



# **How to be successful in the Green Card System – Russian Bureau's experience**

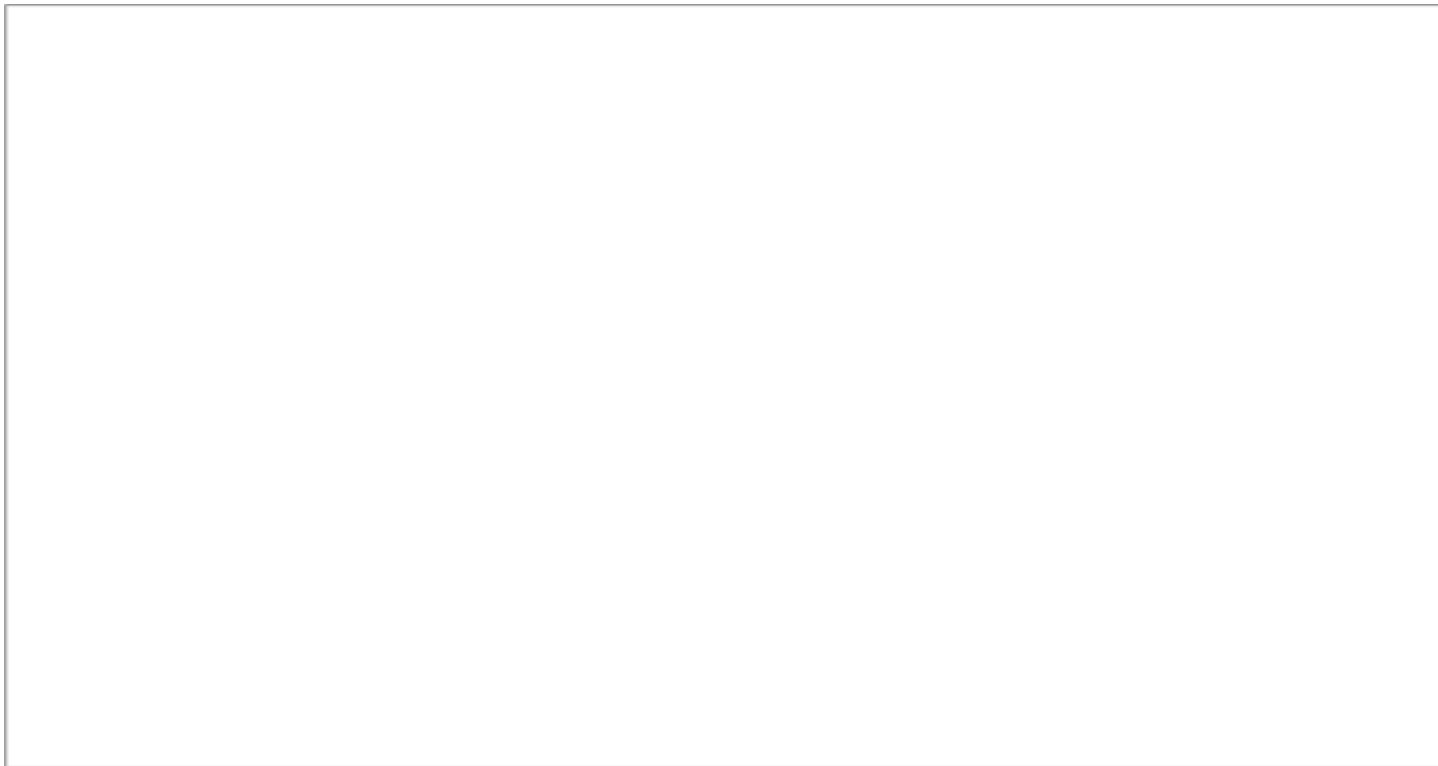
**AIIF 2016 - VII Azerbaijan International Insurance Forum  
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## What is Russian Green Card Bureau?

