



**THE ROLE OF INSTITUTES IN
THE PROCESS OF INSURANCE
AWARENESS AND EDUCATION:
TURKISH CASE**

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I- INSURANCE EDUCATION, IMPORTANCE AND TYPES OF INSURANCE EDUCATION



Insurance, is the unique and most important financial instrument used in order to cover the risks in the society.

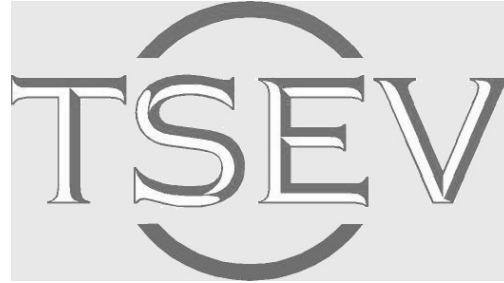
Thus, insurance plays a crucial role **in sustainable growth of an economy**.



Despite the importance of insurance for an economy, both in Turkey and in other countries, unfortunately, the insurance products are still not being in wide use.



To solve this problem, the prior action to be taken is to improve the awareness of consumers in relation to insurance and the quality of employment in the insurance sector, **which might be termed as:**
Insurance education



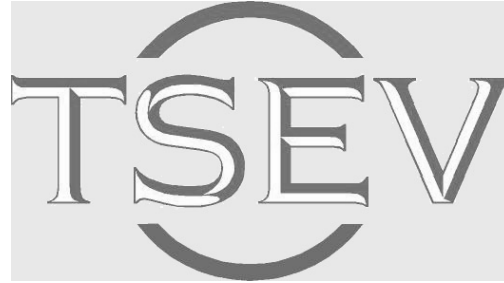
Insurance education can be defined as a process where;

- The knowledge of the consumers in **relation to**
 - the insurance products and concepts,
 - the financial risks and protectionare increased, so that consumers **can make correct choices.**



- The employees of the **insurance sector** are informed and their qualifications are developed in order to improve efficiency and competitiveness of the **sector** and as well as **promoting confidence** towards the sector.

With this qualification, insurance education (esp. as it appears in the protection of customers) is a process **beyond provision of financial information and consultancy services, which are already under legal obligation.**



Education in insurance sector can be analysed under two **headings** :

- Education of consumers
- Education of sector employees



Importance of insurance education:

- Education of consumers
 - Plays a crucial role for the consumers in choosing the **appropriate** insurance products according to their needs.
 - **Educate consumers in relation to the financial topics to help them in assessing different risk-return combinations of various financial products, which are offered by different intermediaries and thus help development of market competition.**



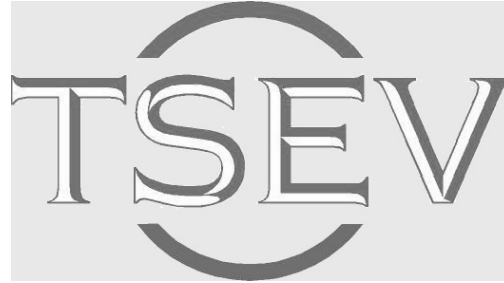
- In addition, by creating demand to the products which better meet their needs, the consumers **urge** suppliers to develop new products and services and thus improve competition in financial markets.
- The most important point is; as the consumers are informed about the risks **they are likely to face** and the insurance products, which **would** cover **such** risks, the demand **for** insurance **would rise** and the insurance sector **would** grow.



- In addition to those abovementioned, the offered education provide important support **on the side** of consumers in planning their budgets and earnings, as well as managing the savings in an efficient manner.



- Education of the Insurance Employees
- Education given to the employees **would** increase efficiency and the competitiveness of the sector.
- **In addition, it would give consumers the chance to have access on appropriate products, including the correct and sufficient information attached to the product, and thus would serve to increase the sector's reliability.**
- **The employees informed on the new products and the techniques, would conduct the necessary studies in order to apply such products and techniques in their sector or companies.**



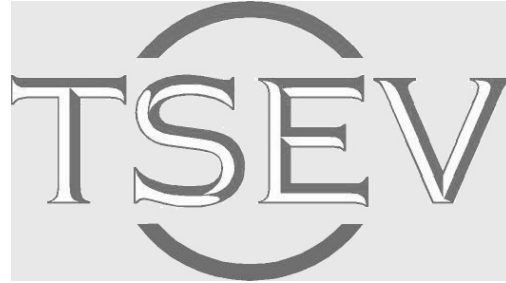
Which bodies should be in charge of insurance education?

