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**Insurance Market Development in Comparison With Other Financial Markets Segments in Poland in the Prosperity and Recession**

**JEL Classification:** G10

**Keywords:** financial market; insurance market; financial market assets

**Abstract:** The problem undertaken in this article is to reduce the dynamics of the financial market in Poland in the period of crisis. The aim of this paper is to analyze the pace of the market development, taking into account the changes that have taken place in the insurance market. Research period covers the years of prosperity and the recession.

**Introduction**

The topic of this paper is the financial market, especially the insurance market and the problem of decreased economic growth in the time of crisis. There are some financial institutions in Poland that function in such sectors...
as banking, financial market, insurance market and pension market\textsuperscript{1}. It could be stated that these financial institutions are in a symbiotic (both obligatory and facultative) relationship. In case of a crisis, every sector of the market is sensitive to change – both the ones made by the clients of these institutions and made by the institutions themselves. Despite the fact that each institution contributes to the market in a different way and holds a different percentage share of it\textsuperscript{2}, each of them serves a role which is invaluable to the existence of the market. One of the sectors that will be further analyzed is the insurance market, which provides both financial and life insurance, ensuring a social and economic balance, especially in the time of crisis. The purpose of this paper is to analyze the development of the financial market – with the special attention paid to the insurance market – both in time of growth and decline. This goal will be accomplished through the analysis of the number of institutions representing the financial market and the value of the assets held by these entities. The analysis of the insurance market and gross premiums written will be carried out. It will also show a comparative analysis of the data based on the numbers from the time of economic growth and economic decline.

**Methodology of the research**

The study used a comparative analytical method and the method of reasoning by analogy. We have compared the size of the financial market from the period of economic prosperity to the size of the period of crisis. The same applies to the insurance market, where there has been a detailed comparative analysis of the various classes of Division I and II. The study used official statistics.

**Financial system assets to GDP in Poland and other European countries**

To analyze the state of the Polish financial system in terms of active assets, a comparison between the amount of assets and GDP was made. While making a comparison between the Polish financial system and the financial systems of the Czech Republic, Hungary and other Euro area member

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\textsuperscript{1} More recently, the market has officially presented payment services market - the Act of 19 August 2011 on payment services (Journal of Laws No 199, item 1175).

\textsuperscript{2} It is both a proportion of the number of institutions in the financial market institutions and the total share in the assets.
states, a very low level of intermediately financing was observed in Poland. A major discrepancy between Poland and other Euro area Member States was observed. Poland was also quite low in comparison with the Czech Republic and Hungary. Despite the fact that this situation will become better in time (in 2004 this participation was at 78.6% and in 2011 it was at 118.5%, showing a 39.9% growth), we are still behind other Euro area member states, where this participation was at 365.7% in 2004 and at 497.0% in 2011.

Coming back to the topic of this paper – a comparative analysis of aforementioned correspondence has been carried out to show the changes in times of prosperity and economic decline. In the first period (2004-2008) in every case a growth could be observed. As far as Poland is concerned, in 2008 a growth of 31.9 percentage points could be observed in comparison with 2004. In the Czech Republic the situation was a bit worse, as growth was at 20.8 percentage points. Hungary was in a better situation, as their growth was at 54 percentage points. The member states of the Euro area were first, with a growth of 97.4 percentage points.

Table 1. Financial system assets to GDP in selected countries of Central and Eastern Europe and in the euro area in the period 2004-2011 (in %)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>78.6</td>
<td>85.0</td>
<td>96.5</td>
<td>104.0</td>
<td>110.5</td>
<td>111.2</td>
<td>117.7</td>
<td>118.5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>119.3</td>
<td>126.7</td>
<td>125.6</td>
<td>134.2</td>
<td>140.1</td>
<td>142.5</td>
<td>141.2</td>
<td>147.5</td>
</tr>
<tr>
<td>Hungary</td>
<td>100.0</td>
<td>110.9</td>
<td>101.5</td>
<td>113.5</td>
<td>154.0</td>
<td>168.6</td>
<td>165.3</td>
<td>148.1</td>
</tr>
<tr>
<td>Euro area*</td>
<td>365.7</td>
<td>398.4</td>
<td>416.4</td>
<td>435.8</td>
<td>463.1</td>
<td>485.0</td>
<td>496.2</td>
<td>497.0</td>
</tr>
</tbody>
</table>


In the second period observed (2008-2011), when many countries suffered a decline in growth rate, a lower rate of growth in comparison with GDP could also be observed. In the Polish financial system, if we take 2008 as the base year, a growth of only 8 percentage points could be observed. This is a radical change in comparison with the earlier period. The financial system of the Czech Republic also noted a decline, as the growth slowed down to 7.4 percentage points. Hungary, after such a remarkable period of

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3 In each country in the studied years, economic growth stood at different levels, but a question of time before the crisis, and when it starts, because it affected the functioning of all the European economies.
growth, suffered a decline in the value of assets. The relation to GDP, it dropped by 5.9 percentage points. A decline in the Euro area Member States was inevitable, and they recorded a 33.9 percentage points drop in comparison with the earlier period.

