



# About the company

New player on the Russian insurance market

MOSCOW | 2017

# The Law "On organization of insurance business in the RF»

Russian National Reinsurance Company created pursuant to Federal Law № 363 of July 3, 2016 "On amendments to the Federal Law "On organization of insurance business in the Russian Federation" by Central Bank of Russia, which owns 100% of the shares of the company.  
Effective from January 1, 2017

All Russian insurance companies have to offer RNRC 10% line in all outward reinsurance business (treaties or facultative)

RNRC has to sign 10% share in all sanctioned business placements offered by direct insurer

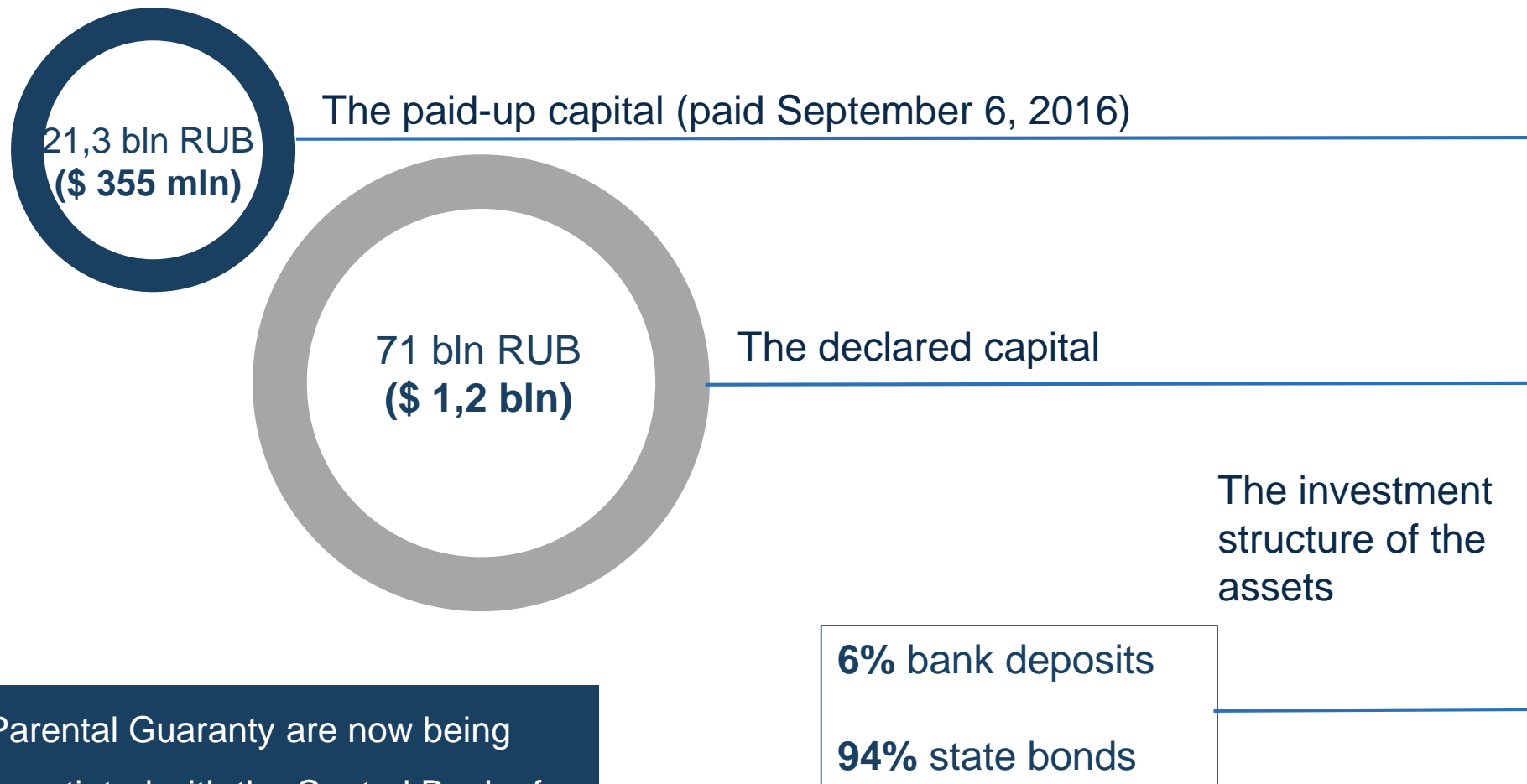
NRC has the right to abstain of the offered share of unsanctioned business  
In the case of the adoption of the law on voluntary insurance of property of citizens against the risks of natural disaster, reinsurance of these risks is the responsibility of NRC

