



Short Overview of key indicators of Russian Trade Credit Insurance market

2020



Foreword



The purpose of this Overview is to provide objective information on the Russian Trade Credit Insurance market and its participants.

This Overview is not intended to provide any advice, nor does it contain direct or indirect statements, appeals or otherwise.

The Overview is based on open sources of information, including but not limited to the following: information disclosed by insurance companies on their websites, information provided by insurance companies to the Central Bank of the Russian Federation and published by the latter, arbitration cases database, other Internet resources that, in our opinion, are reliable. Despite the listed sources of information, we admit that the data presented in the Overview may have some errors, but according to our estimates within a 5% treshold.

The use of information contained in this Overview means that you have full understanding that you voluntarily assume all risks and consequences that may arise from its use.

Director General «TCI» LLC

Petrenko D.

Gratitude:

We express our gratitude to the management of the companies "Atradius Rus Credit Insurance", "Credendo - Ingosstrakh Credit Insurance", "Insurance company "Euler Hermes Ru ", "Insurance company "Soglasie" and "AON Rus – Insurance brokers" for their contribution to improving the information content of these overviews.



Executive summary

The results for 2020 on trade credit insurance in the Russian Federation can be characterized as quite good, taking into account the current unique epidemiological situation in 2020.

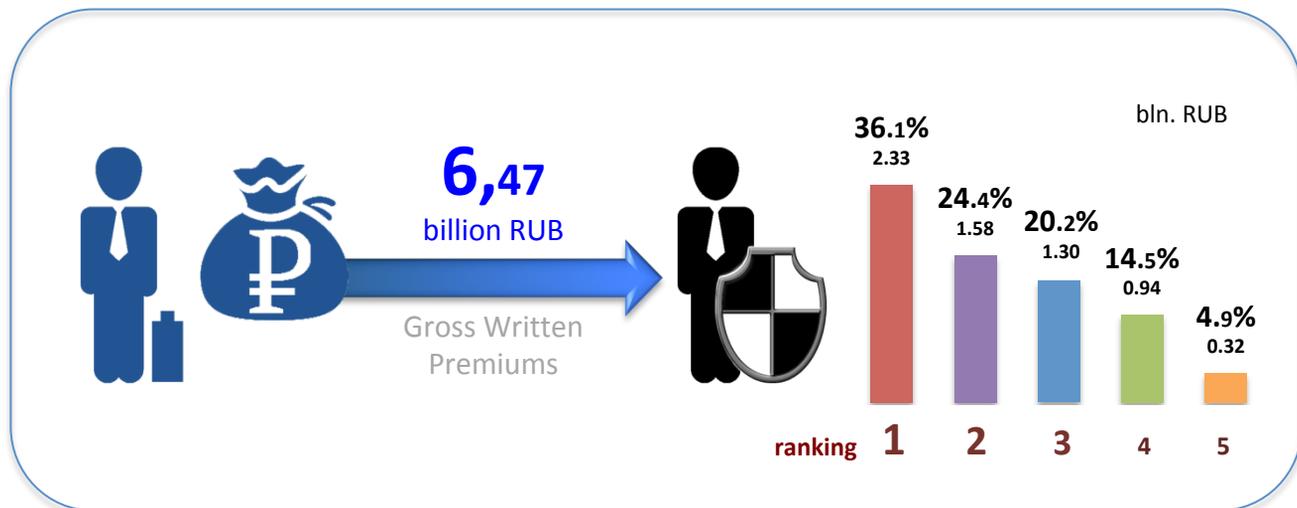
Of the noteworthy should be highlighted:

- Gross written premiums in 4th quarter of 2020 for the total market were significantly lower than the premiums written in the 4th quarter of 2019 -20,8% (-456 mln.RUB), as a result the total annual increase in written premiums in 2020 amounted to only +1,4% (+87 mln.RUB);
- Gross written premiums from Atradius decreased by -2,7% compared to the previous year, however. The company has remained the market leader by this indicator for 4 years in a row.
The closest competitor, Credendo – Ingosstrakh, lags behind the leader by 32% (0.75 bln.RUB);
- The worst indicator for written premiums in 2020 was shown by IC Soglasie, whose portfolio decreased by -33.9% (-162 mln.RUB);
- Insurance brokers continue to be the dominant sales channel, whose share of total written premiums in 2020 was 65.5% (+ 0.7 percentage points to the share in the previous year);
- Total amount of claims paid in 2020 amounted 1,9 bln.RUB, which does not exceed the average annual amount of paid claims over the past 5 years;
- The total amount of unsettled insurance claims at the end 2020 amounted to 2.8 bln.RUB (with 74% of this value falls on IC Soglasie - 2.14 bln.RUB).

