

“Approved”
Central Bank of the Republic of Azerbaijan
Resolution No.12/1
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Regulation on formation of life insurance and non-life insurance reserves

1. General provisions

1.1. This Regulation has been developed in accordance with Article 81.8 of the Law of the Republic of Azerbaijan "On Insurance Activity" (hereinafter referred to as "the Law") and Article 31. 2 of the Law of the Republic of Azerbaijan "On Compulsory Insurance" and establishes the rules of composition and formation of reserves for insurance, taking into account the degree of diversification, reliability, investment orientation, profitability, liquidity, composition and other quality criteria of assets providing insurance reserves, as well as the procedure of calculating the share of reinsurers in insurance reserves, and regulates the criteria of catastrophic risks.

1.2. Insurance reserves for types of compulsory insurance are calculated in accordance with this Regulation, taking into account the requirements of the Law of the Republic of Azerbaijan "On Compulsory Insurance".

2. Definitions

2.1. The terms used for the purposes of this Regulation shall have the following meanings:

2.1.1. **actuarial methods** – economic and mathematical calculation methods applied by the actuary during the calculation of insurance reserves.

2.1.2. **reporting date** – the end date of the relevant quarter or calendar year.

2.1.3. **reporting period** – 12 (twelve) months prior to the reporting date.

2.1.4. **insurance (reinsurance) contracts** – insurance contracts and reinsurance contracts on risks accepted for reinsurance;

2.1.5. **base premium** – the amount remaining after deducting the commission fee (not exceeding 15% of the calculated premium) for the mediation service provided for the conclusion of the insurance contract from the calculated premium under the insurance contract;

2.1.6. **base reinsurance premium** – the amount remaining after deducting the commission fee (not exceeding 15% of the premium calculated for reinsurance contracts related to accepted risks) for the policyholder and (or) intermediary service under the reinsurance contract from the premium calculated under such contract.

2.1.7. **unearned insurance premium** – the portion of the insurance premium related to the period of validity of the insurance coverage after the reporting date.

2.1.8. **unearned reinsurance premium** – the portion of the reinsurance premium related to the period of validity of the reinsurance coverage under the reinsurance contract after the reporting date.

2.1.9. **unearned premium reserve** – the reserve formed on the basis of unearned insurance premiums calculated separately for all insurance contracts belonging to the insurance class.

2.1.10. **total earned insurance (reinsurance) premium** – the amount remaining after deducting the base portion of the unearned premium reserve as of the end of the period from the sum of the total base insurance (reinsurance) premiums calculated on the insurance (reinsurance) contracts concluded during the period and the base portion of the unearned premiums at the beginning of the period.

2.1.11. **minimum deposit premium in reinsurance** – the initial premium determined in accordance with the expected insurance portfolio of the policyholder in nonproportional obligatory reinsurance contracts and paid at the beginning of the contract year.

2.1.12. **unsettled claim** – an insurance (reinsurance) claim reported to the insurer for insurance indemnification in accordance with the insurance (reinsurance) contract, which has not yet been paid or has not been paid in full.

2.1.13. **expected ceded value** - the expected (probable) value of insurance premiums or insurance payments or expenses, calculated (discounted) taking into account the interest rate and the period between the date of the report and the dates of insurance premiums or insurance payments.

2.1.14. **reported but not settled (RBNS) loss reserve** – the reserve formed for the purpose of providing insurance payment for insured events that have been reported to the insurer as of the reporting date in the manner prescribed by law or by the insurance (reinsurance) contract, but for which the insurance payments have not yet been paid or have not been paid in full;

2.1.15. **long-term liability reserve (mathematical reserves)** – the reserve formed for the purpose of providing insurance payment for insured events that have not occurred until the reporting date, but may occur in the future during the validity period of the insurance (reinsurance) contract;

2.1.16. **incurred but not reported (IBNR) loss reserve** – the reserve formed for the purpose of providing insurance payment for insured events that have not yet been reported

to the insurer until the reporting date in accordance with the legislation or the insurance (reinsurance) contract;

2.1.17. **stabilization reserves** – reserves formed in the event that the combined ratio calculated for any insurance class by deducting the reinsurer's share exceeds 100%;

2.1.18. **contingency reserves** – reserves formed to ensure the payment of extra amounts by the insurer in case the reserve for indemnification is insufficient to provide indemnification in accordance with the requirements of the Law of the Republic of Azerbaijan "On Compulsory Insurance".

2.1.19. **catastrophik risks** – the risk of earthquake for the purposes of this Regulation.

2.1.20. **catastrophic risk reserves** – reserves formed for the purpose of providing insurance payments for insured events resulting in the occurrence of catastrophic risks.

2.1.21. **non-savings insurance** – classes of life insurance other than savings insurance.

2.1.22. **net insurance reserves** – the amount remaining from insurance reserves after reinsurers' shares in these reserves have been deducted.

2.2. Other concepts used in this Regulation express the meanings defined by the insurance legislation of the Republic of Azerbaijan.

2.3. The term "insurer" as used in this Regulation includes both insurers and reinsurers as defined in Article 1.2 of the Law.

3. Composition of insurance reserves

3.1. The insurer shall form insurance reserves in the following composition in accordance with Articles 81.5 – 81.7 of the Law:

3.1.1. unearned premium reserve (hereinafter "UPR"),

3.1.2. long-term liability reserve (mathematical reserves) (hereinafter "MR"),

3.1.3. loss reserve:

3.1.3.1. incurred but not reported loss reserve (hereinafter "IBNRLR"),

3.1.3.2. reported but not settled loss reserve (hereinafter "RBNSLR"),

3.1.4. stabilization reserve,

3.1.5. contingent liability reserve,

3.1.6. catastrophic risk reserve (hereinafter "CRR"),

3.1.7. additional reserves required to be formed under Article 81.7 of the Law.

3.2. The amount of insurance reserves calculated according to this Regulation is their minimum amount. The insurer may form insurance reserves in an amount exceeding the minimum amount calculated according to this Regulation by justifying the actuarial methods used.

3.3. The amount of insurance reserves exceeding the minimum amount calculated according to this Regulation and the share of reinsurers on additional reserves are considered equal to zero.

4. General requirements for the formation of insurance reserves

4.1. In order to ensure the fulfillment of the obligations assumed under existing insurance (reinsurance) contracts, the insurer shall establish insurance reserves in an amount not less than the amount calculated in accordance with this Regulation.

4.2. Insurance reserves shall be formed for each class of insurance allowed to be carried out by the insurer.

4.3. Insurance reserves are calculated regardless of reinsurance of accepted risks under all insurance (reinsurance) contracts concluded by the insurer.

4.4. During the calculation of insurance reserves, the share of reinsurers is determined in accordance with Part 7 of this Regulation for each of the insurance reserves provided for in Clause 3.1 of this Regulation.

4.5. If the term of insurance coverage is not specified by law or by the insurance (reinsurance) contract, the insurance reserves are calculated based on the validity period of the insurance (reinsurance) contract.

4.6. If, in respect to a particular class of insurance, the share of reinsurers in any of the insurance reserves provided for in Clause 3.1 of this Regulation is greater than the insurance reserves, the share of reinsurers in those insurance reserves shall be deemed to be equal to the insurance reserves.

4.7. If the terms of the insurance (reinsurance) contract do not match the terms of the reinsurance contract with respect to the risks ceded to the reinsurer, the reinsurer's share in insurance reserves is zero with respect to the non-compliant risks.

4.8. The insurer shall keep the documents on paper or electronic media containing the necessary information for the calculation of insurance reserves (insurance (reinsurance) contracts, applications received for early termination of insurance (reinsurance) contracts or on occurrence of insured events, documents indicating the probable initial amount of the declared loss, accounting documents on calculated commissions, payment of insurance (reinsurance) premiums, calculated insurance compensations, payment of insurance compensations, returned insurance (reinsurance) premiums) for at least 5 (five) years after the termination of legal relations under insurance (reinsurance) contracts.

4.9. The insurer shall separately register the information necessary for the calculation of insurance reserves in the fields of life and non-life insurance in the following logs: 4.9.1. Insurance (Reinsurance) Contract Log,

4.9.2. Loss Log.

4.10. The forms of the Insurance (Reinsurance) Contract Log and Loss Log related to the calculation of insurance reserves are specified in Appendices No. 1 and 2 to this Regulation, respectively. In these logs (after the last column) the insurer may also show other information related to insurance (reinsurance) contracts and losses.

5. Non-life insurance reserves

5.1. Unearned premium reserve

5.1.1. The reserve for unearned premiums is established in accordance with the insurance contracts in force as of the reporting date and consists of two parts:

5.1.1.1. base portion of the reserve for unearned premiums (hereinafter "UPBP"),

5.1.1.2. additional portion of the reserve for unearned premiums (hereinafter "UPAP").

5.1.2. The unearned premium is calculated for each insurance contract by the following formula:

$$UP = BP \times \frac{C1 - C2}{C1}$$

where:

UP – unearned premium for an insurance contract,

BP – base premium for an insurance contract,

C₁ – number of days of the insurance coverage period;

C₂ – number of days from the start of the insurance coverage until the reporting date.

5.1.3. The sum of unearned insurance premiums calculated separately for all insurance contracts belonging to the relevant insurance class constitutes the basic portion of the unearned premium reserve for that class.

5.1.4. The additional portion of the unearned premium reserve is calculated in accordance with paragraph 7.2.3 of this Regulation.

5.2. Reported but not settled loss reserve

5.2.1. RBNSLR is formed for each claim that has been reported to the insurer on the occurrence of an insured event but has not been settled by the reporting date. The reported claim is recorded in the Loss Log from the moment the claim is reported to the insurer in accordance with the legislation or the insurance (reinsurance) contract by indicating the loss amount.

5.2.2. RBNSLR shall be calculated using the following formula:

$$RBNSLR = IP + RP + LAE$$

where:

IP – insurance payments to be made as of the reporting date in connection with claims made under insurance (reinsurance) contracts;

RP – insurance (reinsurance) premiums to be returned to the insured (reinsured) as of the reporting date due to early termination (change of terms and conditions) of insurance (reinsurance) contracts;

LAE – loss adjustment expenses for the settlement of losses related to claims arising from insurance (reinsurance) contracts, including the determination of the amounts of insurance compensations, as well as calculation of insurance (reinsurance) premiums to be returned to policyholders (reinsurance policyholders) as of the reporting date in connection with the early termination (change of terms and conditions) of insurance (reinsurance) contracts incurred by the insurer.

The LAE is considered to be in the amount of 3% of the insurance payments to be paid in connection with the claims reported on insurance contracts and the premiums to be returned to policyholders (reinsurance policyholders) as of the reporting date in connection with the early termination (change in terms and conditions) of the insurance (reinsurance) contracts.

5.2.3. If the amount of the insurance payment to be made is not determined, the maximum possible amount of the insurance payment (not exceeding the sum insured) assessed on the basis of the information received by the insurer about the insured event shall be used for the calculation of RBNSLR.

5.2.4. The amount of RBNSLR may be offset up to the amount of the policyholder's (reinsurance policyholder's) liabilities to the insurer as of the reporting date for the payment of insurance premiums in respect of the insurance (reinsurance) contract under which each unsettled claim arises.

5.2.5. The insurer forms the RBNSLR until the day when the insurance payment is made or the insurer makes a decision to refuse to make the insurance payment or the policyholder refuses the insurance payment in writing, whichever occurs first.

5.3. Incurred but not reported loss reserve

5.3.1. IBNRLR shall be equal to the largest of the following amounts:

5.3.1.1. IBNRLR calculated by the triangle method as of the reporting date based on the paid insurance compensations,

5.3.1.2. 25% of the IBNRLR calculated as of the reporting date,

5.3.1.3. 2.5% of the total earned premiums during the reporting period.

5.3.2. If the triangle method is used, the period to which the insurance indemnities used in the calculation belong shall be 12 (twelve) quarters prior to the reporting date for the classes referred to in Articles 14.3.1.1-14.3.2.7 and 20 (twenty) quarters for the classes referred

to in Articles 14.3.3.1-14.3.5.2. The number of quarters is denoted by "N". The reporting date shall be the end of the Nth quarter.

5.3.3. The initial data used to calculate the IBNRLR using the triangle method are as follows:

5.3.3.1. the sum of the insurance payments (minus the amounts received in the manner of subrogation) made during the first j quarter for all insurance (reinsurance) contracts of the relevant insurance class in connection with the insured events that occurred in the i quarter (this indicator is denoted by "x(i, j)").

5.3.3.2. total premiums earned in the i-th quarter for all insurance (reinsurance) contracts of the relevant insurance class (this indicator is denoted by "TEP(i)").

5.3.3.3. the amount of losses reported for insured events that occurred in the i quarter for all insurance (reinsurance) contracts of the relevant insurance class, but not settled until the reporting date (this indicator is denoted by "IBNRL(i)").

5.3.4. Calculation of the IBNRLR by the triangle method consists of the following stages:

5.3.4.1. calculation of the total amount of losses paid by the end of the jth quarter due to insured events that occurred during all quarters (i=1,2,...,N). This indicator is denoted by "y(j)" and is calculated by the following formula:

$$y(j) = x(1, j) + x(2, j) + \dots + x(N-j+1, j) = \sum_{k=1}^{N-j+1} x(k, j), \quad j = 1, 2, \dots, N$$

$j = 1, 2, \dots, N$
 $i = 1, 2, \dots, N$

5.3.4.2. calculation of loss development coefficients. These coefficients are denoted by "C(j,j+1)" and show the change in the total insurance compensation from the jth quarter to the (j+1)th quarter. The mentioned coefficients are calculated by the following formula:

$$C(j, j+1) = \frac{y(j+1)}{y(j) - x(N-j+1, j)}, \quad \text{әгәр } y(j) - x(N-j+1, j) \neq 0 \quad \forall j = 1, 2, \dots, N-1$$

$$C(j, j+1) = C(j+1, j+2), \quad \text{әгәр } y(j) - x(N-j+1, j) = 0 \quad \forall j = 1, 2, \dots, N-1$$

$$C(N, N+1) = 1$$

If it is necessary to divide by zero when calculating the loss development coefficients for a certain class of insurance, the insurer, for the purpose of further calculations, shall use the loss development coefficients and the average value of the coefficient of paid claims for this class of insurance, which are separately placed by the Central Bank of the Republic of Azerbaijan (hereinafter referred to as the "Central Bank") in its electronic information system

for calculating the IBNR reserve and the share of reinsurers in this reserve by using the triangle method by March 31 of each year.

