

DOĞAL AFET SİGORTALARI KURUMU  
ZORUNLU DEPREM SİGORTASI

**FAALİYET RAPORU 2012**





## Message from the Board of Directors

**With the new legislation, we will continue to accelerate our efforts to increase public awareness and improve the level of recognition. Our aim is to achieve 10 million insured dwellings!**

Dear stakeholders, Although it was a busy period, we, as an institution, concluded a work year during which we have reached a range of achievements that are significant in many ways. During the year 2012, our top priority was to get the Disaster Insurances Law endorsed by the Grand National Assembly of Turkey, and to ensure it is enforced. Regarding the damages incurred on the insured dwellings by the Van earthquake, it was the most significant item in our agenda to complete the indemnity payments. To raise awareness for the Earthquake and Compulsory Earthquake Insurance, to improve the penetration rate nationwide, as well as to compensate the earthquake damages, were among our main issues this year too, as in the past years. Furthermore, we kept initiating the system improvement activities during 2012 as well, without any break.

Having been established on account of the Legislative Decree numbered 587 which was enforced on the date of 27th December 1999 upon Marmara earthquake, and started offering coverage beginning with the date of 27th September 2000, TCIP eventually embraced a rather profound legal framework with the Disasters Insurance Law numbered 6305, which was issued 12 years later, and became effective on the date of 18th August 2012. On account of the arrangements made with the new legislation, we see it as a quite significant step for improving the insurance option on compensating the earthquake damages in our country.

With the new legislation, the monitoring shall be conducted rather effectively on the Compulsory Earthquake Insurance. The monitoring was previously initiated only on the processes of title deed and estates, and from now on it shall be conducted on the processes of electricity and subscription as well. Furthermore, TCIP's domain of activity has been extended, including other natural disasters as well. Having embraced a

framework that is capable of reflecting its name better, TCIP shall be able to offer coverage for the other natural disasters as well, including flood, landslide, storms and etc. on any situations where the insurance companies do not provide any. The said coverage may be offered as an insurance cover or a reinsurance cover. In that scope, it is essential to determine the requirements together with the insurance industry, and to produce shared solutions suitable for eliminating the gaps that could be realized in the market (if any).

Thanks to the monitoring applications brought by the legislation, the number of the dwellings with insurance faced a crucial elevation during the second half of the year. The number of dwellings with insurance nationwide rose up to 4.8 million with an increment of one million, and penetration rate rose up to 29 percent. This rate was around 23 percent one year ago. However, it is essential to ensure that the elevation is permanent. Therein the insurance is made annually and it should be renewed once in each year. Although we live in a country where there is a constant risk of earthquake, we are still yet to achieve the desired penetration rate. Therefore, we shall initiate quite significant projects during 2013, in respect of making the monitoring applications more efficient, making the presentation of insurance easier and increasing the rate of promotion. During the next period, our aim is to increase the level of cooperation on the community awareness projects as well as the joint projects with other Institutions and foundations. Our objective is to increase the number of insured dwellings up above the level of 10 million.

In order to understand the expectations of the insurance holders, either existing or prospect, and to shape our efforts for the next period, we obtained intriguing results through the wide-scale public survey we initiated in the second half of the year. In accordance with those results, we have seen an increase in the number of people who renew their policies with the awareness of being ready for the

earthquake, rather than the fact that it is "compulsory". The good results of the survey include TCIP's nationwide recognition to be extended and the level of trust for the Institution to be elevated.

Without a doubt, one of the most significant factors on the elevated trust is efficient loss assessment and indemnity compensation conducted subsequently after the earthquakes, particularly after Van earthquake. To keep up such level of trust and improve our implementations even further, we continue our preparations against any possible earthquakes that may cause big damages. In that scope, we make it a priority to utilize technology more efficiently and to conduct cooperation with our relevant Institutions.

As a result of the system improvement processes initiated in 2012, we renovated our infrastructure and production software; and we shall begin using the address codes registered in the National Address Database (NAD) for the Compulsory Earthquake Insurance policy transactions since March 1, 2013. Having standardized each address within country, this system offers coordination and integration between all institutions which conduct transactions about dwellings. Therein, we aim to ensure better monitoring, increase our service level and make loss management more efficient for the insured dwellings.

Thanks to the utilization of NAD address codes, creation of faulty or recurrent policies shall be prevented, which originally occurs from procuring the address details as with faults or lacking some pieces. In that respect, the dwellings under coverage shall be monitored easier, and renewal discounts shall be applied automatically. For the buildings that fall out of the Compulsory Earthquake Insurance coverage, inadvertent policy generation shall be eliminated. The most significant part is, if the dwelling with the Compulsory Earthquake Insurance incurs damage from any earthquake, locating the dwelling and procuring the service will be

easier. This will provide an opportunity to make your loss management more rapidly and efficiently.

Another significant issue through the year was, TCIP inclusion in the Global Earthquake Model (GEM) project. Headquartered in Italy and participated by 14 countries, GEM is a significant joint public/private sector project which aims to improve the shared and independent standards on earthquake risk assessment nationwide. Being a member of this project, our nation will benefit from the earthquake modeling infrastructure optimizations, any information and experience acquired shall be shared with our insurance sector as well.

At the other hand, significant efforts were made throughout the year, in order to increase the efficient management of our current assets, to improve our financial capacity, and to diversify our risk transfer tools. Within that scope, the first cat-bond placement to be initiated by a Turkish institution on an international market shall be complete by the start of 2013.

With the new legislation in effect, TCIP became a prominent Institution which is worth to mention with its works and efforts on both national and international scale in its own area. We offer our gratitude to the people and institutions who made an effort to achieve those results. In order to ensure that our country is safer against earthquake, we shall sustain collaboration.

I sincerely offer my thanks to our employees who kept adding value to our Institution with their effort and strong will, to our stakeholders who have stood by our side with their support all the time, and to our esteemed insurance holders, who trusted us.

Kind regards,

**Selamet Yazıcı**  
 Board Chairman  
 TURKISH CATASTROPHE  
 INSURANCE POOL



## Message from Technical Operator/ Eureko Sigorta General Manager

**Thanks to the infrastructure renewal and boosting processes initiated during 2012, we made significant steps to make life easier for all people.**

**D**ear stakeholders,  
We made through a working year during which we faced profound changes within the industry. With the new control mechanisms brought for the Compulsory Earthquake Insurance by the Disaster Insurances Legislation which was effective from August 2012, a great contribution was recorded on the number of insurance holders.

We are aware that the legal amendments hold a significant role as the tools that make system processes easier. Our task is to ensure that Compulsory Earthquake Insurance is publicly internalized through strength and support we receive from here, and make life easier for all people who are related with the infrastructure projects that shall increase the penetration rate further. Therein, we took the first step for a range of new infrastructure projects during 2012.

One of the most prominent of those is, the project for integration with National Address Database (NAD), which we conduct in cooperation with the Ministry of the Interior General Directorate of Civil Registration and Nationality (NV). Interpreted as full integration with NV database, this project ensures that the address registration is initiated only through the UAVT address structure, and in this way we will standardize the address details. Minimizing the fault possibility to almost zero, this standardization will enable us to conduct the processes of loss assessment and indemnity compensation more efficiently and swiftly following earthquake incidents.

During the year 2012, we also undersigned a range of projects that will strengthen our retail channels in respect of promoting policy creation and sustaining the existing policies. First

of all, we initiated an infrastructure collaboration with the relevant Institutions and corporations in order to conduct monitoring processes over subscription processes on electricity and water, which is brought with the new Legislation. For the same purpose, we initiated integration efforts in cooperation with General Directorate of Land Registry and Cadastre in 2012. Our aim was to ensure Compulsory Earthquake Insurance controls are conducted within the scope of this integration for all land registry processes during the first quarter of 2013.

Another process we initiated this year was, instant notification of the insurance holder about CEI policy arrangement through text messages. On the other hand, in cooperation with a GSM operator, we reached 21 million people by sending reminders to their clients about the importance of the Compulsory Earthquake Insurance.

On the second stage, we used voicemail and redirected the citizens who want Compulsory Earthquake Insurance to the relevant checkpoints. We aim to improve this project through sales projects through internet and call center during 2013.

In addition to infrastructure strengthening processes for our institution, we continued our loss operations in 2012 as well. Particularly in the first months, we tried to complete the compensation payments for the insurance holders whose property incurred damage from Van earthquake. For approximately 8800 dwellings under insurance coverage, we initiated loss assessment processes and made payment equaling to 117 million TL, which is the largest loss payment sum we made for an earthquake since the time of our foundation.

Since the foundation of TCIP on 2000, the loss compensation amounts issued has reached to 152 million TL in total, with Van and Kütahya-Simav earthquakes. Having a compensation capability on a single earthquake above 6 billion TL including reinsurance protections, our Foundation earned the trust from each part of the society, not only insurance holders, through both its compensation capability and swift and efficient loss assessment and indemnification processes.

We haven't take any break from increasing awareness for the Compulsory Earthquake Insurance, which was included in the agenda of the last year, as well as other awareness activities regarding the intensification of the penetration rate.

Last year, a significant part of the awareness efforts has been spared for publicizing the new Disaster Insurances Legislation. We tried to reach to the dwelling owners through a range of media including newspapers, TV channels, social media accounts, and events. As our Fault Line Wagon with the earthquake simulation system visited local festivals and summer resorts, we initiated the second one of our "Cities Compete, the Insured Win" (Şehirler Yarışıyor, Sigortalılar Kazanıyor) competition, with the aim of increasing the insurance awareness and penetration rate under the supervision of our Deputy Prime Minister Ali Babacan. Also in 2012, we initiated the fourth one of our short movie contest, which is arranged for college students annually, under the theme of "No time to linger around!"

Seeing the positive results achieved from the public survey we initiated by the end of 2012, we are quite grateful to

see that our projects have achieved the objectives. Total number of followers for our DASK page on Facebook ensures that we can reach a wider audience simultaneously on the same media. At the eleventh Golden Compass Public Relations Award arranged by Public Relations Association of Turkey (TÜHD) in 2012, we were granted with an award with the efficient administration of our Facebook page under the category of Digital and Social Media Communication.

Amongst the finest examples of public and private sector collaboration, TCIP successfully proved that it is an Institution that is aware of its obligations and it is open to any improvement, through the high performance displayed in all activity areas throughout 2012.

As the technical operator Eureko Sigorta, we are quite proud and glad to contribute in the success and development of TCIP. Each year with better experience, we put our effort in realizing more successful projects.

As TCIP we hold awareness for earthquake and CEI, and we'll continue our activities to promote penetration rate in 2013 as well. We offer our most sincere thanks to the insurance corporations, insurance agencies, loss expert collaborations, Undersecretariat of Treasury for their support, and to TCIP Board Chairman as well as members for their selfless efforts.

Kind regards,

**Okan Utkuerci**  
Board Member  
General Manager of Technical Operator  
Eureko Sigorta



# TABLE OF CONTENT

<b>Message from the Board of Directors</b>	<b>02</b>	8.5 SMS Notification Delivery For the Policies to be Renewed	28
<b>Message from Technical Operator/Eureko Sigorta General Manager</b>	<b>04</b>	8.6 TCIP Call Center	28
<b>1 OVERALL</b>	<b>8</b>	8.7 Web Services for Electricity/Water Subscriptions	28
1.1 Seismicity of Turkey	8	8.8 Web Services for the Companies	28
1.2 Foundation and Purpose of TCIP	9	8.9 Cooperation with the Ankara University Loss Adjuster Training Program	29
1.3 Organization Structure	9	8.10 Reporting	29
1.4 Board of Directors	10	8.11 Updating of the Agency Information	29
1.5 Technical operator	10	8.12 Risk Modeling Work	29
1.6 Compulsory Earthquake Insurance	11	8.13 The New Internet Site	29
1.6.1 Scope	11	<b>9 PUBLIC RESEARCH</b>	<b>30</b>
1.6.2 Check Points	11	9.1 Current Customer Research Results	30
1.6.3 Authorized Insurance companies	12	9.2 Current Customer Research Results	34
<b>2 TARIFF AND INSURANCE APPLICATIONS</b>	<b>16</b>	<b>10. PROMOTION AND AWARENESS ACTIVITIES</b>	<b>36</b>
<b>3 REASSURANCE PROTECTION</b>	<b>17</b>	10.1 Communication Works	36
<b>4 FUND MANAGEMENT</b>	<b>18</b>	10.1.1 The Fault Line Wagon Festival Tour	36
<b>5 LOSS MANAGEMENT</b>	<b>20</b>	10.1.2 The Cities Compete, the Insured Win	36
5.1 Indemnity Payments	20	10.1.3 Short Movie Contest	37
5.1.1 Van Earthquakes	20	10.1.4 DASK Facebook page	39
5.1.2 Kütahya/Simav	21	10.1.5 The Insured Life Program	39
5.1.3 Indemnity Payments by Years	21	10.1.6 Natural Disaster Insurances	39
5.2 Natural Disaster Management Strategy	21	10.1.7 E-journal	39
<b>6 IT AND DATA MANAGEMENT</b>	<b>22</b>	10.2 Social Media Works	40
6.1 Hosting Services	22	10.2.1 Facebook ana sayfa	40
6.2 Connection (Network) Management and Service Levels	22	10.2.2 The 40 Kurus a Day Money Box Application	41
6.3 TCIP Monitoring Services	22	10.2.3 TCIP 4th Short Movie Contest Facebook Application	42
6.4 Security Architecture and Policies	24	10.2.4 TCIP "Puzzle"	42
6.5 IT System Independent Audit	24	10.2.5 Other Sharings	43
6.6 Emergency Center Management	25	<b>11. STATISTICS</b>	<b>46</b>
6.7 Data Security and Backup	25	11.1 Policy Generation on a Yearly Basis	46
6.8 Application Software	25	11.2 Company Policy Generation	47
<b>7 OPERATIONAL TRANSACTIONS</b>	<b>25</b>	11.3 Policy Generation on a Monthly Basis	48
<b>8 IMPORTANT PROJECTS AND WORKS</b>	<b>28</b>	11.4 Penetration Rate on a Regional Basis	49
8.1 Hardware Changes	28	11.5 Penetration Rate on City Basis	50
8.2 Policy Arrangement Based on Address Code	28	11.6 Distribution of Policies on the Basis of Regions	52
8.3 Title Deed Integration	28	11.7 Distribution of Policies on the Basis of Risk Regions	53
8.4 SMS Delivery During Policy Generations and Cancellations	28	11.8 Policy Distribution by Building Construction Year	54
		11.9 Policy Distribution Based on Building Surface Area	55
		11.10 The Effect of the CEI Control During Subscription on the Policy Generation	55
		<b>12 ASSESSMENT REPORT</b>	<b>58</b>

**As a consequence of the earthquakes happening in our country since 1990, more than 20 billion citizens have lost their lives and our economy has incurred a loss equaling to more than 15 billion dollars.**

### 1 OVERALL

While at certain areas of the world earthquakes happen frequently on a frequent and devastating rate, at other areas earthquakes never happen. The tremors happening on the earth, tend to focus on specific belts.

Our country is located on Alpine-Himalayan belt, which is one of the significant earthquake belts in the world; it starts from Indonesia (Jawa-Sumatera), and reaches to Atlantic Ocean through the route of Mediterranean. Spreading out to 12.000 km approximately, 17% of the earthquakes on the world occur on this belt.

### 1.1 Seismicity of Turkey

Regarding the location and climate attributes our country pertains to, there has always been a risk of natural catastrophe. Earthquake, flood, landslide, avalanche and rockfall are the most significant occurrences among those. In addition to loss of life, natural catastrophes cause Turkey a large magnitude of physical, social and economical loss as well.

When we inspect the number of collapsed dwellings among those occurrences, earthquake shall take the first place with a rate of 81%.

In accordance with the Map of Turkey's Earthquake Zones which is currently in

effect, 66% of the country is located on I-II. rate earthquake zones, and 71% of our population lives on that zones. In accordance with the map, 71% of 81 centrums (equaling to 57) is located on I-II. rate earthquake zones.

When we look at the world throughout recent ten years, we can see that there is a significant increase on the material losses incurred by natural catastrophe occurrences. During 2012, total amount of material losses incurred by various natural occurrences (including earthquake) in various parts of the world has been assessed as 170 billion USD. Out of the total amount, 70 billion USD (40%) has been compensated through insurance.

**List of Earthquakes which Happened in our Country Since 1990, and Caused Significant Loss of Life and Property**

Earthquake	Date	Loss of Life	Affected Number of People	Material Loss (million USD)
Erzincan	13.03.1992	633	250.000	750
Dinar	01.10.1995	94	120.000	100
Çorum Amasya	14.08.1996	0	17.000	30
Ceyhan	27.06.1998	145	1.500.000	500
İzmit Körfezi (Marmara)	17.08.1999	17.480	15.000.000	13.000
Düzce	12.11.1999	763	600.000	750
Sultandağı	03.02.2012	42	222.000	96
Bingöl	01.05.2003	177	245.000	135
Elazığ	08.03.2011	51	3.600	-
Simav	19.05.2011	3	10.121	244
Van	23.10.2011	644	32.938	1.500

Source: AFAD-CRED

### 1.2 Foundation and Purpose of TCIP

Having been established on account of the Legislative Decree numbered 587, and started offering coverage beginning with the date of 27th September 2000, TCIP eventually embraced a rather profound legal framework with the Disasters Insurance Law numbered 6305, which was issued on 18th August 2012.

TCIP is an "insurance" pool that holds a public legal entity, established in order to offer indemnity for Compulsory Earthquake Insurance. Founded in collaboration between public and private sector, TCIP is a non-profit organization which holds a unique structure. Payment capability is not restricted with public budget. Currently 30 authorized insurance company and affiliated agencies initiate Compulsory Earthquake Insurance in the name and account of TCIP.

