

IGP<sup>®</sup>  
international group program

# newsflash

October 2022



Welcome to Asirom Vienna Insurance Group,  
the IGP Network Partner in  
Romania

# Romania

## Profile on Social Security and Employee Benefits

Romania is regarded as one of Europe's few tiger economies and is an important manufacturing hub for the region. Despite having one of the highest proportions of people at risk of poverty in the EU (30% vs 24%), Romania has rapidly converged towards the OECD average income per capita over the last two decades. They recently advanced from a middle to high-income status.<sup>1</sup>

In Romania, public institutions work closely with private institutions to provide social protection. The public social protection institutions run a variety of programs at both the central and local levels of administration. Pension companies, which can provide care for invalidity, old age, survivor pensions, and other long-term care needs, are among the most important private social protection institutions.

Social security covers the following benefits:

- Healthcare
- Sickness & maternity benefits
- Disability benefits
- Old-age pensions and benefits
- Survivor's benefits
- Benefits in respect of accidents at work & occupational diseases
- Family benefits
- Unemployment benefits

The total social security contribution rate is 37.25%, with employees bearing the majority of the burden. Employees pay a total of 35% (25% social insurance contributions + 10% health insurance contributions), while employers pay 2.25%.<sup>2</sup>

The retirement age is 63 for women and 65 for men.

### Demographics

	Romania	Hungary	USA
Total population (millions)	19.1	9.7	331.8
Age 65 or older (% of total population)	19.66	20.6	17.04
Dependency ratio (%)*	54.20	53.96	54.52
Life expectancy / men	70.50	72.3	74.5
Life expectancy / women	78.40	79.1	80.2
GDP per capita (USD)	14,861.91	18,772.67	69,287.54

\* Population aged 14 or younger plus population aged 65 or older, divided by population aged 15–64

Source: World Bank, World Development Indicators 2020-2021, available at <https://databank.worldbank.org/reports.aspx?source=world-development-indicators#>.

ources:

1. <https://www.oecd.org/economy/romania-economic-snapshot/>
2. <https://tradingeconomics.com/romania/social-security-rate>
3. [https://www.ilo.org/budapest/countries-covered/romania/WCMS\\_650156/lang-en/index.htm](https://www.ilo.org/budapest/countries-covered/romania/WCMS_650156/lang-en/index.htm)
4. <https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/europe/romania.html>

## Employee Benefits in Romania

Social security is paid for through social contributions, local budgets, and the state budget. Family benefits and social assistance are tax-funded, whereas other benefits are funded primarily through contributions.

Meal vouchers, health and sports subscriptions, health insurance, life insurance, cultural subscriptions, transportation discounts, and bonuses for vacation, Christmas, and Easter are typical private company benefits that supplement those provided by the state.

Romania is one of the more competitive emerging labor markets in Europe. To differentiate as an employer, it is common to provide private health insurance as well as other insurance benefits such as life insurance, dental insurance, and vision insurance.

The employee benefits market in Romania is broker driven. There is no set renewal date; contracts can be renewed on any day of the year. Legally, the notice period is 20 days, but in practice, it is usually 30 or 60 days. Renewal exercises typically begin three to four months before the renewal date.<sup>2,3,4</sup>



## Romania

# New Network Partner in Romania: Asirom Vienna Insurance Group

## Asirom Vienna Insurance Group: IGP's Local Link in Romania

With over 30 years of experience, ASIROM - Vienna Insurance Group (Asirom) is one of the most important insurance companies on the Romanian market. The company has 154 agencies across the country, 1,900 active agents, and numerous external partners.

Asirom strives to provide its customers with a high level of security, as well as high-quality products and services. The company's strategy was shaped by the company's competitive and volatile market conditions, which required it to constantly strive to provide innovative and digital products, ensuring high quality consulting and services.

Asirom is a subsidiary of the Vienna Insurance Group (VIG), a company with over 200 years of financial experience and a market leader in Austria and Central and Eastern Europe. VIG oversees 50 insurance companies in 30 countries and employs over 25,000 people.

Vienna Insurance Group is synonymous with stability and expertise in the provision of financial risk protection. Experience, combined with a focus on the Group's core competency of providing insurance coverage, provides a solid and secure foundation for the Group's 22 million-plus customers.

### Key Figures <sup>5,6</sup>

- Top ten insurance market player in Romania, with a 5.80% market share.
- RON 828 million (USD 160 million) gross written premium in 2021 (30.7% increase over the end of 2020), with non-life insurance accounting for 84% and life and health insurance accounting for 16%.
- Stable liquidity ratio, exceeding legal requirements: 1.57 (non-life insurance) and 9.24 (life insurance) (life insurance)
- Solvency ratio of more than 125% (12/31/2020)

## Benefits Offered by Asirom Vienna Insurance Group

### Group Life Insurance ("Grup Forte")

- Basic risk:
  - Death due to any cause
- Additional riders:
  - Death by accident
  - Total or partial permanent disability as a result of an accident
  - Illness-related permanent disability
  - Accident-related fractures and burns
  - Hospitalization as a result of an accident or illness
  - Surgical interventions following an accident or illness
  - Medical expenses incurred as a result of an accident or illness
  - Medical expenses for temporary disability as a result of an accident or illness
  - Serious illnesses (conditions)
  - Dental treatment medical costs

Grup Forte is available without medical requirements for groups of more than ten people. Riders can be covered and limited to accidents or illnesses that occur on the job.

### Occupational Life Insurance ("Professional Asig Forte")

Occupational disease causes death or total permanent disability. Professional Asig Forte is the optional accident insurance in the event of an unforeseen event at work. Professional Asig Forte covers the basic risk, death due to accident, as well as additional riders:

- Death due to sudden causes during the execution of service obligations
- Permanent total or partial disability from the accident
- Fractures / burns / temporary disability from the accident

## Asirom Vienna Insurance Group: Your Best Choice in Romania

- Medical expenses imposed by the treatment of permanent disability
- Fixed amount allowance for surgical interventions
- Total permanent disability from accident and illness
- Death or total permanent disability from occupational disease

### Health Insurance ("GrupMED")

GrupMED provides comprehensive diagnostic and treatment services in the private medical system.

- Outpatient, hospitalization, prevention, and medical recovery insurance packages are all customizable.
- Online direct settlement
- Reimbursement for services used outside of the network
- Over 900 clinics and partner locations are part of a national network.
- Appointments and claims are handled through a dedicated call center.
- Hotline Medical is a new telemedicine service that will be available in 2021.

As of September 2022, new group life plans and their riders placed with Asirom can be included in IGP International Accounts. GrupMED is currently not eligible for inclusion in IGP.

Sources:

5. <https://www.asfromania.ro/uploads/articole/attachments/625d3c3d7a4fa967149359.pdf>

6. Asirom SFCR 2021 report, <https://asirom.ro/documente/f6336edbb02f48722318676bdbf225545b45d2dedb9.pdf>

If you would like to discuss offering employee benefits to your staff in Romania, please contact your IGP Account Manager or...

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