

INSURANCE AND
PRIVATE
PENSION
REGULATION AND
SUPERVISION
AUTHORITY ANNUAL
REPORT

Istanbul

2023

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ABBREVIATIONS

PPS:	Private Pension System
TCIP	Natural Catastrophe Insurance Institution
DDAS:	State Supported Trade Receivables Insurance
GDP:	Gross Domestic Product
IAIS:	International Association of Insurance Supervisors
SME:	Small and Medium Enterprises
MoU:	Memorandum of Understanding
OECD:	Organisation for Economic Co-operation and Development
ROA:	Return on Asset
ROE:	Return on Equity
TFRS:	Turkish Financial Reporting Standard

FOREWORD by the CHAIRPERSON

2023 was a year marked by a resurgence in economic activity. The digital transformation process, which accelerated with the global pandemic, has become widespread in many sectors, increasing efficiency while permanently changing the way business is done. Green transition and sustainability issues remained important agenda items due to increasing awareness.

In 2023, the insurance and private pension sector placed a greater emphasis on “resilience” in the face of an increase in global risk perception due to a number of challenges, including catastrophic natural disasters, geopolitical tensions and digital transformation.

Our country's insurance and private pension sector is more important than ever before in terms of protecting the economic values of our citizens, increasing their savings and ensuring the continuity of economic life in the face of globally diversified and deepening risks and economic conditions.

The total assets of our sector, which represents 5.3% of the national financial sector, increased by 88% as of the end of 2023 compared to the end of the previous year, reaching 1,471 billion TL.

By the end of 2023, a total of 72 companies were operating in the Turkish insurance and private pension sector. These included 50 non-life insurance companies, 3 exclusive life insurance companies, 15 pension companies and 4 reinsurance companies.

In 2023, the sector's premium production increased by 106% compared to the previous year, reaching a total of 483 billion TL. The proportion of premium production in GDP was 1.8%. Of this production, 57 billion TL was generated in the life sector and 426 billion TL in the non-life sector. By the end of 2023, reinsurance companies had generated 57 billion TL in the life sector and 42 billion TL in the non-life sector, representing a 124% increase over the same period in the previous year.

As of the end of 2023, the Private Pension System (PPS) had approximately 8.7 million participants with a total fund size of approximately 703 billion TL. The Automatic Enrolment System (AES), introduced in 2017, covers approximately 7.3 million employees and has a total fund size of 53 billion TL. This has resulted in the creation of a significant long-term financial resource.

In 2023, the Authority introduced a series of regulatory changes across a range of areas, including the measurement of capital adequacy for companies, minimum capital requirements, compulsory financial liability insurance for motor vehicles, compulsory disaster insurance, ensuring compliance with the IFRS 17 standard, the private pension system, insurance intermediaries and loss adjusters.

In order to facilitate growth in our sector and expand service channels, three companies that can create a consistent model and have the necessary financial strength were granted licences for the first time in 2023. This has enabled new players to join the sector. Subsequent licence

applications from companies that meet the necessary conditions were approved. Conversely, in order to safeguard the rights and interests of the insured and to guarantee the orderly and disciplined operation of the market, the authority of two companies to conclude and renew contracts was cancelled.

In 2023, risk-based surveillance activities remained a key focus in the supervision of insurance, reinsurance and pension companies. In addition to company-based assessments, all variables that may affect the financial structure of companies were monitored closely. These variables include national and international macroeconomic developments, financial indicators, judicial decisions on insurance practices and reports published by international insurance authorities.

In 2023, a total of 76 on-site supervisions were conducted across a range of areas, including claims and compensation operations, capital adequacy, technical provisions, reinsurance operations, technical and financial analysis, compliance with legislation, general operations, licensing, insurance and reinsurance broker licensing, and other areas.

In the context of our relations and coordination activities with national and international organisations, we have engaged in close collaboration with numerous public institutions, particularly the Presidency and the Ministry of Treasury and Finance. In line with our commitment to fostering closer ties with international institutions and organisations in the insurance and private pensions sector, we have signed a memorandum of understanding with the North Macedonia Pension Authority. This will facilitate mutual information sharing with the country's authorities in this field.

The Authority is currently engaged in three information technology and data management projects: "E-Devlet Sigortalarım", "Common Data Model (OVM)" and "Insurance Company Collateral".

We recognise the vital role that the insurance and private pension sectors play in our economy, providing essential guarantees, payments and fund accumulation that support economic and social stability. In the coming period, we will continue to regulate and supervise these sectors to ensure their sustainable growth under fair competition and financial discipline, with due consideration for the public interest.

To enhance the institutional capacity of our Authority, which has now completed three years of operation, and to guarantee its continuity, we will continue to undertake a range of activities, particularly monitoring national and international developments and developing the skills of our personnel through in-house training programmes and increasing the productivity of our employees through our information technology projects.

I am pleased to present our 2023 Annual Report, which is an important element of corporate transparency and accountability. I would like to thank all my colleagues and our stakeholders for their hard work.

Davut MENTEŞ
CHAIRPERSON

BOARD MEMBERS¹

CHAIRPERSON OF THE BOARD - DAVUT MENTEŞ

DEPUTY CHAIRPERSON OF THE BOARD - MEHMET VERİM

BOARD MEMBER - NEVZAT ŞEN

BOARD MEMBER - ÖMER FARUK ÖZTÜRK

BOARD MEMBER - DR. TAYFUN AKSOYAK

¹ The members of the Board were appointed by the Presidential Decree dated 13 November 2023 and numbered 2023/499.

OVERVIEW

OUR VISION

Within the scope of our country's "Turkish Century" vision and "Istanbul Finance Centre" target, to be an independent regulatory and supervisory authority that ensures that our insurance and private pension sector operates more effectively, efficiently and in accordance with international norms by focusing on the protection of the rights and interests of the insured and participants, extends its coverage with participation insurance and is taken as a reference.

OUR MISSION

To protect the rights and interests of insureds, participants and other persons and institutions in the sector, to establish a market order that will enable persons and institutions to carry out their activities safely and effectively, to contribute to the development of our financial markets in cooperation with our domestic and international stakeholders, and to establish an effective regulation and supervision system to ensure this mission.

OUR CORE VALUES

1- Independence: means that the organisation fulfils its duties and authorities without receiving instructions from any authority, using the resources allocated to it freely within the procedures and principles set out in its own budget and without being subjected to propriety supervision.

2- Professional Expertise and Merit is the execution of the activities under the authority and responsibility of the organisation with its expert and competent human resources based on the principles of merit.

3- Respect for People and Fairness is the organisation's respectful approach to all stakeholders related to its field of activity, approaching them equally without any discrimination, being open to communication, and valuing different thoughts and opinions.

4- Transparency and Accountability means that the organisation informs its stakeholders about its activities through various communication tools.

5- Foresightedness is the organisation's ability to take early measures for a stable sector by following global and national economic developments.

6- Sustainability is the organisation's ability to use its resources effectively and efficiently, on time and on the basis of cost-benefit approach.

7- Technology Orientation: means following the developments in information technologies and utilising them at the highest level and in the most accurate way in the activities of the organisation.

I. ABOUT THE ORGANISATION

1. Legal Status of the Organisation

The Insurance and Private Pension Regulatory and Supervisory Authority (the Authority) was established by the Presidential Decree No. 47 dated 18.10.2019 on the Organisation and Duties of the Insurance and Private Pension Regulatory and Supervisory Authority in order to carry out the duties related to the regulation and supervision of the insurance and private pension sectors. The Authority is a public legal entity and has administrative and financial autonomy. The head office of the Authority is in Istanbul. The related Ministry is the Ministry of Treasury and Finance.

2. Main Roles and Powers

According to Article 4 of the Decree No. 47, the duties and powers of the Authority are as follows:

- a) To carry out the duties and powers related to insurance and private pension as stipulated in the Road Traffic Law No. 2918 dated 13.10.1983, the Individual Pension Savings and Investment System Law No. 4632 dated 28.3.2001, the Agricultural Insurance Law No. 5363 dated 14.6.2005, the Insurance Law No. 5684 dated 3.6.2007, the Turkish Commercial Code No. 6102 dated 13.1.2011, the Disaster Insurance Law No. 6305 dated 9.5.2012 and other legislation,
- b) To draft and implement the legislation on insurance and private pension, and to monitor and guide its implementation by the relevant parties,
- c) To take measures for the development of insurance and private pension practices in the country and for the protection of the insured and participants, to implement these measures or to have them implemented by the relevant institutions and to monitor their implementation,
- ç) To carry out examinations, audits and investigations concerning persons and institutions operating in the field of insurance and private pension,
- d) To prepare consolidated reports on insurance, private pension and other related financial markets by examining and taking into consideration the developments in the country and abroad, to participate in studies on these matters and to give opinions, to examine and evaluate the information, documents and papers received, compiled and submitted to the organisation and the results obtained from supervisions and monitoring in order to contribute to the formation of decisions to be taken on insurance, private pension and other related financial markets,
- e) To carry out and steer and give opinions about all kinds of research and other studies related

