

STRUCTURAL REFORM OF THE INSURANCE MARKET IN THE REPUBLIC OF MOLDOVA THROUGH THE LENS OF OECD RIGORS: A MULTIDIMENSIONAL APPROACH

Angela Secrieru^{1*}, Eduard Kenig²

¹⁾²⁾ Academy of Economic Studies of Moldova, Chisinau, Republic of Moldova

Abstract

The insurance sector plays a crucial role in ensuring financial stability, managing risk, and supporting sustainable economic development. In this context, this paper aims to assess the level of development and the structural characteristics of the insurance sector in the Republic of Moldova and to analyze its alignment with OECD standards and the Sustainable Development Goals (SDGs). The study's methodology is based on the analysis of key insurance market indicators, including insurance density and penetration rates, as well as sector assets as a percentage of GDP, and on the analysis of the insurance market structure. Furthermore, the study applies the SDG mapping methodology to a selection of relevant publications to identify the links between the insurance sector and the SDGs. The analysis reveals that the insurance sector in the Republic of Moldova has experienced quantitative growth in recent years, increasing insurance density and penetration rates. However, the market structure remains concentrated, particularly in the motor insurance segment, while the sector's financial depth remains relatively modest. The SDG mapping analysis highlights a strong link between insurance sector development and several SDGs, particularly those related to economic growth, resilience, and institutional development. The study's findings indicate that aligning the insurance sector in the Republic of Moldova with OECD principles and international best practices could strengthen governance, increase market stability, and enhance the sector's contribution to sustainable economic development.

Keywords

insurance density, insurance penetration, insurance sector, OECD standards, emerging economies, Republic of Moldova, SDG Mapping, sustainable development, financial regulation.

JEL Classification

G22, O16, G28, Q01, F36

* Corresponding author, **Angela Secrieru** - secrieru.angela@ase.md

Introduction

The insurance sector is an important component of the financial system, playing an essential role in risk management, protecting the assets of individuals and legal entities, mobilizing financial resources and supporting economic stability. The development of the insurance sector is frequently analysed through indicators such as insurance density, insurance penetration rate in the economy, or the size of the sector's assets relative to gross domestic product. These indicators allow the assessment of the level of development of the insurance market and its comparison across different countries or regions. In general, higher levels of insurance density and penetration rate are associated with more developed insurance markets, a higher degree of financial intermediation and more stable and resilient economies.

In recent years, at the international level, increasing attention has been paid to the integration of the financial sector, including the insurance sector, in achieving the Sustainable Development Goals. The Sustainable Development Goals adopted within the 2030 Agenda highlight the importance of developing stable financial systems, strengthening institutions and increasing economic and social resilience. The insurance sector can contribute to achieving these goals by managing the risks associated with economic activities, supporting investments, developing insurance products geared towards climate, agricultural or health risks and strengthening financial stability. In this context, international organizations such as the OECD promote standards, principles and good practices in the insurance sector, aimed at strengthening governance, increasing the stability of the sector and integrating the principles of sustainable development into the activity of insurance companies.

In the Republic of Moldova, the insurance sector has made notable progress over the last decade, however, the overall level of insurance market development remains relatively low compared to European countries, and the market structure is characterized by a high concentration in the motor insurance segment. In these conditions, it becomes relevant to analyse the level of development of the insurance sector, the market structure and its role in supporting sustainable economic development, as well as to analyse the relevance of aligning the sector with OECD standards and principles.

Based on these considerations, the purpose of the research is to assess the level of development and structure of the insurance sector in the Republic of Moldova and to highlight the link between the development of the insurance sector, the sustainable development objectives and the need to align with OECD standards and principles. To achieve this goal, the research uses the analysis of the main indicators of the insurance market, the analysis of the structure of the insurance market, as well as the SDG Mapping method applied to relevant publications in the field. The research results can contribute to a better understanding of the directions of development of the insurance sector in the Republic of Moldova and to substantiate some recommendations regarding the consolidation and modernization of this sector in the context of sustainable development.

1. Review of the scientific literature

The analysis of the scientific literature related to the subject addressed in the article is carried out according to the following three blocks (Figure no. 1):

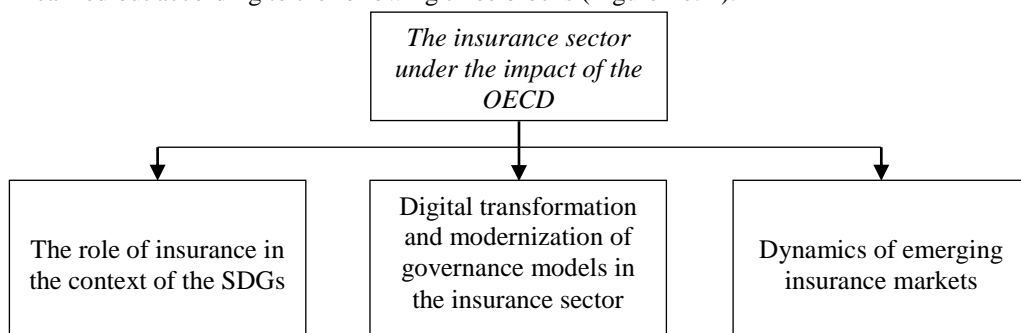


Figure no. 1: General framework for analysing the specialized literature on the topic addressed in the article

Source: developed by the authors.

1.1. Analysis of the role of the insurance sector in the context of the SDGs and OECD principles

The insurance sector is a fundamental pillar for the achievement of the 2030 Agenda, exerting a direct influence on poverty reduction and promoting gender equality. This finding derives from the capacity of insurance to act as a social safety net, protecting vulnerable people against economic shocks and facilitating access to finance for disadvantaged segments, such as women entrepreneurs. The central argument supported by Holliday et al. (2021) highlights that, without a strong risk transfer infrastructure, progress towards SDG 1 - No Poverty and SDG 5 - Gender Equality, remains fragile in the face of financial instability. However, the achievement of these goals is severely limited by the phenomenon known as the “Protection Gap”. The data provided by Hall et al. (2025) and OECD (2023, a) indicate that the frequency of natural disasters has generated massive economic losses, in the order of hundreds of billions of euros in recent decades, but only a fraction of these are covered by insurance policies. This vulnerability forces governments to redirect funds from sustainable development projects to reconstruction, thereby slowing down the global pace of progress.

To counter these effects, a necessary transition is observed from simple financial compensation to adaptation strategies based on the principle of “Build Back Better”. Recent literature argues that the only sustainable way to maintain the insurability of assets in the long term is to reduce risk at source, by incentivizing policyholders to adopt climate resilience measures (Gatzert et al., 2020; SAI, 2023). This approach is closely linked to corporate governance and ESG (Environmental, Social and Governance) risk management. According to the new regulatory and supervisory frameworks of the OECD (2023 b) and the IAIS standards (2025), insurers are required to integrate climate risks into their decision-making structure. This alignment with international principles, such as ICP 7 (Corporate governance) and ICP 8 (Risk

management and internal controls), transforms boards of directors into bodies directly responsible for monitoring climate change exposure and integrating them into the company's risk appetite.

