

BELARUSIAN NATIONAL REINSURANCE ORGANIZATION

REPUBLICAN UNITARY ENTERPRISE



ACHIEVING SUCCESS TOGETHER

ABOUT US

INTRODUCTION

Belarusian National Reinsurance Organization hereinafter referred to as **Belarus Re** is the only reinsurance-specialized company in Belarus.

Belarus Re is **100% state-owned company** which was established on 4 November 2006 by virtue of decree No 1463 issued by Council of Ministers of Belarus

Business Principles

To create an international reinsurance company, offering a full range of reinsurance services and providing clients with comprehensive high-standard protection

Strategic Goal

Mission Statement

Responsibility, confidence and transparency in relation to clients and associates

To provide top-quality reinsurance services and do business fairly

Our staff is a main resource allowing to achieve high performance results, gain competitive advantage and encourage further development

To develop insurance infrastructure of Belarus

To create national reinsurance system

To improve the status of Belarus on the international insurance and reinsurance markets



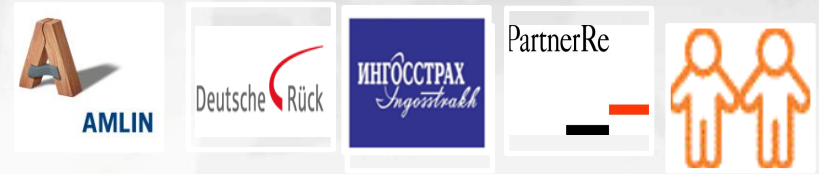
PARTNERS

INTRODUCTION

Belarusian Insurance Companies



Foreign Insurers and Reinsurers



Brokers



BELARUSIAN INSURANCE MARKET STRUCTURE

DOMESTIC MARKET

BELARUSIAN INSURANCE MARKET

Participants

16 Operating Companies (1 Reinsurance-specialized)

32
Insurance
Brokers

Business
Specialization

14 Non-life Insurance

2 Life Insurance

Ownership
Form

3
State-
owned

4
With 50%+
state-
participation

7
Private

1
State-
owned

1
Private

BELARUSIAN INSURANCE MARKET PECULIARITIES

DOMESTIC MARKET

Insured

Belarusian
Insurer
(Reinsured)

Belarus Re
(Reinsurer /
Retrocedant)

Foreign Reinsurer
(Retrocessionaire)

- **All undertaken liabilities** under each contract of voluntary non-life insurance, exceeding the fixed limit (20% of its equity capital) shall be transferred to Belarus Re;
- **Belarus Re** is the **sole company** which cooperates with foreign insurance and reinsurance companies (brokers) on placing risks insured on the territory of the Republic of Belarus;
- Insurance companies' **tariff policy and conditions** upon obligatory reinsurance treaties are coordinated **with Belarus Re**;
- Life reinsurance is not permitted;
- Fronting is forbidden.

Thus, the legislation system provides means for insurance market stability and optimal risk distribution through reinsurance



ACHIEVING SUCCESS

BELARUSIAN INSURANCE MARKET HIGHLIGHTS

OBLIGATORY REINSURANCE PROCEDURE IN THE REPUBLIC OF BELARUS*

THE INSURER/REINSURED



*THE REINSURER (Belarus Re)/
RETROCEDENT*

If the sum insured per risk (except for life insurance) exceeds 20% of the equity of an insurance company, the Reinsured shall apply to Belarus Re for prior approval of reinsurance net rate*

Other than:

For export risks insurance contracts with state support and liability insurance for default on obligations by bond issuer, the legislative standard of liability shall be 10% of the equity of an insurance company.

Belarus Re shall provide either its agreement to reinsure the risk or failure to accept it within 2 (two) working days upon the receipt of the application.

If accepted obligations exceed the legislative standard of liability, the Reinsured shall cede them within 2 (two) working days from the inception date.

Belarus Re shall provide either its agreement to reinsure an inward insurance risk (acceptance of inward reinsurance contract) or failure to accept it within 2 (two) working days upon the receipt of the appropriate offer.

In case of exceeding its liability standard, Belarus Re shall retrocede part of its obligations (to enter into retrocession agreements) within 2 (two) working days upon the acceptance of the inward reinsurance contract.

* As per Resolutions of the Ministry of Finance as of 07.02.2003 No.16 «On establishing standard of liability under non-life voluntary (coinsurance, reinsurance) contracts» and as of 20.06.2014 No.37 «On some issues of insurance activities implementation»

