

TCIP

Turkish Catastrophe Insurance Pool

An innovative model for Cat-Exposed Countries

Ferhan Özay
Executive Vice President
Garanti Sigorta A.Ş.

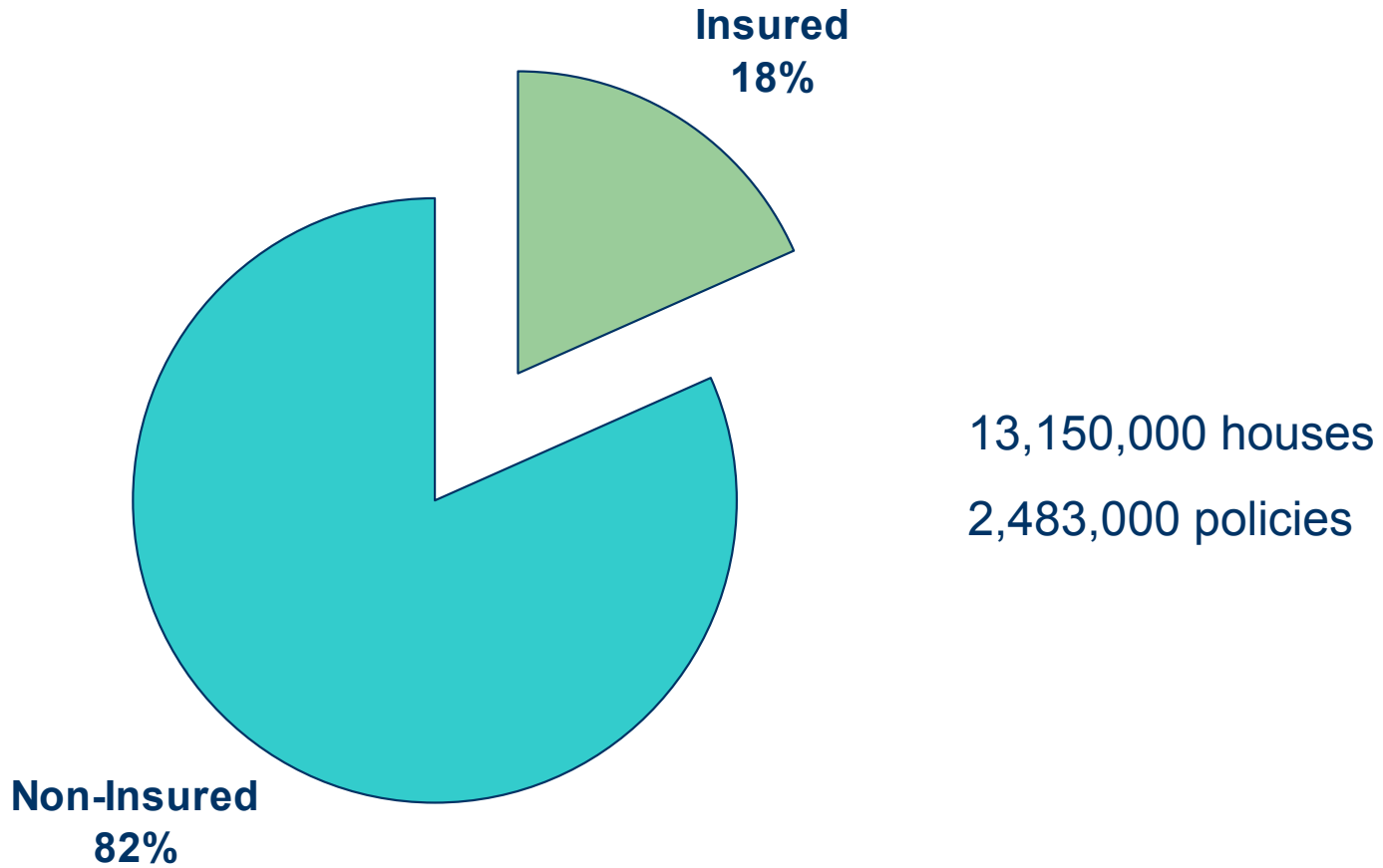
- History
- Objective
- Facts and Numbers
- New Management
- Outlook

