TCIP National Insurance Perspective of Kahramanmaras Earthquakes
13 June 2023, Bergamo, Italy
PURPOSE OF TCIP

OBJECTIVE

- Insurance Coverage at reasonable prices for people with average income
- Less government expenditure for catastrophes
- Ground for long term fund accumulation
- Sharing the financial burden of earthquake with reinsurance markets
- Improvement of risk culture and insurance consciousness in public
- Coordination of 37 Insurance Companies and about 17,000 agencies to issue Compulsory Earthquake Policy
- Loss assessment and payment of indemnities in case of an earthquake

PAYMENT CAPACITY

- DASK has enough protection & claim payment capacity in case of an earthquake
  - Accumulated Earthquake Reserve
  - Reinsurance protection
- Whole Reinsurance protection is provided by reputable Reinsurers and Insurers.
- Claim payment capacity of TCIP is TL 117 Billion in 2022-2023
**PRODUCT**

**Product concept** ➔ **Singularity**

- Line
- Peril
- Risk
- Provider

**Property** ➔ **Earthquake** ➔ **Residential Buildings** ➔ **TCIP**

**Product feature** ➔ **Simplicity**

- Understanding
- Access
- Pricing
- Click Product
- Post-sales Operations

**Simple Tariff**

- Risk Groups
- Construction Type
- m² of apartment
- Number of Storeys

**BEST PRICE Guaranteed**
# GLOBAL ROLE MODEL

<table>
<thead>
<tr>
<th>SUSTAINED LOW PRICES</th>
<th>IMPROVED PENETRATION</th>
<th>STRONG RESERVES</th>
<th>INCREASED PUBLIC AWARENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AVERAGE</strong></td>
<td><strong>FROM</strong></td>
<td><strong>ABOUT</strong></td>
<td><strong>OVER</strong></td>
</tr>
<tr>
<td><strong>TL 305</strong></td>
<td><strong>4% TO 59%</strong></td>
<td><strong>TL 15 BILLION</strong></td>
<td><strong>90%</strong> BRAND AND PRODUCT</td>
</tr>
<tr>
<td><strong>RELEASE ON NATIONAL BUDGET</strong></td>
<td><strong>LOW OPERATIONAL COST</strong></td>
<td><strong>MARKET DEVELOPER</strong></td>
<td><strong>EFFECTIVE PUBLIC-PRIVATE-PARTNERHIP STRUCTURE</strong></td>
</tr>
<tr>
<td><strong>TL 117 BILLION</strong></td>
<td><strong>LESS THAN 2%</strong></td>
<td><strong>2ND LOB</strong></td>
<td><strong>HAS BECOME</strong></td>
</tr>
<tr>
<td><strong>CLAIM PAYMENT CAPACITY</strong></td>
<td><strong>11,8 MILLION EARTHQUAKE POLICIES</strong></td>
<td><strong>5 MILLION HOMEOWNER POLICIES</strong></td>
<td><strong>A GLOBAL ROLE MODEL</strong></td>
</tr>
</tbody>
</table>
COMPLEXITY IN NAT-CAT OPERATIONS

1. LOSS ASSESSMENT PROCESS
2. LOSS ADJUSTER MANAGEMENT
3. OPERATION CENTER MANAGEMENT
4. OPERATION COORDINATION MANAGEMENT

Loss Adjusters Executive Board
AKOM
Governorates, Municipalities ve Local Authorities
Call Centers
Transportation Companies
Telecommunication Companies
Catering Firms
Hotels
Security Firms
Cargo and Courier Firms
Mobil Banc Transactions

Operation Center
TCIP Secondary Operations Center

Brokers

Minister of Treasury and Finance
Insurance Association of Turkey
Insurance Companies
AFAD
Environment And Urbanization TOBB

Pool’s Management Company

START
EARLY ASSESSMENT – FINANCIAL ANALYSIS
APPOINTMENT
COMMUNICATION WITH PARTNERS
COORDINATION WITH FINANCIAL INSTITUTIONS
COORDINATION WITH PUBLIC OFFICES
FOLLOW UP

EARLY LOSS ASSESSMENT
ADJUSTER LOGISTICS
VALUATION
APPROVAL
PAYMENT

OPERATION MANAGEMENT
RESOURCE MANAGEMENT

COMPLAINT/PERFORMANCE MANAGEMENT
EARLY ASSESSMENT/CLAIM MANAGEMENT
CAT RESPONSE PLAN

START
EARLY ASSESSMENT – FINANCIAL ANALYSIS
APPOINTMENT
COMMUNICATION WITH PARTNERS
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APPROVAL
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COMPLAINT/PERFORMANCE MANAGEMENT
EARLY ASSESSMENT/CLAIM MANAGEMENT
CAT RESPONSE PLAN
TCIP VISION OF TECHNOLOGY & OPERATIONAL EXCELLENCE

