International Journal of Economics, Management and Tourism

GOCE DELCEV UNIVERSITY OF STIP

FACULTY OF TOURISM AND BUSINESS LOGISTICS

INTERNATIONAL JOURNAL OF ECONOMICS, MANAGEMENT AND TOURISM

VOL. 1 NO. 1

2021

ISSN 2671-3810 online version

Publisher:
Faculty of Tourism and Business Logistics
Goce Delchev University of Shtip
“Krste Misirkov” no.10-A P.O. Box 201 Shtip 2000, North Macedonia
Tel: +389 32 550 350
www.ftbl.ugd.edu.mk
www.ugd.edu.mk

Editor in chief:
Tatjana Boshkov, Ph.D.

Editor:
Natasha Miteva, Ph.D.

Technical editor:
Cvetanka Ristova Maglovska, Ph.D.
Dushko Joseski, Ph.D.

The International Journal of Economics, Management and Tourism (IJEMT) is peer-reviewed and issued two times per year, in both print and online versions at the following website of the web portal of Goce Delcev University in Stip: https://js.ugd.edu.mk/index.php/ijemt/index. The official language for papers is English language.

IJEMT DOI: https://doi.org/10.46763/IJEMT

IJEMT Vol.1 No. 1 DOI: https://doi.org/10.46763/IJEMT2111

Editorial Board:
Prof. Tatjana Boshkov, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia
Assist. Prof. Natasa Miteva, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia
Assist. Prof. Cvetanka Ristova Maglovska, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia
Assist. Prof. Dusko Joseski, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia
Prof. Ana Jurcic, Ph.D., Faculty of Business & Economics, Department of Management & Law, Modern College of Business & Science
Prof. Jasmina Starc, Ph.D., Faculty of Business and Management Studies, University of Novo Mesto, Slovenia
Prof. Mirela-Elena Mazilu, Ph.D., Department of Geography, Director of Research Center in Innovative and Regional Tourism, University of Craiova, Romania
Prof. Kanita Imamovic-Cizmic, Ph.D., Faculty of Law, University of Sarajevo, Bosnia and Herzegovina
Prof. Slavi Petrov Dimitrov, Ph.D., Faculty of Economics, University St. Cyril and St. Methodius of Veliko Tarnovo, Bulgaria
Prof. Kemal Cebeci, Ph.D., Faculty of Economics, Department of Public Finance, Marmara University, Turkey
Prof. Sonja Cindori, Ph.D., Department of Financial Law and Financial Science, Faculty of Law University of Zagreb, Croatia
Prof. Boban Melovic, Ph.D., Faculty of Economics, University of Montenegro, Montenegro
Prof. Anton Vorina, School of Economics, Vocational College, Celje, Slovenia
Prof. Misko Djidrov, Ph.D., Goce Delcev University of Stip, Faculty of Mechanical Engineering, Stip, North Macedonia
Prof. Nikolas L. Hourvouliades, Ph.D., Americal College of Thessaloniki, Greece
Assist. Prof. Zarko Radjenovic, Ph.D., University of Nis, Innovation Center, Serbia
Prof. Madalina Teodora Andrei, Ph.D., Hyperion University, Faculty of Social, Humanities and Natural Sciences, Department of Geography, Romania
Biljana Conevska Gunjovska, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia
Prof. Nazmiye Erdogan, Ph.D., Director of Vocational School of Social Science, Head of Tourism and Management, Department of Tourism Management, Ankara, Turkey
Prof. Adam Pawlics, Ph.D., Chair of Tourism Management Department, Szczecin University, Poland
Prof. Rabi Kar, Ph.D., Associate Professor, Department of Commerce, University of Delhi, New Delhi, India
Prof. Tamara Klicek, Ph.D., National Taiwan University European Center and MOFA Foreign Schoolar, Taiwan
Prof. Iuliana Pop, Ph.D., University of Economics Studies, Bucharest, Romania
Prof. Stefan-Emil Ionescu, Ph.D., Military Technical Academy, Bucharest, Romania
Prof. Marta Borowska-Stefanska, Ph.D., University of Lodz Faculty of Geographical Sciences, Institute of the Built Environment and Spatial Policy, Poland

