MARKET INSURANCE AND RISKS IN THIS FIELD

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Abstract

The insurance market can be considered a market where all sorts of anomalies can be encountered or a current acquisition for a situation considered to be certain or relative future, depending on the type of insurance. For the most part, assurance is based on a premise, a hypothesis that is generally based on several factors of influence. Generally, the most important factors in making such a decision are generated by the human-sensitive factor or the economic-protective. Therefore, by joining the insurance market and purchasing any kind of insurance, we must also take into account the risks that arise from these products.

Generally, most people perceive these insurance policies in different areas as a future guarantee without considering additional elements that can highlight risk elements that may alter the expected outcome of the acquirer. An important element to mitigate these risks would be the implementation and use of internal control over the supply chain, control that would make a difference between an activity under normal, predictable and legal conditions and a random activity with many elements of risk that can cause major damage to those involved, and to the insurer and the insured.

Through this paper, the author aimed to highlight the importance of internal control in insurance companies, as well as the consequences of the lack of internal control within these societies.

Keywords: *policy, insurance, risk, warranty, hypothesis*
Jel classification: *G22; M40; M41*

1. Introduction

The insurance field is a complex one, with many unknowns, hypotheses and with subsequent results and consequences. Thus, through this article, the author try to highlight certain notions and procedures used in this field of activity, elements which are generally not known by the final consumer of these products, namely the insurers. In general, policyholders use these products, namely "insurance policies", forced by certain circumstances:

- as required by current legislation;
- in the case of credits, required by crediting agreements;
- bound by professional rules, as is the case of self-employed people;
- or to a lesser extent, those who use these services, in the desire to avoid major risks as far as they or their families are concerned, or the desire to secure at a certain moment a steady income in order to ensure a decent life.

However, most people do not question how the entire system, which they are using to benefit from some services or future income, work and they do not wonder who are the people they have concluded their insurance policy with and they negotiated the contract with.

So, through this article the author wanted to highlight this information, its hierarchy and policy rules, the insurance trend in recent years, and the complaints about the services provided by insurance companies.

The article is structured into four analysis points:

- Insurance intermediaries;
- The main rules for the conclusion of insurance contracts by insurance intermediaries;
- The evolution of the social insurance market;
- Ranking of insurance companies that have been criticized and complained against,

2. Insurance intermediaries

2.1. Getting Started with Insurance Operations

Insurance operations are complex and they involve several entities, some of which are individual or legal people in the private domain, and others represent the state administrative authorities involved in this activity. Insurance trade is practiced by insurers, which, according to legislation, are divided into two categories: insurance companies and mutual insurers (Cărpenaru, 2007, pp. 51-52).

Insurance intermediaries play an important role, interfering with the insurance relationship between insurers and insurers, being insurance agents and insurance brokers.

The insurance activity is also of interest to the state, which has to intervene in order to provide a favorable framework for the insurers to carry out this type of business, to extend it through intermediaries and, on the other hand, to adopt prudential rules protecting the insured or the potential insurers. State intervention is required for the protection of insured people, because these operations are complex and the insurers are professionals in the matter. It must be taken into account that the insured lacking knowledge, may be subjected to abuses by the insurance traders. That is why the states have set up administrative authorities to control, over-guard and sanction, as the case may be, abusive practices of insurers. In Romania, for example, this authority is the Insurance Supervisory Commission.

2.2. The notion and regulation of insurance intermediaries

It is not enough for an insurer to be legally constituted, to have a very good patrimonial situation or to have qualified staff, but in order for this activity to be profitable, it is necessary for the insurance products provided to reach the recipients, namely the insured. It is quite difficult for an insurer to reach the customers only with his / her own employees, because it requires a large staff and high costs.

Therefore, in all states with evolved insurance markets, insurers resort to intermediaries, which are, in essence, the permanent binder between insurers and insurers.

At the level of the European Union, the issue of insurance intermediaries and brokering has been regulated by Directive 77/92 / EEC of 13 December 1975, the main

purpose of which is to establish the principle of freedom the provision of brokering services *C. Gavalda, G. Perleani*, Droit des affaires de l'Union europene, Ed. Litec, Paris 2006, p. 125 şi urm.

Another low is Directive no. 2002/92 / EC J.O. în 15. 01. 2003. Its provisions aimed at harmonizing national legislation with a view to creating a single market in this field. It also introduced the uniqueness of the system of the mediation advertisements through the care of the administrative authorities in the field, the possibilities and the means of distributing the insurance products (through banks, the postal units) were widened, rules were established on professional requirements.

In our legal system, the main regulation for insurance intermediaries is Law no. 32/2000 and the Norms issued by the Insurance Supervisory Commission.

2.3. Similarities and differences between insurance brokers and insurance agents

Although both entities exercise insurance intermediation, there are some similarities and differences between them.

2.3.1. Similarities

In terms of similarities, we note that both categories of intermediaries can mediate insurance and reinsurance operations. Similarly, brokers and agents may use the services of various predecessors, to whom the law regulates their legal status, in order to protect both themselves as well as the policyholders or potential insured persons.

