



Insurance as a risk management tool

New major player in the Russian reinsurance market



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

Russian National Reinsurance Company was established by Central Bank of the Russian Federation in accordance with the Federal Law No 363 of July 3, 2016 "On amendments to the Federal Law "On organization of insurance business in the Russian Federation".

The Central Bank of Russian Federation is the sole shareholder of RNRC.

The law is effective from January 1, 2017

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- 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 insurers
 - RNRC has the right to abstain of the offered share of unsanctioned business or sign a share less than 10%
 - There are not restrictions on participation RNRC in the inward business with a share higher than 10% or to sign business outside of Russia

In the case of the adoption of the law on property insurance of citizens against natural hazards, RNRC would reinsure these risks

RNRC key dates

03.07.2016	Federal Law №363 was adopted
29.07.2016	The decision to establish National Reinsurance Company was taken by Central Bank of Russia
03.08.2016	Company registration
12.10.2016	Company got reinsurance license
14.10.2016	The first reinsurance contract was signed by NRC
01.01.2017	Federal Law № 363 came into force
02.05.2017	Rated AAA (Stable) by Russian rating agency ACRA
16.05.2017	Supervisory Board of RNRC approved the company's Development Strategy for 2017 – 2021
05.06.2017	Rated BBB- (Stable Outlook) by Fitch Ratings
21.07.2017	Registered by CIRC as a foreign reinsurer in China
21.08.2017	Registered by EFSA as a foreign reinsurer in Egypt
27.09.2017	Rated BBB- (Positive Outlook) by Fitch Ratings

RNRC authorized capital



The Central Bank of Russia is the sole shareholder of RNRC



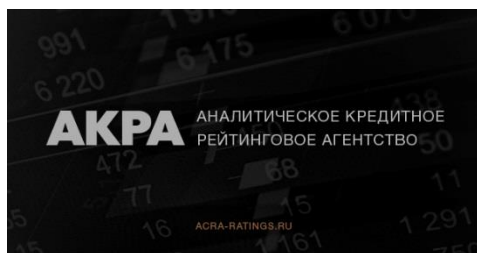
Paid-up capital – RUB 21,3 bln



Investment portfolio: 1% deposits, 99% state bonds

FitchRatings

Fitch Ratings has assigned RNRC an Insurer Financial Strength (IFS) rating of 'BBB-'. The Outlook is Positive.



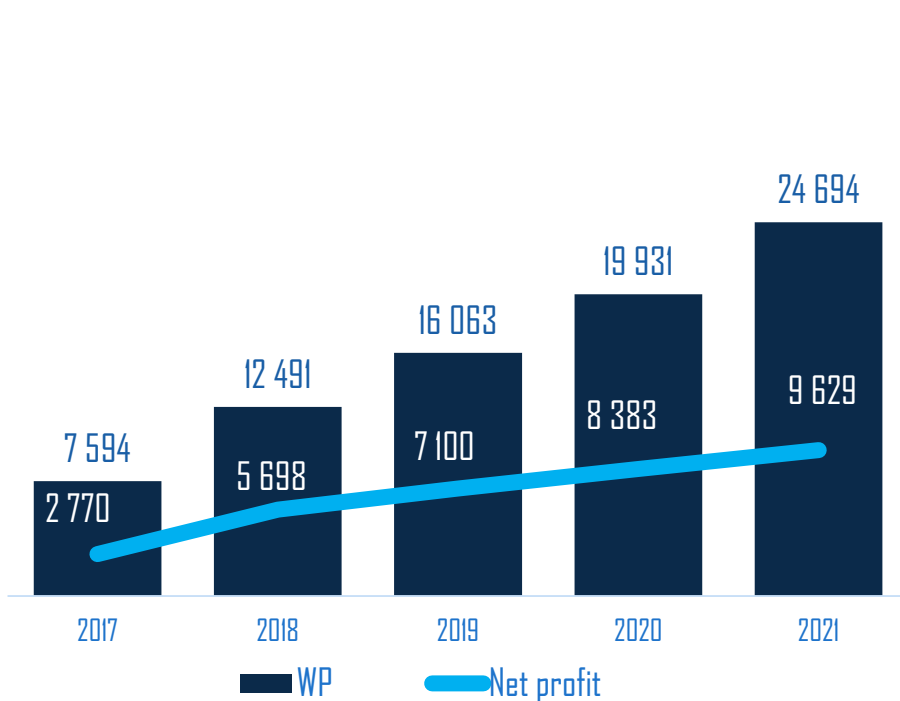
The Russian Analytical Credit Rating Agency (ACRA) assigned the AAA (RU) credit rating with the stable outlook



