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SENIOR LIFE INSURANCE IN THE REPUBLIC OF MACEDONIA – STATE AND PERSPECTIVES

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Abstract

Life insurance market in the country in 2013 is comprised of five insurance companies, four of which deal exclusively with life insurance.

The life insurance in the country from 2009 until today achieved steady growth in total premium.

Life insurance in the country in the true sense of the word is immune to the global economic and financial crisis.

In future an intensive tense must focus on society and especially life insurance companies of the need to update the citizens life insurance.

Insurance companies should discover the perception of potential customers that is, the broad range of products, types of insurance that are the most attractive.

Within the research technique is applied to the survey. As an instrument for collection of information and data, an integral Questionnaire is used in accordance with identified problems, set goals and objectives. The questionnaire is made of two parts. In the first part of the questionnaire there are standard questions relating to socio-demographic and economic variables. In the second part of the questionnaire formulated questions that relate to the views of consumers of insurance are used. In response to several questions a respondent gives the rankings.

According to the principles and rules of statistical analysis, for true results to be achieved of this research, it is necessary to poll a minimum of 250 respondents. In order to increase the representativeness of the samples, while taking into account the cost-effectiveness and costeffectiveness (cost and time) 536 respondents have been interviewed Life insurance is designed as the most

reliable form of protection economic the insured or the survivors of serious financial loss that may be caused during the occurrence of unforeseen circumstances: premature death and working ability (loss of working capacity).

Life insurance, which provides economic and social security, in accordance with their individual needs and financial strength of the insured or his or her family, are accomplished and function of accumulated capital.

In this study we wanted to examine the similarities and differences that affect socio-demographic factors and economic volume of contracts for life insurance. Based on existing knowledge and set of research problems, we explore our basic hypothesis: that the level of demand of life insurance as a result of the age of the population (among other numerous economic, social and organizational determinants). Hence, the goals and objectives of the research of our basic hypothesis is split into more auxiliary hypotheses.
Index terms: Life insurance, Insurance companies, Survey, Age groups of respondents.

INTRODUCTION

Today in this modern market conditions of work and life, when the global financial crisis has penetrated deeply into the structure of the economy and erode, life insurance has grown significantly in the country, even in world terms.

Unlike some countries in the region where saw some stagnation and downward trend in the development of life insurance in the country gross premiums written grew. In this year (2013), life insurance continued to rise. Gross written premium in this segment had the highest relative increase (20.3% or 101 million, in 2013), which is mainly due to the low starting point of this segment of the insurance sector. This segment has the highest potential for future development, especially for new prospects to connect with life insurance products of bank credit and the emergence of new entities providing services right life insurance.

Table No. 1-Gross premium agreed - life insurance for the period of 2009-2012 years at 000 Euros

Insurance company	2009	Index 2009/2008	2010	Index 2010/2009	2011	Index 2011/2010	2012	Index 2012/2011
„QBE Macedonia“	358,5	/	242.0	/	186.2	/	130.3	/
Croatia insurance	1.844.5	124,33%	2.229.2	120,86%	3.268.0	146,59%	3.964.2	121,30
Grawe insurance	2.688.3	115,95%	3.293.2	122,50%	3.973.5	120,66%	4.315,1	108,59
Uniqa Lajf AD	/	/	/	/	218.9	/	661.6	302,29
Winer Lajf-Wiena					434.5	/	654.4	150,60
Total	4.891.3	112,8%	5.764.4	117,84%	8.081.2	140,19%	9.725.7	120,35

Source: - Insurance Bulletin of the Republic National Insurance Bureau, 2008 and 2012, Skopje

- Report on the scope and content of the insurance, Supervision Agency Insurance, 2009, 2010, 2011 and 2012,

Skopje

The data convincingly indicate constant growth premium of life insurance and also the constant increase in the share of the total premium of insurance in the country.

According to the indicators of the tabular display (Table. 1), it is evident that the life insurance company Grawe for the reporting spell permanently occupies a dominant position in the market for life insurance in the country and the high 44.4% (2012).