2.3.2. Differences

At the same time, there are important differences between insurance agents and insurance brokers:

- If an insurance agent can be both an individual and a legal person, the insurance broker is formed and functions only as a legal entity;

-According to legal texts, the insurance agent has a much smaller field of activity, he can intermediate the same classes of insurance on behalf of a sole insurer, while the broker may be the intermediary of more than one - the provisions of art. 34(8) of the Law no. 32/2000 stipulates that an insurance agent, an individual or legal person, cannot intermediate the same classes of insurance for more than a single insurer;

-The position and interest of the two categories of intermediaries in the insurance market.

The insurance agent, being authorized by an insurer, concludes contracts on behalf of the insurer. Instead, the broker negotiates for his clients the conclusion of insurance or reinsurance contracts and provides assistance before and during the conclusion of the contracts.

Thus, if the insurance agent is subject to the strict rules prescribed by the insurer, the insurance broker is on the other hand an independent trader who is attached to his / her own clients.

Hence the consequence that the insurance agent promotes mainly the interests of the insurer, while the insurance broker will defend the interests of its clients, i.e. the policyholders or potential insured persons whom, as the law provides, can assist them throughout the insurance period. Because of this, insurance brokers are kind of insurers'

counselors. In Italian literature, brokers are also called mediators because of the role they have in finding the optimal insurance a person needs.

A third category of intermediaries are *subordinate insurance agents* for which a few further mentions will be made. The specific nature of the activity of subordinated insurance agents consists in the fact that the intermediation of insurance transactions is complementary in nature compared to other intermediaries who have to have a sole object of activity if they are legal persons. Subordinate agents only mediate assurances accompanying financial and banking operations, such as loans of different types, real estate, mortgage, consumer, leasing contracts, bank guarantees, etc.

The activity carried out by subordinate insurance agents, because of the specific nature of the insurance, is called *bancassurance*. In the concept of Law no. 32/2000, it is the activity of intermediary insurance products that are complementary to the products of credit institutions and non-banking financial institutions, carried out through the network of these institutions under the conditions stipulated by norms issued in application of the law (Gavalda and Stoufflet, 2005; Bonneau, 2007). It should be noted that the insurance agents are not to be confused with the permanent economic agents, regulated by art. 2072-2095 of the New Civil Code. The agency contract is that under which a party, called the principal, authorizes the other party, the agent, to negotiate business or to negotiate and conclude business on behalf of and on behalf of the principal in return for remuneration.

2.4. The main obligations of insurance intermediaries -Preliminary remarks

Insurance intermediaries, whether they are agents or brokers, have specific duties specific to their business, obligations that are similar to those of insurance companies. Among the insurance intermediaries' specific obligations, we have noted the following:

a) informing the insured or potential insured persons;
b) payment of the contributions established by the legal norms;
c) compliance with the measures ordered by the Insurance Supervisory Commission;
d) continuous professional training.

2.4.1. Obligation to inform

The obligation to inform policyholders and potential insured persons is regulated by Order no. 23/2009 for the implementation of the Norms on information that insurers and insurance intermediaries must provide to clients, as amended by Order no. 11/2010.

According to Order no. 23/2009, the insurance intermediaries have the obligation to provide the clients with all the information that the insurers, according to the law, have to present to the policyholders.

The information concerns the pre-contractual period as well as those specific to the timing of the insurance policy completion. The information to be communicated to clients refers to insurers and insurance intermediaries and varies according to the class or form of insurance to be concluded under the insurance contract.

The above information must be provided to customers in written form or on another durable medium, must be clear and accurate, and written in Romanian, or in another language on which the parties agree. Information may also be provided verbally, but only when expressly requested by clients or when urgent conclusion of the

insurance contract is required, with the requirement that they be transmitted to the insured in written form or on another medium immediately after the conclusion of the insurance contract.

2.4.2. Compliance with the measures ordered by the Insurance Supervisory Commission

In connection with this obligation, Art. 35 of Law no. 32/2000 states that insurance brokers must comply with the requirements of the Insurance Supervisory Commission as regards reporting the activities they carry out, keeping and making available, upon request, the registers and accounting records that highlight and execute operations carried out during the course of business, including information on insurance and / or reinsurance contracts concluded and on arrangements with insurers and/ or reinsurers.

Although the regulations only stipulate this obligation for insurance brokers, given the purpose of this obligation, we consider that it also affects insurance agents.

3. The main rules for the conclusion of insurance contracts by insurance intermediaries

The rules governing the conclusion of the insurance contract are laid down in Law No.136 / 1995 on insurance and reinsurance in Romania and in Law no.32 / 2000 on the insurance and insurance supervision activity and, in addition, in the provisions of the New Civil Code .

3.1. Pre-contractual stage - Mutual information of the parties on the essential elements of the insurance contract.

Insurance regulations lay down certain obligations for both the insurer and the insured before the insurance contract is concluded so that a real pre-contractual insurance phase can be discussed. The legal regime specific to the pre-contractual phase relates mainly to the mutual information obligations of the contracting parties.