Established system has proven a successful performance and is pointed as a model implementation by international institutions for many countries. Foundation purposes for TCIP can be outlined as follows:

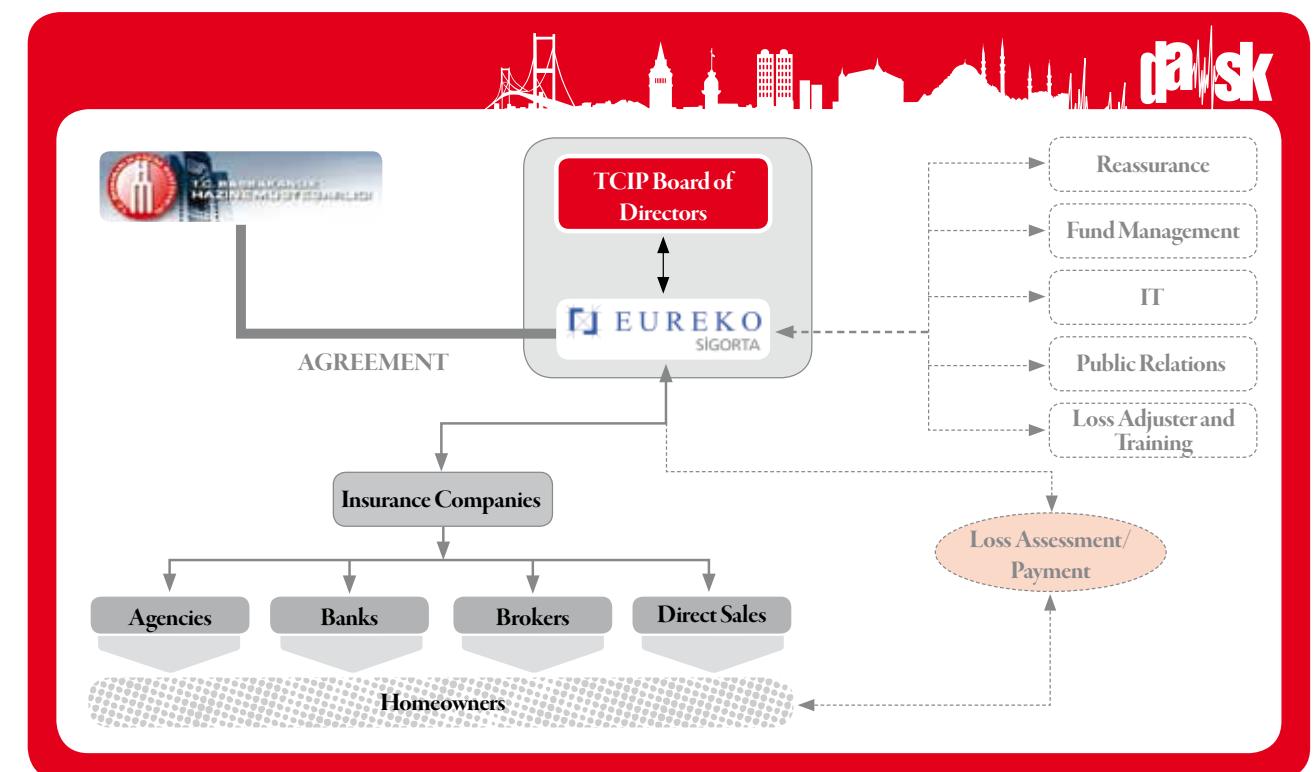
- In compensation for a payable premium, taking all dwellings under insurance guarantee against earthquake,
- Establishing a payment capability free from the public budget,
- Ensuring the risks are shared, and the material burden to be incurred by earthquake is distributed amongst international reinsurance and capital markets through insurance,
- Ensuring the accumulation of long term resources that are required for the compensation of losses incurred by the earthquake,
- Contributing on the improvement of a settled insurance awareness within the community.

### 1.3 Organization Structure

With its structure and operation, TCIP constitutes one of the best models from public-private sector collaboration. Technical and operational works of the institution are conducted by an insurance and reinsurance corporation identified by the Undersecretariat of

Treasury for each period of five years. Insurance coverage is given by the Institution, but Compulsory Earthquake Insurance is offered to the dwelling owners by the insurance companies. In this state, TCIP constitutes an efficient working structure by gathering the benefits of public and private sector in a single body. In order to ensure the sustainability of the policies, and to include the uninsured dwelling owners into the system, TCIP continues its efforts without any break currently. To ensure a sustainable growth in Compulsory Earthquake Insurance, TCIP not only conducts supervision over policy manufacture, but also undersigns significant promotion and social responsibility projects as well, which shall improve the awareness for earthquake and insurance.

TCIP is an insurance pool by technical means, and it requires a physical structuring in order to sustain the tasks of the institution. Instead of that, it puts an effort on outsourcing services for any tasks, in order to increase the efficiency and minimize the costs. Overall organization structure of the institution is as follows.



**The Natural Disasters Insurances Law, which was carried into effect in 2012, implemented insurance control mechanisms that would contribute greatly to the increase of the penetration rate.**

#### 1.4 Board of Directors

TCIP is managed by a Board of Directors consisting of a total of seven members. According to this, the Board of Directors, including the representatives of certain Institutions and boards, consists of the persons specified in the table below. The current structure of the Board of Directors, is of importance in terms of the representation of the opinions of the related parties and an efficient working order.

#### Ministers and Members of the Board of Directors

Name	Position	Institution and Title
Selamet YAZICI	Minister	Undersecretariat of Treasury General Directorate of Insurance, Vice General Manager
Erhan TUNCAY	Acting Minister	Türkiye Sigorta, Association of Reassurance and Insurance Companies, Secretary General
Ercan TIRAŞ	Member	Ministry of Environment and Urban Planning, Undersecretary
Mustafa ÇOLAK*	Member	Prime Ministry General Directorate of Personnel and Principles, Vice General Manager
Bekir Sıtkı ŞAFAK	Member	Stock Exchange Commission, Vice Minister
H.Okan UTKUERİ	Member	Technical operator Eureko Sigorta A.Ş., General Manager
Prof. Dr. Mustafa ERDİK	Member	Kandilli Observatory and Earthquake Research Institute, Institute Manager

\*Until August 18, 2012. In accordance with the Law of Natural Disasters, a representative from AFAD will be participating instead of the Prime Ministry Representative

#### 1.5 Technical operator

The performance of the technical and operational works of the institution is ensured by way of external service acquisition. Based on the 6th article of the Natural Disasters Insurances Agency numbered 6305, a five year service agreement is contracted between the Undersecretariat of Treasury and the company selected for this work and such is renewed according to the same procedure. Within this scope, for the 5 year term between August 8, 2010-2015, Eureko Sigorta A.Ş. has been specified as the technical operator.

The technical operator is responsible for managing TCIP's technical and operational works within the framework of the decisions taken by the TCIP's Board of Directors and the principles specified in the service agreement. Within this framework, the basic duties of the Technical operator are:

- The printing and Distribution of the

Policies, collection of the premiums, and performing all managerial and operational works necessary together with all shareholders in order for loss assessment and indemnity payments,

- Risk transfer and implementation of reinsurance plans,

• Forwarding the institution resources to investment within the framework of the specified principles and limitation, conducting the relationships with the portfolio management companies working with the institution, informing the Board of Directors concerning the works of the portfolio management companies,

- Tracking all accounts and operations as well as the incomes and expenses pertaining to the institution and recognition of such,

- Conducting Public relations, public and training campaigns,

- Performing the necessary correspondences with other persons, Institution and institutions on behalf of the company, preserving the information/documents appropriately and performing the purchases of the goods and services that need to be acquired externally for the Institution.

- Preparing the works, information and reports required by the Undersecretariat of the Treasury.

The main purpose of Eureko Sigorta's works pertaining to the Technical Operation of TCIP is to increase the penetration rate as well as perfecting the loss operations. In accordance with this goal, it performs its works by way of utilizing the best technologies in order to create the necessary working order and creating the infrastructure that would allow the institution to provide sufficient loss services and to allocate the necessary reinsurance programs to ensure that sufficient financial resources

are readily available for the Institution. All these works are carried out by way of taking into consideration that such is an Institution that performs its activities in accordance with principles of responsibility.

#### 1.6 Compulsory Earthquake Insurance

##### 1.6.1 Scope

The Compulsory Earthquake Insurance is generally an insurance system developed for the dwellings within the borders of the municipality. The buildings that are within the scope of this insurance in accordance with the Natural Disasters Law numbered 6305 and the secondary legislative amendments performed in accordance with this law have been materially specified.

The buildings within this scope:

- The buildings that are registered with titles and the buildings constructed as dwellings on immovable with private ownership,
- The independent sections within the scope of the Law of Property Ownership numbered 634,
- The independent sections used as purposes such as offices, bureaus and similar purposes and are contained within these buildings,
- The residences constructed by the government for reason of natural disaster and dwellings constructed using the loans provided.

Compulsory earthquake insurance is also required for the buildings that comply with the conditions above, the apartment sharing of which have been established, the type allocation has not been performed in the title deed and are registered in the title deed as "land" etc, and the cooperative domiciles for which the title deed allocation has not yet been performed.

The insurance for the dwellings that do not yet have an independent title deed can be performed based on the declaration of the insurer and the information contained in the title deed.

The buildings mentioned below are outside the scope of this insurance:

- The building registered to the village population and constructed on the village built up area and its proximity by the permanent residents of the village,
- Buildings that are fully utilized for commercial or industrial purposes,
- Buildings and independent sections that are subject to the Public Residences Law numbered 2946 and dated 9/11/1983 and are utilized as public service buildings,
- Buildings that do not have a project and have not yet received architectural services,
- Buildings that are determined to have been restored in a way that may negatively affect the load bearing system and have been thus weakened,
- Buildings that have been constructed in a way that is contrary to the concerning legislations and the project that may negatively affect the load bearing system,
- Buildings that have been arbitrated to be demolished by the authorized public Institutions and buildings that are neglected, damaged or deserted, which are not fit to be used as dwellings.

Compulsory Earthquake Insurance policies are prepared by the authorized insurance companies and the agencies of such on behalf of TCIP. 30 authorized insurance companies and the agencies of such are still performing Compulsory Earthquake Insurance on behalf of TCIP. In addition to this, the works performed by the Institution for the purpose of direct sales continue.

##### 1.6.2 Check Points

The existence of the Compulsory Earthquake Insurance is checked

pertaining to three main points.

##### Electricity and Water Subscriptions

In the 11th article of the Natural Disaster Insurances Law numbered 6305, within the framework of the provision that states that "in the electricity and water subscriptions made pertaining to the buildings and individual sections within the scope of the Compulsory Earthquake Insurance, the existence of the Compulsory Earthquake Insurance is checked by the related institutions, Compulsory Earthquake Insurance checks begun to be made during the electricity and water subscriptions.

##### Title Deed Loans

Since 2000, in title deed offices, it is sought for the residence to be insured while official transactions such as purchase-sales and mortgage are performed. This matter has been amended once more in the 11th article of the Law numbered 6305. In order to provide ease to the citizens in title deed transactions and to decrease the operational load at the title deed offices, the works that shall ensure electronic information flow among the Institutions for the purpose of decreasing the operational load continue and such are planned to be completed in the first quarter of 2013.

##### Real Estate Loans

The 13th article of the Insurance Law numbered 5684, the 24th article of the Natural Disasters Institution Operating Procedures and the 7th article of the Compulsory Earthquake Insurance Tariff and Prescriptions, in relationship with the real estate loans provided by the banks, it is mandatory for the Compulsory Earthquake Insurance to be performed and to be renewed for the term of the credit.

With the efficient works performed, the goal is to develop an understanding to be pre-prepared against the natural disasters in the public.



### 1.6.3 Authorized Insurance companies

Compulsory Earthquake Insurance policies are prepared by the authorized insurance companies and the agencies of such on behalf of TCIP.



AK Sigorta

Allianz

GÜNEŞ SİGORTA  
"Kendinizi iyi hissedeceksiniz"

HDI  
Sigorta

Hür Sigorta  
"Sigortanızın en Yüksek Deyişim"

ANADOLU  
SİGORTA  
Kaybilmek yok.

Ankara  
Sigorta

AVIVA

İŞİKSİGORTA  
Her ihtimale karşı!

Liberty  
Sigorta

MAPFRE

AXA SİGORTA  
sigortacı / yarıdan fazla kazançlıdır

Groupama

HALKSİGORTA

NEOVA  
SİGORTA

RAY SİGORTA  
VIENNA INSURANCE GROUP

SBN SİGORTA

DEMİR SİGORTA

DUBAİ GROUP  
SİGORTA

ERGO

SOMPO JAPAN SİGORTA

TÜRK NİPPON  
SİGORTA

YapıKredi  
Sigorta

EUREKO  
SİGORTA


EURO  
SİGORTA

GENERALI  
GROUP

ZURICH  
SİGORTA

Ziraat Sigorta

KORU SİGORTA  
kendi sirkeliniz



The Natural Disasters  
Law Carried into effect  
in August 18, 2012,  
is a turning point in  
terms of developing the  
Compulsory Earthquake  
Insurance and affording  
the natural disaster losses  
with means of insurance.

## *Section 2*

- TARIFF AND INSURANCE APPLICATIONS
- REASSURANCE PROTECTION
- FUND MANAGEMENT
- LOSS MANAGEMENT
- IT AND DATA MANAGEMENT
- OPERATIONAL TRANSACTIONS



**For the policies to be arranged after March 1, 2013, for the buildings that have a building license dated 2007 and later, a construction discount of 10% over the tariff price will be applied.**

## 2 TARIFF AND INSURANCE APPLICATIONS

**Insurance Tariff and Premium Account**  
The premium to be paid is calculated by means of adding 10 TL to the amount calculated as a result of applying the tariff below to the earthquake zone and the construction style. For the risks within the province of Istanbul, this amount is applied as 15 TL. However, the minimum amount of the premium to be paid is 25 TL regardless of the earthquake

zone and the construction style. In the Compulsory Earthquake Insurance Tariff, the unit square-meter costs have been re-amended and determined as follows as of 1.1.2013. These amounts represent the average square-meter costs that have been taken as a basis for determining the insurance cost.

The insurance cost and premium are calculated as follows:  
The Insurance Cost = The gross area of the domicile (m<sup>2</sup>) x unit square-meter

cost according to construction type (TL)  
The cost of a domicile to which Compulsory Earthquake Insurance has been applied, cannot exceed 150.000 TL without any distinction pertaining to the earthquake zone and the construction style.

Premium = (Insurance Cost TL x Tariff cost (%)) + Fixed cost (10 TL or 15 TL)

The discounts are applied before the fixed cost is added.

### Unit square-meter Costs According to Construction Types

	Year 2012	Year 2013
A- Steel, Ferro Concrete Carcase Structures	640 TL	700 TL
B- Stone Masonry Structures	460 TL	500 TL
C- Other Structures	240 TL	260 TL

### Earthquake Tariff Prices Based on Region According to Structure Styles (%)

Structure Style	I. Region	II. Region	III. Region	IV. Region	V. Region
	%	%	%	%	%
A- Steel, Ferro Concrete Carcase Structures	2,20	1,55	0,83	0,55	0,44
B- Stone Masonry Structures	3,85	2,75	1,43	0,60	0,50
C- Other Structures	5,50	3,53	1,76	0,78	0,58

#### Renewal, Collective Policy and Construction Year Discount

• In case the policy term is renewed within 30 days at the end of the policy term, a renewal discount of 20% is applied over the tariff prices for the renewed policy.

• In case 8 or more Compulsory Earthquake Insurance policies are produced in the same site or apartment, 20% collective policy / building discount has been applied in 2012. Collective policy / apartment discount has been removed with the Compulsory

Earthquake Insurance Tariff and Instructions carried into effect as of January 1, 2013.

• For the policies to be arranged after March 1, 2013, for the buildings that have a building license dated 2007 and later, a construction discount of 10% over the tariff price will be applied.

#### Deductibility and Insurance Term

• For each loss, a deduction corresponding to %2 of the insurance cost is applied. The institution is responsible for the part that exceeds

the deductible amount calculated in this manner. In terms of deduction application, each 72 hour period is deemed to be a loss. The term of the insurance is 1 year. The insurance needs to be renewed at the end of this term.

#### Commission Percentages

• A commission corresponding to 12,5% for the risks within the borders of the Istanbul Province and a commission corresponding to 17,5% for the risks in other Provinces are paid over the Compulsory Earthquake Insurance premium performed by themselves

or their agencies to the authorized insurance companies authorized to contract Compulsory Earthquake Insurance on behalf of the Institution.

• However, for each insurance agreement, the minimum commission to be paid to the insurance company is 10 TL. 3 TL of the paid commission belongs to the insurance company while 7 TL belongs to the agency. Within the scope of the rates mentioned above, in case the commission to be paid to the insurance company exceeds 10 TL, the commission to be provided to the agency, providing that it is not below the minimum amount, is defined freely among the insurance company and the agency.

#### Voluntary Insurance

• Persons and institutions other than TCIP cannot perform Compulsory Earthquake Insurance. However, in case the value of the independent sections and buildings for which Compulsory Earthquake Insurances have been performed exceeds the insurance amount calculated base on the principles specified in the tariff, or the amount exceeding the concerning insurance amount, providing that the Compulsory Earthquake Insurance has been performed, a voluntary earthquake insurance can be performed.

### 3 REASSURANCE PROTECTIONS

The important matters that the institution takes into consideration pertaining to the payment of losses and the provisioning of the reinsurance program are as follows;

- Providing opportunities for the development of the institution's resources,
- Creating a high quality and dependable reassurer panel,
- Taking the necessary protections by healthily determining the loss load that the portfolio will create and to ensure the assurance variety.