CORE FIGURES

PERFORMANCE in 2015 - QI-QII 2018

BYN '000.00

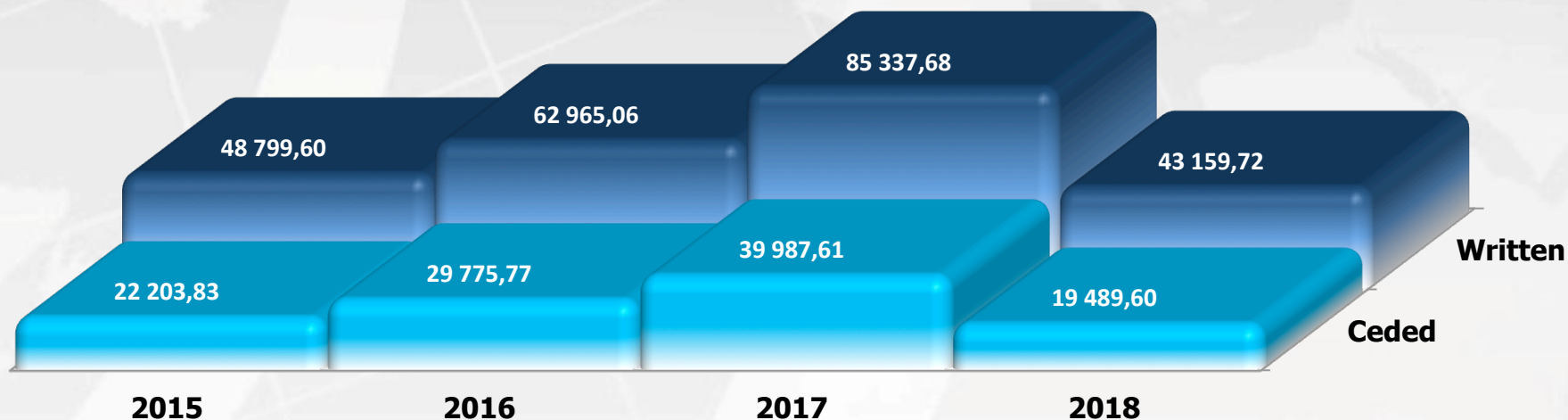
	2015	2016	2017	2018
Quantity of contracts	9 739	12 674	13 009	6 853
Premium written	48 799.60	62 965.06	85 337.68	43 159.72
Premium received	51 038.92	58 233.47	69 362.80	34 172.62
Premium ceded	22 203.83	29 775.77	39 987.61	19 489.60
Indemnity paid	7 431.90	17 948.74	14 211.72	8 129.29
Liability accepted	52 813 412.03	84 612 670.34	119 703 757.97	59 281 196.81
Actuarial reserves	35 611.26	54 890.95	69 540.14	69 442.95
Authorized fund	141 696.25	147 570.18	152 381.89	167 606.28
Net worth	152 691.91	155 562.45	169 269.36	173 905.36
Net profit	15 072.52	9 896.13	19 653.02	9 287.44
Solvency Margin	148 298.90	146 407.39	158 386.37	164 500.00
Combined Ratio, %	30.20	39.20	37.20	38.7