However, the implementation of these standards is not without obstacles, especially for small market players. Expert analyses (Pfeifer et al., 2021) show that, although the requirements derived from Solvency II aim at transparency, small mutual companies face a disproportionate administrative effort. In this context, risk management strategies focused on local social and economic dimensions become viable alternatives for medium-sized insurers. Moreover, the role of the sector extends beyond underwriting, as insurers also act as major institutional investors. The SASI report (2023) highlights that, by managing trillions of dollars in assets, insurers can accelerate the green transition through massive investments in green bonds, treating climate risk not only as a threat to liabilities but also as a determinant of investment portfolio performance.

1.2. Digital transformation and modernization of governance models under the impact of regulations

In parallel with environmental challenges, digitalization and the evolution of international taxation are reshaping the architecture of the insurance sector. While digitalization fosters financial inclusion, it also introduces emerging risks, such as cyber threats, which require robust operational resilience frameworks (OECD, 2025). At the same time, adapting transfer pricing models to the digitalized economy becomes essential to demonstrate compliance with the OECD's "arm's length principle" (Hardam Ursu et al., 2022). Ultimately, the success of all these initiatives depends on the quality of public reporting. IAIS (2025) and Gatzert et al. (2020) emphasize that transparency is the driver of change, but the lack of standardized data and the risk of "greenwashing" remain major barriers. The use of climate scenarios and common taxonomies is the only way in which the market can correctly assess the sustainability and resilience of the sector in the face of future global challenges.

The evolution of the insurance sector in the period 2021-2025 is marked by an increasingly deep integration of advanced technologies and social sustainability criteria into business models. A central finding of the recent literature is that digital innovation, in particular generative artificial intelligence and advanced data analysis capabilities, is no longer just a competitive advantage but a necessity for managing complex risks, such as climate and cyber risks (EY, 2025; KPMG, 2025). The main argument is that big data enables a much more precise assessment of risks and the personalization of protection solutions, thereby facilitating the transition to a more resilient and customer-oriented business model. However, this digital transformation must be supported by strict regulatory frameworks, such as the Digital Operational Resilience Act (DORA) in the European Union, which ensures the stability of financial entities in the face of increasingly sophisticated cyber threats (KPMG, 2025).

In parallel with digitalization, the social dimension of ESG ("S") is gaining increasing importance, going beyond the traditional focus on environmental and governance issues (Schanz, 2022). Findings indicate that insurers are expanding their social utility by promoting social sustainability among employees, customers and local communities.

The rationale for this trend is based on the sector's ability to act as a socio-economic stabilizer, providing not only compensation but also prevention mechanisms that increase the resilience of communities in the face of global crises, such as the pandemic or recent geopolitical conflicts. In this context, innovation in climate products becomes an essential tool for reducing the "climate protection gap", ensuring that vulnerable segments of society have access to risk transfer solutions adapted to new environmental realities (CISL, 2021; Akomolehin, 2025; AAE, 2023). The use of biodiversity indices (BES Index) in the underwriting process demonstrates a direct correlation between ecosystem health and long-term profitability of portfolios (Swiss, 2022).

A critical aspect highlighted in the literature is the role of insurance in emerging economies and its relationship with economic growth. It is found that the development of the insurance market and the structural transformation of economies, especially in Africa, have a joint positive impact on gross domestic product. The argument is that insurance facilitates capital accumulation and protects investments in productive sectors, but this effect is maximized only when there is an adequate level of structural transformation and institutional stability (Horvey et al., 2024). The stability of these markets depends on robust public policies and regulation that encourage competition and resilience (Noordhoek et al., 2022). At the same time, financial education is identified as a determining factor in increasing awareness and use of insurance. Studies show that a high level of financial literacy directly correlates with a better understanding of the benefits of insurance, thus contributing to the sustainable development of the market in the long term (Dalkılıç et al., 2015).

Finally, compliance with new international and European reporting and governance standards remains a major challenge. The general finding is that insurers need to prepare for increasingly detailed ESG reporting requirements and more rigorous fiscal oversight, including on transfer pricing and Pillar 2 of international tax reform. The argument focuses on the need for full transparency to demonstrate the alignment of investment portfolios and underwriting practices with the Sustainable Development Goals. Research highlights the importance of modern methodologies in assessing future claims. Applying machine learning techniques to predict the impact of climate change on home insurance portfolios provides a solid economic basis for companies' financial sustainability (Oquendo-Torres et al., 2024). Also, integrating sustainability objectives into pension plans and long-term investments confirms the role of insurers as responsible stewards of global capital (Bataller-Grau et al., 2025). By using biodiversity indices and climate trajectory models, insurers can report not only financial losses but also their real impact on ecosystems and society, transforming sustainability from a reporting obligation into a fundamental strategic objective.

The contemporary insurance market framework is defined by an accelerated convergence between green finance policies and institutional governance reforms. A major research direction indicates that the adoption of green finance policies is not just a response to climate change, but the result of a complex interaction between market factors and institutional pressures (Cojoianu et al., 2025). In this context, green insurance schemes play a critical role in supporting the financial sustainability of renewable energy projects, reducing operational and financial uncertainties for investors and improving access to finance (Akomolehin et al., 2025). The central argument

suggests that, by mitigating the risks specific to clean technologies, insurers become essential facilitators of the global energy transition, transforming sustainability from a theoretical concept into a pillar of long-term profitability.

This transition is also reflected in the evolution of sustainable investment practices, where a significant increase in reporting on ESG criteria is observed among European insurers compared to American ones, with large companies being the pioneers of this process (Gatzert et al., 2024). The internal governance of insurers is adapting to these requirements by integrating sustainability risks throughout the value chain, from underwriting to asset management. A key aspect of this new governance architecture is the need for transparency and accountability of boards of directors in monitoring social and environmental impacts, elements that are becoming mandatory for maintaining financial stability and consumer confidence (Tunis Re, 2025; Marano, 2022).

1.3. The dynamics of emerging insurance markets and the European path of the Republic of Moldova

At the regional level, the Republic of Moldova exemplifies the process of aligning an emerging market with international norms by partially transposing the Solvency II Directive (Thomson Reuters, 2024). Recent reforms have transferred regulatory and supervisory responsibilities to the National Bank of Moldova, thus strengthening the prudential supervision framework and consumer protection (NBM, 2024). Progress reports highlight important steps in harmonizing legislation on financial services and corporate governance, although the market remains dominated by non-life insurance, especially motor insurance, reflecting a continuing need for diversification and increased life insurance penetration (EC, 2024; EC, 2025).