Within the framework of these principles, for the purpose of growth of the instituting funds, the net retention share have been increased and also for the purpose of meeting the loss load that the rapidly growing portfolio will cause following the Law numbered 6305, protection limits have also been increased. Accordingly, in order to answer the capacity requirement and to provide variety pertaining to the protection instrument, works continue to be performed. The reinsurance protection of the Institution has been renewed taking the cost increases (PLA) into consideration and a reinsurance protection that provides a compensation of 1.780 Euro and an excess of loss reinsurance protection that includes reinsurance solutions that have been constructed together with capital markets has been ensured.

The total loss payment power of the institution consists of the institution funds and reinsurance capacity and is approximately at a level of 6 billion TL. The institution's obligations resulting from policies are monitored irregularly and the required reinsurance protection limits required as a result of taking trustworthy earthquake loss models into consideration are provisioned. Reassurance Application Strategy The premiums paid for reinsurance protection are the most important cash outflow item of the Institution. In order to reach the cost and placement structures specified above, works have been performed each year and as a result of this, optimum placements have been performed each year.

- DFA Analysis
- Risk Modeling
- Service Level Agreements (SLA-Service Level Agreement)
- Alternative Reassurance Applications (ART)
- Creating the Broker Panel
- Placement Strategies
- Roadshow

Depending on the numbers of policies that increase with the influence of the

control applications brought forth by the New Law, the Institution's need for loss payment capacity increases. Concerning the future, it is planned that this growth trend shall continue. It is planned for a part of the increasing capacity requirement of the institution to be afforded by the reinsurance markets.

In addition to the reinsurance programs that have been constructed for future term requirements, works continue to be performed by the Institution in order to utilize the other products in the capital markets, primarily the natural disasters bonds. The Institution pays particularly attention for the products and instruments constituting the loss payment capacity to display variety in terms of region, rate and product.

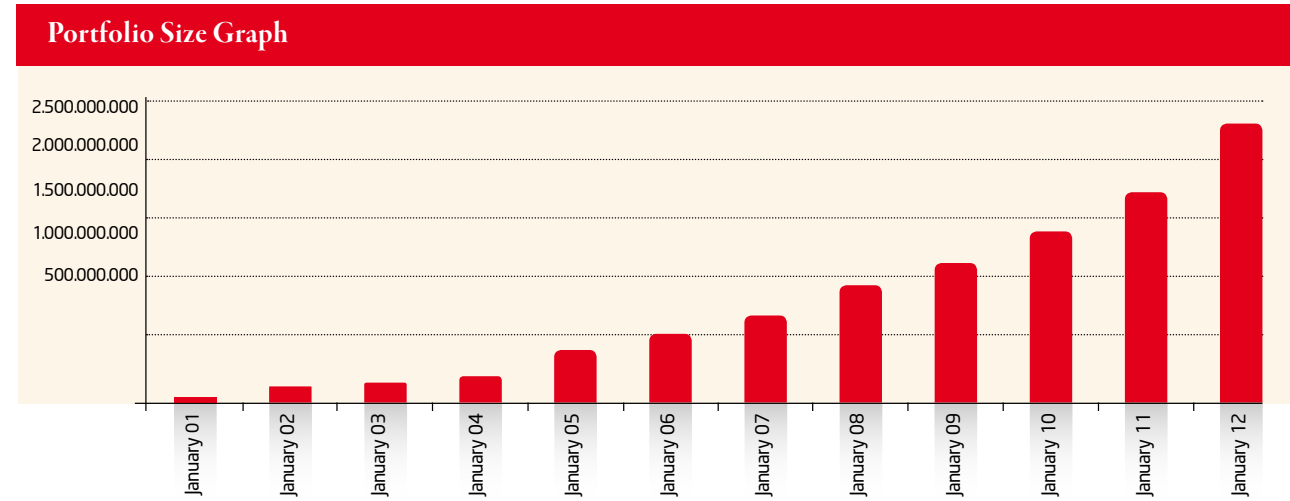
**With the efficient works performed, the goal is to develop an understanding to be pre-prepared against the natural disasters in the public.**

*TCIP works to create an awareness in for the Compulsory Earthquake Insurance understanding to be accepted as a measure against the earthquake rather than a mandatory requirement. For this purpose, certain promotion and awareness activities are being performed and the social media as well as all communication channels are utilized efficiently.*

*As a result of the awareness created, the number of insured dwellings throughout Turkey has increased by approximately one million, reaching 4.8 million while the penetration rate increased to 29%.*

#### 4 FUND MANAGEMENT

The Institution funds, in 2012, continued to be managed in compliance with the investment principles and strategies determined by the Board of Directors as well as the 25th article of the Natural Disaster Insurances Institution's Working Principles Legislation. The fund size increased by 24,10% compared to the last year and reached the level of 2.044.378.959,55 TL as of 31.12.2012.



The General Fund Management philosophy is based on these principles:

- As in the previous years, the fundamental elements are capital safety, and ensuring liquidity and income,
- Staying loyal to the risk levels determined and ensure steady and permanent growth in fond size, staying loyal to the risk levels specified by correct timing and efficient decision making processes,
- Developing income increasing and new products that are appropriate for the Institution and economical conjuncture with an innovative and pioneering approach.

In order for the growing fund to be managed more efficiently and actively, works pertaining to the "Investment Committee" instituted in 2011 and the "Investment Forwarding Committee" as a superstructure has also continued in 2012. The task of the Investment Committee is preparing the "Annual

Investment Plan", purchasing and selling tools that are in accordance with the investment plan approved by the Board of Directors, foreign exchange buying and selling, and monitoring the markets pertaining to participation in DBS tenders and all similar transactions, performing meetings with other financial Institutions and the performance of all operational transactions. It also evaluates the performances of the Technical Operator and portfolio management companies according to the comparative criteria specified in the annual investment plan.

Data of the portfolio management companies, comparison criteria amendment requests and strategy changes are evaluated by this committee.

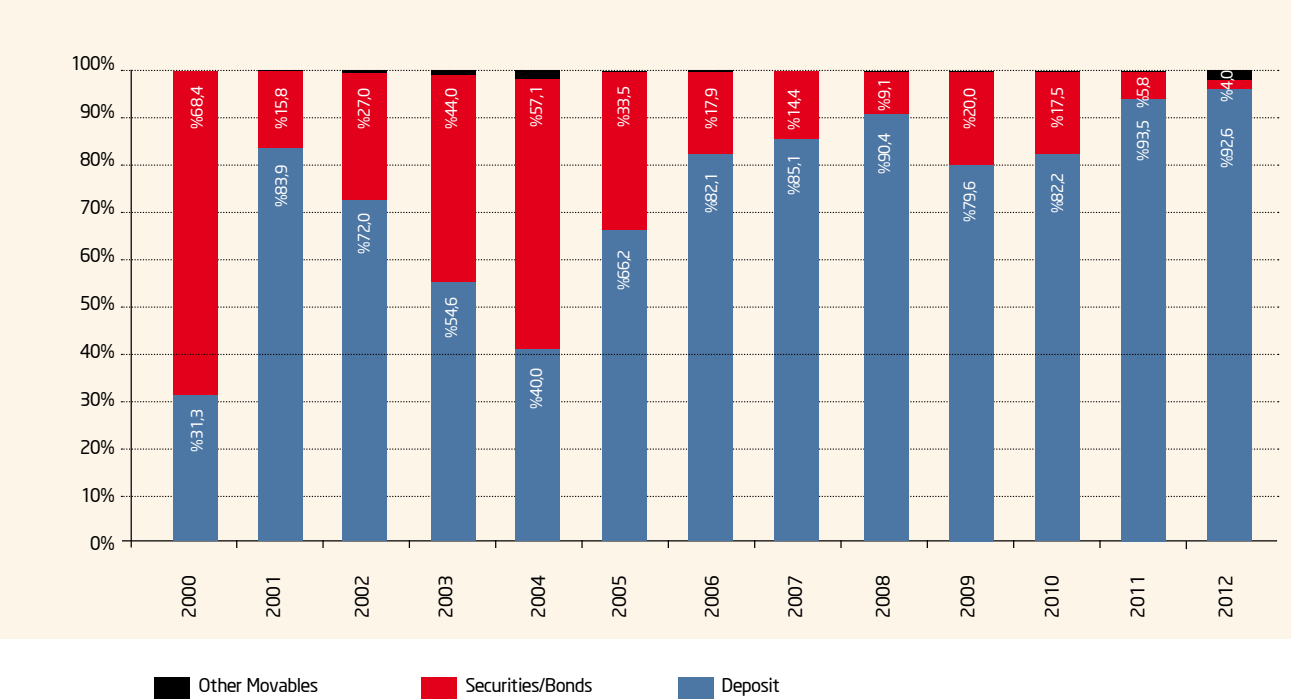
The task of the Investment Inducement Committee is to advise the Investment Committee that observes and evaluates the investment process and operation weekly and to take the managerial decisions that are required.

These committees that begun to work as of 2011 first prepared the "Investment Guide" that includes the working principles of the "Institution Investment Principles" and created the "Annual Investment Strategy" prepared by taking the Institutional liabilities and market conditions into consideration. Throughout 2012, the same committees continued their efforts in the determined manner.

The monetary markets are closely monitored by the Investment Committee which meets weekly, and the investment suggestions received from different portfolio management companies and banks are evaluated and an effort is displayed to gain high income by way of evaluating the Institution's funds by ways of creating investment type and term variety within the limits of acceptable risk limits.

During the Investment Committee meetings performed on Fridays every week, the representatives of local and foreign banks and representatives of the

#### Portfolio Distribution Graph



portfolio management companies are hosted and new products and investment alternatives are evaluated.

Within the scope of the Investment Strategy determined at the beginning of 2012, government bonds and private sector bonds have been included together with the deposit account, which constitutes the major part of the distribution of the fund's investment tool types and provides the highest income according to the market conditions.

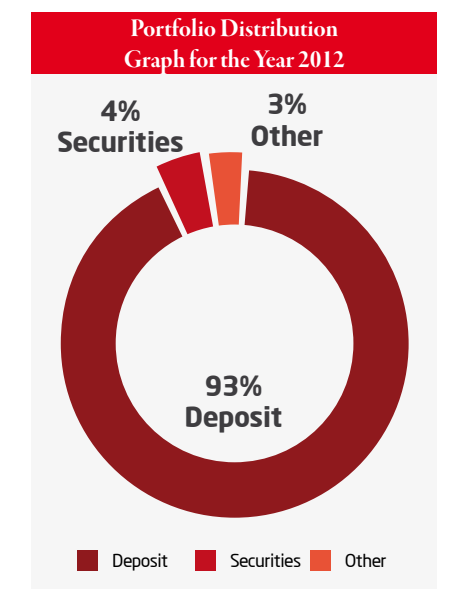
As the product variety increases, the selection of the correct investment tools at the correct times have gained prominence for the purpose of increasing the performance and in term of ensuring the portfolio management efficiency and distributing the risk, the need required for the portfolio management service has become more

evident and works continued to be performed with portfolio management companies. In 2012, 33% of the fund amount was successfully managed by 6 portfolio management companies. The performance of the operating portfolio management companies are monitored weekly and meetings are held once every three months and common evaluations are performed together with the companies.

The banks that are worked with are selected from among the top 10 banks in terms of active size in the Turkish banking system and are selected according to the extent of the income rate.

The TCIP Investment Committee, in the meetings it holds each week, shall continue to evaluate the suggestions received from the banks, portfolio management companies or investment

companies in Turkey within the framework of its Investment Guide and the 2013 Investment Strategy.





## The total indemnity paid as a result of the Van earthquake was performed as 117 million TL.

### 5. LOSS MANAGEMENT

#### 5.1 Indemnity Payments

2012 has been a year in which the works pertaining to the 2011 October and November Van earthquakes have intensified in terms of loss payments and the works pertaining to the earthquake that was experienced at Kütahya Simav in May 2012 continued.

##### 5.1.1 Van Earthquakes

In the province of Van, numerous earthquakes have been encountered that continued from 2011 until the end of the first half of 2012, the most intense of which took place on October 23 with an intensity of 7.2 and on November 09 with an intensity of 5.6.

The Institution initiated the loss assessment activities after the initial intervention and rescue works. Our Institution which immediately transferred the loss adjusters to the region, begun indemnity payments as of November 4, 2011 before two weeks passed after the initial earthquake. Following the first earthquake, an

intense operational process that increased rapidly as of November and continued in the first half of 2012 was experienced.

##### As of the end of 2012;

- Number of total claim notifications: 8.819
- The number of resulted files: 8.608
- The number of paid files: 6.619
- Amount of paid indemnity: 117 Million TL
- Pending loss amount : 6,013,228 TL

The second earthquake which took place on December 9 and the aftershocks that took place after that caused secondary loss assessments and payments to be performed.

The works performed pertaining to the Van earthquake provided important information to the Institution in terms of earthquake and related natural disaster management and directed the works to be performed regarding this matter in the future period. The experience acquired in this period provided numerous data in order to test

and develop the immediate action plan of the Institution.

With these earthquakes, the loss management process has been developed and new applications have been tried in order to ensure improvement.

When we look at the loss assessment process;

- Evaluations begun to be informed to the agencies and the insured by way of text message, email and other communication tools.
- In the first days of the earthquake, loss adjusters were sent to the region and a general determination and evaluation was performed.
- Consultant experts were determined and these resources were utilized for the consultations and support provided by all loss adjusters to go to the region.
- All policies in the Van region and the opened loss files were grouped based on regions and experts were assigned accordingly. Thus loss adjuster assignment was performed for all

policies that are in effect in the province of Van as of 23.10.2012.

- The Institution also performed loss adjuster assignment for the policies that were in the same region for the first time and for which the claim notification was not performed. On the other hand, the insured were called to provide the necessary information.
- Following the first assignment of the loss adjusters, people went to the region after they were first assigned and meetings were held in order to act in cooperation and to organize and common cost amounts were specified to be utilized in the reports.
- As of 31.12.2012, 100 loss adjusters were assigned and the greatest central loss operation performed by the Institution was carried out.
- The malfunctions that might be experienced as a result of the lack of knowledge in the policies were attempted to be removed by loss adjusters, agencies and TCIP with sacrifice.
- Particularly the fact that the province of Van was abandoned for temporary periods was one of the most significant matter that influenced the process. For this reason, communication with the insured was carried out by means of the GSM numbers.

During the Van earthquake, claim notifications were received from a

total of 11 provinces. %90 of the claim notifications were received from the province of Van while %7 was received from Bitlis and %2 was received from the province of Ari.

##### 5.1.2 Kütahya/Simav

Following the earthquake which took place at Kütahya/Simav and had an intensity of 5.9, a second earthquake with an intensity of 5.1 was experienced on May 3, 2012. While the number of claim notifications was 1237 in 2011, this number raised to 1431 in 2012.

As of the end of 2012;

- Number of total claim notification: 1.431
- The number of resulted files: 1.378
- The number of paid files: 1.231
- The number of files to which additional payment was made: 456
- Amount of paid indemnity: 2,931,379.36 TL
- Pending loss amount : 151,815.75 TL

During the Kütahya earthquake, an operation process different from the Van earthquake was applied in accordance with the Natural disaster management plan.

##### 5.2 Natural Disaster Management Strategy

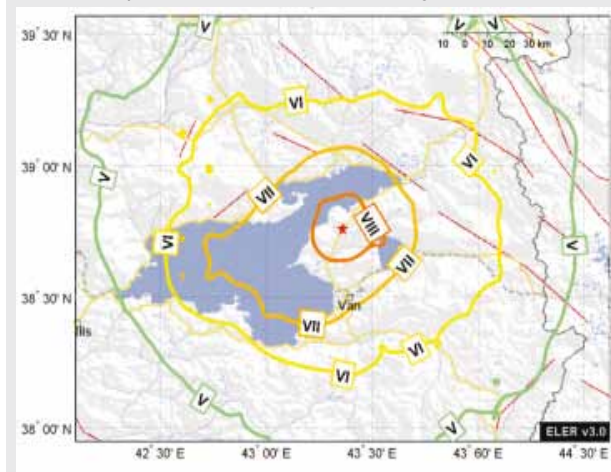
The natural disaster management



strategy of the institution constitutes of three parts:

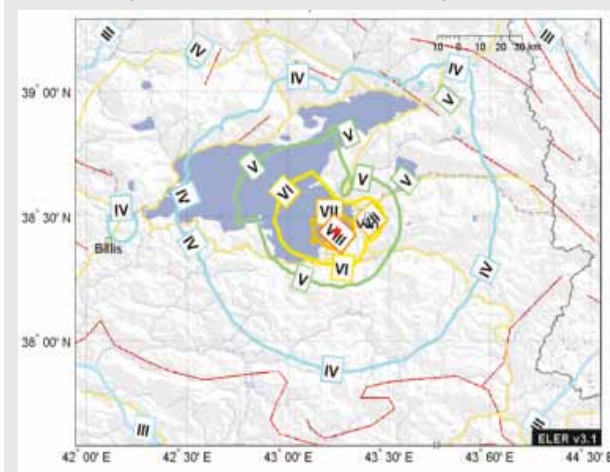
1. Operational sufficiency: Possessing the systems, platforms and applications which shall ensure that the operations and activities are carried out efficiently
2. Source sufficiency: Possessing the trained and experienced human resources that can perform the works and operations pertaining to the natural disaster process
3. Natural disaster action sufficiency: Having an efficient natural disaster action plan for managing the continuity of all resources and shall ensure the logistics and coordination of all resources from the moment the natural disaster takes place, including the necessary operational actions. Numerous projects still continue to be carried out within the scope of this strategy.