The obligation to inform prospective insured persons is set by law, both for insurers and for insurance intermediaries. As this information differs depending on the subject of the information, we will present the information that insurers are required to provide to the policyholders, and then the obligations that they must communicate to policyholders on insurance intermediaries.

3.1.1. The information insurers must provide to their customers

As regards the obligation to inform the insurer, art. 24 of Law no. 32/2000 regarding the insurance activity and supervision of insurances, stipulates that the insurers must communicate to the insured or potential insured, before the signing of the insurance contract, at least the following information: the duration of the contract, the way of its execution, the suspension or termination of the contract, the means and terms of payment of premiums, the methods of calculation and the distribution of bonuses, the arrangements for resolving contract claims.

The provisions of Law no. 32/2000 are reproduced and detailed by Order no. 23/2009 regarding the approval of the Norms regarding the information that insurance insurers and insurance intermediaries have to provide to the clients, as well as other

elements that the insurance contract must contain, 19 modified by the Order no.11 / 2010.

Prior to the conclusion of an insurance contract, insurers are required to provide clients with insurance documents that must include at least the following information:

1. Insurer information:

a) the name of the insurer and the legal form;

b) the serial number of the Register of insurers, reinsurers and insurance and / or reinsurance intermediaries;

c) the registered office and, where appropriate, the address of the branch or agency where the insurance contract is concluded and the telephone number;

2. Information about the insurance contract:

a) the definition of each insured event, of the insurance indemnity in case of occurrence of the insured event;

b) exclusions from insurance;

c) the moment of commencement and termination of the insurance contract;

d) the manner of execution, suspension or termination of the insurance contract;

f) information on any rights the parties may have to terminate the contract before or after the contract, including any penalties imposed by the contract in such cases;

g) the way in which the premiums and the terms of payment of the insurance premiums are paid;

h) the terms and terms of payment of insurance indemnities, redemption amounts and insured amounts;

i) information about the grace period;

j) the procedures for solving any litigation resulting from the performance of the contract, i.e. information on the amicable settlement of the claims made by the policyholders or the beneficiaries of the insurance contracts, as the case may be, which do not constitute a restriction of the client's right to resort to the judicial procedures legal;

k) general information on deductions provided for by the tax legislation applicable to insurance contracts;

l) the law applicable to the insurance contract.

m) the existence of the Guarantee Fund.

Order No. 23/2009 regulates separately the information that the insurers who practice life insurance and / or accident and sickness insurance and / or health insurance in the general insurance category must provide to the policyholders.

The insurer is also required to make a financial analysis of the policyholder and to submit a draft of the insurance contract to be concluded. In the following, we will also briefly look at the financial analysis of the insured future as well as the projection of the insurance contract.

3.1.2. Financial analysis of the client

According to the provisions of art. 5 ^ 1. of Order No. 11/2010, before the conclusion of a life insurance contract, the insurers are obliged to carry out the client's financial needs analysis, on the basis of which they will subsequently recommend a financial solution to the client.

Needs analysis will be based on a document called "Customer Needs Analysis Form" at the first customer meetings before proposing a financial solution. The Customer Needs Analysis Form will be drawn in two copies and signed by both parties, and one copy will be handed to the customer, the other remaining with the insurer. If the customer does not want to provide certain information, he / she will need to certify this under his / her signature.

Based on the results of the analysis, the insurers make a written recommendation to the clients, the proposed solution being in line with it. The Customer Needs Analysis Form should evaluate at least the following minimum information:

(a) Customer personal data and family status data relevant to identifying needs (name, surname, mailing address, e-mail address, telephone number, profession, civil status, spouse and children);

b) data about the current financial situation of the clients (income, expenses, available income);

c) the long-term financial objectives of customers and their prioritization.

3.1.3. Presentation of the projection of the insurance contract

In accordance with the provisions of art. 53 of Order no.11 / 2010, in order for the insured to have a clear and complete picture of the insurance contract, before the conclusion of a life insurance contract, the insurer must submit a projection (the detailed development of the contract), which will be prepared in two copies and will be signed by both parties, and one copy will be handed over to the client, the other remaining with the insurer.

The projection (detailed development of the contract) will include at least the following information:

a) the details of the insured person (name, surname, age, sex);

b) details of the insurance policy (type, duration, frequency of payment);

c) the evolution of the insured amount;

d) the evolution of premiums paid;

e) the evolution of the value of the account (for unit-linked policies) / the evolution of the profit participation account (for the traditional policies);

f) the evolution of the redemption value;

g) the evolution of the insured amount reduced;

h) administration costs, which will be presented separately only if the cost structure allows;

i) Outside the scenario with 0% yield (the value of the constant units), the simultaneous presentation of two performance scenarios of the investment funds: one pessimistic and one optimistic one;

l) a disclaimer of responsibility for ensuring the evolution of the insurance contract as presented in the absence of warranties.

