insurance premiums by 3.1% in 2022 compared to 2021, there was an increase in life insurance premiums of 0.7% (real growth) in 2023. This growth is attributed to the increase in savings allocations by the population, growth in insurance premiums under individual insurance contracts, and the rise in interest rates, among other factors.[29] The growth of insurance premiums is faster in developing countries and Asian nations compared to highly developed countries.[30] Due to increased investment income and reduced claims related to COVID-19, there has been an increase in the profitability of insurers in the global life insurance market.[31] To increase the resilience of life insurers' operations against the COVID-19 pandemic, proactive risk management was necessary.[32]

[28] Jelena Kočović, "Contemporary challenges and perspectives of insurance market development", Development of Modern Insurance Market: Constraints and Possibilities (editors Jelena Kočović, Biljana Jovanović Gavrilović, Žaklina Stojanović, Zorica Mladenović, Dejan Trifunović, Marija Koprivica), University of Belgrade, Faculty of Economics, Belgrade, 2022, pp. 3–20

[29] Swiss Re Institute, "Life insurance in the higher interest rate era: asset-savvy is the new asset-light", *Sigma*, No. 2/2024, Zürich, 2024, p. 15.

[30] Swiss Re Institute, "World insurance: stirred, and not shaken", *Sigma*, No. 3/2023, Zürich, 2023, p. 26.

[31] Swiss Re Institute, "Economic stress reprices risk: global economic and insurance market outlook 2023/24", *Sigma*, No. 6/2022, Zürich, 2022, p. 32.

[32] Maria Carannante, Valeria D'Amato, Paola Fersini, Salvatore Forte, Giuseppe Melisi, "Disruption of Life Insurance Profitability in the Aftermath of the COVID-19 Pandemic", Risks, 10:40, *https://doi.org/10.3390/risks10020040*, p. 13.

V Directions for the Development of the Insurance Market in Serbia

Since 2018, 16 insurance companies have been operating in the Serbian insurance market. In 2022, the total insurance premium amounted to approximately \$1.2 billion. Of this amount, 78.6% was generated from non-life insurance premiums, while 21.4% came from life insurance premiums (see data in Table 3). Key indicators of the development level of the insurance market, and important indicators of a country's economic development, include insurance premiums *per capita* (insurance density) and the percentage of insurance premiums in gross domestic product (insurance penetration).

Table 3. Indicators of the Development of the Serbian Insurance Market (2012-2022)

Indicator/ Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Insurance Companies	24	24	21	20	19	17	16	16	16	16	16
Total Insurance Premiums (in mil \$)	713	770	698	727	761	939	966	1,024	1,067	1,200	1,200
Balance Sheet Total of the Insurance Sector in the Financial Sector (%)	4,5	4,8	5,2	5,8	6,1	6,3	6,7	6,6	6,0	6,0	5,6
Premium *per capita* (\$)	96	104	111	105	114	123	140	150	154	176	179
Premium as a % of GDP	1,8	1,8	1,9	2,0	2,0	2,1	2,0	2,0	2,0	1,9	1,9
Life Insurance Premium (% of Total Premiums)	19,3	22	23,1	23,9	25,9	24,4	23,8	23,3	23,8	22,7	21,4
Non-Life Insurance Premium (% of Total Premiums)	80,7	78	76,9	76,1	74,1	75,6	76,2	76,7	76,2	77,3	78,6

Source: Kočović, p. 15, according to www.nbs.rs and www.institute.swissre.com

The relatively stable share of total insurance premiums in the gross domestic product (GDP) indicates a balanced movement of these two parameters over time, which represents the consequence of the mutual interdependence between economic development and the development of the insurance market.[33] According to the value of this indicator, which was 1.9% in 2022, Serbia ranked 65th in the world, while the same indicator in EU countries was 6.4%. The insurance premium *per capita* in Serbia in 2022 was $177, which is five times higher compared to 2002 ($33). According to this indicator, the Serbian insurance market was ranked 63rd in the world in 2022. The Cayman Islands held the first position with $20,834 in insurance premiums *per capita* (see data presented in Table 2). Slovenia, with $1,396 in insurance premiums *per capita*, was ranked 30th in the world. Croatia, with $456 in insurance premiums *per capita* in the same year, was ranked 43rd in the world. The average insurance premium *per capita* in EU member states was $2,377 in 2022.[34] The largest share of total insurance premiums in Serbia in 2022 was from motor vehicle liability insurance, a compulsory type of insurance, accounting for 29.1%. The share of life insurance premiums has remained relatively stable over recent years, constituting 22.7% of total insurance premiums in 2022. The share of life insurance premiums has been relatively stable in recent years. In 2022, it accounted for 22.7% of the total insurance premium.[35]

