



RUSSIA — TERRORISM RISK INSURANCE PROGRAMME

In connection an increasing number of terrorist attacks in recent years, there was a need to provide reliable insurance protection against the terrorist risks.

Separate insurance companies do not always have sufficient financial resources for the insurance of large industrial, transport and other objects against the risks of terrorism.

To conduct such insurance, a company needs strong reinsurance protection, support of other participants in the insurance market.

To meet the growing demand for the respective reinsurance capacities the leading Russian Insurers pooled their resources.

Name of programme	The Russian Anti Terrorism Insurance Pool (RATIP)
Date of establishment	20 December 2001
Basic structure	Proportional quota share

Russian Anti-Terrorism Insurance Pool (RATIP)

History and Purpose

The Russian Anti-Terrorism Insurance Pool was established on 20 December 2001 following the terrorist acts of 11 September 2001.

Tactical objectives of the RATIP

Insurance of legal entities and individuals located on the territory of the Russian Federation and former Soviet Union Region countries, as well as Russian interests abroad against the risk of death and loss as a result of terrorist acts and sabotage.

Creation of conditions for development of constructive unity between the state and the insurance community - the members of the Pool.



The OECD International Platform on Terrorism Risk Insurance shares information and identifies good practices on terrorism risk financing to contribute to more rapid economic recovery in the event of attacks.



This country profile is regularly updated. It is the product of joint work between national terrorism insurance schemes, the OECD and the World Forum of Catastrophe Programmes.

www.oecd.org/daf/fin/insurance/terrorism-risk-insurance.htm



Strategic Objective of the RATIP

Independent Russian market of reinsurance against the risks of terrorism, sabotage, strike, riot and civil commotions (SRCC).

Definitions

The risk of "terrorism", "sabotage", "SRCC" – possible events which, in case of occurrence, are covered by insurance which is the subject of reinsurance operations under the RATIP.

Member of the RATIP – Insurance / Reinsurance organisation, which signed an agreement establishing the RATIP, appendices and additions thereto, as well as sharing principles and implementing all of the provisions of the RATIP.

The RATIP Administrator – an independent insurance broker, registered in Russia and providing RATIP with certain range of administrative and consulting services for the purpose of optimising the workflow and settlement processes.

ASU - automated database and workflow management system for the RATIP operating on web-basis.

EDS - Electronic Digital Signature

Member Share and the RATIP capacity - responsibility a member takes on the net retention for each risk "terrorism, sabotage, SRCC" that is reinsured by the RATIP. Capacity of the RATIP is formed by summing up the shares of all the participants.

The form of the declaration - a form of notification by one party to the other participants of the RATIP taking on the insurance or reinsurance of risks included in "terrorism, sabotage, SRCC" and of its transfer to reinsurance by the RATIP participants.

Bordereaux - summarized information (with the share of responsibility of each participant and bonuses) for all risks transferred by one of the other participants in the reinsurance for the period of a quarter. Bordereaux should be accounted for in accordance with the form agreed and signed form by the RATIP participants, passing on and receiving responsibility for these risks. Signed bordereaux are an integral part of the Agreement and the basis for the settlement between the parties of the RATIP.

Sum Insured - the sum insured for the risk of "terrorism, sabotage, SRCC" is set in accordance with the original contract of insurance entered into by the insurer (as the RATIP member) and the coverage against terrorism risk is equal to the sum insured on the main insured risks.

Liability limit - liability limit of liability for the risk of "terrorism, sabotage, SRCC" of incomplete property insurance (lower limit of the sum insured on the main risks), states:

- In general, the term of the insurance contract (aggregate limit) or per claim, but not exceeding the sum insured;
- Under the contract of insurance (general limit) or through insurance (territorial limit).



Operation, Extent, Lines Covered & Perils Covered

Current technical details and insurance/reinsurance terms and conditions:

Membership: 23 members;

Capacity of the RATIP: USD 240 mio;

Territorial scope of cover: Russia and former Soviet Union Region countries;

Insured risks: terrorism and/or sabotage and/or strike, riot and civil commotions (SRCC);

Administrator: Industrial Insurance Broker LLC

Insurance coverage (lines of business to be covered): Any contracts of insurance/reinsurance of the risks of "terrorism" and/or "sabotage" accepted by the party of RATIP related to property insurance contracts including construction risks insurance irrespective of whether they were taken on the basis of contracts of direct insurance, coinsurance or incoming facultative reinsurance, are as follows:

- Property insurance of legal entities against fire and other perils;
- Machinery breakdown;
- Insurance of electronic devices;
- Insurance of construction risks (CAR/EAR);
- Insurance losses from business interruption (only in addition to property coverage);
- Cargo insurance;
- Insurance of railway vehicles;
- Car insurance (owned by legal entities);
- Property insurance for individuals (excluding insurance of motor vehicles owned by individuals);
- Third party liability.

Exclusions

General exclusions:

- Chemical, biological, biochemical or radioactive exposures (as per CL370);
- Exposure to asbestos of any type;
- Fines and penalties;
- Mysterious disappearance or unexplained loss;
- Effects of mold, fungi and spores or other microorganisms;
- Cyber Attack (CL380).

Property section exclusions:

- Airplane or any other aerial device or vessel;
- Any ship or riverboat;
- Animals, plants and any living creatures of all kinds.

State Involvement & Layers of Cover

State is not involved.

Non-State Reinsurance/Retrocession

Through the European carriers, the Russian carriers (which treaties placed in Europe, UK).



Extent of Compulsion & Choice

Purchase of terrorism insurance is not compulsory.

Period of Operation

- Up to 18 months (and);
- Up to 36 months for CAR/EAR risks.

Main features

Layers of coverage	2 layers: 1. Limit \$ 20 million is co-reinsured between the members 2. \$ 220 million in excess of \$ 20 million is reinsured by worldwide reinsurers
Limitation of exposure of private sector	None.
Temporary /permanent government participation	None.
Gratuity of government coverage	None.
Voluntary / mandatory	Voluntary.
Minimum sum insured	Not established.
Coverage of NBCR terrorist attacks	None.
Lines covered	<ul style="list-style-type: none">• Property insurance of legal entities against fire and other perils;• Machinery breakdown;• Insurance of electronic devices;• Insurance of construction risks (CAR/EAR);• Insurance losses from business interruption (only in addition to property coverage);• Cargo insurance;• Insurance of railway vehicles;• Car insurance (owned by legal entities);• Property insurance for individuals (excluding insurance of motor vehicles owned by individuals);• Third party liability.
Pricing mechanism	Rating schedule based on occupancy, location, security and etc.
Other public sector victims compensation schemes	

News releases

As for 26 July 2016- **Current technical details and insurance/reinsurance terms and conditions:**

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- Capacity of the RATIP: USD 240 000 000.00