

## **THE INSURANCE MARKET IN ROMANIA – MOTOR THRID PARTY LIABILITY INSURANCE: COMMUNICATION ON DEVELOPMENTS, RISKS, CHALLENGES AND PERSPECTIVES**

Cecilia Ciocîrlan<sup>1</sup>, Andreea Popescu-Crețulescu<sup>2\*</sup>, Razvan Cristian Secui<sup>3</sup>

<sup>1)</sup> *National University of Political Studies and Public Administration, Bucharest, Romania*

<sup>2, 3)</sup> *Bucharest University of Economics Studies, Bucharest, Romania*

### **Abstract**

The risks faced by the Romanian insurance market are significant and come from both the difficult global context and the internal dynamics. Paradoxically, however, the underdevelopment of the market, especially in the life insurance sector, and the dependence on the mandatory insurance type RCA, reduce the exposure of Romanian insurance companies to some risks, such as a fall in income or an increase in interest rates. In this context, the paper aims to make an estimate of the risks and challenges in the RCA insurance market for the coming years starting from a series of official data for these mandatory policies from 2019-2023. We find that compulsory car insurance stands out as a bright spot, comprising over 45% of total premiums. A small number of companies dominate the market, with the top 10 controlling roughly 60%. In the compulsory car insurance sector, there's a mix of growth and decline: voluntary premiums are rising, but the number of contracts is falling. Despite fewer claims, the average cost per claim has increased compared to the previous year. Overall, the results suggest that the dependence on mandatory insurance like RCA paradoxically shields Romanian insurance companies from certain risks.

### **Keywords**

Insurance, Motor Third Party Liability, Romania, Bonus-Malus System

**JEL Classification** G22, G52

---

---

\* Corresponding author,  
[andreea.kretulescu@gmail.com](mailto:andreea.kretulescu@gmail.com)

**Andreea Popescu-Crețulescu** -