



Russia Insurance Market Today

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News in actuarial profession in Russia



- The new law passed first reading
- The new law: formalize responsibilities and regulate the process of development of actuarial standards.
- Reorganization of insurance supervision: move this function to the Central bank



Russian insurance market in 2012

- The number of insurance companies – 458.
- TOP-10 companies - 58% of total premiums.
- Premiums increased by 21,7%, claims paid – 21,6% (compared 2011).
- The number of contracts increased by 4,2% to 139 million contracts.
- The share of life insurance is about 10%.



Market of compulsory insurance

- Compulsory motor TP liability insurance - from 2003.
- Compulsory general and employers liability insurance of an owner of a hazardous objects -from the beginning of 2012.
- Compulsory liability to passengers on all types of public transport of the carriers - from the beginning of 2013.
- Conditions, tariffs - the same for all insurers; can be changed only by the government



Problems in the market of compulsory insurance

- Fixed tariffs
- Low tariffs
- Increasing the coverage with the same tariffs
- Fraud



IFRS

- Requirements of preparation of consolidated financial statements in accordance with IFRS from 2012
- Penetration in IFRS reporting: comparatively low relative to banks
- Significant reform of the finance function from regulator
- IFRS reporting: brings major benefits



Some questions about Solvency

- Russia: in Solvency One regime
- Change requirements to the minimum capital: use complicated standard formula from QIS5
- Calibration of the coefficients: in process
- Team work of insurance supervision and insurers