- Increasing Penetration
- Improving CAT Management
- Digital Brand for CAT Operational Management
- Strong Coordination with Stakeholders and Continuous Public Relation Activities
- Extended Use of GIS
- Use of Artificial Intelligence

- Financial Management
- Operational Management
- Robust Platform
- Contingency Resources
- Improving Coordination
- Effective Use of Check Points
- Use of Improved Methodologies and Risk Reduction Studies

- 10.8 Million Policies
- 100% Penetration
- 100%

- Increasing Penetration
- Operational Excellence
- Protection/Claims
- Trust
- Success

- Global Challenge
- Contingency Capacity
## INDEMNIFICATIONS BY YEARS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO OF EQ</th>
<th>CLAIM FILES</th>
<th>PAYMENT (TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1</td>
<td>6</td>
<td>23,022</td>
</tr>
<tr>
<td>2001</td>
<td>17</td>
<td>336</td>
<td>126,052</td>
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<tr>
<td>2002</td>
<td>21</td>
<td>1,558</td>
<td>2,292,146</td>
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<tr>
<td>2003</td>
<td>20</td>
<td>2,504</td>
<td>5,203,990</td>
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<tr>
<td>2004</td>
<td>31</td>
<td>587</td>
<td>768,927</td>
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<tr>
<td>2005</td>
<td>41</td>
<td>3,489</td>
<td>8,134,352</td>
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<tr>
<td>2006</td>
<td>23</td>
<td>500</td>
<td>1,303,673</td>
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<tr>
<td>2007</td>
<td>42</td>
<td>997</td>
<td>1,492,767</td>
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<tr>
<td>2008</td>
<td>45</td>
<td>496</td>
<td>2,060,526</td>
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<tr>
<td>2009</td>
<td>37</td>
<td>268</td>
<td>525,174</td>
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<tr>
<td>2010</td>
<td>37</td>
<td>461</td>
<td>936,100</td>
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<tr>
<td>2011</td>
<td>42</td>
<td>7,936</td>
<td>146,285,153</td>
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<tr>
<td>2012</td>
<td>56</td>
<td>1,667</td>
<td>5,969,731</td>
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<tr>
<td>2013</td>
<td>23</td>
<td>174</td>
<td>964,858</td>
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<tr>
<td>2014</td>
<td>37</td>
<td>831</td>
<td>4,802,426</td>
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<tr>
<td>2015</td>
<td>33</td>
<td>299</td>
<td>991,201</td>
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<tr>
<td>2016</td>
<td>27</td>
<td>204</td>
<td>893,911</td>
</tr>
<tr>
<td>2017</td>
<td>45</td>
<td>2,055</td>
<td>9,206,265</td>
</tr>
<tr>
<td>2018</td>
<td>57</td>
<td>254</td>
<td>889,000</td>
</tr>
<tr>
<td>2019</td>
<td>96</td>
<td>9,720</td>
<td>84,022,218</td>
</tr>
<tr>
<td>2020</td>
<td>164</td>
<td>60,238</td>
<td>969,436,772</td>
</tr>
<tr>
<td>2021</td>
<td>108</td>
<td>2869</td>
<td>35,499,838</td>
</tr>
<tr>
<td>2022</td>
<td>102</td>
<td>17,498</td>
<td>183,967,899</td>
</tr>
<tr>
<td>2023</td>
<td>4</td>
<td>336,196</td>
<td>26,032,388,368</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,109</td>
<td>451,143</td>
<td>27,498,184,369</td>
</tr>
</tbody>
</table>
EQ OPERATIONS – LAST 3 YEARS

October 30th 2020 İzmir/Seferihisar
- Total Claims ~31 K files
- Claims Paid TL 435 mio

Jan 24th & Dec 27th 2020 Elazığ
- Total Claims ~40 K files
- Claims Paid TL 392 mio

September 26th 2019 İstanbul, 5.8 Silivri offshore
- Total Claims ~16 K files
- Claims Paid TL 70 mio

November 23th 2022 (5,9) Düzce / Gölyaka
- Total Claim Files 17.160
- Claims Paid TL 165 mio
EQ OPERATIONS – KAHRAMANMARAS EARTHQUAKE

February 6th 2023 (7.6 and 7.7) Kahramanmaraş / Elbistan and Pazarcık
- Total Claim Files 511,344
- Claims Paid over TL 24 Billion