- Public Authorities
- Insurance Companies
- Educational Establishments

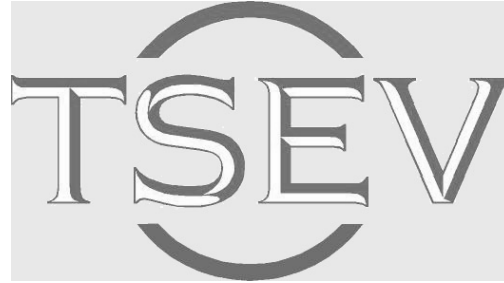


Role of Public Authorities:

- Nation-wide campaigns should be organized in society in order to improve awareness regarding financial risks, insurance and means of protection against the financial risks, and such events should be supported.
- The individuals should be educated on financial issues **at** early ages. Because of this, necessary actions in regards with financial education should be taken during education at school.



- Private enterprises, in charge of improvement and coordination of financial education, should be supported.
- Development of methods, which **would** provide access to the current financial education programmes, should be supported.
- With the condition of meeting specific criteria, some of the financial education programmes should formally be approved and recommended.
- Projects on improving awareness on insurance should be promoted and supported.



Role of Insurance Companies:

- The companies should organize educational activities in order to raise awareness of both their employees and the consumers, and should cooperate with the bodies which organize educational activities.
- Nation-wide projects in order to raise the awareness of the consumers should be conducted, such projects should be supported.



- **Cooperation with expert institutions should primarily start with conducting level tests in order to determine the educational needs.**
- **In addition, similar tests should be applied to examine the efficiency of the offered curricula.**



Role of Educational Institutions:

- **Financial education programmes for consumers should be developed in order to provide easy access to information on insurance products, helping them in learning advantages and disadvantages of those products and as well as in understanding the risks of different products and services.**
- **The consumers should be divided into sub-groups according to their similarities and for these groups (teenagers, pensioners, business groups, etc.) different financial education programmes should be conducted.**



- Projects increasing the awareness on insurance should be developed.
- Projects decreasing the claims of insurance sector should be developed.
- Data, which needed by the insurance sector, should be collected and disseminated while relevant researches and studies are being conducted.



II- EMPLOYMENT STRUCTURE OF TURKISH INSURANCE SECTOR and INSURANCE EDUCATION IN TURKEY



INSURANCE AND REINSURANCE COMPANIES

FIELD OF ACTIVITY	2000	2001	2002	2003	2004	2005	2006
Insurance Companies	63	63	58	55	53	53	53
Life	22	22	21	21	21	21	21
Non-Life	41	41	37	34	32	32	32
Reinsurance Companies	4	4	3	3	3	2	2
TOTAL	67	67	61	58	56	55	55



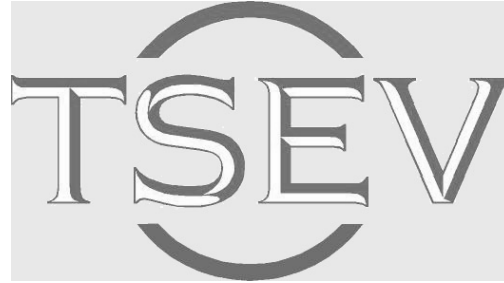
EMPLOYMENT INSURANCE AND REINSURANCE COMPANIES

Year	2000	2001	2002	2003	2004	2005	2006
Companies	10.500	10.000	10.500	11.000	12.000	13.000	13.550
Agencies	60.000	60.000	65.000	70.000	80.000	85.000	90.000



DISTRIBUTION OF EMPLOYMENT ACCORDING TO THE EDUCATION AND GENDER

Level of Education	Male	Female	Total	Total %
Primary School	171	27	198	1.5
Secondary School and Equivalent	124	14	138	1
High School and Equivalent	1088	1342	2430	18
Vocational School	430	1024	1454	11
University	4242	4516	8758	64.5
Postgraduate	301	271	572	4
TOTAL	6356	7194	13550	100



INSURANCE EDUCATION

- In Turkey there are;
 - 5 faculties and higher education schools with 4 years of education,
 - 35 vocational schools with 2 years of education **offering education in insurance.**
- **On average 180 students from the schools which offer 4 years of education, and 1000 students from the ones offer 2 years of education get graduated, annually.**
- **Of the total employees of the insurance sector, the graduates of the schools which give 4 years of education constitute 1 %, while graduates of the schools which give 2 years of education constitute 3 %.**



**III- THE ROLE OF INSTITUTES AND
EDUCATIONAL CENTERS,
TURKISH CASE:
TURKISH INSURANCE INSTITUTE**



Turkish Insurance Institute (TII) was established on 29th May 1970, by the equal shares of the Association of the Insurance and Reinsurance Companies of Turkey and the National Reinsurance Company.