In future time intensive spell must focus on society and especially life insurance companies of the need to update the citizens' life insurance. The need for life insurance also can be said is that economic need, which means that a concrete and rational. The exceptional role is changing perceptions about offering life insurance. The perception is slowly changing, but not the intended speed. The reasons are numerous and a bit of that life insurance companies do not enunciate readiness for greater investment in media advertising and public in the promotion of their products, because the investment in the early years are not effected satisfactorily. Namely, break even in life insurance usually accomplished by the past 6 or 7 years.

The survey of the views of the users in this study utilized a descriptive research[75]. The field research was conducted with the technique formally structured communication. Structured communication between examiners (interviewers) and respondents (respondents) was conducted by questionnaire.

RESEARCH FUND AND DATA PROCESSING

1 The subject of the research were problems concerning the perceived needs of a specific population (age group), their views and opinions on the difficulties encountered in the system, decisions and actions they take, etc.
2 Survey of life insurance is conducted in Ohrid region, respondents were chosen random. We expect that this sample would be appropriate to generalize the results of the survey and to get an answer to the posed problem and hypothesis.

The collected data is processed by mathematical-statistical methods and procedures. The order of their application is determined by the methodology of scientific research. It is important to determine the timely elimination and inclusion of certain features that ensure a quality analysis of the research.

Ordering data according to Lankester in contingency tables[76] aims to find the subtle connection as well as the nonparametric size, and to prevent

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[75] The subject of the research were problems concerning the perceived needs of a specific population (age group), their views and opinions on the difficulties encountered in the system, decisions and actions they take, etc.

[76] Table of contingency is composed of two columns with two features: rating when choosing Life insurance and age of

the applicant. Both also include two modalities. Marginal amount represents the total number of marks. Through

contingency table can be seen that with age from 31 to 40 and from 41 to 50 years, while in empirical data prefer life

insurance experience and Supplemental Insurance of persons from accidents with life insurance, but theoretically

„loss“ of information. Thus, based on the frequencies real number joins in each class. Subordinates result has a normal distribution N (0,1), that is, the topic is normalized.

The copying of data from a lower scale to a higher scale, so to mark a subordinate normal distribution N (0,1) allows the procedure which in conjunction with the scale of proportions. On the basis of what is exposed, it is seen that the scaled data it is possible to be applied multivariation analysis of variation (MANOVA), discriminative analysis, Roj-t test and other indicator procedures and methods.

By finding the ratio of discrimination separate characteristics are separated which determine the specification of the group and features that should be excluded from further processing, thus reducing the observed area.

Assessing the homogeneity of the group and distance between them (Mahalanobis-this) is achieved with a precise analysis of the observed occurrence.

In addition to multivariant univariant procedures in analyzing the collected data, coefficient of discrimination, Student-t test of proportions are used.

Based on the estimation of the distance between homogeneous groups, a distance among the groups is specified. In the next step of the dendrogram, the mentioned grouping is presented. It allows, based on allocated properties, to determine which groups are close and which are not.

The above procedures are designed to identify the characteristics of each group, the homogeneity of the groups and the distance among the groups in terms of the defined feature, in order to derive reliable and accurate forecast.

To accept the initial hypothesis the critical value p = 0,1will be used. I That is, if p> 0,100, there is no reason not to accept the initial hypothesis. For rejection of the initial hypothesis, two bases of knowledge will be used.When 0,10> p> 0,05, an alternative hypothesis is accepted for increased risk of closing,

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obtained frequencies are not identical. But to be considered table as statistically significant differences between the

theoretical frequencies is necessary to evaluate the different statistical tests. These are: Hi-kvadtat test, Pearsonov test,

G-test, test and Bernard Fischer test.

when p <0,05 an alternative analys is accepted and it is said that there are significant differences.