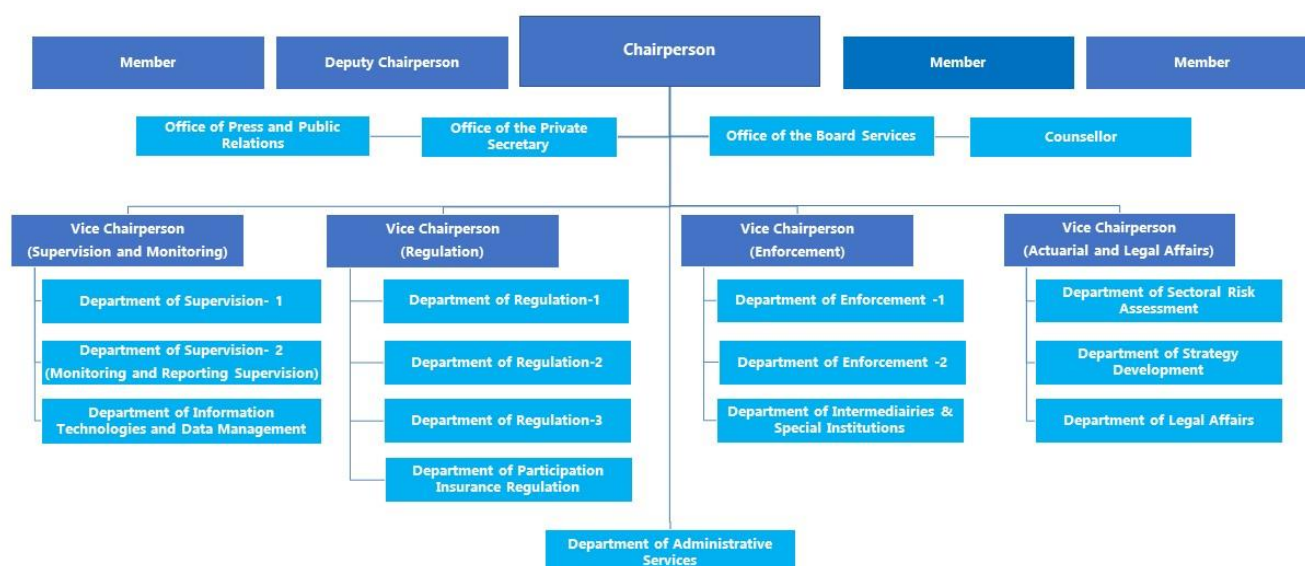
to the legislation and practice in its field of duty

3. Organisational Structure

The organisational structure of the Authority is determined by the "Regulation on the Organisation of the Insurance and Private Pension Regulatory and Supervisory Authority" published in the Official Gazette dated 16.10.2020 and numbered 31276, which was prepared based on the Decree No. 47 and Article 12 of the Decree. Accordingly, the Authority consists of the Insurance and Private Pension Regulation and Supervision Board and the Chairpersonship. The Board is the decision-making body of the Authority and consists of five members appointed by the Chairperson, one of whom is the chairperson, one is the deputy chairperson and three are board members. The chairperson of the Board is also the chairperson of the Authority. As of the end of 2023, the Board consists of the chairperson, the deputy chairperson and three board members.

The office of the Chairperson consists of the Chairperson, deputy presidents and service units. The Chairperson is the top executive of the Authority and is responsible for the general management and representation of the Authority. With the Organisational Directive² prepared for the execution of the Organisational Regulation, the organisational structure of the Authority was regulated, and the activities carried out within the Authority and the duties and responsibilities of the personnel responsible for these activities were determined. The organisation chart of the Authority as of the end of 2023 is given below.

Figure 1: Organisation Chart



² It was obtained with the approval of the Presidential Authority dated 26.12.2023 and numbered 2743874.

4. Human Resources

The Authority's primary and continuous services, as assigned by Decree No. 47 and other legislation, are carried out by a dedicated team of professional staff, including Insurance Specialists, Assistant Insurance Specialists, and other key personnel. With the exception of matters regulated by other legislation, Authority personnel are subject to the provisions of Civil Servants Law No. 657.

As of the end of 2023, the Authority employs a total of 189 staff members, including the chairperson and board members. Of these, 178 are permanent staff and 11 are temporary staff (seconded members of staff). Forty-two percent of our personnel are female, and fifty-nine percent are male.

Table 1. Number of Permanent Staff Members by Position ³

Title	Number of Personnel
Chairperson	1
Deputy Chairperson	1
Board Member	3
Vice Chairperson	4
Advisor	3
Head of Department	10
Head of Group	42
Insurance Expert	8
Assistant Insurance Expert	58
Chief	5
IT Operator	5
Data Preparation and Control Operator	4
Officer	14
Secretary	5
Driver	7
Lawyer	2
Technician	1
Janitor	5
Total	178

In order to enhance the Authority's human resources, professional staff and other personnel are offered in-house training, domestic and international courses, seminars and similar training activities. This is to increase their professional qualifications in line with their duties, keep them up to date with developments in their field and refresh their skills.

The distribution of the Authority's personnel according to their educational background as of the end of 2023 is given in the table below.

³ The breakdown of staff by title is based on the number of permanent staff. Temporary staff working for the Authority are not included in the distribution.

Table 2. Educational Background of Staff Members

Education Level	Number of Personnel
Graduate degree (master's and PhD)	34
Undergraduate (bachelor's degree)	124
Associate degree	6
High School	14
Total	178

5. Financial Information

According to Article 16 of the Decree No. 47, it is essential that the revenues of the Authority cover its expenses. The revenues of the Authority are listed as follows:

- a) Revenues derived from the sale, leasing and operation of movable and immovable properties and their utilisation by other means.
- b) All kinds of donations, aids, wills and other revenues that will not affect the impartiality and independence of the Authority.
- c) Treasury aids from the general budget.
- ç) Revenues from the utilisation of the revenues of the Authority.
- d) Revenues specified in other legislation.

In the twelfth paragraph of Additional Article 5 of the Insurance Law No. 5684, which includes the provisions regarding the Authority, the following are listed as the revenues of the Authority:

- a) Participation fees collected from insurance, reinsurance and pension companies established in Türkiye and the organisations of insurance, reinsurance and pension companies established abroad in Türkiye and insurance and reinsurance brokers.
- b) Contribution shares transferred to the Authority by deducting from the amounts collected from insurance agencies and loss adjusters by the Union of Chambers and Commodity Exchanges of Türkiye as plate registration fee or dues.
- c) Registration, permit and licence service fees determined by the Authority.

The budget of the Authority is prepared and adopted in accordance with the procedures and principles set out in the Public Financial Management and Control Law No. 5018 dated 10.12.2003.

In the 2023 Fiscal Year Budget, 141,400,000 TL was allocated to our Authority. In 2023, the Authority generated revenues of 142,236,369 TL and expenditure of 140,220,595 TL.

Article 78, paragraph two of the Law No. 5018 on Public Financial Management and Control is regulated as follows: *"The revenue surpluses of the regulatory and supervisory agencies to be formed as of quarterly periods are transferred to the general budget until the fifteenth of the following month every three months."* In accordance with the provision specified in the

relevant article of the aforementioned law, the revenue surplus amount transferred to the General Budget for the fourth quarter of 2022 was included in the expenditures for 2023.

15,491,822 TL of the Authority's total realised expenditures of 142.236.369 TL in 2023 also includes the accounting record related to the revenue surplus of the fourth quarter of 2022.

The table below shows the revenues and expenditures of our Authority for the year 2023.

Table 3. Revenues and Expenditures of the Authority in 2023 (TL)

I-REVENUES	
Revenue Types	
Insurance and Private Pension Participation Shares	141.046.224
Treasury Aids	0
Interest Revenues	5.322
Receivables from Individuals	335.114
Other Miscellaneous Income	849.708
TOTAL REVENUES	142.236.369
II-EXPENDITURES	
Expenditure Types	
Personnel Expenses	61.896.910
State Premium Expenses to Social Security Institution	6.371.253
Goods and Service Purchase Expenses	31.092.838
Current Transfers	36.424.951
Capital Expenditure	4.434.643
TOTAL EXPENDITURES	140.220.595

Table 4. Summary Balance Sheet of the Authority for 2023 (TL)

ASSETS	
1 CURRENT ASSETS	32.715.241
10 LIQUID ASSETS	0
12 OPERATING RECEIVABLES	0
13 LOANS	27.584.202
14 OTHER RECEIVABLES	50.713
15 INVENTORIES	1.203.191
16 ADVANCES AND CREDITS GIVEN	3.877.134
2 FIXED ASSETS	2.643.045
22 OPERATING RECEIVABLES	6.051
25 TANGIBLE FIXED ASSETS	2.636.993
ASSETS TOTAL	35.358.286
LIABILITIES	
3 SHORT-TERM LIABILITIES	28.278.076
33 DEPOSITORY RECEIVED	75.745
36 OTHER LIABILITIES PAYABLE	28.202.331
4 LONG TERM LIABILITIES	0
48 PRECOLLECTED REVENUES AND EXPENSE ACCRUALS FOR FOLLOWING YEARS	0
5 EQUITY	7.080.210
59 CURRENT OPERATING BALANCE	1.892.769
LIABILITIES TOTAL	35.358.286

II. INSURANCE and PRIVATE PENSION MARKETS IN 2023

As of the end of 2023, a total of 72 companies were operating in the Turkish insurance and private pension sector. These included 50 non-life insurance companies, 3 exclusively life insurance companies, 15 pension companies and 4 reinsurance companies.