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# Establishment of RNRC

03.06.2016	The Law was adopted
29.07.2016	The Board of Directors of the Central Bank of Russia undertake a decision to establish National reinsurance Company
03.08.2016	The registration of the legal entity
06.09.2016	The authorized capital was paid in the amount of 21,3 bln rubles
12.10.2016	The Central Bank of the Russian Federation has issued NRC a license for reinsurance
14.10.2016	The first reinsurance contracts were signed by NRC
26.12.2016	The Ministry of justice gave permission for the renaming of Joint-stock company "the Russian national Reinsurance Company"
29.12.2016	The change of name of the company was registered
01.01.2017	The law № 363 came into force
10.01.2017	The license updated to reflect renaming

# Authorized Capital



Parental Guaranty are now being negotiated with the Central Bank of Russia

# Financial model

## Key Assumptions

- The insurance portfolio is based on the current expectations – mainly corporate property insurance and limited volume of mass (retail) business.
- Claims incurred are based on average Loss ratio on the market by lines of business, excluding possible large losses. Operating expenses and Capital investments: Operating model does not include significant growth and processing of the retail business (the budget is planned on 100 employees).
- Implementation by January 1, 2018 of IT infrastructure and the target operating system with maximum electronic document management, risk control and the use of global best practices.

## Key Financial Indicators

mIn RUB	2017	2018	2019
GWP	7594	12021	15026
Net Profit	2770	5651	7 033
Total Assets	29 765	37 936	47 039
Total Equity	24 598	30 248	37 281
Combined Ratio	59,20%	57,60%	59,70%

- No further capital increase up to announced amount (71 bln RUB) unless required;
- No direct sanctions against RNRC;
- RNRC obtains an international rating and enters the international reinsurance market;
- Conservative Investment portfolio structure in accordance with the regulatory requirements.

# Audit and Rating

- The auditor of RNRC is PWC, which is the auditor of the Central Bank of Russian Federation

- RNRC is not rated.
- Contracts are signed with Russian rating agency AKRA (the daughter company of the Central Bank of Russian Federation) and Fitch Rating
- Russian and International ratings are expected by the middle of 2017

# Mission

RNRC is the Russian and one of the world's high-tech centers of insurance competence, which aims the development of the national insurance market, expanding the possibilities of protection of property interests of Russian business and Russian State, as well as to achieve maximum financial results for all stakeholders.

# Strategic goals

1

Professionalism, expertise, unique competence

2

The market player with a focus on meeting the needs of partners

3

Brand awareness, reputation, recognition, geographic presence

4

Portfolio diversification, capitalization of the company

5

The development of the direct insurance market in Russia, support for Russian insurers

6

Profit for the shareholder and value added to the market

7

The innovation, the implementation of advanced IT solutions, high-tech



# Tactical goals



# Corporate Governance Bodies

## The Supervisory Board

- 5 – the Central Bank representatives
- 5 – independent members
- RNRC President

## The Reinsurance Council

- 7 representatives of Russian insurance companies
- 2 representatives of international insurance companies
- 2 representatives of insurance brokers
- 1 representative of the scientific community
- 1 representative of Guild of actuaries
- 1 representative of the professional community (Russian Insurance Union)

## President & Management Board

- Nikolay Galushin – President – Chairman of the Board
- Olga Krymova
- Natalia Karpova
- Andrey Yuriev
- Alexander Vereshaka

# The underwriting policy: priorities

## Priority Lines

- Property (industrial and non-industrial )
- CAR/ EAR
- General liability
- General cargo
- Shipbuilders` risks

## Monitoring segment

- Aviation
- Space
- Marine
- Eenergy business
- Warehouse risks

## Limited interest

- Finpro
- Title insurance
- Agricultural insurance
- Political risks
- Developers` financial risks
- Some other local specific liability risks
- Motor hull

# Self-retention

2,5  
bln. rub

- Property
- CAR/ EAR
- Shipbuilders` risks
- General cargo
- General Liability

1  
bln. rub

- Drilling risks (COW)
- H&M
- Aviation (hull)
- Aircraft (liab.)
- Space risks
- Prof Liability
- Finpro

0,5  
bln. rub

- P&L

# Claims Handling

Within the signed share of 10%:

- To follow the decision of original Insurer or Leading Reinsurer on the claims settlement procedures

Within the role of RNRC as Leading Reinsurer

- To implement Claims control / Claims cooperation clause in the slips
- The joint decision on Loss Adjuster to be involved and on the event to be concluded as covered peril
- To assist original Insurer with claims handling procedures

The key point – no extra claims handling procedures and paper work except the market standard practice, electronic data exchange

The rule – prompt claims settlement and payment

# Retrocession

RNRC would sing business on the net retention basis only

No further per risk / slip reinsurance would be purchased on facultative or treaty markets

RNRC would evaluate the risk of cumulation on the formed portfolio in order to protect the capital of the company exposed to catastrophic event



**THANK YOU FOR YOUR ATTENTION!**

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