The Van earthquake on October 23, 2011, the intensity of which is 7,2



Source: Boğaziçi University Kandilli Observatory and Earthquake Research Institute

The Van earthquake on November 09, 2011, the intensity of which is 5,6



Source: Boğaziçi University Kandilli Observatory and Earthquake Research Institute

##### 5.1.3 Indemnity Payments by Year

Indemnity Payments by Year (31.12.2012)			
Year	Number of Earthquakes	Number of Files	Payment (TL)
2000	1	6	23.022
2001	17	336	126.052
2002	21	1.558	2.284.835
2003	20	2.504	5.203.990
2004	31	587	768.927
2005	41	3.488	8.119.871
2006	23	500	1.303.673
2007	42	995	1.381.599
2008	45	481	558.849
2009	37	266	497.886
2010	36	454	715.418
2011	40	7.658	126.480.814
2012	49	1.557	4.582.344
<b>TOTAL</b>	<b>403</b>	<b>20.390</b>	<b>152.047.279</b>



**TCIP, with its widespread services, has the capacity to present the same service from all centers of population in Turkey when required.**

#### 6 IT AND DATA MANAGEMENT

TCIP, with its widespread services, has the capacity to present the same service from all centers of population in Turkey when required.

Information technologies management approach is based on three fundamental principles:

- Utilization of current and advanced technologies
- Application of the highest level of safety policies
- Ensuring work continuity

During the policy production process, two methods are utilized, namely real time data transfer and internet application and the produced policy information is registered at the TCIP database simultaneously. It has been observed that the system provides a service rate above 99% before encountering any important interruptions.

The Continuity Center infrastructure established at Ankara is tested at certain periods. During the works performed, all applications operating over the systems in Istanbul are shut down and the emergency systems at Ankara are engaged. During the tests, the Institution is observed to have a competence of engagement in 2 hours.

#### TCIP Hardware and Oracle Database Transition in 2012

The hardware equipment on which the TCIP applications are utilized and were most recently updated in October 2006 was successfully updated in August 2012.

Together with the hardware update, the Oracle database version was updated from version 10.2.0.4 to version

11.2.0.3.1. Prod database server, prod passive database server, prod data security database server (Ankara), new reporting prod database servers and new hardware were updated, new hardware was established, performance tests were performed and such continue to provide their services.

#### 6.1 Hosting Services

Hardware belonging to TCIP are maintained and managed within the scope of the service level agreements executed at the Garanti Teknoloji location.

The communication between the Istanbul TCIP system and the Ankara Emergency Center is ensured by means of a 5 Mbps leased line.

The leased lines are monitored and operated 7/24.

A redundant connection is ensured between the Istanbul Güneşli TCIP system and the Istanbul Altunizade TCIP employees by means of 2x34Mbp leased lines belonging to Eureka Sigorta.

The necessary telecommunications infrastructure services for this connection (router, TDM, PCM infrastructure) are provided. The leased lines are monitored and operated 7/24.

#### 6.2 Connection (Network) Management and Service Levels

TCIP, within the scope of services it receives from Garanti Teknoloji, provides services over the nationwide connection network of Garanti. Within this scope, Garanti Teknoloji has service centers at important locations in Turkey. Services are provided to all Distribution channels of Turkey from these centers.

For this reason, TCIP has the necessary infrastructure to provide the same service from all habitations in Turkey.

The services acquired from Garanti Teknoloji are monitored 24 hours at certain service levels (SLA), interventions are performed in cases of malfunction and such are reported in certain periods.

The capacity utilization of the systems is constantly monitored and improvement works are performed in order to protect the investment. Also, analysis is performed in accordance with growth requirements and technologies and solutions that are most appropriate for the needs are suggested.

Database management is performed 7/24 by experienced and certified system experts.

The system is protected by firewalls installed for the installation of TCIP. Any and all attempts to attack this structure are monitored by the GT personnel as well as the contracted Institutions and alarms are generated. For full securities of the systems, the patches at system level are evaluated and applied monthly.

#### 6.3 TCIP Monitoring Services

Within the scope of the service acquired from Garanti Teknoloji by TCIP, the following processes are audited and checked 24 hours.

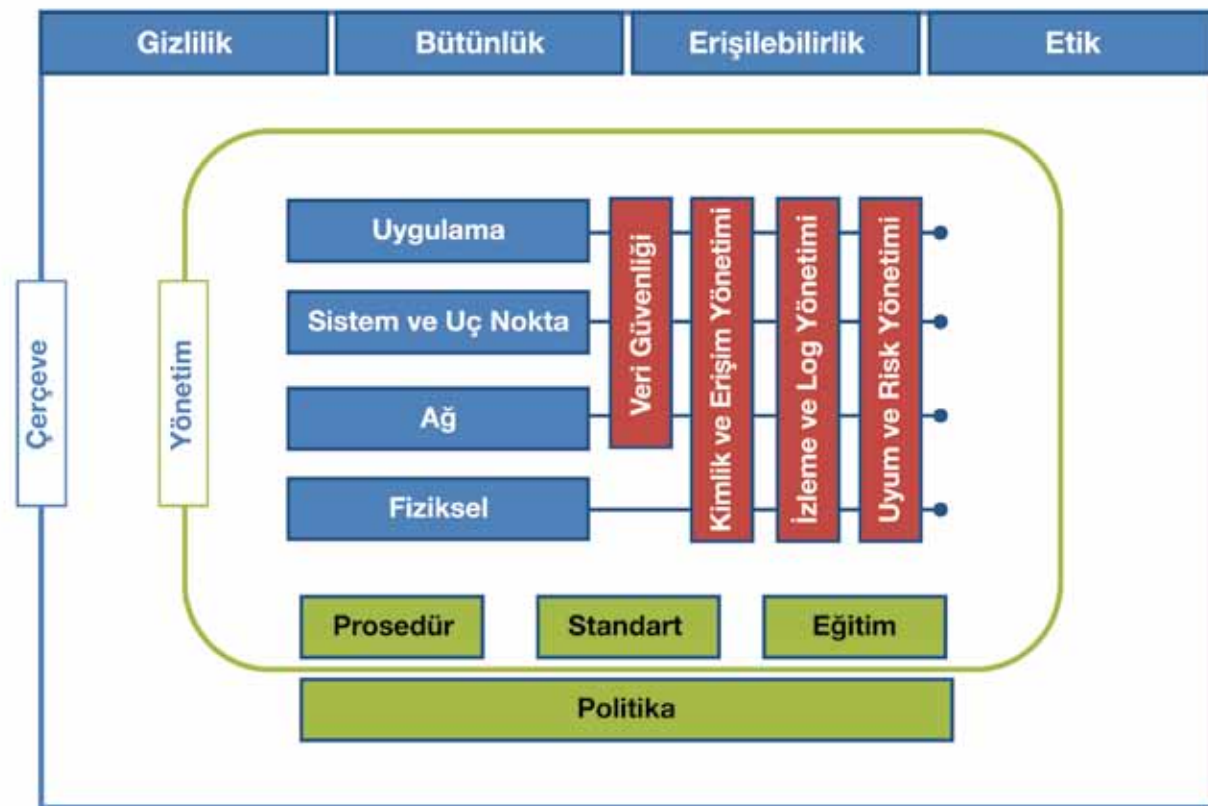
- System accessibility
- E-mail
- Servicer
- A services
- Internet accessibility services
- Internet page accessibility
- Application accessibility
- Performance management

Information Security Policy	Purpose
Work Environment IT Security Policy	Regulates the acceptable utilization principles of all computers and network resources present at the work environment.
Policy Concerning the Utilization of Peripheral Units	Regulates company employees' access to the peripheral units in order to prevent the sensitive and private information pertaining to the company from exiting the company and malware from contaminating the company computers.
Data Center Security Policy	Determines the policy necessary for the safe operation of the data centers present at Garanti Teknoloji and DASK.
Audit Logs Policy	The policy is for the purpose of producing the necessary audit logs for registering any and all transactions performed pertaining to the information resources of the company.
Policy Concerning the Accesses For the Purpose of Support	The purpose of this policy is to regulate the accesses that shareholder company employees shall perform externally in cases where problems are encountered or support is required pertaining to subjects such as service acquisition, product development etc.
E-mail Security Policy	This policy determines the rules that must be paid attention to during the utilization of the email service provided to the employees of the Institution by the TCIP.
Physical Security Policy	Garanti Teknoloji and TCIP aims to determine the conditions that shall maximally ensure the physical security of the IT systems.
Secure Software Development Policy	The purpose is to ensure that the applications developed by Garanti Teknoloji and 3rd party companies for the purpose of being utilized by group companies are at a sufficient.
Internet Access Policy	It regulates the internet access by limiting the access to the internet sites that may be harmful or non-work related by way of controlling the internet Access provided by Garanti Teknoloji and TCIP to its employees
Policy Concerning the Systems That Can Be Accessed From the Internet	This document determines the rules pertaining to the servers and systems that can be accessed from the internet and are open to external utilization, located outside the Garanti Teknoloji and DASK intranet (DMZ, Extranet or Internet) possessed and/or operated by Garanti Teknoloji and DASK.
Password Policy	Determines the selection criteria, protection and amendment periods of the passwords utilized in Garanti Teknoloji and DASK IT systems.
The Security Policy Pertaining to the Management of the Systems	Its purpose is to ensure the operational methods of all IT systems under the management of Garanti Teknoloji and TCIP.
Remote Access Policy	The purpose of this policy is to determine the design and structure of the management screens utilized for transactions such as management, content editing etc. over the internet sites and to regulate the access methods.
Data Security Policy	Data belonging to Garanti Teknoloji and TCIP must be protected using the appropriate methods. The purpose of this protection is to control the unauthorized production, access, amendment, revealing, operation and destruction of the data. In order to ensure this protection, the information contained by the data must be classified according to sensitivity and must be protected by the controls required by its class.
Access Policies Regarding the Management of Internet Sites	The purpose of this policy is to determine the design and structure of the management screens utilized for transactions such as management, content editing etc. over the internet sites and to regulate the access methods.
Backup and Archive Management Policy	This policy determines the methods to be utilized for backing up of the company's information resources and ensuring the security of this magnetic medium.

## Backup and Archive Management Policy Service levels are monitored at each hour of the day

### 6.4 Security Architecture and Policies

Garanti Teknoloji provides services within the scope of the security architecture and policies the details of which are provided below. It is also compliant with the BDDK and COBIT standards that are mandatory within the scope of the companies it provides services to.



### 6.5 IT System Independent Audit

During the audit performed concerning the IT system within the scope of the DS5 process (process for ensuring system security) within the framework of Cobit 4.1 in 2012 by PricewaterhouseCoopers (PwC), it has been aimed to understand the IT risks within the scope of these processes and the controls that correspond to these risk and to evaluate the efficiency of these control on the level of design and operation. Within the scope of the work, the

security controls present in the areas below, the identity verification mechanisms and authorization processes have been investigated.

- Operational systems
- Critical work applications
- Databases
- Internal and external access to the computer network
- Physical access
- Management of privileged users (Admin)

Also, the design deficiencies and controls that shall be put forth during the understanding of the IT Security processes, risk and controls have been tested.

The findings and results that have been accessed as a result of auditing have been evaluated. The precautions that need to be taken have been determined and implemented; and works have been initiated for the improvements that need to be performed.

### 6.6 Emergency Center Management

Tests are performed at certain intervals concerning the operability of the backup servers in Ankara in emergency cases.

During the works performed, all applications operating over the servers in Istanbul are shut down and the emergency systems at Ankara are engaged. Meanwhile all transactions and functions utilized by the "GZUB web services" and "internet" separately have been tested by the company users. It has been determined that emergency servers continue to work in full and as of their current status.

### 6.7 Data Security and Backup

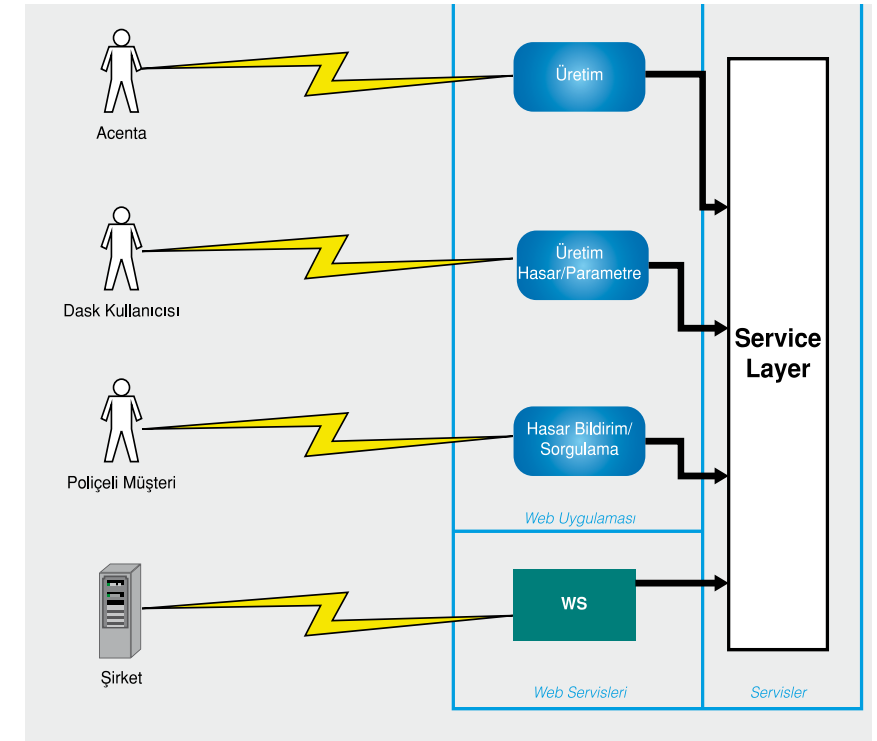
Current backup procedure is provided by the latest technology products of our day without any manual operations. A continuation of the current status is stipulated.

### 6.8 Application Software

The current software has been developed with the Java software language and keeps its data on the DASK system Oracle database. All records registered in the database are also recorded in the Emergency Center in Ankara. The DASK system provides its services with 2 application servers working as backup. Intense working reports are prepared by a separate application.

TCIP application consists of internet application and database layers. The hardware requirements of these layers can vary based on their utilization status. For the purpose of answering this variability and growth as well as utilizing the resources optimally, works pertaining to hardware changes and infrastructure renewal (Istanbul Güneşli and Ankara Emergency Center) have been performed. The hardware purchased is utilized for the purpose of production, development and emergency situation services.

The IT process flow chart among the institution, insurance companies, agencies



and the insured are as follows:

#### Database Backup

A full backup of the TCIP Prod database is taken and its most recent 5 copies are retained.

While the oracle database full backup time on the old hardware was taken in approximately 6 hours, this time has been reduced to 1 hour in the new database. The backup times accelerated by approximately 6 times.

The institution is planned to develop the projects below in order to manage the loss

better in order to provide better services to the companies and agencies and to manage the damage better in case of a big earthquake. For this purpose, the projects among these that have been completed in 2012 and for which analysis works have been initiated are indicated below.

#### 7 OPERATIONAL TRANSACTIONS

The increase in the number of policies, the increase of awareness, the earthquakes experience and the developments in the form of loss management, an intense increase was experienced in the call center, e-mail and document flow.

Operation Transactions	2008 Total Number	2009 Total Number	2010 Total Number	2011 Total Number	2012 Total Number
Loss	1.500	721	642	8.050	4.512
Call Center	19.724	36.789	26.885	82.746	131.269
E-Mail	6.320	8.808	3.354	6.850	11.130
Policy Cancellations	15.000	23.320	6.500	15.125	15.500
Correspondences	2.511	9.858	546	6.278	6.094
<b>Total</b>	<b>45.055</b>	<b>79.496</b>	<b>37.927</b>	<b>119.049</b>	<b>168.505</b>





TCIP plays an efficient role in the awareness becoming nationwide, by means of many different communication channels.

## *Section 3*

- IMPORTANT PROJECTS AND WORKS
- PUBLIC RESEARCH
- PUBLIC CAMPAIGN AND AWARENESS



The surveys conducted reveal that risk perception influences the CEI operation behavior.

## 8 IMPORTANT PROJECTS AND WORKS

### 8.1 Hardware Changes

For the purpose of meeting the institution's changing application needs and growth strategy and ensuring the optimum utilization of the resources, hardware changes and infrastructure renewal (Istanbul Güneşli and Ankara Emergency Center) works have been performed and all hardware has been renewed.

### 8.2 Policy Arrangement Based on Address Code

In this project in which the address database utilized for the generation of Compulsory Earthquake Insurance policy has been made fully compliant with the National Address Database (NADB), the goal is to perform the all Compulsory Earthquake Insurance production over the National Address Database infrastructure and to locate an address code that may be defined as an ID number that belongs to the related independent section determined by this database. As a result of this common address system which allows the standard address information to be utilized by all institutions, the goal is to have the insured domiciles are monitored better, the loss management to become more efficient and in addition to this, to ensure more efficient integrations with other governmental Institutions.

With this project, the first benefit will be preventing the production of erroneous and repeating policies as a result of the address information being expressed incompletely or differently. Also, it will be possible to monitor the residences within the scope and to apply the discounts automatically. For

the buildings outside the scope of the Compulsory Earthquake Insurance, the erroneous generation of policies will be removed. The most important point is that in case a domicile covered under the Compulsory Earthquake Insurance is damaged in case of an earthquake, it will become easier to locate the domicile and provide the service as a result of the standard address code system and this will allow the loss management to be provided quicker and more efficiently.

### 8.3 Title Deed Integration

The goal is to ensure that while the title deed transactions are performed, the Compulsory Earthquake Insurance checks can be performed more systematically and the cancellations for the policies regarding these domiciles can be prevented. Following this integration that shall be performed with the title deed office, in transactions that shall be performed regarding the immovable at the title deed offices, it shall be ensured that the existence/non-existence information for the Compulsory Earthquake Insurance can be displayed and it shall also be ensured that the control mechanism can work more healthily while the operation work load decreases at the title deed offices.

### 8.4 SMS Delivery During Policy Generations and Cancellations

As of 18.12.2012, SMS messages begun to be delivered for policy notification to the mobile phone numbers belonging to the insured and the insurer specified on the policy for the policy generation, renewal and cancellation processes for all Compulsory Earthquake Insurance policies. The goal of this service is to notify the insured regarding the policy generation, renewal and cancellation transactions.