The development of the Serbian insurance market is primarily conditioned by trends in the macroeconomic environment. Key factors include increasing employment and living standards, strengthening economic activities, stability of the national currency, the development of the financial market, etc. For the functioning of insurance, securing funds for the payment of insured sums and damage compensation, as well as the realization of the financial accumulation function of insurance, among other things, the development of the money market and the capital market is also important. At the end of 2021, the Capital Market Development Strategy for the period 2021-2026 was adopted with the aim of creating adequate conditions for investment by all participants, including insurers.[36] Since the regulatory framework significantly influences the development of the insurance market, several important regulatory changes related to the operations of insurance

[33] Jelena Kočović, Tatjana Rakonjac-Antić, Marija Jovović, "Effects of privatization model of insurance market in transition economies", From Global Crisis to Economic Growth Which Way to Take? Vol. I, Economics (editors Miomir Jakšić, Božidar Cerović, Aleksandra Praščević), University of Belgrade, Faculty of Economics, Belgrade, 2012, p. 486.

[34] Swiss Re Institute, "World insurance: stirred, and not shaken", *Sigma,* No. 3/2023, Zürich, 2023.

[35] National Bank of Serbia, Insurance Sector in the Republic of Serbia: Report for 2022, Belgrade, 2023, p. 13.

[36] Miloš Petrović, "Brief Overview of Particular Elements of the Capital Market Development Strategy (2021): adjustment of the Insurance Industry to European Union Standards," *Insurance Trends*, 4/2022, pp. 110-111, according to *Capital Market Development Strategy for the Period 2021 to 2026* ("Official Gazette of the RS," No. 102/2021).

companies in Serbia have been implemented over the past decade, modeled after legal solutions in economically developed countries (application of elements of Solvency II). The development of high-quality and comprehensive insurance statistics at the national level is a prerequisite for accurate actuarial calculations and a foundation for healthy market growth in the future.[37] In the era of rapid technological changes, it is important for insurers to recognize and leverage the opportunities offered by digitalization to enhance customer experience, improve business processes, and provide new services. Constant efforts are necessary to strengthen and enhance mutual trust among participants in the insurance market and to improve business ethics and socially responsible business of insurers.[38]

V Conclusion

Under the influence of slowing global economic growth, inflationary pressures, geopolitical events, natural disasters, the COVID-19 pandemic, tightening regulations, the manifestation of old and emergence of new risks, globalization, liberalization, etc., there have been changes in the operations of insurers and the insurance service offerings. The process of capital consolidation, insurance consolidation, digitalization, and automation of business processes has intensified. In addition to traditional sales channels (direct sales, sales through agents and brokers), the share of alternative digital sales channels through the internet, social media, and mobile apps has increased. In 2022, there was a slight decrease in global insurance premiums compared to 2021, indicating that the insurance market demonstrated considerable resilience to macroeconomic shocks caused by the COVID-19 pandemic and the conflict in Ukraine. According to preliminary results, in 2023 there was a small growth in the total global insurance premium compared to 2022. In 2022, global non-life insurance premiums accounted for 58.52% of global insurance premiums, while global life insurance premiums was 41.48% of global insurance premiums. The insurance markets with the highest premium amounts in 2022 were the markets of the United States (with a global market share of about 44%), China (with a global market share of about 10%), and the United Kingdom (with a global market share of about 5%). In Serbia, in 2022, 78.6% of the total insurance premium was accumulated in non-life insurance, while 21.4% was in life insurance. The largest share of the total insurance premium, at 29.1%, was for motor vehicle liability insurance (compulsory insurance). According to the value of the indicator for the insurance premium's share of gross domestic product, which was 1.9% in 2021, Serbia was ranked 65th in the world, and with the insurance premium *per capita* of $176, it was ranked 62nd in the

[37] Kočović, Koprivica, Krstić, p. 12.

[38] Ivana Soković, "Importance of Insurance and Prospects of Development in Serbia", *Insurance Trends*, 2/2024, pp. 277-278.

world. For the development of the Serbian insurance market, it is crucial to advance the economy, increase employment and living standard, implement improved regulatory frameworks, and develop the financial market, among other things.

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