Without taking into account the information about IBNR, we have not yet observed a pronounced significant increase in losses in trade credit insurance in Russian Federation for 2020, despite the pandemic.

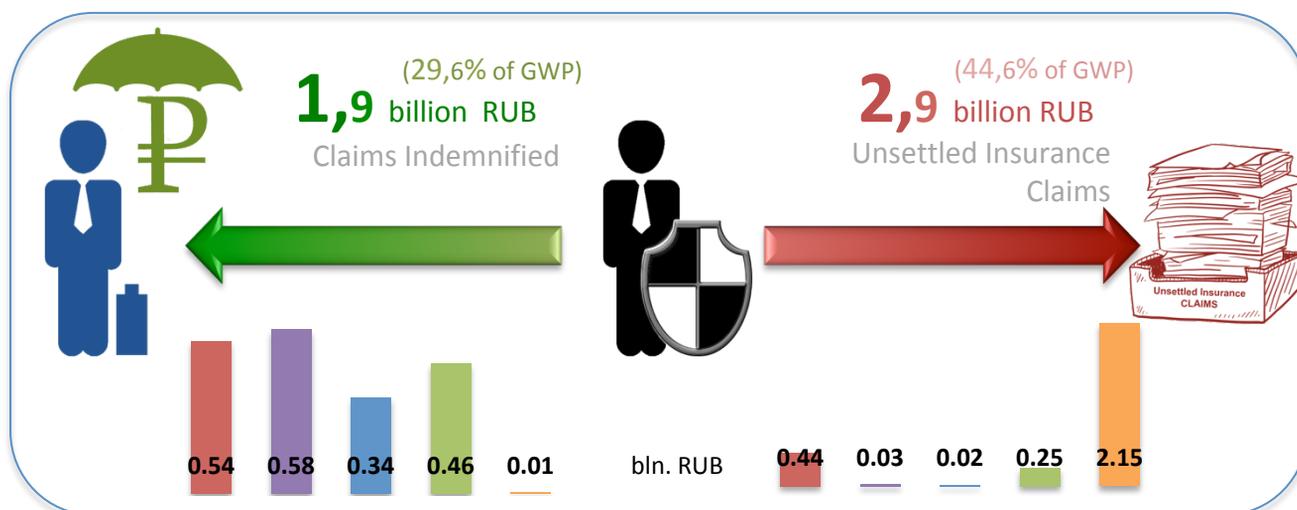
It should be noted that the activity on trade credit insurance by JSC "Gas Industry Insurance Company" (SOGAZ) has been announced, however, it is not yet possible to distinguish information from their statements on this type of insurance, as well as to assess its impact on the overall market indicators for 2020.

Key Indicators of Russian Trade Credit Insurance market 2020



+1.4% or (+86 mln.RUB) insurance premium growth in 2020 compared to 2019.

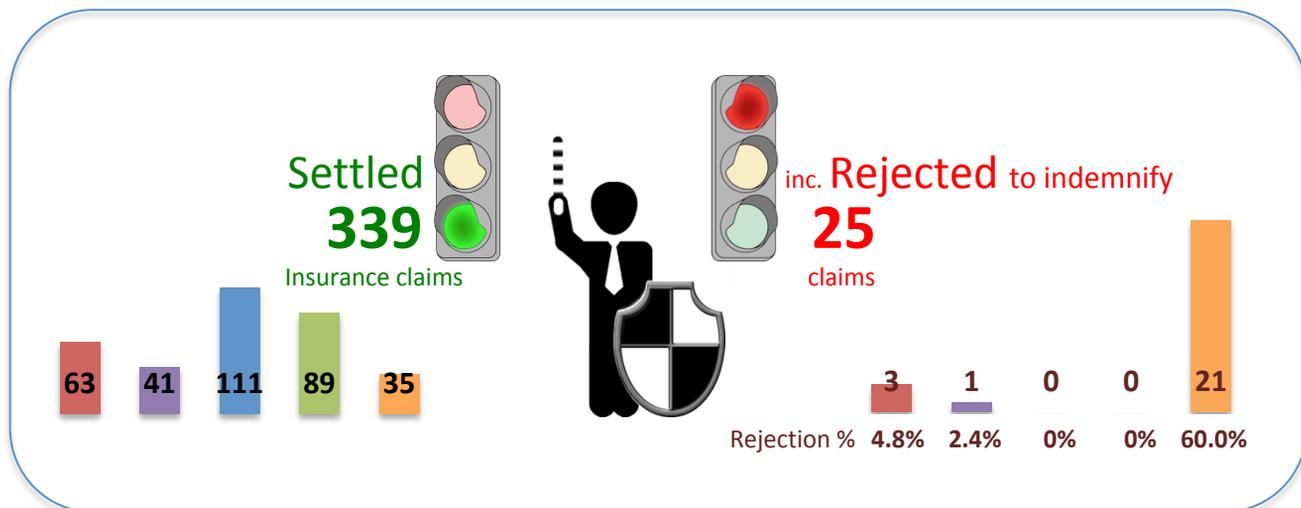
The best growth was demonstrated by Credendo - Ingosstrakh Credit Insurance LLC **+15.9%**