### 8.5 SMS Notification Delivery For the Policies to be Renewed

SMS information is delivered to the policy owners with GSM information approximately 15 days prior to the expiry date and they will be reminded to renew their policies. The deliveries are performed for the following month once every 15 days on the 1st and 15th of each month.

### 8.6 TCIP Call Center 125

For both the daily operations and in case of a major natural disaster, a 3 digit telephone number was decided to be utilized as the call center number and 125 begun to be utilized as of March 2012.



### 8.7 Web Services for Electricity/Water Subscriptions

The 11th article of the Natural Disasters Insurance Law numbered 6305 states that "for the electricity and water subscription operations concerning the buildings that are within the scope of the Compulsory Earthquake Insurance, the existence of the Compulsory Earthquake Insurance are controlled by the related institution. Within this scope, a web service by means of which they can display the policy number and the policy information has been provided to the electricity and water administration in the year 2012.

### 8.8 Web Services for the Companies

A web service has been provided to the insurance companies in order to allow them to provide domicile insurance earthquake voluntary compensation so that they can control the existence/non-existence of the Compulsory Earthquake Insurance.

### 8.9 Cooperation with the Ankara University Loss Adjuster Training Program

A training program is being worked on together with the Ankara University for the purpose of developing the loss determination expert in order to perform the damage determination transactions throughout the country. Within this scope, preparation works consisting of theoretical and applied components continue to be performed in order to ensure that certified Natural Disaster Insurances Loss Adjuster (TCIP Loss Adjuster ) trainings are provided at Ankara University's Department of Immovable Development.

### 8.10 Reporting

With TCIP's developing needs, requirement for analysis to be performed in different ways compared to the database acquired by the Institution throughout the years arises. Independent of the Information Technologies Unit, the goal is to develop programs that the users who need data and investigation can utilize to perform reporting. This way, the required managerial and statistical reports can be obtained from the web page by entering username and password. The works pertaining to the reporting project have been initiated within this scope.

### 8.11 Updating of the Agency Information

The goal is the integration of the active agency information present at the Turkish Union of Chambers and Exchange Commodities being integrated into the TCIP system by means of a web service and ensuring the daily agency information corresponding to this

number being transferred to the system with an immediate query with the table registry number being entered to the system. For this purpose, companies and TOBB began joint efforts.

### 8.12 Risk Modeling Work

The goal is to allow the institution to manage the portfolio more healthily, perform the loss estimates more efficiently and to possess its own model in order to undertake an international role regarding this matter. Moiling is of importance for the purpose of correct analysis of the risk to be undertaken as well as enabling the reinsurance placement to be performed at the optimum level.

### 8.13 The New Internet Site

The necessary research and works in order for the internet site to be renewed have begun towards the end of 2011. As a result of these works, the new internet site was opened for use in 2012.



**88% of the current customers and 63% of the potential customers believe TCIP is beneficial.**

### 9 PUBLIC RESEARCH

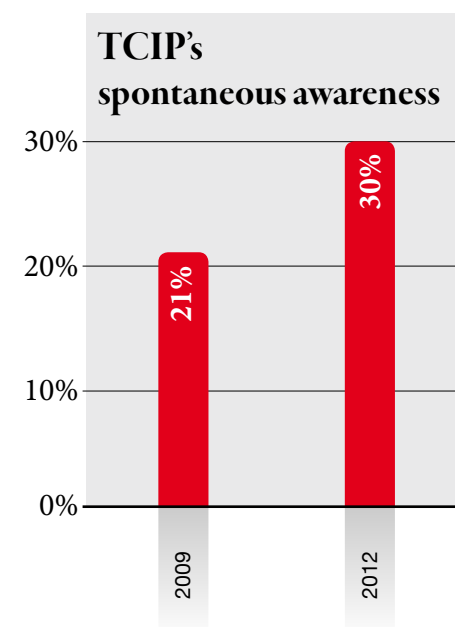
In order to reveal the thoughts of the people concerning the Natural Disaster Insurances Institution and the Compulsory Earthquake Insurance as well as why they have/or do not have the Compulsory Earthquake Insurance performed and TCIP's image, twice throughout the country, "Awareness and Image" researches were performed in 2008 and 2009 throughout the country.

This time, in 2012, in order to measure the effect of the works performed during the process that took place during the period after the previous researches, the research was renewed in 27 provinces with 2.181.

#### 9.1 Current Customer Research Results

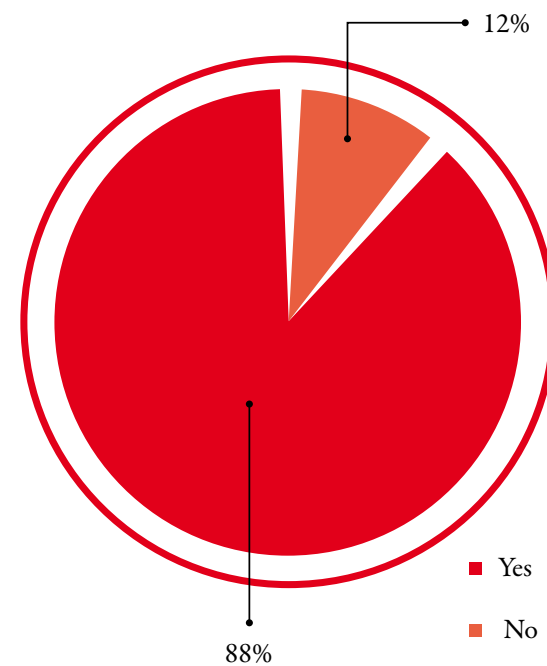
##### Awareness and Image

Concerning the Current Customers, the spontaneous awareness concerning TCIP has increased from 21% in 2009 to 30% in 2012.



The influence of the awareness pertaining to TCIP concerning CEI renewals is high. The renewal rate of those that have an awareness pertaining to TCIP is 68%.

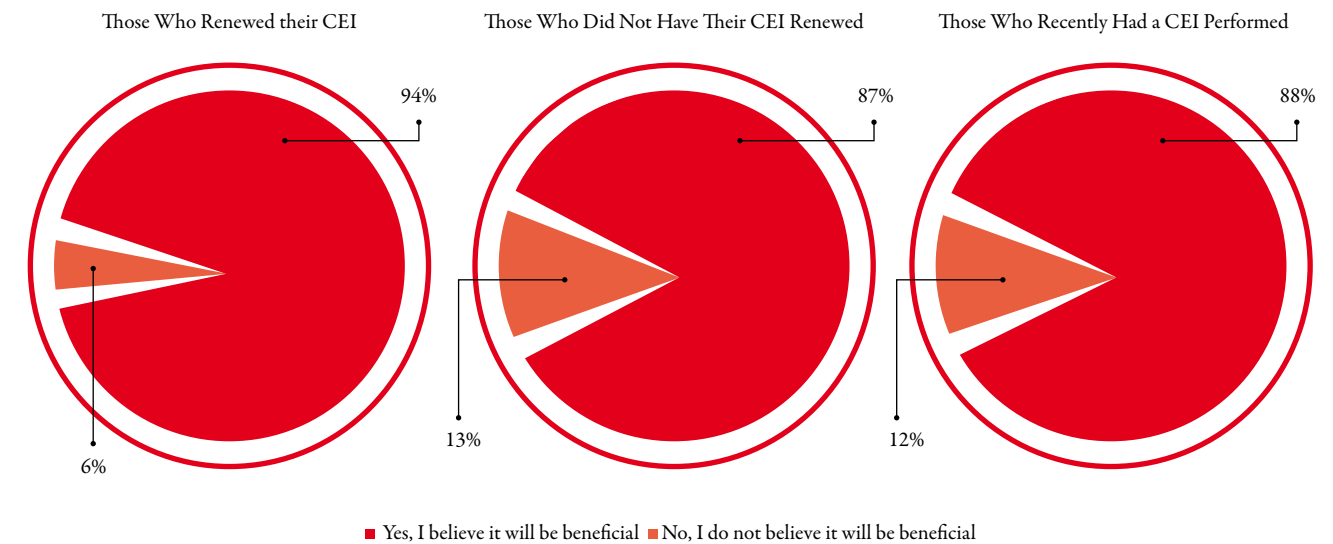
**Do you believe that the Compulsory Earthquake Insurance will be beneficial for you in case of a possible earthquake?**



As in the previous years, the primary ones among the resources from which information pertaining to TCIP/CEI were obtained were agency representatives, TV news and banks.

*Among the current customers, awareness increased by 9 points in 3 years.*

88% of the current customers (94% with the renewals) believe that TCIP is beneficial. The ones participating in the research believe that the persons who underwent the earthquake disaster, authorities of the Kandilli Observatory, scientists and academicians are influential.

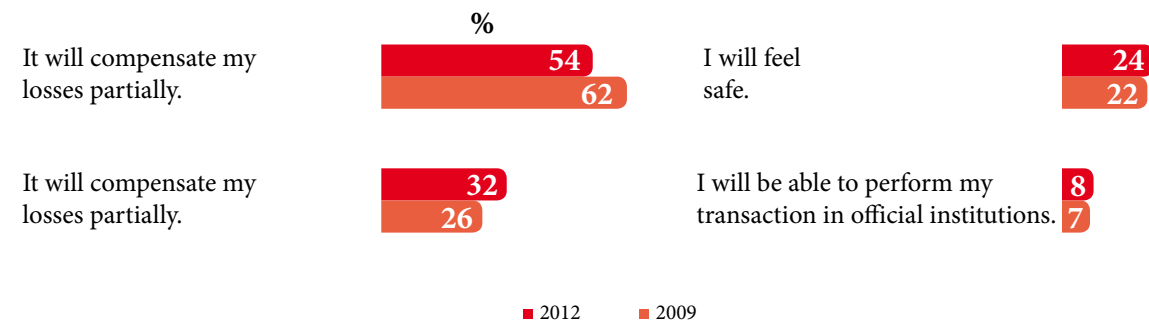


On behalf of the current customers, the reason for having CEI performed moved away from "obligation" and the rate of the persons who defend this reason decreased from 44% to 28% and the rate of those defending the reasons that "one should be prepared for a possible earthquake" increased from 39% and 49%. The percentage of the loss that shall be afforded has increased to 32% percent with an increase of 6% in 2012.

	2009 %	2012 %
To secure my house in case of a possible earthquake.	39	49
Because it is deemed mandatory by the government.	44	28
They performed it during bank credit transactions.	10	17
They made it mandatory for title deed transactions.	10	12
Because I believe there will be a major earthquake soon.	4	12
I saw that the losses incurred by earthquake victims were paid by the government after the disasters, I believe that TCIP will pay my compensation.		7

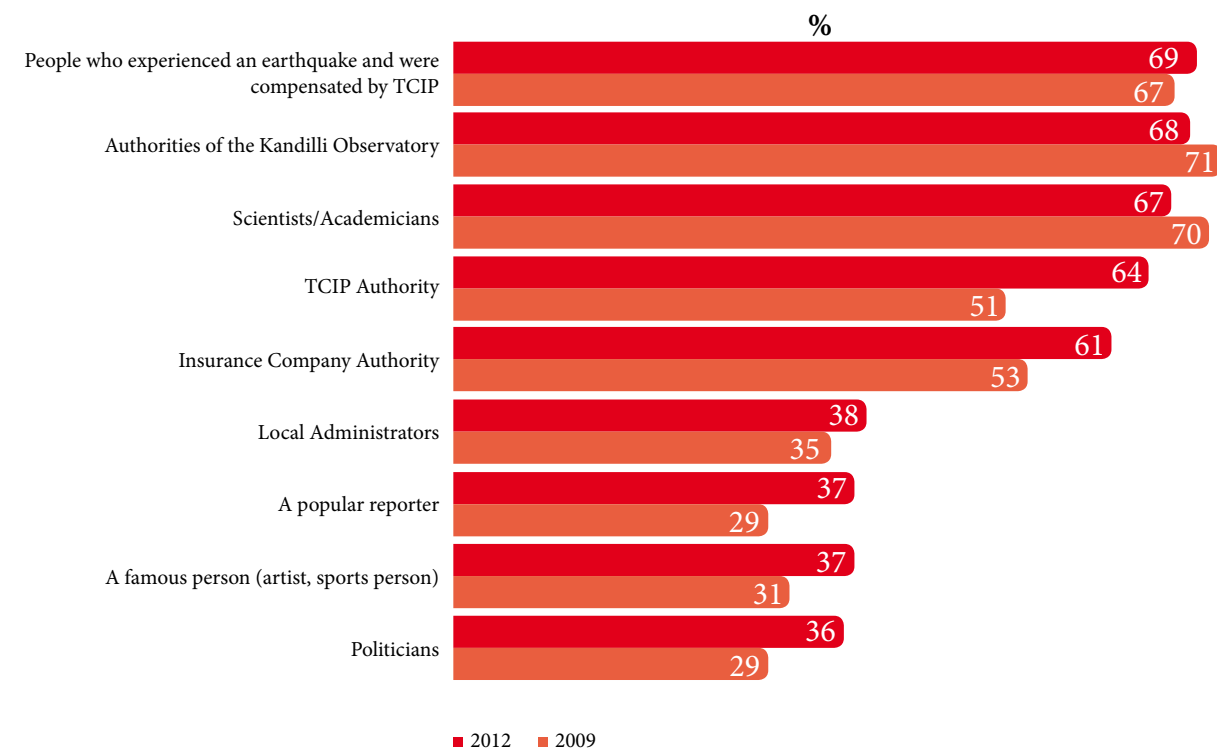
## The loss payments performed in 2011 and 2012 consolidated the perception of a beneficial and trustworthy Institution.

### What kind of benefits do you believe the Compulsory Earthquake Insurance will provide you?



### People Efficient in Informing the Public

• In the previous period, an awareness has developed that TCIP is actually a governmental Institution and the current customers believe TCIP to be an Institution that sufficiently informs the public. For this reason, the amount of people that want to receive information from TCIP representative increased from 51% to 64%. A rate that never changes based on years is that the insured who receive compensation from CEI is efficient in terms of informing the public.

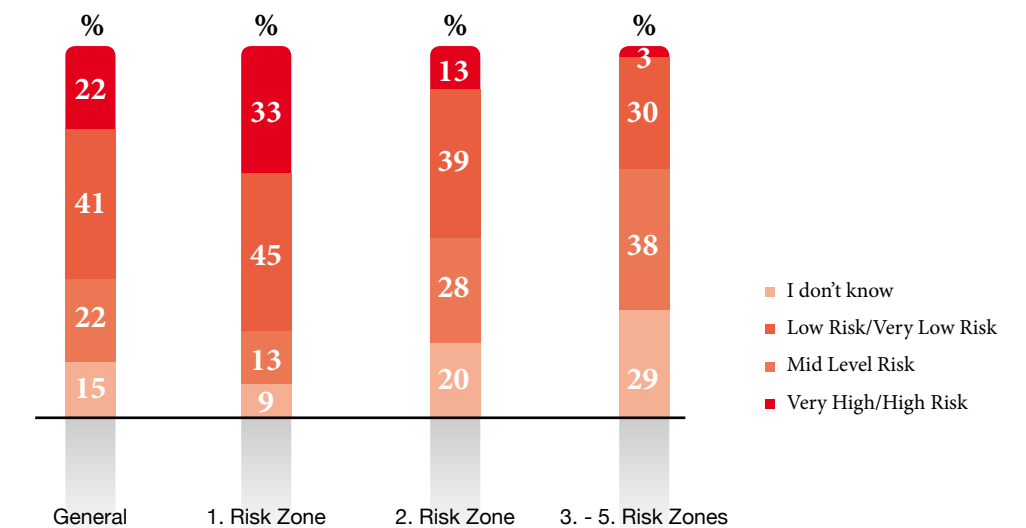


• For the customers who did not have their CEI renewed, the opinions arguing that CEI is expensive decreased from 28% to 14%.

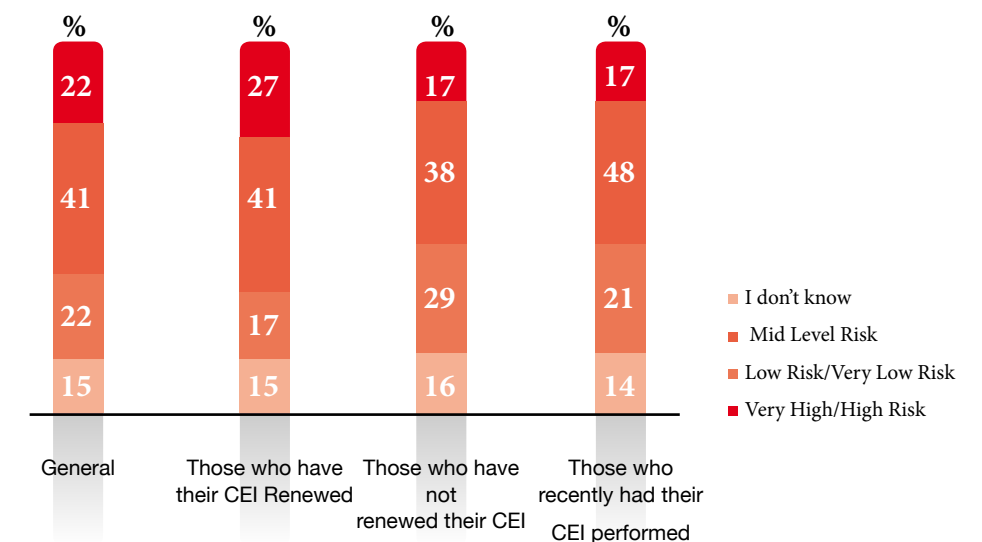
• For the current customers, the earthquake perception percentages can be evaluated with the breakdown below.