CORE FIGURES DYNAMICS

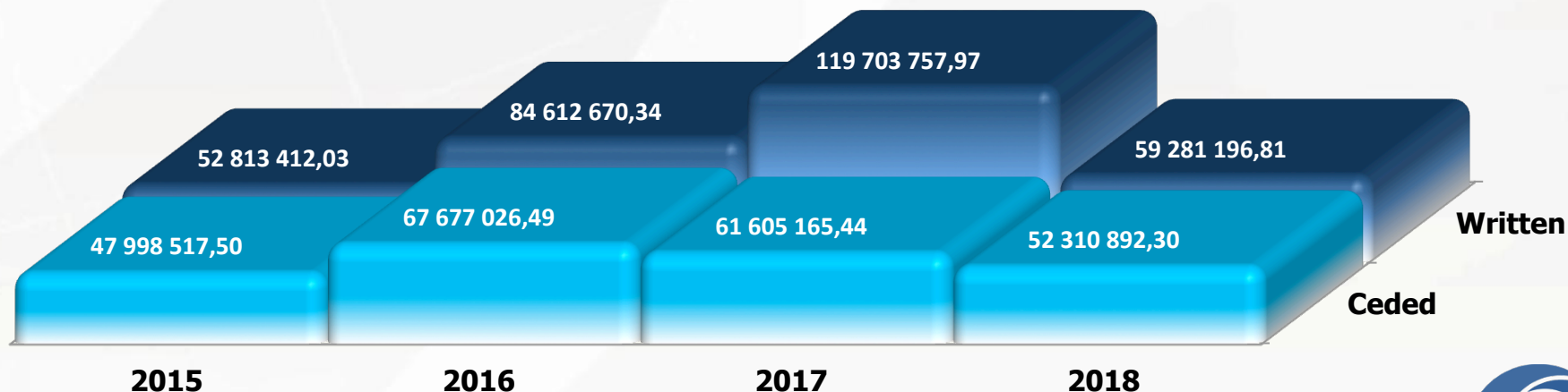
PERFORMANCE in 2015 - QI-QII 2018

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Premium

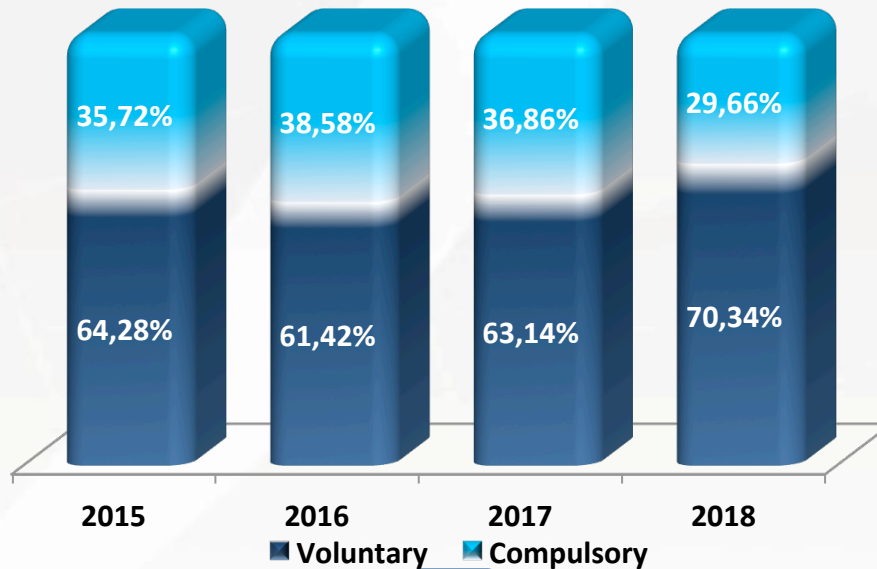
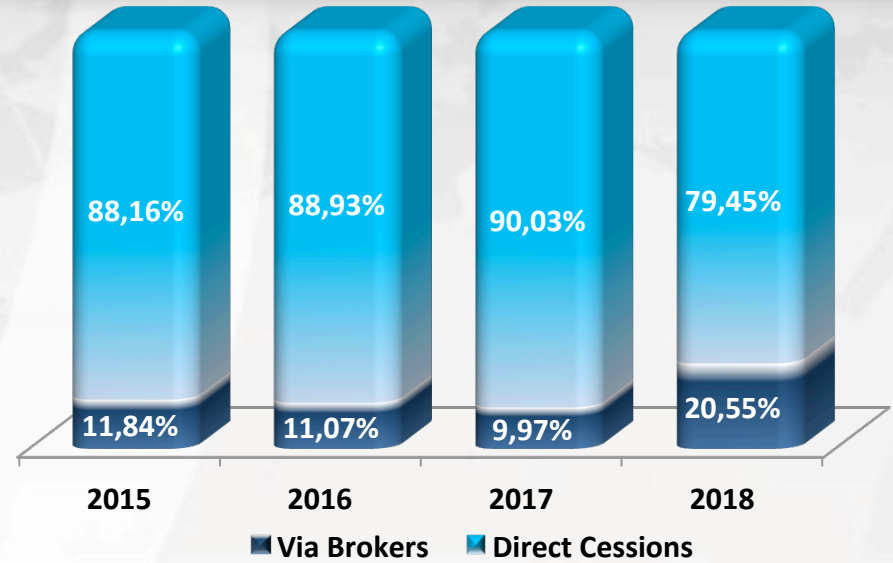
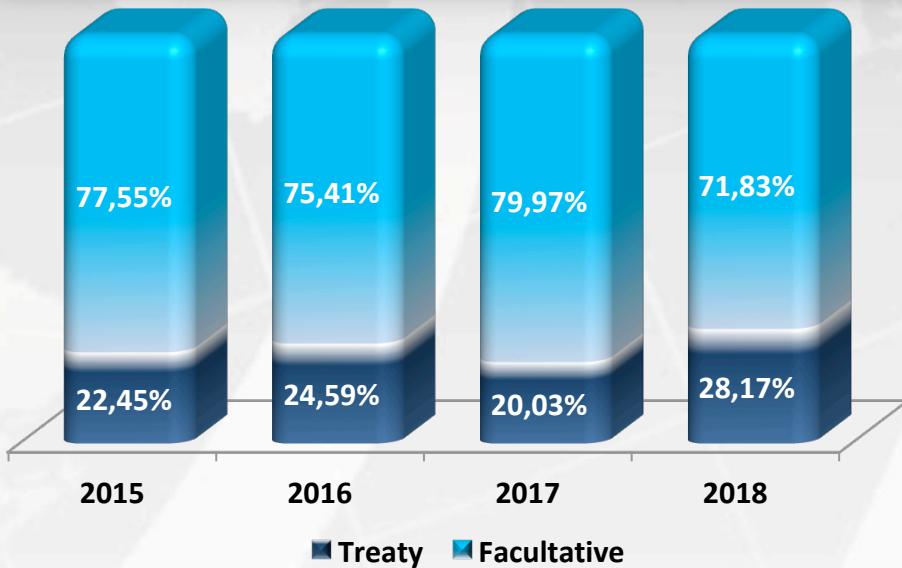


