Approved by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan

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no. 114

**Methodology for accounting for insurance services**

**Chapter 1. General provisions**

1. The methodology for accounting for insurance services (hereinafter - the Methodology) refers to a statistical methodology formed in accordance with international standards and approved in accordance with the Law of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics".
2. This Methodology is intended for use by the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan in the formation of insurance services in accordance with international standards and is applied for the purposes of the System of National Accounts.
3. The purpose of this Methodology is to improve the calculation of insurance services in accordance with market conditions, the latest achievements of methodological research.
4. The following definitions are used in this Methodology:

 1) boundaries and spheres of production - an activity carried out under the control and responsibility of an institutional unit that uses the inputs of labor, capital and goods and services for the production of other goods and services;

2) insurance premium - an insurance premium under an insurance (reinsurance) agreement recognized in accounting as income.

**Chapter 2. Accounting for insurance services**

5. The insurance activity of an insurance organization is carried out in the "life insurance" industry and the "general insurance" industry:

1) When forming the output of " general insurance " services, the calculation is carried out as follows:

earned insurance premiums;

plus additions to premiums;

minus adjusted insurance claims payable.

2) Life insurance - a set of types of insurance that provide for the implementation of an insurance payment in the event of the death of the insured or his survival until the end of the insurance period or the age specified in the insurance contract.

When forming the output of " life insurance " services, the calculation is carried out as follows:

earned insurance premiums;

plus additions to premiums;

minus insurance payments that are due;

minus an increase (plus a decrease) in life insurance technical reserves.

Administrative data from administrative sources are used as a data source for calculating the output and intermediate consumption of insurance services.

7. Output represents the total value of goods and services produced in the economy in the reporting period.

The release of insurance services is based on the financial result of insurance organizations. The financial result from insurance operations is defined as the difference between income and expenses of insurance organizations.

8. Intermediate consumption is equal to the value of goods and services that are transformed or completely consumed in the production process in the reporting period.

9. The output of "life insurance" services is household final consumption expenditure.

10. The output of risk insurance services is calculated as follows:

issuance of "general insurance" services;

minus the release of "life insurance" services.

When determining the consumers of this service and their further reflection in the accounts, the output of risk insurance services is distributed according to the structure of net insurance premiums for individuals and legal entities (by type of economic activity).

11. The output of risk insurance services consumed by legal entities is intermediate consumption, and by individuals - household final consumption expenditures, with the exception of real estate insurance. Housing services produced by homeowners for their own consumption fall within the production boundary of the national accounts system. The output of real estate insurance services is an intermediate household consumption that is not included in final consumption expenditure.