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**XPRIMM: Will you tell us about your company's results for the past 2012?**

**Andrey T. UNTON:** It would be no exaggeration to say that the past year was a successful one for Belarus Re: the indicators as targeted by the business plan in the form of the premiums to be received were not merely realized, but they were achieved with good results.

Thus, at the end of the year 2012, the amount of the reinsurance premiums earned was USD 28.0 million. As compared with 2011, the growth is 122.8 % (USD 22.8 million in 2011). The reimbursements for 2012 amounted to USD 2.5 million versus USD 2.8 million in 2011. Thereby, the loss ratio on a portfolio basis was decreased from 12.39% in 2011 to 9.02% in 2012. At the same time, the combined ratio was turned to a positive

value from 45.51% in 2011 to 29.8% in 2012. According to preliminary data, the net profit of BELARUS Re for 2012 amounted to about USD 9.0 million (in 2011 - USD 2.5 million).

**XPRIMM: In your opinion, what kind of year will be 2013 as compared to with 2012 for the insurance market of Belarus and Belarus Re? What are your expectations?**

**Andrey T. UNTON:** The year 2013 for the Company will not be less intensive than the expiring previous year. However, we expect an increase in premiums written in all areas of our business. And this positive trend will be maintained both by traditional insurance (Green Card, Airline Risks, Property), and some large investment projects (NPP construction, Space Programs, etc.), as well as the by the extension of the cooperation with non-residents and the development of new markets for us - first of all, the Middle East and South East Asia.

As for the insurance market of the Republic of Belarus, there are grounds to believe that it will continue its development; it is expected to adopt a number of laws aimed at liberalizing the insurance activity and the transition to international financial reporting standards.

**XPRIMM: What kind of year will be 2013 as compared with 2012 for the international reinsurance market? What should be expected?**

**Andrey T. UNTON:** Analyzing the situation in respect of the main types of risks in 2012, the international reinsurance market continues to hold excess insurance and reinsurance capacity. No peculiar preconditions to change an established trend in 2013 are in view, so we can expect a further gradual reduction of insurance rates. Even natural disasters that occurred in 2012, such as the devastating Hurricane Sandy, having caused significant losses for insurance and reinsurance companies, failed to reverse this trend and trigger the rise in rates, but just kept the rates at the average of 2012.

In addition, we believe that in the global insurance and reinsurance markets the role of financial institutions, whose activities are not related directly to insurance and reinsurance, will increase. In particular, this is due to the increasing popularity of catastrophic bonds (cat bonds), which are tools of securitization of catastrophe risks, by which insurance companies transfer the liability for catastrophe risks to investors who buy such bonds. This financial instrument is the most relevant against the background of observed climate change and the growing number of natural disasters that entail severe consequences for international insurers and reinsurers.

**XPRIMM: What are the targets for 2013?**

**Andrey T. UNTON:** Traditionally, the objectives for further growth, optimization and diversification of risk portfolios, as well as the launching of new products and the implementation of measures aimed at the development of the national insurance market are set before Belarus Re every year. According to the plans of our Company, a priority goal is to further increase the volume of reinsurance coverage both for domestic and foreign partners, and an acceptable financial result. Belarus Re follows the principles of the international reinsurance company, providing its customers around the world with comprehensive protection in accordance with international standards. Therefore one of the main objectives of our Company the geographic expansion, the search for new partners and reinsurance coverage for major investment projects, both in the Republic of Belarus and abroad. Belarus Re, being a start-up company, has not had a rich history or great experience yet in the global reinsurance market. In this regard, the current goal is to increase awareness of Belarus Re in the international market, the formation of its own company's image, and improving the mechanisms and forms of cooperation with foreign partners. The operation of our Company is aimed at the firm improvement and development. Therefore, an important objective is also continuing the education and training of the staff, abroad as well.

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