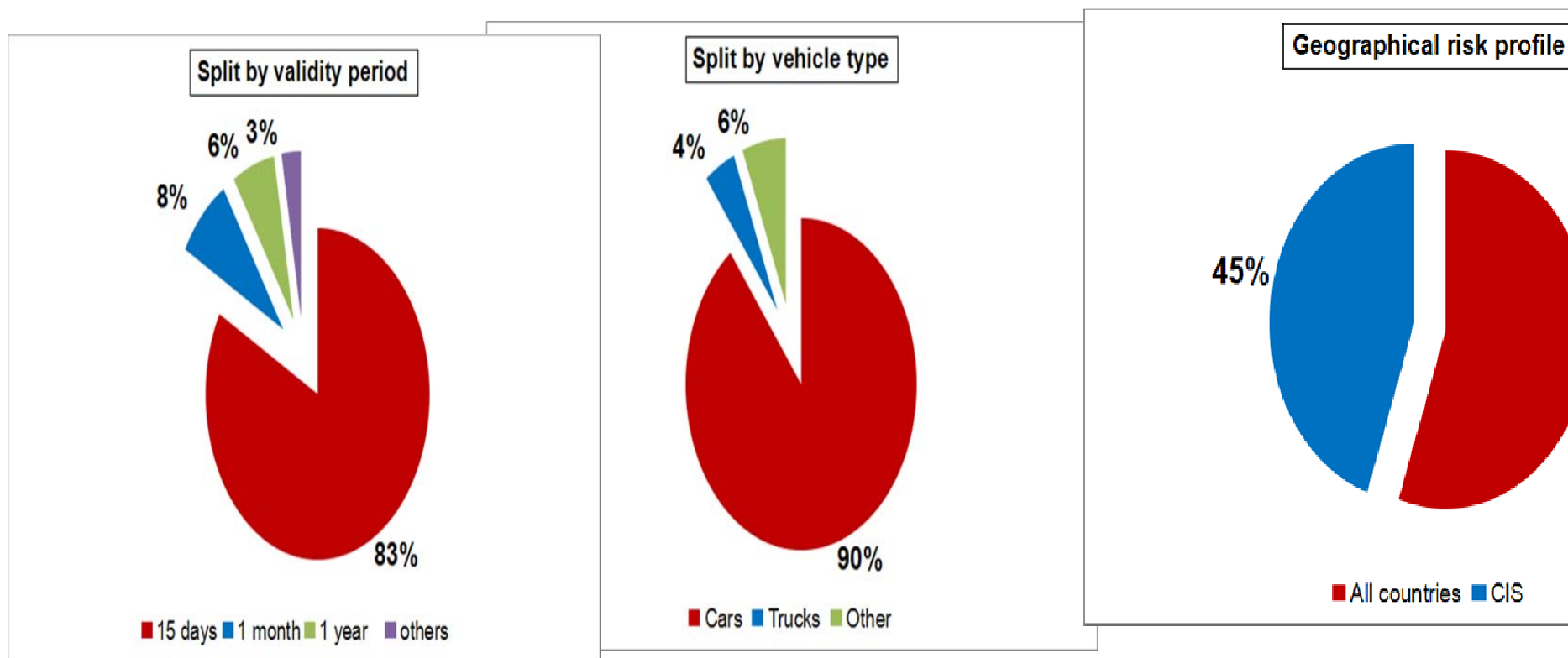
8 (7) members out of 87 CMTPL insurers

In 2009 – 12 out of 210



## What is Russian Green Card Bureau?