The Ernst & Young is the official auditor of RNRC

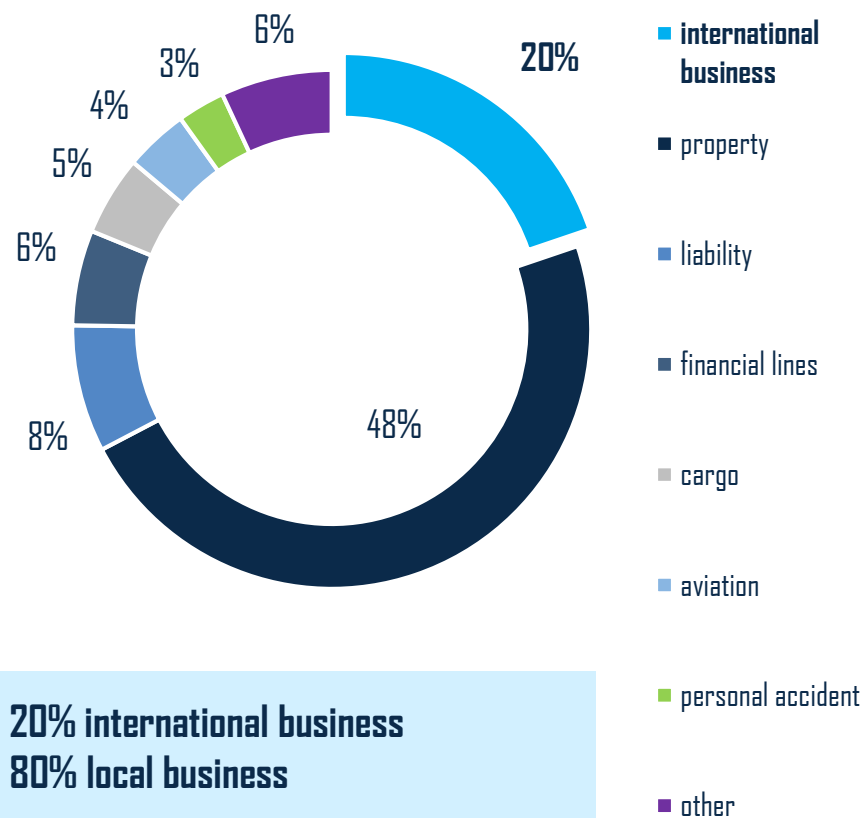
RNRC Business Model

Planned GPW and net profit
2017 - 2021 (mln Rub*)



* \$1 = 60 Rub

Target portfolio structure



Company's advantages and expertise

Unique store of underwriting information and experience

The biggest guarantee fund

The most advanced IT system

Alternative reinsurance capacity

Russian insurance market analytical centre

Insurance as part of the risk management process



Insurance as part of the risk management process

Insurance has always been and remains the most common risk management tool in the world.

Benefits:

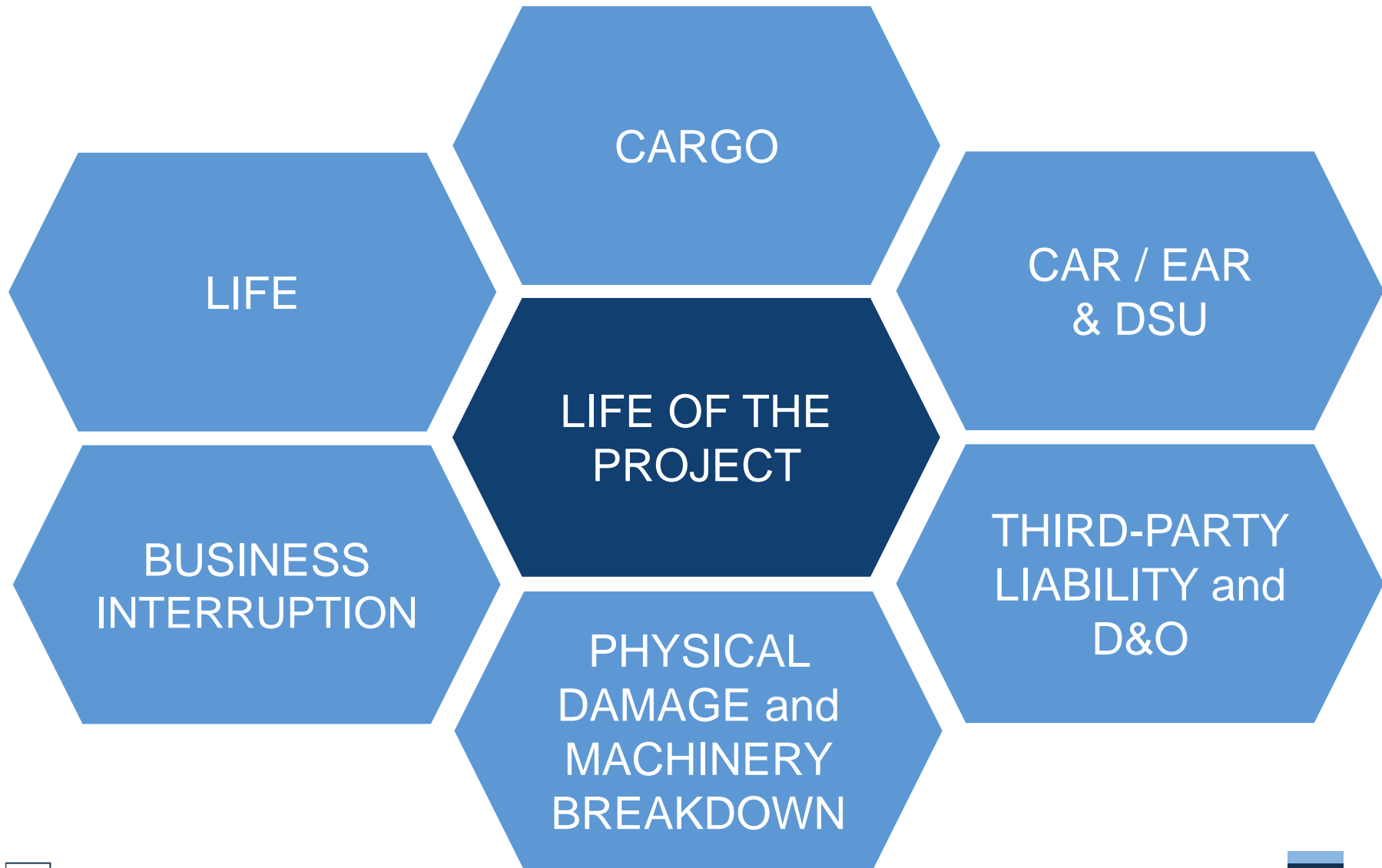
- Insurance capital is involved in the indemnification of companies' losses;
- Decrease in the uncertainty of company's financial planning;
- Freeing up funds for more efficient investments;
- Cutting costs on risk management by applying the expertise on Insurers for risk evaluation and management.

Drawbacks:

- Insureds are obliged to contribute to Insurers' management costs and profit;
- Costs related to the redistribution of losses among Insureds;
- Insurer's internal risks;
- Time factor.



Essential types of insurance



Choosing the optimal insurance program



Key Questions:

- What risks are related to the project?
- What risks should be insured?
- Shall the whole project be insured or certain risks only?
- What amount of liability should be insured?
- How to choose the Insurer properly?

Reputable partners are the ticket to success

RISK MANAGER

SURVEYOR and/or BROKER

INSURER

REINSURER

Summing up

Insurance remains one of the most effective risk management tools

One of the most reliable and efficient tools for business protection is the complex insurance program

The pre-insurance inspection and loss-adjuster are not less important elements of insurance protection than coverage and retention

A good choice of insurance partner is half the insurance coverage



THANK YOU FOR YOUR ATTENTION!

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