5.3.4.3. calculation of loss development factors. This indicator is denoted by "H(j)" and shows the cumulative rate of change of the total insurance payment amount from the jth quarter to the Nth quarter (reporting or claims settlement quarter). The mentioned indicator is calculated by the following formula:

$$H(j) = C(j,j+1) \times C(j+1,j+2) \times \dots \times C(N,N+1) = \prod_{k_i=j}^N C(k_i, k_i+1), \quad j = 1, 2, \dots, N$$

5.3.4.4. calculation of delay factors. This indicator is denoted by "L(j)" and is calculated by the following formula:

$$L(j) = \frac{1}{H(j)}, \quad j = 1, 2, \dots, N$$

5.3.4.5. calculation of the coefficient of paid losses (calculated losses for insured events that occurred in the i-th quarter). This indicator is denoted by "U(i)" and is calculated by the following formula:

$$U(i) = x(i, N-i+1) \times \frac{H(N-i+1)}{QMSH(i)}, \quad i = 1, 2, \dots, N$$

5.3.4.6. calculation of the average value of the paid loss ratio. This indicator is denoted by "U" and is calculated by the following formula:

$$U = \frac{(U(k_1) + U(k_2) + \dots + U(k_m))}{m} = \frac{\sum_{i=1}^m U(k_i)}{m}$$

where:

m – is the number of non-zero lines in the column of total earned insurance (reinsurance) premiums reflected in Forms No. 8-8 and 8-12 in Appendix No. 3, Forms No. 9-11 and 9-15 in Appendix No. 4 to this Regulation,

k_i (i = 1, 2, ..., m) – is the serial numbers of non-zero lines in the total earned insurance (reinsurance) premiums column as reflected in Forms No. 8-8 and 8-12 in Appendix No. 3, Forms No. 9-11 and 9-15 in Appendix No. 4,

$U(k_i)$ – is the loss ratio paid on the line k_i .

5.3.4.7. calculation of the expected (predicted) amount of all (paid and unpaid) losses for insured events that occurred in the i -th quarter by the end of the n th quarter. This indicator is denoted by " $V(i)$ " and is calculated by the following formula:

$$V(i) = U \times QMSH(i), \quad i = 1, 2, \dots, N$$

5.3.4.8. calculation of the expected (predicted) number of unpaid losses for insured events that occurred in the i -th quarter at the end of the N th quarter. This indicator is denoted by " $R(i)$ " and is calculated by the following formula:

$$R(i) = (1-L(N-i+1)) \times V(i), \quad i = 1, 2, \dots, N$$

5.3.4.9. calculation of the expected (forecasted) number of losses that occurred in the i -th quarter but were not reported at the end of the N th quarter. This indicator is denoted by " $IBNRLR(i)$ " and is calculated by the following formula:

$$IBNRL(i) = \max\{R(i) - RBNSL(i), 0\}, \quad i = 1, 2, \dots, N$$

5.3.4.10. calculation of the expected (forecasted) number of losses that have incurred but not reported by the end of the N th quarter for all insurance (reinsurance) contracts of the relevant insurance class for all quarters in which insured events occurred. This indicator is denoted by " $IBNRL$ " and is calculated by the following formula:

$$IBNRL = IBNRL(1) + IBNRL(2) + \dots + IBNRL(N) = \sum_{i=1}^N IBNRL(i)$$

5.3.4.11. calculation of the expected (forecasted) amount of the reserve for incurred but not reported losses for all insurance (reinsurance) contracts of the relevant insurance class for all quarters in which insured events occurred, including loss adjustment expenses. This indicator is denoted by " $IBNRLR$ " and is calculated by the following formula:

$$IBNRLR = 1.03 \times IBNRL$$

5.3.4.12. calculation of IBNRLR for the entire insurance portfolio. This amount is determined by adding up the accrued but unreported loss reserve calculated for each insurance class.

5.4. Stabilization reserve

5.4.1. The amount of the stabilization reserve for an insurance class is equal to the product of the unearned premium reserve for this class and the part exceeding 100% of the combined ratio calculated by deducting the share of reinsurers for that class as of the reporting date.

5.4.2. The share of reinsurers in the stabilization reserve is assumed to be zero.

5.5. Contingent liability reserve

5.5.1. The reserve for contingent liabilities is formed according to the types of compulsory insurance stipulated in the Law of the Republic of Azerbaijan "On Compulsory Insurance".

5.5.2. The contingent liability reserve is formed in the amount of 3% of the amount of insurance (reinsurance) premiums calculated during the reporting period for each class of compulsory insurance allowed to be carried out by insurers participating in the Compulsory Insurance Bureau (excluding returned insurance premiums under terminated insurance (reinsurance) contracts and reinsurance premiums under contracts transferred to insurers who are residents of the Republic of Azerbaijan).

5.5.3. The share of reinsurers in the reserve for contingent liabilities is assumed to be zero.

5.6. Catastrophic risk reserve

5.6.1. The CRR is calculated for each insurance (reinsurance) contract in force as of the reporting date for which catastrophic risk coverage is provided.

5.6.2. The CRR is calculated quarterly using the following formula:

$$CRR = CRR(EP - 1) + 12\% \times \max(EP_{catastrophic} - ERP_{catastrophic}; 0)$$

where:

CRR (EP-1) – CRR by the end of the quarter preceding the reporting date;

EP_{catastrophic} – the portion of total insurance premiums earned during the quarter that is attributable to catastrophic risk coverage;

ERP_{catastrophic} – the portion of the total reinsurance premiums earned during the quarter on risks ceded to reinsurance that is attributable to catastrophic risk coverage.

5.6.3. In the event that the part of the insurance premium for catastrophic risk coverage in the insurance (reinsurance) contract providing catastrophic risk coverage is not determined by the contract, this amount is considered to be at least 20% of the insurance premium for immovable property insurance types, and at least 2% of the insurance premium for other types of insurance.

5.6.4. The upper limit of CRR shall not exceed 150% of the highest amount of the net base insurance premiums (the remaining part after deducting the reinsurance premium from the base premium) calculated for the catastrophic risk at the end of the last 5 (five) calendar years prior to the reporting date.

5.6.5. At the time of the occurrence of the insured catastrophic risk event, this reserve may be reduced up to the amount of the insurance premiums (or net RBNSR before insurance payments) provided for the catastrophic risks guaranteed by the insurance (reinsurance) contract (less the reinsurer's share of the insurance payments and deductibles under the insurance contract).

6. Life insurance reserves

6.1. The calculation of insurance premiums for life insurance is carried out separately for each insurance contract belonging to the following insurance classes provided for in Article 14.2 of the Law:

6.1.1. insurance classes provided for in Articles 14.2.1, 14.2.4 and 14.2.5 of the Law (non-savings insurance);

6.1.2. endowment insurance;

6.1.3. annuity insurance:

6.1.3.1. annuity insurance that comes after the reporting date of the start date of insurance payments;

6.1.3.2. annuity insurance that comes before the reporting date of the start date of insurance payments.

6.2. Mathematical reserves

6.2.1. Mathematical reserves are formed according to insurance (reinsurance) contracts in force at the reporting date and consist of two parts:

6.2.1.1. base portion of mathematical reserves (hereinafter "MRBP");

6.2.1.2. additional portion of mathematical reserves (hereinafter "MRAP").

6.2.2. When calculating the MRBP, the insurer shall use an annual interest rate that is equal to the projected level of profitability of the investment portfolio of the assets accepted to provide these reserves and does not exceed the following limits:

- 6.2.2.1. 5% if sum insured is expressed in a foreign currency, 6.2.2.2.
8% if sum insured is expressed in a national currency.

6.2.3. Mathematical reserves for other classes of life insurance, except for annuity insurance

6.2.3.1. With the exception of annuity insurance, the base portion of the mathematical reserves for the insurance (reinsurance) contract belonging to other classes of life insurance is calculated by the following formula:

$$MRBP=IP_{e.c.v}+LAE_{e.c.v}+WPE_{e.c.v} - RecIP_{e.c.v}$$

where:

$IP_{e.c.v}$ – is the expected ceded value of the insurance payments provided for in the terms of the insurance (reinsurance) contract;

$LAE_{e.c.v}$ – is the expected value of the insurer's loss adjustment expenses related to the settlement of insured events under an insurance (reinsurance) contract, including the determination of the amounts of insurance payments;

$WPE_{e.c.v}$ – is the expected ceded value of the insurer's cost of work performed under insurance (reinsurance) contract;

$RecIP_{e.c.v}$ – is the expected ceded value of the insurance (reinsurance) premiums that the insurer must receive after the reporting date under an insurance (reinsurance) contract.

6.2.3.2. With the exception of annuity insurance, the sum of the base parts of mathematical reserves calculated separately for insurance (reinsurance) contracts belonging to other life insurance classes constitutes the base part of mathematical reserves for that class.

6.2.3.3. With the exception of annuity insurance, the additional portion of mathematical reserves for other life insurance classes is calculated in accordance with paragraph 7.4.1.1.2 of this Regulation.

6.2.4. Mathematical reserves for annuity insurance

6.2.4.1. If the amount of regular insurance payments under an insurance (reinsurance) contract belonging to the annuity insurance class does not increase, the base portion of mathematical reserves is calculated using the following formula:

$$MRBP=IP_{e.c.v}+WPE_{e.c.v} - RecIP_{e.c.v}$$

where:

$IP_{e.c.v}$ – is the expected ceded value of the insurance payments provided for in the terms of the insurance (reinsurance) contract;

$WPE_{e.c.v}$ – is the expected ceded value of the insurer's cost of work performed under insurance (reinsurance) contract;

$RecIP_{e.c.v}$ – is the expected ceded value of the insurance (reinsurance) premiums that the insurer must receive after the reporting date under an insurance (reinsurance) contract. If the start date of insurance payments under an insurance (reinsurance) contract falls before the reporting date, $IP_{e.c.v}$ is equal to zero.

6.2.4.2. When the amount of regular insurance payments under an insurance (reinsurance) contract increases, the base portion of mathematical reserves is determined as follows:

6.2.4.2.1. during the period of insurance payments in accordance with the procedure laid down in paragraph 6.2.4.1 of this Regulation. In this case, the expected ceded value of insurance payments shall be calculated taking into account the increase in the amount of insurance payments;

6.2.4.2.2. based on the greater of the following amounts during the insurance premium collection period:

6.2.4.2.2.1. the sum of the expected ceded value of insurance payments and the base parts of mathematical reserves calculated in accordance with paragraph 6.2.4.1 of this Regulation. In this case, the expected ceded value of insurance payments is calculated without taking into account the increase in the amount of insurance payments and is equal to the amount of additional proceeds calculated and distributed under the insurance (reinsurance) contract;

6.2.4.2.2.2. the amount determined in accordance with paragraph 6.2.4.1 of this Regulation. In this case, the expected ceded value of insurance payments is calculated taking into account the increase in the amount of insurance payments due to the additional proceeds of the insurer.

6.2.4.3. The sum of the base parts of mathematical reserves calculated separately under insurance (reinsurance) contracts belonging to the annuity insurance class constitutes the base part of mathematical reserves for that class.

6.2.4.4. The additional part of mathematical reserves for annuity insurance is calculated in accordance with paragraph 7.4.1.1.2 of this Regulation.

6.3. Reported but not settled loss reserve

6.3.1. Except for annuity insurance, RNBSLR for other life insurance classes is calculated for each claim notified to the insurer about the occurrence of an insured event, but not settled by the reporting date. The notified claim is recorded in the Loss Log from the moment the insurer is notified about the occurrence of an insured event in accordance with the procedure established by legislation or the insurance (reinsurance) contract, indicating the amount of the loss.

6.3.2. RNBSLR is calculated by the following formula:

$$RBNSLR = IP_{e.c.v} + RetIP_{e.c.v} + IE_{e.c.v}$$

where:

$IP_{e.c.v}$ – is the expected ceded value of the insurance payments on unsettled claims;

$RetIP_{e.c.v}$ – is the expected ceded value of insurance (reinsurance) premiums that must be returned to policyholders (reinsured) as of the reporting date in connection with the early termination (change in terms and conditions) of insurance (reinsurance) contracts;

$IE_{e.c.v}$ – is the expected ceded value of the insurer's expenses for the settlement of insured events related to claims reported under insurance (reinsurance) contracts, determination of insurance payment amounts, as well as calculation of insurance (reinsurance) premiums that must be returned to policyholders (reinsured) as of the reporting date in connection with the early termination (change in terms and conditions) of insurance (reinsurance) contracts.

The expected ceded value of the insurer's expenses is assumed to be 3% of the insurance payments to be made in connection with reported claims and insurance (reinsurance) premiums to be returned to (reinsured) as of the reporting date in connection with the early termination of insurance (reinsurance) contracts.

6.3.3. The amount of the RBNSLR may be offset against the insured's (reinsured's) liabilities to the insurer as of the reporting date for the payment of insurance (reinsurance) premiums in respect of the insurance (reinsurance) contract under which each unsettled claim arose.

6.3.4. The insurer forms the RBNSLR until the moment the insurance payment is made or the insurer makes a decision to refuse to pay the insurance payment, or the insured refuses the insurance payment in writing, whichever occurs first.

6.3.5. The RBNSLR for annuity insurance is zero.

6.4. Incurred but not reported loss reserve

6.4.1. IBNRLR for the non-savings insurance class is calculated in accordance with paragraph 5.3.1 of this Regulation.

6.4.2. The IBNRLR for endowment insurance and annuity insurance is zero.

6.5. Catastrophic risk reserve

6.5.1. The calculation of CRR is carried out for each insurance (reinsurance) contract in force as of the reporting date, where catastrophic risk coverage is provided.

6.5.2. CRR is calculated on a quarterly basis with a cumulative total using the following formula (taking into account paragraph 6.5.4 of this Regulation):

$$CRR = CRR(EP - 1) + 12\% \times \max(TPP_{catastrophic} - TBRP_{catastrophic}; 0)$$

where:

CRR (EP-1) – CRR as of the end of the quarter preceding the reporting date;

TPP_{catastrophic} – the portion of the total insurance premiums paid during the quarter that is attributable to catastrophic risk coverage (minus the quarter-proportional portion of the commission fee, calculated not to exceed 15% of the calculated insurance premium);

TBRP_{catastrophic} – the portion of the total base reinsurance premiums calculated on risks ceded to reinsurance that is proportional to one quarter of the catastrophic risk coverage.

6.5.3. If the portion of the insurance premium allocated to the coverage of catastrophic risks in an insurance (reinsurance) contract providing for the coverage of catastrophic risks is not specified in the contract, this amount is considered to be at least 11% of the portion of the insurance premium allocated to the coverage of death risks (taking into account paragraph 6.5.4 of this Regulation).

6.5.4. The CRR for the compulsory type of insurance against loss of working capacity due to occupational accidents and occupational diseases is calculated in accordance with paragraph 5.6.2 of this Regulation, and the part of the insurance premium for this type of insurance that falls under catastrophic risk coverage is considered to be at least 2% of the insurance premium.

6.5.5. The upper limit of the CRR shall not exceed 150% of the highest amount of net base insurance premiums (the remaining part after deducting reinsurance premiums from the base insurance premium) calculated for catastrophic risk as of the end of the last 5 (five) calendar years preceding the reporting date.