- Perception of people that they may experience an earthquake 53%
- The perception that their house may be partially broken down 37%
- The perception that their house may be fully broken down 33%
- The possibility that they may lose their lives in a possible earthquake 36%

• It has been observed that the **earthquake risk perception** is highly efficient for having a Compulsory Earthquake Insurance to be performed and renewed. The insured were questioned as to whether they knew **which risk region they lived in** and their risk perception:



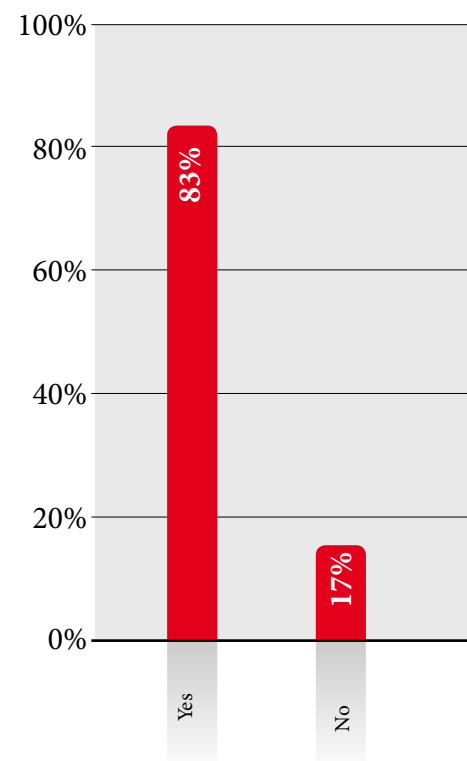
The risk perception of our insured that Renewed/Did Not Renew their CEI are as follows:



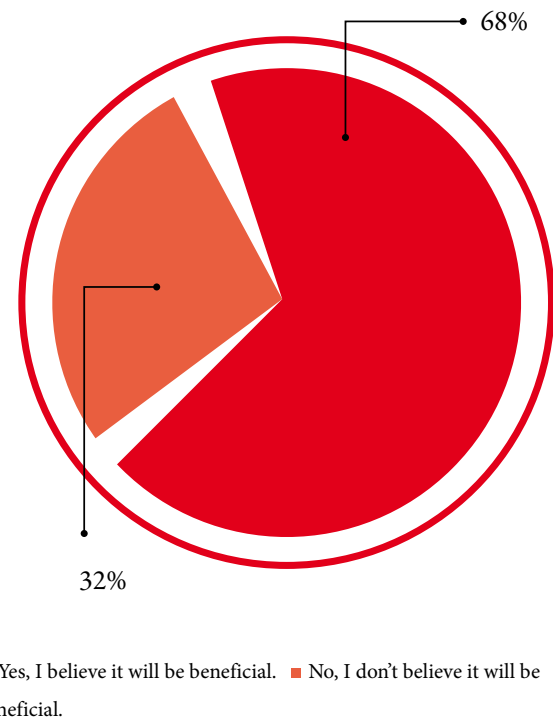


The public survey puts forth that the works performed by the institution are perceived positively by the society.

**9.2 Potential Customer Research Results**  
Did you hear about the Compulsory Earthquake Insurance (CEI) previously?



Do you believe that the Compulsory Earthquake Insurance will be beneficial for you in case of a possible earthquake?

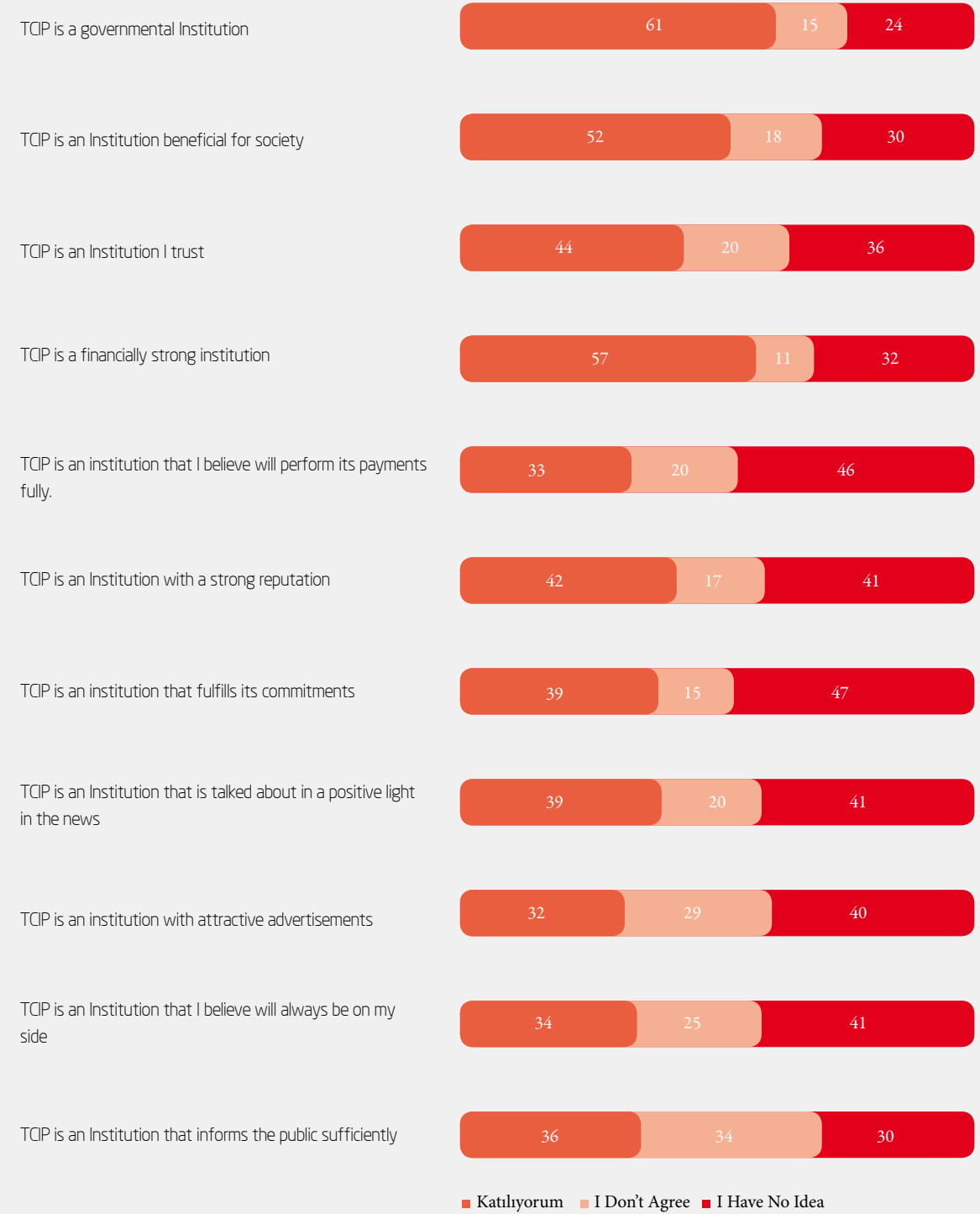


• The public survey displayed to us that the works performed by our Institution in 2012 and previously provided positive developments in terms of awareness, image and legal issues.

**Acquisitions**

- Awareness** → TCIP and Compulsory Earthquake Insurance have gotten a foothold in people's minds.
- Image** → The loss payments performed in 2011 and 2012 consolidated the perception of a beneficial and trustworthy Institution.
- Legal arrangement** → An increase has been insured in the number of policies as a result of the New Natural Disaster Insurances Law.

**The image perception of those who claim to know TCIP**



TCIP's goal is to have the awareness pertaining to the natural disasters throughout Turkey to increase with the communication efforts it carries out.

#### 10. PROMOTION AND AWARENESS ACTIVITIES

The promotion and public campaign activities strategy in 2008 has been shaped according to a public opinion poll performed with a sample that represents the whole population throughout the country. After a two year effort including communication, public campaign and advertisement works, the data acquired as a result of the research in 2008, in order to determine what kind of advancements took place, a second public survey of the same scale and size was performed at the end of 2009. The public survey displayed that the awareness among the domicile owners increased up to 70% with a 18 point increase. A new research was performed in 2012 in order to measure the results of the works continuing in the intermediate period and determining the level that was reached. This survey, consisting of the following;

- General public
- Public Institutions
- Distribution channels
- Opinion leaders

was created for four main target audience. Maximum effort was displayed to reach the public by means of the national and local press, advertisements and announcements in various channels, social media projects and special projects such as the Fault Line Wagon travelling to local festivals/summer houses. During the visits made to the provinces, organizations that brought the managers of public Institutions and citizens together were performed.

#### 10.1 Communication Works

The institution focuses on projects that shall ensure the awareness of the

earthquake and the preparedness for the earthquake throughout the country. The Institution appeals to numerous different target audiences with its projects, primarily the domicile owners, insurance companies and their mediators, primary, high school and university students, public Institutions and local administrations.

The insurance companies and their mediators, whom the TCIP deems as the most important in order to spread the Compulsory Earthquake Insurance throughout the country, play an important role in developing the pre and post natural disaster service processes. TCIP who works in close relationship with the Public Institutions can reach everywhere throughout the country this way.

TCIP, which addresses a highly widespread audience from different parts of Turkey, shows attention to take part in the social media as well as mediums such as the television and newspapers in its communication efforts. The institution, which closely monitors the developments and trends in the social media, can thus adapt its studies to the requirements of the time.

#### 10.1.1 The Fault Line Wagon Festival Tour

The Fault Line Wagon project initiated by the TCIP in 2010 in cooperation with the Boğaziçi University Kandilli Observatory and Earthquake Research Institute (KRDAE) continued in 2012 as well. The Fault Line Wagon, which has an earthquake simulation system and sets out to develop the Compulsory Earthquake Insurance awareness travelled the local festivals and summer houses in 2012. TCIP

Fault Line Wagon, in the last round it travelled in Summer, visited 10 centers and directly accessed 22 thousand people. The TCIP, apart from the Fault Line Wagon that travels the North, West and East Anatolia fault lines and local festivals, also placed the earthquake simulation system to the Freedom Train in 2011, and succeeded in something very original. Within the scope of these tours made by the wagon and the train, more than 120 centers were visited and approximately 275 thousand people were informed as to what needs to be done during the earthquake moment and its aftermath as well as the Compulsory Earthquake Insurance. The trainers of the Boğaziçi University's Kandilli Observatory and Earthquake Research Institute gave more than 300 seminars on earthquakes. In the seminars, what needs to be done before, during and after the earthquake and the importance of Compulsory Earthquake Insurance were explained. Those who attended the seminar found the opportunity to apply what they learned in the WAGON that simulates the Kocaeli earthquake with an intensity of 7.4.

#### 10.1.2 The Cities Compete, the Insured Win

The "Cities Compete, the Insured Win" competition initiated under the

sponsorship of Vice Prime Minister Ali Babacan was organized for the second time this year. With this competition that covers 81 provinces of Turkey and has the characteristic of a Compulsory Earthquake Insurance mobilization, the purpose has been to increase the penetration rate and insurance awareness and to encourage a life that is safe from earthquakes.

Within the scope of the competition the results of which will be declared in the March of 2013, the provinces will be evaluated according to three different criteria: the awareness campaigns they organized in order to widespread the Compulsory Earthquake Insurance throughout the year 2012, the increase in the number of policies and the penetration rate they reached. The province that is deemed to have won the first place shall be awarded with the TCIP Safe Life Park. In addition to this, the Natural Disaster and Emergency Directorates of all provinces will be provided with materials to be utilized in works pertaining to the earthquake.

For the first organization of the Cities Compete, the Insured Win competition, the first place belonged to Bolu with the highest penetration rate and the first place belonged to Hakkari with the highest policy increase rate. The first place was shared by Bursa and Tunceli in the Best Compulsory Earthquake Insurance encouragement campaign category. Material supports were provided to the provinces that won second and third places in all three categories of the competition.

#### 10.1.3 Short Competition

TCIP regularly continues its short film competition for university students since 2009. The competition that was organized for the communications faculty students in 2009 and 2010 were also opened to the students of the faculty of fine arts. The theme of the competition which was open to all undergraduate and graduate students has been determined as "No Time to Lose!" In this competition, in which 105 applications were received, the young people have explained the importance of the Compulsory Earthquake

Insurance and the experiences and lessons gained from the earthquakes experienced in Turkey recently in their 3 minute short film.

In the competition, Çağatay Özkan from Anadolu University won the first place with his movie "The Breaking", Atabey Uslu from the Ege University won the second place with his movie "128 Horse" and Kamil Hakan Yıldırım from On Dokuz Mayıs University won the third place with his movie "The Sea". The Viewer Special Prize, for which a voting took place from TCIP's Facebook page the movies "Nature" by Miraç Atabey from Ege University, and "Before It's Too Late" by Mecdi Dikmen from Istanbul Bilgi University have been awarded with the Viewer Special Prize.

In the TCIP Short Film Competition, the first place was awarded by a MacBook Pro and Sony HXR - MC2000, the second place was awarded with a MacBook Pro while the third place was awarded with an iMac. The movies that deserved the right to receive a viewer special prize were awarded with





# “THE BREAKING”

4<sup>th</sup> TCIP Short Film Competition First Place Winner  
Anadolu University Çağatay Özkan



a Canon SLR and a Cannon Compact digital cameras.

The 4<sup>th</sup> TCIP Short Film Competition's jury consisted of award winning directors Derviş Zaim and Üstün Barıştaş, film critic Mehmet Açar, Prof. Dr. Suat Gezgin and Prof. Dr. Ali Murat Varol, lecturers at Istanbul University Faculty of Communication, Prof. Dr. Peyami Çelikcan, lecturer at Marmara University's Faculty of Communication, Prof. Dr. Özden Cankaya lector or at Galatasaray University's Communications Faculty and TCIP General Secretariat Serpil Öztürk.

#### 10.1.4 TCIP Facebook page

TCIP has brought together the actual and virtual world together with its “40 Kurus A Day Money Box” organized to give the message that the Compulsory Earthquake Insurance insures the domiciles against harm for 40 kuruş a day. Everyone was invited to put in 40 cents into the money box with the application release on the facebook page and the giant house shaped money box model set up in Taksim.

The persons who downloaded the “40 Kurus A Day Money Box” using their personal computers or the displays on the giant money box in Taksim got to possess a house made of the photographs they shared with their facebook friends. The participants deposited virtual 40 kuruş from the displays on the house shaped giant money box set up in Taksim or their personal computers to the “40 Kurus A Day Money Box” in order to secure their houses and memories.

With the #myhouse label opened on May 31, it was ensured that the users could share their opinions pertaining to their houses and the activity. The number of the kuruş deposited in the money box and the sharings were released from the giant screens set up in Taksim. “The 40 Kurus A Day Money Box” application was downloaded by 25 thousand people a day. This way, 510 thousand virtual 40

kuruş were accumulated in the money box in a month. With the #myhouse label opened on May 31, it was ensured that the users could share their opinions pertaining to their houses and the activity. This label soon rose up to the 1st place among the hot subjects in the 30th minute. This way, minimum 2,3 million Twitter users were accessed.

At the end of the activity, as a result of the 510 thousand 40 kuruş accumulated in the “40 Kurus A Day Money Box” displayed how easy and affordable it was to increase the number of insured domiciles to 6 million. TCIP provided everyone visiting the activity area with a money box that is a small copy of the giant money box at Taksim as well as certain gifts to the total of 1110 applicants using the application over facebook.

#### 10.1.5 The Insured Life Program

Turkey's only earthquake program, the Insured Life, continued to be broadcasted on TRT News with the sponsorship of TCIP on Saturdays on 9.15 once every two weeks. In the program to which the TCIP managers join as guests, Noyan Doğan, one of the most prominent insurance authors of Turkey also partook as an loss adjuster guest. In the program, the influences and results of the short term earthquakes, the penetration rate percentages of the provinces and the activities partook to widespread the Compulsory Earthquake Insurance, and the current research and evaluations of academicians working in the field of earthquakes and the works performed by TCIP have been the subject matter. In the program broadcasted live, the viewers who shared their questions by means of phone, email and social media, had the opportunity to immediately receive answers from TCIP managers. The sponsorship of TCIP for the Insured Life program will also continue in 2013.

#### 10.1.6 Natural Disaster Insurances Law Public Campaign Works

The Natural Disasters Law that ensures the TCIP to have a stronger legal framework as well as making it mandatory for transaction concerning electricity and water subscriptions took an important place in the communications works carried out by the Institution in 2012. Before the Law was carried into effect on August 18, 2012, TCIP held a press conference with the spokesman Selamet Yazıcı, the President of the Board of Directors, in order to tell its scope to the public, and continued its communication concerning the contribution the law made to the policy increase in the oncoming periods.

TCIP used the television, newspaper and social media efficiently in its communications pertaining to the law. In addition to the public service announcement that was broadcasted on television and explains the responsibilities that the new law brings, an award winning application also came into play on the Institution's Facebook page. This way, a 360 degree communication was ensured in all mediums.

TCIP also sent banners and brochures to all electricity offices throughout the country and allowed the new legal arrangement to become more visible on the field.

#### 10.1.7 E-journal

TCIP, which is in a harmonious work with 16.000 authorized insurance agencies affiliated with 30 insurance companies, continued sending e-journals to the agencies for the communication of the Institution's monthly activities and the communication of its projects since 2010. In the context of the e-bulletins that are published monthly for the purpose of developing and continuing this strong bond established with the agencies, the current numerical values of the TCIP and the news of the activities arranged within that year.



### 10.2 Social Media Works

TCIP sees social media as an important channel for extending the earthquake and insurance awareness. With award giving competition and applications, the facebook followers on TCIP has increased from 25 thousand to 71 thousand in a short while. The Institution was awarded with the Golden Compass Public Relations Awards' Digital and Social Media Communication award, the 11th of which was organized by the Turkish Public Relations Association (TPRA).