- The devastating earthquake in Marmara Sea on 17th August 1999
- An insured loss of around USD 800.000.000. at the time
- Foundation of TCIP effective from 08.08.2000
- Management of the pool by Milli Re for 5 years

- Cover at reasonable prices for people with average income
- Less government expenditure for catastrophies
- Ground for long term fund accumulation
- Sharing the financial burden of earthquake with reinsurance markets
- Improvement of risk culture and insurance consciousness in public

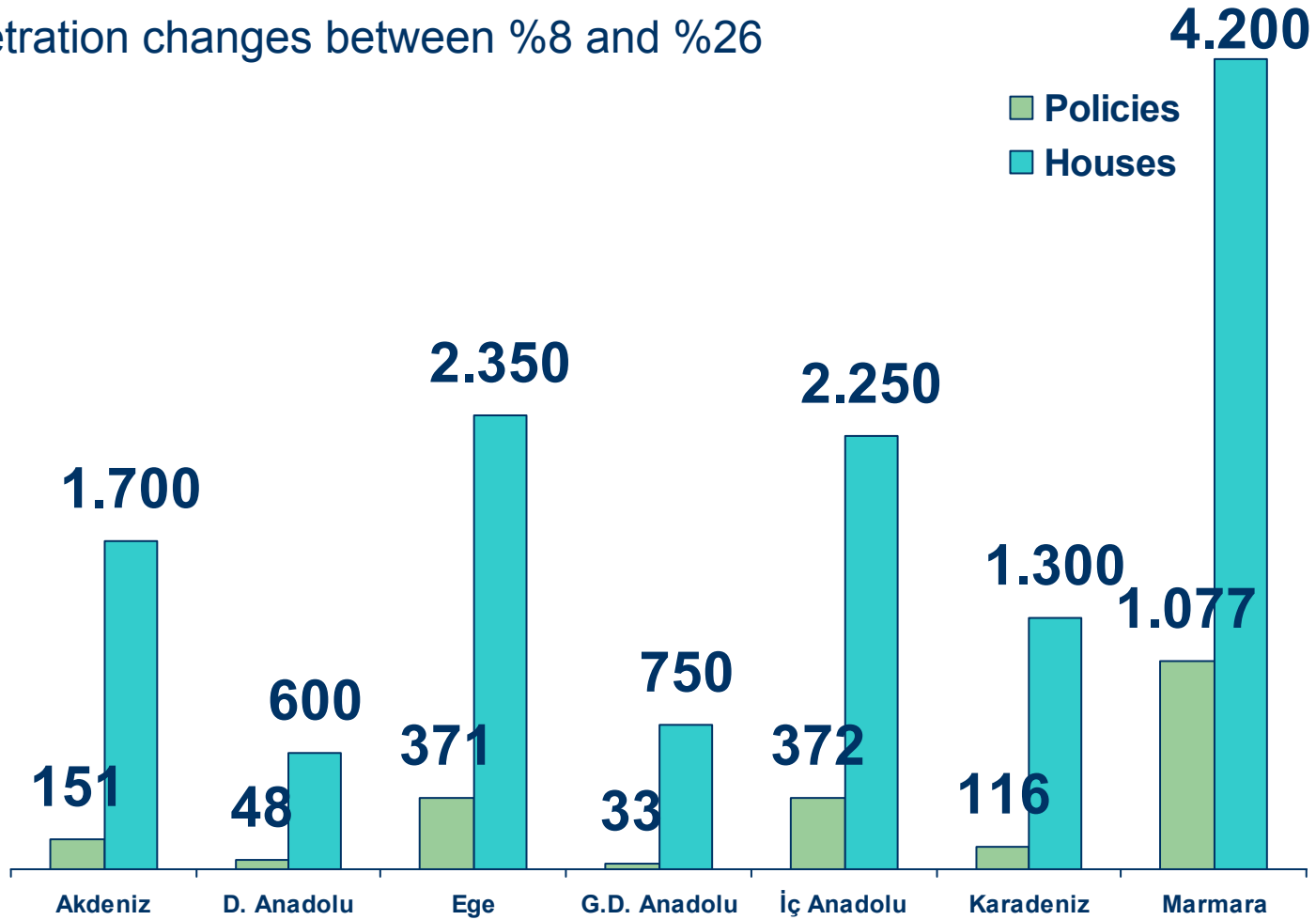


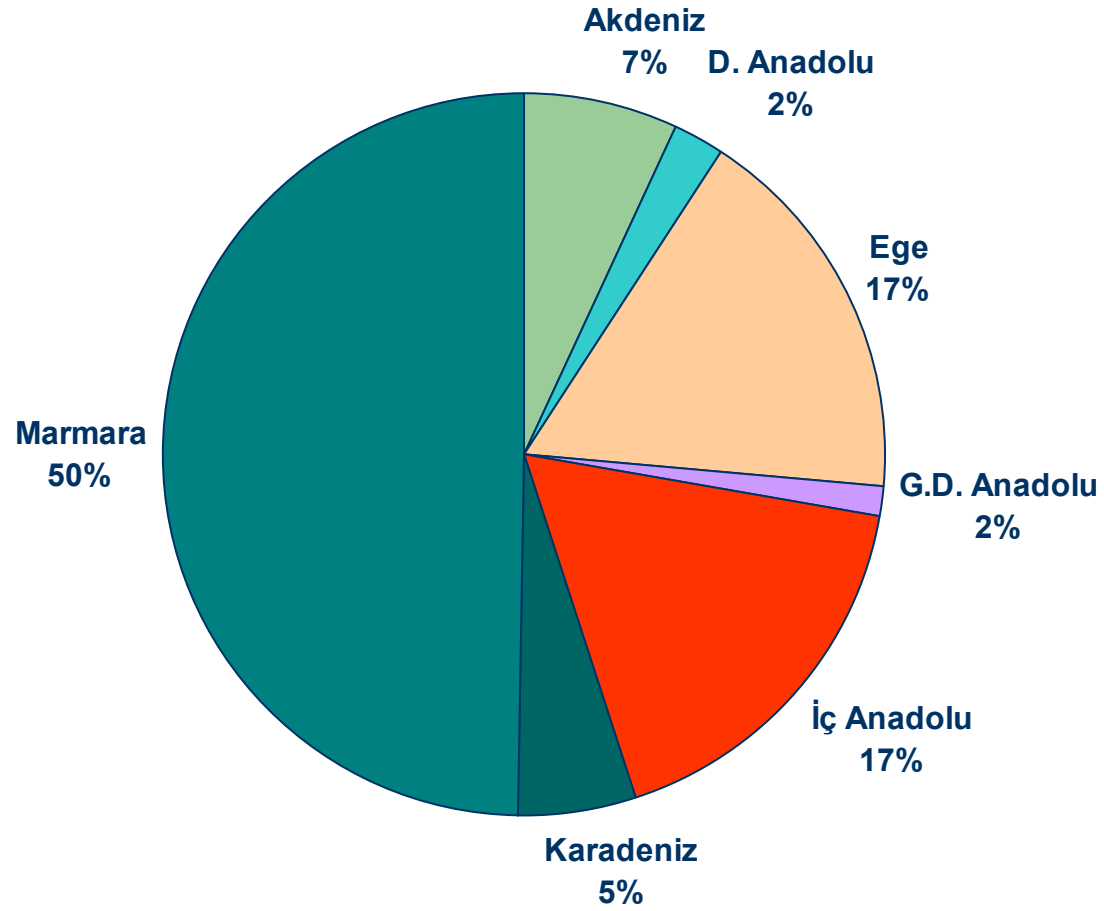
Total No. of Policies	2,483,705
Total Coverage (YTL)	97,981,486,435
Total Annual Premium (YTL)	165,671,043
Avg. Coverage (YTL)	39.449.
Avg. Premium (YTL)	66,7
Growth by # of policies (%)	16.02
Renewal Rate (%)	31.4
Total # of Claim Files	8.023
Total Claims Paid (YTL)	15.220.753.