6.5.6. In the event of an event covered by catastrophic risk coverage, this reserve may be reduced by the amount of insurance payments paid for catastrophic risks covered by the insurance (reinsurance) contract (net RBNSLR until insurance payments are paid) (minus the reinsurer's share of insurance payments and deductibles under the insurance contract).

6.6. Contingent liability reserve

The contingent liability reserve is formed in accordance with paragraphs 5.5.2 and 5.5.3 of this Regulation.

7. Reinsurers' share in insurance reserves

7.1. The share of reinsurers in insurance reserves is determined depending on whether the reinsurance is proportional or non-proportional.

7.2. Proportional reinsurance in non-life insurance

7.2.1. Unearned reinsurance premium is calculated for each reinsurance contract related to risks ceded to reinsurance using the following formula:

$$\text{URP} = \text{BRP} \times \frac{\text{RC}_1 - \text{RC}_2}{\text{RC}_1}$$

where:

URP – unearned reinsurance premium under the reinsurance contract;

BRP – base reinsurance premium under the reinsurance contract; RC_1 – is the number of days of the reinsurance coverage period;

RC_2 – is the number of days the reinsurance coverage is in effect from inception to the reporting date.

7.2.2. The sum of unearned reinsurance premiums, calculated separately for all reinsurance contracts relating to risks ceded to reinsurance and belonging to the relevant class of insurance, represents the reinsurers' share of the basic portion of the reserve for unearned premiums for that class.

7.2.3. The additional portion of the reserve for unearned premiums is equal to the sum of the amounts received after applying the respective coefficient shown in the following table to their shares in the basic portion of the reserve for unearned premiums, depending on the reinsurer groups determined on the basis of their credit rating or the "solvency" ratio they have in relation to the relevant credit rating:

No.	Names of rating agencies and other classifications	Credit ratings of reinsurers	Solvency ratios	Coefficients applied to reinsurers' shares in the base portion of the unearned premium reserve
1	Group I reinsurers			
1.1.	Standard and Poor's (S&P)	rated 'A-' or higher	≥175%	0%
1.2.	Moody's Investor Services	rated 'A3' or higher		
1.3.	Fitch Ratings, Inc	rated 'A-' or higher		

1.4.	A.M.Best Company, Inc	rated 'a-' or higher		
1.5.	Local insurers	any		
2	Group II reinsurers			
2.1.	Standard and Poor's (S&P)	rated from 'BBB+' to 'BB-'	≥100% and <175%	15%
2.2.	Moody's Investor Services	rated from 'Baa1-' to 'Ba3'		
2.3.	Fitch Ratings, Inc	rated from 'BBB+' to 'BB-'		
2.4.	A.M.Best Company, Inc	rated from 'bbb+' to 'bb-'		
3	Group III reinsurers			
3.1.	Standard and Poor's (S&P)	rated from 'B+' to 'CCC-'	≥75% and <100%	25%
3.2.	Moody's Investor Services	rated from 'B1' to 'Caa3'		
3.3.	Fitch Ratings, Inc	rated 'B+' to 'CCC-'		
3.4.	A.M.Best Company, Inc	rated from 'b+' to 'ccc-'		
4	Group IV reinsurers			
4.1.	Reinsurers not included in groups I, II and III			50%

7.2.4. The share of reinsurers in the additional portion of the unearned premium reserve is assumed to be zero.

7.2.5. The share of reinsurers in RBNSLR is calculated based on the reported claim under each insurance (reinsurance) contract ceded to reinsurance and is equal to the product of the reported loss and the portion of risks under the insurance (reinsurance) contract ceded to reinsurance.

7.2.6. The share of reinsurers in the IBNRLR is determined separately for each insurance class in accordance with paragraph 5.3.1 of this Regulation, taking into account the share of reinsurers in insurance payments under insurance (reinsurance) contracts transferred to reinsurance belonging to the relevant insurance class.

7.3. Non-proportional reinsurance in non-life insurance

7.3.1. The share of reinsurers in the base portion of the UPR, to which risks are transferred under a non-proportional obligatory reinsurance contract, is determined in accordance with paragraphs 7.2.1 and 7.2.2 of this Regulation, taking into account the minimum deposit reinsurance premium.

The share of reinsurers in the URPBP, to which risks are transferred under a nonproportional facultative reinsurance contract, is determined in accordance with paragraphs 7.2.1 and 7.2.2 of this Regulation.

7.3.2. The reinsurers' share in RBNSLR is calculated based on the reported claim under each insurance (reinsurance) contract transferred to reinsurance and is equal to the difference between the reported loss under the insurance (reinsurance) contract and the insurer's share in this loss.

7.3.3. The share of reinsurers in the IBNRLR is determined separately for each insurance class in accordance with paragraph 5.3.1 of this Regulation, taking into account the share of reinsurers in insurance payments under insurance (reinsurance) contracts ceded to reinsurance, which belong to the relevant insurance class.

7.4. Proportional reinsurance in life insurance

7.4.1. Insurance reserves for insurance (reinsurance) contracts related to non-savings insurance ceded to reinsurance

7.4.1.1. The calculation of the reinsurers' share in insurance reserves under insurance (reinsurance) contracts related to non-savings insurance transferred to reinsurance is carried out in the following manner:

7.4.1.1.1. the share of reinsurers in the base portion of mathematical reserves under insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.2.2 of this Regulation;

7.4.1.1.2. the additional part of the mathematical reserves under insurance (reinsurance) contracts related to non-savings insurance is equal to the sum of the amounts received after applying the relevant coefficients in the table specified in paragraph 7.2.3 of this Regulation to their shares in the basic part of the mathematical reserves, depending on their groups determined in this Regulation, based on the credit rating of reinsurers or the Solvency ratio they have in relation to the relevant credit rating;

7.4.1.1.3. the share of reinsurers in the additional part of the mathematical reserves under insurance (reinsurance) contracts related to non-savings insurance is assumed to be equal to zero;

7.4.1.1.4. the share of reinsurers in RBNSLR for insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.2.5 of this Regulation;

7.4.1.1.5. the share of reinsurers in IBNRLR for insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.2.6 of this Regulation.

7.4.2. Insurance reserves for insurance (reinsurance) contracts related to endowment insurance ceded to reinsurance

7.4.2.1. The share of reinsurers in the base portion of the mathematical reserves under insurance (reinsurance) contracts related to the endowment insurance class ceded to reinsurance is calculated using the following formula:

$$RSMRBP = RIP_{e.c.v} + RLAE_{e.c.v} + RWPE_{e.c.v} - RecRIP_{e.c.v}$$

where:

$RIP_{e.c.v}$ – is the expected ceded value of the reinsurers' share of insurance payments provided for in the terms of insurance (reinsurance) contracts of endowment insurance ceded to reinsurance;

$RLAE_{e.c.v}$ – is the expected ceded value of the reinsurers' loss adjustment expenses related to the settlement of insured events, including the determination of the amounts of insurance payments, under insurance (reinsurance) contracts belonging to endowment insurance ceded to reinsurance;

$RWPE_{e.c.v}$ – is the expected ceded value of the reinsurer's cost of work performed under insurance (reinsurance) contracts when endowment insurance is ceded to reinsurance;

$RecRIP_{e.c.v}$ – is the expected ceded value of the reinsurance premiums that reinsurers must receive after the reporting date under insurance (reinsurance) contracts of endowment insurance ceded to reinsurance.

7.4.2.2. The sum of the reinsurers' shares in the base part of mathematical reserves calculated separately under insurance (reinsurance) contracts belonging to endowment insurance transferred to reinsurance constitutes the reinsurers' share in the base part of mathematical reserves for that class.

7.4.2.3. The additional part of mathematical reserves under insurance (reinsurance) contracts belonging to the endowment insurance class of life insurance transferred to reinsurance is determined in accordance with paragraph 7.4.1.1.2 of this Regulation.

7.4.2.4. The share of reinsurers in the additional part of mathematical reserves under insurance (reinsurance) contracts belonging to the endowment insurance class is assumed to be equal to zero.

7.4.2.5. The share of reinsurers in RBNSLR for insurance (reinsurance) contracts belonging to endowment insurance class is determined in accordance with paragraph 7.2.5 of this Regulation.

7.4.3. Insurance reserves for insurance (reinsurance) contracts related to annuity insurance ceded to reinsurance

7.4.3.1. The share of reinsurers in the basic portion of mathematical reserves for insurance (reinsurance) contracts belonging to the annuity insurance class ceded to reinsurance is calculated using the following formula:

$$RSMRBP = RIP_{e.c.v} + RWPE_{e.c.v} - RecRIP_{e.c.v}$$

where:

$RIP_{e.c.v}$ – is the expected ceded value of the reinsurers' share of insurance payments provided for in the terms of insurance (reinsurance) contracts belonging to the class of annuity insurance ceded to reinsurance;

$RWPE_{e.c.v}$ – is the expected ceded value of reinsurers' expenses for work performed under insurance (reinsurance) contracts belonging to the class of annuity insurance ceded to reinsurance;

$RecRIP_{e.c.v}$ – is the expected value of the reinsurance premiums that reinsurers must receive after the reporting date under insurance (reinsurance) contracts belonging to the class of annuity insurance ceded to reinsurance. If the start date of payment of insurance payments under insurance (reinsurance) contracts belonging to the class of annuity insurance ceded to reinsurance falls before the reporting date, $RecRIP_{e.c.v}$ is equal to zero.

7.4.3.2. When the amount of the reinsurers' share in regular insurance payments under insurance (reinsurance) contracts belonging to the annuity insurance class transferred to reinsurance increases, the reinsurers' share in the base portion of mathematical reserves is determined as follows:

7.4.3.2.1. during the insurance payments period in the manner provided for in paragraph 7.4.3.1 of this Regulation. In this case, the calculation of the expected ceded value of the reinsurers' share in insurance payments is carried out taking into account the increase in the reinsurers' share in insurance payments;

7.4.3.2.2. based on the greater of the following amounts during the insurance premium collection period:

7.4.3.2.2.1. the sum of the expected ceded value of the reinsurers' share in insurance payments and the amount of the reinsurers' share in the basic part of mathematical reserves calculated in accordance with paragraph 7.4.3.1 of this Regulation. In this case, the expected ceded value of the reinsurers' share in insurance payments is calculated without taking into account the increase in the reinsurers' share in insurance payments and is equal to the amount of the reinsurers' share in additional income calculated and distributed under the insurance contract belonging to the class of annuity insurance transferred to reinsurance;

7.4.3.2.2.2. the amount of the reinsurers' share in the basic part of mathematical reserves determined in accordance with paragraph 7.4.3.1 of this Regulation (taking into account the increase in the reinsurers' share in insurance payments under insurance (reinsurance) contracts belonging to the class of annuity insurance transferred to reinsurance at the expense of the reinsurers' share in the insurer's additional income).

7.4.3.3. The sum of the reinsurers' shares in the basic part of mathematical reserves calculated separately under insurance (reinsurance) contracts belonging to the class of annuity insurance transferred to reinsurance constitutes the reinsurers' share in the basic part of mathematical reserves for that class.

7.4.3.4. The additional part of mathematical reserves for insurance (reinsurance) contracts belonging to the annuity insurance class ceded to reinsurance is determined in accordance with paragraph 7.4.1.1.2 of this Regulation.

7.4.3.5. The share of reinsurers in the additional part of mathematical reserves under insurance (reinsurance) contracts belonging to the annuity insurance class is assumed to be equal to zero.

7.5. Non-proportional life reinsurance

7.5.1. The share of reinsurers in the base portion of mathematical reserves under insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.2.2 of this Regulation.

7.5.2. The additional part of mathematical reserves under insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.4.1.1.2 of this Regulation.

7.5.3. The share of reinsurers in the additional part of mathematical reserves under insurance (reinsurance) contracts related to non-savings insurance is assumed to be equal to zero.

7.5.4. The share of reinsurers in RBNSLR under insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.3.2 of this Regulation.

7.5.5. The share of reinsurers in IBNRLR for insurance (reinsurance) contracts related to non-savings insurance is determined in accordance with paragraph 7.3.3 of this Regulation.

7.5.6. The share of reinsurers in the base portion of mathematical reserves under insurance (reinsurance) contracts belonging to endowment insurance and annuity insurance classes is determined in accordance with paragraphs 7.4.2 and 7.4.3 of this Regulation.

7.5.7. The share of reinsurers in the basic portion of mathematical reserves under insurance (reinsurance) contracts belonging to the endowment and annuity insurance classes shall not exceed the amount of the basic part of mathematical reserves under

insurance (reinsurance) contracts belonging to the endowment insurance and annuity insurance classes.

7.5.8. The additional part of mathematical reserves under insurance (reinsurance) contracts belonging to the endowment insurance and annuity insurance classes is determined in accordance with paragraph 7.4.1.1.2 of this Regulation.

7.5.9. The share of reinsurers in the additional part of mathematical reserves under insurance (reinsurance) contracts belonging to the endowment insurance and annuity insurance classes is assumed to be zero.

7.5.10. The share of reinsurers in RNBSLR for insurance (reinsurance) contracts belonging to the endowment insurance class is determined in accordance with paragraph 7.3.2 of this Regulation.

8. Determination of the combined ratio for non-life insurance classes

8.1. The following concepts are used to determine the combined ratio:

8.1.1. insurance (reinsurance) contracts – insurance contracts concluded during the reporting period and reinsurance contracts for risks accepted for reinsurance;

8.1.2. expenses – mandatory allocations calculated from insurance (reinsurance) premiums and costs of conducting work;

8.1.3. insured event year – the period determined in relation to all insured events that occurred during the reporting period;

8.1.4. total loss – the sum of total insurance payments, loss adjustment expenses, and the loss reserve for the year of insured events as of the end of the reporting period for the year of insured events;

8.1.5. loss adjustment expenses – the sum of the insurer's additional expenses for obtaining organizational, technical, legal and assessment services that are not included in the amount of insurance payments, but are related to the provision of insurance payments;

8.1.6. net insurance payments for the year of insured events – the amount remaining after deducting the reinsurers' share in these payments from the total insurance payments for the year of insured events;

8.1.7. loss reserve variations – the difference between the amount of the loss reserve at the end of the reporting period and the amount at the beginning of that period;

8.1.8. net amount of variations in loss reserves – variations in loss reserves less reinsurers' share of loss reserves;

8.1.9. total earned insurance premiums - the amount remaining after subtracting the base portion of the unearned insurance premium reserve at the end of the period from the sum of the total insurance premiums calculated under insurance (reinsurance) contracts concluded during the reporting period and the base portion of the unearned insurance premium reserve at the beginning of the reporting period;

8.1.10. reserve for reported but not settled losses for the year of insured events – is the reserve formed in connection with the provision of insurance payments for insured events reported to the insurer during the reporting period in accordance with the procedure established by the legislation on their occurrence or by the insurance (reinsurance) contract but not paid or partially paid (for insurance reserves, the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-3 in Appendix No. 3 to this Regulation and for the reinsurer's share in the insurance reserves, the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-11 in Appendix No. 3 to this Regulation. If the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-11 in Appendix No. 3 to this Regulation is greater than the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-3, the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-11 shall be taken equal to the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-3);

8.1.11. reserve for losses that incurred but not reported for the year of insured events – is the reserve formed in connection with the provision of insurance payments for insured events that were not reported to the insurer during the reporting period in accordance with the procedure established by the legislation on the occurrence or by the insurance (reinsurance) contract (for insurance reserves, the product of the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-8 in Appendix No. 3 to this Regulation, and for the reinsurer's share in the insurance reserves, the product of the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-12 in Appendix No. 3 to this Regulation to 1.03. If the product of the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-12 in Appendix No. 3 to this Regulation to 1.03 is greater than the product of the sum of the limits for the last 4 (four) quarters in the last column of Form No. 8-8, the product of the last 4 (four) quarters in the last column of Form No. 8-12 to 1.03, the product of the sum of the limits for the last four (4) quarters multiplied by 1.03 is taken equal to the product of the sum of the limits for the last four (4) quarters multiplied by 1.03 in the last column of Form No. 8-8).

