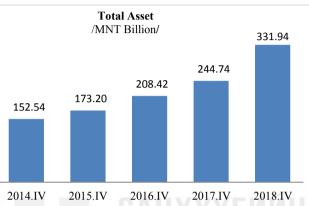


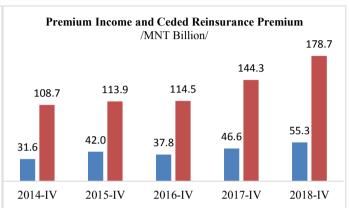
# Insurance Market in Mongolia

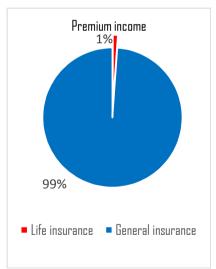
#### **Brief Information**

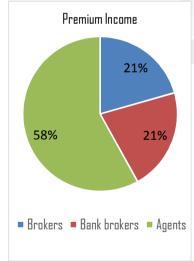


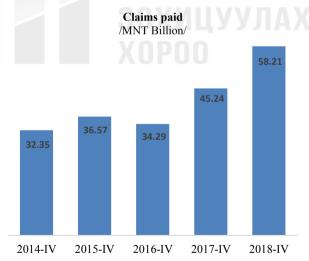
№		2014	2015	2016	2017	2018	2019
1	General insurance company	16	15	15	15	15	15
2	Life insurance company	1	1	1	1	1	1
3	Reinsurance company		1	1	1	2	2
4	Insurance representative	3260	3340	3091	2893	2430	2493
5	Insurance broker	30	37	40	42	49	52
	Bank	8	8	9	9	9	9
6	Insurance loss Adjuster	20	27	31	29	27	26
7	Actuary	15	15	15	21	28	30
8	Audit Company	30	40	42	42	43	44















0.56%

15\$

1\$=2667.08 /2019-10-01/

### Legislation and regulatory framework





Civil Law

Law on Insurance (2004)

Law on Insurance Intermediaries (2004)

Law on the driver's liability insurance (2011)

Law on Index-based Livestock Insurance (2014)

Package/set of insurance regulations

Other applicable legislations.

#### **Risk Management System**

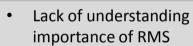
#### To improve the Regulatory Risk Management System for Mongolian Insurance industry

#### **Current Status**





#### What should be done



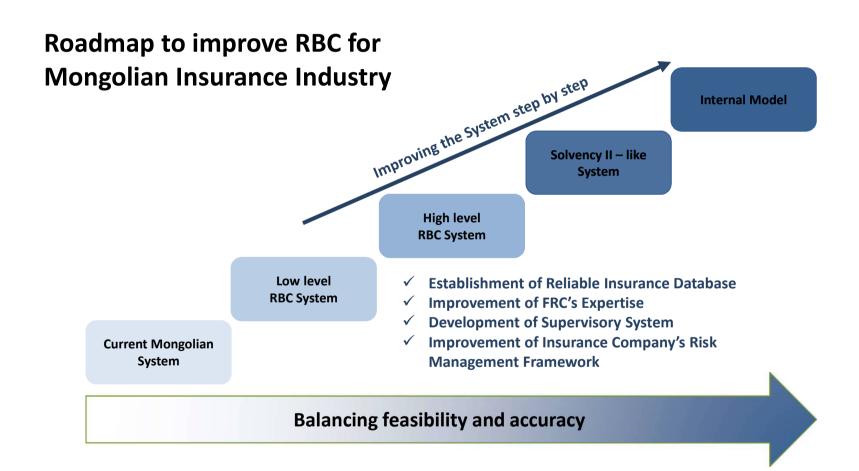
- Lack of reliable database
- Lack of good regulatory system
- Lack of expertise
- **Mongolian RMS** is far behind global standards

- Study RMS in other countries
  - ✓ Solvency II
  - RBC
- Design roadmap for development of RMS
- Educate peoples
- Establishment of insurance database
- Expand good practices in RM

#### **Suggestions**

- To take step by step approach
- Establishment of reliable database is essential
- RMS conforming with global standards
- FRC should be powerful enough for the implementation of the system
- · Communication with industry is important

