

## REVIEW

by a member of the scientific jury, appointed by Order No 814/01.09.2023,  
of the Rector of D. A. Tsenov Academy of Economics – Svishtov,  
regarding a dissertation work for the acquisition of  
the educational and scientific degree “**Doctor**”

**Reviewer:** Prof. Lyuben Dimitrov Kirev, PhD, field of higher education 3. "Social, economic, and legal sciences", professional direction 3.8. "Economics"

**Author of the dissertation:** PhD student Nikolay Valeriev Iliev, scientific field "Finance, Money Circulation, Credit and Insurance (Insurance and Social Security)"

**Title of the dissertation:** "Guidelines for the Development of Motor Insurance in Bulgaria"

### **I. General presentation of the dissertation paper**

#### **1. Subject**

The subject of the dissertation work is the current state, trends, and development opportunities of motor insurance. The main aim is to "evaluate the current state and outline guidelines for the future development of motor insurance in Bulgaria". To achieve the stated aim, seven scientific tasks corresponding to the structure and content of the dissertation have been formulated. The thesis defends the argument that "by implementing specific legislative and organisational changes, it is possible to improve the insurance operations, leading to an increase in the scope and realised premium income of insurers offering motor insurance policies in the Bulgarian insurance market". The formulated objectives and tasks have been successfully achieved, leading to a successful defence of the researched thesis.

#### **2. Length**

The dissertation has a length of 181 standard typewritten pages. The research is visually presented with 16 figures and 31 tables.

#### **3. Structure**

The structure of the dissertation is classic for such type of research and consists of an introduction, exposition, the main text with three chapters, conclusion, and bibliography. The structure is logically coherent, based on a hypothetical-deductive approach from the

general to the specific and individual. It reflects the stated objectives and tasks and contributes to the development of the problem and the argumentation of the research thesis.

**Introduction.** The introduction contains all the necessary structural elements of an introductory section. The relevance of the topic has been addressed; the object and subject of the dissertation have been formulated; the aim and objectives of the study have been clearly outlined; the research thesis has been carefully formulated, and the theoretical and empirical basis of the analysis has been correctly indicated; some of the used empirical and logical-theoretical research methods have been specified.

**The first chapter** has a theoretical nature and is dedicated to the theoretical foundations and specifics of motor insurance. It explores the characteristics of the automobile from an insurance perspective and clarifies the significance of motor insurance for the Bulgarian insurance market. The economic essence and organisation of "Motor Vehicle CASCO Insurance" are clarified, with the focus on the nature and specifics of risk coverage and assumption of responsibility by insurers. The characteristics of entering into an insurance contract and the specifics of the claims settlement process (liquidation) for "Motor Vehicle CASCO Insurance" are also highlighted. The same approach and issues have been examined regarding the "Motor Third Party Liability Insurance".

In **the second chapter**, the state and development of motor insurance in Bulgaria are examined. Two types of factors that influence the development of motor insurance are presented – those related to the object of insurance and those related to the legislation. The dynamics in the development of "Motor Vehicle CASCO Insurance" and "Motor Third Party Liability Insurance" have been thoroughly analysed concerning the indicators of gross written premium income and insurance payments. The slowed development rates of "Motor Vehicle CASCO Insurance" due to the Covid-19 pandemic during the period 2019 – 2021 have been outlined.

**The third chapter** has a practical orientation and is dedicated to the challenges and prospects for the development of motor insurance in the country. It examines the methods for risk assessment in motor insurance and explores the European practice of implementing the Bonus-Malus system in Bulgaria. The doctoral candidate's extensive insurance practice



has allowed him to identify and overcome obstacles to the implementation of the Bonus-Malus system in Bulgaria. Additionally, he has outlined opportunities to expand the scope of "Motor Vehicle CASCO Insurance" and marked prospects for the development of additional coverage in motor insurance.

**Conclusion.** As the concluding part of the research, the conclusion presents the main findings of the study and opportunities for improving insurance operations in the field of motor insurance in a concise manner.

#### **4. Bibliography**

The bibliographic reference lists 30 used literary sources related to the topic of the dissertation – 21 in Cyrillic and 9 Internet sources, including normative and informational sources.

#### **5. Appendices**

The dissertation does not include any appendices.

### **II. Assessment of the form and content of the dissertation paper**

#### **1. Assessment of the relevance and the elaboration of the research problem.**

With the mass entry of cars into contemporary life, for a number of reasons, traffic accidents also increase. This is a common trend in almost all countries, and it particularly holds true for our country due to the exceptionally high number of vehicles. Road traffic accidents result in both material and non-material damages, affecting the lives, health, and work capacity of citizens. The use of autonomous vehicles raises new issues, including insurance-related ones. That is why the issues related to motor insurance are exceptionally relevant. It is no coincidence that motor insurance has become an undisputed leader in terms of realised premium income among insurance companies in our country in the General Insurance category. All this provokes scientific interest in the problems of the state and development of auto insurance in our country, including clarification of the economic significance and organisation of the insurances "Motor Vehicle CASCO" and "Motor Third Party Liability", the obstacles, challenges and prospects for the development of auto insurance in Bulgaria. The dissertation work of Nikolay Valeriev Iliev is dedicated to exploring these successfully chosen topics. **The dissertation meets the requirements for**

a scientific research work with its successfully chosen topic, comprehensive and conclusive nature of the research, logical structure, and effective achievement of the set objectives and tasks of the study.