The insurance and private pension sectors, which provide coverage and ensure savings, reached an asset size of approximately 1.471 billion TL by the end of 2023, representing an 88% increase compared to the previous year. Consequently, the contribution of the insurance and private pension sectors to Türkiye's financial markets reached 5.3% by the end of 2023.

Table 5. Asset Size (Billion TL)

Companies	2019	2020	2021	2022	2023	Change 2022 - 2023 (%)
Non-Life	77	96	125	248	507	104
Life/Pension	154	205	294	514	920	79
Total	232	301	419	762	1.427	87
Reinsurance	5	7	10	19	44	132
Sector	237	308	429	781	1.471	88
Financial Sector*	5.028	6.795	10.271	16.540	27.752	68
Share (%)	4,71	4,53	4,18	4,72	5,30	12

(*) Source: <https://spk.gov.tr/istatistikler/aylik-istatistik-bultenleri/2023-yili-istatistik-bultenleri>

As of the end of 2023, the number of participants in the private pension system (PPS) was approximately 8.7 million, with a total fund size of approximately TL 703 billion. The automatic enrolment system (AES), introduced in 2017, has approximately 7.3 million employees and a total fund size of 53.1 billion TL.

The sector saw a 106% year-on-year increase in premium production, reaching 483 billion TL in 2023. Of this total, 57 billion TL was generated in the life insurance sector and 426 billion TL in the non-life insurance sector. The proportion of premium production in GDP was 1.8%.

Table 6. Gross Premium Production (Billion TL)

Branches	2019	2020	2021	2022	2023	Change 2022 - 2023 (%)
Life	11	14	18	31	57	84
Non-life	57	68	87	204	426	109
Total	69	82	105	235	483	106
Premium / GDP	1	2	1,5	1,6	1,8	13
Sickness/Health	8	10	13	30	70	133

Accident	2	2	2	5	11	120
Land Vehicles	9	11	14	44	83	89
Transport	1	1	2	4	7	75
Fire and Natural Disasters	8	11	14	27	65	141
General Damages	6	8	11	22	44	100
Land Vehicles Liability	19	21	23	58	118	103
<i>(Motor Vehicles Compulsory Third Party Liability Insurance)</i>	18	19	22	53	109	106
General Liability	2	2	3	6	11	83
Other	2	3	5	8	17	113

By the end of 2023, the premium production of reinsurance companies had increased by 124% compared to the same period in the previous year, reaching a total of 21.8 billion TL.

By the end of 2023, 12% of the total premium production in the insurance sector was in life insurance, with the remaining 88% accounted for by non-life branches. The largest share among non-life branches was that of compulsory traffic insurance, which accounted for 26%. The next largest segments are land vehicles (19%) and sickness/health (16%). It is evident that the contribution of health insurance and motor insurance to the overall sector production is on the rise.

Table 7. Gross Premium Distribution (%)

Branches	2019	2020	2021	2022	2023
Life	17	17	17	13	12
Non-life	83	83	83	87	88
Total	100	100	100	100	100
Non-Life					
Sickness/Health	14	15	15	15	16
Accident	4	3	3	2	3
Land Vehicles	16	16	16	22	19
Transport	2	2	2	2	2
Fire and Natural Disasters	15	16	16	13	15
General Damages	10	12	13	11	10
Land Vehicles Liability	32	30	27	28	28
<i>(Motor Vehicles Compulsory Third Party Liability Insurance)</i>	31	28	25	27	26
General Liability	3	3	4	3	3
Other	4	3	4	4	4

The sector allocates a substantial portion of premiums received for indemnity payments and sets aside a significant amount as provisions for future indemnity payments. In 2023, indemnity payments totalling 211 billion TL were made, with a further 218 billion TL provision

set aside at the year-end. A transfer of 101 billion TL from 2022 has resulted in an additional provision of 117 billion TL being set aside for 2023. In total, the sector provided 328 billion TL in compensation during 2023.

Table 8. Paid and Outstanding Claims (Billion TL)

Companies	2019	2020	2021	2022	2023
Paid	32	33	47	88	211
Non-Life	27	28	41	81	201
Life/Pension	5	5	6	7	10
Outstanding	41	53	69	101	218
Non-Life	40	51	66	98	213
Life/Pension	1	2	3	3	5

The total shareholders' equity of the insurance and private pension sector increased by 104% year-on-year to 165 billion TL at the end of 2023, and technical profit increased by 419%. Compared to end-2022, profitability increased by 263% across the sector, with a profit of 71.2 billion TL as of end-2023.

Table 9. Equity (Billion TL)

Companies	2019	2020	2021	2022	2023
Non-Life	18.8	24.2	28.3	52	114
Life/Pension	9.6	11.1	14.0	21	36
Total	28.4	35.3	42.3	73	151
Reinsurance	2.4	3.2	4.1	8	14
Sector	30.8	38.5	46.4	81	165

Table 10. Technical Profit (Billion TL)

Companies	2019	2020	2021	2022	2023
Non-Life	4.8	7.5	7,0	6	51.0
Life/Pension	3.1	3.7	3,8	5	9.6
Total	7.8	11.3	10,8	11	60.6
Reinsurance	0.1	0.2	0,5	1	1.6
Sector	7.9	11.4	11,3	12	62.2

Table 11. Accounting Profit (Billion TL)

Companies	2019	2020	2021	2022	2023
Non-Life	3.9	6.0	6.4	8	48
Life/Pension	3.6	4.1	5.6	10	19
Total	7.6	10.1	12.0	18	66
Reinsurance	0.3	0.5	0.8	1.6	5
Sector	7.9	10.5	12.8	19.6	71.2

According to the capital adequacy results of the companies, the current equity amount was above the required equity amount in both non-life and life/pension companies. At the end of

2023, the capital adequacy ratio was 146% for non-life companies and 287% for life/pension companies.

Table 12. Capital Adequacy Ratio (%)

Companies	2019	2020	2021	2022	2023
Non-Life	155	160	135	136	146
Life/Pension	308	289	280	271	287

At the end of 2023, non-life insurance companies' return on equity and return on assets were 70% and 9%, respectively, while these profitability ratios were 101% and 2% for life and pension companies

Table 13. Return on Equity (ROE) (%)

Companies	2019	2020	2021	2022	2023
Non-Life	37	42	39	25	70
Life/Pension	80	75	88	117	101

Table 14. Return on Assets (ROA) (%)

Companies	2019	2020	2021	2022	2023
Non-Life	8	9	8	6	9
Life/Pension	20	18	18	22	2

In 2023, the proportion of foreign capital in total nominal capital was 48.2%. By the end of 2023, 37 of the 72 companies operating in the sector had more than 50% foreign shareholders, while the total number of companies with international capital was 44.

The sector employs over 200,000 people, including direct employment by companies, brokers, agents, pension intermediaries, insurance and agricultural experts, as well as auxiliary sectors such as assistance companies, services and the like.

As of the end of 2023, there were 18,031 agencies, 195 brokers, 1,266 individual insurance loss adjusters, 625 legal entity insurance loss adjusters and 3,737 agricultural insurance pool loss adjusters operating in the insurance sector in Türkiye. Insurance agencies play an important role in the generation of premium income.

By the end of 2023, 54.4% of direct premium production was generated by agencies, 20.7% by bank agencies, 14.5% by brokers, 2.6% by other intermediaries and 7.8% directly by companies. While only 13.9% of premium production in non-life branches was generated through bank agencies, this figure reached 72.3% in life branch

III. REGULATORY ACTIVITIES

The regulatory activities related to insurance and private pensions are carried out by the following departments: Insurance Regulation-1, Insurance Regulation-2, Insurance Regulation-3, Participation Regulation Department and Legal Affairs Department. Furthermore, the Intermediaries and Specialised Institutions Department and the Sectoral Risk Assessment Department are responsible for undertaking a range of legislative activities in line with their respective areas of expertise. Please find below a description of the regulatory activities carried out in 2023 in the field of insurance and private pensions.

Table 15. Regulatory Activities conducted in 2023

Type of Legislation Enacted	Quantity
Law Amendments	1
Presidential Decisions	2
Regulations and Regulation Amendments	14
Communiqués	8
Circulars	29
Amendments to General Conditions	1
Tariffs and Instructions	3
Sector Announcements	8
Total	66

The legislative activities carried out by the Authority in the field of insurance and private pension in 2023 are explained in the tables below by their nature.

Table 16. Law Amendments and Presidential Decisions

Laws Presidential Decisions	Date	Number (Official Gazette)	Description
Law No. 7440 (Sixth paragraph of Article 11 of Law No. 5684 paragraph has been amended).	12.03.2023	32130	The regulation has been introduced with the overall purpose of developing the domestic industry in the production of motor vehicle parts. It allows for the inclusion of parts certified to be equivalent to the original by systems to be established by the Ministry of Industry and Technology and the Ministry of Environment, Urbanisation and Climate Change, as well as reusable parts, in the processes of repairing damages and payment of compensation. The system to be established by the Ministry of Industry and Technology will ensure that equivalent parts do not have any negative effects on driving safety or vehicle performance. It will also monitor the production and utilisation processes.