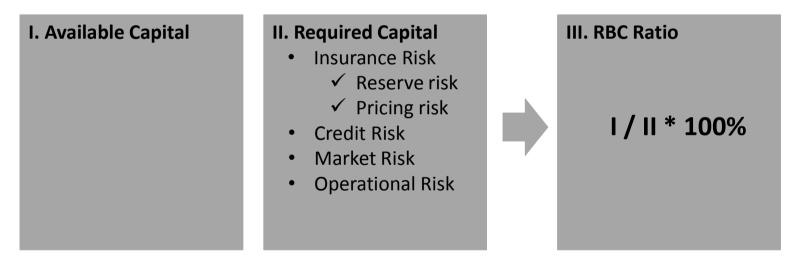
#### **Risk Based Capital**



#### **Risk Based Capital**

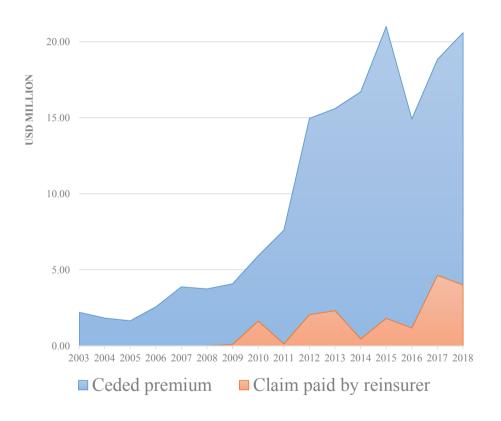
#### First Step for Mongolia: Low Level RBC System, Pillar I

#### **Components of the System**



#### REINSURANCE

#### Reinsurance premium and paid claim



#### Average of the last 5 years (2014-2018) by USD million

Reinsurance premium   Share   Reinsurance premium   Property   9.2   50%   56%   0.4   18%   19%   1.8   10%   44%   0.2   8%   24							
Liability 1.8 10% 44% 0.2 8% 24%   Construction 1.6 9% 83% 0.7 30% 53%   Avaition liability 1.6 8% 85% 0.03 1% 19%   Avaition 1.1 6% 85% No loss 0% No loss   Casualty 1.0 6% 16% 0.3 14% 16%   Vehicle 0.6 3% 7% 0.3 11% 7%   Cargo 0.5 3% 42% 0.2 7% 21%   Others 1.0 5% 0.3 1%	Business line		Share	premium)/ (Insurance		Share	paid claim)/ (Insurance paid
Construction 1.6 9% 83% 0.7 30% 53%   Avaition liability 1.6 8% 85% 0.03 1% 19%   Avaition 1.1 6% 85% No loss 0% No loss   Casualty 1.0 6% 16% 0.3 14% 16%   Vehicle 0.6 3% 7% 0.3 11% 7%   Cargo 0.5 3% 42% 0.2 7% 21%   Others 1.0 5% 0.3 1%	Property	9.2	50%	56%	0.4	18%	19%
Avaition liability 1.6 8% 85% 0.03 1% 19% Avaition 1.1 6% 85% No loss 0% No loss Casualty 1.0 6% 16% 0.3 14% 16% Vehicle 0.6 3% 7% 0.3 11% 7% Cargo 0.5 3% 42% 0.2 7% 21% Others 1.0 5% 0.3 1%	Liability	1.8	10%	44%	0.2	8%	24%
Avaition 1.1 6% 85% No loss 0% No loss   Casualty 1.0 6% 16% 0.3 14% 16%   Vehicle 0.6 3% 7% 0.3 11% 7%   Cargo 0.5 3% 42% 0.2 7% 21%   Others 1.0 5% 0.3 1%	Construction	1.6	9%	83%	0.7	30%	53%
Casualty 1.0 6% 16% 0.3 14% 16%   Vehicle 0.6 3% 7% 0.3 11% 7%   Cargo 0.5 3% 42% 0.2 7% 21%   Others 1.0 5% 0.3 1%	Avaition liability	1.6	8%	85%	0.03	1%	19%
Vehicle 0.6 3% 7% 0.3 11% 7%   Cargo 0.5 3% 42% 0.2 7% 21%   Others 1.0 5% 0.3 1%	Avaition	1.1	6%	85%	No loss	0%	No loss
Cargo 0.5 3% 42% 0.2 7% 21%   Others 1.0 5% 0.3 1%	Casualty	1.0	6%	16%	0.3	14%	16%
Others 1.0 5% 0.3 1%	Vehicle	0.6	3%	7%	0.3	11%	7%
	Cargo	0.5	3%	42%	0.2	7%	21%
Total 18.4 100% 33% 2.4 100% 13%	Others	1.0	5%		0.3	1%	
	Total	18.4	100%	33%	2.4	100%	13%

## Thank You! Q&A