8.1.12. loss reserve at the end of the reporting period for the insured event year – the sum of the reserve for losses reported but not settled for the insured event year and the reserve for losses incurred but not reported.

8.2. Combined ratio

8.2.1. The combined ratio characterizes the efficiency of insurance activities in general and in individual insurance classes, as well as the financial condition of the insurer.

8.2.2. The combined ratio is equal to the sum of the loss ratio and the expense ratio.

8.2.3. All indicators used in calculations related to the risk level shall relate to the same reporting period.

8.3. Calculation of loss ratio

8.3.1. The loss ratio is calculated both by deducting and not deducting reinsurers' share.

8.3.2. The loss ratio, calculated without deducting the share of reinsurers, is equal to the ratio of total losses for each insurance class separately and for the entire insurance portfolio to total earned insurance premiums:

$$R = \frac{Tl}{Tp} \times 100\%$$

where:

R – loss ratio calculated by not deducting the reinsurers' share, Tl

– total losses,

Tp – total earned premiums.

8.3.3. The loss ratio, calculated by deducting the share of reinsurers, is equal to the ratio of the total losses, calculated by deducting the share of reinsurers, for each insurance class and the entire insurance portfolio, to the net insurance premiums earned (the part remaining after deducting the reinsurance premium from the insurance premium):

$$Rn = \frac{Tl}{Pn} \times 100\%$$

where:

Rn – loss ratio calculated by deducting the reinsurers' share, Tl

– total losses calculated by deducting the reinsurers' share, Pn

– net premiums earned.

8.3.4. Net insurance premiums earned are calculated using the following formula:

$$Pn = A - B + C - D + E - (F - G)$$

where:

Pn – net insurance premiums earned,

A – the basic portion of the reserve for unearned premiums at the beginning of the period;

- B – the reinsurers' share of the reserve for unearned premiums at the beginning of the period,
- C – total insurance premiums calculated on insurance (reinsurance) contracts concluded during the reporting period;
- D – reinsurance premiums calculated on risks ceded to reinsurance during the reporting period;
- E – commission fee calculated for reinsured parties on risks ceded to reinsurance during the reporting period;
- F – the basic portion of the reserve for unearned premiums at the end of the reporting period;
- G – reinsurers' share of the unearned premium reserve at the end of the reporting period.

8.4. Calculation of expense ratio

The expense ratio is equal to the ratio of expenses for each insurance class and insurance portfolio to total earned premiums:

$$E = \frac{Te}{Tp} \times 100\%$$

where:

E – expense ratio,

Te – total expenses,

Tp – total earned premiums.

8.5. Calculation of combined ratio

8.5.1. The combined ratio for each insurance class and the entire insurance portfolio is calculated both by deducting and not deducting the reinsurers' share.

8.5.2. The combined ratio, calculated without excluding the reinsurers' share, equals the sum of the loss ratio and the expense ratio, calculated without excluding the reinsurers' share.

$$C=R+E$$

where:

C – combined ratio calculated net of reinsurers' share,

R – loss ratio calculated net of reinsurers' share,

E – expense ratio.

8.5.3. The combined ratio calculated excluding the reinsurers' share is equal to the sum of the loss ratio and the expense ratio calculated excluding the reinsurers' share:

$$C_n = R_n + E$$

where:

C_n – combined ratio calculated net of reinsurers' share,

R_n – loss ratio calculated net of reinsurers' share, E – expense ratio.

9. Insurance reserves information and reports

9.1. The reports on insurance reserves shall be prepared by the insurer on the respective forms specified in Appendices 3 and 4 to this Regulation, and the logs specified in Paragraph 4.9 of this Regulation shall be prepared on the respective forms specified in Appendices 1 and 2 to this Regulation, on a quarterly basis, in compliance with the following requirements, and shall be approved by the enhanced electronic signatures of the Chairman of the Board of Directors and the Chief Accountant of the insurer (or persons temporarily performing their duties) within 20 (twenty) days after the end of each quarter and submitted through the electronic information system of the Central Bank:

9.1.1. the relevant amounts in reports and logs shall be expressed in manats according to the official exchange rate of the Central Bank as of the end of the reporting date;

9.1.2. reports and logs shall not be altered in any way or contain corrupted or wholly or partially illegible information.

9.2. The insurer shall submit with the annual reports the mortality and disability tables used to calculate the insurance reserves and the justification for the mathematical models. The justification of the mathematical models shall be provided for each class and shall be approved by the signature of the responsible actuary.

INSURANCE (REINSURANCE) CONTRACT LOG (continued)

(in manat)

Information on risks transferred to reinsurance													
Calculated commission fee				The portion of the calculated commission fee that is subject to catastrophic risk coverage				Information on terminated reinsurance contracts		Reinsurance contract number	Date of conclusion of the reinsurance contract	Reinsurance coverage start date	Reinsurance coverage end date
Group I reinsurers	Group II reinsurers	Group III reinsurers	Group IV reinsurers	Group I reinsurers	Group II reinsurers	Group III reinsurers	Group IV reinsurers	Date of termination	Refundable reinsurance premium				
XXIX	XXX	XXXI	XXXII	XXXIII	XXXIV	XXXV	XXXVI	XXXVII	XXXVIII	XXXIX	XL	XLI	XLII

Note:

1. "Insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. In the case of group insurance (reinsurance) contracts, each insured item must be specified separately (with the exception of medical insurance and compulsory insurance against loss of working capacity due to occupational accidents and diseases).

*Appendix 2 to the
Regulation on formation of life insurance and non-life insurance reserves*

LOSS LOG

(in manat)

I	II	III	IV	V	VI	VII	The initial amount of the possible insurance payment			XI	calculated insurance payment		
							VIII	IX	X		XII	XIII	XIV

LOSS LOG (continued)

(in manat)

Provided insurance payment				XIX	XX	XXI	Subrogation proceeds		
XV	XVI	XVII	XVIII				XXII	XXIII	XXIV
<i>Date</i>	<i>Total</i>	<i>Reinsured policyholder's share</i>	<i>Reinsurer's share</i>	<i>Payment code</i>	<i>Date of refusal</i>	<i>Reason for refusal</i>	<i>Calculated subrogation amount</i>	<i>Amount of subrogation proceeds paid</i>	<i>Date subrogation income entered</i>

Note:

1. "Insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. Column VI shows the dates of insurance payments made during the 12 (twelve) or 20 (twenty) quarters preceding the reporting date, depending on the class of insurance, and insurance claims for which losses have been reported but not settled by the reporting date.
3. In the case of group insurance (reinsurance) contracts, the insurance events must be specified separately for each insured item (with the exception of medical insurance).

4. Payment code - is a code that is automatically assigned by the appropriate system when the insurer enters the information related to the payment of the insurance claim into the electronic information system provided for by Article 34-1 of the Law of the Republic of Azerbaijan "On Compulsory Insurance".

5. The following codes are used when filling in column XXI:

- A1 In case of refusal pursuant to Article 935.1.1 of the Civil Code
- A2 In case of refusal pursuant to Article 935.1.2 of the Civil Code
- A3 In case of refusal pursuant to Article 935.1.3 of the Civil Code
- A4 In case of refusal pursuant to Article 935.1.4 of the Civil Code
- A5 In case of refusal pursuant to Article 935.1.5 of the Civil Code
- A6 In case of refusal pursuant to Article 935.1.6 of the Civil Code
- A7 In case of refusal pursuant to Article 935.1.7 of the Civil Code
- A8 In case of refusal pursuant to Article 935.1.8 of the Civil Code
- A9 In case of refusal pursuant to Article 935.1.9 of the Civil Code
- A10 In case of refusal pursuant to Article 935.1.10 of the Civil Code
- A11 Other refusals

*Appendix 3 to the
Regulation on formation of life insurance and non-life insurance reserves*

Explanation of reporting forms for insurance reserves for non -life insurance

- 1 **Form 8-0** It is filled in to determine the combined ratio of insurers separately for non-life insurance classes.
It is filled in to calculate the base premium for non-life insurance classes and the portion of the base premium that falls under
- 2 **Form 8-1** catastrophic risk coverage.
It is filled in to calculate the base insurance premium for compulsory insurance types and the portion of the base insurance
- 3 **Form 8-1-1** premium that falls on catastrophic risk coverage.

- It is filled in to calculate the base portion of the unearned premium reserve for non-life insurance classes and the portion
- 4 Form 8-2** falling under catastrophic risk coverage.
- 5 Form 8-3** It is filled in to calculate the reserve for reported but not settled losses for non-life insurance classes.
- Filled in to calculate the base reinsurance premium and the portion of the base reinsurance premium attributable to
- 6 Form 8-4** catastrophic risk coverage regarding risks ceded to reinsurance in non-life insurance classes.
- It is filled in to calculate the share of reinsurers in the base part of the unearned premium reserve for non-life insurance
- 7 Form 8-5** classes, and the part falling under catastrophic risk coverage.
- 8 Form 8-6** It is filled in to calculate the additional portion of the unearned premium reserve for non-life insurance classes.
- It is filled in to calculate the total insurance (reinsurance) premium earned for non-life insurance classes and the portion
- 9 Form 8-7** falling under catastrophic risk coverage.
- It is filled in for calculating the reserve for incurred but not reported losses for non-life insurance classes using the triangle
- 10 Form 8-8** method.
- 11 Form 8-9** It is filled in to calculate the reserve for incurred but unreported losses in non-life insurance classes.
- It is filled in to calculate the total reinsurance premiums earned on risks ceded to reinsurance for non-life insurance classes
- 12 Form 8-10** and the portion falling under catastrophic risk coverage.
- 13 Form 8-11** It is filled in to calculate reinsurers' share in the reported but not settled loss reserve for non-life insurance classes.
- It is filled in to calculate reinsurers' share in the reserve for incurred but unreported losses for non-life insurance classes using
- 14 Form 8-12** the triangle method.
- 15 Form 8-13** It is filled in to calculate reinsurers' share in the reserve for incurred but unreported losses for non-life insurance classes.
- 16 Form 8-14** It is filled in to calculate the catastrophic risk reserve for non-life insurance classes.
- 17 Form 8-15** It is filled in to calculate net insurance reserves for non-life insurance.

Report on determining the combined ratio of insurers in non-life insurance

 (insurer's (reinsurer's) name)
 as of _____ 20____

Item No.	Insurance class	Calculated total insurance (reinsurance) premiums	Insurance (reinsurance) premiums returned during the reporting period	Base portion of unearned premium reserve at the beginning of the reporting period	Base portion of unearned premium reserve at the end of the reporting period	Total insurance premiums earned $III+V-VI$	Reinsurance premiums calculated on risks ceded to reinsurance	Reinsurance premiums returned on risks ceded to reinsurance during the reporting period	Reinsurers' share in the reserve for unearned premiums at the beginning of the reporting period	Reinsurers' share in the reserve for unearned premiums at the end of the reporting period	Commission fee calculated on risks transferred to reinsurance	Net insurance (reinsurance) premiums earned $V-X+III-VIII+XII-VI-XI$
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
1												
2												
3												
Total												

Report on determining the combined ratio of insurers in non-life insurance (continued)

XIV	XV	XVI	XVII	XVIII	XIX	XX	XXI	XXII	XXIII	XXIV	XXV
Total insurance payments for the year of insured events	Share of reinsurers in total insurance payments by year of insured events	Net insurance payments by insurance event year $\frac{XIV-XV}{}$	Loss reserve at the end of the reporting period for the year of insured events	Loss reserve at the end of the reporting period, minus reinsurers' share in the loss reserve for the year of insured events	Loss adjustment expenses	Expenses	Loss ratio without deduction of reinsurers' share, % $(XIV+XVII+XIX)/(VII-IV)$	Loss ratio excluding reinsurers' share, % $\frac{XVI+XVIII+XIX}{XIII-IV+IX}$	Expense ratio, % $(XX)/(VII-IV)$	Loss ratio without deduction of reinsurers' share, % $\frac{XXI+XXIII}{}$	Loss ratio excluding reinsurers' share, % $\frac{XXII+XXIII}{}$

Form No. 8-1

Base insurance premium and the portion of the base premium allocated to catastrophic risk

coverage _____ (insurer's
(reinsurer's) name)

as of _____ 20__

insurance class _____

Insurance contracts	Insurance contract commencement date	Calculated premium	Calculated commission fee <i>(not exceeding 15% of the calculated insurance premium)</i>	Base premium <i>(III-IV)</i>	The portion of the calculated insurance premium attributable to the catastrophic risk	Catastrophic coverage commission <i>(not to exceed 15% of the calculated catastrophic coverage premium)</i>	The portion of the base insurance premium allocated to catastrophic risk coverage <i>(VI-VII)</i>
I	II	III	IV	V	VI	VII	VIII
Total BP							
Reinsurance contracts <i>(for risks accepted for reinsurance)</i>	Reinsurance contract commencement date	Calculated reinsurance premium	Calculated commission fee <i>(not exceeding 15% of the calculated reinsurance premium)</i>	Base reinsurance premium <i>(III- IV)</i>	The portion of the calculated reinsurance premium attributable to the catastrophic risk.	Catastrophic coverage commission <i>(not to exceed 15% of the calculated catastrophic coverage reinsurance premium)</i>	The portion of the base reinsurance premium allocated to catastrophic risk coverage <i>(VI-VII)</i>

Form No. 8-2

The base portion of the unearned premium reserve and the portion allocated to catastrophic risk coverage

_____ (insurer's (reinsurer's) name) as
of _____ 20____

insurance class _____

Insurance contracts	Base insurance premium	Duration of insurance coverage (in days)	Number of days from the start of insurance coverage to the reporting date	Unearned premium <i>(IIx(III-IV)/III)</i>	The portion of the base insurance premium allocated to catastrophic risk coverage	The portion of unearned premiums attributable to catastrophic risk coverage <i>(VIx(III-IV)/III)</i>
I	II	III	IV	V	VI	VII
Subtotal		X	X			
Reinsurance contracts <i>(on risks accepted for reinsurance)</i>	Base reinsurance premium	Duration of reinsurance coverage (in days)	Number of days from the start of reinsurance coverage to the reporting date	Unearned reinsurance premium <i>(IIx(III-IV)/III)</i>	The portion of the base reinsurance premium allocated to catastrophic risk coverage	The portion of unearned reinsurance premiums attributable to catastrophic risk coverage <i>(VIx(III-IV)/III)</i>
I	II	III	IV	V	VI	VII
Subtotal		X	X			
Total UPRBP		X	X			

Note:

1. Column II indicates the amounts received under Column V of Form No. 8-1 in Appendix No. 3 to this Regulation.
2. Column V for the Total UPRBP line shows the sum of the subtotals in the previous lines for that column.