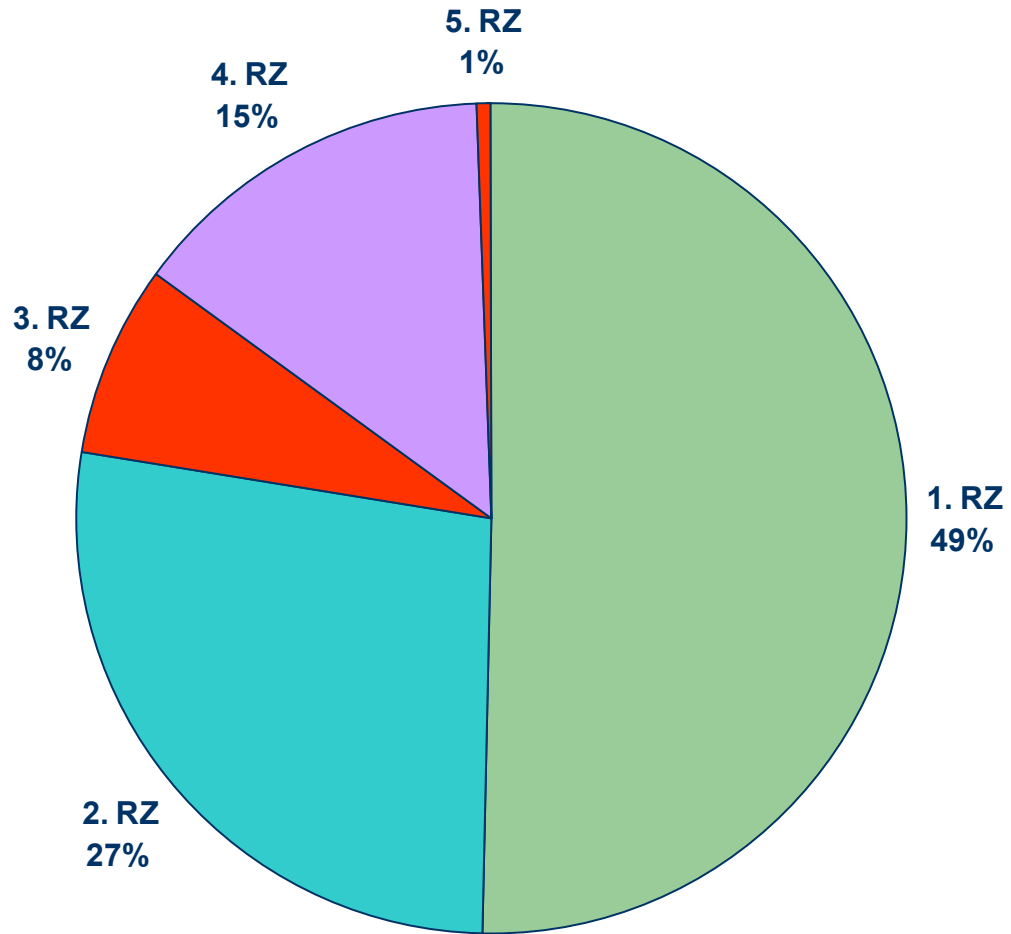


(000 No.)