			Furthermore, the Ministry of Industry and Technology will ascertain whether reusable parts that comply with the relevant legislation of the Ministry of Environment, Urbanisation and Climate Change can be used in motor vehicles. The article authorises our institution to include these parts in the processes of repairing motor vehicle damage and paying compensation.
Decision on the State Supported Trade Receivables Insurance System	31.03.2023	32149	This Decision establishes the "State-Supported Commercial Receivables Insurance System," which consolidates the DDAS-Commercial product included in the State-Supported Receivables Insurance System and the DDAS-Financing product included in the Centre with the approval of the Ministry of Treasury and Finance. Furthermore, the provisions of Presidential Decision No. 6189, published in the Official Gazette on 8 October 2022 and numbered 31977, which determine the principles of the state reinsurance support for the DDAS-Commercial product, will also apply to the newly added DDAS-Financing product.
Presidential Decree Amending the Presidential Decree on the Organisation and Duties of the Insurance and Private Pension Regulation and Supervision Authority	12.5.2023	32188	The objective of the Decree is to extend the remuneration period for the Chairman and Members of the Board in the event of their resignation from their duties to a period of two years, in line with the remuneration periods applicable to other supreme boards.

Table 17. Regulations and Amendments to Regulations

Regulations and Regulation Amendments	Date	Number (Official Gazette)	Description
Regulation Amending the Regulation on State Contribution in Private Pension System	14.02.2023	32104	Portfolio restrictions of state contribution funds were amended. With this amendment, the proportion of share equities in the portfolios of State contribution funds was increased and the proportion of public debt instruments was decreased.
Regulation Amending the Regulation on the Private	28.03.2023	32146	In order for the participants in the Private Pension System to transfer all or part of their receivables, excluding the State contribution arising from private pension contracts, through a transfer of receivables agreement, the necessary

Pension System			amendments were made to the regulation and the implementation procedures and principles of the transfer of receivables were regulated.
Regulation Amending the Regulation on Tariff Implementation Principles in Compulsory Financial Liability Insurance for Motor Vehicles	04.04.2023	32153	<p>The amendment introduced a more advanced system comprising nine steps. Steps 0 and 8 were added to the existing tariff steps, which reward good drivers and penalise bad drivers by increasing their premiums. The introduction of Step 0 for high-risk drivers and Step 8 for those who have demonstrated good driving behaviour and have not been involved in an accident for five years represents a more equitable implementation of the system. The aim is to reduce the number of traffic accidents by encouraging safer driving practices. Furthermore, in order to encourage motor vehicle operators to prefer low or zero emission vehicles, a positive differentiation was made in the compulsory traffic insurance pricing of 100% electric vehicle owners, with a 10% premium discount introduced.</p> <p>In the event of the termination of an insurance policy in accordance with the relevant legislation, the premium accrued to the insurance company and the amount accrued as agency commission over this premium have been updated in line with the provisional Article 9 of the Regulation.</p>
Regulation Amending the Regulation on Financial Reporting of Insurance, Reinsurance and Pension Companies	13.05.2023	32189	Amendments have been made regarding the financial reporting procedures of said companies.
Regulation Amending the Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies	26.05.2023	32202	Amendments have been made regarding the measurement of capital adequacy of companies.

Regulation Amending the Regulation on Arbitration in Insurance	7.6.2023	32214	The amendment of the Regulation is designed to align with the prevailing legislation and secondary regulations, to establish a robust legislative framework for electronic transactions, to provide clarity on certain terms that have caused confusion in practice, to address the need for regulation in the context of the Commission's growing caseload and arbitration proceedings, and to enhance the overall efficiency of the system.
Regulation Amending the Regulation on the Appointment of Insurance Loss Adjusters	16.06.2023	32223	Following the amendment to the Regulation on Appointment of Insurance Loss Adjusters, adjustments were made to prevent disruptions in loss adjusting operations. This involved updating the loss adjusting fee tariffs to align with the current economic situation and reflect the increases in loss adjusting transaction costs.
Regulation Amending the Regulation on Tariff Application Principles in Compulsory Financial Liability Insurance of Motor Vehicles	19.09.2023	32314	<p>In light of evolving economic circumstances, insurance providers are adopting a more discerning approach to the distribution of motor insurance. This has given rise to the necessity for innovative solutions to ensure continued access to this crucial coverage for operators seeking to protect their vehicles.</p> <p>In order to achieve this, the Authority was granted the power to develop the necessary methods, include relevant vehicles within the scope of the Pool for Risky Insureds and determine their maximum premiums.</p>
Regulation on Partial Payment in Private Pension System	26.09.2023	32321	Participants in the Private Pension System are allowed to receive a certain portion of their savings without leaving the system in cases of house purchase, marriage, education and natural disasters.
Regulation on Liability Insurance and Coverage for Nuclear Risks	19.10.2023	32344	In line with our country's energy policies, a regulation has been introduced regarding the insurance and collateral requirements for legal entities operating nuclear facilities due to their legal liability for nuclear damages arising from nuclear incidents.

Regulation on the Operating Procedures and Principles of the Nuclear Insurance Pool	19.10.2023	32344	This regulation regulates the duties and responsibilities of the Special Risks Management Centre, which is authorised for the management and operation of the Pool, and the procedures and principles regarding the operation of the Pool.
Regulation Amending the Regulation on Working Principles of the Catastrophe Insurance Pool	08.11.2023	32363	With the amendment made to the Regulation, an arrangement was made in order to ensure unrestricted investment in financial assets issued by the public in the investment of TCIP funds and to adapt to the changes in money and capital market instruments.
Regulation Amending the Regulation on Tariff Application Principles in Compulsory Financial Liability Insurance of Motor Vehicles	14.12.2023	32399	In light of evolving economic circumstances, it is vital to regularly adjust the monthly increase rate applied to maximum premiums to guarantee the resilience of insurance companies' financial structures and maintain a balance between damage premiums and coverage limits. This approach ensures that victims of traffic accidents receive the compensation they deserve. To this end, the Authority has increased the coverage limits for material damages by 66% and the coverage limits for bodily damages by 50%. Furthermore, the monthly increase rate for the maximum premium was increased by 5% for the months of January to April 2024 and by a further 5% from May 2024 onwards, in line with the loss cost index. The components of this index are set out in the Regulation.
Regulation Amending the Regulation on Financial Reporting of Insurance, Reinsurance and Pension Companies	29.12.2023	32414	The implementation of TFRS 17 has been postponed.

Table 18. Communiqués

Communiqués	Date	Number (Official Gazette)	Description
Communiqué on the Tariffs and Instructions and Operating Procedures and Principles of the State Supported Trade Receivables Insurance System			The tariffs and instructions applicable to the State Supported Trade Receivables Insurance for SMEs' Commercial Activities (DDAS-Commercial) and State Supported Trade Receivables Insurance for Providing Financing to SMEs (DDAS-Financing), along with the supplementary duties, responsibilities, and working procedures and principles of the Special Risks Management Centre and the Technical Operator in relation to the

			management of the aforementioned insurances, have been established. Arrangements were made regarding risk assessment and insurance acceptance, the transfer of premiums to the Centre and their subsequent allocation to investment, claims management, state support, premium, maximum coverage amount and buyer limits within the scope of DDAS-Commercial. Arrangements were also made regarding the premium and maximum coverage amount, coverage ratio and exemption, commission and other expenses and supervision within the scope of DDAS-Financing.
Communiqué Amending the Communiqué on Increasing the Monetary Limits in the Twelfth and Fifteenth Paragraphs of Article 30 of the Insurance Law	28.02.2023	32118	The Communiqué proposes a revision of the monetary limits set out in the twelfth and fifteenth paragraphs of Article 30 of the Insurance Law No. 5684, given that they are deemed inadequate and low in light of the decline in the purchasing power of money.
Communiqué on Presentation of Financial Statements of Insurance, Reinsurance and Pension Companies	01.10.2023	32326	The communiqué was published regarding the details to be provided by the companies in their financial statements and in the footnotes of the statements.
Communiqué on Insurance Uniform Chart of Accounts and Prospectus	01.10.2023	32326	It was published regarding the details of the Insurance Uniform Chart of Accounts and Prospectus.
Communiqué Amending the Communiqué on Tariffs and Instructions and Operating Procedures and Principles of the State Supported Trade Receivables Insurance System	06.12.2023	32391	Following the doubling of the maximum balance sheet limit for SMEs to 500 million TL in the Small and Medium-Sized Enterprises Regulation, the premium, maximum guarantee amount and recipient limits under DDAS-Commercial in the System Communiqué have been updated in line with the aforementioned Regulation. Additionally, the scope of SMEs eligible to apply for a DDAS-Commercial product has been expanded. Consequently, the scope of bank receivables secured by the DDAS-Financing product has also been expanded.
Communiqué Amending the Communiqué on Compulsory Earthquake Insurance Tariff and Instruction	28.12.2023	32413	The square metre values based on the calculation of the insurance amount were increased to 6,000 TL for reinforced concrete houses and 4,000 TL for other houses. These values will be updated every month at the rate

			of the monthly 2003=100 Base Year Domestic Producer Price Index announced by the Turkish Statistical Institute in the previous month. In line with this, the coverage amounts will also be updated every month.
Communiqué Amending the Communiqué on Presentation of Financial Statements of Insurance, Reinsurance and Pension Companies	29.12.2023	32414	The implementation of TFRS 17 has been postponed.
Communiqué on Insurance Uniform Chart of Accounts and Prospectus	29.12.2023	32414	The implementation of TFRS 17 has been postponed.