## **2. Opinion on the language, volume, and research tools of the dissertation paper**

The style of the research is concise, the language is clear and precise, and the scientific apparatus is appropriately used. The visualisation of the analysed problems through figures and tables is of an exceptionally high standard. The knowledge of the regulatory framework governing motor insurance in our country, as well as the insurance practice in this regard, is excellent.

## **3. Opinion on how accurately and completely the author's abstract corresponds on the dissertation paper**

The author's abstract is developed in accordance with the requirements and reflects the content of the dissertation ethically and comprehensively. Furthermore, the abstract includes a Declaration of Originality and Authenticity, a Reference on the Scientific and Scientific-Applied Contributions in the Dissertation Work, and a List of Publications by the Doctoral Candidate on the Topic of the Dissertation. Regarding the dissertation topic, the doctoral candidate presents three publications - one study, one co-authored article, and one scientific report. As part of the documentation for the procedure of obtaining the educational and scientific degree "Doctor", a Reference for meeting the minimum national requirements related to the procedure for obtaining the educational and scientific degree "Doctor" is submitted (total points obtained in the indicator group D 40, with the required number being 30). Additionally, a List of the candidate's participation in scientific forums is also included.

## **III. Scientific and scientific-applied contributions of the dissertation**

Firstly, the economic essence and organisation of motor insurance, represented by "Motor Vehicle CASCO" and "Motor Third Party Liability" insurance policies, are thoroughly explained in detail. The peculiarities related to the conclusion of an insurance contract, coverage of risks, and assumption of responsibilities by insurers have been



identified, as well as the processes of claim settlement (liquidation) for both types of motor insurance;

**Secondly**, the factors related to the subject matter of insurance and the legislation for both types of motor insurance, "Motor Vehicle CASCO Insurance" and "Motor Third Party Liability Insurance", are clearly defined. Based on an exceptionally rich, up-to-date, and sufficiently extended period of empirical data, the dynamics in the development of both types of insurance have been outlined by examining indicators such as gross written premium income and insurance payments. It has been justified that the impact of the Covid-19 pandemic slowed down the pace, but did not significantly affect the development of Motor Vehicle CASCO Insurance in our country;

**Thirdly**, a strong aspect of the dissertation work is its practical and applied significance. The proposed solutions for overcoming the obstacles that hinder the implementation of the Bonus-Malus insurance system in our country have a scientific-practical contribution. After a punctual analysis of the unresolved issues in the two proposed models for the implementation of the Bonus-Malus insurance system in 2018 and 2019, concrete legislative proposals have been made. These proposals aim to change the subject matter of insurance in the mandatory "Motor Third Party Liability Insurance" as the main pillar for the implementation of the system. Additionally, solutions have been suggested for situations where drivers possess more than one category of driving license. Furthermore, a model which includes not only traffic violations but also administrative offenses and crimes, along with their frequency and dynamics has been developed and tested before the system's implementation;

**Fourthly**, the proposals made regarding the possibilities for expanding the scope of voluntary insurance related to "Motor Vehicle CASCO Insurance" hold significant scientific-applied value. These are related to offering discounts on other insurances, using combined insurance products, comprehensive coverage of all risks related to the ownership and use of motor vehicles, including autonomous vehicles, as a result of the development of IT technologies in the automotive industry;

**Fifthly**, successfully disclosed and interpreted are the prospects for the development of additional coverage in motor insurance related to so-called "Auto Assistance". The risks and services provided in the "Auto Assistance" insurance have been outlined, as well as the ways of offering the coverage – as an additional coverage to the "Motor Vehicle CASCO Insurance", without an assisting company, and as a standalone insurance.

#### **IV. Critical remarks and questions regarding the dissertation**

Some critical remarks can be made about the dissertation work:

- In relation to the mentioned research methods. As such, methods for collecting primary information are also mentioned, which are not methods but analytical research tools. The methods of scientific research are divided into empirical-theoretical (observation, experiment, etc.) and logical-theoretical. As logical-theoretical, the historical and statistical methods are correctly mentioned. However, the main methods used in the research are not specified. Such are the methods of analysis and synthesis, the inductive and deductive method, the logical as a historical method cleared of concreteness;

- The conclusions after chapters 2 and 3 have the character of a retelling of what has been written instead of containing the typical summarisations and findings from the research. The development would benefit if, in the text and the table of contents, the index with numbers of the respective chapters is added using the indexing system, for example, 1.2.2, 2.2.3, etc.

The mentioned notes are of an editorial nature and in no way diminish the theoretical and especially the scientific-applied significance of the research and my positive assessment of the dissertation work.

#### **V. General evaluation of the dissertation work and conclusion**

The reviewed dissertation work is a relevant, independent, completed, and conscientiously executed scientific research on motor insurance in our country. Its special importance for insurance practice is indicated by the fact that the share of motor insurance exceeds more than two thirds of the premium income realised by insurers in the General Insurance section. Through the development of the dissertation, the doctoral candidate demonstrates a very good theoretical background and an excellent understanding of

insurance practice in the field of motor insurance. The author demonstrates abilities for conducting scientific research, a proper attitude towards the research process, critical understanding of the normative framework, proficiency in practical activities, and potential for proposing solutions.

The outlined strengths of the dissertation work and the mentioned contributions give me full confidence to recommend to the respected members of the scientific jury to award PhD student **Nikolay Valeriev Iliev the educational and scientific degree "Doctor"**.

18.09.2023

Sofia

Signature:

/ Prof. Lyuben Kirev, PhD /