IFIGS

Success Stories

Hür Insurance Joint Stock Company (In Liquidation) – Türkiye

About Hür Insurance JSC and The Revocation Process

Hür Insurance JSC was established on 25 February 1966. The company operated in the non-life insurance sector and predominantly underwrote compulsory motor third-party liability insurance and voluntary motor own damage (motor casco) insurance policies.

In 2013, the company faced a serious capital inadequacy problem. It had a shareholders' equity deficit of TRY 46.2 million. By the end of 2014, while the required minimum shareholders' equity amount for the company was TRY 12.5 million, the company had a capital deficit of TRY 65.5 million. Accordingly, the company's capital deficiency continued to deepen.

Initial attempts to restore the company's financial position through capital increases were unsuccessful. Subsequently, efforts were made to secure new investors; however, no viable investor could be found. As a measure of last resort under the applicable legal framework, the Insurance and Private Pension Regulation and Supervision Authority (SEDDK) revoked the company's licenses in all insurance branches on 27 March 2015.

Following the revocation of the licenses, Güvence Hesabı, acting within the framework of Insurance Law No. 5684, assumed an active role in the management of the process. As of 2015:

- The management of the company was assigned to Güvence Hesabı by SEDDK,
- The company's management structure was reorganized,
- Portfolio management was transferred to Güvence Hesabı.

In particular, by virtue of the general assembly resolution dated 30 September 2015, the management and the portfolio of the company were officially transferred to Güvence Hesabı, and this resolution was shortly thereafter approved by SEDDK.

Risk Mitigation and Portfolio Management

In accordance with the applicable legislation, losses arising from compulsory insurance policies were compensated through the resources of Güvence Hesabı. The total amount of payments made from 2015 to the present is presented in the table below both in Turkish Lira and in their

USD equivalents calculated based on the exchange rates applicable on the respective payment dates.

Compensation Payments		
Source of Payment	**Number of Claims**	**Payment Amount**
Güvence Hesabı	4.998	TRY-181,689,630 (USD-36,114,278)

*Amounts were converted into USD based on the average exchange rate applicable on the respective payment dates.

Conclusion

At the current stage, the liquidation process of the company is still ongoing. Active litigation is being pursued, and outstanding claim reserves continue to be maintained in order to ensure prudent financial management throughout the process.

Through this resolution process, policyholder protection was effectively ensured in a company that had entered a severe capital crisis. Claim payments were executed, thereby safeguarding trust in the insurance system.

Beyond operational outcomes, this process has also generated significant institutional know-how for Güvence Hesabı. In particular, the direct representation and active participation in the company's board of directors have strengthened practical experience in crisis management, governance and liquidation.

Overall, this case represents not only a successful resolution of a failing insurer, but also the development of an applicable resolution process model that reinforces policyholder protection and system stability.