These results have been achieved by entities composing the banking, insurance and financial market sectors. Still, as numbers show, the banking sector in some countries was not suited for the realistic demand of the economy (IMF, 2012, pp. 150-152).

**Assets of financial institutions in Poland**

The financial market in Poland is supervised by the Financial Supervision Commission. The financial market consists of the following segments: banking sector, financial market, insurance market, pension market and payment services market (compare Sokolowska, 2013, pp. 97-98). There are institutions that satisfy the needs of these sectors. In general, the thing that these entities have in common is gathering funds for specific purposes. Banks accumulate funds in order to give the corporations access to their assets to stimulate growth. On the financial market nominees and investment funds accumulate assets that are in investor’s possession. Insurance companies offer products that are used for investments (Division I) and products that are static (Division II) – but they allocate the funds accumulated from premiums.

A preliminary analysis of this market allows us to draw the conclusion that because of the institutions constituting this market the Polish economy experiences an inflow of investment funds. There are many factors that influence economic growth, but the main ones are jobs and capital (Samuelson & Nordhaus, 1998, p. 365).

From the economic growth point of view, the infrastructure of the financial system is important. The infrastructure of the financial system is composed of financial institutions and their subsidiaries, i.e. products and the channels of distribution. In Table 2 the data concerning the number of aforementioned institutions are presented. The biggest number of institutions can be found in the cooperative banks sector (574 entities in 2011), but a high number of institutions in a sector does not mean a high value of assets – which will be shown later on. Second place in the number of entities takes the commercial banks sector (66 entities in 2011). Next come: nominees – 65, insurance companies – 61, cooperative savings and credit banks – 59, investment companies – 50, pension funds – 14 and affiliation banks – 2.
When comparing both periods (the period of growth and the period of decline) some changes took place, but they were not as obvious as one could think. In the first period, a decline in the number of institutions was noted – co-operative credit and savings banks (-21), cooperative banks (-17), insurance companies (-3).

An increase in the number of some institutions was observed. There were more investment funds (19), nominees (18) and commercial banks. As for the number of bank affiliations, the number remained the same.

In the time of economic decline a rise in the number of investment funds (by 11) was observed, alongside with the number of nominees (by 7) rising. A decrease in the number of cooperative banks and insurance companies (by 5) was observed, together with the decrease in the number of commercial and affiliate banks (by 1). The number of pension funds did not change. It is important to note that the decrease in the numbers of institutions does not indicate that they have declared bankruptcy, but that they might have been assimilated or taken over by other entities.

Table 3 presents the data concerning assets of financial institutions in Poland in the years 2004 – 2011. As mentioned before, the number of institutions does not necessarily correlate with the value of assets.
Table 3. Assets of financial institutions in Poland between 2004 and 2011 (in billions of zlotys)

<table>
<thead>
<tr>
<th>Entities</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial banks</td>
<td>499.7</td>
<td>539.3</td>
<td>624.0</td>
<td>727.1</td>
<td>963.2</td>
<td>977.2</td>
<td>1 062.1</td>
<td>1 188.3</td>
</tr>
<tr>
<td>Cooperative and affiliated banks</td>
<td>38.8</td>
<td>47.1</td>
<td>57.8</td>
<td>65.7</td>
<td>75.9</td>
<td>82.4</td>
<td>96.4</td>
<td>106.1</td>
</tr>
<tr>
<td>Cooperative savings and credit banks</td>
<td>4.2</td>
<td>5.3</td>
<td>6.0</td>
<td>7.3</td>
<td>9.4</td>
<td>11.6</td>
<td>14.1</td>
<td>15.2</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>77.9</td>
<td>89.6</td>
<td>108.6</td>
<td>126.9</td>
<td>137.9</td>
<td>139.0</td>
<td>145.2</td>
<td>146.1</td>
</tr>
<tr>
<td>Investment funds</td>
<td>37.6</td>
<td>61.6</td>
<td>99.2</td>
<td>134.5</td>
<td>76.0</td>
<td>95.7</td>
<td>120.1</td>
<td>114.9</td>
</tr>
<tr>
<td>Open pension funds</td>
<td>62.6</td>
<td>86.1</td>
<td>116.6</td>
<td>140.0</td>
<td>138.3</td>
<td>178.6</td>
<td>221.3</td>
<td>224.7</td>
</tr>
<tr>
<td>Nominees</td>
<td>5.5</td>
<td>6.9</td>
<td>10.8</td>
<td>11.8</td>
<td>8.6</td>
<td>9.9</td>
<td>9.2</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>726.3</td>
<td>835.9</td>
<td>1 023.0</td>
<td>1 213.3</td>
<td>1 409.3</td>
<td>1 494.4</td>
<td>1 666.9</td>
<td>1 805.4</td>
</tr>
</tbody>
</table>