Table 19. Circulars

Circulars	Number	Description
Circular Amending the Coefficients Used in Capital Adequacy Calculation	2023/1	Capital Adequacy coefficients have been amended.
Circular on Dividend Distribution of Insurance, Reinsurance and Pension Companies	2023/2	It is regulated that the dividend distributions to be made shall not reduce the capital adequacy level below 135%.
Circular on the Implementation of the Fourth Paragraph of Article 15 of the Regulation on Tariff Application Principles in Compulsory Financial Liability Insurance for Motor Vehicles	2023/3	Traffic insurance avoidance cases are regulated.
Circular Amending the Circular (2021/1) on the Implementation of Additional Article 6 of the Insurance Law No. 5684	2023/4	From the complaints received by our institution, it has come to our attention that although invoices are requested from service providers by insurance companies, they are not submitted. Insurance companies are reluctant to make payments without issuing invoices, citing concerns about creating an unregistered economy. Additionally, insurance companies are using the right to apply additional verification methods, as outlined in the circular and relevant sector announcement, in a way that hinders the process of paying compensation. Furthermore, it has been understood that the 'direct' payment request in the circular has caused some hesitation in the sector, with the potential for it to be interpreted that the insurance company must make payment in any case. In order to eliminate this uncertainty, Circular No. 2021/1 has been amended.

Circular Amending the Circular on the Amendment of the Coefficients Used in Capital Adequacy Calculation No. 2023/1	2023/5	Amendments were made to the capital adequacy coefficients determined by Circular No. 2023/1.
Circular Amending the Circular on Package Policy and Additional Coverage Application in Compulsory Financial Liability Insurance for Motor Vehicles (2019/10)	2023/6	The rule stipulating that the premium amount charged by insurance companies for coverage provided outside the scope of the General Terms and Conditions through package policies or additional coverage methods cannot exceed 10% of the total policy premium amount (the final premium amount to be paid by the policyholder), with the exception of motor vehicles voluntary financial liability insurance, has been amended to 20% in cases where the premium is collected in at least six instalments.
Circular on the Repeal of the Circular on Compulsory Financial Liability Insurance Premiums for Road Motor Vehicles No. 2017/1	2023/7	In light of the fact that the monthly increase rates of the maximum premiums applied in the motor vehicles compulsory third party liability insurance are determined within the framework of the Regulation, the circular that previously updated the relevant rates within the scope of the Board's authority has been repealed.
Circular Amending the Circular on the Implementation of Compulsory Financial Liability Insurance for Road Motor Vehicles (2019/9)	2023/8	In line with the amendment to the Regulation on Tariff Implementation Principles in the Motor Vehicles Compulsory Third Party Liability Insurance made on 04/04/2023, the implementation principles regarding the 0th and 8th steps have been added to the step application within the scope of the reward-penalty system applied in the motor vehicles compulsory third party liability insurance.
Circular Amending the Circular on the Implementation of Certain Articles of the Regulation on the Implementation Principles of Insurance Related to Individual Loans Circular on the Transfer of Receivables Arising from Individual Pension Contract	2023/9	The message content in the article titled "Information obligation" has been changed.
Circular on Advance Payments to be Made by the Catastrophe Insurance Pool within the Scope of Compulsory Earthquake Insurance	2023/10	It was published in order to determine the principles regarding the advance payment to be made by TCIP to the beneficiaries.

Circular on the Declaration to be made to the Insurance Information and Surveillance Centre by Insurance Companies and Assurance Account within the scope of Article 5/A of the Regulation on Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Relevant Persons Due to Traffic Accidents	2023/11	The forms to be notified to the Insurance Information and Surveillance Centre - Insurance company declaration form and Assurance account declaration form - are regulated.
Circular on the Procedures for Determining the Credit Limit Provided to Buyers within the Scope of the State Supported Trade Receivables Insurance System	2023/12	This Communiqué was published in order to regulate the procedures and principles regarding the determination of credit limits provided to buyers in accordance with the Communiqué on Tariffs and Instructions and Working Procedures and Principles of State Supported Receivables Insurance published in the Official Gazette dated 07.01.2023 and numbered 32066.
Circular on the Scope of Insurances that can be issued from Abroad	2023/13	With the Circular, it is aimed to increase the insurance capacity by including the insurance required by the Nuclear Regulation Law dated 05.03.2022 and numbered 7381 due to the legal liability of the operator for nuclear damages arising from nuclear incidents among the insurances that can be taken out from abroad.
Circular Amending the Circular on the Implementation of the Fourth Paragraph of Article 15 of the Regulation on Tariff Application Principles in The Motor Vehicles Compulsory Third Party Liability Insurance (2023/3)	2023/14	Amendments have been made in the circular numbered 2023/3.
Circular on the Extension of the Deadline for Reporting to the Authority and the Public within the Scope of the Regulation on Internal Systems in the Insurance and Private Pension Sectors	2023/15	The schedule of reporting to the Authority and the public has been determined.
Circular on Evaluation of Own Shares Acquired by Insurance, Reinsurance and Pension Companies from Borsa Istanbul in Capital Adequacy	2023/17	It is regulated that own shares acquired by public companies through buy-back between certain dates cannot be used as a deduction in equity calculation.

Circular Amending the 'Circular on the Implementation of the Regulation on Insurance and Reinsurance Brokers' numbered 2015/54	2023/19	Following the issuance of the Circular No. 2015/54, various issues regarding brokers' licence applications, human resources and decentralised organisational structures were rearranged.
Circular Amending the Circular on the Amendment of the Coefficients Used in Capital Adequacy Calculation No. 2023/1	2023/20	Amendments were made to the capital adequacy coefficients determined by Circular No. 2023/1.
Circular Amending the Circular No. 2016/22 on Discounting of Net Cash Flows Arising from Outstanding Claims Provision	2023/21	The discount rates determined by the Circular No. 2016/22 have been amended.
Circular on the Implementation of Article 5/A of the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to Relevant Persons Due to Traffic Accidents	2023/22	The amounts to be taken into account and the forms to be used in the declarations to be made by the insurance companies and the Assurance Account within the scope of Article 5/A of the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Relevant Persons Due to Traffic Accidents have been determined.
Circular on the Form Conditions of Fire Policies According to Earthquake Additional Coverage Status	2023/23	This Circular has been issued in order to regulate the procedures and principles regarding the issuance of policies with earthquake additional coverage and policies without earthquake additional coverage to be different from each other as of 2024 in order to raise awareness among potential policyholders.
Circular on Registration of Insurance Data in the General Database (2023/24)	2023/24	The Circular regulates the procedures and principles to be followed in the registration of insurance data to the General Database kept in the Insurance Information and Surveillance Centre by insurance, reinsurance and pension companies engaged in insurance activities and other persons and institutions to be determined by our Authority within the scope of the Regulation on Collection, Storage and Sharing of Insurance Data.

Circular Amending the Circular on the Implementation of Certain Articles of the Regulation No. 2022/16 on Internal Systems in the Insurance and Private Pension Sectors	2023/25	Amendments were made in Circular No. 2022/16 regarding the implementation of some articles in the Internal Systems Regulation.
Circular on Insurance Uniform Chart of Accounts and Prospectus	2023/26	Insurance Uniform Chart of Accounts and Prospectus have been prepared in accordance with TFRS 17 transition.
Circular on Minimum Capital Amounts for Insurance Branches	2023/27	Minimum capital amounts for insurance branches have been increased.
Circular on the Application of Premium / Equity Coefficient in Compulsory Financial Liability Insurance for Motor Vehicles	2023/28	An arrangement was made to limit the gross premium excluding indirect generated in the traffic branch to no more than 5 times the company's equity.
Circular on Transfer of Receivables Arising from Private Pension Contract	2023/29	The principles and procedures regarding the ability of participants in the private pension system to transfer all or part of their receivables, excluding the State contribution arising from private pension contracts, through a transfer of receivables agreement have been determined.
Circular on Inflation Accounting Application in Insurance Sector	2023/30	It has been determined that inflation adjustment will not be applied to the financial statements of insurance, reinsurance and pension companies dated 31.12.2023.
Circular on Motor Vehicles Compulsory Third Party Liability Insurance	2023/31	In line with the increase in the minimum wage amount, which is used in the determination of the labour wage, which is one of the important elements of the repair process of vehicles damaged as a result of traffic accidents, and in the determination of the income level of those concerned, which is the basis for the calculation of disability and deprivation of support compensation paid to the beneficiaries in cases of disability and death as a result of accidents, and also in line with the expected increase in the cost of spare parts for 2024, in order to meet this increase in damage costs in compulsory traffic insurance, to create an actuarial balance to collect premiums at a level to cover the damages paid by insurance companies within the scope of compulsory traffic insurance coverage, and ultimately to ensure the sustainability of the compulsory traffic insurance system, it was necessary to revise the maximum premiums applied for motor vehicle operators. In this context, compulsory traffic insurance premiums were increased by 10% for January 2024.

Table 20. Amendments to the General Conditions

Amendments to the General Conditions	Date	Description
Amendments to the General Terms and Conditions of State Subsidised Agricultural Insurance	05.01.2024	The preparatory work for the amendments to the General Conditions, including new products to be covered and premium arrangements, was carried out in 2023 and the amendments to the General Conditions were published on 05.01.2024 to be effective from 01.01.2024.

