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ACHIEVEMENTS OF STATE INSURANCE IN BULGARIA
DURING THE DIMITROV FIVE-YEAR PLAN

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In his report to the Second Congress of the Fatherland Front held in 1948, Georgi Dimitrov stated the following regarding insurance: "The State Insurance Institute, which was created with the nationalization of the existing insurance companies -- Bulgarian and foreign -- freed the Bulgarian people from cruel plunder, and expanded and cheapened insurance. The funds at the disposal of these enterprises, which amounted to 3 billion leva, were placed at the disposal of the Bulgarian economy. Now the fund is growing, and will soon reach about 10 billion leva.

The general tasks given to us by our teacher and leader opened up new perspectives for the development of state insurance during the years of the Dimitrov Five-Year Plan. A large part of them were fulfilled during the period of that Five-Year Plan, and the remaining part is being fulfilled during the Second Five-Year Plan.

The more important achievements of state insurance during the years of the Dimitrov Five-Year Plan are the following.

During the period between 1949 and 1952, the insurance fund considerably increased, as a result of which state insurance was strengthened. During 1952 this fund was 2.22 times greater than the 1948 fund. This increased fund covers risks from acts of God and accidents of over 1.5 million public and private farms, and carries life insurance for over 1.4 million people.

The sphere of action of state insurance has increased considerably, as a result of which 2.24 times more insurance premiums were collected in 1952 than in 1948. If we consider the premiums collected in 1948 as 100 (converted into the new 1952 currency) the percentage of premiums collected during the years of the Dimitrov Five-Year plan are as follows: 1949-141.6, 1950-169.1, 1951-201.5, and 1952-223.7. This quickened tempo in the development of state insurance corresponds to the rapid tempo of the development in industry, agriculture, transportation, and the turnover of goods, as well as to the increase in the national income and the improved material and cultural situation of the working people during the Dimitrov Five-Year plan.

The great changes which occurred in agriculture during the Five-Year plan, with the cooperativization of 60% of the arable land, gave a strong push to the development of state insurance.

In 1952 compulsory and voluntary property insurance covered 84% of the sown areas and perennial crops, and 81% of all large-horned and solid-hoofed animals.

Thus almost all of the properties of the TKZS (Trudovokooperativno zemedelsko stopanstvo, Farm Workers' Cooperative), the cooperatives, public organizations, housing funds, and the larger part of the property of state enterprises and administrations, as well as all citizens buildings and a larger part of their agricultural crops and animals, were insured in 1952. Almost all imports and part of the exports, as well as the majority of the freight hauled within the country, were insured in 1952 against transportation risks. As a result of this increased insurance, property

insurance premiums in 1952 were 2.2 times as high as in 1948.

By the end of 1952 one out of every 5 persons carried life insurance.

In 1952 all regular travelers, as well as the maintenance and operation personnel of public transportation media (except for streetcars and trolley buses) were insured against accidents.

This great expansion of insurance was achieved thanks to the new law for compulsory property insurance, which was put into force in 1952, and the decree on compulsory travelers insurance, as well as the new requirements and rules for the voluntary insurance of crops, livestock, buildings and mobile property, established in 1952, on the basis of the rich Soviet experience of the Soviet in the field of insurance.

By the end of the year the State Insurance Institute had begun the drafting of new rules regarding life and transportation insurance, which were approved by the Minister of Finance in 1953, and are beginning to be applied.

Implementing G. Dimitrov's instructions for providing expanded and cheap insurance protection, the State Insurance Institute has included in its operation new risks and has reduced some premiums and made other policies self-supporting. Thus, insurance on buildings, installations, equipment, and goods, as well as the risks of explosion, storm, hurricane, torrential rain, landslides, and hail were added to the fire and thunder risks which were covered in 1948. Despite this increase in risk coverage, premiums on this kind of insurance have been considerably lowered. In 1952 they were about 50% lower than in 1948.

In the insurance of agricultural crops, the risks of storm, torrential rain, and fire before harvesting were added to the risk of hail. The premiums on this kind of insurance became self-supporting.