Liability



WRITTEN PREMIUM STRUCTURE DYNAMICS

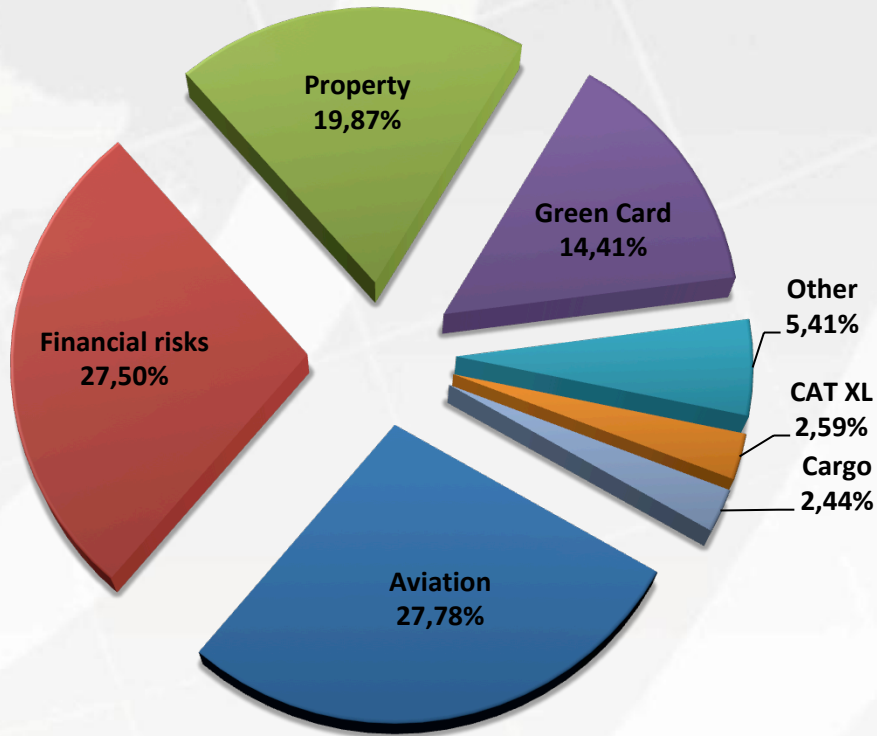
PERFORMANCE in 2015 - QI-QII 2018



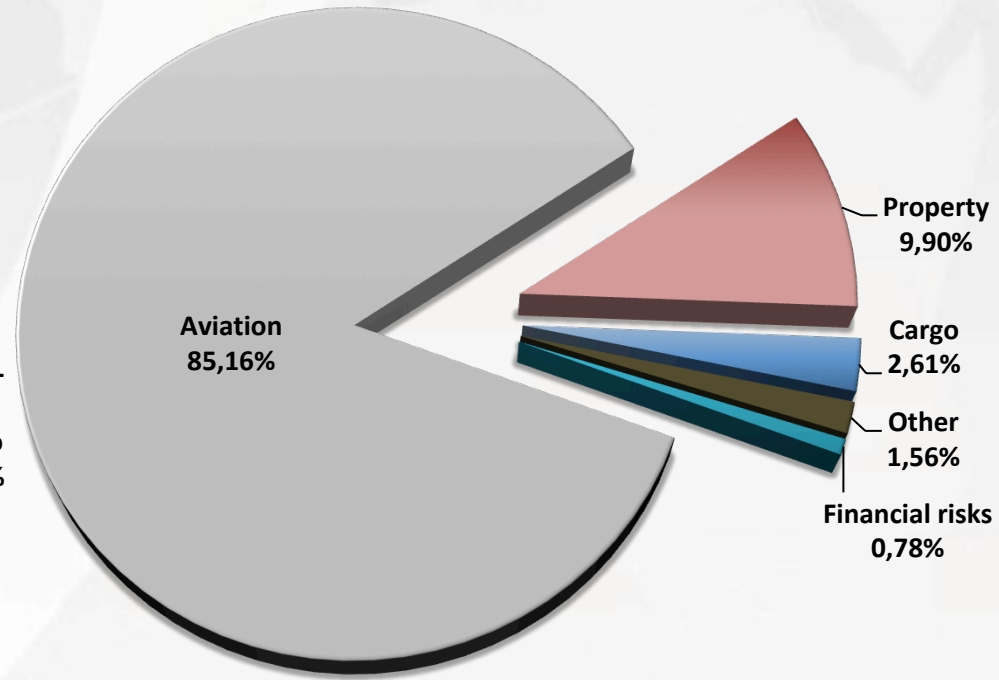
INWARDS REINSURANCE PORTFOLIO BY LINES OF BUSINESS

PERFORMANCE in QI-QII 2018

GROSS PREMIUM



LIABILITY WRITTEN*



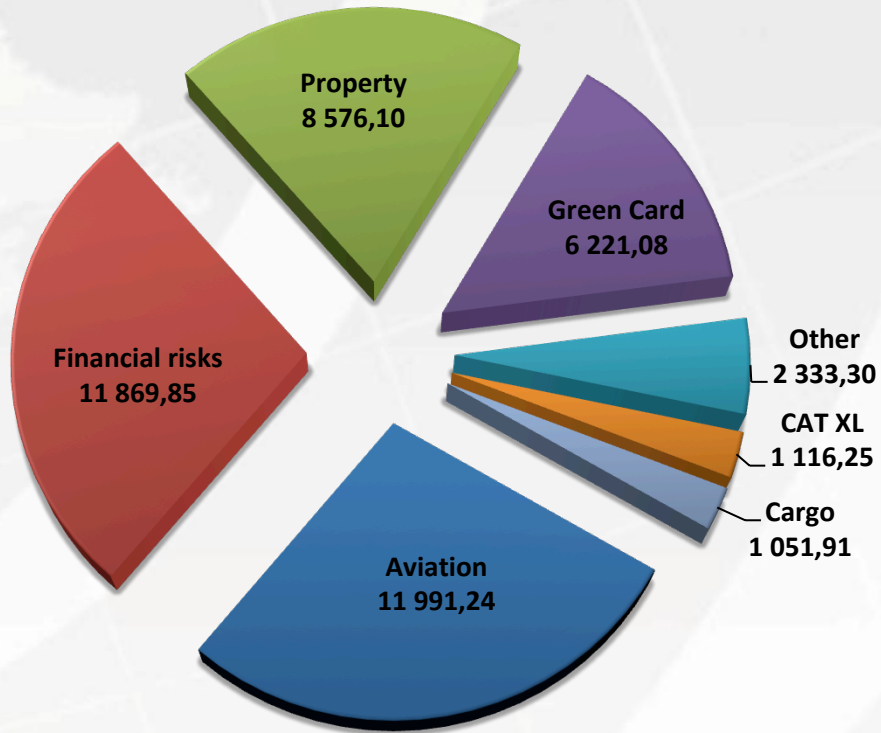
* The following diagram doesn't take into account the Green Card cover (the limit of liability under this program is unlimited).