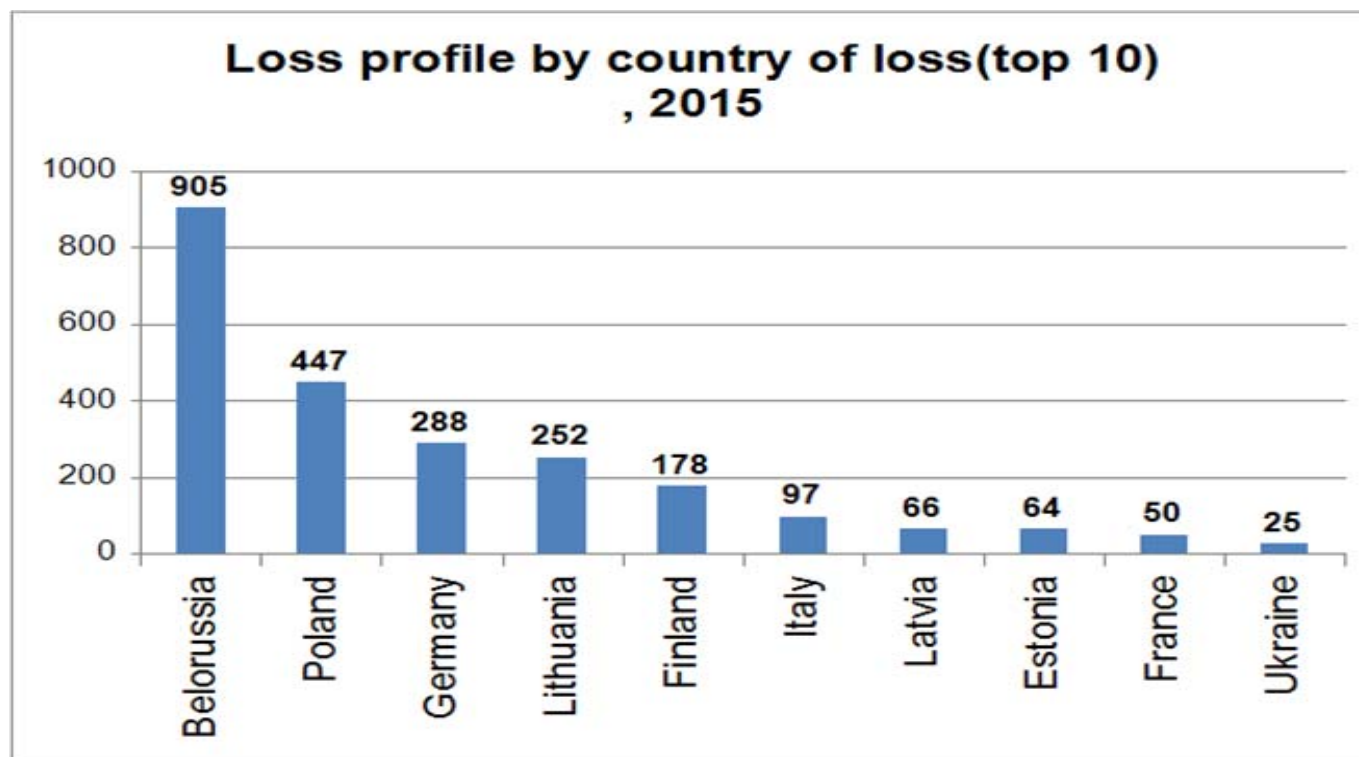
We sell 1,2 mln Green Cards (2015 and estim. for 2016)  
In 2009 – 1 mln, in 2013 – 2,3 mln