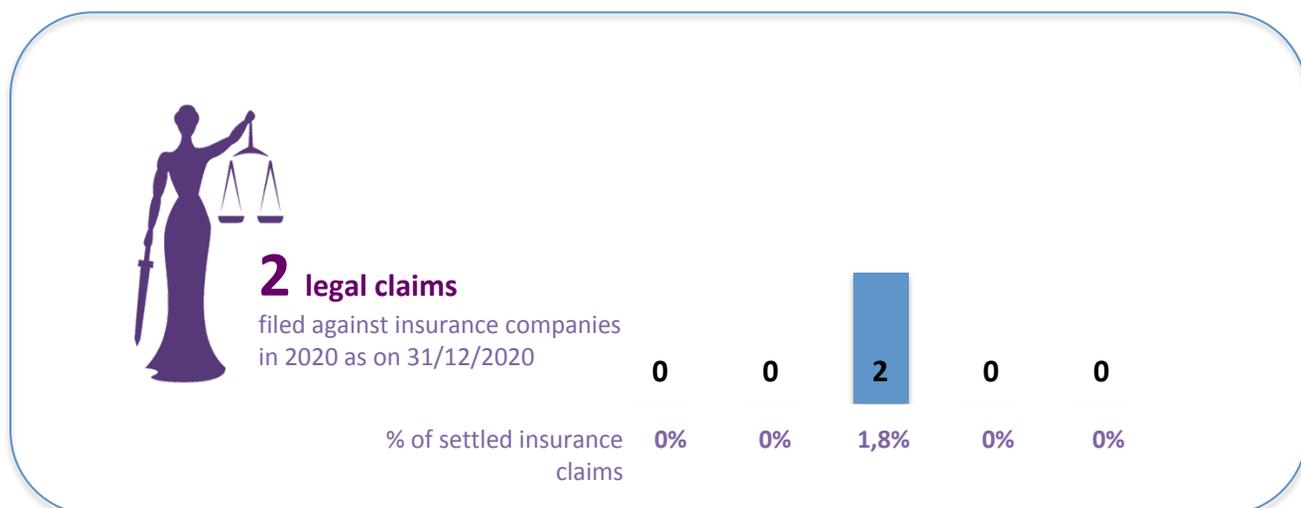
2,15 bln. RUB unsettled insurance claims were reported by Soglasie LLC as at the end of 2020 (should be noted that the reported amount is consolidated on entrepreneurial risk insurance, means that not necessarily all amount is related to TCI).

Unsettled insurance claims does not include IBNR and LAE reserves.

Key Indicators of Russian Trade Credit Insurance market 2020



Overall rejection rate in 2020 amounted to **7.4%** of all claims settled.



The number of legal claims filed against insurance companies in comparison to the overall amount of settled insurance claims in 2020 amounted to **0.6%**



