

Insurance

The Company has insurance for its real estate, rolling stock (locomotives, electric, rapid-transit and high-speed trains, freight and passenger trains) and employees, liability insurance as a railway infrastructure owner and carrier as well as liability insurance for the directors and officers of the Company in addition to 70 subsidiaries and affiliates.

A number of open competitions were held in 2016 and the following types of contracts were concluded:

- mandatory civil liability insurance for the owner of a hazardous facility for damages as a result of an accident at a hazardous facility;
- mandatory civil liability insurance for a carrier to passengers;
- voluntary medical insurance;
- personal insurance;
- accident and illness insurance;
- rolling stock insurance;
- property insurance;
- voluntary civil liability insurance of Russian Railways;
- liability insurance for the Company's directors and officers.

A total of 644 insurance claims were settled in the reporting year. Total insurance compensation received in 2016 amounted to more than RUB 703 mln.

In order to ensure a unified approach to organising insurance protection for subsidiaries, the Unified Corporate Framework of Insurance Protection for Subsidiaries and Affiliates of Russian Railways has been in effect since 2010. It establishes the general principles for organising the insurance protection of Russian Railways S&A, the procedure for the interaction of S&A with insurance market participants and the procedure for planning insurance protection as well as concluding and servicing insurance contracts in accordance with the legislation of the Russian Federation and the Group's regulatory acts.

As part of work conducted regularly to improve the parameters of the insurance protection of Russian Railways property and to ensure the highest level of insurance coverage, the most expensive and high-risk

facilities have been identified from among the overall number of the Company's insurable properties for which a separate limit has been set for a single insurance event in the amount of RUB 22.5 bln. The combined value of these facilities is more than RUB 390 bln. The Company performs work each year to provide special facultative reinsurance at leading foreign reinsurance companies. In particular, the reinsurance of risks for these facilities is provided by such major reinsurance companies as Swiss Re, Munich Re, Allianz and Zurich Insurance Company, among others.

RUB 703 mln
total insurance compensation
received in 2016