Table 21. Tariffs and Instructions

Tariff and Instructions	History	Description
Amendments to the State Supported Agricultural Insurance Tariffs and Instructions	05.01.2024	Preparatory work for comprehensive amendments to the Tariffs and Instructions, including new products to be covered and premium arrangements, was carried out in 2023, and the amendments to the Tariffs and Instructions were published on 05.01.2024, effective from 01.01.2024.
Tariff and Instruction Amending the Tariff and Instruction on Optional Earthquake and Volcanic Eruption Coverage	28.07.2023	The limit for commercial and industrial risks was increased from 400 million TL to 2 billion TL, and in line with this, all insurance value limits subject to the tariff were increased by 400%. In addition, minimum limits have been set for the square metre values subject to the policy within the scope of civil risks. A regulation has been introduced to ensure that the minimum coverage is at least 12 thousand TL for reinforced concrete buildings and 8 thousand TL for others. Additionally, the 'Inflation-Indexed Coverage Clause for Civil Risks (Clause 6)' has been regulated, and it is now a requirement to include this clause in the policy.
Tariff and Instruction Amending the Tariff and Instruction on Optional Earthquake and Volcanic Eruption Coverage	25.10.2023	The tariff tables for civil risks were increased by 25% following the convergence of the groups and other tariff ratios (for commercial and industrial risks, construction and erection insurances and electronic equipment and machinery insurances) were directly increased by 25%. On the other hand, it is regulated that the unit square metre price for civil risks will be increased every month by the monthly Domestic Producer Price Index announced by the Turkish Statistical Institute for the previous month, and if the unit square metre price increases during the period the

		contract is in force, the insurance price written in the policy can be increased upon the request of the insured, provided that the additional premium required by the increase is received.
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Table 22. Sector Announcements

Sector Announcements	Number	Description
Sector Announcement Regarding Not Imposing Additional Premium for Traffic Insurance Delays in Earthquake Affected Regions	2023/1	In light of the earthquake that occurred on 06.02.2023, affecting the provinces of Adana, Adıyaman, Bingöl, Diyarbakır, Elazığ, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa, the additional premium due to the non-renewal of the compulsory financial liability insurance policies for motor vehicles will be abolished until 01.03.2023.
Sector Announcement Regarding the Purchase and Sale of Pension Mutual Funds Due to the Suspension of Borsa Istanbul's Equity Market Transactions	2023/2	Following the earthquakes on 06.02.2023, it was announced that requests from participants should be met and other transactions related to the fund should be fulfilled in line with decisions to be taken by the Fund Boards until the Equity Market, which was closed by the Capital Markets Board on 08.02.2023, is reopened.
Measures to be taken in the regions where the State of Emergency has been declared due to earthquake Sector Announcement Regarding	2023/4	The sector announcement addressed a number of key issues, including the renewal of policies, premium and indemnity payments, the obligation to use Static IP for insurance intermediaries and loss adjusters, and the implementation of the exams to be held by SEGEM.
Measures to be taken in the regions where the State of Emergency has been declared due to earthquake Sector Announcement Regarding	2023/5	In accordance with Sector Announcement No. 2023/4, Sector Announcement No. 2023/5 was published to provide guidance on the renewal of policies, transfer of premiums to the Risky Insurance Pool, monitoring of individual insurances and sharing of portfolio information, with the aim of ensuring uniformity in practice.

Sector Announcement on Life Insurance Practices in Regions Where State of Emergency has been declared due to Earthquake	2023/6	In order to guarantee that the dependents of the insured who perished as a result of the earthquake in the areas where a state of emergency has been declared are not adversely affected, it has been announced that the documentation to be requested from the beneficiaries should be kept to a minimum and that additional information and documentation that would extend the processing time should not be sought. The transactions that can be made in favour of the borrower are listed in accordance with BRSA regulations regarding loan payments for citizens in the earthquake region.
Sector Announcement on Facilitating Access to Insurance and Private Pension Services for Persons with Disabilities	2023/8	The announcement was published to provide information about the improvements that are deemed beneficial to facilitate the difficulties experienced by disabled individuals regarding insurance and private pension services.
Sector Announcement Regarding the Matters Required to be Disclosed in the Footnotes to the Financial Statements Due to the First Time Adoption of TFRS 17	2023/9	The announcement was published to provide information about the issues to be disclosed in the footnotes to the financial statements due to the first time application of TFRS 17.
Central Receivables Transfer Fund Announcement	2023/10	Following the publication of the Regulation Amending the Regulation on Individual Pension System on 28/03/2023, the procedures and principles regarding the transfer of receivables application were determined. Furthermore, it was decided to publish an announcement with the Board decision dated 25/10/2023 and numbered 502 for the establishment of a Central Transfer of Receivables Pension Investment Fund (Fund). This will enable savings within this scope to be invested. The aforementioned announcement also set out the restrictions that pension companies wishing to establish the Fund must observe in their management of the Fund, including those relating to risk, total expense deductions and duration. Following the announcement, two pension companies were granted authorisation by our Authority to establish a central fund, as per Board Decision No. 561.

IV. ENFORCEMENT ACTIVITIES

The operations of insurance, reinsurance and pension companies with regard to licensing, mergers, share transfers, portfolio transfers and title changes are subject to evaluation and conclusion in accordance with the provisions set forth in Insurance Law No. 5684 and the Private Pension Savings and Investment System Law No. 4632. Additionally, the regulations on establishment and working principles issued based on these laws must be adhered to.

Applications to the Authority for authorisation to operate in the insurance and private pension sector are subject to a detailed evaluation of a number of issues, including the financial strength and reputation of the shareholders, the IT infrastructure of the companies, the proposed organisational structure, the insurance branches in which they intend to operate, the targeted market share, the distribution channels to be used, the reinsurance policy, the estimated cost of establishing the administrative and organisational structure required for the activities and the sources of financing this cost, the projected internal audit system, the actuaries and personnel planned to be employed, the projected management expenses other than the establishment expenses, the optimistic and pessimistic forecasts regarding the targeted premium production and technical profitability for each branch in which they wish to operate, the estimated balance sheets for the coming years, the financial resources to meet the liabilities and the estimates regarding capital adequacy. As part of these assessments, on-site supervision and monitoring of the establishment processes of the companies in question may be carried out if deemed necessary. Furthermore, in addition to the aforementioned assessment topics, the obligations arising from the participation legislation and the mechanisms to be established by companies wishing to operate on a participation basis are also examined.

In line with business plans and on-site audit results, companies that demonstrate a consistent approach to the aforementioned issues and possess the requisite financial strength are granted insurance licences and permitted to operate in the sector. However, measures are also taken to guarantee the effective and regular functioning of the market and financial discipline, particularly to safeguard the rights and interests of the insured and participants.

In the context of licensing procedures, three companies were granted licences to commence operations, two companies were granted additional branch licences, one company's operating licence was revoked, two companies' operating licences in the land vehicles liability branch were revoked and two companies' authority to conclude and renew contracts were revoked.

In relation to share transfer requests, the transfer of shares in five companies was approved.

In terms of administrative penalties, six non-life insurance companies were issued fines totalling 11,342,316 TL, while 11 life and pension companies were also given fines amounting to 687,352 TL. Additionally, three insurance companies were subject to measures under Article 20 of the Insurance Law.

V. SUPERVISION

1- Monitoring and Reporting

The Authority's monitoring process is based on an analysis of three key areas: compliance with legislation, financial status and risk profiles of insurance, reinsurance and pension companies. This analysis is conducted using data obtained from the companies themselves, as well as information from the Insurance Monitoring System, independent audit results, internal audit results, actuarial and reinsurance reports, and information, documents and data obtained from complaints submitted to the Authority.

Furthermore, the Authority oversees the activities pertaining to the data subject to monitoring (GEV), as submitted by pension companies to the Pension Monitoring Centre. Furthermore, the Authority monitors the functionality of the platform for the supervision of companies' private pension, state contribution, automatic enrolment system and other activities.

In the context of monitoring insurance, reinsurance and pension companies, risk-focused monitoring activities are accorded the highest priority. Each company is allocated a professional staff member who is responsible for early risk management. These staff members prepare company-based reports on a quarterly basis, which are then reviewed by senior management and, if necessary, acted upon through the issuance of information notes and other reporting tools. Furthermore, companies are contacted to discuss specific risk management measures.

In addition to the company-wide assessments, all variables that may affect a company's financial structure are monitored closely. These variables include national and international macroeconomic developments, financial indicators, reports published by international insurance authorities, and judicial decisions regarding insurance practices.

Our Authority's goal is to ensure full compliance with international standards, develop a risk-oriented supervision system, and make the most of IT facilities to supervise the insurance and private pension sectors more efficiently, quickly, and effectively.