With a special look at insurance premiums, the new Civil Code provides in Art. 2206 (paragraph 5) that the insurer is obliged to inform the insured of the consequences of non-payment of the premium on the payment terms and to provide for these consequences in the insurance contract.

Regarding the regulated information obligation for the insured person, the new Civil Code, in art. 2203 stipulates that the insured person is obliged to respond in writing to the questions formulated by the insurer and also to declare, at the conclusion

of the contract, any information or circumstances that they know and which are objectively essential for risk assessment.

The insurer and the insured potential need to inform each other in the process of concluding the insurance contract. The obligation to provide information covers the essential elements of the insurance contract. The main effects of the information obligation will occur after the conclusion of the insurance contract and differ according to the person who has breached his obligation to inform.

If the insurer is the one who misinforms, that is to say, provides unrealistic information or conceals certain essential aspects of the insurance he has concluded, the insurer may request the cancellation of the insurance contract and if the insured risk occurred, the insurer may refuse to grant damages.

If the parties agree, it is possible to adapt the insurance contract to the essential aspects of the insurance that the insurer did not know previously. If the information obligation is breached by the insurer, the insured person has more possibilities depending on the practical situations.

The first of these consists in adjusting the contract to the essential elements of the insurance and if the insurer disagrees, the insured may request the termination of the insurance contract with the consequence of the refund of the sums paid as insurance premiums.

For the hypothesis where there are discrepancies between the elements of the insurer's prestige on the occasion of the insurance contract and the elements of the insurance contract, we consider that the rules made by the insurer on the occasion of the conclusion of the contract insurance.

The solution is based on the fact that the insured contracted the insurance in the terms presented by the insurer in the pre-contractual phase and the sanctioning nature of the bad faith of the insurer consisting in the insertion in the insurance contract of the clauses in a way other than that presented in the pre-contractual phase.

In the event of a breach of consent through the failure or inadequate fulfillment of the insurer's obligation to inform, the best form of in-kind coverage of the loss suffered by the insured by losing the chance of having an effective guarantee of the risk is even the obligation of the insurer to the performance of the contract as if it were valid. It was also argued that if the insurance contract is kept, the unfavorable terms of the insured and which have not been the subject of the information must be considered inappropriate.

If the consent of the will is not achieved, we cannot speak of an insurance contract during this period, in which case the liability of the insured or the insurer for any damages caused by the violation of the obligation of mutual information can only attract the tort liability of the party in fault (Cosma, 1969).

3.1.4. The importance of the moment of the conclusion of the insurance contract

Determining the moment of the conclusion of the insurance contract is of interest for the same reasons with the importance of the moment of concluding the contracts under the common law.

In relation to the moment of the conclusion of the insurance contract, it is appreciated: the possibility of revocation and the caducity of the offer, the moment of commencement of the insurer's response, the vices of the will on the occasion of contracting, the law applicable, the moment of legal effects, etc.

3.1.5. The legal effects of the conclusion of insurance contracts through intermediaries

The intermediation activity is particularly widespread in the insurance trade. Most insurance companies have outsourced their insurance services, and so insurance policies are being matched by insurance intermediaries. For this reason, the consequences of the conclusion of insurance contracts through the intermediation of insurance intermediaries arise. Irrespective of whether the insurance broker or insurance agent has concluded the contract, the insurer is bound within the terms of the insurance contract.

The acts or omissions of insurance intermediaries shall be borne by the insurer from whom they have been authorized to negotiate without being able to oppose the policyholders. In support of our assertion, are the provisions of art. 34 par. (9) according to which, if an insured has taken out insurance by an insurance agent, the insurer on behalf of which the agent acts, is liable to the insured for all the acts or omissions of the insurance agent.

Of course, the law only deals with insurance agents, but we believe that the same effects also occur in contracts concluded through insurance brokers. Our support is based on the consideration that, like insurance agents, insurance brokers are authorized to take out insurances by the insurer, and all of them, besides the Insurance Supervisory Commission, exercise control over the fulfillment of the given mandate for the conclusion of certain classes insurance. To this is added the fact that the insured or potential insured has no control over the agent or the broker that mediates the conclusion of the insurance. Consequently, the insurer cannot refuse to pay the indemnities, invoking certain actions or omissions committed by intermediaries upon the conclusion of the insurance contract.

In practice, there were cases where the insurance broker and the insurance agent did not file with the insurer the sums received as bonuses, insurance policies and other documents related to the insurance they had concluded.

There have been situations where the risks have been incurred through the contracts concluded under the above conditions. In such circumstances, the insurer is obliged to pay the insured's indemnity or, as the case may be, the indemnity of the injured third party, because the insured or the third party has no fault for the situations shown. It is understood to apply if the policyholder is in good faith at the time the insurance is completed.

If insurers declare invalid certain insurance policies, they will not pay any damages caused by the occurrence of the insured case. Such practices cannot be accepted for several reasons.