The role of actuaries and professional associations is becoming central in the development of sustainable insurance products that combine public and private coverage for climate risks (AAE, 2023).

In conclusion, the Republic of Moldova's integration into the European economic framework requires systemic modernization, with new regulations on governance systems and risk reporting serving as key instruments for attracting foreign investment and enhancing sectoral resilience. The correlation between rigorous governance, digitalization and green sustainability forms the new operating standard, in which insurers are no longer just payers of claims, but strategic partners in building a sustainable and secure economy. This integrated approach ensures that the sector can face both macroeconomic challenges and emerging risks, actively contributing to the long-term development objectives of society.

2. Research methodology

This research uses a mixed methodological approach, combining quantitative analysis of insurance sector indicators with thematic bibliometric analysis and conceptual assessment of the international regulatory framework, to examine the degree of integration of the Sustainable Development Goals and the standards of the Organization for Economic Cooperation and Development (OECD) in the insurance sector of the Republic of Moldova.

The research is structured in three complementary methodological stages:

- i) Contextual analysis of the insurance sector, based on relevant macro-sectoral indicators for assessing the level of development and stability of the market;
- ii) SDG Mapping analysis, used to identify thematic connections between the scientific and institutional literature and the Sustainable Development Goals;
- iii) Conceptual assessment of alignment with OECD principles, carried out by interpreting the empirical results in relation to international standards of governance, supervision and consumer protection in the insurance field.

This approach enables the correlation of empirical market developments with conceptual trends in the specialized literature and international normative benchmarks.

Analysis of insurance sector indicators. To assess the general level of development of the insurance sector, indicators frequently used in international financial literature and in OECD and World Bank statistics were selected: gross premiums written; insurance density; insurance penetration, expressed as a ratio between the volume of premiums and the gross domestic product (% GDP); the structure of the insurance market, analyzed by the share of life and non-life insurance; claims ratio, calculated as a ratio between claims paid and premiums written; insurance sector assets reported to GDP, etc. (Annex 1).

Statistical data for the Republic of Moldova were taken from the official publications of the National Bank of Moldova, the National Commission for the Financial Market, and, for international comparisons, the World Bank databases (Global Financial Development Database) and OECD statistics on the insurance sector were used. The comparative analysis included a group of European countries with a similar level of economic development, in order to highlight the relative positioning of the Republic of Moldova.

This stage had the role of empirically substantiating the need to align the sector with international governance and supervision standards.

Bibliometric analysis through SDG Mapping. To identify the relationship between the insurance sector and the Sustainable Development Agenda, the SDG Mapping method was applied, which allows the automatic classification of publications according to thematic correlations with the Sustainable Development Goals and their associated targets.

The analyzed sample included 30 publications selected based on an explicit set of inclusion and exclusion criteria. The sample included works published between 2015 and 2025, in order to capture the stage in which the sustainable development agenda and ESG criteria became important components of insurance sector policies and strategies. Only publications that explicitly address the relationship between the insurance sector and at least one of the following thematic dimensions were selected: sustainable development, climate risks, corporate governance, financial inclusion, economic resilience, green finance or institutional regulation. Publications with a predominantly commercial nature, informative materials without an analytical basis and works that treat sustainability in general terms, without explicit reference to the insurance sector, were excluded.

From a methodological perspective, the sample was drawn up following the principle of purposive selection, aiming to include publications with the highest conceptual

relevance for the intersection between insurance, sustainability and institutional governance. The sample was constructed in such a way as to include works from both the academic literature and institutional reports prepared by international financial organizations and regulatory authorities relevant to the insurance sector.

The results of the analysis were graphically represented in the form of:

- the distribution of connections at the level of SDG objectives;
- the "bubble chart" representation at the level of SDG targets.

This method allows highlighting the areas in which the literature gives the greatest importance to the insurance sector and identifying existing thematic gaps.

Operationalizing the OECD Framework. The OECD Principles on Financial Governance and Consumer Protection were used as a normative analytical framework for interpreting the results obtained. In the research, these were grouped into three functional dimensions:

- i) Institutional governance and transparency: supervisory independence, institutional accountability and market integrity;
- ii) Prudential supervision and risk management: systemic risk assessment, financial stability and resilience;
- iii) Market conduct and consumer protection: fairness, accessibility and trust in the insurance system.

The results of the SDG Mapping analysis and the analysis of sectoral indicators were interpreted within the framework of these dimensions, providing a basis for an indirect assessment of the degree of convergence between the evolution of the insurance sector and OECD standards.

Given the role of the insurance sector in supporting financial stability, risk management and sustainable economic development, this research aims to analyse the level of development of the insurance sector in the Republic of Moldova and the relevance of its alignment with OECD standards and the Sustainable Development Goals.

The main research question is: To what extent does the level of development and structure of the insurance sector in the Republic of Moldova justify the need to align it with OECD principles and standards, in the context of integrating the Sustainable Development Goals?

To answer this question, the research is based on the following four hypotheses:

Hypothesis 1. The development of the insurance sector in the Republic of Moldova is characterized by increasing volume indicators (density and penetration), but remains limited in terms of the structure and financial depth of the sector.

Hypothesis 2. The structure of the insurance market in the Republic of Moldova is mainly focused on motor insurance, which reflects a relatively low level of diversification of insurance products and a limited involvement of the sector in managing other types of economic and social risks.

Hypothesis 3. The literature highlights a significant link between the development of the insurance sector, the Sustainable Development Goals and the quality of the institutional framework, which suggests that alignment with OECD standards can contribute to the sustainable development of the insurance sector.

Hypothesis 4. The compliance of the insurance sector in the Republic of Moldova with OECD standards is unbalanced across dimensions, being higher in the area of prudential regulation and supervisory capacity and lower in the area of consumer protection.

Methodological limitations of the research. This research presents some methodological limitations inherent to the approach used. The assessment of the insurance sector's compliance with OECD standards is based on secondary data and documentary analysis of official sources, which allows for a structured assessment of the regulatory and institutional framework, but captures to a lesser extent the actual degree of implementation at the operational level. At the same time, the scoring methodology involves a certain degree of expert judgment, which is mitigated by the application of a pre-established evaluation grid and by the cross-validation of information from multiple documentary sources. Furthermore, the results of the SDG Mapping analysis depend on the composition of the selected sample of publications and on the ability of the semantic tool to accurately identify thematic correspondences with the Sustainable Development Goals. However, the combined use of sectoral analysis, institutional assessment and conceptual analysis contributes to strengthening the methodological robustness of the research.

3. Results and discussion

Figure no. 2, illustrating the evolution of insurance density in the Republic of Moldova, highlights a general upward trend throughout the analysed period, which indicates a gradual increase in the level of development of the insurance market.