INWARDS REINSURANCE PORTFOLIO BY LINES OF BUSINESS

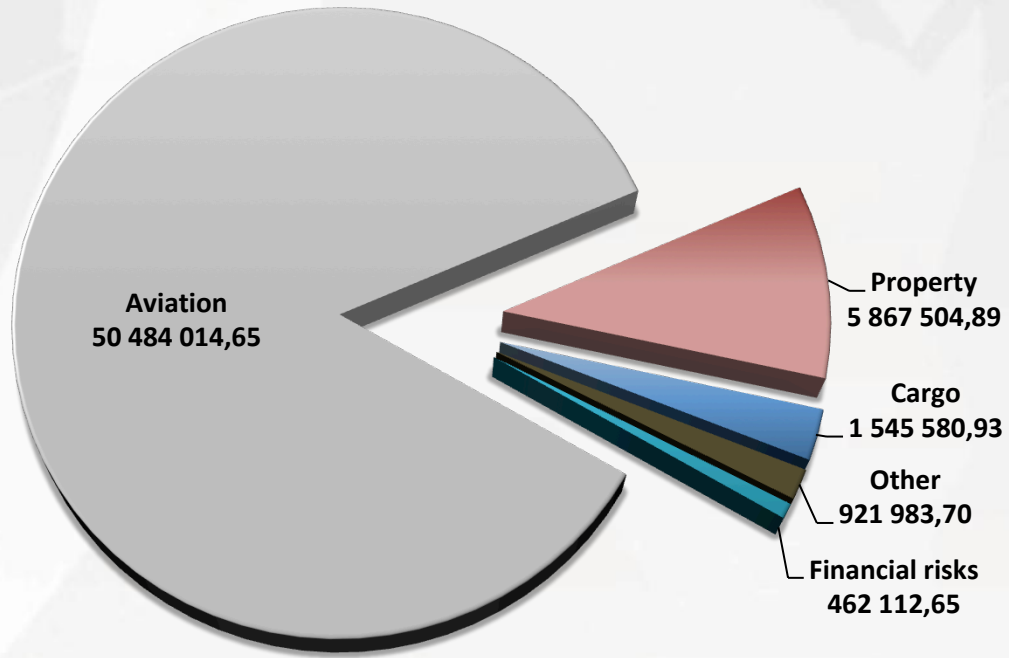
PERFORMANCE in QI-QII 2018

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GROSS PREMIUM



LIABILITY WRITTEN*

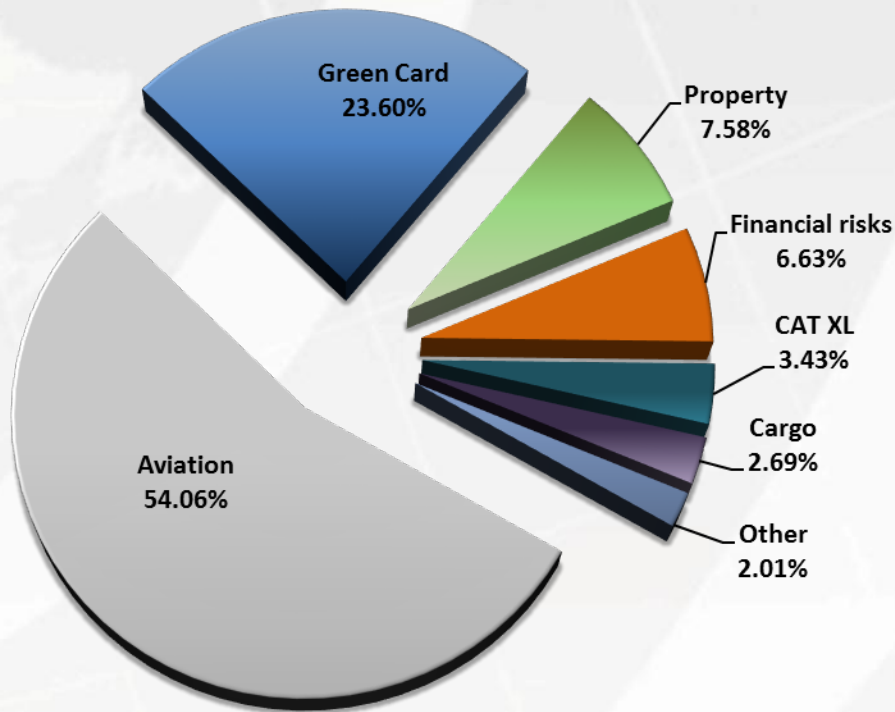


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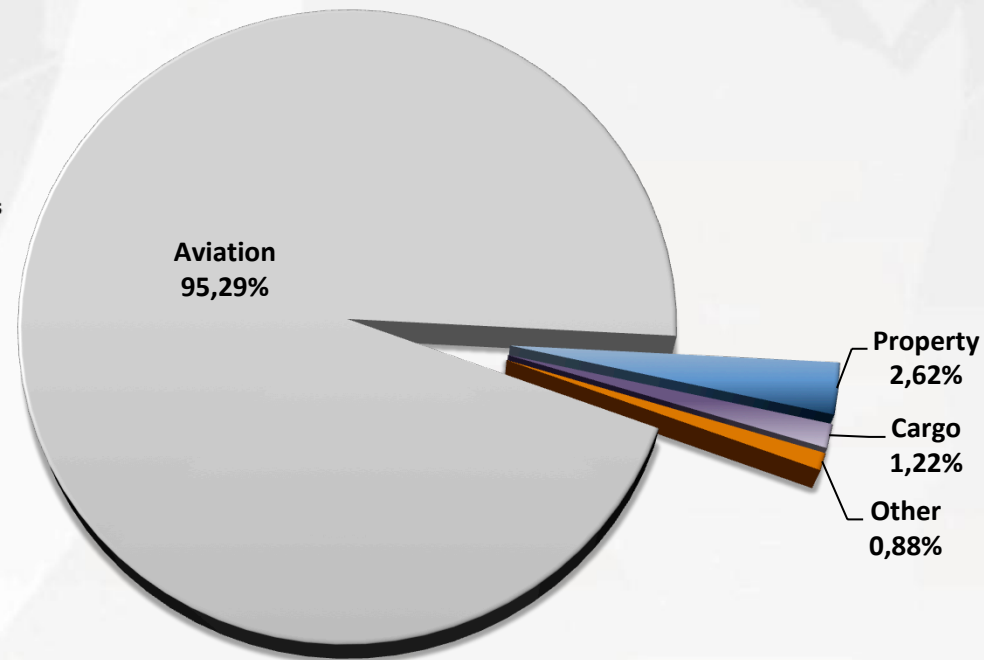
OUTWARD REINSURANCE PORTFOLIO BY LINES OF BUSINESS