If the insured is in good faith, being third party to the intermediary's relations with the insurer, these relationships cannot be opposed to the insured. More specifically, the insured person will invoke the contract of mandate between the insurer and the intermediary, on the basis of the principle of the relativity of legal acts.

The publication in the Official Gazette of the insurance policies as lost and, possibly, the declaration of their invalidity cannot be opposed to the insured, as the rule is that the publications in the Official Gazette are mandatory for individuals and legal entities, but only if they concern normative acts.

Therefore, factual situations such as those in question, although published in the Official Gazette, do not oblige insured persons.

Individuals consult the Official Monitor for observing the normative acts they are obliged to observe, not for knowing the different facts.

The declaration of invalidity made in the Official Gazette or in another publication by the insurer cannot produce any legal consequences on the insurance contract concluded by the insured. This is because nullity, being a sanction of the legal act, can be ascertained and declared only by the courts and not by one of the contracting parties.

4. The social insurance market

4.1. Insurance market grew by 8% in Q1 2017 and has a new leader

The Romanian insurance market recorded in the first quarter of 2017 a total of gross written premiums, cumulated for insurance companies and branches, of 2.73 billion lei, up 8% compared to the same period of the previous year.

In the meantime, CITY Insurance - recently emerging from the financial recovery - became the market leader (with a market share of 14.01%), ahead of ALLIANZ-TIRIAC Asigurari. In the next places the insurers include EUROINS, OMNIASIG VIG, ASIROM VIG, GROUPAMA, NN Asigurari de Viata, GENERALI, BCR Asigurari de Viata and UNIQA Asigurari, according to the report published by ASF - Financial Supervision Authority.

Table no. 1: Romanian societies with the largest volumes of gross written premiums and their share in the total market (general and life insurance)

Nr. crt.	Society	Total market share
1	CITY INSURANCE S.A.	14,01%
2	ALLIANZ - TIRIAC ASIGURARI S.A.	13,19%
3	EUROINS ROMANIA ASIGURARE REASIGURARE S.A.	12,00%
4	OMNIASIG VIG	10,54%
5	ASIROM VIENNA INSURANCE GROUP S.A.	8,51%
Total (1-5)		**58,26%**
6	GROUPAMA ASIGURARI S.A.	8,41%
7	NN ASIGURARI DE VIATA SA	6,94%
8	GENERALI ROMANIA ASIGURARE REASIGURARE S.A.	6,66%
9	BCR ASIGURARI DE VIATA VIENNA INSURANCE GROUP S.A.	4,37%
10	UNIQA ASIGURARI S.A.	4,25%
Total (1-10)		**88,88%**
Other companies		11,12%
TOTAL		**100%**

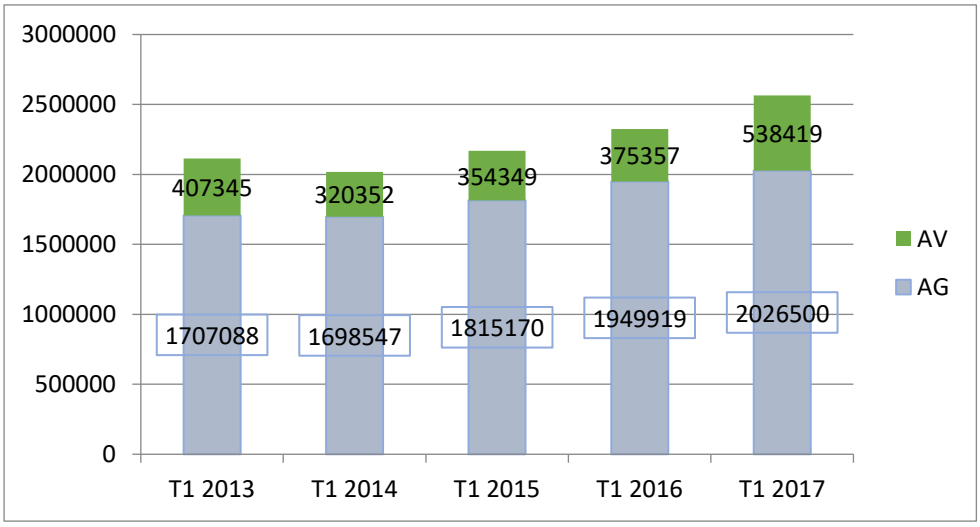
Surce: Made by the author according to the data from the report published by the ASF - Financial Supervisory Authority.

The Romanian insurance market is characterized by a high degree of concentration, both at general level and at the level of life insurance, as can also be seen

from the data presented in Table no. 1 where companies that have performed insurance activity life.

In the first quarter of 2017, 89% of the total gross written premiums were made by 10 insurance companies out of the 31 companies that were performing insurance / reinsurance activity on 31 March 2017 similar to previous years. Analyzing the distribution of insurance companies in both the first quarter of 2017 and the previous year's reports, we have found that there are ten companies accounting for around 89% of the life insurance market, and the remaining companies accounted for 11% of the total underwritings in the life insurance market.