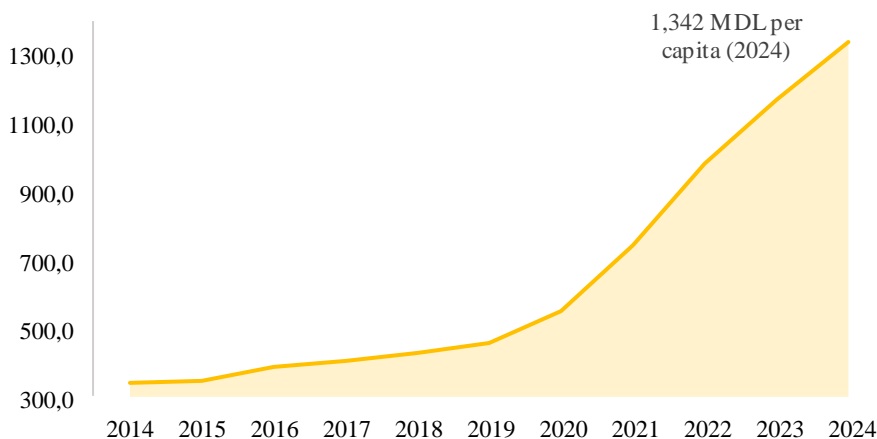


Figure no. 2: Dynamics of insurance density in the Republic of Moldova

Source: developed by the authors based on information from the NBM (2022-2024) and the NCFM (2015-2021).

If in the first part of the analysed period the insurance density values increased relatively slowly, starting from 2020, a significant acceleration of this indicator is

observed, which suggests a faster expansion of the market and an increase in the volume of insurance premiums relative to the population.

The accelerated growth in insurance density after 2020 can be explained by the cumulative action of several factors. On the one hand, the increase in the volume of gross written premiums was supported by the expansion of the auto insurance segment, dominant in the market structure, as well as by the adjustment of the value of policies in the context of inflation and the increase in costs associated with insured risks. On the other hand, the strengthening of the regulatory framework and the intensification of market supervision have contributed to the formalisation of insurance relations and the increase in the degree of insurance coverage. Thus, the density dynamics reflect not only the quantitative expansion of the market, but also the determining influence of institutional and macroeconomic factors on the development of the sector.

The increase in insurance density generally reflects an increase in the use of insurance products by the population and companies, as well as an expansion of the activity of insurance companies. However, the dynamics of this indicator should be interpreted in correlation with the structure of the insurance market, since an increase in density does not necessarily reflect a diversification of insurance products, but can also be determined by the increase in premiums in certain dominant market segments, such as motor insurance. Overall, the evolution of insurance density suggests that the insurance sector in the Republic of Moldova is undergoing a process of development and expansion, however this growth remains primarily quantitative rather than reflecting deep structural development. This conclusion is also supported by the analysis of other insurance market indicators, such as insurance penetration and sector assets, which indicate that the financial depth of the sector remains relatively modest.

Therefore, the insurance density graph confirms the existence of a positive trend in the development of the insurance market, but at the same time highlights the need to consolidate and diversify the sector, including by aligning it with international standards and OECD principles, to increase the role of the insurance sector in supporting sustainable economic development. The analysis of the insurance market structure by product category (Figure no. 3) highlights the fact that the insurance market in the Republic of Moldova is dominated by motor insurance, especially motor third party liability insurance. Over the entire period examined, this insurance category holds the largest share in total gross written premiums, which indicates a structural concentration of the market around this segment.

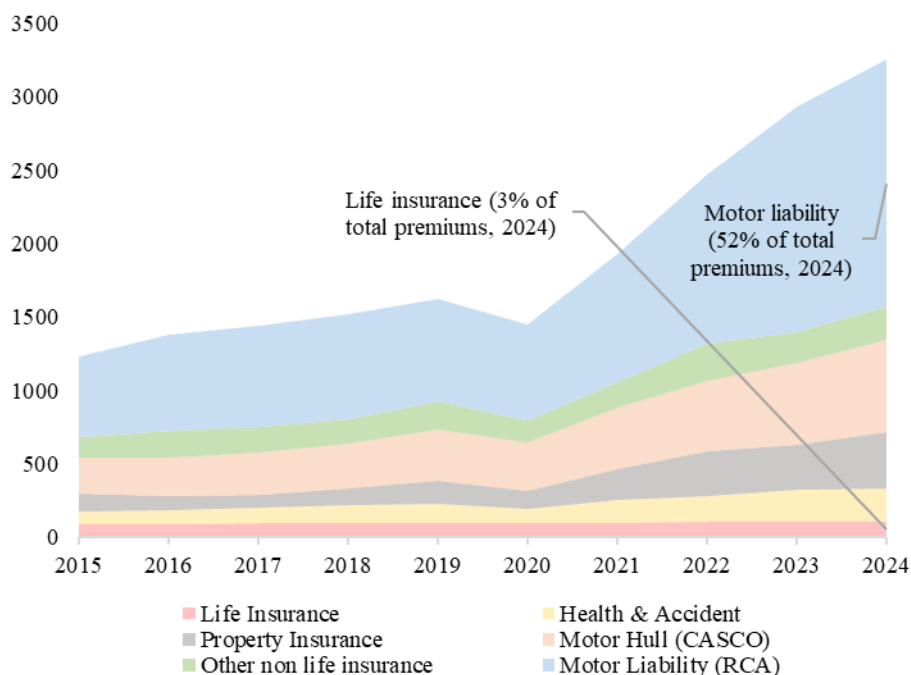


Figure no. 3: The structure of the insurance market in the Republic of Moldova

Source: developed by the authors based on information from the NBM (2022-2024) and the NCFM (2015-2021).

The other insurance categories, such as property insurance, health insurance or life insurance, have a much smaller share in the market structure, and their evolution is relatively modest compared to the motor insurance segment. This structure suggests that the development of the insurance market is mainly determined by compulsory insurance or products with relatively stable demand, and less by the development of optional insurance products, savings or long-term protection. Overall, the structure of the insurance market indicates a relatively low level of diversification of insurance products, which is characteristic of insurance markets at an intermediate stage of development. A diversified insurance market usually includes a higher share of life insurance, health insurance and property insurance, which contribute to the mobilization of long-term savings and financial stability.

Therefore, the analysis of the insurance market structure confirms that, although the insurance market in the Republic of Moldova is growing, its development remains structurally unbalanced, as it is still strongly dependent on the motor insurance segment. This situation highlights the need to diversify insurance products and strengthen the institutional and regulatory framework, including through alignment with OECD standards and principles.

The evolution of the maturity of the insurance market in the Republic of Moldova, assessed on the basis of the indicators of insurance penetration, insurance density and sector assets reported to GDP (Figure no. 4), highlights a generally upward trajectory of the insurance sector over the analyzed period.