Form No. 8-3

Reported but not settled loss reserve

_____ (insurer's (reinsurer's) name)

as of _____ 20 ____

insurance class _____

Quarters in which insurance events occurred and (or) insurance (reinsurance) contracts were terminated early (their terms and conditions were changed)	Line code	Amount of reported but not settled losses as of the reporting date	The amount of insurance (reinsurance) premiums to be returned to insured (reinsured) in connection with early termination (change in terms and conditions) of insurance (reinsurance) contracts as of the reporting date	Loss adjustment expenses <i>(III+ IV)x0,03</i>	Reported but not settled loss reserve <i>(III+IV+V)</i>
I	II	III	IV	V	VI
quarter 13					
quarter 12					
quarter 11					
quarter 10					
quarter 9					
quarter 8					
quarter 7					

quarter 6					
quarter 5					
quarter 4					
quarter 3					
quarter 2					
quarter 1					
Quarter ending with the reporting date					
Total RBNS					

Note:

1. In this Form, "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. If the insurer has unadjusted losses for quarters not reflected in this Form and (or) prematurely terminated insurance (reinsurance) contracts, the necessary number of quarters shall be added to this Form.
3. The Insurance (reinsurance) contract log and the Loss log are used to fill in columns III and IV.

Form No. 8-4

Base reinsurance premium and the portion of base reinsurance premium allocated to catastrophic risk coverage

as of _____ 20____

 (insurer's (reinsurer's) name

insurance class _____

Reinsurance contracts <i>(on risks transferred to reinsurance)</i>	Date of conclusion of the reinsurance contract	Calculated reinsurance premium	Commission fee	Base reinsurance premium <i>(III-IV)</i>	The portion of the calculated reinsurance premium that allocated for catastrophic risk coverage	Commission fee for catastrophic risk coverage	The portion of the base reinsurance premium allocated to catastrophic risk coverage <i>(VI-VII)</i>
I	II	III	IV	V	VI	VII	VIII
Group I reinsurers							
Subtotal	X						
Group II reinsurers							
Subtotal	X						
Group III reinsurers							

Subtotal	X						
Group IV reinsurers							
Subtotal	X						
Total RRP	X						

Form No. 8-5

Reinsurers' share in the base portion of the unearned premium reserve and the portion allocated to catastrophic risk coverage

(insurer's (reinsurer's) name)

as of _____ 20__

insurance class _____

Reinsurance contracts <i>(on risks ceded to reinsurance)</i>	Base reinsurance premium	Reinsurance coverage period <i>(in days)</i>	Number of days from the start of reinsurance coverage to the reporting date	Unearned reinsurance premium <i>(IIx(III-IV)/III)</i>	The portion of the base reinsurance premium allocated to catastrophic risk coverage	The portion of unearned reinsurance premium attributable to catastrophic risk coverage
---	--------------------------	---	---	---	---	--

						<i>(VIx(III- IV)/III)</i>
I	II	III	IV	V	VI	VII
Group I reinsurers						
Subtotal		X	X			
Group II reinsurers						
Subtotal		X	X			
Group III reinsurers						
Subtotal		X	X			
Group IV reinsurers						

Subtotal		X	X			
Total UPRBP		X	X			

Note:

1. Column II shows the amounts received depending on the groups of reinsurers according to column V of Form No. 8-4 in Appendix No. 3 to this Regulation.
2. Column V for the Total row shows the sum of the Subtotals in the previous rows for that column.

Form No. 8-6

Additional portion of unearned premium reserve

(insurer's (reinsurer's) name)

as of _____ 20 ____

Insurance class _____

Groups of reinsurers	Reinsurers' share in the base portion of the unearned premium reserve	Coefficients by reinsurer groups, %	Additional portion of unearned premium reserve (IIx III)
I	II	III	IV
Group I reinsurers		0	
Group II reinsurers		15	
Group III reinsurers		25	
Group IV reinsurers		50	
Total UPRAP		X	

Note: Column II shows the amounts of the relevant subtotals received under Column V of Form No. 8-5 in Appendix No. 3 to this Regulation.

Form No. 8-7

Total earned insurance (reinsurance) premiums and catastrophe risk portion

Quarter ending with the reporting date	12								
--	----	--	--	--	--	--	--	--	--

Form No. 8-8

Incurred but not reported loss reserve calculated using the triangle method

 (insurer's (reinsurer's) name)
 as of _____ 20____

insurance class _____

	Line code	Quarters in which losses were paid (developed)								Total insurance (reinsurance) premiums earned	Paid loss ratio	Average value of the paid loss ratio	Expected amount of losses incurred	Total amount of losses incurred but not paid	Amount of reported but not settled losses	Total amount of losses incurred but not reported
		1	2	3	...	N-3	N-2	N-1	N							
1	2	3	4	5	...	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	N+10
Quarters in which losses incurred	1	01	x(1,1)	x(1,2)	x(1,3)	...	x(1,N-3)	x(1,N-2)	x(1,N-1)	x(1,N)		U(1)	U	V(1)	R(1)	
	2	02	x(2,1)	x(2,2)	x(2,3)	...	x(2,N-3)	x(2,N-2)	x(2,N-1)	x		U(2)	U	V(2)	R(2)	
	3	03	x(3,1)	x(3,2)	x(3,3)	...	x(3,N-3)	x(3,N-2)	X	x		U(3)	U	V(3)	R(3)	

	4	04	x(4,1)	x(4,2)	x(4,3)	...	x(4,N-3)	x	X	x		U(4)	U	V(4)	R(4)		
	...	...	...	...	...	...	x	x	X	x		...	U	...	...
	N-6	N-6	x(N-6,1)	x(N-6,2)	x(N-6,3)	...	x	x	X	x		U(N-6)	U	V(N-6)	R(N-6)		
	N-5	N-5	x(N-5,1)	x(N-5,2)	x(N-5,3)	...	x	x	x	x		U(N-5)	U	V(N-5)	R(N-5)		
	N-4	N-4	x(N-4,1)	x(N-4,2)	x(N-4,3)	...	x	x	x	x		U(N-4)	U	V(N-4)	R(N-4)		

	N-3	N-3	x(N-3,1)	x(N-3,2)	x(N-3,3)	x	x	x	x	x		U(N-3)	U	V(N-3)	R(N-3)		
	N-2	N-2	x(N-2,1)	x(N-2,2)	x(N-2,3)	x	x	x	x	x		U(N-2)	U	V(N-2)	R(N-2)		
	N-1	N-1	x(N-1,1)	x(N-1,2)	x	x	x	x	x	x		U(N-1)	U	V(N-1)	R(N-1)		
	N	N	x(N,1)	x	x	x	x	x	x	x		U(N)	U	V(N)	R(N)		

The total amount of losses incurred during the quarters in which the losses occurred and paid by the end of the quarter in which the losses were	N+1	y(1)	y(2)	y(3)	...	y(N-3)	y(N-2)	Y(N-1)	Y(N)	X	X	X	X	X	X	X
---	-----	------	------	------	-----	--------	--------	--------	------	---	---	---	---	---	---	---

<p>paid (developed)</p>																
<p>The total amount of losses incurred during the quarters in which the losses occurred (excluding the last quarter) and paid by the end of the quarter in</p>	<p>N+2</p>	<p>$y(1)x(N, 1)$</p>	<p>$y(2)-x(N-1, 1)$</p>	<p>$Y(3)x(N-1, 2)$</p>	<p>...</p>	<p>$y(N-3)x(4, N-3)$</p>	<p>$y(N-2)x(3, N-2)$</p>	<p>$y(N-1)x(2, N-1)$</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>

which the losses were paid (developed)																
Loss development ratio	N+3	$C(j,j+1)$	$C(j,j+1)$	$C(j,j+1)$	...	$C(N-3,N-2)$	$C(N-2,N-1)$	$C(N-1,N)$	1	X	X	X	X	X	X	X
Loss development factors	N+4	H(1)	H(2)	H(3)	...	H(N-3)	H(N-2)	H(N-1)	H(N)	X	X	X	X	X	X	X
Delay factors	N+5	L(1)	L(2)	L(3)	...	L(N-3)	L(N-2)	L(N-1)	L(N)	X	X	X	X	X	X	X
Amount of losses incurred but not reported	N+6	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
IBNRLR calculated by triangle method	N+7	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Note:

1. $x(i,j)$ amounts are calculated based on the Loss Log.
2. Column N+10 of the row with code N+6 shows the total amount of losses that incurred but were not reported.
3. In the row with code N+7, column N+10 shows the amount obtained by multiplying the total amount of losses that incurred but were not reported by 1.03.

Form No. 8-9

Incurred but not reported loss reserve

_____ (insurer's (reinsurer's) name)

as of _____ 20 ____

insurance class _____

Item No.	Indicator name	Line code	Amount
I	II	III	IV
1	The amount of IBNRLR calculated using the triangle method as of the reporting date	1000	
2	25% of RBNS as of the reporting date	1100	
3	2.5% of the total insurance (reinsurance) premiums earned during the reporting period	1200	
4	IBNRLR (the greater of "1000", "1100" and "1200") as of the reporting date	1300	

Note:

1. The line with code 1000 indicates the final amount of Form No. 8-8 in Appendix No. 3 to this Regulation.
2. The line with code 1100 indicates 25% of the final amount of Form No. 8-3 in Appendix No. 3 to this Regulation.
3. The line with code 1200 indicates 2.5% of the total insurance (reinsurance) premiums earned during the last 4 (four) quarters according to Form No. 8-7 in Appendix No. 3 to this Regulation.

quarter 7	07								
quarter 8	08								
quarter 9	09								
quarter 10	10								
quarter 11	11								
Quarter ending with the reporting date	12								

Note: Each line of column III shows the total of reinsurance premiums calculated for reinsurance contracts (on risks ceded to reinsurance) concluded during the corresponding quarter.

Form No. 8-11

Reinsurers' share of reported but not settled loss reserves _____

(insurer's (reinsurer's) name) as
of _____ 20 ____

insurance class _____

Quarters in which insurance events incurred and (or) reinsurance contracts were terminated early (change in their terms and conditions)	Line code	Amount of reported but not settled losses as of the reporting date	Reinsurer's share of reported but not settled losses	Amount of reinsurance premiums to be returned to reinsureds in connection with early termination (change in terms and conditions) of reinsurance contracts as of the reporting date	Reinsurers' share of reported but not settled loss reserves (III-IV+V)
I	II	III	IV	V	VI

quarter 13					
quarter 12					
quarter 11					
quarter 10					
quarter 9					
quarter 8					
quarter 7					
quarter 6					
quarter 5					
quarter 4					
quarter 3					
quarter 2					
quarter 1					
Quarter ending with the reporting date					
Final RNBS	X				

Qeyd:

1. In this Form, the term “reinsurance contracts” means reinsurance contracts for risks accepted for reinsurance.
2. If the reinsurer has unadjusted losses for quarters not reflected in this Form and (or) prematurely terminated reinsurance contracts, the necessary number of quarters shall be added to this Form.
3. The Insurance (Reinsurance) Contract Log and the Loss Log are used to fill in columns III, IV and V.

Form No. 8-12

Reinsurers' share in the reserve for incurred but not reported losses calculated using the triangle method

(insurer's (reinsurer's) name as
of _____ 20__

insurance class _____

	Line code	Quarters in which losses paid (developed)								Qazanılmış məcmu sığorta (təkrarsığorta) haqları	Ödənilmiş zərər rəmsali	Ödənilmiş zərər əmsalının orta qiyməti	Baş vermiş zərərlərin gözlənilən məbləği	Baş vermiş, lakin ödənilməmiş zərərlərin məcmu məbləği	Bildirilmiş, lakin tənzimlənməmiş zərərlərin məbləği	Baş vermiş, lakin bildiriş zərərlərin məcmu məbləği
		1	2	3	...	N-3	N-2	N-1	N							
1	2	3	4	5	...	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	N+10
Quarters in which losses incurred	1	01	x(1,1)	x(1,2)	x(1,3)	...	x(1,N-3)	x(1,N-2)	x(1,N-1)	x(1,N)		U(1)	U	V(1)	R(1)	
	2	02	x(2,1)	x(2,2)	x(2,3)	...	x(2,N-3)	x(2,N-2)	x(2,N-1)	x		U(2)	U	V(2)	R(2)	
	3	03	x(3,1)	x(3,2)	x(3,3)	...	x(3,N-3)	x(3,N-2)	x	x		U(3)	U	V(3)	R(3)	
	4	04	x(4,1)	x(4,2)	x(4,3)	...	x(4,N-3)	x	x	x		U(4)	U	V(4)	R(4)	
	...	...	...	...	...	...	x	x	x	x		...	U	...	...

	N-6	N-6	$x^{(N-6, 1)}$	$x^{(N-6, 2)}$	$x^{(N-6, 3)}$	...	x	x	x	x		U(N-6)	U	V(N-6)	R(N-6)		
	N-5	N-5	$x^{(N-5, 1)}$	$x^{(N-5, 2)}$	$x^{(N-5, 3)}$	...	x	x	x	x		U(N-5)	U	V(N-5)	R(N-5)		
	N-4	N-4	$x^{(N-4, 1)}$	$x^{(N-4, 2)}$	$x^{(N-4, 3)}$	...	x	x	x	x		U(N-4)	U	V(N-4)	R(N-4)		

	N-3	N-3	$x^{(N-3, 1)}$	$x^{(N-3, 2)}$	$x^{(N-3, 3)}$	x	x	x	x	x		U(N-3)	U	V(N-3)	R(N-3)		
	N-2	N-2	$x^{(N-2, 1)}$	$x^{(N-2, 2)}$	$x^{(N-2, 3)}$	x	x	x	x	x		U(N-2)	U	V(N-2)	R(N-2)		
	N-1	N-1	$x^{(N-1, 1)}$	$x^{(N-1, 2)}$	x	x	x	x	x	x		U(N-1)	U	V(N-1)	R(N-1)		
	N	N	$x^{(N, 1)}$	x	x	x	x	x	x	x		U(N)	U	V(N)	R(N)		
The total amount of losses incurred during the quarters in which the losses occurred and paid by the end of the quarter in which the losses were paid (developed)		N+1	y(1)	y(2)	y(3)	...	y(N-3)	y(N-2)	Y(N-1)	Y(N)	X	X	X	X	X	X	X

Note:

1. Amounts x(i,j) are calculated based on the Loss Log.
2. Column N+10 of the row with code N+6 shows the total amount of losses that incurred but were not reported.
3. In the row with code N+7, column N+10 shows the amount obtained by multiplying the total amount of losses that incurred but not reported by 1.03.