Comparative charts

Gross Written Premiums **2016 – 2020** in mln. RUB

Insurance companies with GWP > **1 bln.** RUB annually

Chart 1.
Atradius Rus
GWP
2016-2020

1Q 2Q 3Q 4Q

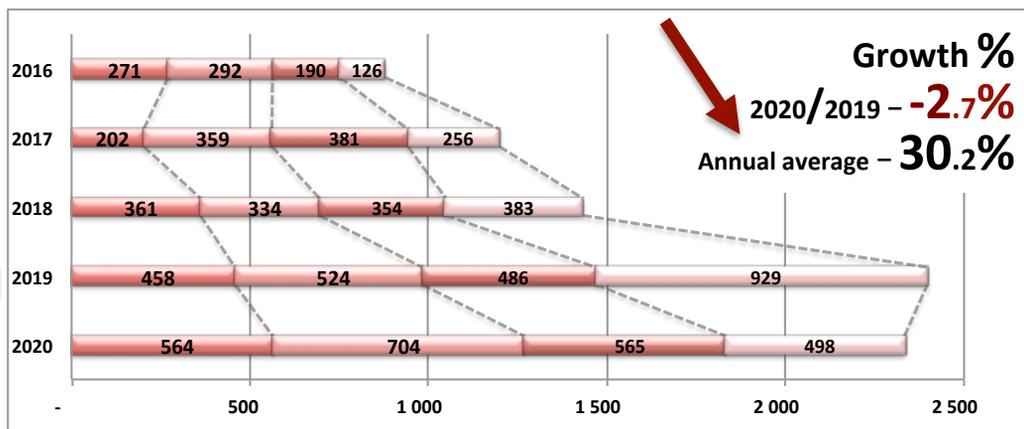


Chart 2.
Credendo-Ingosstrakh
GWP
2016-2020

1Q 2Q 3Q 4Q

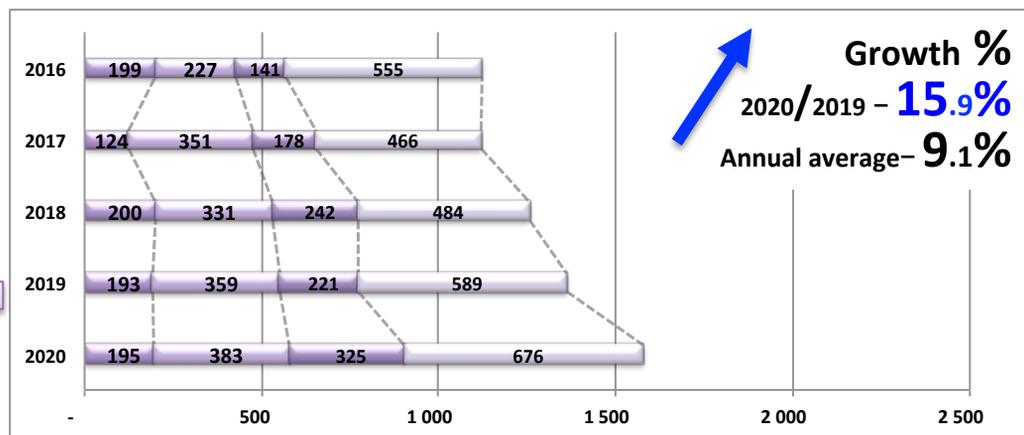
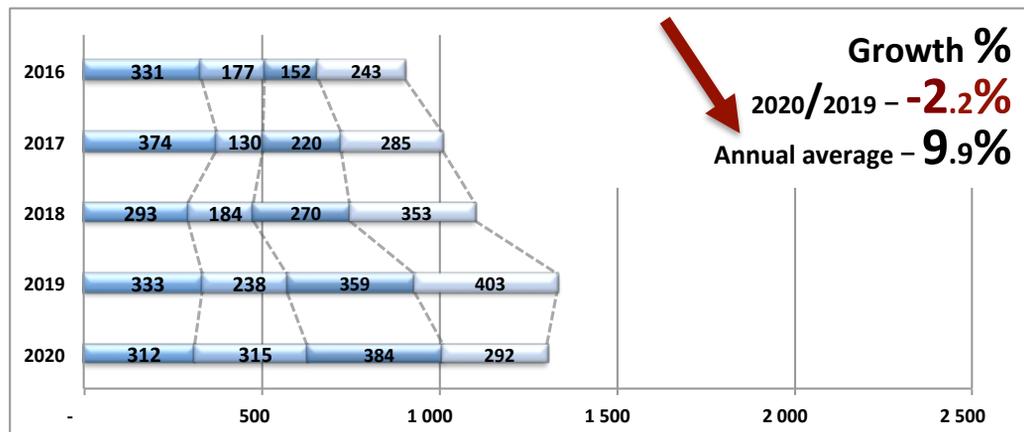