Figure no.1. Evolution of the volume of gross written premiums during the period 2013-2017



Source: Made by the author by data published by ASF

AV = life insurance;
AG = general insurance

The European insurance market is dominated by the segment of life insurance, but in Romania, as can be seen from the previous figure, the insurance market is dominated by the general insurance market, and in particular by motor insurance, and only 18% total gross written premiums are life insurance.

This report is based on the accounting reports submitted by the insurance companies, except for the chapter on the transition to the Solvency II regime, which is based on the reports submitted by the insurance companies covered by the scheme.

5. Ranking of insurance companies that have been claimed

5.1. Top of the most insured insurers in ASF in 2016

City Insurance attracted over 3,300 complaints, up over 70%, and Asirom VIG had 1,813 claims, up 87.6%. City Insurance, the financial backer of a year-long insurer with a solid portfolio on RCA, attracted most of the complaints from insurers last year - 3,329, equivalent to 36.3% of total complaints in the market and up 73, 02% over the previous year, shows the data published by ASF.

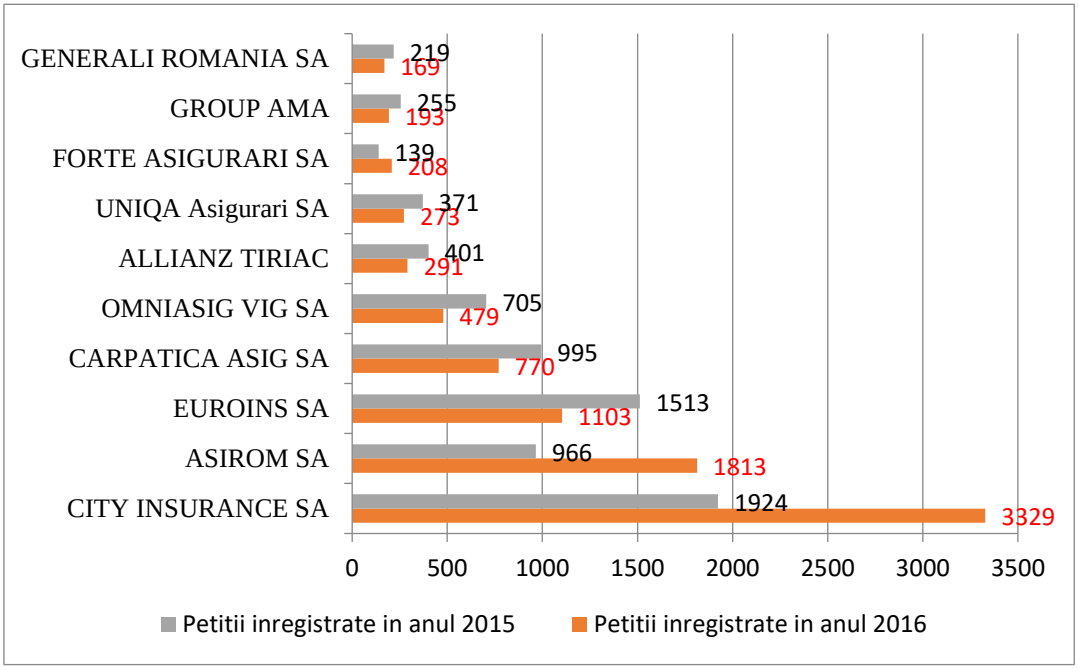
The next four places were Asirom VIG (1,813 complaints, up 87.6%), Euroins (1,103 complaints, down 27.1%), Carpatica Asig. (770 complaints, down 22.6%) and Omniasig VIG (479 complaints, down 32.06%). ASF says that last year it settled 6,414 petitions in favor of the petitioners, equivalent to 70.05% of the total petitions settled.

Situation of complaints received by ASF in 2016 on the insurance and reinsurance market.

ASF received last year a total of 15,419 petitions against companies in the insurance and reinsurance market, down 2.96% compared to 2015. Last year, only 9.156 petitions were submitted on the petition, analyzed and solved by insured / injured, who fall within the scope of the ASF, down 1.38% from 2015. 99.29% of the number of petitions analyzed in 2016 were directed against insurance companies and 0.71% were registered against insurance brokers.

The most often appealed aspect by the petitioners in 2016 was the nonpayment / partial payment of redundancies / redemption amounts claimed by insured / injured, in 7,345 cases, representing 80.22% of the total. Among other issues, there were also requests to recalculate the value of the damages, namely non-compliance with the contractual conditions / RCA rules.

Figure no. 2 - Situation of petitions registered by ASF in 2015 compared to 2016.



Source: Made by the author by data published by ASF.

As a result of the statistical analysis of the insurance companies ranking and of the registered petitions, we find that the number of petitions is directly proportional to the number of insurance policies, the companies with the highest share of the market are also the largest number of petitions. The ASF communications show that most petitions are related to RCA and car insurance policies.