RESEARCH RESULTS AND INTERPRETATION

In this survey we wanted to examine whether there are significant differences between the independent feature age (life expectancy of the individual) in reference to depending marking towards savings (the insurance).
Goals are defined by the following research tasks:
- To determine the frequency independent (age) compared to the dependent (affinity-saving insurance).
- Determining the differences and similarities, that is, the influence of independent variables on the dependent ones,
- Identifying the characteristics and homogeneity of independents in terms of dependent variables to determine the distance of dependent and independent variables.

The survey of life insurance is done in Ohrid region, a sample of 536 respondents, who have the following structure:

Half of respondents
- 277 males
- Females 259
- Total 536

Age of respondents:
Age 1 to 30 years, 129 subjects
Age 2 from 31 to 40 years 267 subjects
Age 3 from 41 to 50 years, 330 subjects
Age 4 years and over 51 237 respondents

Table No. 2-Number (n) and percentage (%) representation of respondents by sex

	Female	Male	Total
No.	259	277	536
%	48,32	51,68	100%

From the table it is evident that the research is conducted in a statistical sample of 536 respondents. The structure of the sample is comprised of two groups (female and male). According to the number, slightly more males present with 277 respondents (51.68%), compared to 259 respondents (48.32%).
Chart. 1-Structure of respondents by sex

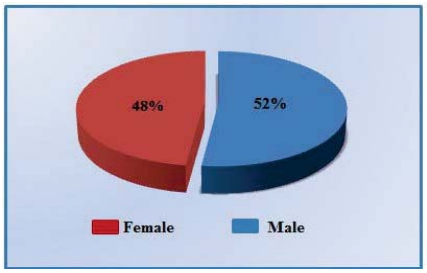
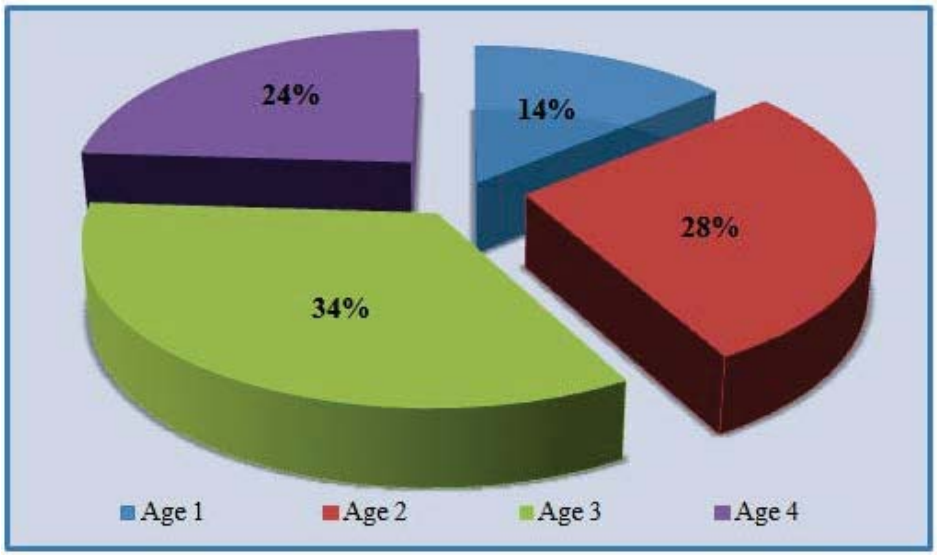


Table No. 3-Number (n) and percentage (%) of respondents representation by topic „What age group do you belong to?“

	Age 1 (30 g.)	Age 2 (31 to 40 g.)	Age 3 (from 41 to 50 g.)	Age 4 (51 and over)
No.	73	151	181	131
%	13,62	28,17	33,77	24,44

In Table. 3, the total number of respondents, the most typical age group is age group 3 with 181 (33.77%) respondents, followed by age group 2 to age 151 (28,17%) p = 0,074 respondents age 4 and age with 131 respondents (24 44% p = 0,007). Age group 1 is the least present. to age 73 respondents (13,62% p = 0,000).

Chart. 2



In further analysis we exclude the independent variable marriage (married/married, unmarried/single) because the changes are roughly similar to the variability in female and male.

