



About the company

Aviation and Space

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

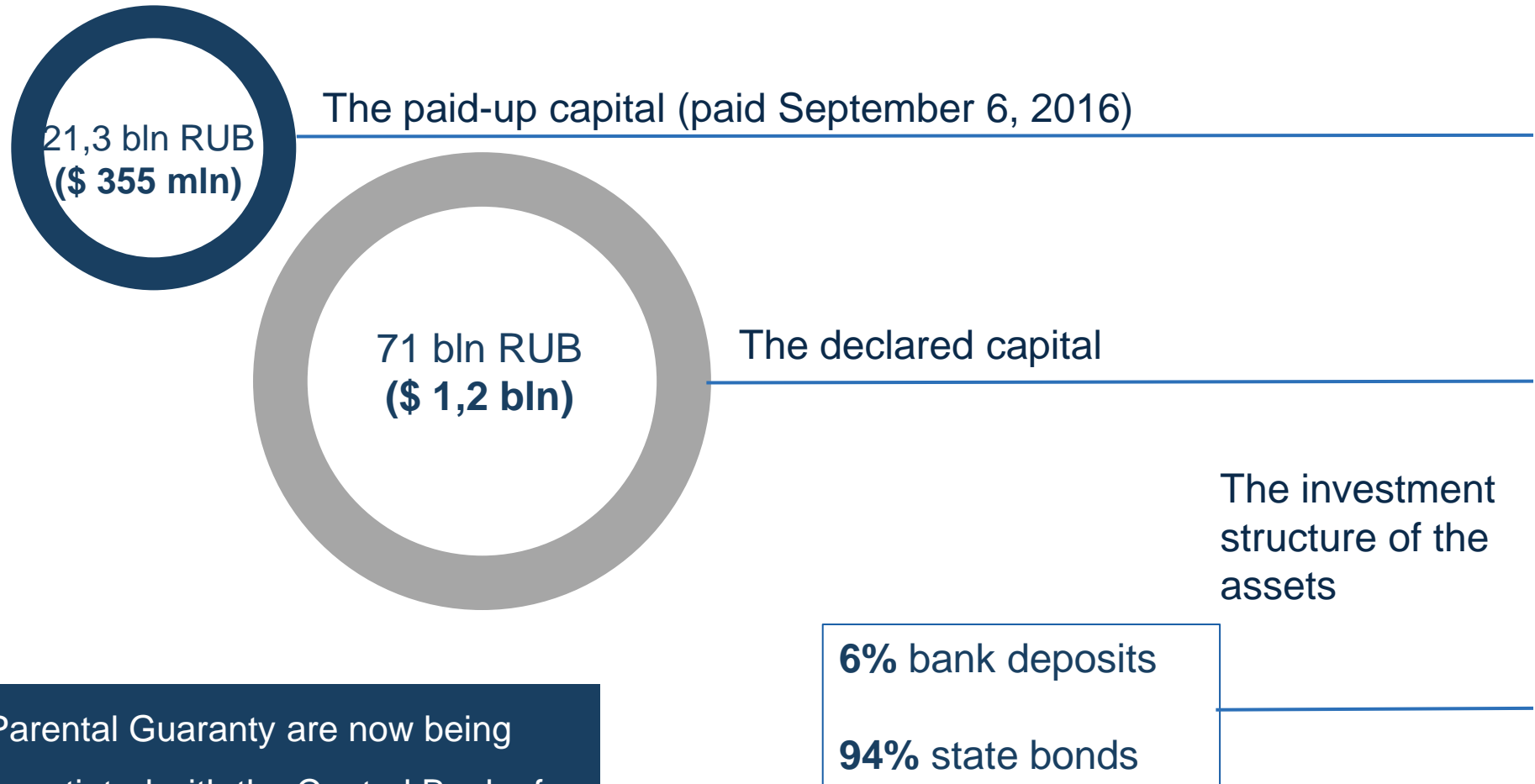
NRC has the right to abstain of the offered share of unsanctioned business
In the case of the adoption of the law on voluntary insurance of property of citizens against the risks of natural disaster, reinsurance of these risks is the responsibility of NRC

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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.

RNRC, avia & space premium income

In mln. Rbl.

	2016		2017	
	Fac.	Treaty	Fac.	Treaty
Avia	19,3	6,9	30	22,4
Space	48		89	
Total	67,3	6,9	119	22,4

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)
- Space risks
- Prof Liability
- Finpro

0,5
bln rub

- P&L

Liability (Regulation (EU) 785/2004), Retention

Category	Aircraft weight, kg	Min. Limit in SDR	Max. Line of RNRC
1	500-	750 000	50%
2	1 000-	1 000 000	50%
3	2 700-	3 000 000	50%
4	6 000-	7 000 000	50%
5	12 000-	18 000 000	50%
6	25 000-	80 000 000	50%
7	50 000-	150 000 000	35%
8	200 000-	300 000 000	10%
9	500 000-	500 000 000	10%
10	500 000+	700 000 000	5%

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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