The total number of petitions decreased by 2.96% as compared to 2015. The fact that the distribution of complaints is decreasing in companies with a lower market share, as shown in Figure 2, leads us to the next hypothesis: the general insurance

market and mainly motor insurance, tends to unify, as a result of increasing population confidence in medium or lower insurance companies, companies that make up the top ten holding 90% of the total market.

5.2. The number of petitions fell slightly in 2016.

5.2.1. The top insurers with the most complaints.

For the insurance and reinsurance market, the Financial Supervisory Authority (ASF) received a total of 15,419 petitions in 2016, down 2.96% from 2015. Of these, only petent, analyzed and solved 9.156 petitions sent by insured / injured, which fall within the scope of the ASF, down 1.38% over the previous year. Most petitions are reported on the RCA policy segment.

According to the ASF, in 2016, a total of 1,327 requests for information were analyzed separately, which mainly focused on aspects related to the legislation applicable to certain insurance products, the steps to be taken to advise and open some claims files, the modalities setting redemption values for life insurance, etc.

Separately, a number of 1,378 petitions were filed by the complainants concerning the insurance companies ASTRA, CARPATICA Asig and FORTE Asigurari-Reasigurare, companies which ASF withdrew its authorization for operation. In some situations, petitioners have been informed about the legal ways to settle damages in their case, being guilty of addressing the Guarantee Fund (FGA), and in other situations, FGA points of view have been requested, ASF points out.

A number of 42 petitions referred to the scope of activity of other specialized departments within the ASF, these requests being redirected to the respective directorates, and the rest of the petitions (3,516) were classified, according to the provisions of Ordinance no. 27/2002 and internal procedures.

5.2.2. The complaints expressed by the petitioners

The most often appealed aspect by the petitioners in 2016 was the nonpayment / partial payment of redundancies / redemption amounts claimed by insured / injured, in 7,345 cases, representing 80.22% of the total. Among other issues, there were also requests to recalculate the value of the damages, namely non-compliance with the contractual conditions / RCA rules.

In 2016, the largest share of petitions registered in the general insurance class, with 8,956, representing 97,82% of the total. In the category of non-life insurance, the weight of petitions registered on the compulsory civil liability insurance class RCA and Green Card, with a number of 7,228 petitions, representing 78,94% of the total analyzed period, is 7,22% by 2015.

Table no. 2 - Situation of petitions by classes of insurance is presented in the table below:

	Classes of insurance	Petitions registered in 2015	Share of pecuniary insurance petitions from Total Asig (I + II) in 2015 (%)	Petitions registered in 2016	Share of pecuniary insurance petitions from Total Asig (I + II) in 2016 (%)	Increase% decrease in 2016 to 2015
I	General insurance	9.119	98,22%	8.956	97,82%	-1,79%

	(1 + 2 + 3 + 4)					
1	CASCO insurance	1.696	18,27%	1.204	13,51%	-29,01%
2	Asig.RGB and Green Card	6.741	72,61%	7.228	78,94%	7,22%
3	Fire and other damage to property	473	5,09%	311	3,40%	-34,25%
4	Other forms of non-life insurance	209	2,25%	213	2,33%	1,91%
II	Life insurance	165	1,78%	200	2,18%	21,21%
	Total non-life and life insurance (I + II)	9.284	100,0%	9.156	100,00%	-1,38%

Surce: Made by the author according to the data from the report published by the ASF - Financial Supervisory Authority.

Analyzing the data from the table no.2 presented above and comparing the data with the data in figure no.2 above, we can see that in the areas where the highest increases were registered, most petitions are registered, so that one element it is important to look for ways to reduce as much as possible the number of petitions and at the same time to expand the market.

How to finalize petitions

The share of petitions finalized in favor of the petitioners due to the legitimate motivations of the requests, in total petitions solved, was 70.05% (respectively 6,414 petitions), out of which 68,30% were finalized by payment.

Petitions found to be unreasonably formulated in the number of 2,742 or on which the ASF has no capacity to intervene in the application of the current legislation have as main causes the following: the conclusions of the own investigations of the insurers and / or the technical experiments performed, which did not confirm the dynamics accidents declared by the parties (domain in which the ASF cannot intervene in interpretation, being the clarification only at the level of the courts of law or the Alternative Dispute Resolution Entity in the non-banking financial field), claims that exceed the legal / contractual framework: in the records of damage records, repairs carried out in unauthorized RAR units, pre-existing damages.

The analysis of the petitions related to the insurance class shows that, for the general insurance class, 6,361 petitions (71,03% of the total of 8,956) were solved in favor of the petitioners: 5,500 petitions on the compulsory motor insurance class (76,09% of the total of 7,228 registered on this class); 709 petitions on the casco insurance class (58.89% of the total grade); petitions on the class of fire insurance and other property damage (27.97% of the total class).

Three insurers have collected 68% of the complaints Regarding the structure of petitions according to the claimed entity, 99.29% of the number of petitions analyzed in 2016 were directed against insurance companies and 0.71% were registered against insurance brokers.