Form No. 8-13

Reinsurers' share in the reserve for incurred but not reported losses

_____ (insurer's (reinsurer's) name)
as of _____ 20____
insurance class _____

Item No.	Indicators	Line code	Amount
I	II	III	IV
1	The amount of reinsurers' share in IBNRLR as of the reporting date, calculated using the triangle method	2000	
2	As of the reporting date, 25% of the reinsurers' share in RBNS	2100	
3	2.5% of the total reinsurance premiums earned during the reporting period	2200	
4	Reinsurers' share in IBNRLR as of the reporting date (whichever is greater than "2000", "2100" and "2200")	2300	

Note:

1. The line with code 2000 indicates the final amount of Form No. 8-12 in Appendix No. 3 to this Regulation.
2. The line with code 2100 indicates 25% of the final amount of Form No. 8-11 in Appendix No. 3 to this Regulation.
3. The line with code 2200 indicates 2.5% of the total reinsurance premiums earned during the last 4 (four) quarters according to Form No. 8-10 in Appendix No. 3 to this Regulation.

Form No. 8-14

Catastrophic risk reserve

(insurer's (reinsurer's) name

as of _____ 20 _____

insurance class _____

Item No.	Indicators	Line code	Amount
I	II	III	IV
1	CRR as of the end of the quarter preceding the reporting date	1000	
2	The portion of the insurance (reinsurance) premium earned as of the reporting date that allocated to on catastrophic risk coverage	1100	
3	The portion of reinsurance premium earned as of the reporting date that falls under catastrophic risk coverage	1200	
4	CRR as of the reporting date ("1000" + 12% x max("1100" - "1200"; 0))	1300	
5	The amount of insurance payments paid for catastrophic risks (of net RBNS until insurance payments are paid) for the quarter preceding the reporting date (minus the reinsurer's share of insurance payments and exemption amounts under the insurance contract)	1350	
6	Net base insurance premium calculated for catastrophic risk coverage at the end of the calendar year (N-1)	1400	

7	Net base insurance premium calculated for catastrophic risk coverage at the end of the calendar year (N-2)	1500	
8	Net base insurance premium calculated for catastrophic risk coverage at the end of the calendar year (N-3)	1600	
9	Net base insurance premium calculated for catastrophic risk coverage at the end of the calendar year (N-4)	1700	
10	Net base insurance premium calculated for catastrophic risk coverage at the end of the calendar year (N-5)	1800	
11	Total CRR as of the reporting date (min(max("1300"- "1350";0); 150% x max("1400"; "1500";"1600";"1700";"1800"))	1900	

Note:

1. The line with code 1100 indicates the amount corresponding to the quarter ending with the reporting date in column X of Form No. 8-7 in Appendix No. 3 to this Regulation.
2. The line with code 1200 indicates the amount corresponding to the quarter ending with the reporting date in column X of Form No. 8-10 in Appendix No. 3 to this Regulation.
3. The net base insurance (reinsurance) premium calculated for catastrophic risk coverage at the end of the relevant calendar year is equal to the difference between the part of the insurance premium allocated to catastrophic risk coverage (minus commission fee) and the part of the reinsurance premium allocated to catastrophic risk coverage (minus commission fee) in accordance with the Insurance (reinsurance) contract log.

Form No. 8-15

Net insurance reserves for non-life insurance

(insurer's (reinsurer's) name)

as of _____ 20____

Item No.	Components of insurance reserves	Insurance classes	Total amount	Share of reinsurers	Net insurance reserves (IV-V)
I	II	III	IV	V	VI
1	Unearned premium reserve	1			
		2			
		3			
		...			
		Subtotal			
2	Incurred but not reported loss reserve	1			
		2			
		3			
		...			
		Subtotal			
3	Reported but not settled loss reserve	1			
		2			
		3			
		...			
		Subtotal			

4	Contingency reserve	1			
		2			
		3			
		...			
		Subtotal			
5	Stabilization reserve	1			
		2			
		3			
		...			
		Subtotal			
6	Catastrophic risk reserve	1			
		2			
		3			

		...			
		Subtotal			
7	Additional reserves	1			
		2			
		3			
		...			
		Subtotal			
Total	X	X			

Note:

1. Column IV for insurance classes for which the reserve for unearned premiums is determined shall indicate the sum of the final amounts of Forms No. 8-2 and 8-6 in Appendix No. 3 to this Regulation, and column V shall indicate the final amount of Form No. 8-5.
2. For insurance classes for which the reserve for incurred but not reported losses is determined, column IV shall indicate the final amount of Forms No. 8-9 in Appendix No. 3 to this Regulation, and column V shall indicate the final amount of Forms No. 8-13.
3. For insurance classes for which the reserve for reported but not settled losses is determined, column IV shall indicate the final amount of Form No. 8-3 in Appendix No. 3 to this Regulation, and column V shall indicate the final amount of Form No. 8-11.
4. The corresponding amounts are indicated in columns IV and V for insurance classes for which additional reserves are determined.
5. The final amount of Forms No. 8-14 in Appendix No. 3 to this Regulation for insurance classes for which a reserve for catastrophic risks is determined shall be indicated in column IV accordingly.
6. Columns IV, V and VI of the Total row show the sum of the Subtotals for those columns.

Explanation of reporting forms related to life insurance reserves

- 1 **Form 9-1** It is filled in to calculate the base portion of mathematical reserves for non-savings life insurance classes and the portion of insurance (reinsurance) premiums allocated to catastrophic risk coverage.
- 2 **Form 9-1-1** It is filled in to calculate the base part of mathematical reserves for compulsory insurance against loss of professional working capacity as a result of industrial accidents and occupational diseases and the part of the insurance (reinsurance) premium falling on catastrophic risk coverage.
- 3 **Form 9-2** It is filled in to calculate the base portion of mathematical reserves for the endowment insurance class.
- 4 **Form 9-3** It is filled in to calculate the base portion of mathematical reserves for annuity insurance (if the amount of regular insurance payments does not increase).
- 5 **Form 9-4** It is filled in to calculate the base portion of mathematical reserves for annuity insurance (in case the amount of regular insurance payments increases).
- 6 **Form 9-5** It is filled in to calculate the reserve for reported but not settled losses for non-savings insurance classes.
- 7 **Form 9-6** It is filled in to calculate the reserve for reported but not settled losses for the endowment insurance class.
- 8 **Form 9-7** It is filled to calculate the base reinsurance premium for non-savings insurance classes and the portion of the reinsurance premium that attributable to catastrophic risk coverage.
- 9 **Form 9-8** It is filled in to calculate the share of reinsurers and the part falling under catastrophic risk coverage in the base part of mathematical reserves for non-savings insurance classes.

- 10 **Form 9-9** It is filled in to calculate the additional part of mathematical reserves for non-savings life insurance classes.
It is filled in to calculate the total insurance (reinsurance) premiums earned for non-savings insurance classes and the portion
- 11 **Form 9-10** falling under catastrophic risk coverage.
It is filled in to calculate the reserve for incurred but not reported losses for non-savings insurance classes using the triangle
- 12 **Form 9-11** method.
- 13 **Form 9-12** It is filled in to calculate the reserve for incurred but not reported losses on non-savings insurance classes.
- 14 **Form 9-13** It is filled in to calculate reinsurers' share in the reported but not settled loss reserve for non-savings life insurance classes.
It is filled in to calculate the total reinsurance premiums earned on risks ceded to reinsurance for non-savings insurance classes
- 15 **Form 9-14** and the portion allocated to the catastrophic risk coverage.
It is filled in to calculate the reinsurers' share in the reserve for incurred but not reported losses for non-savings insurance
- 16 **Form 9-15** classes using the triangle method.
It is filled in to calculate the reinsurers' share in the reserve for incurred but not reported losses for non-savings insurance
- 17 **Form 9-16** classes.
- 18 **Form 9-17** It is filled in to calculate the reinsurers' share in the base part of mathematical reserves for endowment insurance class.
- 19 **Form 9-18** It is filled in to calculate the additional part of mathematical reserves for the endowment insurance class.
- 20 **Form 9-19** It is filled in to calculate reinsurers' share of reported but not settled loss reserves for the endowment insurance class.
It is filled in to calculate the reinsurers' share in the base part of mathematical reserves for annuity insurance (if the amount of
- 21 **Form 9-20** regular insurance payments does not increase).
It is filled in to calculate the reinsurers' share in the base part of mathematical reserves for annuity insurance (in case the amount
- 22 **Form 9-21** of regular insurance payments increases).
It is filled in to calculate the additional part of mathematical reserves for annuity insurance (if the amount of regular insurance
- 23 **Form 9-22** payments does not increase).
It is filled in to calculate the additional part of mathematical reserves for annuity insurance (in case the amount of regular

24 **Form 9-23**

insurance payments increases).

25 **Form 9-24** It is filled to calculate insurance reserves for catastrophic risks.

26 **Form 9-25** It is filled in to calculate net insurance reserves for life insurance.

Form No. 9-1

**The base portion of mathematical reserves for non-savings insurance and the part of
the insurance (reinsurance) premium allocated to catastrophic risk coverage**

_____ as of _____ 20____
(insurer's (reinsurer's) name)

insurance class _____

Base portion of mathematical reserves for non-savings insurance

The portion of the insurance (reinsurance) premium for non-savings insurance that allocated to catastrophic risk coverage

Insurance (reinsurance) contracts		The expected ceded value of the insurance payments provided for in the terms of the insurance (reinsurance) contract	The expected ceded value of the insurer's incurred loss adjustment expenses related to the settlement of insured events under an insurance (reinsurance) contract, including the determination of the amounts of insurance payments.	The expected ceded value of the insurer's expenses for performing works under an insurance (reinsurance) contract	The expected ceded value of the insurance (reinsurance) premiums that the insurer is expected to receive after the reporting date under an insurance (reinsurance) contract	The base portion of mathematical reserves $II+III+IV-V$)	Calculated insurance (reinsurance) premium	Commission fee <i>not exceeding 15% of the calculated insurance reinsurance) premium</i>	Basic insurance (reinsurance) fee $VII-VIII$)	Validity period of the insurance (reinsurance) contract in days ()	Number of days from the date of entry into force of the insurance (reinsurance) contract to the reporting date	Unearned insurance (reinsurance) premium $IX+(X-XD)/X$)	The portion of the calculated insurance (reinsurance) premium that falls on catastrophic risk coverage	Commission fee for catastrophic risk coverage (not exceeding 15% of the calculated insurance reinsurance) premium for catastrophic risk coverage)	The portion of the base insurance (reinsurance) premium allocated to catastrophic risk coverage	The portion of unearned insurance (reinsurance) premiums allocated to catastrophic risk coverage $XV+(X-XD)/X$)
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI	
1																
2																
3																
...						..										
Total MRBP	X	X	X	X												

Note: In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.

Form

No. 9-1-1

The base portion of mathematical reserves for compulsory insurance against loss of professional working capacity as a result of occupational accidents and occupational diseases and the part of the insurance (reinsurance) Premium for catastrophic risk coverage

_____ (insurer's (reinsurer's) name)

as of _____ 20____

insurance class _____

Insurance (reinsurance) contracts	Calculated insurance (reinsurance) premium	Commission fee (not exceeding 15% of the calculated insurance (reinsurance) premium)	Base insurance (reinsurance) premium (II - III)	Validity period of the insurance (reinsurance) contract in days	Number of days from the date of entry into force of the insurance (reinsurance) contract to the reporting date	Unearned insurance (reinsurance) premium (IVx(V-VI)/V)	The portion of the calculated insurance (reinsurance) premium that falls on catastrophic risk coverage	Commission fee for catastrophic risk coverage not exceeding 15% of the calculated insurance (reinsurance) premium for catastrophic risk coverage)	The portion of the base insurance (reinsurance) premium allocated to catastrophic risk coverage	The portion of unearned insurance (reinsurance) premiums allocated to catastrophic risk coverage $\frac{Xx(V - VI)}{V}$
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
	::									

Form

--	--	--	--	--	--	--	--	--	--

Note: In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.

No. 9-2

Base portion of mathematical reserves for endowment insurance _____

(insurer's (reinsurer's) name

as of _____

_____ 20 _____

insurance class _____

Insurance (reinsurance) contracts	The expected ceded value of the insurance payments provided for in the terms and conditions of the insurance (reinsurance) contract	The expected ceded value of the insurer's incurred loss adjustment expenses related to the settlement of insured events under an insurance (reinsurance) contract, including the determination of the amounts of insurance payments	The expected ceded value of the insurer's expenses for performing work under an insurance reinsurance contract	The expected ceded value of the insurance (reinsurance) premiums that the insurer is expected to receive after the reporting date under an insurance (reinsurance) contract	Basic part of mathematical resources $I+III+IV-V$ (
I	II	III	IV	V	VI
1					
2					

Form

3					
...					
Total MRBP	X	X	X	X	

Note: In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.

No. 9-3

Base portion of mathematical reserves for annuity insurance (if the amount of regular insurance payments does not increase)

(insurer's (reinsurer's) name

as of _____

_____ 20__

insurance class _____

Insurance (reinsurance) contracts	The expected ceded value of the insurance payments provided for in the terms and conditions of the insurance (reinsurance) contract	The expected ceded value of the insurer's expenses for performing works under an insurance (reinsurance) contract	The expected ceded value of the insurance (reinsurance) premiums that the insurer is expected to receive after the reporting date under an insurance (reinsurance) contract	Base portion of the mathematical reserves (II+III-IV)
I	II	III	IV	V
1				
2				
3				

Form

...				
Total MRBP	X	X	X	

Note: In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.

Note:

1. In this Form, "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. The sum of column V or XIV is used for the relevant calculations, depending on whether the reporting date belongs to the insurance payment period or the insurance premium collection period.

Form No. 9-5

Reported but not settled loss reserve for non-savings insurance _____

(insurer's (reinsurer's) name
) as of _____
 _____ 20____
 insurance class _____

Quarters in which insured events incurred and (or) insurance (reinsurance) contracts were terminated early	Line code	Amount of reported but not settled losses as of the reporting date	The amount of insurance (reinsurance) premiums to be returned to insured (reinsured) in connection with the early termination of insurance (reinsurance) contracts as of the reporting date	Loss adjustment expenses <i>(III+IV)x0,03</i>	Reported but not settled loss reserve <i>(III+IV+V)</i>
I	II	III	IV	V	VI
	01				
quarter 11	02				
quarter 10	03				
quarter 9	04				
quarter 8	05				
quarter 7	06				
quarter 6	07				
quarter 5	08				
quarter 4	09				
quarter 3	10				

quarter 2	11				
quarter 1	12				
Quarter ending with the reporting date	13				
Total RNBSLR	X				

Note:

1. In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.

2. If the insurer has unadjusted losses for quarters not reflected in this Form and (or) prematurely terminated insurance (reinsurance) contracts, the necessary number of quarters shall be added to this Form.