PERFORMANCE in QI-QII 2018

PREMIUM CEDED



LIABILITY CEDED*



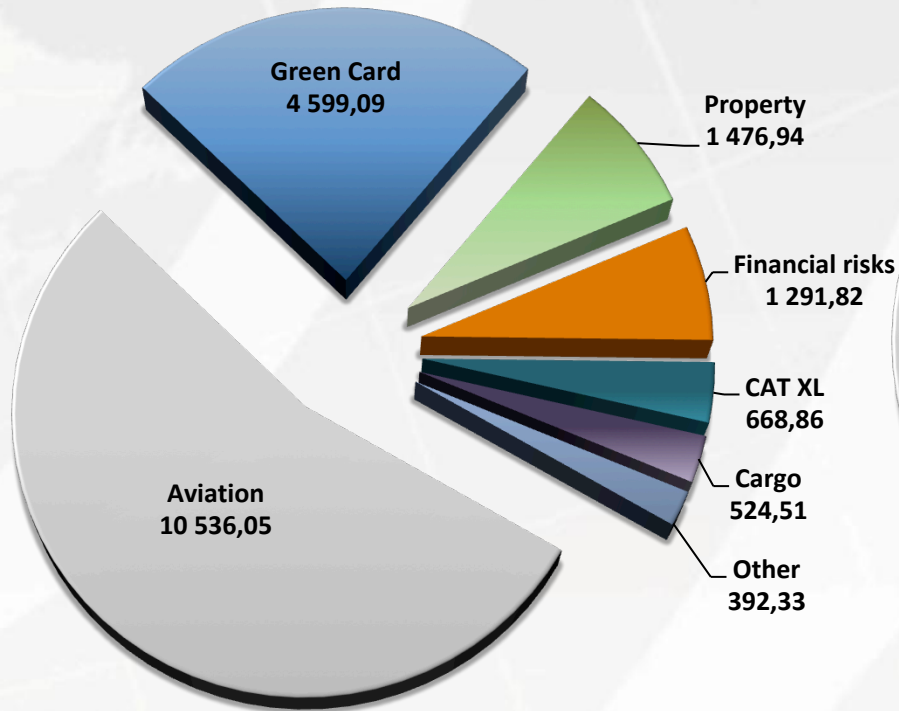
* The following diagram doesn't take into account the Green Card cover (the limit of liability under this program is unlimited).