2012 strategies and applications

In the year 2012, the main purpose has been to increase the number of fans and to access more people with informative content. The visual world and content on the page has been arranged in accordance

with the subject matters desired to be emphasized.

For example: TCIP Call Center 125, Electricity-Water subscription controls.

- Also, information pertaining to TCIP and the Compulsory Earthquake Insurance has been conveyed to the users in accordance with the magnitude of the earthquake risk in Turkey.
- The 40 Kurus a Day Compulsory Earthquake Insurance communication also continued throughout the year in differing intensities.

#### 10.2.1 Facebook main page

Statistics;

- Total Number of Viewers: 70.950
- Total "Talked About"

Number: 79.037\*



\*The number of users who shared stories concerning the page.

- The Number of Users Who Interacted

With the Page: 363.946\*

\*The number of users who clicked on a content related to the page or created a story.

- The Number of Users the Page

Accessed: 45.190.242\*

\*The number of users who saw any content related to the page.

An average of 3.770 viewers was brought in to the page per month.



### 10.2.2 The 40 Kurus a Day Money Box

#### Application

- With the 40 Kurus a Day Application, the purpose has been to convey to the target audience that they can secure their houses and memories by subscribing to the Compulsory

Earthquake Insurance for only 40 Kurus a day.

- With this application that lasts approximately 1 month, the Facebook page users who deposited 40 kuruş were awarded with a Compulsory Earthquake Insurance Policy,

earthquake bag and a money box. During the publication term of the application that was online for one month, for a period of 10 days, the giant money box saw great attention. The target of the project, which was 500.000 virtual 40 kuruş, was exceeded.



## TCIP performed efficient works on social media platforms in 2012.

Dates	16.05.2012-15.06.2012
The Increase in the Number of Fans	19.969
Total Number of 40 Kurus Deposited	24.593
Total Number of Sent Invitations	509.512
Toplam Davet Gönderme Sayısı	35.782
Toplam Duvarda Paylaşım	5.928

### Twitter #myhouse Campaign

- On May 31, 2012, the #myhouse label remained in the top place among the current subjects at 19.00-22.00.
- Approximately 55 sharings were performed during this time per minute.
- Twitter celebrities also sent tweets with this label, referencing the campaign.
- All sharings were displayed on the giant screen at Taksim Square.
- A total of 9.748 sharings were performed using the #myhouse label.

### 10.2.3 4th TCIP Short Film Competition Facebook Application



The 4th TCIP Short Film Competition application aims to promote the competition on the subject of "No

Time to Lose", coordinated among the university students and to announce the short films produced to wider audiences.

The 6 movies selected by the jury during the 4th TCIP Short Film Competition were presented to the liking of the audience. The film that received the greatest number of votes, "Nature", possessed the Audience Special Prize. The users who voted for the films were awarded with iPad, Underwater Camera, iPod Shuffle and an earthquake bag. The 2 films that received the greatest number of votes also earned certain prizes and gifts.

Dates	13.07.2012-10.10.2012
The Increase in the Number of Fans	8.070
Total Number of Individual Users	3.651
Total Number of 40 Kurus Deposited	46.590
Total Number of Sent Invitations	15.534



### 10.2.4 TCIP "Puzzle"

The DASK Puzzle application aims to announce the new law to Facebook users and to explain it in a fun manner and our public spot film allowed the new law to settle in the minds of people better. The 11 users who solved the puzzle were awarded with iPad and iPod Shuffle.



Dates	24.08.2012-24.09.2012
The Increase in the Number of Fans	12.289
The Number of Individual User Who Solved the Puzzle	4.497c
The Total Times the Puzzle Was Solved	12.877
Total Number of Sent Invitations	57.656
Total Sharings on the Wall	4.198

### 10.2.5 Other Sharings

- Do not forget to have your Compulsory Earthquake Insurance in order to give life to your house.



- The content shared reached high viral access rates on the anniversaries of big earthquakes and on special days.



- The feedback of the content informing the related followers concerning the earthquake has also been significantly high.



- The videos containing sections of the "Insured Life" program routinely shared on the page are watched by the viewers with interest.



- Also, the videos containing the interviews made with the citizens to whom their losses were paid after the Van Earthquake also received great attention from the followers.

### The Awards Received


TCIP (Natural Disasters Insurance Institution) which continues its works in order to increase the awareness pertaining to earthquakes and insurance, received an award

in the Digital and Social Media Communication category of the Golden Compass Public Relations Awards, the 11th of which have been organized by the Turkish Public Relations Association (TPRA). TCIP, which was awarded as a result of the management of the page on www.facebook.com/dask has approximately 50 thousand members.

TCIP's facebook page contains applications and competitions that aim to increase the awareness pertaining to the earthquake and Compulsory Earthquake Insurance, visuals and videos from the Institution's activities as well as the Compulsory Earthquake Insurance and the earthquake. The management of TCIP's Facebook page is run by the social media agency Digital Youth under the project consultancy and coordination of Group 7 Communication Consultancy.







The number of domiciles that have a Compulsory Earthquake Insurance displays an increase in all regions throughout Turkey.

## *Section 4*

STATISTICS



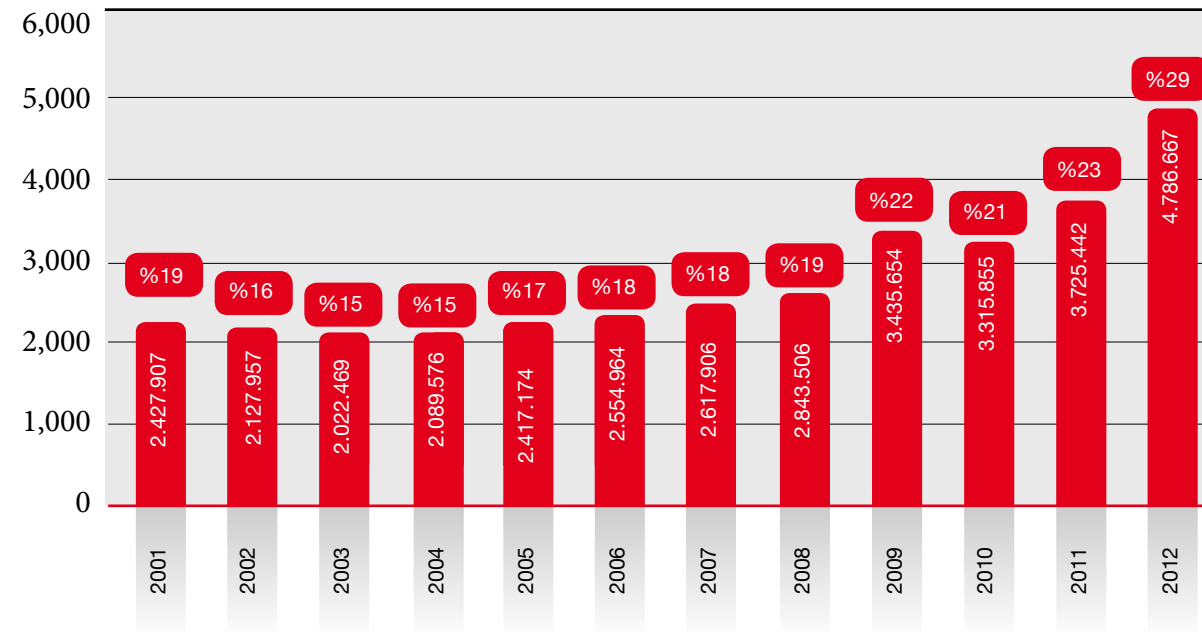
The number of ZDS policies has displayed an increase of 28% compared to the previous year.

## 11. STATISTICS

### 11.1 Policy Generation on a Yearly Basis

The Number of Compulsory Earthquake Insurance policies display a progressive increase each year and have exceeded 4.7 million. After the Natural Disaster Law was carried into effect in 2012, the percentage of domiciles with Compulsory Earthquake Insurances raised up to 29,2 percent.

Number of Policies and Penetration Rate Percentages by Year

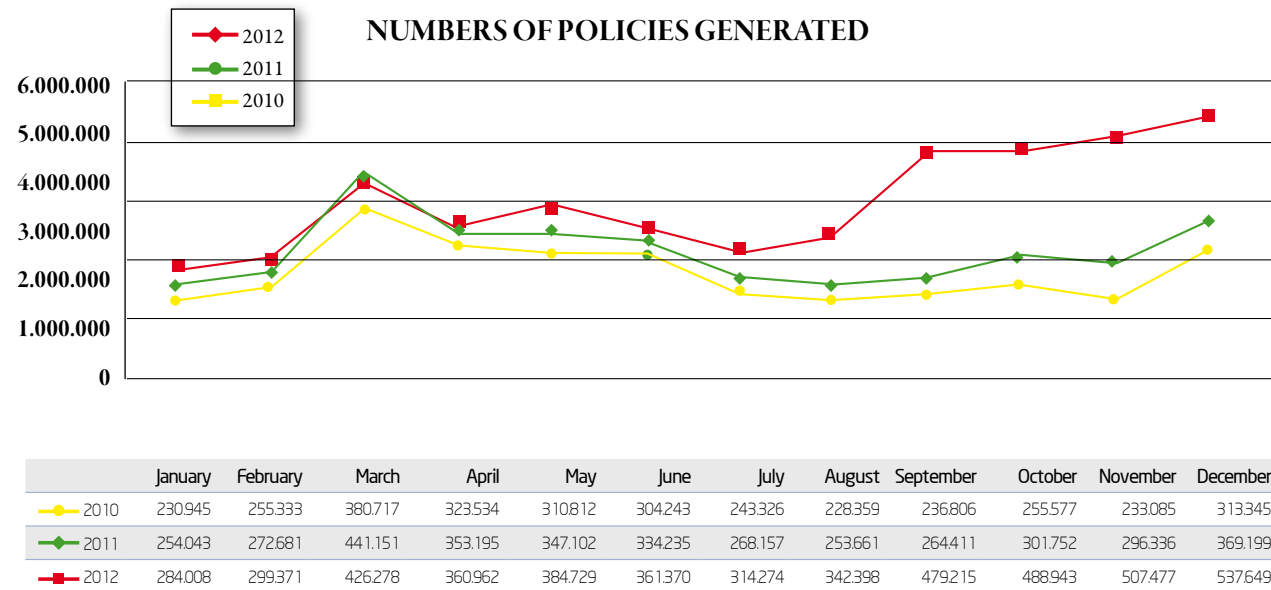


### 11.2 Company Policy Generation

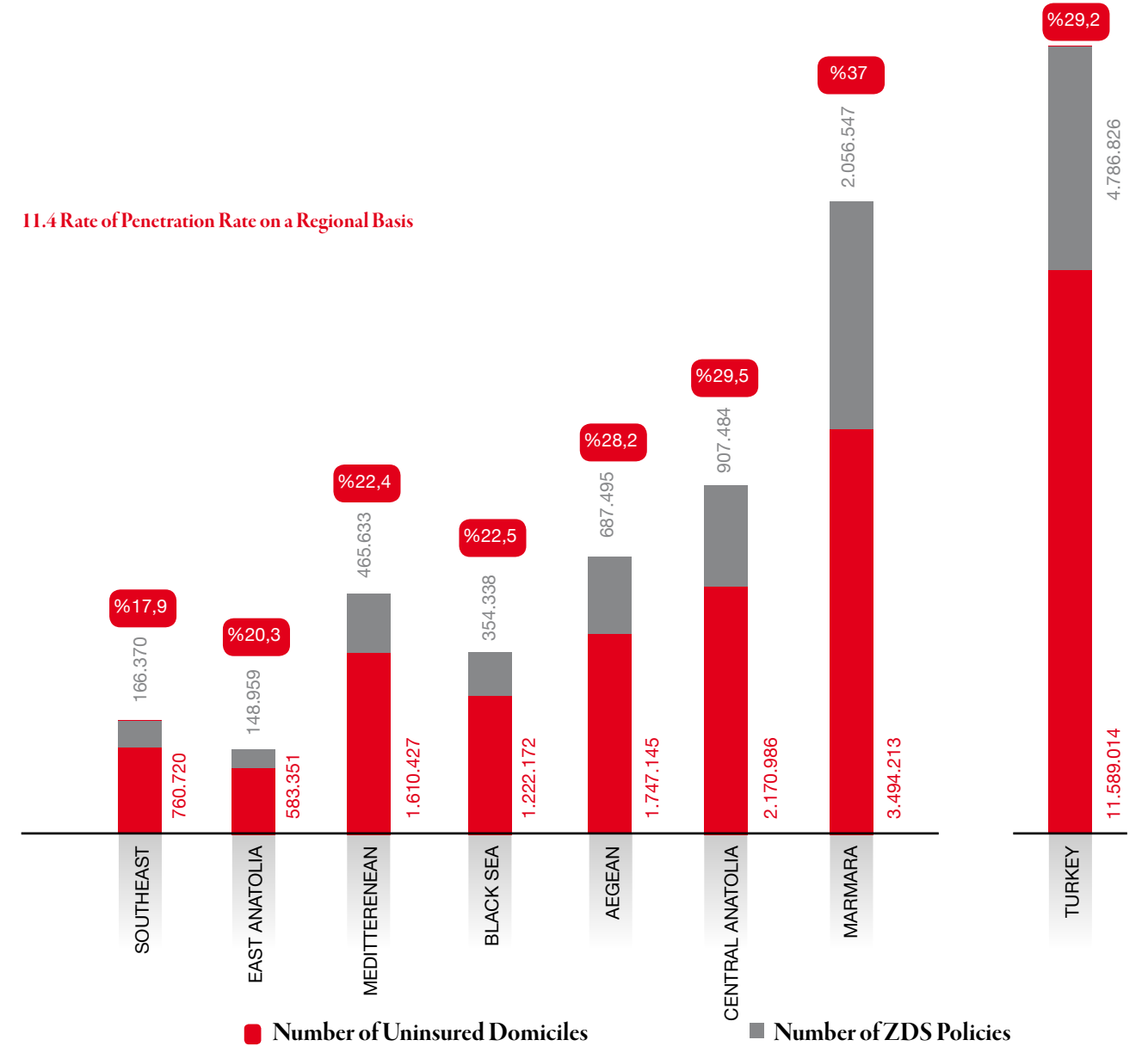
ZDS POLICY GENERATION REPORT (AS OF 31.12.2012)					
GENERATION BY COMPANIES	2011		2012		
	Number of Policies	Policy Rate %	Number of Policies	Policy Rate%	Policy Increase %
AXA SİGORTA A.Ş.	507549	13,6	617690	12,9	21,7
ANADOLU SİGORTA A.Ş.	430.779	11,6	601.439	12,6	39,6
AKSİGORTA T.A.Ş.	273.784	7,4	410.127	8,6	49,8
ZİRAAT SİGORTA A.Ş.	321.775	8,6	351.030	7,3	9,1
CÜNEŞ SİGORTA A.Ş.	288.765	7,8	331.204	6,9	14,7
YAPI KREDİ SİGORTA A.Ş.	207.810	5,6	253.774	5,3	22,1
HALK SİGORTA A.Ş.	187.543	5,0	248.375	5,2	32,4
EUREKO SİGORTA A.Ş.	179.616	4,8	236.037	4,9	31,4
ERGO SİGORTA A.Ş.	171.255	4,6	198.311	4,1	15,8
GROUPAMA SİGORTA A.Ş.	169.039	4,5	189.542	4,0	12,1
ALLIANZ SİGORTA A.Ş.	155.054	4,2	184.769	3,9	19,2
SOMPO JAPAN SİGORTA A.Ş.	127.412	3,4	160.346	3,4	25,9
HDI SİGORTA A.Ş.	84.957	2,3	147.481	3,1	73,6
İŞİK SİGORTA A.Ş.	99.930	2,7	139.856	2,9	40,0
ZÜRICH SİGORTA A.Ş.	100.040	2,7	102.697	2,2	2,7
MAPFRE GENEL SİGORTA A.Ş.	74.221	2,0	99.453	2,1	34,0
RAY SİGORTA A.Ş.	56.663	1,5	73.003	1,5	28,8
NEOVA SİGORTA A.Ş.	42.441	1,1	58.361	1,2	37,5
LIBERTY SİGORTA A.Ş.	30.044	0,8	56.995	1,2	89,7
AVIVA SİGORTA A.Ş.	36.054	1,0	53.863	1,1	49,4
EURO SİGORTA A.Ş.	22.374	0,6	49.604	1,0	121,7
HÜR SİGORTA A.Ş.	24.815	0,7	40.816	0,9	64,5
ANKARA ANONİM TÜRK SİGORTA ŞİRKETİ	28.640	0,8	40.314	0,8	40,8
DUBAI GROUP SİGORTA A.Ş.	39.273	1,1	39.941	0,8	1,7
SBN SİGORTA A.Ş.	19.733	0,5	33.948	0,7	72,0
GENERALI SİGORTA A.Ş.	26.156	0,7	33.584	0,7	28,4
TÜRK NİPPON SİGORTA A.Ş.	10.377	0,3	11.634	0,2	12,1
DEMİR SİGORTA A.Ş.	3.815	0,1	10.734	0,2	181,4
S.S. KORU SİGORTA KOOPERATİFİ	281	0,0	6.137	0,1	2084,0
AIG SİGORTA A.Ş.	5.277	0,1	5.761	0,1	9,2
<b>Total :</b>	<b>3.725.472</b>	<b>100,0</b>	<b>4.786.826</b>	<b>100,0</b>	<b>28,5</b>

A serious increase has been insured pertaining to the policy generation as a result of the Law being carried into effect as of August 2012.

### 11.3 Policy Generation on a Monthly Basis



### 11.4 Rate of Penetration Rate on a Regional Basis



Marmara is the region with the highest penetration rate with 37%. Despite this, 3,494,213 domiciles are currently uninsured in the same region.

While the total number of domiciles in Turkey is 16.3 million, 4.8 million of these are insured.