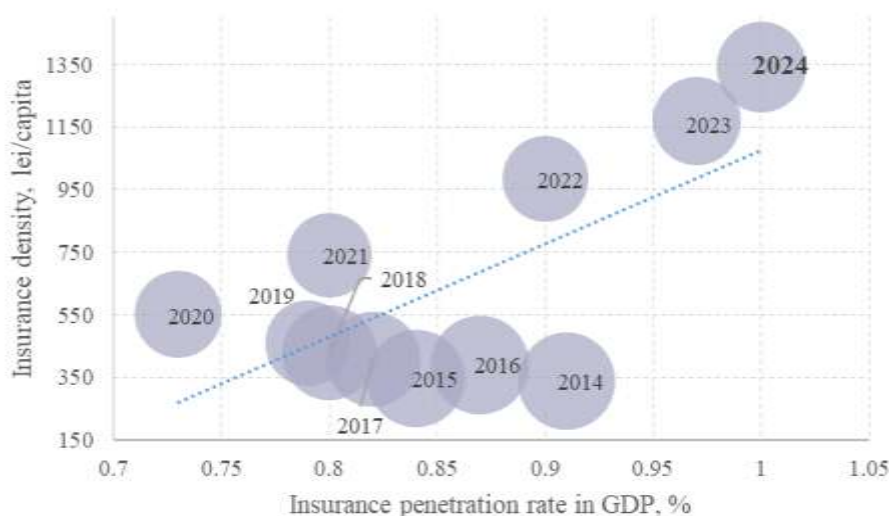


Figure no. 4: Insurance market maturity map in the Republic of Moldova

Source: developed by the authors based on information from the NBM (2022-2024) and the NCFM (2015-2021).

The movement of the bubbles from the lower left of the graph to the upper right indicates a simultaneous increase in the density and the insurance penetration rate, which reflects the expansion of insurance activity and the increasing role of the sector in the economy. However, the relatively similar size of the bubbles suggests that the assets of the insurance sector reported to GDP did not register a significant increase compared to the dynamics of the other indicators. This situation indicates that the development of the insurance sector had an extensive character, based on the increase in the volume of insurance premiums and the degree of insurance coverage, rather than an intensive character, based on the increase in the financial depth of the sector and the consolidation of its role in financial intermediation.

Overall, the chart suggests that the insurance market in the Republic of Moldova is in a process of maturation, but this process is still incomplete, being characterized by an increase in the volume of insurance activity, but by a relatively modest increase in the size of the sector in relation to the economy..

The conclusions regarding the relatively modest level of development of the insurance sector in the Republic of Moldova are reinforced by the international comparative analysis, which highlights significant gaps compared to most comparable economies in

Central and Eastern Europe. Thus, the regional comparative analysis highlights the fact that the level of insurance penetration in the Republic of Moldova (1.0% of GDP) remains low compared to most economies in Central and Eastern Europe (Table no. 1).

Table no. 1. Insurance penetration in selected Central and Eastern European economies, % of GDP, 2024

Country	Value
Estonia	3,6
Latvia	3,1
Bulgaria	2,3
Poland	2,2
Romania	1,1
Republic of Moldova	1,0

Source: developed by the authors based on OECD (2025) and NBM data.

Although the registered value is close to that of Romania (1.1%), the gap with more institutionally developed markets, such as Estonia (3.6%), Latvia (3.1%), Bulgaria (2.3%) and Poland (2.2%), is significant. These differences suggest that the limitations of the insurance sector in the Republic of Moldova are not determined solely by market size, but also by limited product diversification, the modest share of life insurance, and the still constrained role of the sector in financial intermediation and risk management. In this context, convergence toward more advanced regional models requires not only quantitative expansion, but also profound structural and institutional transformation within the insurance market.

The analyzed developments confirm that the sustainable development of the insurance sector in the Republic of Moldova depends on the strengthening of the institutional and regulatory framework, as well as on its further alignment with international standards and OECD principles on governance, consumer protection and financial resilience.

After analyzing the evolution and structure of the insurance sector, the research is extended through an SDG Mapping analysis, aimed at highlighting the role of the insurance sector in supporting the sustainable development goals.

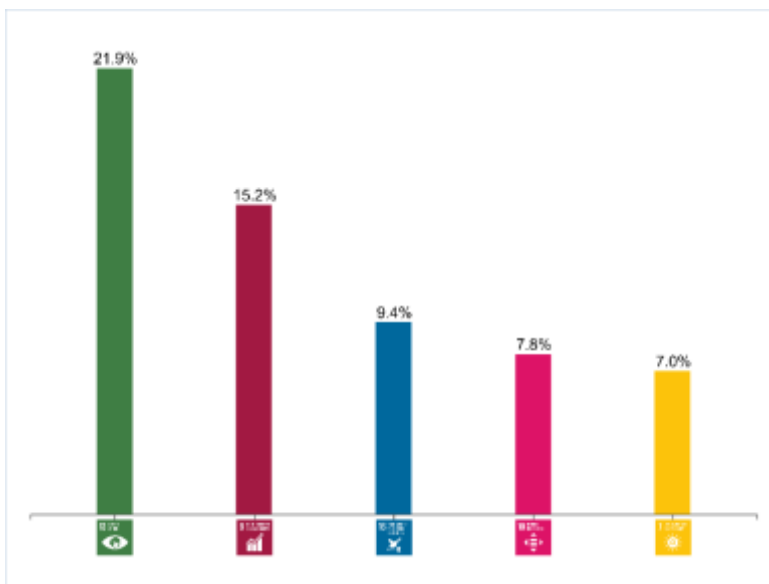


Figure no. 5: Level of influence of selected insurance-related publications on the Sustainable Development Goals (the five most important SDGs), %

Source: developed by the authors based on information from the NBM (2022-2024) and the NCFM (2015-2021).

Figure no. 5 and Figure no. 6 illustrate the frequency distribution of connections between the analyzed literature (30 publications - scientific articles and institutional reports) and the Sustainable Development Goals, highlighting the areas in which the insurance sector is most frequently associated with the sustainable development agenda and, implicitly, with the principles promoted by the OECD regarding responsible financial governance and market stability.

Figure no. 5 identifies the 5 most important SDGs targeted in the 30 publications selected and processed by the authors through the SDG Mapper application.