3. Columns III and IV are completed using the Insurance (Reinsurance) Contract Log and Loss Log.

Form No. 9-6

Reported but not settled loss reserve for endowment insurance _____
(insurer's (reinsurer's) name
) as of _____
_____20_____
insurance class _____

Quarters in which insured events incurred and (or) insurance (reinsurance) contracts were terminated early	Line code	Amount of reported but not settled losses as of the reporting date	Amounts returned to insured (reinsured) as of the reporting date in connection with early termination of insurance (reinsurance) contracts	Loss adjustment expenses <i>(III+ IV)x0,03</i>	Reported but not settled loss reserve <i>(III+ IV+V)</i>
I	II	III	IV	V	VI
	01				
quarter 11	02				
quarter 10	03				
quarter 9	04				
quarter 8	05				
quarter 7	06				
quarter 6	07				
quarter 5	08				
quarter 4	09				
quarter 3	10				
quarter 2	11				
quarter 1	12				
Quarter ending with the reporting date	13				
Total RBNSLR	X				

Note:

1. In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. If the insurer has unadjusted losses for quarters not reflected in this Form and (or) prematurely terminated insurance (reinsurance) contracts, the necessary number of quarters shall be added to this Form.
3. Columns III and IV are completed using the Insurance (Reinsurance) Contract Log and Loss Log.

Form No. 9-7

Base reinsurance premium for non-savings insurance and the portion of the reinsurance premium allocated to catastrophic risk coverage

(insurer's (reinsurer's) name _____) as of _____ 20____

insurance class _____

Reinsurance contracts <i>(on risks ceded to reinsurance)</i>	Date of conclusion of the reinsurance contract date	Calculated reinsurance premium	Commission fee	Base reinsurance premium <i>(III-IV)</i>	The portion of the calculated reinsurance premium that falls on catastrophic risk coverage	Commission fee for catastrophic risk coverage	The portion of the base reinsurance premium allocated to catastrophic risk coverage <i>(VI-VII)</i>
I	II	III	IV	V	VI	VII	VIII
Group I reinsurers							
1							
2							
3							
...							
Subtotal							
Group II reinsurers							
1							

2							
3							
...							
Subtotal							
Group III reinsurers							
1							
2							
3							
...							
Subtotal							
Group IV reinsurers							
1							
2							
3							
...							
Subtotal							
Total BRP							

Form No. 9-8

Reinsurers' share in the base portion of mathematical reserves for non-savings insurance and the part allocated to catastrophic risk coverage

 (insurer's (reinsurer's) name)
 as of _____ 20____
 insurance class _____

Reinsurance contracts <i>(on risks ceded to reinsurance)</i>	Base reinsurance premium	Reinsurance coverage period <i>(in days)</i>	Number of days from the start of reinsurance coverage to the reporting date	Unearned reinsurance premium <i>(IIx(III-IV)/III)</i>	The portion of the base reinsurance premium allocated to catastrophic risk coverage	The portion of unearned reinsurance premium attributable to catastrophic risk coverage <i>(VIx(III-IV)/III)</i>
I	II	III	IV	V	VI	VII
Group I reinsurers						
1						
2						
3						
...						
Subtotal		X	X			
Group II reinsurers						
1						
2						

3						
...						
Subtotal		X	X			
Group III reinsurers						
1						
2						
3						
...						
Subtotal		X	X			
Group IV reinsurers						
1						
2						
3						
...						
Subtotal		X	X			
Total		X	X			

Note:

1. Column II shall indicate the amounts received depending on the groups of reinsurers according to column V of Form No. 9-7 in Appendix No. 4 to this Regulation.
2. Column V of the "Total" row shows the sum of the "Subtotals" in the previous rows of that column.

Form No. 9-9

Additional part of mathematical reserves for non-savings insurance

____ (insurer's (reinsurer's)
name) as of _____ 20__

insurance class _____

Groups of reinsurers	Reinsurers' share in the base part of mathematical reserves	Coefficients by reinsurer groups, %	Additional part of mathematical reserves (IIxIII)
I	II	III	IV
Group I reinsurers		0	
Group II reinsurers		15	
Group III reinsurers		25	
Group IV reinsurers		50	
Total		X	

Note:

1. Column II shows the corresponding "Subtotals" obtained in column V of Form No. 9-8 in Appendix No. 4 to this Regulation.
2. Column IV on the "Total" line shows the sum of the amounts in the previous lines in that column.

Form No. 9-10

Total insurance (reinsurance) premiums earned on non-savings insurance and the portion falling under catastrophic risk coverage

quarter 11	11								
Quarter ending with the reporting date	12								

Note: Each line of column III shows the total of insurance and reinsurance premiums calculated under insurance and reinsurance contracts (on risks accepted for reinsurance) concluded during the relevant quarter.

Form No. 9-11

Həyatın qeyri-yığım sığortası sinifləri üzrə üçbucaq metodu ilə hesablanan baş vermiş, lakin bildirilməmiş zərərlər ehtiyatı

_____ (insurer's (reinsurer's) name)

as of _____ 20____ insurance class _____

	Line code	Quarters in which loss paid (developed)								Total insurance (reinsurance) premiums earned	Paid loss ratio	Average value of the paid loss ratio	Expected amount of losses incurred	Total amount of losses incurred but not paid	Amount of reported but not settled losses	Total amount of losses incurred but not reported
		1	2	3	...	N-3	N-2	N-1	N							
1	2	3	4	5	...	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	N+10
Quarters in which losses incurred	1	01	x(1,1)	x(1,2)	x(1,3)	...	x(1,N-3)	x(1,N-2)	x(1,N-1)	x(1,N)		U(1)	U	V(1)	R(1)	
	2	02	x(2,1)	x(2,2)	x(2,3)	...	x(2,N-3)	x(2,N-2)	x(2,N-1)	x		U(2)	U	V(2)	R(2)	
	3	03	x(3,1)	x(3,2)	x(3,3)	...	x(3,N-3)	x(3,N-2)	x	x		U(3)	U	V(3)	R(3)	

	4	04	x(4,1)	x(4,2)	x(4,3)	...	x(4,N-3)	x	x	x		U(4)	U	V(4)	R(4)		
	...	...	...	...	...	...	x	x	x	x		...	U	...	...
	N-6	N-6	x(N-6,1)	x(N-6,2)	x(N-6,3)	...	x	x	x	x		U(N-6)	U	V(N-6)	R(N-6)		
	N-5	N-5	x(N-5,1)	x(N-5,2)	x(N-5,3)	...	x	x	x	x		U(N-5)	U	V(N-5)	R(N-5)		
	N-4	N-4	x(N-4,1)	x(N-4,2)	x(N-4,3)	...	x	x	x	x		U(N-4)	U	V(N-4)	R(N-4)		
	N-3	N-3	x(N-3,1)	x(N-3,2)	x(N-3,3)	x	x	x	x	x		U(N-3)	U	V(N-3)	R(N-3)		
	N-2	N-2	x(N-2,1)	x(N-2,2)	x(N-2,3)	x	x	x	x	x		U(N-2)	U	V(N-2)	R(N-2)		

	N-1	N-1	x(N-1,1)	x(N-1,2)	x	x	x	x	x	x		U(N-1)	U	V(N-1)	R(N-1)		
	N	N	x(N,1)	x	x	x	x	x	x	x		U(N)	U	V(N)	R(N)		
The total amount of losses incurred during the quarters in which the losses incurred and paid by the end of the quarter in which the losses were paid (developed)		N+1	y(1)	y(2)	y(3)	...	y(N-3)	y(N-2)	Y(N-1)	Y(N)	X	X	X	X	X	X	X

The total amount of losses incurred during the quarters in which the losses occurred (excluding the last quarter) and paid by the end of the quarter in which the losses were paid (developed)	N+2	$y(1) \times (N, 1)$	$y(2) \times (N-1, 1)$	$Y(3) \times (N-1, 2)$	...	$y(N-3) \times (4, N-3)$	$y(N-2) \times (3, N-2)$	$y(N-1) \times (2, N-1)$	X	X	X	X	X	X	X	X
Loss development ratio	N+3	$C(j, j+1)$	$C(j, j+1)$	$C(j, j+1)$	...	$C(N-3, N-2)$	$C(N-2, N-1)$	$C(N-1, N)$	1	X	X	X	X	X	X	X
Loss development factors	N+4	H(1)	H(2)	H(3)	...	H(N-3)	H(N-2)	H(N-1)	H(N)	X	X	X	X	X	X	X
Delay factors	N+5	L(1)	L(2)	L(3)	...	L(N-3)	L(N-2)	L(N-1)	L(N)	X	X	X	X	X	X	X
Amount of incurred but not reported loss	N+6	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
IBNRLR calculated by triangle method	N+7	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

Note:

1. The amounts $x(i,j)$ are calculated based on the Loss Log.
2. In the row with code N+6, column N+10 shows the total amount of losses that incurred but were not reported.
3. In the row with code N+7, column N+10 shows the amount obtained by multiplying the total amount of losses that incurred but were not reported by 1.03.

Incurred but not reported loss reserves for non-savings insurance

 (insurer's (reinsurer's) name) as
 of _____ 20__

insurance class _____

No.	Indicators	Line code	Amount
I	II	III	IV
1	The amount of IBNRLR calculated by triangle method as of the reporting date	1000	
2	25% of RBNSL as of the reporting date	1100	
3	2.5% of the total insurance premiums earned during the reporting period	1200	
4	IBNRLR (the greater of "1000", "1100" and "1200") as of the reporting date	1300	

Note:

1. The line with code 1000 indicates the final amount of Form No. 9-11 in Appendix No. 4 to this Regulation.
2. The line with code 1100 indicates 25% of the total amount of Form No. 9-5 in Appendix No. 4 to this Regulation.
3. The line with code 1200 indicates 2.5% of the total insurance premiums earned during the last 4 (four) quarters according to Form No. 9-10 in Appendix No. 4 to this Regulation.

Form No. 9-13

Reinsurers' share in the reported but not settled loss reserve for non-savings insurance

(insurer's (reinsurer's) name as of
_____ 20__

insurance class _____

Quarters in which insured events occurred and (or) reinsurance contracts were terminated early (or their terms and conditions were changed)	Line code	Amount of reported but not settled losses as of the reporting date	Reinsurer's share of reported but not settled losses	Amount of reinsurance premiums to be returned to reinsured in connection with early termination (change in terms and conditions) of reinsurance contracts as of the reporting date	Share of reinsurers in reported but not settled loss reserves <i>(III-IV+V)</i>
I	II	III	IV	V	VI
	01				
Q 11	02				
Q 10	03				
Q 9	04				

Q 8	05				
Q 7	06				
Q 6	07				
Q 5	08				
Q 4	09				
Q 3	10				
Q 2	11				
Q 1	12				
Quarter ending with the reporting date	13				
Total RBNS	X				

Note:

1. In this Form, the term "reinsurance contracts" means reinsurance contracts for risks accepted for reinsurance.
2. If the reinsurer has unadjusted losses for quarters not reflected in this Form and (or) prematurely terminated reinsurance contracts, the necessary number of quarters shall be added to this Form.
3. The Insurance (Reinsurance) Contract Log and Loss Log shall be used to fill in columns III, IV and V.

Q 9	09								
Q 10	10								
Q 11	11								
Quarter ending with the reporting date	12								

Note: Each line of column III shows the total of reinsurance premiums calculated for reinsurance contracts (on risks ceded to reinsurance) concluded during the corresponding quarter.

Form No. 9-15

Calculation of reinsurers' share in the reserve for incurred but not reported losses for non-savings insurance classes using the triangle method

(insurer's (reinsurer's) name) as
of _____ 20__

i nsurance class _____

	Line code	Quarters in which losses paid								Earned aggregate insurance (reinsurance) premiums	Paid loss ratio	Average value of the paid loss ratio	Expected amount of losses incurred	Total amount of losses incurred but not paid	Amount of reported but unadjusted losses	Total amount of losses incurred but not reported
		1	2	3	...	N-3	N-2	N-1	N							
1	2	3	4	5	...	N	N+1	N+2	N+3	N+4	N+5	N+6	N+7	N+8	N+9	N+10
Quarters in which losses incurred	1	01	x(1,1)	x(1,2)	x(1,3)	...	x(1,N-3)	x(1,N-2)	x(1,N-1)	x(1,N)		U(1)	U	V(1)	R(1)	
	2	02	x(2,1)	x(2,2)	x(2,3)	...	x(2,N-3)	x(2,N-2)	x(2,N-1)	x		U(2)	U	V(2)	R(2)	
	3	03	x(3,1)	x(3,2)	x(3,3)	...	x(3,N-3)	x(3,N-2)	x	x		U(3)	U	V(3)	R(3)	
	4	04	x(4,1)	x(4,2)	x(4,3)	...	x(4,N-3)	x	x	x		U(4)	U	V(4)	R(4)	
	...	...	...	...	...	...	x	x	x	x		...	U	...	...
	N-6	N-6	x(N-6,1)	x(N-6,2)	x(N-6,3)	...	x	x	x	x		U(N-6)	U	V(N-6)	R(N-6)	
	N-5	N-5	x(N-5,1)	x(N-5,2)	x(N-5,3)	...	x	x	x	x		U(N-5)	U	V(N-5)	R(N-5)	
	N-4	N-4	x(N-4,1)	x(N-4,2)	x(N-4,3)	...	x	x	x	x		U(N-4)	U	V(N-4)	R(N-4)	
	N-3	N-3	x(N-3,1)	x(N-3,2)	x(N-3,3)	x	x	x	x	x		U(N-3)	U	V(N-3)	R(N-3)	
	N-2	N-2	x(N-2,1)	x(N-2,2)	x(N-2,3)	x	x	x	x	x		U(N-2)	U	V(N-2)	R(N-2)	

	N-1	N-1	$x(N-1, 1)$	$x(N-1, 2)$	x	x	x	x	x	x		$U(N-1)$	U	$V(N-1)$	$R(N-1)$		
	N	N	$x(N, 1)$	x	x	x	x	x	x	x		$U(N)$	U	$V(N)$	$R(N)$		

Total amount of losses incurred during the quarters in which the losses occurred and paid by the end of the quarter in which the losses were paid (developed)																	
	N+1	y(1)	y(2)	y(3)	...	y(N-3)	y(N-2)	$Y(N-1)$	$Y(N)$	X	X	X	X	X	X	X	X

Note:

1. The amounts $x(i,j)$ are calculated based on the Loss Log.
2. In the row with code N+6, column N+10 shows the total amount of losses that incurred but not reported.
3. In the row with code N+7, column N+10 shows the amount obtained by multiplying the total amount of losses that incurred but not reported by 1.03.