Prof. Paolo Reis Mourao, Ph.D., Economics & Management School, Department of Economics & NIPE, University of Minho, Portugal
Prof. Mazhar Abbas, Ph.D., College of Business Administration, Department of Management & MIC University of Ha'il Saudi Arabia
Prof. Drago Cvijanović, Ph.D., University of Kragujevac, Faculty of Hotel Management and Tourism in Vrnjacka Banja, Serbia

TABLE OF CONTENTS

FOREWORD 7

Dejan Metodijeski; Oliver Filiposki
ANALYSIS OF WINE TOURISM OFFER IN NORTH MACEDONIA 0

Nikola Dimitrov
IDENTIFICATION DEFINITION, DETERMINATION AND PROMOTION OF LARGE MOUNTAIN TOURIST REGIONS IN THE WORLD 10

Dushko Josheski; Tatjana Boshkov
SIMULATING THE DIAMOND-PISSARIDES-MORTENSEN MODEL: SEARCH MODEL THAT GIVES REALISTIC ACCOUNT OF UNEMPLOYMENT 21

Dushko Kocev
OUTSOURCING STRATEGY: OUTSOURCING THE FINANCE AND ACCOUNTING FUNCTION BY SMEs 44

Marija Magdinceva Sopova & Aneta Stojanovska Stefanova
THE IMPACT OF COVID PANDEMIC AND THE POLICY ACTION FOR RECOVERY OF THE SMALL AND MEDIUM ENTERPRISES 54

Cane Koteski; Blerta Zimeri
WINTER TOURISM IN NORTH MACEDONIA AND ITS IMPACT IN THE ECONOMIC GROWTH 63

Flori Asani; Perparim Qahili
SALT AND SEASONINGS AS A FOOD PRODUCTS 67

Baton Zimeri; Erda Shabani
TREND OF GROSE POLISED PREMIUMS ACCORDING TO INSURANCE CLASSES. COMPARATION 2020 WITH 2019 73

Manuscript received: 25.12.2021
Accepted: 30.12.2021

International Journal of Economics, Management and Tourism
Vol 1, No. 1, pp.
Online: ISSN **2671-3810**
UDC: 368.025.11(497.7)"2019/2020"
DOI:https://doi.org/10.46763/IJEMT2111081z
Review paper

TREND OF GROSE POLISED PREMIUMS ACCORDING TO INSURANCE CLASSES. COMPARATION 2020 WITH 2019

Baton Zimeri, baton.zimeri@hotmail.com
Erda Shabani, shabanierda@gmail.com

Abstract
The purpose of this work is to introduce with the parameters or the amounts of the premium for two consecutive years of non-life insurance companies which give us a clear insight and controls of the moving trends in the Republic of North Macedonia. With the analysed parameters we get clear guidelines and better directions for better management in order to increase the stability, representation and profitability of the insurance sector.

The current figures and numbers confirm that insurance is a serious, stable and loyal partner of the citizens, the economy and in general of the whole society of our country. Insurance is included in a lot of spheres of human activity. These growths are followed with increasing the number of participants in the insurance sector or the number of insurance companies as its main pillar. The aim is to take a decisive step to pave the way to an industry that conquers the industrial market by offering a wide range of specific, stable insurance products, designed and created according to customer requirements.

By analysing the data from the two consequence years we get the clear target of where we should be focused in order to maximize the measures we take.

Key words: Insurance, grose premium, risks, premium parameters.

Gross written premium 2019-2020

GWP(Gross written premiums) in insurance and reinsurance of non-life insurance companies includes all amounts of premiums that are agreed (policy) in the current accounting period, whether they fully or partially refer to the following period, while in life insurance the total policy premium includes all premiums paid up to the end of the accounting period. In 2020, the GWP was realized in the total amount of 8.3 billion denars (Table 1), which is a decrease of 4.89% compared to the GPP realized in 2019 (2019: 8.8 billion denars).