In livestock insurance, the risks of disease, accident, and compulsory slaughter were augmented by the risk of compulsory slaughter required for the prevention of epizootics. In addition, since 1952 the institute has been paying insurance on voluntary insurance of livestock in full, without deducting 30% for the participation of the insurers in the insurance risk. In 1952 the premiums for compulsory insurance of livestock were 20.3% lower than those in 1948, and the premiums for voluntary insurance became self-supporting.

More categories of risks were added in the insurance of transportation of goods and media of transportation. The risks included coverage of damages incurred in the unloading of goods, crane operations, and hauling from one warehouse to another. In 1952 the premiums for transportation of goods within the country and coastal transportation were 51% lower than 1948, and an average of 48.1% lower for transportation abroad (import and export of goods). The premiums for the insurance of ships and planes were reduced by an average of 27.6%, for motor transportation by 42%, and for heavy agricultural machinery by 59%. Since 1 July, 1950, life insurance has included the risk of permanent disability, as a result of which there has been a 2% indirect reduction of premiums, and in 1952 the premiums for accident insurance were 32.5% lower than in 1948.

These achievements in the premium policy of the institute have been possible because the cost of insurance has been lowered, due to 2 main reasons: (1) damage from acts of God and accidents to insured property has been considerably limited and reduced as a result of increased vigilance on the part of the working people, aimed at safeguarding state,

cooperative, and private property; and (2) the administrative expenses of the institute have been considerably reduced.

During the 1949-1952 period the institute paid property and personal insurance compensation in the course of the fulfillment of its major tasks of 321,880,000 leva (calculated according to the new 1952 currency). Compensation was paid to 296,426 farms for crops damaged by hail and other acts of God, totalling 112,175,000 leva. During this period the Farm Workers' Cooperative alone received for damage to agricultural crops 63,655,000 leva, while 77,214,000 leva were paid as compensation for 218,622 dead or compulsorily slaughtered animals. Furthermore 88,665,000 leva were paid out on life insurance policies, and so forth.

With these considerable funds the institute helped public and private farms to strengthen their production processes, thereby contributing to the general upsurge of the people's economy.

In 1952 the administrative expenses of the State Insurance Institute were 11.1% of the total sum of premiums collected, as compared to 19.5% for 1948, which represents a reduction of about 43%. This reduction was achieved by eliminating excessive commission fees paid to the insurance workers, and by reducing other expenditures of the institute. As a result insurance protection became cheaper.

The State Insurance Institute also participated in the protection measures undertaken by the state, by granting 24,359,000 leva during 1949-1952 for fire prevention measures and for the struggle against animal and bee mortality. In addition to these subsidies, the institute spent an additional 5,515,000 leva on medical treatment for insured animals.

The expansion of insurance operations and the lowering of the cost of operations has had a favorable influence on the financial stability of the institute. On 31 December 1952 its reserve fund was 1.9 times as large as on 31 December, 1948, and its reserve fund for life insurance was 2.5 times greater. The large increase in the life insurance reserve is due to the fact that in 1950, the institute took over the insurance funds of the former administration and trade union funds.

In 1948 the State Insurance Institute undertook the building of its new organizational structure by establishing branches in all okoliya centers with a view to bringing insurance operations closer to the objects and the insured, as well as to furnish speedier service for the insured. This work continued until 1952, and during that time the institute completed the decentralization of its services, with the exception of certain activities related to life insurance, which are being decentralized in 1953.

The branches of the institute are already established as operative units capable of carrying out state insurance operations.

By the end of 1952 the Presidium of the National Assembly had approved the new statutes of the State Insurance Institute which replaced the old insurance laws. These statutes, based on Soviet insurance experience, provided the necessary prerequisites for the State Insurance Institute to move into the Second Five-Year Plan with clearly defined basic tasks and a new organizational structure which is a guarantee that state insurance will achieve new successes in connection with the development of the people's economy and the sharp improvement of the material and cultural situation of the working people.