## What is Russian Green Card Bureau?

### Claims abroad

In 2015 – ca. 3500, max – ca. 5 300 in 2012





## What is Russian Green Card Bureau?

### Largest claims abroad

Since 2009 - 50 claims > 200 000 euro, among them -9 > 500 000 euro

*Max* – Germany (2010): paid 592 000 euro, outstanding > 7 million euro

*Claims >1 million euro:*

Italy (2 acc. in 2012, 2013 ) ~ 1 million euro

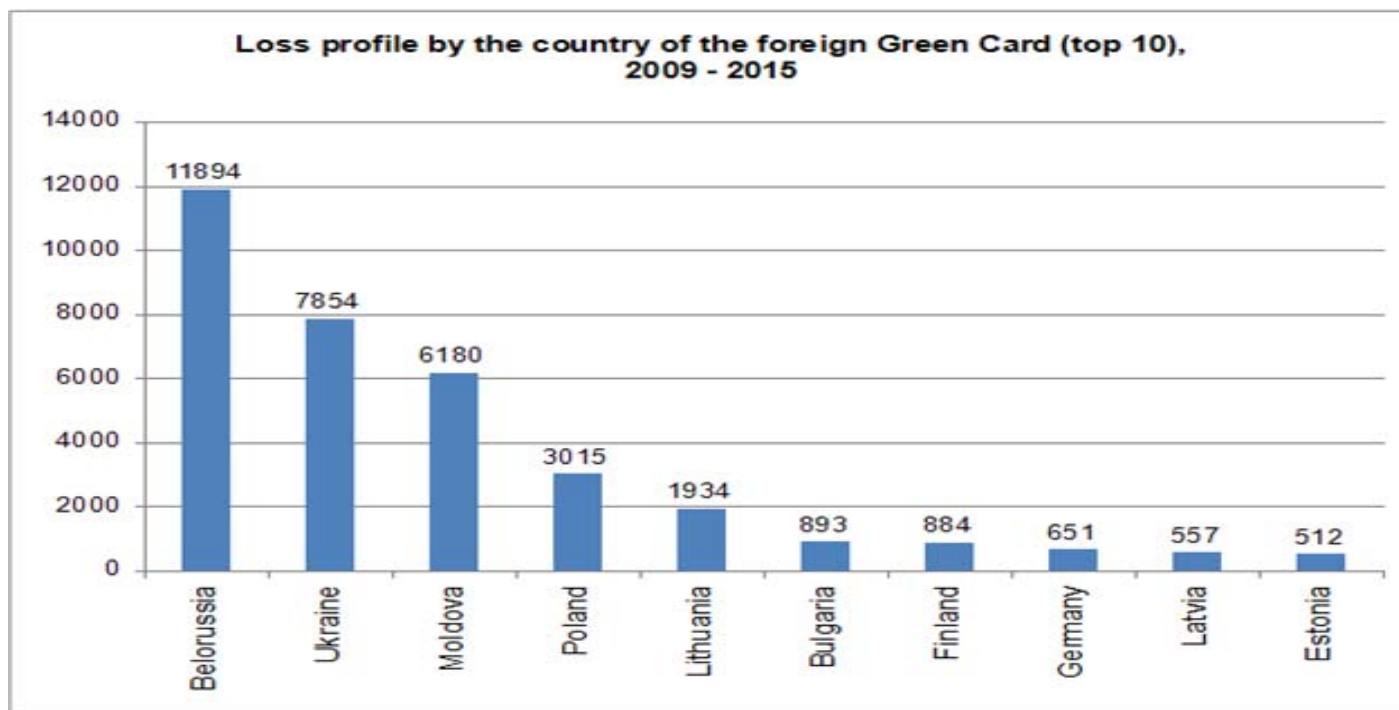
Finland (3 acc. in 2010-2013) – from 1,5 to 2,6 million euro

Poland (2012г) ~ 1 million euro

## What is Russian Green Card Bureau?

### Claims in Russia

In 2015 – ca. 6 000, max – ca. 10 500 in 2013





## What is the most important for a success in the system?

- ❑ To build up a solid management system to ensure:
  - ✓ Swift payments by member companies of claims abroad – «0 guarantee calls» policy
  - ✓ Adequate cash fund for swift payments by Bureau in case of a member insolvency
  - ✓ Strict observance of other system's rules



## What is the most important for a success in the system?

- ☐ To build up a reliable infrastructure for Green Card claims in your own country:
- ✓ The same or even better service for a domestic victim damaged by a foreign Green Card holder
- ✓ Protection of «best interest» of a foreign insurer





## What is the most important for a success in the system?

### «0 guarantee calls» policy

- Control over member insurers payments through IT system with internally reduced deadlines
- Strict sanctions in case of the breach
- Payment of guarantee calls by a defaulting member itself.  
If not – maximum strict sanctions up to membership's termination



## What is the most important for a success in the system?

### Relevant cash payment fund

- 500 000 EUR lump sum contribution as a membership 's precondition according to the law
- Above contributions in aggregate constitute a special guarantee fund. Currently – more than 4 mln.  
Minimum level – 2,5 mln for replenishment by members.
- Can be returned to an ex-member not earlier than 10 years since the quit



## What is the most important for a success in the system?

### Strict observance of other system's rules

- Swift validity confirmation even without identified Green Card on reg. plate basis supported by common database
- No Cards issued for foreign vehicles
- Swift notification on the potentially high reserved losses (to comply with the reinsurance contract's requirements)



**What is the most important for a success in the system?**

**The same or even better service for a domestic victim**

- Public information what to do in case of accident
- Claims reporting and handling infrastructure: Call center? Member companies? Both?
- Problem of longer period of settlement because of validity confirmation process to be balanced by automated control over all deadlines