Form No. 9-16

Reinsurers' share in the reserve for incurred but not reported losses for non-savings insurance

(insurer's (reinsurer's) name) as
of _____ 20____
insurance class _____

No.	Indicators	Line code	Amount
I	II	III	IV
1	The amount of reinsurers' share in IBNRLR as of the reporting date, calculated using the triangle method	2000	
2	As of the reporting date, 25% of the reinsurers' share in RBNSLR	2100	
3	2.5% of the total reinsurance premiums earned during the reporting period	2200	
4	Reinsurers' share in IBNRLR as of the reporting date (whichever is greater than "2000", "2100" and "2200")	2300	

Note:

1. The line with code 2000 indicates the sum of Form No. 9-15 in Appendix No. 4 to this Regulation.
2. The line with code 2100 indicates 25% of the sum of Form No. 9-13 in Appendix No. 4 to this Regulation.
3. The line with code 2200 indicates 2.5% of the total reinsurance premiums earned during the last 4 (four) quarters according to Form No. 9-14 in Appendix No. 4 to this Regulation.

Form No. 9-17

Reinsurers' share in the base portion of mathematical reserves for endowment insurance

(insurer's (reinsurer's) name) as
of _____ 20____

insurance class _____

Insurance (reinsurance) contracts ceded to reinsurance	The expected ceded value of the reinsurers' share of insurance payments provided for in the terms of the insurance contract ceded to reinsurance (reinsurance)	The expected ceded value of the costs of adjusting losses directly related to the adjustment of insured events by reinsurers under an insurance contract ceded to reinsurance, including the determination of the amounts of insurance payments	The expected ceded value of the reinsurers' costs of performing work under an insurance reinsurance) contract ceded to reinsurance	The expected ceded value of the reinsurance premiums that reinsurers must receive after the reporting date under a ceded insurance contract (reinsurance).	Reinsurers' share in the base part of mathematical reserves <i>II+III+IV -V</i> (
I	II	III	IV	V	VI
Group I reinsurers					
1					
2					
...					
Subtotal	X	X	X	X	
Group II reinsurers					
1					
2					
...					
Subtotal	X	X	X	X	
Group III reinsurers					
1					
2					
...					

Subtotal	X	X	X	X	
Group IV reinsurers					
1					
2					
...					
Subtotal	X	X	X	X	
Total	X	X	X	X	

Note:

1. In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. Column VI on the "Total" line shall indicate the sum of the "Subtotals" in the previous lines on that column.

Form No. 9-18

Additional part of mathematical reserves for endowment insurance _____

(insurer's (reinsurer's)
name) as of _____
_____ 20 ____

insurance class _____

Reinsurer groups	Reinsurers' share in the base portion of mathematical reserves	Coefficients by reinsurer groups %	Additional part of mathematical reserves (IIxIII)
I	II	III	IV
Group I reinsurers		0	
Group II reinsurers		15	
Group III reinsurers		25	
Group IV reinsurers		50	
Total MRAP		X	

Note:

1. Column II shall indicate the corresponding "Subtotals" obtained under column VI of Form No. 9-17 in Appendix No. 4 to this Regulation.
2. Column IV shall indicate the sum of the amounts in the previous lines under that column under the "Total" line.

Form No. 9-19

Reinsurers' share of reported but not settled loss reserves for endowment insurance

 (insurer's (reinsurer's) name as
 of _____ 20__

insurance class _____

Quarters in which insured events incurred and (or) reinsurance contracts were terminated early (or their terms and conditions were changed)	Line code	Amount of reported but not settled losses as of the reporting date	Reinsurer's share of reported but not settled losses	Amount of reinsurance premiums to be returned to reinsured in connection with early termination (change of terms and conditions) of reinsurance contracts as of the reporting date	Reinsurers' share in the reported but not settled loss reserve <i>(III-IV+V)</i>
I	II	III	IV	V	VI
	01				
Quarter 11	02				
Quarter 10	03				
Quarter 9	04				
Quarter 8	05				
Quarter 7	06				
Quarter 6	07				
Quarter 5	08				
Quarter 4	09				
Quarter 3	10				
Quarter 2	11				
Quarter 1	12				
Quarter ending with the reporting date	13				
Total RBNSLR	X				

Note:

1. In this Form, the term "reinsurance contracts" means reinsurance contracts for risks accepted for reinsurance.
2. If the reinsurer has unadjusted losses for quarters not reflected in this form and (or) prematurely terminated reinsurance contracts, the necessary number of quarters shall be added to this form.
3. To fill in columns III, IV and V, the Insurance (Reinsurance) Contract Log and the Loss Log shall be used.

Form No. 9-20

**Reinsurers' share of the base portion of the mathematical reserves for annuity insurance
(in case on non-increasing amount of regular insurance payments)**

(insurer's (reinsurer's) name)
as of _____
20____

insurance class _____

Insurance (reinsurance) contracts ceded to reinsurance	The expected ceded value of the reinsurers' share of insurance payments provided for in the terms of the insurance contract ceded to reinsurance (reinsurance)	The expected ceded value of the reinsurers' costs of performing work under an insurance (reinsurance) contract ceded to reinsurance	The expected ceded value of the reinsurance premiums that reinsurers must receive after the reporting date under a ceded insurance contract (reinsurance).	Reinsurers' share in the base portion of mathematical reserves (II+III-IV)
I	II	III	IV	V

Group I reinsurers				
1				
2				
3				
...				
Subtotal	X	X	X	
Group II reinsurers				
1				
2				
3				
...				
Subtotal	X	X	X	
Group III reinsurers				
1				
2				
3				
...				
Subtotal	X	X	X	
Group IV reinsurers				
1				
2				
3				
...				

Subtotal	X	X	X	
Total	X	X	X	

Note:

1. In this Form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.
2. Column V under the "Total" line shall indicate the sum of the "Subtotals" in the previous lines under that column.

Form No. 9-21

Additional part of the mathematical reserves on annuity insurance (in case of increasing amount of regular insurance payments)

_____ (insurer's (reinsurer's) name as
of _____ 20__

insurance class _____

Insurance	During the insurance payments period	During the insurance premium collection period
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(reinsurance) contracts ceded to reinsurance	The expected ceded value of the reinsurers' share of insurance payments provided for in the terms of the insurance contract ceded to reinsurance (taking into account the increase in the reinsurers' share of insurance payments)	The expected ceded value of the reinsurers' costs of performing work under an insurance (reinsurance) contract ceded to reinsurance	The expected ceded value of the reinsurance premiums that reinsurers must receive after the reporting date under a ceded insurance contract (reinsurance).	Reinsurers' share in the base part of mathematical reserves <i>II+ III -IV</i>	The expected ceded value of the reinsurers' share of insurance payments provided for in the terms of the ceded insurance (reinsurance) contract (the amount of the reinsurers' share in additional income calculated and distributed under the ceded insurance (reinsurance) contract)	The expected ceded value of the reinsurers' share of insurance payments provided for in the terms of the insurance contract ceded to reinsurance (without increasing the reinsurers' share of insurance payments)	The expected ceded value of the reinsurers' costs of performing work under an insurance (reinsurance) contract ceded to reinsurance	The expected ceded value of the reinsurance premiums that reinsurers must receive after the reporting date under a ceded insurance contract (reinsurance).	Reinsurers' share in the base part of mathematical reserves <i>VII+VIII -IX</i>	Subtotal (VI+X)	The expected ceded value of the reinsurers' share of insurance payments provided for in the terms of the insurance contract ceded to reinsurance (taking into account the increase in the reinsurers' share of insurance payments due to the reinsurers' additional income)	Subtotal <i>XII+VIII -IX</i>	Reinsurers' share in the base part of mathematical reserves <i>XI or XIII, whichever is greater</i>
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
Group I reinsurers													
1													
2													
3													
...													
Subtotal	X	X	X		X	X	X	X	X	X	X	X	
Group II reinsurers													

Note:

1. Depending on whether the reporting date belongs to the insurance payment period or the accrual period, the total of column V or XIV is accepted for the relevant calculations.
2. The total of the relevant column is equal to the sum of the "Subtotals" in the previous lines for that column.

Form

No. 9-22

Additional part of the mathematical reserves on annuity insurance
(in case of non-increasing amount of insurance payments) _____

(insurer's (reinsurer's) name as of

_____20____

insurance class _____

Reinsurer groups	Reinsurers' share of the basis portion of the mathematical reserves	Coefficients by reinsurer groups %	Additional part of mathematical reserves (IIxIII)
I	II	III	IV
Group I reinsurers		0	
Group II reinsurers		15	
Group III reinsurers		25	
Group IV reinsurers		50	
Total		X	

Note:

Form

1. Column II shall indicate the corresponding "Subtotals" obtained under column V of Form No. 9-20 in Appendix No. 4 to this Regulation.
2. Column IV shall indicate the sum of the amounts in the previous lines under that column under the "Total" line.

No.9-23

Additional part of the mathematical reserves on annuity insurance (in case of increasing amount of insurance payments)

(insurer's (reinsurer's) name)
as of _____ 20____

insurance class _____

Reinsurer groups	Reinsurers' share of the basis portion of the mathematical reserves	Coefficients by reinsurer groups %	Additional part of mathematical reserves (IIxIII)
I	II	III	IV
Group I reinsurers		0	
Group II reinsurers		15	
Group III reinsurers		25	
Group IV reinsurers		50	
Total		X	

Note:

Form

1. Column II shall indicate the corresponding "Subtotals" obtained under column V or XIV of Form No. 9-21 in Appendix No. 4 to this Regulation.
2. Column IV under the "Total" line shall indicate the sum of the amounts in the previous lines under that column.

No. 9-24

Catactrophic risk reserves _____
 (insurer's (reinsurer's) name) as
 of _____ 20____
 insurance class _____

Item No.	Indicators	Line code	Amount
I	II	III	IV
1	CRR as of the end of the quarter prior to the reporting date	1000	
2	The portion of the insurance premium as of the reporting date attributable to the catastrophic risk coverage	1100	
3	The portion of the reinsurance premium as of the reporting date allocated to catastrophic coverage.	1200	
4	CRE as of the reporting date ("1000" + 12% x max("1100" - "1200"; 0))	1300	
5	The amount of insurance payments (net RBNS before insurance payments) for catastrophic risks for the quarter before the reporting date (excluding the reinsurer's share of insurance payments and deductibles under the insurance contract)	1350	
6	Net base insurance premium calculated for catastrophic risk coverage as the end of the calendar year (N-1)	1400	
7	Net base insurance premium calculated for catastrophic risk coverage as the end of the calendar year (N-2)	1500	
8	Net base insurance premium calculated for catastrophic risk coverage as the end of the calendar year (N-3)	1600	

Form

9	Net base insurance premium calculated for catastrophic risk coverage as the end of the calendar year (N-4)	1700	
10	Net base insurance premium calculated for catastrophic risk coverage as the end of the calendar year (N-5)	1800	
11	Final CRR as of the reporting date, $\min(\max("1300"- "1350";0); 150\% \times \max("1400"; "1500"; "1600"; "1700"; "1800"))$	1900	

Note:

1. In this form, the term "insurance (reinsurance) contracts" means insurance contracts and reinsurance contracts for risks accepted for reinsurance.

2. The line with code 1100 shows the amount corresponding to the quarter ending with the reporting date of column X of Form No. 9-10 in Appendix No. 4 to this Regulation. For savings insurance, this line shows the part of the insurance (reinsurance) premium paid in accordance with the Insurance (Reinsurance) Contract Log attributable to the catastrophic risk insurance (minus the commission fee).
3. The line with code 1200 shows the amount corresponding to the quarter ending with the reporting date of column X of Form No. 9-14 in Appendix No. 4 to this Regulation. For savings insurance, this line shows the proportionate part of one quarter of the part of the reinsurance fee calculated according to the Insurance (Reinsurance) Contract Log falling on the catastrophic risk insurance (minus the commission fee).
4. The net base insurance (reinsurance) fee calculated for catastrophic risk coverage at the end of the relevant calendar year is equal to the difference between the part of the insurance (reinsurance) fee falling on catastrophic risk coverage (minus the commission fee) and the reinsurance fee falling on catastrophic risk coverage in accordance with the Insurance (Reinsurance) Contract Log.

Net insurance reserves on life insurance

 (insurer's (reinsurer's) name) as of
 _____ 20____

(in manat)

No.	Components of insurance reserves	Classes (types) of insurance	Total amount	Share of reinsurers	Net insurance reserves (IV-V)
I	II	III	IV	V	VI
1	Mathematical reserves	Life insurance against death			
		Endowment insurance			
		Annuity insurance			
		Insurance against loss of work capacity			
		Insurance against terminal illness			
		Insurance against loss of occupational capacity as a result of labor accidents and occupational diseases			
		Subtotal			
2	Incurred but not reported loss reserves	Life insurance against death			
		Insurance against terminal illness			

		Insurance against loss of occupational capacity as a result of labor accidents and occupational diseases			
		Subtotal			
3		Life insurance against death			
	Reported, but not settled loss reserves	Endowment insurance			
		Insurance against terminal illness			
		Insurance against loss of occupational capacity as a result of labor accidents and occupational diseases			
		Subtotal			
4	Catastrophic risk reserves	Life insurance against death			
		Endowment insurance			
		Insurance against loss of occupational capacity as a result of labor accidents and occupational diseases			
		Subtotal			
5	Contingent liability reserves	Insurance against loss of occupational capacity as a result of labor accidents and occupational diseases			
		Subtotal			
Total	X	X			

Note:

1. Column IV shall indicate the total amounts of Forms Nos. 9-1 and 9-9, 9-2 and 9-18, 9-3 and 9-22, 9-4 and 9-23 in Appendix No. 4 to this Regulation, respectively, for insurance classes for which mathematical reserves are determined, and column V shall indicate the total amounts of Forms Nos. 9-8, 9-17, 9-20 and 9-21.

2. Column IV shall indicate the final amount of Form No. 12 in Appendix No. 4 to this Regulation, and column V shall indicate the final amount of Form No. 16, for insurance classes for which the reserve for incurred but not reported losses is determined.

3. Column IV shall indicate the final amounts of Forms No. 9-5 and 9-6 in Appendix No. 4 to this Regulation, and column V shall indicate the final amounts of Forms No. 9-13 and 9-19 in Appendix No. 4 to this Regulation, respectively, for insurance classes for which the reserve for reported but not settled losses is determined.

4. Column IV for insurance classes for which the reserve for catastrophic risks is determined shall indicate the final amount of Form No. 9-24 in Appendix No. 4 to this Regulation.

5. Columns IV, V and VI of the "Total" row indicate the sum of the "Subtotals" in the previous rows of those columns.