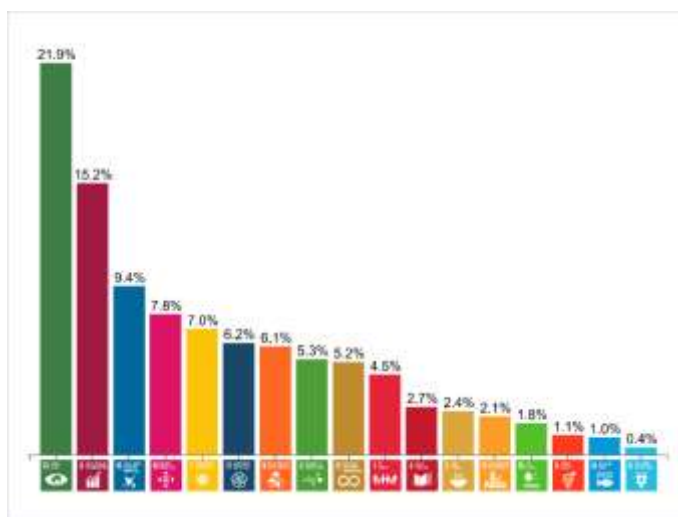


Figure no. 6: The level of influence of selected insurance-related publications on the Sustainable Development Goals, in %.

Source: authors' elaboration using the SDG Mapper tool based on the sample of publications analyzed.

The results of the analysis highlight a pronounced focus of the literature on SDG 13 (Climate Action), SDG 8 (Decent Work and Economic Growth) and SDG 16 (Strong Institutions), which confirms that the insurance sector is perceived mainly as a mechanism for managing climate risks, supporting economic stability and strengthening institutional governance. Extending the analysis to the entire set of SDGs (Figure no. 6) highlights the cross-cutting nature of the insurance sector, which interacts, albeit to varying degrees, with economic, social and environmental dimensions of sustainable development. For the Republic of Moldova, this distribution suggests opportunities to expand the role of insurance in underdeveloped areas, such as financial inclusion, health and environmental risk management.

The analysis at the level of SDG targets (Table no. 7) highlights the focus of connections on climate resilience, strengthening financial institutions and economic inclusion, which confirms the role of the insurance sector as a mechanism for risk management and supporting economic stability.

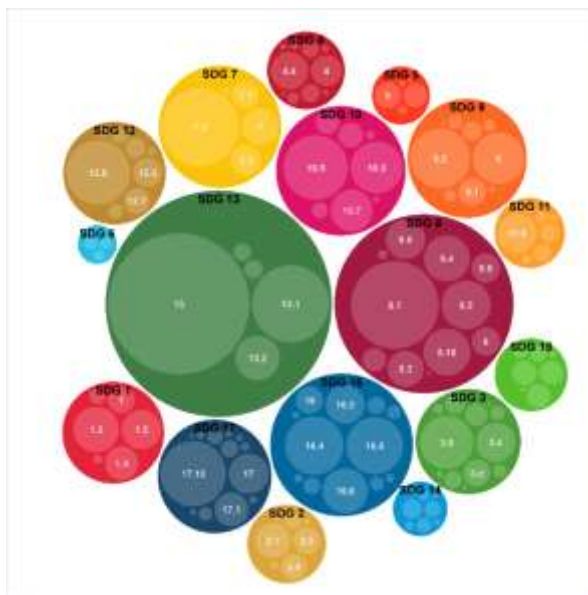


Figure no. 7: Bubble view of SDG targets identified in insurance-related publications

Source: authors' elaboration using the SDG Mapper tool based on the sample of publications analyzed.

In the context of the Republic of Moldova, these results indicate the need to expand agricultural and climate insurance, develop financial protection products for households and SMEs, and capitalize on the opportunities offered by the digitalization of insurance services. At the same time, strengthening consumer protection and deepening the alignment of the regulatory framework with OECD standards can contribute to increasing market confidence and expanding the role of the insurance sector in supporting sustainable development.

The SDG Mapping analysis not only confirms the relevance of the insurance sector for the sustainable development agenda, but also provides an empirical justification for assessing the degree of alignment between the Republic of Moldova's insurance sector and OECD standards.

The compliance of the insurance sector in the Republic of Moldova with OECD standards is assessed based on a desk review. The purpose of this assessment is to assess the extent to which the insurance sector in the Republic of Moldova aligns with selected OECD standards by reviewing publicly available regulatory reports, specialized indicators and strategic documents issued by the NBM and the NCFM.

The benchmark consists mainly of the OECD Guidelines on Insurer Governance (OECD, 2017) and the G20/OECD High-Level Principles on Financial Consumer

Protection (OECD, 2022), which the OECD describes as benchmark standards for insurer governance and comprehensive consumer protection frameworks.

The OECD Guidelines on the Governance of Insurers (OECD, 2017) provide the benchmark for governance. The OECD states that these guidelines are intended to guide insurers, public authorities and other stakeholders, with a focus on governance mechanisms specific to insurers. The G20/OECD High-Level Principles on Consumer Protection in Financial Services (OECD, 2022) provide the benchmark for policyholder and consumer protection. The OECD describes them as an updated global framework of good practices for effective and comprehensive consumer protection, incorporating digitalisation, sustainable finance and lessons from the past decade.

In order to ensure a rigorous assessment, the OECD standards were expressed in five dimensions, then in criteria and finally in indicators observable in the NBM/CNPF reports (Annex 2). Thus:

- Dimension 1 contains 4 criteria;
- Dimension 2 - 5 criteria;
- Dimension 3 - 4 criteria;
- Dimension 4 - 4 criteria;
- Dimension 5 - 4 criteria.

The level of compliance of the insurance sector in the Republic of Moldova with OECD standards was assessed through a structured expert scoring procedure, based on the documentary analysis of official sources. For each of the 21 criteria grouped within the five analytical dimensions, a score from 0 to 3 was assigned, depending on the degree of compliance identified in the regulatory reports, supervisory documents and sectoral indicators published by the NBM and the NCFM.

To ensure the coherence of the assessment, explicit scoring rules were applied. Thus:

- score 0 was awarded in the absence of evidence of compliance;
- score 1: in the case of limited or fragmented elements of compliance;
- score 2: when substantial compliance components were identified, but their implementation remained partial;
- score 3: in the case where clear, systematic and consistent evidence of compliance was found, reflected both in the regulatory framework, in supervisory practice and in the sector's performance indicators (Table no. 2).

Table no. 2. Scoring scale used in assessing compliance with OECD standards

Score	Compliance level	Meaning
0	Lack of compliance	No evidence of compliance was identified.
1	Low compliance	Isolated or fragmented elements of compliance were identified
2	Partial compliance	Substantial compliance components have been identified, but implementation is incomplete
3	High compliance	Clear, systematic and consistent evidence of compliance has been identified

Source: developed by the authors.

In order to reduce the degree of subjectivity, the scoring process was based exclusively on official public information and quantitative indicators of the sector, avoiding interpretative assessments that cannot be supported by documentation. At the same time, each assigned score was verified, whenever possible, by reporting to at least two distinct documentary sources (for example: annual reports, supervisory priorities, reports on the financial situation of the insurance sector, normative acts or regulatory documents). This verification of sources contributes to increasing the consistency, transparency and replicability of the proposed methodology.