* As of 15th May
# Penetration At Earthquake Regions

As of Feb 6th

## East Anatolia

- **Kahramanmaraş**: Number of Policy - 113,347, Cover (TL) - 16,707,106.828, Penetration (%) - 54
- **Adana**: Number of Policy - 222,159, Cover (TL) - 40,980,901.552, Penetration (%) - 46
- **Adıyaman**: Number of Policy - 40,107, Cover (TL) - 7,741,194.568, Penetration (%) - 45
- **Elazığ**: Number of Policy - 80,151, Cover (TL) - 17,187,269.444, Penetration (%) - 59
- **Malatya**: Number of Policy - 98,618, Cover (TL) - 19,422,569.208, Penetration (%) - 52

## Southeast Anatolia

- **Diyarbakır**: Number of Policy - 78,904, Cover (TL) - 17,965,382.544, Penetration (%) - 34
- **Sanlıurfa**: Number of Policy - 105,219, Cover (TL) - 17,364,013.704, Penetration (%) - 53
- **Osmaniye**: Number of Policy - 43,252, Cover (TL) - 7,766,255.842, Penetration (%) - 43
- **Gaziantep**: Number of Policy - 219,644, Cover (TL) - 33,397,152.676, Penetration (%) - 65
- **Hatay**: Number of Policy - 126,852, Cover (TL) - 22,897,877.692, Penetration (%) - 40
- **Kilis**: Number of Policy - 14,996, Cover (TL) - 1,953,594.296, Penetration (%) - 60

**Total**: Number of Policy - 1,143,249, Cover (TL) - 203,383,318.354, Penetration (%) - 52

Average: %50
## INDEMNIFICATIONS FOR KAHRAMANMARAS EQ

Incurred Loss as of 15.05.2023

<table>
<thead>
<tr>
<th>Extent of Damages</th>
<th>Paid claim files #</th>
<th>Indemnity (TL)</th>
<th>Average Indemnity (TL)</th>
<th>Indemnity Ratio</th>
<th>Total Claim Files #</th>
<th>Total Claim Files Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slight Damage</td>
<td>194.229</td>
<td>6.234.662.976</td>
<td>32.100</td>
<td>26%</td>
<td>375.465</td>
<td>73%</td>
</tr>
<tr>
<td>Moderate Damage</td>
<td>34.197</td>
<td>2.848.521.800</td>
<td>83.297</td>
<td>12%</td>
<td>40.170</td>
<td>8%</td>
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<tr>
<td>Collapse, Extensive Damage and Partially Collapse</td>
<td>77.920</td>
<td>15.137.488.617</td>
<td>194.270</td>
<td>62%</td>
<td>95.709</td>
<td>19%</td>
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<td><strong>Total</strong></td>
<td><strong>306.346</strong></td>
<td><strong>24.220.673.393</strong></td>
<td></td>
<td></td>
<td><strong>511.344</strong></td>
<td></td>
</tr>
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### Number of Pay-Out Claim Files by Extent of Damages

- **Collapse, Extensive Damage and Partially Collapse**: 77,920
- **Moderate Damage**: 34,197
- **Slight Damage**: 194,229

### Indemnity Ratio

- **Slight Damage**: 62%
- **Moderate Damage**: 12%
- **Collapse, Extensive Damage and Partially Collapse**: 26%
INDEMNIFICATIONS FOR KAHRAMANMARAS EQ (continue’d)

Incurred Loss as of 15.05.2023

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Indemnification by Extent of Damages

Number of Notifications

![Chart showing indemnification by extent of damages and number of notifications over weeks.](chart.png)
INDEMNIFICATIONS FOR KAHRAMANMARAS EQ (continue’d)

Indemnification Ratio by Extent of Damages in Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Slight Damage</th>
<th>Moderate Damage</th>
<th>Collapse, Extensive Damage</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADANA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADIYAMAN</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>DIYARBAKIR</td>
<td></td>
<td></td>
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<tr>
<td>ELAZIĞ</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>GAZİANTEP</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>HATAY</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>KAHRAMANMARAS</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>KILIS</td>
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<tr>
<td>MALATYA</td>
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<tr>
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<tr>
<td>ŞANLIURFA</td>
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</tr>
</tbody>
</table>

Total Indemnification by Location

- Slight Damage
- Moderate Damage
- Collapse, Extensive Damage
INDEMNIFICATIONS FOR KAHRAMANMARAS EQ (continue’d)

Number of Claim Files Ratio by Extent of Damages in Cities

Total Number of Claim Files by Location

Legend:
- Slight Damage
- Moderate Damage
- Collapse, Extensive Damage

Gösterge
- Slight Damage
- Moderate Damage
- Extensive Damage, Partially Collapse and Collapse