

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Cristina Doroffi
Advisor:	doc. PhDr. Ing. et. Ing. Petr Jakubík PhD., Ph.D.
Title of the thesis:	The Impact of a Prolonged Period of Low Interest Rates Environment on Solvency And Profitability of Insurance Companies

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

The diploma thesis deals with a highly relevant topic of the impact of low interest rates on insurance companies. It is a topic which is currently heavily discussed by the European regulators and policy makers. The existing literature is extremely scarce and some empirical papers have emerged only recently.

The study consists of five main parts. After a short introduction, the second chapter focuses on main characteristics of insurance companies especially profitability drivers. The third chapter uses embedded value concept to assess the impact of interest rates on insurers. The fourth chapter empirically tests the impact of low interest rates on insurers' profitability and the final part concludes.

This work builds up on the available studies and also contributes to the current literature by providing empirical analysis of the low yield environment impact on the European insurance sector. Some results of the thesis were already published in the EIOPA Financial Stability Report as a special feature article and currently are also used as an input into the current work of the newly established ESRB task force focusing on the impact of low yield environment on the European financial sector. Hence, the work of the author was already proofed to be useful for the European regulators and policy makers.

The paper is well structured, clearly written using available literature and data sources. The author cooperated with the supervisor and confirmed ability to use several information sources as well as perform an empirical analysis. Hence, I strongly propose to asses it by grade "A".

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Cristina Dorofti
Advisor:	doc. PhDr. Ing. et. Ing. Petr Jakubík PhD., Ph.D.
Title of the thesis:	The Impact of a Prolonged Period of Low Interest Rates Environment on Solvency And Profitability of Insurance Companies

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	30
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	96
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE:

doc. PhDr. Ing et. Ing. Petr Jakubik, Ph.D., Ph.D.

DATE OF EVALUATION: 19.9.2015



Referee Signature