Chart 3.
Euler Hermes Rus
GWP
2016-2020

1Q 2Q 3Q 4Q





Comparative charts

Gross Written Premiums **2016 – 2020** in mln. RUB

Insurance companies with GWP < **1 bln.** RUB annually

Chart 4.
Coface Rus
GWP
2016-2020

1Q 2Q 3Q 4Q

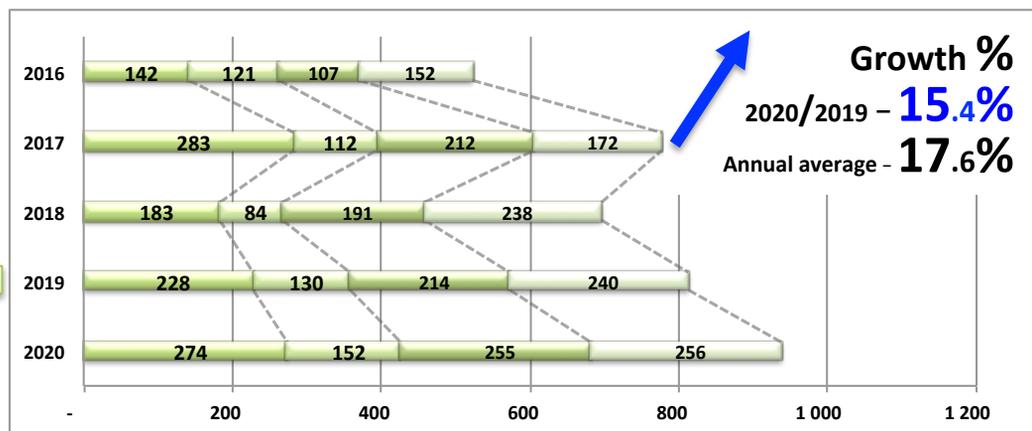
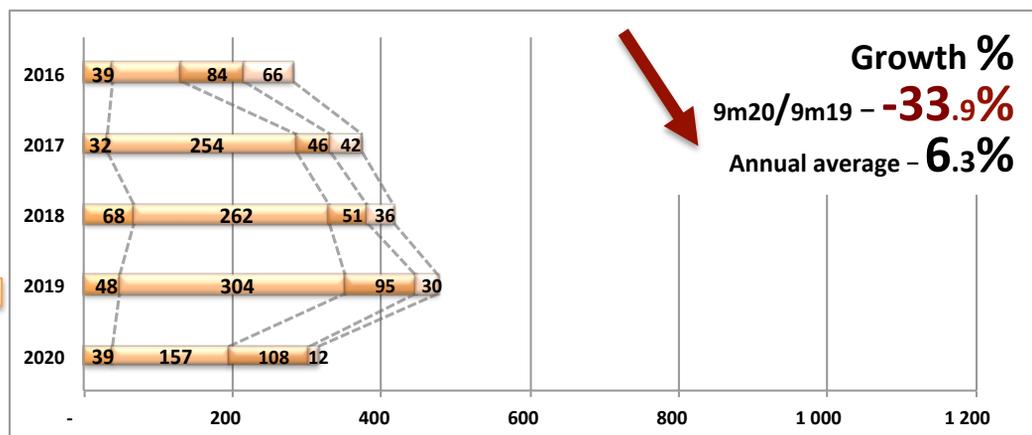