Independent variable amount (the amount of personal and family income) is also excluded from further analysis because it is very similar (correspond) to the level of professional qualifications.

Thus, regardless of complete anonymity, the respondents to this question are not completely ready to respond honestly and in this way the collected data are unreliable. Much more reliable data on income (revenue) of consumers/users can be obtained from secondary sources (Institute of Statistics and Economic Chamber of Macedonia).

Given the different s ocio-economic and demographic characteristics of respondents, we only describe (our inner) profile consumer/user of the target market segment (market life insurance).

Profile insured a description of the relevant properties of the average user of the products and services of life insurance.

Analysis of research of arranged life insurance groups in certain age limits.

In this part of the research an analysis is conducted of the survey of life insurance by age, the age of the respondents.

Given the purpose of research, methodology and procedure established hypothesis in this part of the study, an analysis of the respondents' views is run. The sample of 536 respondents is divided into 4 sections (age) by age groups as follows: group 1 (30 years), group 2 (31 to 40 years), group 3 (41 to 50 years) and group 4 (51 and over). In this chapter we determine the existence of similarity, That is, the difference between groups in all or individual characteristics of the respondents' views. The procedure of analysis is carried out of the question: „Would you use the increase of your revenue FOR", and there are four solutions including: savings. (insurance), tou. tr. (tourist trip) buy.lux.(buying luxury products), other.

Table 4 shows the prevalence of individual levels of the views of respondents in the age groups of age (strs) the number (n) and percentage (%) values.

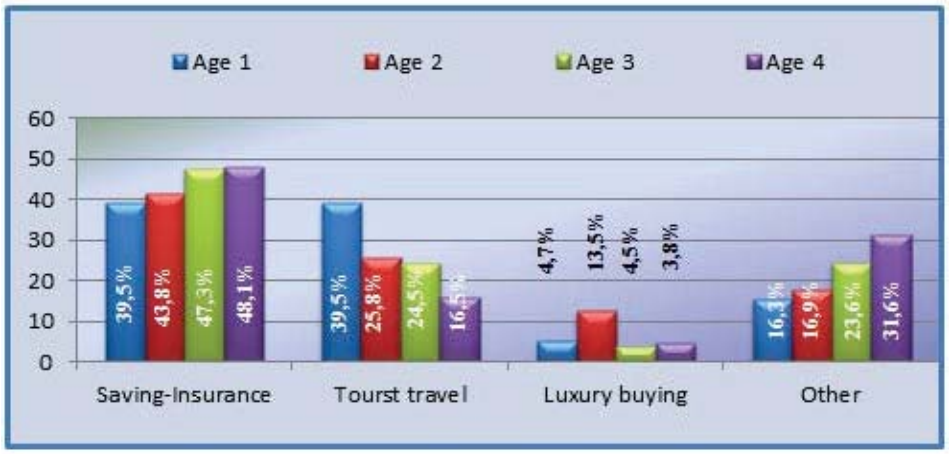
Table No. 4-The ratio of respondents to the question

	Saving		Tourist travel		Luxury buying		Other	
	No.	%	No.	%	No.	%	No.	%
Age 1	29	39,2	29	39,2	4	5,3	11	15,5
Age 2	63	41,7	39	25,8	19	12,6	30	17,9
Age 3	86	47,5	44	24,3	7	3,9	44	24,3
Age 4	63	48,1	21	16,0	6	4,6	41	31,3

savings. - insurance tourist travel - buying luxury products - other

In Table 1 it is evident that the question „Would you use the increase of your revenue FOR, the age“ age 1 is equal representation of „saving“ and „tourist travel“ consisting of 29 respondents (39.2%) out of 73 where the number is significantly larger than the emergence of position „left“ 1 subjects (15,5% p = 0,17), „luxury buying“ 4 cases (5,3% p = 0,00).