As for insurance companies with the most dissatisfied clients, three companies - CITY Insurance, ASIROM VIG and EUROINS - have garnered 68% of the number of petitions reported in 2016.

Table no. 3 - The situation of the first insurance companies for which the most petitions were registered in 2016,as well as the increases / decreases compared to 2015

Nr. crt	Company / Insurance Broker	Petitions registered in 2015	Percentage of petitions registered by society in total petitions 2015 (%)	Petitions registered in 2016	Percentage of petitions registered by society in total petitions 2016 (%)	Growth / Decline% in 2016 compared to 2015
1	CITY INSURANCE SA	1.924	20,72%	3.329	36,36%	73,02%
2	ASIROM SA	966	10,40%	1.813	19,80%	87,68%
3	EUROINS SA	1.513	16,30%	1.103	12,05%	-27,10%
4	CARPATICA ASIG S.A.	995	10,72%	770	8,41%	-22,61%
5	OMNIASIG VIG SA	705	7,59%	479	5,23%	-32,06%
6	ALLIANZ-TIRIAC	401	4,32%	291	3,18%	-27,43%
7	UNIQUA Asigurări SA	371	4,00%	273	2,98%	-26,42%
8	FORTE ASIGURĂRI SA	139	1,50%	208	2,27%	49,64%
9	GROUPAMA	255	2,75%	193	2,11%	-24,31%
10	GENERALI ROMANIA SA	219	2,36%	169	1,85%	-22,83%
11	Other companies / brokers	1.796	19,35%	528	5,77%	-70,60%
	TOTAL	9.284	100,00%	9.156	100,00%	-1,38%

Source: Made by the author according to the data from the report published by the ASF - Financial Supervisory Authority.

As we mentioned in the analysis made in figure 2 of this paper, analysis in which we presented the evolution of the petitions registered by each insurance company, this table shows you the growth or decrease coefficients of the petitions submitted for each individual company. From the total analysis, it appears that the petitions that arrived at the ASF are down by 1.38% in 2016 as compared to 2015, but analyzing the companies shows that the companies holding the highest share in the market also had the highest increase of the petitions. Our opinion is that the market tends towards uniformity. In 2016, within the Public Relations, Petitions and Financial Education Department of the Financial Supervision Authority, a total of

16,919 petitions were registered for the three supervised markets (insurance, reinsurance, private pensions and capital market), down 5.50% compared to 2015.

Table no.4 Situation of petitions for supervised markets

Nr. crt.	The activity market	Total petitions registered in 2015	of total petitions in 2015	Total petitions registered in 2016	% of total petitions in 2016	Growth / Decline in 2016 by 2015
1	Insurance-Reinsurance	15.890	88,75%	15.419	91,13%	-2,96%
2	Private pension	1.256	7,02%	1.125	6,65%	-10,43%
3	Financial instruments and investments	758	4,23%	375	2,22%	-50,53%
	Total	17.908	100,00%	16.919	100,00%	-5,50%

Surce: Made by the author according to the data from the report published by the ASF - Financial Supervisory Authority.

As a result of the data presented in Table 4, the data published by the ASF, we can see that the situation of the petitions for the supervised markets is the best of the total insurance market situation, because the number of petitions in 2016 for these fields compared to 2015 for the same domains is decreasing, which makes us confident that the market will grow as a result of population confidence.

Conclusions:

As a result of the material presented in this article we can conclude the following:

- The majority of the end-consumers of all categories of insurance do not pose the question as to who concludes the insurance contract or the insurance policy, but they are only interested in the final outcome of the policy, generally pursuing more the benefits that arise from the conclusion of an insurance policy and less the disadvantages. Disadvantages or vices included in insurance contracts are generally perceived when the policyholder concerned is in a position to access the policy due to an unpleasant event for which he insured or as a result of maturing or redeeming a policy.
- Thus, from both the theoretical exposition of point 2 and point no. 3, as well as from the analysis set out at item 5 of the article, we can see that there are many possibilities to fraud both the insurer and many possibilities to fraud or to deceive the insured.
- All of these situations are largely due to the lack of internal control that should be organized in the insurers as well as in the insurance intermediaries.
- The lack of internal control generates the weak link through which all sorts of irregularities, illegalities, deceit and, implicitly, loss of capital and loss of image can escape, the loss of image and the indebtedness being a very serious consequence in this field, the bankruptcy of those companies.

- From the analysis described in point no. 4 of the article it can be concluded that in 2017 the insurance market has increased. From figure 1 of the article, it can be noticed that the safety market has ascended from 2014 until now, and from Figure 2 it results that the number of petitions registered by the ASF in 2016 is lower than in the year 2015, which leads us to conclude that the lower the number of complaints or dissatisfactions, the higher the trust of the population and the number of insured persons respectively.

So, our opinion is the following, if the level of internal control would be implemented across the chain from the insurer to the insured and vice versa, the insurance policy would be a guarantee for the final consumer and we will not ask ourselves of the article if, the insurance policy is a guarantee or a hypothesis.

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