2- On-site Supervision

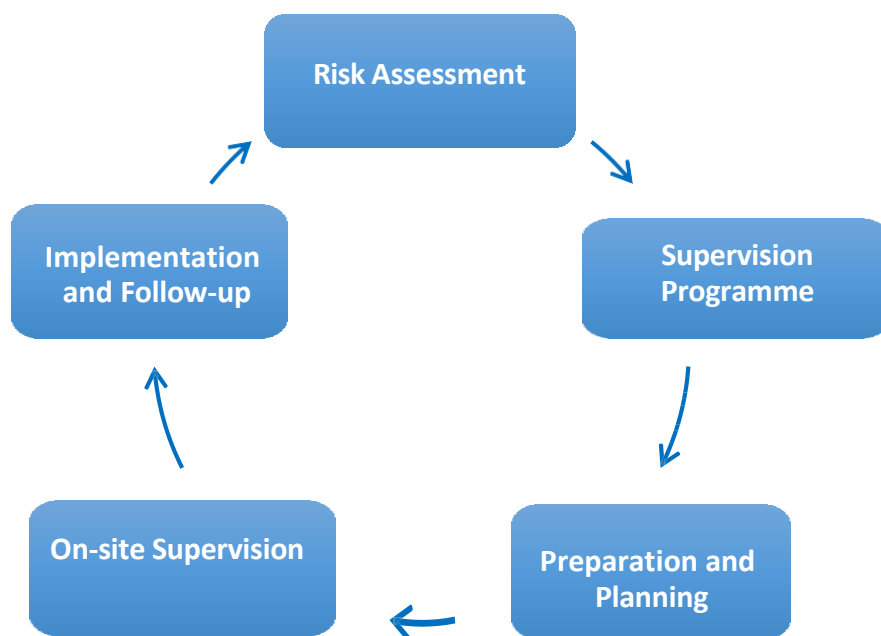
The Authority is committed to continuously improving compliance with the Insurance Core Principles (ICP), as updated by the International Association of Insurance Supervisors (IAIS). Our goal is to achieve full compliance with international norms and criteria. These principles are also included in the Supervision Guidelines prepared by the Supervision Departments.

To define the processes related to supervision and monitoring activities in detail and to ensure standards in the supervision products resulting from these activities, the processes related to

the preparation of the supervision programme, conducting the supervision missions, issuing, evaluating and finalising the supervision products have been set out in sub-regulations. These regulations are subject to periodic review and update. Furthermore, a distinct guideline has been developed for each supervision subject within the scope of programmed supervision. This is to guarantee that standards are set for supervision activities and to provide guidance for experts. Supervision guidelines are subject to periodic review and update in order to ensure compliance with international norms and criteria, as well as current legislation. To guarantee transparency in the supervisory activities conducted by our Authority and to ensure that the supervisions and their outcomes are predictable and traceable for the supervised parties and institutions, we are currently working on publishing the supervisory guidelines and report formats on the website of our Authority.

The supervisory process comprises a series of independent cycles that are repeated in a cyclical manner. The processes in the supervision cycle are tailored to align with the specific risk profiles of the companies in question, taking into account the subject matter, volume, and diversity of their activities. The supervision cycle comprises the following stages: risk assessment and risk profiling, preparation of the supervision programme, preparation and planning for on-site supervision, on-site supervision and implementation and follow-up of supervision results.

Figure 2: Supervision Cycle



The Authority's on-site supervision activities for companies and other entities subject to supervision are carried out in accordance with supervision programmes prepared by the Departments of Supervision and approved by the Chairmanship. In certain instances, these activities may be carried out through ad hoc assignments outside the scope of the programme.

Figure 3: Supervision Programme



A Reading and Assessment Committee has been set up within the Departments of Supervision to review and evaluate the reports. In this context, the reports prepared by the specialists are examined by the Committee, and any identified errors or deficiencies are reported to the relevant specialists for correction.

A comprehensive internal review process of the reports generated from supervision activities ensures that existing errors and deficiencies are identified and investigated, while also assessing compliance with relevant legislation and internal Authority regulations. This process plays a crucial role in maintaining internal control standards and quality assurance within the Supervision Departments.

Please refer to the table below for details of the supervision missions carried out by our Authority between 2019 and 2023.

Table 23. Inspection and Supervision Missions in 2019 - 2023

Review and Supervision Areas	Number of Reports				
	2019	2020	2021	2022	2023
Financial Statements and Accounting Transactions Supervision	1	1	1	2	
Supervision of Damage and Compensation Transactions	5	-	-	4	1
Capital Adequacy Supervision	-	-	-	-	4
Technical Provisions Supervision	1	-	1	1	1
Life Group Business and Operations Supervision	-	-	-	-	
Individual Pension Operations Supervision	-	-	-	-	
Reinsurance Operations Supervision	-	-	-	-	29
Information Processing Supervision	-	-	1	11	
PPS State Contribution Operations Supervision	18	19	36	16	
Management Organisation and Internal Systems Supervision	-	-	-	-	
Technical and Financial Analysis Supervision	-	-	-	2	2
Legislation Compliance Supervision	15	11	25	27	11
General Transaction Supervision	2	3	4	3	1
Company Licence Inspection	3	1	-	5	4
Brokerage Activity Supervision	-	-	1	1	
Insurance and Reinsurance Brokers Licence Inspection	16	10	12	17	20
Spelling and Pricing Policy Supervision				5	
Supervision of Compliance with Obligations (SGA / TF / WMD Obligations)	17	-	9	14	
Other Supervisions, Inspections and Investigations (Complaints Supervision)	25	12	14	11	3
Total	103	57	104	119	76

VI. ACTIVITIES RELATED TO INTERMEDIARIES

1. Intermediaries

Insurance firms are required to obtain a Certificate of Conformity from our Authority and enroll in the Registry maintained by the Union of Chambers and Commodity Exchanges of Türkiye before commencing operations, as set forth in Article 23 of the Insurance Law No. 5684. Insurance and reinsurance brokers are required to obtain a licence from our Authority in accordance with Article 21 of the Insurance Law No. 5684 before commencing operations in the life, non-life and reinsurance sectors. In accordance with Article 11 of the Private Pension Savings and Investment System Law No. 4632, private pension intermediaries are legally obliged to register in the Private Pension Intermediaries Registry, which is maintained by the Pension Monitoring Centre and subject to guidelines established by our Authority.

As of the end of 2023, there were 195 insurance and reinsurance brokers with operating

licences and 18,031 insurance agencies registered with the board in Türkiye. Of the total number of agencies, 6,555 are owned by individuals and 11,476 are owned by legal entities. As of the end of 2023, there were 73,253 active PPS brokers. In 2023, the licence of one broke was revoked.

As of end-2023, 14.5% of premiums written were realised through brokers, 54.4% through agencies and 20.7% through banks. Most sales made through banks with agency status are life insurance contracts.

2. Loss Adjusters

In accordance with paragraph 22 of the Insurance Law No. 5684, insurance loss adjusters are required to obtain a licence from our Authority prior to commencing their activities. They are subsequently registered in the Register maintained by TOBB. As of the end of 2023, the number of individual loss adjusters with operating licences was 1,266, while the number of legal entity loss adjusters was 625.

VII. RELATIONS AND COORDINATION WITH NATIONAL AND INTERNATIONAL ORGANISATIONS

In matters concerning the insurance and private pension sector, the Authority works with the Presidency, the Ministry of Treasury and Finance, the Central Bank, the Banking Regulation and Supervision Authority, and the Capital Markets Board. In addition, studies were carried out in coordination with the relevant Ministries and other public institutions (Ministry of Foreign Affairs, Ministry of Trade, Ministry of Environment, Urbanisation and Climate Change, Ministry of Agriculture and Forestry, Public Oversight Authority, Turkish Statistical Institute, etc.) with which the Authority has relations due to its field of duty.

In 2023, within the scope of Article 29 of the Insurance Law No. 5684 titled "Obligation to provide information, membership and cooperation with international organisations", in order to increase the cooperation activities of the Authority with international institutions/organisations and mutual information sharing with the country authorities in the field of insurance and private pension;

- The Authority engaged in committee work and meetings of the International Association of Insurance Supervisors (IAIS) and the International Organisation of Pension Supervisors (IOPS), and also provided information and data in response to their requests for surveys.
- Insurance and/or private pension company groups with companies in more than one country, including Türkiye, participated in the Supervisory Colleges of the insurance and private pension authorities in the countries where they are affiliated. They shared

information about the group company in Türkiye and also had the opportunity to learn about the supervision and monitoring approaches of foreign authorities.

- A Memorandum of Understanding titled "Information Sharing and Cooperation in the Field of Private Pension Regulation and Supervision" was signed between North Macedonia Private Pension Authority (MAPAS) and our Authority.
- In line with the objective of developing participation insurance, the Authority has continued its activities of cooperation as a full member of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). AAOIFI operates as a regulatory and supervisory authority for the Islamic finance sector, preparing and publishing standards in accordance with Islamic rules in the fields of accounting, ethics and corporate governance. It also conducts research in the field of Islamic finance and organises various seminars at specific times.
- In line with our objective of developing participation insurance, we are continuing our cooperation with the Islamic Financial Service Board (IFSB). The IFSB follows international regulations on Islamic financial products and services and prepares standards and guidelines for regulatory bodies and sector participants. This cooperation is taking place within the scope of our full membership.
- In line with the Memorandum of Understanding (MoU) signed between the Authority and the Central Bank of the Republic of Azerbaijan in 2021 on "Information Sharing and Cooperation in the Field of Regulation and Supervision of the Insurance Sector", the parties have been working towards the goal of holding online meetings and sharing electronic information.