OUTWARD REINSURANCE PORTFOLIO BY LINES OF BUSINESS

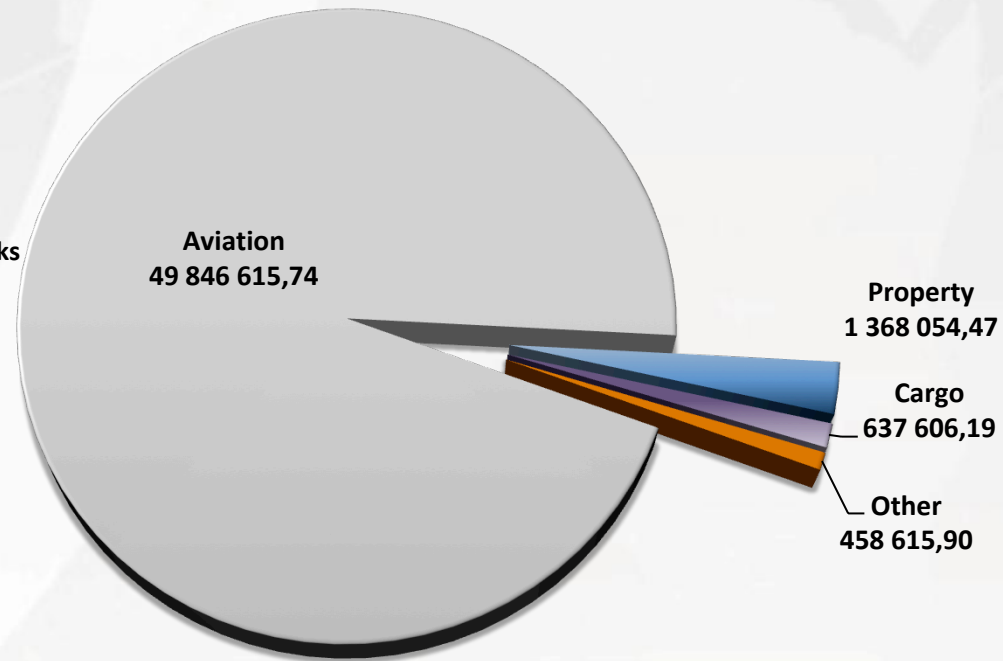
PERFORMANCE in QI-QII 2018

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PREMIUM CEDED



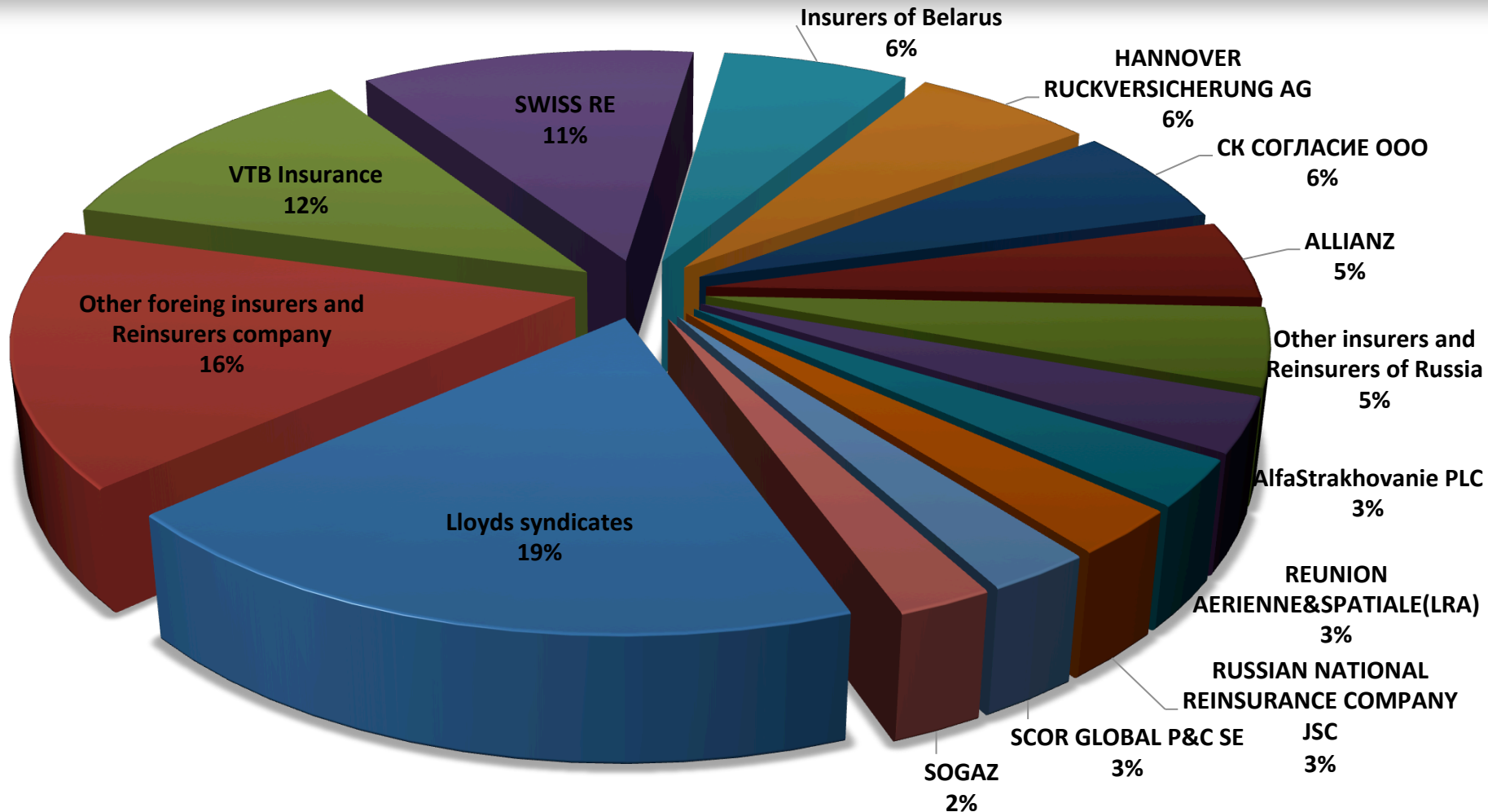
LIABILITY CEDED*



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OUTWARD REINSURANCE PORTFOLIO

PERFORMANCE in QI-QII 2018



from AAA to A

from BBB to B-

N/r

MAX RETENTION LIMITS

RETENTION POLICY

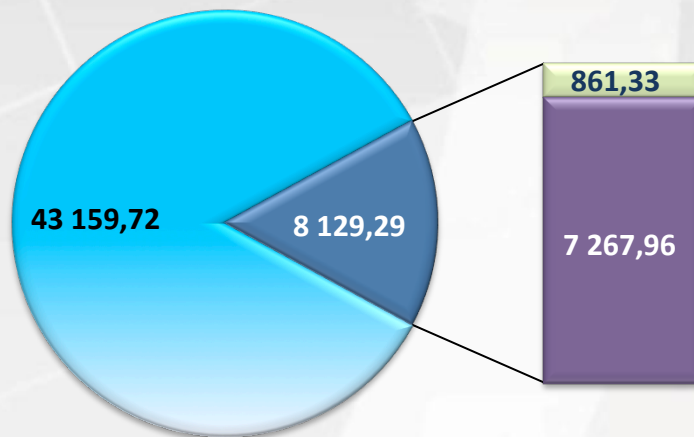
Class of Business	Facultative Reinsurance, USD	Treaty Reinsurance, USD
Property	30 000 000	2 000 000
CAR/EAR	30 000 000	2 000 000
Cargo	10 000 000	2 000 000
Aviation Hull (per each aircraft)	1 000 000	500 000
Launch of spacecraft	500 000	500 000
Orbital operation of spacecraft	500 000	500 000
Motor Hull(per each vehicle)	300 000	300 000
<u>Third Party Liability:</u>		
• Civil liability of aircraft owners	6 000 000	6 000 000
• General liability for spacecraft launch	5 000 000	5 000 000
• Manufacturers civil liability insurance	1 000 000	1 000 000
• Civil liability of hazardous organizations	2 000 000	2 000 000
• Third party civil liability insurance	5 000 000	5 000 000
• Civil liability of carrier and forwarder	1 000 000	1 000 000

PREMIUMS/INDEMNITIES STRUCTURE

LOSSES

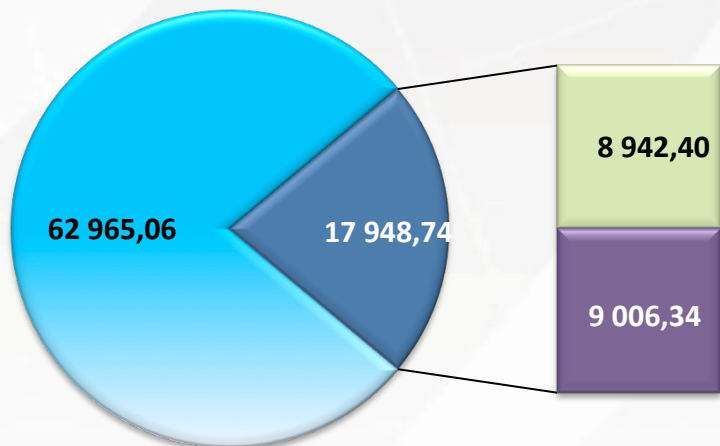
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QI-QII 2018