In this paper a percentage analysis of changes in the market share of assets in time of prosperity and time of crisis was carried out. In both periods a growth in the financial market was observed. In the former period the value of assets grew by 94.04%, and in the latter by 28.11%.

In the time of prosperity the growth was as follows: banks – 92.76%, cooperative and affiliated banks – 95.62%, cooperative savings and credit banks – 123.81%, insurance companies – 77.02%, investment funds – 102.13%, open pension funds – 120.93% and nominees – 56.36%.

In the second period the following growths were recorded: banks – 23.37%, cooperative and affiliated banks – 39.79%, cooperative savings and credit banks – 61.70%, insurance companies – 5.95%, investment funds – 51.18%, open pension funds – 62.47% and nominees – 17.44%.

In the years 2004 – 2011 no noticeable change could have been observed as far as the shares of the financial market assets are concerned. This is shown in Figure 1 – the biggest share belonged to the banks (74.14%), followed by insurance companies (10.73%), pension funds (8.62%), investment funds (5.18%), nominees (0.76%) and cooperative savings and credit banks (0.58%).
**Figure 1.** Participation of each of financial institutions in the assets of the Polish financial system in 2004

In 2011 the biggest share was again owned by the banks (71.70%), followed by pension funds (12.45%), as this instrument is obligatory. Next up are insurance companies (8.02%), investment funds (6.36%), cooperative savings and credit banks (0.84%) and nominees (0.56%) (Figure 2).

**Figure 2.** Financial institutions’ participation in the assets owned by the Polish financial system in 2011

Source: Data from Table 3.
Signification of the insurance market in the economy

Despite the fact that the value of assets owned by insurance companies was low in the analyzed period in comparison to the assets owned by banks, this segment provides clients with security and stability, while encouraging economic growth. 'The degree to which the development of insurance market influences the economic development of a country depends on many factors: the financial system, legal system, natural growth and even participation of culture minorities in the life of a country, level of education and many other aspects of life.' (Bednarczyk, 2011, p. 29). The issue of co-dependence between the development of the insurance market was not been inspected until late. Table 4 contains some data concerning correlation between the development of insurance market and economic development for years 2000-2010.

Table 4. Overview of selected empirical studies on the relationship between insurance development and economic growth in 2000-2010

<table>
<thead>
<tr>
<th>The author or authors</th>
<th>Year of publication</th>
<th>Research area</th>
<th>research period</th>
<th>The dependent variable</th>
<th>Explained variable</th>
<th>The test method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward, Zurbruegg</td>
<td>2000</td>
<td>9 OECD countries</td>
<td>1961-1996</td>
<td>real total insurance premium, real GDP</td>
<td>Real GDP, real gross premium</td>
<td>Vector auto-regressive VAR model, Granger causality test</td>
</tr>
<tr>
<td>Webb, Grace, Skipper</td>
<td>2002</td>
<td>55 countries, including 17 EU</td>
<td>1980-1996</td>
<td>insurance penetration rate, bank loans</td>
<td>GDP, GDP per capita</td>
<td>Solow model for the estimation of the parameters for established productivity</td>
</tr>
<tr>
<td>Kugler, Ofoghi</td>
<td>2005</td>
<td>Great Britain</td>
<td>1966-2003</td>
<td>disaggregated premiums for different groups of non-life insurance</td>
<td>real GDP</td>
<td>Johansen cointegration test, Granger causality test</td>
</tr>
<tr>
<td>Arena</td>
<td>2006</td>
<td>56 countries</td>
<td>1976-2004</td>
<td>Penetration rate of life insurance and property insurance</td>
<td>Real GDP per capita</td>
<td>* GMM models and dynamic panel data</td>
</tr>
<tr>
<td>Haiss Sümegi</td>
<td>2006</td>
<td>29 European countries</td>
<td>1992-2004</td>
<td>annual gross written premium</td>
<td>GDP per person employed</td>
<td>KMNK ** for panel data Granger causality test</td>
</tr>
</tbody>
</table>
The insurance market functions – most of all – as a proactive countermeasure. It protects against possible negative consequences of unforeseen events. The second function of the insurance market is a financial function – it provides funds for the economy: 'Insurance sector influences the economy by providing protection and accumulating funds. Through providing companies with protection against unforeseen complications it improves the financial situation of a company, stimulates economic growth and encourages investments, innovations and makes the financial more dynamic.
and competitive. Thanks to insurance companies it is easier to foresee possible losses and the economic risk goes down' (Bednarczyk 2011, p. 29).

