

No. 05/2010  
31 March 2010

## Vienna Insurance Group:

- **Market entry in Montenegro**
- **Entry into the property/casualty insurance business in Lithuania**
- **Donau Versicherung starts motor liability insurance in Italy**

**Vienna Insurance Group** is continuing its expansion path into Central and Eastern Europe even during economically difficult times and underscores its commitment to these future markets. With the **market entry planned in Montenegro**, the leading insurance group of this region will develop the overall 24<sup>th</sup> country as a market for itself. Furthermore, the **non-life insurance business in Lithuania** will be started from Poland. The **Donau Versicherung** is extending its product range on the Italian market and is going to sell **motor liability insurance**.

*“We are continually expanding the geographical network of Vienna Insurance Group in Central and Eastern Europe”, states **Günter Geyer, CEO of Vienna Insurance Group**. “Montenegro is a small, but a seminal market, which we will develop for ourselves. The long-term perspectives indicate a substantial increase in demand and thus strong growth in the insurance area. At the same time, we are consistently pursuing our successful sales cooperation with our partner Erste Group.”*

### Montenegro: Foundation of life insurance

**Vienna Insurance Group** is planning the **foundation of a life insurance company** in Montenegro this year. After filing the application in the second quarter of 2010, the issue of the license by the responsible insurance authorities is expected this year.

The distribution of the insurance products is planned to be made via Erste Bank AD Podgorica, which belongs to Erste Group. With this, the sales cooperation with Erste Group will be expanded to nine countries overall.

With just over 670,000 residents, the young country is among the smaller markets in this region. However, the insurance market in Montenegro shows high development potential. This is illustrated by the market data: The insurance density (annual premiums per capita) is around EUR 95, while the insurance penetration (share of the premiums in the BIP in percent) is around 1.8 percent. In comparison to this, the EU-15 states in 2008 had an insurance penetration of 8.7 percent and an insurance density of more than EUR 2,500 in this area.

## **Lithuania: Start of property/casualty insurance business**

Vienna Insurance Group has been represented in the three Baltic markets since 2008 by **Compensa**. Up until now, the offer has focused on life insurance. In this segment, the company in Latvia and Estonia has already captured the fourth market rank and in Lithuania the eighth market rank.

*“As composite insurer we want to offer a comprehensive product portfolio in all markets. With the beginning of the distribution of property/casualty insurance in Lithuania we are taking another step towards using growth possibilities there optimally”,* emphasizes **Günter Geyer**.

With the establishment of a branch of the Polish Group **Compensa** in Lithuania, the **sales of property/casualty insurance** starts place in the middle of April in this Baltic market. The introduction of motor liability and motor hull insurance, private accident as well as legal protection insurance is planned.

## **Italy: Donau Versicherung starts with motor liability insurance**

The Donau Versicherung has been represented in the Italian insurance market since ten years already. In order to further strengthen its commitment, it established a branch in Milan in 2007. As a partner for brokers and multi-agencies, it concentrates on household and casualty insurance as well as tailor-made solutions for small and medium enterprises. This year, Donau is extending its product range to include **motor liability insurance**, thus also positioning itself in this strategically very important segment in the Italian market.

The listed Vienna Insurance Group (VIG) is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. It also has branches in Italy and Slovenia.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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