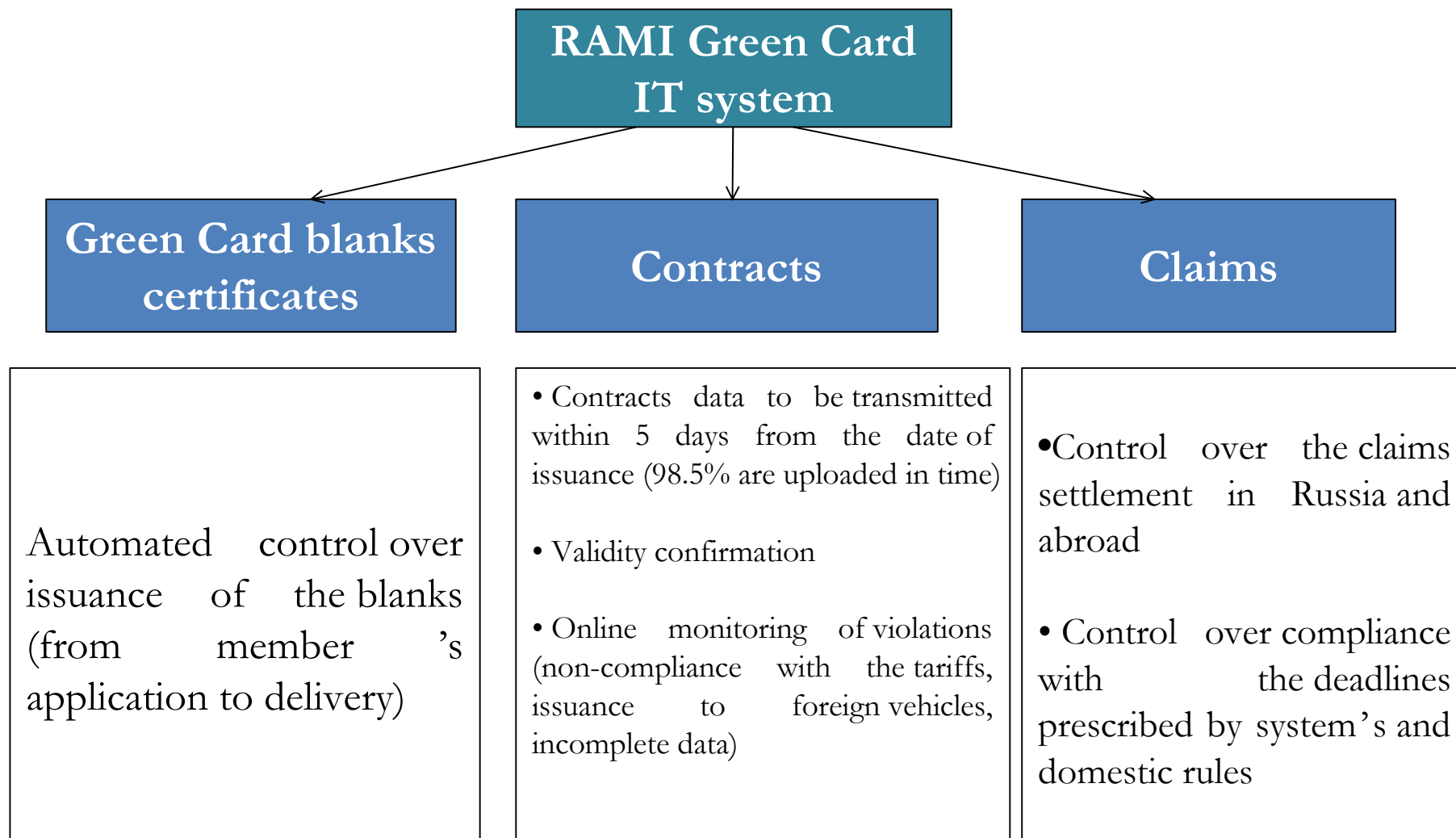
## What is the most important for a success in the system?

### Protection of «best interest» of a foreign insurer

- The same claims procedures as in respect of purely domestic claims
- Better out-of-court settlement
- Supporting documents and reserves estimation

# What is the most important for a success in the system?

IT system as a universal key tool





## **Why we think we can say our experience is worth your attention?**

No overdue payments,  
one of the best scores in financial discipline among other Bureaux



**Early full membership since 01.07.2015  
(the decision of the General Assembly in Sopot)**



The reduction of the Bank guarantee from 11 million to 9 million euros  
Authorization to issue Green cards to the vehicles registered outside the System  
(including Kazakhstan)

# Thank you for the attention!