Although the use of expert assessment inevitably involves a certain degree of professional judgment, the application of pre-established scoring criteria, the exclusive use of official sources and the cross-checking of information allow for significant limitation of subjectivity and strengthen the robustness of the analysis.

Individual criterion scores were aggregated at the dimension level and normalized to ensure comparability across dimensions as follows:

$$D_j = \frac{\sum_{i=1}^{n_j} s_{ij}}{3n_j} \times 100 \quad (1)$$

where:

D_j - is the compliance score for dimension j ;

s_{ij} - the score of criterion i ;

n_j - the number of criteria in that dimension;

3 - the maximum score per criterion.

The normalized scores obtained from the calculations were used to analyze the evolution of compliance and to construct Table no. 1 and the radar chart for the period 2023-2025 (Figure no. 8) used to highlight the compliance profile in the five analytical dimensions.

The methodology described above is applied over a multi-annual period (2023-2025), covering the post-reform framework in the insurance sector, after the entry into force of Law No. 92/2022 on insurance or reinsurance activity.

The aggregate scores of the dimensions reflected in Table no. 3 indicate an improvement in the overall level of compliance with OECD standards in the insurance sector of the Republic of Moldova between 2023 and 2024, followed by a relatively stable situation in 2025. The most significant progress has been observed in the dimensions related to corporate governance and supervisory capacity, reflecting the institutional and regulatory reforms implemented following the transfer of insurance supervision to National Bank of Moldova and the adoption of new prudential regulations. The financial resilience dimension records consistently high values throughout the period, indicating solid solvency and liquidity positions in the insurance sector. In contrast, the consumer protection dimension remains the weakest component of the compliance framework, suggesting that market supervision and policyholder protection mechanisms still require further development.

Table no. 3 Compliance scores with OECD insurance standards by dimension

Dimension	2023	2024	2025, 9 luni
D1. Corporate governance of insurers	58,3	91,7	91,7
D2. Protection of policyholders and financial consumers	40,0	46,7	53,3
D3. Transparency and disclosure	66,7	83,3	83,3
D4. Financial soundness and prudential resilience	91,7	100,0	83,3
D5. Regulatory and supervisory capacity	50,0	100,0	100,0

Source: authors' calculations are based on expert assessment and scoring using information from annual reports, supervisory priorities, insurance sector statistics and regulatory documents issued by the National Bank of Moldova and the National Financial Market Commission (summary of tables 4-8 in Annex 3).

Figure no. 8 provides a visual representation of the compliance profile across the five analytical dimensions and highlights the structural differences between them. The radar chart indicates that the insurance sector in the Republic of Moldova exhibits relatively balanced performance in terms of governance, transparency and prudential resilience, while supervisory capacity has improved markedly since 2023.

The chart also illustrates that consumer protection remains the least developed dimension compared to prudential and regulatory aspects. Overall, the radar profile becomes broader and more balanced over time, indicating a gradual alignment of the insurance sector regulatory framework with OECD standards.

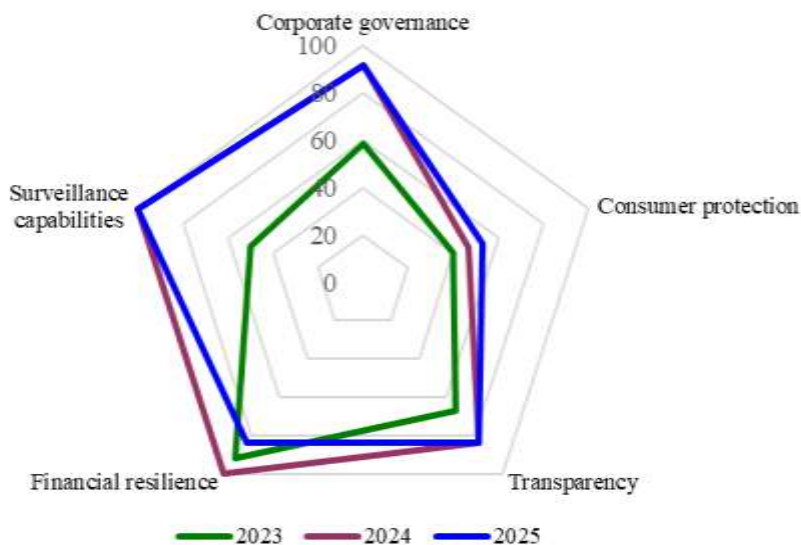


Figure no. 8: Radar representation of OECD compliance dimensions in the insurance sector of the Republic of Moldova (2023-2025)

Source: developed by the authors based on Table no. 3.

Conclusions

The research findings highlight that the insurance sector in the Republic of Moldova is undergoing a phase of quantitative expansion, yet remains at a stage of incomplete structural maturation, characterized by modest financial depth, low product diversification and a pronounced concentration in the motor insurance segment. This finding suggests that the development of the sector can no longer be assessed exclusively through volume-based indicators, but must also be analysed in terms of its capacity to support economic resilience, financial inclusion and sustainable development.

The conceptual contribution of the study consists in integrating three complementary perspectives - analysis of sectoral development, mapping the relationship between insurance and the Sustainable Development Goals and assessing compliance with OECD standards - into a unified analytical framework for assessing the maturity and modernization of the insurance sector. The results indicate that although the Republic of Moldova has made significant progress in strengthening the regulatory and supervisory framework, convergence towards OECD standards remains uneven, and dimensions such as consumer protection, market diversification and the development of sustainability-oriented products require additional efforts.

From a strategic perspective, the alignment of the insurance sector in the Republic of Moldova with OECD standards should be viewed not only as a process of regulatory harmonization but as a mechanism for structural market transformation, capable of stimulating innovation in insurance products, expanding the role of the sector in managing economic and climate risks, and strengthening its contribution to sustainable development and European financial integration.

In this context, the long-term development of the sector requires encouraging product diversification, strengthening financial consumer protection, promoting financial education, and further aligning the institutional and regulatory framework with OECD standards and European best practices.