Table nr.1

Insurance class	Gross written premium 2020	Gross written premium 2019	20/19
Insurance from injuries	784.395	694.160	
Health insurance	273649	188.885	
Vehicles insurance	823.735	838.236	
Insurance of aicrafts	9.084	53.321	
Insurance of floating objects - CascoO	1104	565	95,4%
Insurance of goods during transport - kargo	84696	81562	3,84%
Property insurance – from fire	768 207	751603	2,21%

Manuscript received: 25.12.2021
Accepted: 30.12.2021
International Journal of Economics, Management and Tourism
Vol 1, No. 1, pp.
Online: ISSN **2671-3810**
UDC: 368.025.11(497.7)"2019/2020"
DOI:https://doi.org/10.46763/IJEMT2111081z
Review paper

Others forms of property insurance	1.092.265	1.020.788	7%
TPL	4.136.297	4.577.080	-9,63%
Liability insurance while using aicrafts	6.787	14.336	-52.66%
Liability insurance – floating objects	2.709	3.063	-11.56%
Other forms of liability insurance	211.970	226.948	-5,6%
Kredits	25.158	12.927	94,62%
Insurance of warranties	536	1241	-56,81%
Insurance from financial losses	64478	67203	-4.05
Legal protectio	8	5	60%
Trawel insurance (assistance)	76325	220692	-65,42
TOTAL	8.325.403	8.752.625	-4.89%

Source:ACO

The negative trend is present in most insurance products with some exceptions in certain products where, despite the general crisis as a result of the Covid pandemic, we have some increase.

Table nr. 2: Gross written premiums by nonlife insurance companies(thousands denars)

		Gross written premium		Trend	Participation in total GWP	
		2020	2019	20/19	2020	2019
1	Triglav	1231614	1424892	-13,56	14,79%	16,28%
2	Eurolink	963579	1013069	-4,89	11,57%	11,57%
3	Macedonia	862860	927978	-7,02	10,36%	10,60%
4	Sava	848.398	886.426	-4,29%	10,19%	10.13%
5	Uniqa	827544	823176	0,53%	9,94%	9,40%
6	Halk	821.730	523.287	57,03%	9,87%	5,98%
7	Euroins	726.996	813.562	-10,64%	8,73%	9,30%
8	Winner	712.129	808.989	-11,97%	8,55%	9,24%
9	Insurance policy	602.980	710.064	-15,08%	7,24%	8,11%
10	Croatia non-life	%	459102	0,36	5,53%	5,25%
11	Grawe non-life	266817	362.080	-26,31%	3,20%	4,14%

Source:ACO

Motor vehicle insurance has a significant share in the total gross premium with a share of 49.28% in 2019, of which 51.17% consists of the mandatory motor third party liability insurance (AO), which participates with 41.09% (2019 , 43.25% and from voluntary motor vehicle insurance, ie casco insurance which participates with 8.18% or 7.92% in 2019. An important place in the amount of gross written premium has the property insurance which participates with 18, 48 % or 16.75% in 2019.

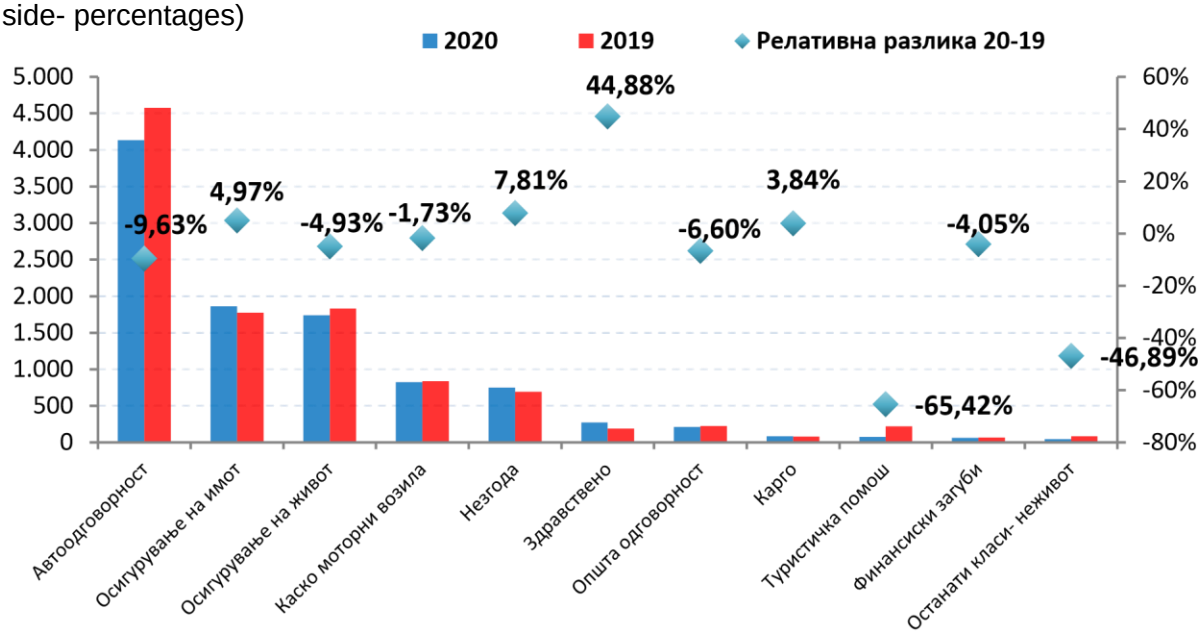
Manuscript received: 25.12.2021
Accepted: 30.12.2021
International Journal of Economics, Management and Tourism
Vol 1, No. 1, pp.
Online: ISSN **2671-3810**
UDC: 368.025.11(497.7)"2019/2020"
DOI:https://doi.org/10.46763/IJEMT2111081z
Review paper

