

***INSURANCE AND REINSURANCE FOR THE 21ST
CENTURY:
FROM DISRUPTION TO EVOLUTION***

Book Review

Insurance theory is a subject of many textbooks and coursebooks that are available today. However, the monographs that deal with specific areas and issues related to the theory and practice of insurance have been few. The monograph entitled *Insurance and Reinsurance for the 21st Century: From Disruption to Evolution*, authored by Professor Vladimir Njegomir and published by the Faculty of Tourism and Hospitality Ohrid, University of “St. Kliment Ohridski” in Bitola, effectively links the insurance theory and practice. Written in English, the book is the result of the author’s efforts to fill the gap in the existing body of literature related to the challenges that decisively affect insurance and reinsurance changes. The monograph provides a theoretical basis and provides practical insight into the factors that influence disruptions in the performance of insurance activities, as well as the adaptation of insurance activities to these challenges. It discusses all the important trends in the insurance and reinsurance industry that will determine its future in the 21st century. This book is intended primarily for professionals in the field of insurance and reinsurance, but also for entrepreneurs, business people, students, and for all those who want to learn more about the trends that will determine the development of insurance and reinsurance in the 21st century.

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The book consists of 18 chapters written with the usual spacing and font and contains a preface, table of contents, notes, bibliography and a brief note about the author. The book is 457 A4 pages long, including a list of 440 bibliography items.

In the first three chapters, the author discusses the challenges that catastrophic events have on insurance and reinsurance, with special emphasis on the events caused by climate change, as well as the impact of the COVID-19 pandemic. The author introduces the concept of catastrophic damages, catastrophic risks determinants, determining the impact of catastrophic events, risks that cause catastrophic events, modeling and management of catastrophic events, risks and damages, as well as the implications for possible future disasters.

Chapter 4 deals with the analysis of integration processes in insurance and reinsurance. This chapter explains the concepts of globalization, the creation of a global insured and global risk, consolidation and convergence of insurance and other financial services.

Chapter 5 deals with the inclusivity of insurance. In this chapter, the author discusses the definition and importance of inclusive insurance and analyzes the innovative forms of inclusive insurance – microinsurance and takaful/retakaful.

In chapters 6 to 8, the author deals with the impact of demographic changes, digitalization and social responsibility on insurance and reinsurance.

Chapters 9, 10 and 11 deal with management methods and strategies in insurance, with an emphasis on corporate entrepreneurship and permanent education.

Chapter 12 is dedicated to trends in risk management and agricultural insurance. In this chapter, the author discusses the importance of agricultural production, risks that threaten agricultural production and methods of managing those risks, properties and types of agricultural insurance, both traditional and alternative.

Chapter 13 deals with energy and insurance. In this chapter, the author discusses energy sources and types of energy insurance.

Chapters 14, 15 and 16 deal with the investment activities of insurers from several aspects: financial system structure, insurance companies position, regulation of institutional investment by insurers and *Solvency II*, importance of institutional investment, issues of optimizing the insurer's reinsurance portfolio for economic growth, as well as the issue of competitiveness in insurance and reinsurance.

In Chapter 17, the author discusses the role of the state in the insurance market.

In the last chapter, the author discusses the risks that affect insurance and reinsurance in the 21st century, such as: political climate, terrorism, economy, technology, business continuity, supply chain interruption, professional liability, product liability, and environmental liability.

The book received favourable reviews from three distinguished experts in the field of insurance: Professor Emeritus Boris Marović, Academician Wolfgang Rohrbach, PhD and Professor Zdravko Petrović. The reviewers agree that the author analyzed and described the key challenges for modern insurance and reinsurance that shape the evolution in the industry. The reviewers also emphasized that the book deals with a globally relevant topic.

This book is the result of original research, which gives it both academic and practical value. The issues presented are discussed within the theoretical framework and then practical solutions are offered. The book is written in a straightforward but adequately technical language, due to the author's long experience in both research and practice.

I truly enjoyed reading the book and can therefore recommend it to anyone interested in insurance and reinsurance. The book provides a comprehensive overview of all key challenges for the insurance and reinsurance industry. The complexity of the insurance and reinsurance business is likely to continue to increase, which requires a broader perspective from theorists and practitioners related to this business. This book provides just that and, therefore, offers insurers and reinsurers an understanding of the challenges and how to adapt, enabling them to remain successful in an increasingly challenging world.