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Abbreviations and acronyms

GDP - Gross Domestic Product

ICPs - Insurance Core Principles

NBM - National Bank of Republic of Moldova

NCFM - National Commission for Financial Markets of Republic of Moldova

OECD - Organization for Economic Co-operation and Development

SDGs - Sustainable Development Goals

Annex 1

Table no. 2. Basic indicators characterizing the insurance sector in the Republic of Moldova

	2023	2024	2025, on September 30
Number of insurance companies	9	9	9
Number of insurance or reinsurance brokers	50	48	56
Number of insurance agents	49	52	53
Number of bancassurance agents	35	33	34
Total assets, million lei	4979,0	5509,3	5631,4
Net assets, million lei	1610,0	1850,2	1920,8
Gross technical reserves, million lei	2965,5	3175,8	3287,3
Gross written premiums, million lei	2935,9	3251,6	2443,9
Gross compensation paid, million lei	1006,6	1278,4	1041,8
ROE, %	19,5	16,6	8,5
ROA, %	6,3	5,5	2,9
Average solvency ratio (general insurance), %	147,9	175,4	180,0
Average solvency ratio (life insurance), %	625,1	655,4	694,6
Liquidity ratio for non-life insurance (average value), %	3,7	3,4	3,6
Liquidity ratio for life insurance (average value), %	23,9	16,4	17,4
Insurance penetration in GDP, %	0,98	1,00	0,95
Insurance density, lei per capita	1168,4	1341,8	n/a
Share of insurance sector assets in GDP, %	1,64	1,7	2,19

Source: developed by the authors based on BNM (2023; 2024; 2025).

Table no. 3. Translation of OECD standards related to the insurance sector into dimensions, evaluation criteria and observable indicators in the NBM and NCFM reports

Dimension	The benchmark	Evaluation criteria	Indicators mentioned in reports
Corporate governance of insurers	OECD (2017)	<ul style="list-style-type: none"> • existence of governance expectations for boards and senior management; • mention of internal control, audit, compliance or risk management systems; • evidence of reporting requirements on fit and proper, responsibility or governance; • supervisory attention to prudential governance and long-term solvency 	<ul style="list-style-type: none"> • references to governance regulations or supervisory findings related to governance; • references to risk management, internal controls, own funds/capital and solvency; • evidence that supervisory priorities include strengthening governance; • sectoral trends in capital and solvency ratios as proxy indicators of performance
Protection of policyholders and financial consumers	OECD (2022)	<ul style="list-style-type: none"> • legal and supervisory provisions for fair treatment of policyholders; • transparency of product information; • complaint handling and dispute resolution mechanisms; • financial education or consumer awareness measures; • supervision of intermediaries and market conduct. 	<ul style="list-style-type: none"> • the number and type of complaints mentioned in the annual reports; • references to disclosure rules, codes of conduct or consumer information requirements; • supervisory actions regarding unfair practices or deviations from the conduct of intermediaries; • references to financial education activities.
Transparency and disclosure	OECD (2017; 2022)	<ul style="list-style-type: none"> • regular publication of financial statements; • standardized sectoral indicators; • public reporting on supervisory priorities and regulatory changes; • availability of market statistics and information on authorised entities 	<ul style="list-style-type: none"> • the existence and periodicity of reports on the financial situation of insurance; • public access to insurance indicators and specialized reporting; • publication of supervisory priorities, regulations and lists of

			authorized entities.
Financial soundness and prudential resilience	OECD (2017; 2022)	<ul style="list-style-type: none"> • capital adequacy and solvency monitoring; • adequacy of technical provisions; • asset growth consistent with prudential discipline; • risk-based supervision and forward-looking supervisory priorities 	<ul style="list-style-type: none"> • solvency ratio; • volume and dynamics of technical provisions; • capital and asset trends; • evidence of risk-based supervisory priorities
Regulatory and supervisory capacity	OECD (2017; 2022)	<ul style="list-style-type: none"> • clarity of supervisory responsibilities; • publication of supervisory priorities; • existence of regulations and enforcement tools; • strengthening institutional capacity and transition to more advanced supervision. 	<ul style="list-style-type: none"> • explicit priorities in insurance supervision; • references to prudential regulations and authorised entities; • evidence from annual reports on supervisory reforms or institutional strengthening.

Source: developed by the authors based on OECD (2017; 2022).

Annex 3

Table no. 4. Criteria and scores for dimension 1 - Corporate governance of insurers

Code	Criterion	2023	2024	2025
C1	Corporate governance legal framework for insurers	2	3	3
C2	Risk management requirements / ORSA / internal control	1	3	3
C3	Governance reporting and supervisory monitoring	2	3	3
C4	Prudential results reflecting the effectiveness of governance	2	2	2
Total score per dimension		7	11	11
Dimension-normalized score		58,3	91,7	91,7

Source: Authors' calculations are based on expert assessment and scoring using information from annual reports, supervisory priorities, insurance sector statistics, and regulatory documents issued by the National Bank of Moldova and the National Financial Market Commission.

Table no. 5. Criteria and scores for dimension 2 - Policyholder/consumer protection

Code	Criterion	2023	2024	2025
C5	Consumer complaint mechanisms	2	2	2
C6	Disclosure and product information rules	1	2	2
C7	Supervision of intermediaries and distribution	2	2	2
C8	Consumer information / financial education	1	1	1
C9	Protection/guarantee mechanisms for policyholders	0	0	1
Total score per dimension		6	7	8
Dimension-normalized score		40,0	46,7	53,3

Source: Authors' calculations are based on expert assessment and scoring using information from annual reports, supervisory priorities, insurance sector statistics, and regulatory documents issued by the National Bank of Moldova and the National Financial Market Commission.

Table no. 6. Criteria and scores for dimension 3 - Transparency and disclosure

Code	Criterion	2023	2024	2025
C10	Publishing insurance sector reports	2	3	3
C11	Availability of insurance statistics	2	2	2
C12	Disclosure requirements at the insurer level	1	2	2
C13	Publication of supervisory priorities and regulations	3	3	3
Total score per dimension		8	10	10
Dimension-normalized score		66,7	83,3	83,3

Source: Authors' calculations are based on expert assessment and scoring using information from annual reports, supervisory priorities, insurance sector statistics, and regulatory documents issued by the National Bank of Moldova and the National Financial Market Commission.

Table no. 7. Criteria and scores for dimension 4 - Financial soundness / Prudential resilience

Code	Criterion	2023	2024	2025
C14	Capital adequacy and solvency	3	3	2
C15	Sufficiency of technical reserves	3	3	3
C16	Liquidity position	3	3	3
C17	Growth and stability of assets/premiums	2	3	2
Total score per dimension		11	12	10
Dimension-normalized score		91,7	100,0	83,3

Source: Authors' calculations are based on expert assessment and scoring using information from annual reports, supervisory priorities, insurance sector statistics, and regulatory documents issued by the National Bank of Moldova and the National Financial Market Commission.

Table no. 8. Criteria and scores for dimension 5 - Regulatory and supervisory capacity

Code	Criterion	2023	2024	2025
C18	Institutional framework for insurance supervision	2	3	3
C19	Development of prudential regulations	1	3	3
C20	Publication of supervisory priorities	1	3	3
C21	Market coverage and supervision of intermediaries	2	3	3
Total score per dimension		6	12	12
Dimension-normalized score		50,0	100,0	100,0

Source: Authors' calculations are based on expert assessment and scoring using information from annual reports, supervisory priorities, insurance sector statistics, and regulatory documents issued by the National Bank of Moldova and the National Financial Market Commission.