A decline in GWP of 9.63% compared to 2019 was recorded in the class of car liability insurance (TPL- Third party liability), with a total premium of 4.14 billion denars (2019: 4.58 billion denars) and a decrease in the number of concluded contracts by 12.63%, as well as by motor insurance casco with a decrease of 1.73% and total premium in the amount of Denar 823.73 million (2019: Denar 838.24 million), amid simultaneous increase in the number of concluded contracts of 0.43%. Property insurance increased by 4.97% with GWP at Denar 1.86 billion (2019: Denar 1.77 billion), amid simultaneous growth in the number of concluded contracts by 3.75%. Analyzing by groups, natural persons registered an increase of 1.91% in the concluded contracts, followed by an increase of 4.49% of GRP, while in legal entities there was an increase of 9.81% in the concluded contracts and an increase of 5, 73% of GDP. Within the property insurance, the agricultural insurance registered a decrease of 1,37% in the number of concluded contracts and an increse of 24,81% in the realized GWP for agricultural insurance which amounts is 482,53 million denar(2019 GWP ; 386,63 milion denars).

There is a big increase in 2020 in the sale of health insurance with 10,706 concluded health insurance contracts with a total GWP of 273.65 million denars, which compared to 2019 is an increase of 35.60% in the number of concluded contracts, ie an increase of 44.88% of the total GWP. This type of insurance becomes one of the priority goals where, among other things, it contributes to the direction of companies towards people.

An additional impetus for this type of insurance was given by the crisis caused by Covid-19 which affected the whole world. The pandemic helped to raise the awareness of societies and give them a different and more complex look, and thus a different approach to health services, and pointed out the advantages and benefits of this type of insurance.

Graf nr. 1 : Trends of gross written premiums by insurance classes(millions of dennars; right side- percentages)



Извор: *АСО*

Financial results

Manuscript received: 25.12.2021 International Journal of Economics, Management and Tourism
Accepted: 30.12.2021 Vol 1, No. 1, pp.
Online: ISSN **2671-3810**
UDC: 368.025.11(497.7)"2019/2020"
DOI:https://doi.org/10.46763/IJEMT2111081z
Review paper

During 2020, the insurance sector made a profit in the amount of Denar 456.81 million, compared to the realized profit in the amount of Denar 25.37 million in 2019. The non-life insurance companies made a profit of Denar 273.81 million (2019: loss of Denar 125.91 million), which results from the result of ten companies that made a profit of Denar 341.83 million and one company that made a loss of Denar 271.83 million. of 67.72 million denars.
Life insurance companies made a profit of 177.86 million denars (2019: profit of 100.54 million denars), which results from the result of four companies that made a profit of 198.64 million denars and one company that realized a loss in the amount of Denar 20.79 million. The improvement in profitability in the non-life insurance segment is the result of several movements. Namely, the reduction of the gross reserves for portable premiums in 2020 is visible, which has a positive impact on the revenues from the earned premium in 2020, compared to the same realized in 2019.