Through the education programmes **offered**,
the Institute has brought 2758 students in to the Turkish
Insurance sector.

This figure composes 20 % of the total employees in
the sector.



VISION

To become the reference insurance education institution
in Turkey, in the Balkans,
in the Middle East and in Central Asia.



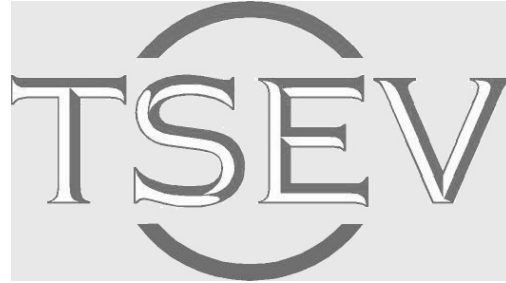
MISSION

- To improve the quality and efficiency of employment,
- To compose sectoral information which is accessible and easy to share
- To enhance awareness of insurance in the society through explaining the importance of insurance and introducing insurance products to the public,
- In order to increase the profitability of insurance companies, TII is going to implement some projects which would eventually decrease the number of claims.



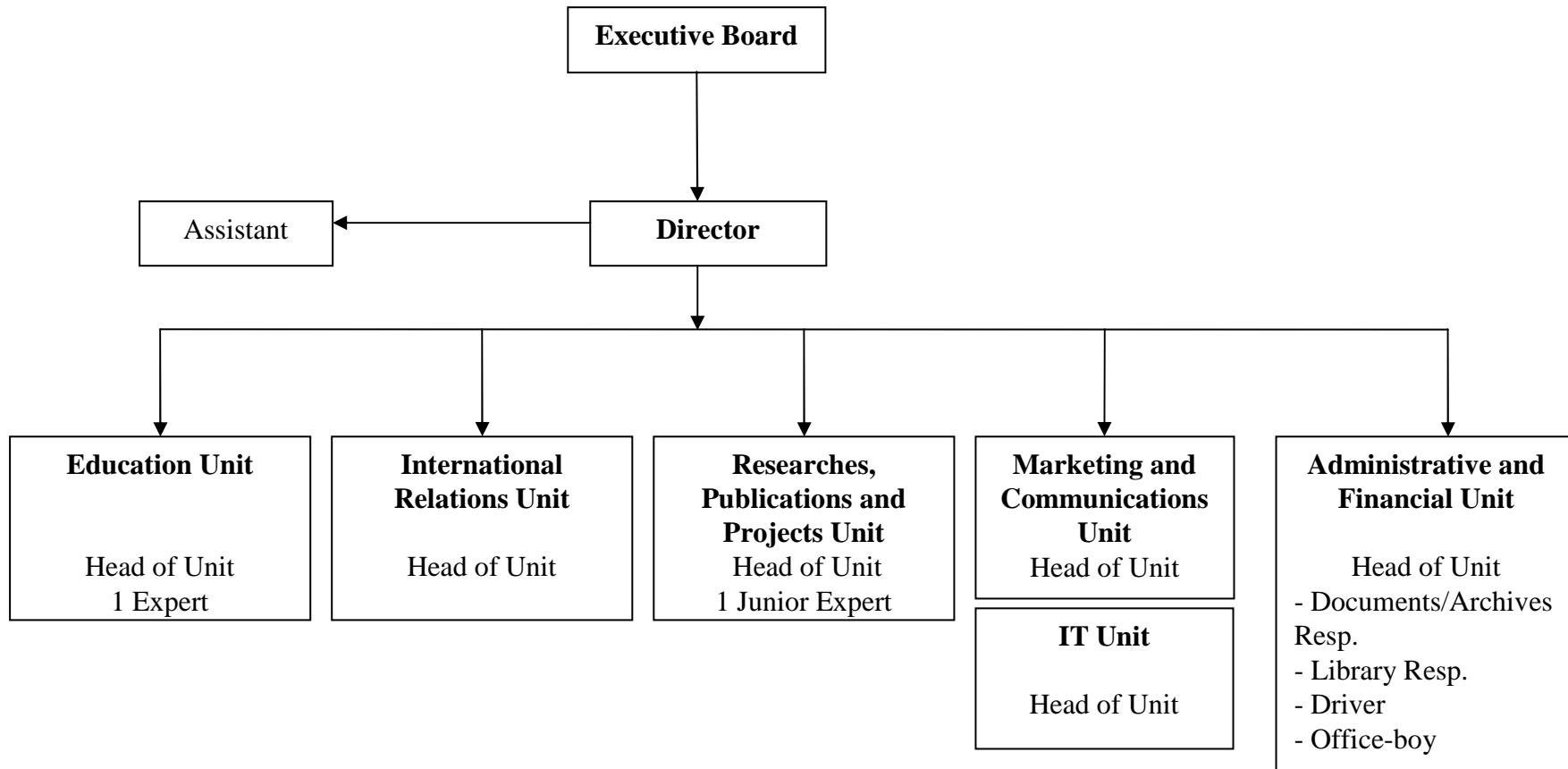
TARGETS

- To organize qualified education programmes,
- To form an examination and certificate system which will be definitive in hirings and promotions of the insurance sector,
- To conduct researches and make publications,
- To organize conferences and seminars,
- To develop projects in order to increase awareness on insurance,
- To develop projects which will decrease the losses of the insurance sector.



COMMITTEES OF THE INSTITUTE

- Committee of Insurance Companies
- Committee of Agencies
- Committee of Brokers
- Committee of Loss Adjusters



