

# Natural Catastrophes Insurance Cover

## Individual System Summary Updates

As of [January, 2019]

<b>1</b>	<b>The name of the Cover</b>	Turkish Catastrophe Insurance Pool - TCIP
<b>2</b>	<b>Cover Purchase / Distribution Channels</b>	Compulsory Earthquake Insurance policies are issued on behalf of TCIP through authorized insurance companies and their agencies.
<b>3</b>	<b>Coverage</b> (incl. perils, sum insured & premium etc.)	<p>The Compulsory Earthquake Insurance is an insurance system developed for the dwellings remaining within the borders of the municipality.</p> <p>TCIP indemnifies the material damages which are caused by earthquakes and the fires, explosions, tsunami and landslide that are caused directly by the earthquake within the limits stated in the policy.</p> <p>TCIP provides maximum amount of insurance which is determined every year as per the increase in the construction costs. Maximum sum insured amount given by TCIP is 190.000 TL for all building types as of 17 January 2018.</p> <p>The premium amount for The Compulsory Earthquake Insurance is determined according to Compulsory Earthquake Insurance Tariff and Instructions. There are 15 tariff rates which are determined according to 5 risk zones and 3 different building styles. While determining the earthquake zones, "Turkey's Earthquake Regions Map" is taken as basis.</p>
<b>4</b>	<b>Claim Criteria / Loss Trigger</b>	After the claim notification following an earthquake, independent loss adjusters, who are appointed on behalf of TCIP are sent to the building to assess the damage. The indemnity payments which are determined as a result of these assessments are made directly by TCIP.
<b>5</b>	<b>Current Risk Assuming and Transferring structure</b> (see following diagram)	Risk charge depends primarily on the probable maximum loss (PML), In the case of the TCIP, the PML is defined as the largest likely loss to insured dwellings from an earthquake with a 250 year return period. The pool has an excess of loss treaty. The payment capacity of TCIP in a single event is almost 18 billion TL (3,4 billion USD) as a combination of its own resources and reinsurance protection.

<b>6</b>	<b>Recent Loss events</b>	The total amount of indemnity payment is almost 173 million TL since 2000. The most notable event since the establishment of the system occurred in the Eastern Anatolia Region in 2011. Almost 150 million TL paid to insureds in Van earthquake. Since then, TCIP have paid about 20 million TL for some small events.
<b>7</b>	<b>Latest take-up rate</b> (Penetration rate)	TCIP has a %50 of take up rate in Compulsory Earthquake Insurance.
<b>8</b>	<b>Current Accumulate reserves</b> (fund)	7.5 billion TL (1.4 billion USD)
<b>9</b>	<b>Website/ annual report Linkage</b>	<a href="http://www.tcip.gov.tr">www.tcip.gov.tr</a> <a href="https://www.tcip.gov.tr/content/annualReport/DASK16_ENGdizgiSON.pdf">https://www.tcip.gov.tr/content/annualReport/DASK16_ENGdizgiSON.pdf</a>