Then, the decrease of the net damages in 2020 is evident compared to 2019 (this decrease is, primarily, a result of the reduced activity and the undertaken risks in the insurance, in a period when the measures for restrictions and prohibitions for travel abroad are in force and economic downturn due to pandemic).

An additional factor for the high profitability of life insurance companies is the temporary regulatory framework created by the ISA during the pandemic, in order to make corrections for late payments (which are a cost in the operation of each company) with extended deadlines, which obviously improve the financial statements of companies in 2020 (ie until the entry into force of the temporary regulation).

Improving the profitability of life insurance companies is for reasons similar to non-life insurance companies. The growth of the mathematical reserve in 2020 is significantly smaller compared to the growth of the same in 2019. The growth of the mathematical reserve affects the increase of the total expenditures in the period.

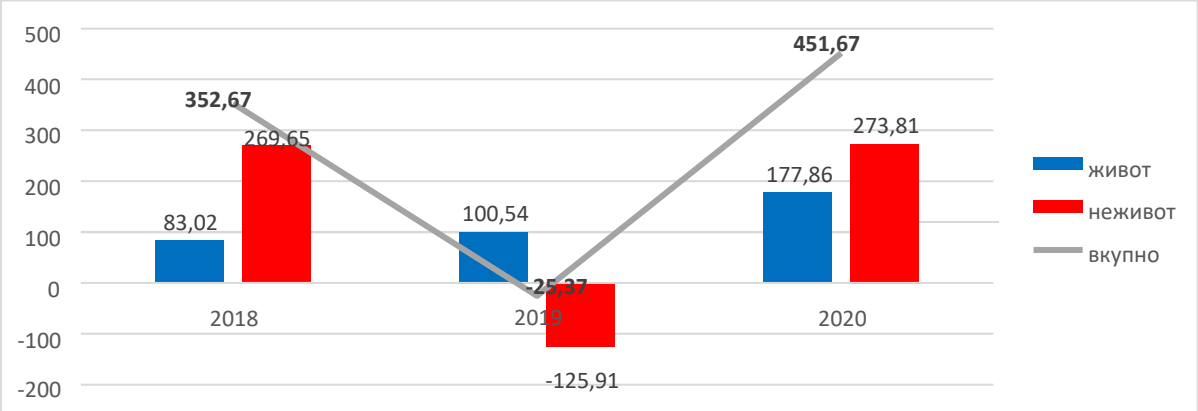
The large variations in the profitability of the non-life insurance segment (if we analyze Chart 13 for the years 2018, 2019 and 2020), result from the significant improvement of the profitability in 2020 of two non-life insurance companies, which during 2019 performed significantly increase in the amounts of provisions for claims (liabilities), which contributed to end 2019 with large losses.

In addition, during 2019, the two insurance companies performed accounting harmonization of the value of real estate with the requirements of the amended rulebook, reducing their value significantly. In both companies there were ownership changes, recapitalizations and changes in operations, which led to the financial results achieved in 2020 to be much better compared to 2019.

Graf np. 2: Financial results of insurance companies(millions od denars)

Manuscript received: 25.12.2021
Accepted: 30.12.2021

International Journal of Economics, Management and Tourism
Vol 1, No. 1, pp.
Online: ISSN **2671-3810**
UDC: 368.025.11(497.7)"2019/2020"
DOI:https://doi.org/10.46763/IJEMT2111081z
Review paper



Source:ACO

Indicators of the insurance sector

The indicators in the insurance activity are used for better monitoring of the work of the insurance companies. The coefficient of claims is calculated as the ratio between the incurred damages in the period and the premium, and the cost coefficient is the ratio between the costs of implementing insurance and the premium. The sum of these two coefficients is given by the combined coefficient. In more detail, by insurance groups in table no. 15 are presented the ratios on a gross basis and on a net basis, ie after isolating the reinsurance effect.

Табела бр. 17: Technical coefficient

	2020			2019		
	Damage coefficient	Costs coefficient	Combined coefficient	Damage coefficient	Costs coefficient	Combined coefficient
Nett coefficients						
Non- life	47,82%	51,41%	99,23%	52,50%	51,46%	103,96%
Gross coefficients						
Non life	50,09%	45,16%	95,25%	47,94%	45,44%	93,38%

Source:ACO