Insurance companies offer a wide variety of products suitable for different economic entities. They protect against elemental damage, unforeseen death, disability or loss of assets. 'We can expect companies to make more use of financial insurance' (Wicka, 2012, p. 158) Using this as a risk management tool. Financial insurance gains importance as a financial risk management tool.

**Analysis of gross written premiums collected by insurance in Division I**

Based on the data in Table 5 concerning Division I an analysis of shares of gross premiums written each year and for two periods (2008 in comparison with 2004 and 2011 in comparison with 2008) was carried out, with the inclusion of 5 classes.

Each year a growth in gross premiums written was noted between 2005 and 2008 (20.53% for 2005, 38.37% for 2006, 21.02% for 2007 and 52.96% for 2008). In 2009 life insurance market felt the impact of the crisis as far as gross premiums written is concerned, as a 22.40% decline was observed. In 2010 a 3.75% growth was noted, followed by a 1.45% growth in 2011.

In the time of prosperity (2004 – 2008) a 208.69% growth of gross premiums written was observed, and in the second period a decline of 18.32% could be noted. Gross premiums written analysis of each group revealed as follows:

- In group 1 (life insurance) a 361.43% growth was observed in the time of prosperity, followed by a 40.67% decline in the time of crisis.
- In group 2 (marriage insurance, birth insurance) a 9.92% decline was observed in the time of prosperity, followed by a further 8.56% decline in the time of crisis.;
- In group 3 (life insurance associated with capital funds) growths of 56.72% and 63.89% were observed in both periods;
- In group 4 (pension scheme) growths of 151.66% and 59.29% were observed in both periods;
- In group 5 (sickness and accident insurance) in the first period a growth of 78.86% was observed, followed by a lower growth of 8.88%.
Table 5. Gross premiums written for Division I in Poland in years 2004 – 2011 (in thousands of zloty)

<table>
<thead>
<tr>
<th>Class</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6149801</td>
<td>6899007</td>
<td>8105615</td>
<td>9855906</td>
<td>28376777</td>
<td>19218772</td>
<td>18762599</td>
<td>16836713</td>
</tr>
<tr>
<td>2</td>
<td>146087</td>
<td>150538</td>
<td>146222</td>
<td>137668</td>
<td>131594</td>
<td>125870</td>
<td>119903</td>
<td>120336</td>
</tr>
<tr>
<td>3</td>
<td>4013048</td>
<td>5609997</td>
<td>9701546</td>
<td>11958216</td>
<td>6289133</td>
<td>6459081</td>
<td>8119068</td>
<td>10307486</td>
</tr>
<tr>
<td>4</td>
<td>24500</td>
<td>28858</td>
<td>35202</td>
<td>45018</td>
<td>61656</td>
<td>71196</td>
<td>83470</td>
<td>98212</td>
</tr>
<tr>
<td>5</td>
<td>2280487</td>
<td>2514600</td>
<td>3047086</td>
<td>3459780</td>
<td>4078814</td>
<td>4341928</td>
<td>4265693</td>
<td>4441007</td>
</tr>
<tr>
<td>Total</td>
<td>12613923</td>
<td>15203000</td>
<td>21035671</td>
<td>25456588</td>
<td>38937974</td>
<td>30216847</td>
<td>31350733</td>
<td>31803754</td>
</tr>
</tbody>
</table>

The analysis of these two periods shows which groups are most susceptible to changes in economic situation. Which group benefits from the time of prosperity and which is mostly influenced by the crisis. It can be stated that in the former period benefited group 1 and that group 3 experienced the biggest growth in the latter period. For group 2 both periods were not favorable, but it has experienced a smaller decrease in the time of economic decline.