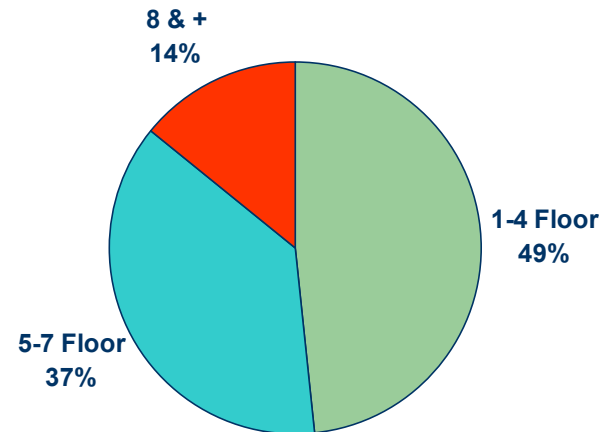
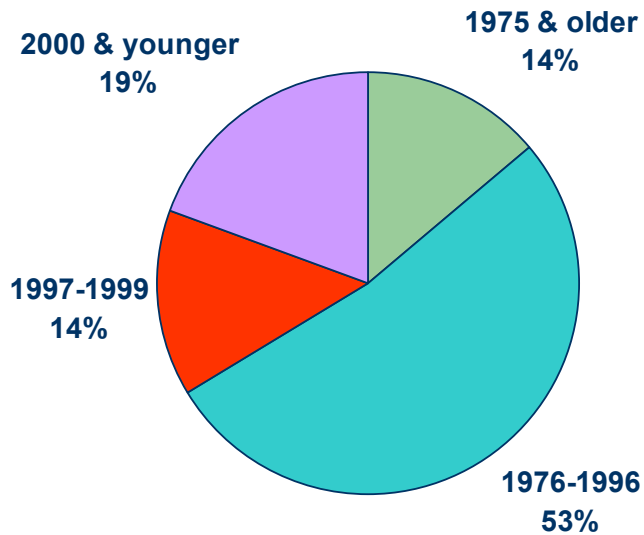
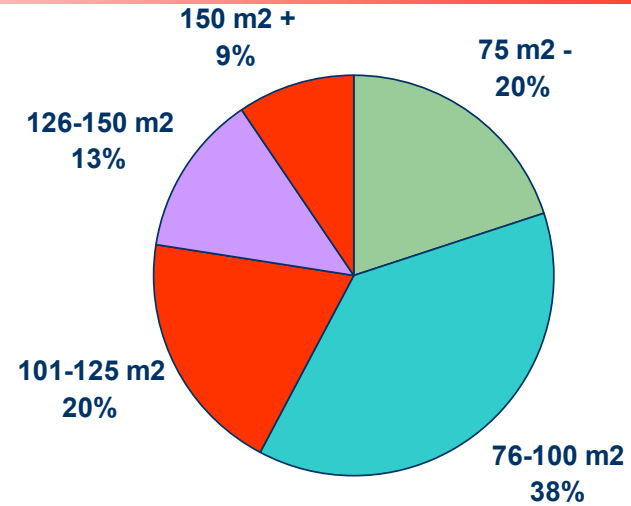
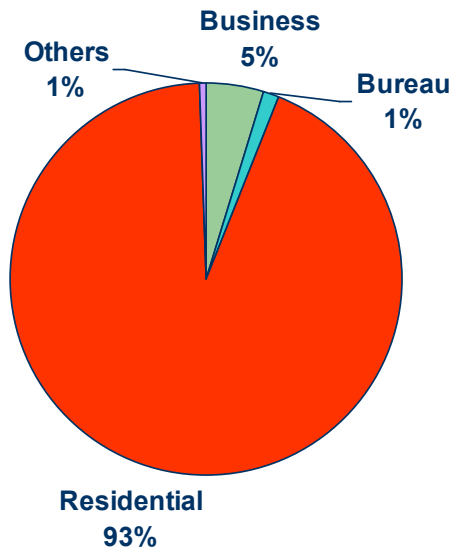
Penetration changes between %8 and %26







Breakdown by Building Types



- Garanti Sigorta was awarded following a competitive tender
- Requirements have been 60% technical adequacy and 40% pricing
- The new management will be in charge for the next 5 years
- First time ever that management of such a large and mandatory insurance scheme is transferred to a private insurance company.

- only 17% market penetration, huge potential for growth
- rate of renewal around 33% which needs to be improved substantially
- a role model for countries with similar exposures