In line with the Authority's mandate, we responded to information requests and questionnaires, shared presentations and engaged in meetings with international economic institutions and associations, including the Organisation for Economic Co-operation and Development (OECD), the Financial Stability Board (FSB), the Organisation for Economic Co-operation and Development (ECO), the World Trade Organization and the World Bank. As a result, the Authority provided input to the studies and reports prepared by these organisations. Furthermore, the Authority facilitated the transfer of information by meeting the interview requests of rating firms and various countries within the scope of its mandate...

In 2023, the Authority shared information and experience with the international institutions and organisations listed in the table below through online and face-to-face meetings.

Table 24. Meetings Held with International Institutions and Organisations

History	Delegation	Meeting Content
10.05.2023	Standard & Poor's Rating Establishment	general information sharing about the insurance and private pension market in Türkiye.
4.07.2023	Fitch Rating Agency	Sharing general information about insurance and private pension market in Türkiye.
1.09.2023	Delegation consisting of representatives of the Azerbaijan Bureau of Insurance, Azerbaijan Insurers Association and public and private insurance companies	Sharing information about the expertise process and damage management.
15.09.2023	Delegation consisting of representatives of the Banking and Insurance Regulatory Commission of the People's Republic of China and a representative of the Chinese Consulate	Sharing general information about our organisation, insurance and private pension sector, important developments in recent years and our future activities.
21.09.2023	World Bank	Sharing general information about disaster risk financing
5.10.2023	Retirement Benefits Authority of Kenya (RBA)	Sharing general information about successful practices in the field of private pension, solutions to the problems encountered, fund management.
10.10.2023	Delegation consisting of representatives of the Insurance and Financial Market Supervisory Authority of Kyrgyzstan, private sector representatives and World Bank officials	TCIP's strategy, institutional and legal framework
11.10.2023	Insurance Supervision Authority of the Central Bank of Azerbaijan	Sharing general information about the Insurance Early Warning System.
12.10.2023	Delegation consisting of representatives of the Ministry of Agriculture of Uzbekistan and the Insurance Commission of the Ministry of Finance	Sharing general information about the agricultural insurance system in Türkiye
13.10.2023	Delegation consisting of representatives of the Moroccan Insurance and Social Welfare Supervisory Authority (ACAPS)	General information about compulsory earthquake insurance and experience sharing on 6 February earthquakes.
6.12.2023	European Bank for Reconstruction and Development (EBRD)	Sharing information about the general outlook of the insurance and private pension sectors in Türkiye.

VIII. LEGAL AFFAIRS

In the field of legal affairs, we have enacted and implemented a number of significant regulations, particularly in the areas of organisational structure and the duties of our Authority, as well as in the domain of insurance arbitration. In this context, the following regulations were finalised in 2023: the Presidential Decree Amending the Presidential Decree on the Organisation and Duties of the Insurance and Private Pension Regulatory and Supervisory Authority, the Regulation Amending the Regulation on Arbitration in Insurance and the Communiqué Amending the Communiqué Amending the Communiqué on Increasing the Monetary Limits in the Twelfth and Fifteenth Paragraphs of Article 30 of the Insurance Law.

The Presidential Decree Amending the Presidential Decree on the Organisation and Duties of the Insurance and Private Pension Regulatory and Supervisory Authority, published in the Official Gazette dated 12/05/2023 and numbered 32188, has extended the salary payment period for the Chairman and Members of the Board following their resignation from their duties to two years. This is consistent with the payment period for other supreme boards and is intended to avoid any potential grievances in this regard. The objective of the amendment to the regulation on insurance arbitration is to align it with the prevailing legislation and secondary regulations concerning insurance arbitration. The objective is to legitimise practices that have emerged despite not being explicitly included in the legislation. This will establish predictability by clarifying certain expressions that have caused hesitation in practice. It will also meet the need for regulation in the functioning of the Commission and arbitration proceedings due to the increase in the number of applications. Finally, it will ensure parallelism with general arbitration proceedings. In light of the above, the existing regulation has been revised and the criteria for the selection of arbitrators amended with a view to ensuring that disputes, especially in the field of insurance, can be resolved by specialised insurance arbitrators and appeal arbitrators. The Communiqué Amending the Communiqué on Increasing the Monetary Limits in the Twelfth and Fifteenth Paragraphs of Article 30 of the Insurance Law has been prepared with the objective of redefining the monetary limits currently specified in the aforementioned paragraphs of Article 30 of the Insurance Law No. 5684. It was ultimately determined that the monetary limit set forth in the "Communiqué on Increasing the Monetary Limits in the Twelfth and Fifteenth Paragraphs of Article 30 of the Insurance Law," published in the Official Gazette on 16/04/2022 and numbered 31811, and effective as of 01/05/2022, was inadequate and insufficient in light of the decline in purchasing power. To address this, the limit was increased in accordance with the twenty-second paragraph of Article 30 of the Insurance Law, with consideration given to the rate of change in the Producer Price Index. Furthermore, to prevent potential grievances and guarantee clarity, objections and appeals against the implementation of the increased monetary limits will be based on the amounts stated in the Insurance Arbitration Commission arbitral award, as well as in decisions made by the arbitral tribunal on the date of the formation of the tribunal.

Actions Taken within the Scope of Complaints and Information Acquisition Applications

The Legal Affairs Department is responsible for initially evaluating all complaint applications and information requests pertaining to the institutions under the supervision and monitoring of our Authority. Subsequently, the complaints and information requests are forwarded to the relevant institutions and organisations, as well as the pertinent units of our Authority. The process is concluded by notifying the complainants and information requestors in accordance with the feedback received.

All complaints and requests for information are received via four different channels: the E-Complaint Application System, CIMER, email and petition. Applications received through channels other than the E-Complaint Application System are recorded in the aforementioned system. Please refer to the tables below for a summary of the complaints made through the E-Complaint Application System in 2023.

Table 25. Number and Types of Complaints Submitted to the E-Application System

Subject of Complaint	2022 (Number)	2023 (Number)	Change (%)	2023 Share (%)
TCIP	723	13.176	1722	3,6
Other	15.169	16.759	10	4,6
Personal Accident	15.409	14.832	-4	4,1
General Liability/Professional Liability	40	203	408	0,1
Life	430.610	285.967	-34	78,5
Legal Protection	56	182	225	0,0
Unemployment	2.963	1.911	-36	0,5
Workplace	645	498	-23	0,1
Motor Insurance	802	3.379	321	0,9
Housing	6.369	8.610	35	2,4
Engineering	38	34	-11	0,0
Transport	79	32	-59	0,0
Private Pension (PPS-AES)	10.694	5.438	-49	1,5
Health	5.556	5.294	-5	1,5
Agriculture	559	340	-39	0,1
Traffic	1.920	7.389	285	2,0
Fire	206	203	-1	0,1
General Total	491.838	364.247	-26	100

The number of complaints made in 2023 about insurance, reinsurance and pension companies, brokers, agents, loss adjusters and other institutions carrying out insurance-related activities under the supervision and monitoring of our Authority decreased by approximately 26% compared to 2022, reaching 364,247. In 2023, the majority of applications

were for life insurance, followed by personal accident insurance. In the non-life sector, the highest number of applications were for TCIP, housing and traffic.

It was observed that the majority of complaints pertained to matters such as banks requiring insurance, non-payment or incomplete or late payment of compensation, non-cancellation of the policy and the transfer of funds to the Assurance Account.

IX. INFORMATION TECHNOLOGIES and DATA MANAGEMENT ACTIVITIES

Within the scope of information technologies and data management activities the objective is to determine and meet the informatics needs of the Authority, establish service and security policies, create information systems, ensure business continuity, provide data for monitoring and supervision activities accurately and completely, determine the criteria and standards for measuring the adequacy of the information systems of the institutions subject to supervision and monitoring in terms of business continuity and information security, provide support to the supervision departments in the supervision missions to be carried out, collect the information required for the activities of the Authority in our database, create and operate the necessary reporting mechanisms over the collected data, take all necessary measures to increase the data quality of the data in the field of activity of the Authority, and to share the information and documents prepared in the electronic environment effectively, efficiently and securely within and outside the organisation.

Within the framework of the aforementioned objectives the following operations and plans have been undertaken in 2023.

On the website of the Authority:

- In order to extend the reach of the Authority's activities and announcements, we are implementing multilingual support for the Authority's website. In line with the agreed scope of the studies, the necessary infrastructure preparations have been completed and work on the organisation of English content is ongoing.
- In order to provide users of the institution with systematic and fast access to corporate information and processes, studies have been initiated into the creation of a Corporate Intranet, with developments ongoing.

On Corporate IT Systems

- In order to enable citizens to monitor their insurance product and service needs and solutions to insurance problems from a single point, "E-Devlet Sigortalarım" (E-government - My insurances) Project work has started and is planned to be commissioned in 2024.
- The necessary system, process and reporting follow-up requirements have been put into operation in order to eliminate the difficulties of citizens' access to Compulsory Financial Liability Insurance for Highways.

- has commenced on a series of system and application projects. These have been designed to address the data quality improvement, measurement and monitoring needs of the Common Data Model (CDM), which is used to collect insurance sector data.
- The software work for the "Insurance Company Collateral" project has been completed. This new application enables fast and instantaneous changes to be made, eliminating the need to collect insurance sector collateral and collateral risk data through reporting methods.
- Reporting infrastructure, processes and applications have been introduced in order to meet the reporting needs of the Authority and relevant stakeholders.
- Studies on determining the best way to feed the institution's decision support systems with reporting infrastructures are ongoing.