Chart. 3-Structure of the features according to age



Analysis of differences between different age groups in terms of attitudes about the question is perceived that there is a difference in the attitudes of respondents from group 1 and group 3 the question „Would you use the increase of your revenue FOR“ tourist travel (tourist trips) in group 1 29/73 (39.72%) higher than group 3 44/181 (24.31%). According to this, the hypothesis is rejected because PH4 p = 0,69 and an alternative is accepted.

Based on previous observations of samples from 536 subjects, in accordance with the method MANOVA, discriminative, Roy-t test and t-test and evaluation of the coefficient of discrimination, the question of respondents „Do you increase your revenue would used the „ON“ logic can be derived

characteristics for each of 4 groups. When p <.1 analysis and MANOVA discriminative (0.04) for this feature can say that there is some difference between the groups, there are dismissed both hypotheses PH1, PH2 and adopt alternative PA1, PA2. This means that among some age groups in terms of the attitude of respondents „Do you increase your revenue would use the „ON“ (ages 1,2,3,4) there is a significant difference, even among them there is some tightly defined border.

Based on the table of the analysis by MANOVA and coefficient of perceived discrimination that is observed reduced space. The greatest discrimination among characteristics of the question „Does increasing your income would use it for?“[77] (With a coefficient of 1.537 discrimination).

Characteristics of age group 1

The question „Would you use the increase of your revenue FOR“. Percentage of tourist travel greater than group 3 (39.2%, 24.3%) and group 4 (39.2%, 16.0%), which means more prone to tourist trips from groups 3 and 4, while the rest less than 4 group (15.5%, 31.3%).

Characteristics of age group 2

The question "Does increasing your income would use it for?" Percentage of luxury buying greater than group 3 (12.6%, 3.9%) and group 4 (12.6%, 4.6%), which means that this age group tends to buy luxury products, while the rest is less from group 4 (17.9%, 31.3%).

Characteristics of age group 3

The question „Would you use the increase of your revenue FOR?“. Percentage of tourist travel lower than group 1 (24.3%, 39.2%), and in luxury buying less than group 2 (3.9%, 12.6%) which means that the most prone to saving.

Characteristics of age group 4

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[77] Among other were asked the following questions: Do you think about signing a contract for life insurance?, Who is

the most adequate way of communicating with insurance companies for customer service from life insurance? (the line

right rank from 1 to 6) What kind of information from your insurance is the most important? and insurance companies

provide enough information about their services.

The question „Would you use the increase of your revenue FOR?" Percentage of tourist travel lower than group 1 (16.0%, 39.2%), and in luxury buying less than group 2 (4.6%, 12.6%), while the rest is greater than group 1 (31.3%, 15.5%) and group 2 (31.3%, 17.9%) which means that this group is prone to saving or insurance.

Table No. 5-Homogeneity of age groups to question the relationship

	m/No	%
Age 1 (30 years)	35/73	47,94
Age 2 (31 to 40 years)	57/151	37,75
Age 3 (from 41 to 50 years)	128/181	71,72
Age 4 (51 and ove)	103/131	78,63

Defining the characteristics of respondents indicate that in terms of the attitude of respondents „Do you increase your revenue would use „FOR" the group 1 is less homogeneity (47.945%) for 35 of the 73 have the characteristics of their group. In group 2 has 57 of the 151 respondents who have the same characteristics as their group homogeneity and 37,748% which is still lower than group 1, in group 3 homogeneity (70,718%) is significantly greater homogeneity because 128 of the 181 respondents have characteristics like their group. In group 4 homogeneity is highest (78,626%) for 103 of the 131 respondents have the same features.

Table No. 6-Distance (Mahalanobis) between age groups and position of Respondents „Would you use the increase of your revenue FOR"

	Age 1	Age 2	Age 3	Age 4
Age 1	0,00	0,05	0,00	0,32
Age 2	0,05	0,00	0,32	0,00
Age 3	0,00	0,32	0,00	0,20
Age 4	0,32	0,00	0,20	0,00

S calculated Mahalanobis-distances between age groups in terms of the attitude of respondents „Would you use the increase of your revenue FOR“ and based on the results shown in Table 6 can be said that the smallest distance between group 3 and group 1 (0,00) while the most distant age groups 3 and 2 (0,32).