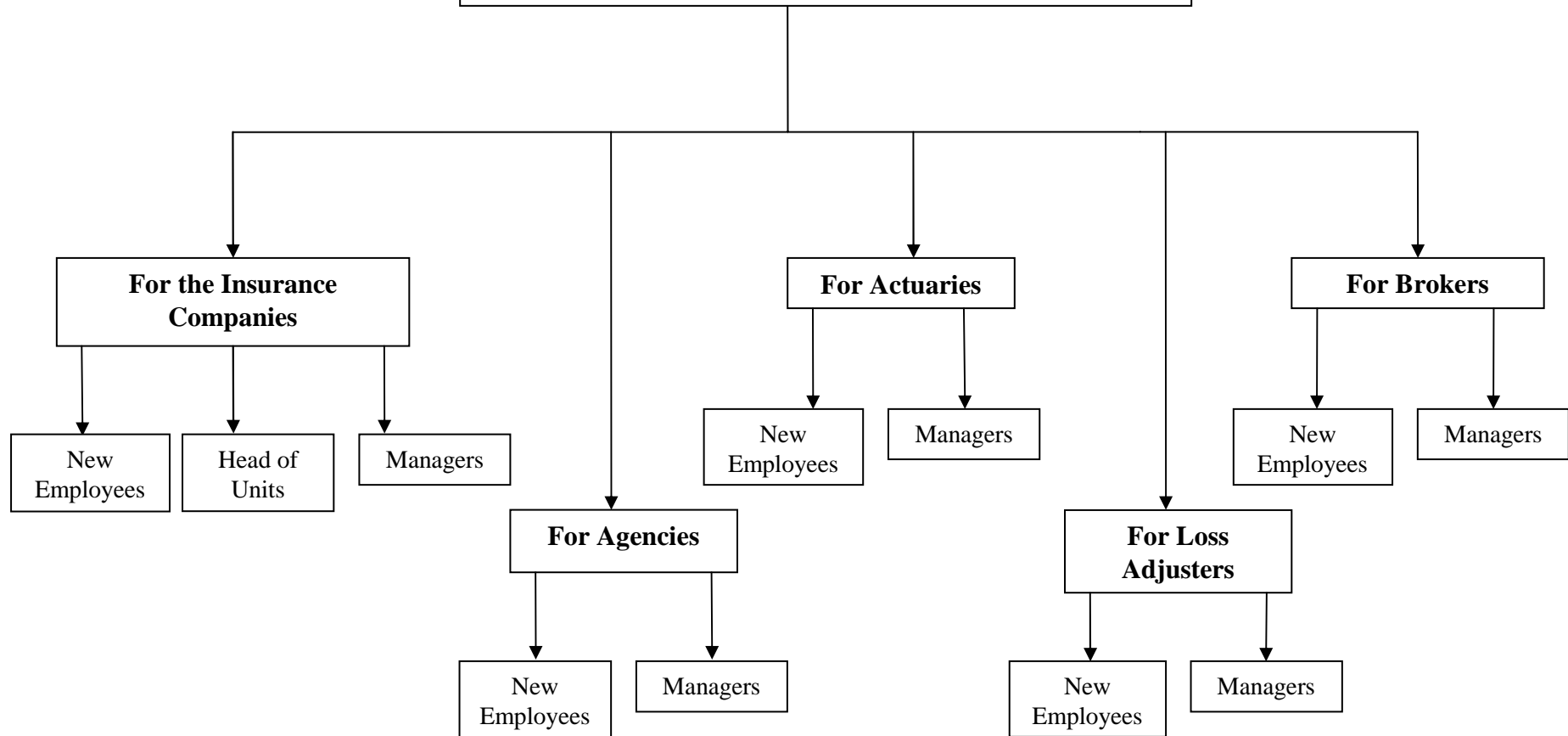


EDUCATION PROGRAMMES

- National Programmes
- International Programmes

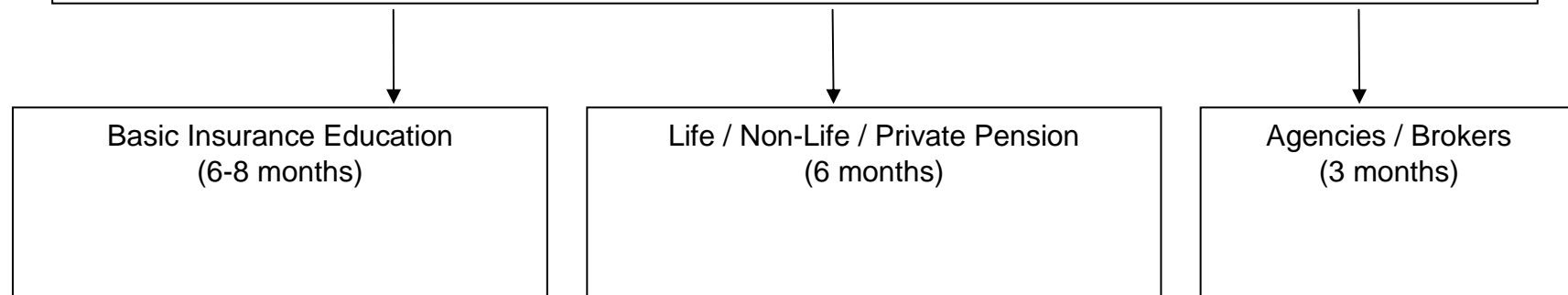


**EDUCATION PROGRAMMES FOR THE
EMPLOYEES OF THE INSURANCE SECTOR**





**DIPLOMA PROGRAMMES FOR PROSPECTIVE EMPLOYEES OF THE
INSURANCE SECTOR**

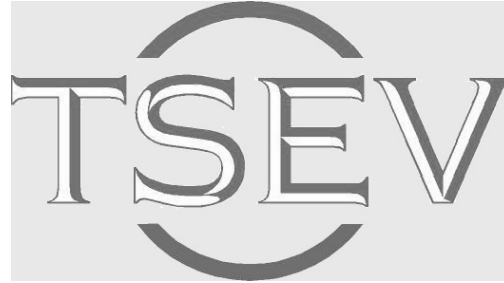




PUBLICATIONS & PERIODICALS

- Research and Studies on Insurance Series
- Symposium/Conference Books
- Journal of the Institute
- Journal of Insurance Studies
- E-Bulletins





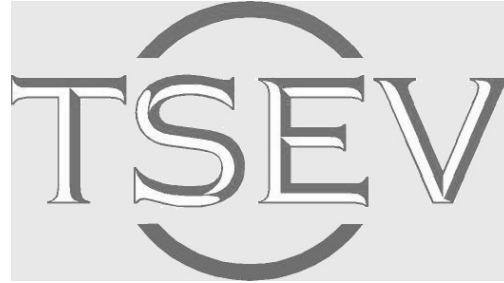
CONFERENCES, SEMINARS & SYMPOSIUMS

- **NATIONAL INSURANCE SYMPOSIUMS**

Forum for government officials, academicians, insurance companies, Turkish insurance sector and all other stakeholders

- **INTERNATIONAL INSURANCE SYMPOSIUMS**

International forum for insurance companies from all over the world, international regulators and decision-makers, academicians



- **CONFERENCE SERIES**

Periodic conferences on subjects which have priority for the Turkish insurance sector

- **INSURANCE EDUCATION SEMINARS**

Insurance seminars at universities all around Turkey



THANK YOU
FOR YOUR ATTENTION...

Suna OKSAY, Phd.Assoc.Prof, Director

TURKISH INSURANCE INSTITUTE

<http://www.tsev.org.tr>