Group 3 should be further analyzed. Financial results accomplished by the insurance companies for the clients depend on the financial market, as these companies invest their assets on this market. Despite the economic decline the society is still eager to secure its future. This could be justified by the changes in OFE made by the legislator and raising the retirement age. The product offered in this group is a retirement fund that can be utilized after reaching the age of 55.

Figures 3 and 4 represent the share of gross premiums written for Class I insurance in 2004 and 2011. In 2004 class 1 took first place with 48.75%, followed by class 3 (31.81%), class 5 (18.08%), class 2 (1.16%) and class 4 (0.19%). Over the next 7 years the shares changed together with the changes in economy.

**Figure 3.** Gross premiums written participation of classes composing Division I insurance in 2004

![Figure 3](image-url)

Source: Data from Table 5.
In 2011 the participation in shares of gross premiums written changed. The most noticeable growth was observed in class 1 (52.94%, i.e. a growth of 4.19 percentage points in comparison to 2004). Class 3 was second, with 32.41% (a growth of 0.06 percentage points in comparison to 2004) and class 5 being third (13.96% with a decrease of 4.12 percentage points). Class 2 declined by 0.78 percentage points (0.38%) and class 4 recorded a growth of 0.12 percentage points (0.31%).

**Figure 4.** Participation of each of Division I groups in gross premiums written collected through life insurance in Poland in 2011

![Pie chart showing participation of each Division I group in gross premiums written in 2011](image)

Source: Data from Table 5.

**Analysis of gross premiums written collected by Division II**

Based on the data concerning gross premiums written for Division II insurance (Table 6) a comparative analysis of the time of prosperity and time of the crisis was carried out. Even the preliminary analysis allows drawing a conclusion that GPR rose each year, as opposed to Section I. In 2005 a 5.29% rise was observed and in following years the tendency remained unchanged (2006 – 4.70% rise, 2007 – 10.73%, 2008 – 11.66%, 2009 – 3.84%, 2010 – 7.86%, 2011 – 11.53%).
Table 6. Gross premiums written for five groups constituting Division II in Poland between 2004 and 2011 (in thousands of zlotys)

<table>
<thead>
<tr>
<th>Class</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>674,051</td>
<td>739,738</td>
<td>814,928</td>
<td>739,738</td>
<td>1,231,841</td>
<td>1,244,966</td>
<td>1,249,209</td>
<td>1,244,966</td>
</tr>
<tr>
<td>2</td>
<td>1,012,189</td>
<td>1,012,214</td>
<td>1,012,189</td>
<td>1,012,214</td>
<td>1,012,214</td>
<td>1,012,214</td>
<td>1,012,214</td>
<td>1,012,214</td>
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<tr>
<td>3</td>
<td>4,294,049</td>
<td>4,314,049</td>
<td>4,314,049</td>
<td>4,314,049</td>
<td>4,314,049</td>
<td>4,314,049</td>
<td>4,314,049</td>
<td>4,314,049</td>
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<tr>
<td>4</td>
<td>2,206,861</td>
<td>2,206,861</td>
<td>2,206,861</td>
<td>2,206,861</td>
<td>2,206,861</td>
<td>2,206,861</td>
<td>2,206,861</td>
<td>2,206,861</td>
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<tr>
<td>5</td>
<td>1,573,059</td>
<td>1,573,059</td>
<td>1,573,059</td>
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<td>1,573,059</td>
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<td>6</td>
<td>1,573,059</td>
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<td>7</td>
<td>1,573,059</td>
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<td>8</td>
<td>1,573,059</td>
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<tr>
<td>9</td>
<td>1,573,059</td>
<td>1,573,059</td>
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<td>10</td>
<td>1,573,059</td>
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<tr>
<td>11</td>
<td>1,573,059</td>
<td>1,573,059</td>
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<tr>
<td>12</td>
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Total 14,567,096 15,337,316 16,058,087 17,781,779 19,854,414 20,617,600 22,237,130 24,801,456

In the first period gross premiums written rose by 36.30% and in the second period it grew by 24.92%. When comparing this data with data for Division I, a small change can be observed – which shows that insurance companies have collected lower amount of premiums.