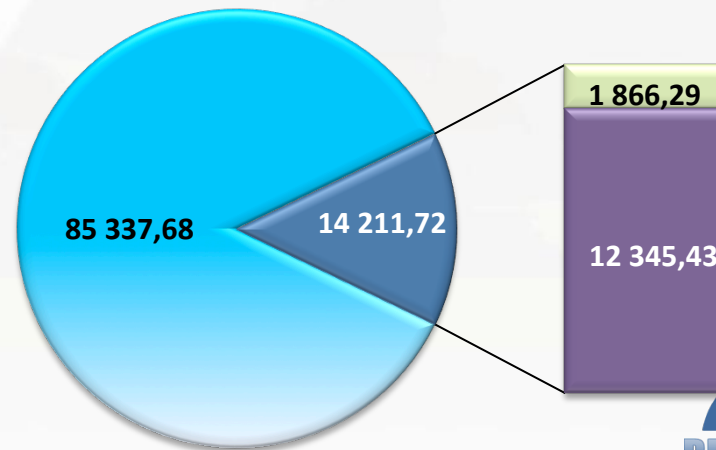


■ Indemnity ■ Premium received ■ Share of Retrocessionaires ■ Share of Belarus Re

2016



2017



TOP LOSSES

Sum (USD)	Date	Event	Reinsured	Insured
2 353 215	13.07.2016	damage to Boeing 737-300a in result of collision of two aircrafts because of extreme weather events (windstorm)	Promtramsinvest	Belavia
1 960 000	14.02.2008	Total loss of CRJ-100LR Aircraft while taking off. (Zvartnots airport, Armenia)	Promtramsinvest	Belavia
1 500 000	10.2011	Damage caused by flood (Thailand)	Chaucer Syndicate 1084	
1 309 545	19.09.2013	The damage caused by the flooding at Zagorskaya PSP-2 during construction (Russia)	SOGAZ	OJSC Federal generating company RusHydro
1 296 998	05.03.2011	Damage to the aircraft as a result of leakage of hot air from the engine	Promtramsinvest	Belavia
826 052	30.06.2017	Gas explosion of product mix and property damage (Russia)	WILLIS CHF OOO	Public Joint Stock Company "Joint-Stock Oil Company" Bashneft "
592 372	08.08.2008	Liability Green Card. Damage to life and health caused as a result of accident (Italy)	Belgosstrakh	«Farvesttrans»
510 000	30.05.2013	Business interruption caused by collapse of railway bridge across the Abakan river due to landslide	Ingosstrakh	RUSAL
500 437	22.04.2013	Total loss of spacecraft "SICH 2" due to loss of power supply	Rosles Re	SK Provita
500 000	18.08.2011	Express-AM4 Satellite insertion failure	Ingosstrakh	RSCC
499 300	21.11.2015	The loss of the spacecraft Amos-5 during the orbital operation phase	SOGAZ	Space Communication LTD

AVIATION RISKS REINSURANCE

RETROCESSION

Since 2007 Belarus Re has been providing aviation risks reinsurance, including risks of national air carriers:

Belavia – Belarusian Airlines and Transaviaexport Airlines

National carriers' air fleet:

Boeing 737-300/500 (13 Aircrafts)
CRJ-100/200 LR (4 Aircrafts)
Embraer 170 (3 Aircrafts)
Embraer 190 (4 Aircrafts)
Boeing 737-800 (6 Aircraft)

Boeing-767-300ER (1 Aircraft)
Challenger - 850 CL-600-2819 (1 Aircraft)
IL-76 TD (5 Aircrafts)
Boeing-747-329(SF) (1 Aircraft)

Risks are placed on facultative quota share basis

Placing broker – **JLT Specialty Limited/ AXIOM InRe Insurance Brokers, Bgi Bertil Grimme Ag Insurance Brokers**

Limits of liability under reinsurance contracts:

Aviation hull – up to 36,6 m USD

Airline liability – up to 750 m USD

Retrocessionaires:

Lloyd's Syndicates

Allianz Global Corporate & Specialty

Partner Re

Aviabel

General Insurance Corporation of India

Korean Reinsurance Company

Assicurazioni Generali

Swiss Re

Munich Re

Aspen Insurance UK Limited

SOGAZ Insurance

AlfaStrakhovanie



PROPERTY, ENGINEERING AND CARGO RISKS

RETROCESSION

Property and Engineering

**Limit of Treaty –
30m USD**

**The Leader -
SCOR**

**Placing Broker –
AXIOM InRe
Insurance
Brokers Ltd**

**Net Retention –
2,0m USD**

Cargo

**Limit of Treaty –
10m USD**

**The Leader –
Russian National
Reinsurance
Company JSC**

**Placing Broker –
Direct Insurance
Group plc.**

**Net Retention –
1,0m USD**

Basis of the treaties – excess of loss basis per risk/ per event

GREEN CARD CERTIFICATES REINSURANCE

RETROCESSION

*Limit of Treaty**

**The Leader/
Co-Leader**

Placing Broker

Net Retention**

Unlimited

Swiss Re

**Malakut Insur
ance Brokers
CJSC**

500 000 EUR

* Basis of the treaty – excess of loss basis per risk/ per event

**Given Net Retention volume is for a whole Belarusian insurance market

REINSURANCE WITHIN T.I.R. CONVENTION

RETROCESSION

Limit of Treaty*

The Leader

Placing Broker

Net Retention

**60 000 EUR
per 1 insured
accident**

**Lloyd's
Syndicates**

**Miller
Insurance
Services LLP**

**15% of
written
Liability**

*Type of contract – quota share treaty

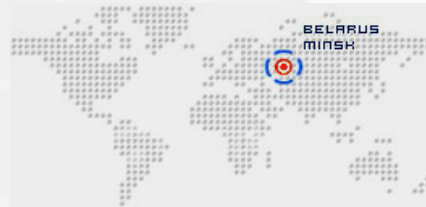
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THANK YOU