Table No. 7-Grouping according to age groups in terms of attitudes about „Whether increasing your
revenue would use „ON“

level	of familiarity	
Age 1	Age 3	0,00
Age 2	Age 4	0,00
Age 1	Age 2	0,36

Based on the dendrogram shown we notice that most closely are groups 1 and 3 with distance 0.00, and the largest difference is between groups 1 and 2, a distance 0,36.

CONCLUSIONS

Based on the analysis, it is confirmed that:

- The age group 1, more prone to tourist trips, is more inclined to communicate through the presentation in the enterprise, when selecting an insurer (insurance company) trust the recommendation of close people, prefers concluding with insurer (in their representative).
- Age group 2, is inclined to buy luxury products, the leaning is towards immediate educational presentations and programs on TV and radio, with a choice of insurer has in mind safety and tradition, prefers concluding at home.
- Age group 3, the most prone to savings, preferred in press, the choice of the insurance company pays most attention to the size of the protection offered by companies and tradition prefers concluding at home.
- 4 age group and this group is less prone to saving prefers communicating through the press, the choice of insurer relies on personal experience, and equally preferred signing the insurance contracts at home and at the insurance companies.

For this purpose out is descriptive (quantitative) investigation using modern methods and principles through scientific research in all phases of the research project: from problem identification, setting goals and objectives of the

research, setting up hypotheses, defining key variables, designing the research, creation of research instruments, sampling from processing to analyze the collected data.

In the process of analysis used in modern mathematical-statistical methods: manytypes analysis variable (MANOVA), discriminative analysis, Roj-t test and Student-t test. This analysis wanted to give a framework for insurance companies to implement marketing winning market segments.

In the Republic of Macedonia there is no life insurance company that has prepared a program to ensure the elderly, people in the third age. The mentioned program or types of insurance are focused on the population of the age group between 50 to 80 years of age. There is a need on the part of the population, which was not covered with the available types of life insurance, or as a result of age limit they were not able to be insured. After all, no doubt on the horizon is a new target for insurance companies. The senior insurance is characterized by simplicity in making an insurance, because it is carried out without health questionnaire and without reference to medical examination.

Also, insurance is lifelong, but payment of the premium is 85 years later than the insured. So, insurance lasts till the end of life, it is only vaid in case of death.

The market for life insurance will be secure and stable future if we realize the anticipated scenario which involves European orientation, additional investments in infrastructure programs in the country, development of capital markets, attracting foreign capital, job creation and continuation of reform processes in pension and disability insurance.

From all these facts it is obvious that this way of saving a granite pillar of stability for each national economy and should be encouraged as it is encouraged in the EU countries and in the developed world.

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THEORIC ASPECTS OF NON EQUILIBRATION OF BALANCE OF PAYMENT

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Abstract

Balance of payment has a significant interest for the international community, because it shows the transactions of a country with "the world". It is a difficult enterprise to pretend to analyze in a detailed way the problems of balance of payment. The aim of this study is to show the full evidence of the problems related with the construction, interpretation and use of statistics to external balance of payments, and also to show the way how they may be limited. We are tried to create a generalizing paper using the following methods: The manual to statistics of payment balance, the reporting system of international transactions (Albania Central Bank), Finance Ministry, Statistics Institution (INSTAT). The study structure handles:1.The problems of external balance of payment, 2.High trade deficits and other factors that have influenced it. As a result, there have to be improvements on the strategy that people, who think for the expansion and the improvement of Albania economy, follow. This strategy has an important impact on the transparent problems of payment balance, because we founded an unsustainable increase/decrease of the actors that play the key role in Albanian economy. We can conclude for some macroeconomic indexes that testify for the stabilization policy of the country and that these factors directly or indirectly have influence on balance of payment.

Key-words: *Balance payment, transactions, trade deficit, equilibration, strategy, problems, statistics, methods.*