A comparison of two periods was made, with the inclusion of changes that took place in each of 18 classes. For the purpose of this analysis, these classes have been categorized in groups:

- Other insurance (classes 1 and 2);
  a) In class 1 (accident) recorded growths of 82.75% and 1.07%;
  b) In class 2 (sickness) grew by 103.94%, and in the later period it grew by 48.33%;
- Property (grup 8 and 9);
  a) In class 8 (fire and natural forces) in the time of prosperity a growth of 12.32% was observed and in the time of decline a growth of 49.73% was observed;
  b) In class 9 (other damage and property loss) in both periods a growth was observed – 34.37% in the first period and 38.54% in the second;
- Casco insurance of land vehicles (class 3) – This class observed a growth of 17.64% and 1069%.
- Part liability insurance of owners of motor vehicles (class 10) – Civil responsibility insurance of all sorts – a growth of 41.79% was observed in the first period, followed by a 22.68% growth in the second period.
- Transport (classes 4, 5, 6, 7, 11, 12):
  a) In class 4 (casco insurance of railway rolling stock) – a growth of 313.47%, followed by a growth of 185.09%;
  b) In class 5 (casco insurance of aircraft) – a 9.89% growth, followed by a 76.62% growth;
  c) In class 6 (vessels in sea and inland navigation) – a 21.79% growth followed by a 5.31% decline in the time of crisis;
  d) In class 7 (goods-in-transit) – a decline of 6.32% in the time of prosperity and decline of 4.94% in the time of economic decline;
  e) In class 11 (aircraft liability arising out of the possession of aircraft) – growth of 5.96%, was followed by a growth of 22.56%;
  f) In class 12 (liability for ships in sea and inland navigation) – a drop of 20.06% in the time of prosperity and a growth of 26.37% was observed in the time of crisis.
- General Third Party Insurance (class 13) – (general liability insurance).
  In this case a growth of 56.17% was observed in the first period and a growth of 47.91% in the second period.
– Financial (class 14, 15, 16):
  a) In class 14 (credit insurance) – a growth of 88.62% was observed in the time of economic prosperity and a growth of 10.72% in the time of crisis.
  b) In class 15 (suretyship) – 78.25% growth in the first period and 40.87% growth in the second period.
  c) In class 16 (various financial risks) – 106.59% and 40.50% growths were noted in both periods.
– Other (class 17, 18).
  a) In class 17 (legal protection) – growths of 670.44% and 130.83%.
  b) In class 18 (assistance) – growths of 121.02% and 93.52%.
  In class II crisis was beneficial for some classes: 8 and 9 (property) and 5, 11 and 12 (transport). Only class 6 recorded a loss in the time of crisis, as growth was significantly lower than in the time of prosperity.

  Figure 5 and 6 show the share of gross premiums written for different classes of insurance in 2004 and 2011. In 2004 classes 10, 3 and 8 were at the top, with 33.94%, 30.39% and 11.54% share. Other classes were 7.31% (class 9) to 0.02% (class 4) of gross premiums written.

**Figure 5.** Participation of each of Division II classes in gross premiums written collected through property insurance and other personal insurances in Poland in 2004

![2004 Pie Chart](image_url)

Source: Data from Table 6.
In 2011 class 10 (34.67%), class 2 (23.24%) and class 8 (11.39%) noted a growth, while other classes placed at between 8.02% for class 9 and 0.08% for class 12.

**Figure 6.** Participation of each of Division II classes in gross premiums written collected through property insurance and other personal insurances in Poland in 2011

![Pie chart showing participation of each class](image)

Source: Data from Table 6.

**Conclusions**

When comparing the relation between the assets in the financial system and GDP for Poland and for Czech Republic, Hungary and Euro area Member States a very low level of financial intermediaries participation was observed. In 2004 the participation was at 78.60% and in 2011 it was at 118.50%.

Both in Poland and in other aforementioned countries the relationship between gross premiums written and the value of assets improved rapidly (31.9 percentage points growth) in the time of prosperity. This growth slowed down in the time of crisis (8 percentage points).

The number of financial institutions in Poland in the period of 2004-2011 changed. The decline in numbers was caused by the companies being assimilated and taken over. An increased interest in appearing on the Polish financial market could be observed.

In times of prosperity the financial market in Poland experienced a faster growth in the value of assets than in the time of crisis. The growth
in the first period was at 94.04% and in the second period at 28.11%. In the insurance market a 77.02% growth of assets was observed in the first period, followed by a growth of 5.95% in the second period.

In Division I (life insurance) in times of prosperity a growth of 208.60% in gross premiums written was observed, followed by an 18.32% decline in the time of crisis. For Division II (other personal and financial insurance) growths of 36.30% and 24.92% were observed. This shows that Division I is more susceptible to changes in economic situation.

References