Chart 5.
Soglasie IC
GWP
2016-2020

1Q 2Q 3Q 4Q





Comparative charts

Gross Written Premiums **2016 – 2020** in mln. RUB

All Insurance companies consolidated

Chart 6.
GWP distribution per
Quarters

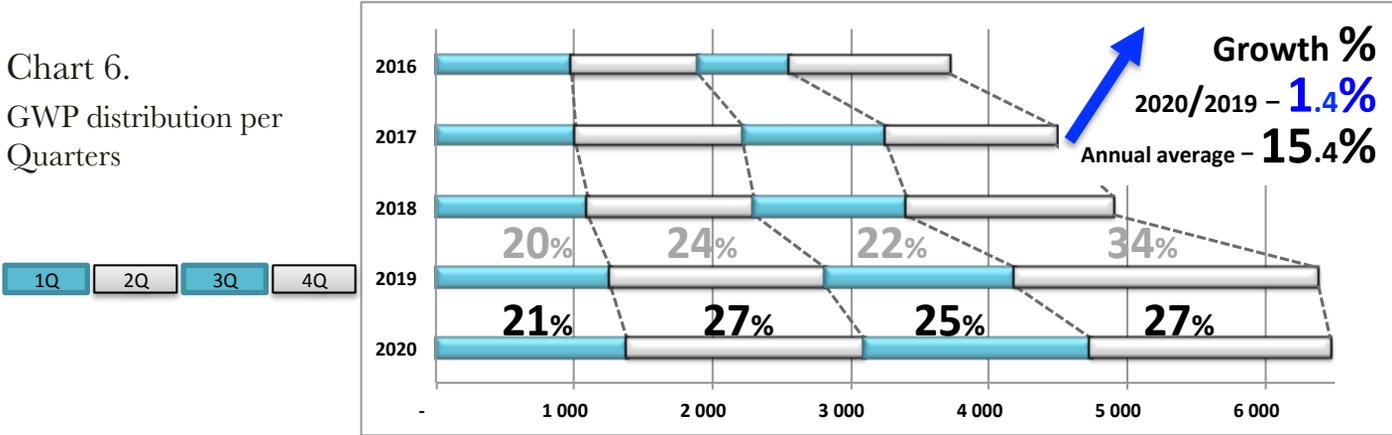


Chart 7.
GWP market share
by Insurance companies

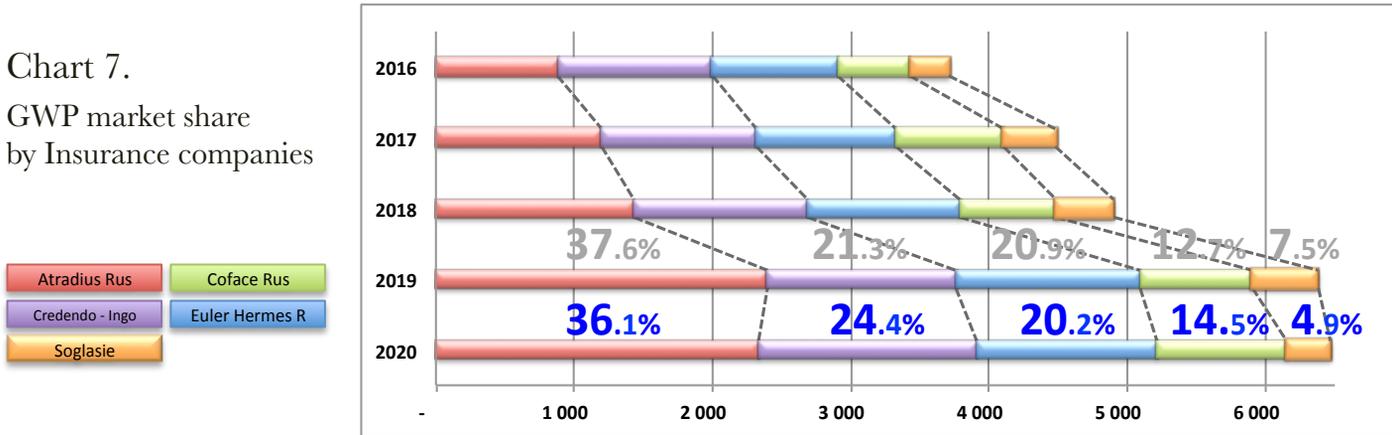
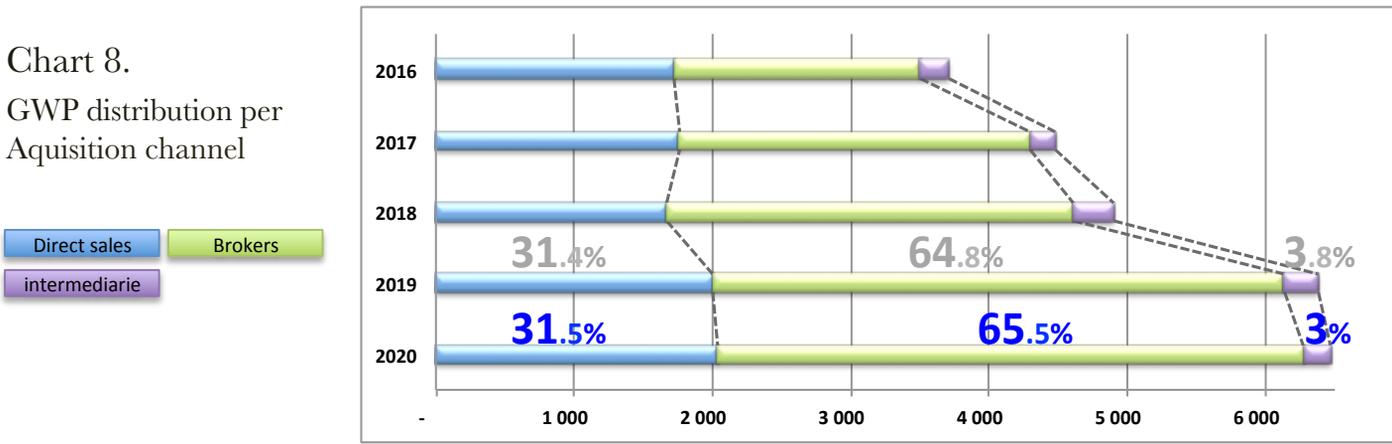