### 11.5 Penetration Rate on a Provincial Basis

After the works performed over the domicile calculation date, it is estimated that our country has a total of 16.3 million domiciles that can be evaluated within the scope of the Compulsory Earthquake Insurance. Within the scope of this work, the numbers of domiciles and the information pertaining to insurance can be found in the table below.

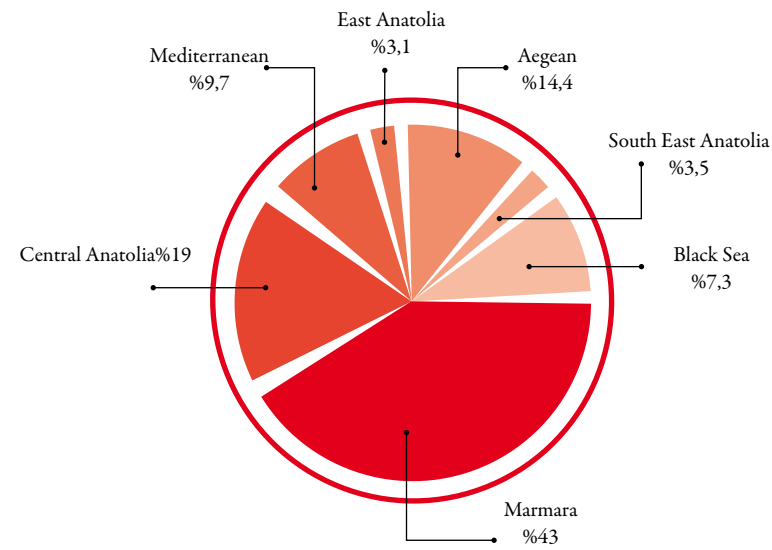
REGIONS AND PROVINCES	NUMBER OF TOTAL DOMICILES	INSURED DOMICILE	INSUREDNESS RATES %	THE TOTAL COMPENSATION PROVIDED (TL)	Degree of risk	100m <sup>2</sup> premium (TL)
<b>AEGEAN REGION</b>	<b>2.434.640</b>	<b>687.495</b>	<b>28,2</b>	<b>45.093.254.035</b>		
MUĞLA	228.360	91.428	40,0	5.580.955.215	1	150,8
İZMİR	1.040.740	318.844	30,6	21.379.138.175	1	150,8
DENİZLİ	231.350	55.310	23,9	4.131.020.825	1	150,8
AYDIN	262.040	82.973	31,7	5.215.581.990	1	150,8
UŞAK	78.630	15.790	20,1	1.103.047.515	2	109,2
MANİSA	289.310	60.532	20,9	3.846.334.685	1	150,8
AFYON KARAHİSAR	160.360	30.065	18,7	1.807.376.645	2	109,2
KÜTAHYA	143.850	32.553	22,6	2.029.798.985	2	109,2
<b>MEDITERRANEAN REGION</b>	<b>2.076.060</b>	<b>465.633</b>	<b>22,4</b>	<b>32.765.890.865</b>		
ANTALYA	546.530	167.815	30,7	11.224.033.690	2	109,2
MERSİN	418.770	97.380	23,3	7.296.570.490	3	63,1
ADANA	425.810	80.179	18,8	6.471.670.390	2	109,2
BURDUR	60.090	9.668	16,1	6.226.738.10	1	150,8
ISPARTA	116.820	21.227	18,2	1.302.106.790	1	150,8
HATAY	249.960	46.893	18,8	2.980.071.170	1	150,8
OSMANİYE	82.670	14.664	17,7	1.053.810.635	1	150,8
KMARAŞ	175.410	27.807	15,9	1.814.953.890	1	150,8
<b>EAST ANATOLIAN REGION</b>	<b>732.310</b>	<b>148.959</b>	<b>20,3</b>	<b>10.994.235.900</b>		
ERZİNCAN	42.630	15.646	36,7	1.024.035.870	1	150,8
TUNCELİ	13.920	3.122	22,4	217.377.760	2	109,2
ERZURUM	113.170	22.548	19,9	1.704.080.370	2	109,2
KARS	30.450	4.642	15,2	325.043.100	2	109,2
ELAZIĞ	112.710	25.898	23,0	2.042.940.205	2	109,2
ARDAHAN	72.900	2.167	29,7	143.115.800	2	109,2
MALATYA	156.400	29.682	19,0	2.183.354.510	1	150,8
VAN	80.250	15.052	18,8	1.340.283.005	2	109,2
AĞRI	39.000	5.664	14,5	358.652.740	2	109,2
İÇİR	19.460	3.155	16,2	197.556.290	2	109,2
BITLİS	35.280	7.632	21,6	528.392.130	1	150,8
MUŞ	30.910	3.775	12,2	231.901.320	1	150,8
HAKKARİ	21.900	2.231	10,2	152.642.090	1	150,8
BİNGÖL	28.940	7.745	26,8	544.860.710	1	150,8
<b>SOUTH-EAST ANATOLIAN REGION</b>	<b>927.090</b>	<b>166.370</b>	<b>17,9</b>	<b>11.657.724.830</b>		
GAZİANTEP	271.160	55.251	20,4	4.021.766.780	3	63,1
DIYARBAKIR	196.500	36.205	18,4	2.897.917.080	2	109,2

ŞANLIURFA	161.630	30.557	18,9	1.761.027.190	3	63,1
ADİYAMAN	75.040	12.865	17,1	951.335.060	2	109,2
KİLİS	20.280	3.048	15,0	204.783.150	3	63,1
MARDİN	81.800	13.767	16,8	823.916.820	3	63,1
SİRT	30.190	3.552	11,8	217.264.320	1	150,8
BATMAN	58.280	9.032	15,5	641.084.900	2	109,2
ŞIRNAK	32.210	2.093	6,5	138.629.530	2	109,2
<b>MARMARA REGION</b>	<b>5.550.760</b>	<b>2.056.547</b>	<b>37,0</b>	<b>137.775.085.020</b>		
YALOVA	73.120	34.884	47,7	2.205.112.980	1	150,8
İSTANBUL	3.422.380	1.331.385	38,9	89.350.308.770	1	155,8
TEKİRDAĞ	240.840	100.213	41,6	6.854.885.625	2	109,2
KIRKLARELİ	82.550	24.939	30,2	1.748.267.030	4	45,2
EDİRNE	92.120	33.148	36,0	2.151.784.505	4	45,2
KOCAELİ	382.690	139.682	36,5	95.189.549.75	1	150,8
SAKARYA	172.570	71.416	41,4	4.730.619.805	1	150,8
ÇANAKKALE	114.770	39.680	34,6	2.433.102.545	1	150,8
BALIKESİR	310.300	91.547	29,5	5.596.630.580	1	150,8
BURSA	612.400	176.773	28,9	12.357.933.440	1	150,8
BİLEÇK	47.020	12.880	27,4	827.484.765	1	150,8
<b>CENTRAL ANATOLIA</b>	<b>3.078.470</b>	<b>907.484</b>	<b>29,5</b>	<b>62.361.879.360</b>		
ANKARA	1.387.650	526.809	38,0	37.249.686.965	4	45,2
ESKİŞEHİR	210.440	75.492	35,9	4.396.411.745	2	109,2
ÇANKIRI	41.570	8.400	20,2	471.115.160	1	150,8
KAYSERİ	319.620	75.051	23,5	5.363.848.345	3	63,1
KIRŞEHİR	56.120	13.032	23,2	755.342.830	1	150,8
SİVAS	124.180	25.790	20,8	1.635.503.590	3	63,1
NEVŞEHİR	69.140	15.270	22,1	895.987.380	3	63,1
KARAMAN	53.780	12.147	22,6	853.724.505	5	38,2
KONYA	479.420	100.881	21,0	7.170.317.955	4	45,2
AKSARAY	85.570	16.349	19,1	1.139.787.425	5	38,2
NİĞDE	84.480	13.550	16,0	867.456.600	4	45,2
YOZGAT	93.870	15.016	16,0	945.679.830	3	63,1
KIRIKKALE	72.630	9.697	13,4	617.017.030	1	150,8
<b>BLACKSEA REGION</b>	<b>1.576.510</b>	<b>354.338</b>	<b>22,5</b>	<b>23.229.459.845</b>		
BOLU	51.740	27.286	52,7	1.864.923.970	1	150,8
DÜZCE	42.470	20.564	48,4	1.364.374.490	1	150,8
AMASYA	70.520	17.124	24,3	1.004.844.180	1	150,8
SİNOP	39.120	9.816	25,1	606.603.135	4	45,2
KASTAMONU	68.820	17.543	25,5	1.112.962.595	1	150,8
ÇORUM	118.470	30.280	25,6	1.933.160.835	2	109,2
ZONGULDAK	132.770	27.060	20,4	1.751.948.125	2	109,2
SAMSUN	264.990	51.959	19,6	3.566.112.740	2	109,2
BARTIN	285.100	8.061	28,3	480.298.190	1	150,8
KARABÜK	53.330	12.182	22,8	737.605.950	1	150,8
TRABZON	193.080	34.455	17,8	2.414.564.785	4	45,2
ORDU	155.810	32.938	21,1	2.217.530.870	3	63,1
ARTVIN	29.560	7.638	25,8	481.186.220	3	63,1
GİRESUN	96.540	16.211	16,8	1.087.920.730	4	45,2
TOKAT	122.180	23.718	19,4	1.421.322.270	1	150,8
RİZE	72.240	11.237	15,6	786.648.375	4	45,2
GÜMÜŞHANE	24.760	4.374	17,7	263.174.815	3	63,1
BAYBURT	11.600	1.892	16,3	134.277.570	3	63,1
<b>OVERALL TURKEY</b>	<b>16.375.840</b>	<b>4.786.826</b>	<b>29,2</b>	<b>323.877.529.855</b>		



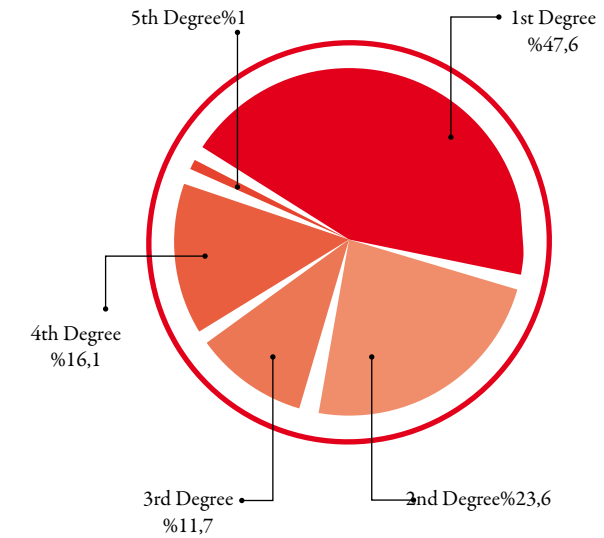
While the Marmara Region takes the first place with 2.056.547 policies, this region is followed by the Central Anatolia Region with 907.484 policies. Our provinces with the highest penetration rate are Bolu %53, Yalova %48 and Düzce %48

#### 11.6 Distribution of Policies on the Basis of Regions



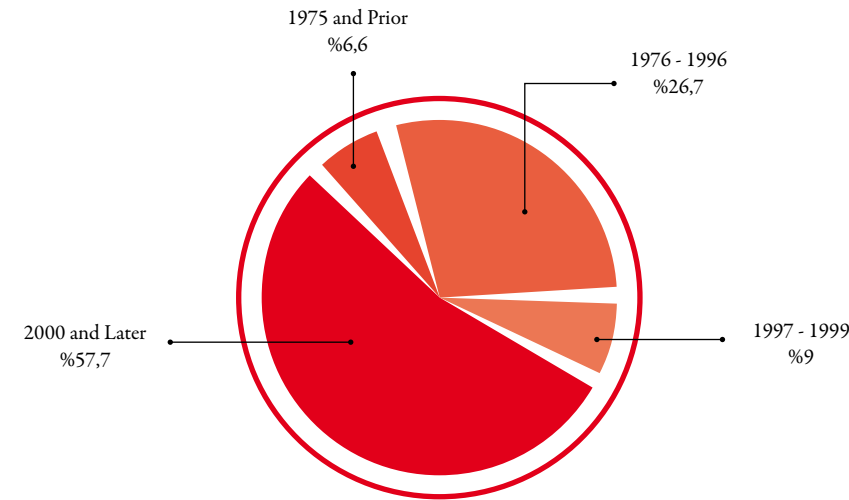
GENERATION BY REGIONS	Number of Policies	Rate (%)	Premium	Rate (%)
MARMARA	2.056.547	43,0	253.200.187	44,0
CENTRAL ANATOLIA	907.484	19,0	50.378.096	18,6
AEGEAN	687.495	14,4	93.185.859	15,0
MEDITERRANEAN	465.633	9,7	47.645.452	9,4
BLACKSEA	354.338	7,3	33.052.494	6,9
SOUTH EAST ANATOLIA	166.370	3,5	12.677.875	3,0
EAST ANATOLIA	148.959	3,1	19.699.868	3,1
<b>TOTAL</b>	<b>4.786.826</b>	<b>100,0</b>	<b>509.839.830</b>	<b>100,0</b>

#### 11.7 Distribution of Policies on the Basis of Danger Zones



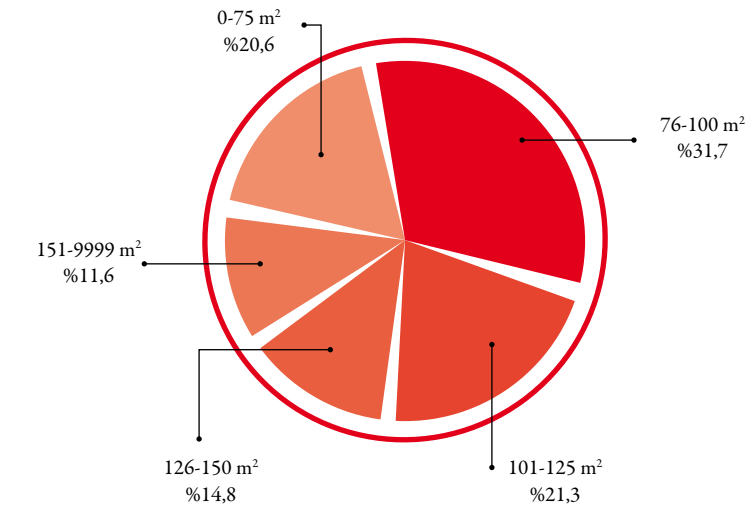
GENERATION BY DANGER ZONES	Number of Policies	Rate (%)	Premium	Rate (%)
1. Degree	2.278.746	47,6	318.697.471	62,5
2. Degree	1.131.864	23,6	118.873.673	23,3
3. Degree	559.165	11,7	36.050.813	7,1
4. Degree	772.210	16,1	34.524.842	6,8
5. Degree	44.841	1,0	1.693.031	0,3
<b>TOTAL</b>	<b>4.786.826</b>	<b>100,0</b>	<b>509.839.830</b>	<b>100,0</b>

### 11.8 Policy Distribution by Building Construction Year



GENERATION ACCORDING TO BUILDING CONSTRUCTION YEAR	Number of Policies	Rate (%)	Premium (TL)	Rate (%)
1975 and Prior	316.073	6,6	29.739.543	5,8
1976 - 1996	1.280.594	26,7	137.365.088	27,0
1997 - 1999	430.533	9,0	47.511.752	9,3
2000 and Later	2.759.626	57,7	295.223.447	57,9
<b>TOTAL</b>	<b>4.786.826</b>	<b>100,0</b>	<b>509.839.830</b>	<b>100,0</b>

### 11.9 Policy Distribution Based on Building Surface Area



GENERATION ACCORDING TO BUILDING SURFACE AREA	Number Of Policies	Rate (%)	Premium	Rate (%)
75 m² altı	987.895	20,6	63.310.684	12,4
76 - 100 m²	1.515.455	31,7	142.418.453	27,9
101 - 125 m²	1.019.649	21,3	115.099.119	22,6
126 - 150 m²	707.963	14,8	92.339.901	18,1
Above 150 m²	555.864	11,6	96.671.673	19,0
<b>TOTAL</b>	<b>4.786.826</b>	<b>100</b>	<b>509.839.830</b>	<b>100</b>

### 11.10 The Effect of the CEI Control During Subscription on the Policy Generation

With the Natural Disaster Insurances Law numbered 6305 carried into effect on August 18, 2012, significant increases have been ensured compared to the previous years with the initiation of Compulsory Earthquake Insurance checks during all electricity and water subscription transactions.

Geographical Locations	18.08.2010 - 31.12.2010 Policy Geration	18.08.2011 - 31.12.2011 Policy Generation	2011 Year Increase %	18.08.2012 - 31.12.2012 Policy Generation	Policy Difference	Increase after the 2012 Law %
Mediterranean	104.952	129.866	24%	220.704	90.838	70%
East Anatolia	32.150	49.758	55%	74.313	24.555	49%
Aegean	176.284	209.960	19%	302.388	92.428	44%
South East Anatolia	31.620	38.520	22%	80.856	42.336	110%
Central Anatolia	223.138	251.108	13%	431.530	180.422	72%
Blacksea	82.376	95.719	16%	181.974	86.255	90%
Marmara	495.083	565.732	14%	883.980	318.248	56%
<b>Total</b>	<b>1.145.603</b>	<b>1.340.663</b>	<b>17%</b>	<b>2.175.745</b>	<b>835.082</b>	<b>62%</b>



The financial data  
pertaining to the year 2012  
numerically supports the  
consistent and sustainable  
growth of TCIP.

## *Section 5*

THE FINANCIAL TABLES PREPEARED AS  
OF DECEMBER 31, 2012 BY THE NATURAL  
DISASTER INSURANCES INSTITUTION  
AND DESCRIPTIONS AND FOOTNOTES  
PERTAINING TO THESE AS WELL AS THE  
INDEPENDENT AUDITING REPORT