Chart 8.
GWP distribution per
Aquisition channel



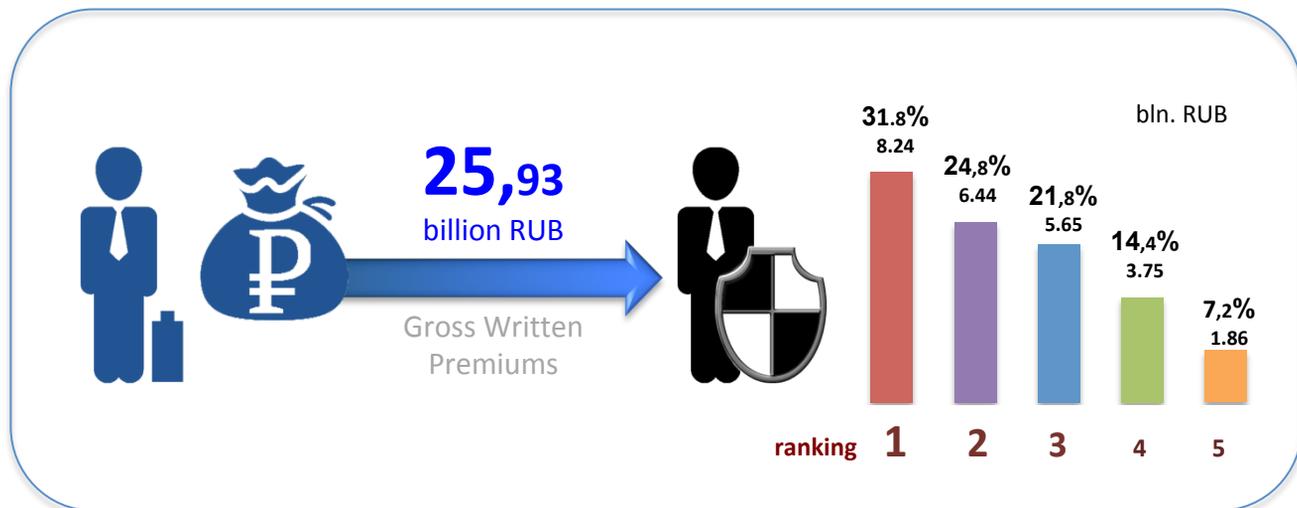


Key indicators of Russian Trade Credit Insurance market

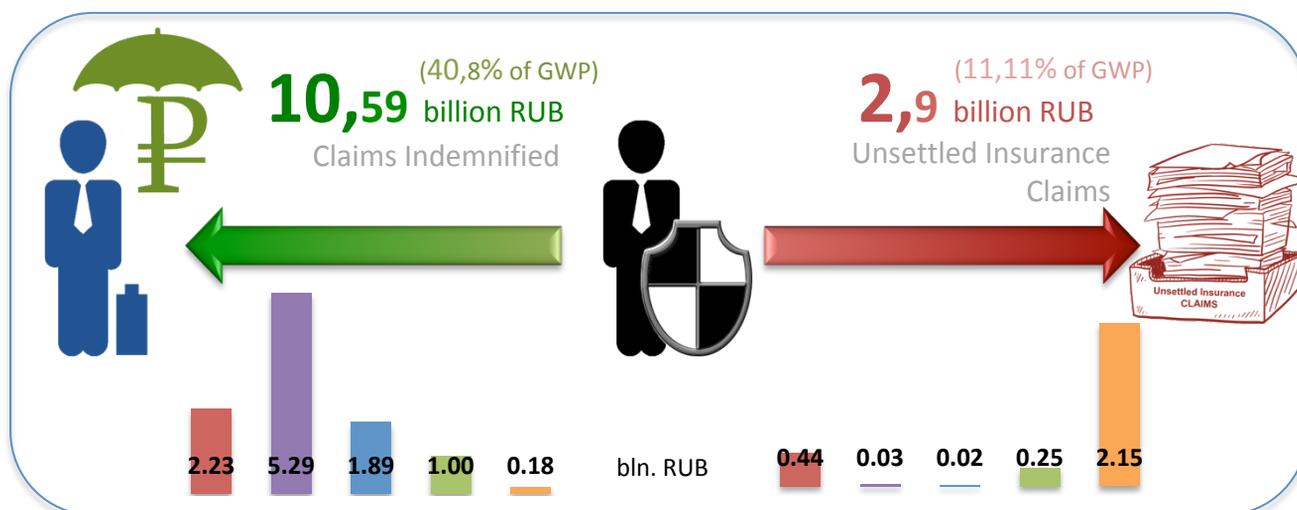
consolidated for the period 2016 – 2020



Summary for Insurance companies in total for 2016 – 2020



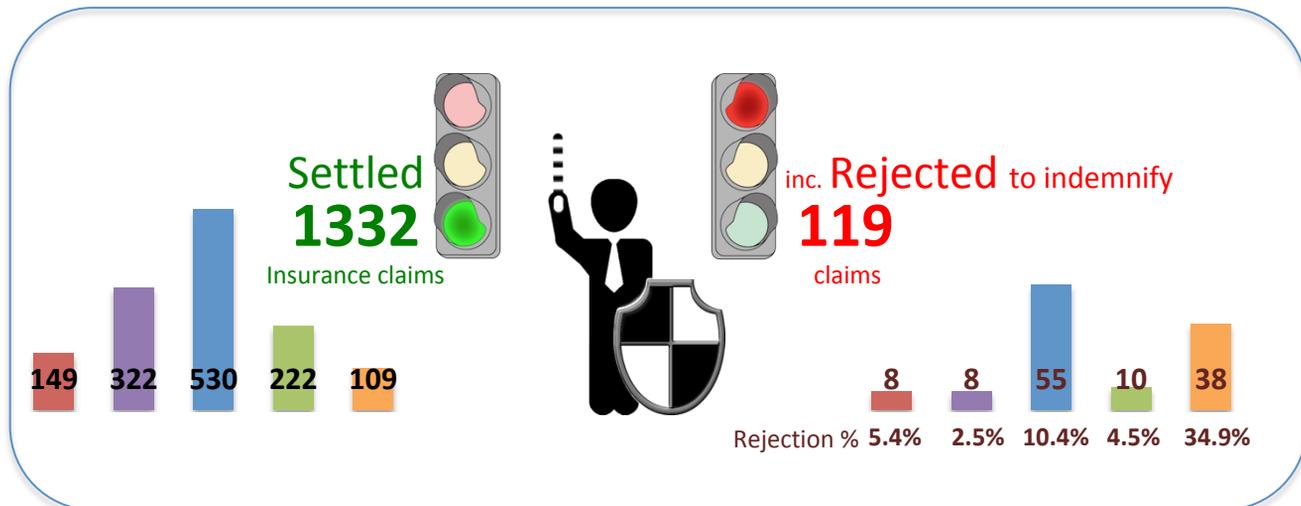
+15.4% annual average growth rate based on the past 4 years.



2,15 bln. RUB unsettled insurance claims were reported by Sogalsie LLC as at the end of 2020 (should be noted that the reported amount is consolidated on entrepreneurial risk insurance, means that not necessarily all amount is related to TCI).

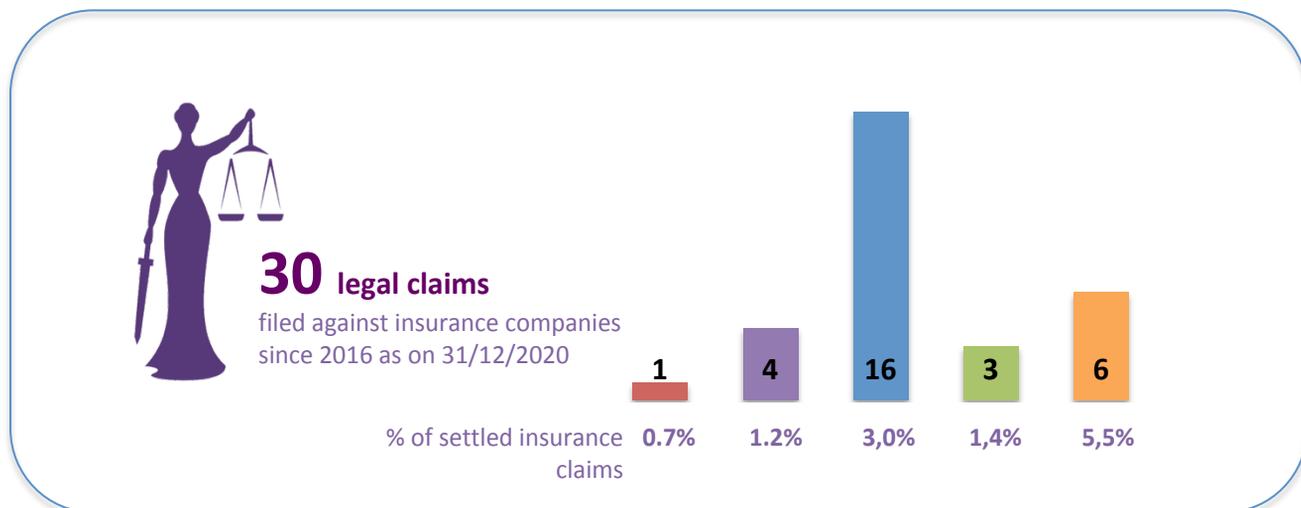
Unsettled insurance claims does not include IBNR and LAE reserves.

Summary for Insurance companies in total for 2016 – 2020



Overall accumulated rejection rate for the period 2016 – 2020 amounted to **8.9%** of all claims settled.

Should be noted that the reported amount of rejected claims of Soglasie LLC is consolidated on all entrepreneurial risk insurance, means that not necessarily all rejections are related to TCI.



The number of legal claims filed against insurance companies in comparison to the overall amount of settled insurance claims since 2016 amounted to **2.3%**

Final Notes



In case you will find any errors or omissions in the overview and/or possess more accurate data, in order to increase the accuracy and objectivity of the overview, we would kindly appreciate your feedback which you may send to: info@tci-rus.com

The full version of the overview of the trade credit insurance market in the Russian Federation for 2020 will be available later during 2021, but in any case not earlier than the disclosure of annual information by the relevant insurance companies in particular audited financial statements.

For the full review, please contact petrenko@tci-rus.com