

REINSURANCE IN BELARUS: MARKET ANALYSIS AND NEW CHALLENGES IN MODERN CONDITIONS

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Abstract

Background and Objective: Reinsurance plays an important role in ensuring the financial stability of the insurance company and is one of the effective mechanisms of risk management. Through reinsurance operations the insurer reduces the risk of losses from direct insurance; it creates a source of additional income for the insurance company, an opportunity to enter into insurance contracts for high sums insured, to enter new markets and new types of insurance, regulation of the ratio between the amount of equity and the volume of insurance operations. The aim of the study is to analyse the Belarusian reinsurance market and its adaptability to market uncertainty and sanctions.

Materials and methods: The analysis is based on data from the Ministry of Finance, the National Bank of the Republic of Belarus, the Belarusian National Reinsurance Organization (BNRO). Methods of analysis and synthesis; comparative, systematic and statistical analysis; method of generalizations; graphical, etc. are used.

Results: The current state and structure of the reinsurance market in the Republic of Belarus for 2015–2020 is analyzed. The functioning of the BNRO and its impact on the Belarusian market is assessed. It gives the data reflecting the main problems of reinsurance in Belarus as well as the ways of their solution in the conditions of sanctions restrictions.

Practical implication: The results of the analysis will contribute to increasing the profitability of reinsurance in the country, the sustainability of the insurance market and the growth of insurance in the GDP of the Republic of Belarus, as well as to developing directions for the further development of reinsurance.

Conclusion and summary: Reinsurance in the Republic of Belarus is mainly focused on protection of small and medium sized risks and has an adequate infrastructure for this purpose. Belarus has insurance legislation in place, which is aimed at improving the quality of reinsurance activities and strengthening the sustainability of the reinsurance market.

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However, it also has a number of problems, the key ones being separate restrictions on ceded risks, prohibition on transfer of life insurance risks, etc. Equity capital both by reinsurers and by the market as a whole has a positive trend. However, the opposite situation was observed in comparable prices. The reason for the negative dynamics of the indicator is the gradual reduction in the number of insurers in the market. The facultative form of reinsurance contracts prevails in reinsurance in the Republic of Belarus. It may also be noted that the national practice is dominated by domestic reinsurance; during the period 2016–2020 more than half of the risks were ceded for reinsurance only to the insurance companies of the Republic of Belarus. This is due to the peculiarities of government regulation and current legislation. In addition, the reason is the country rating and, as a consequence, the rating of the Belarusian National Reinsurance Organization in the international reinsurance market, as well as the limited financial capacity of the reinsurer. The Belarusian insurance and reinsurance market will develop under tough conditions in the coming years. due to a further decline in real household incomes, sanctions restrictions and insufficient insurance market capacity.

Keywords: reinsurance market, cedent, facultative and obligatory reinsurance, retrocession, retention, financial reinsurance.

JEL classification: G22, O16, P43

Paper type: *research study*.

1. Introduction

In every country reinsurance is used as a tool to improve the financial stability and solvency of an insurance company. The history of reinsurance goes back more than 200 years: the first reinsurance contract was concluded in Germany in 1820. At the middle of XIX century there appeared specialized reinsurers: Reinsurance Association of Cologne (1846), Swiss Reinsurance Association (1863), Munich Reinsurance Association (1880), Russian Reinsurance Association (1895). At first reinsurance covered marine transport risks, later – fire risks, later reinsurance covered a wide range of risks. Reinsurance was practically nonexistent in the Soviet Union, as state-owned insurance organizations were established. In fact, insurance played a role in replenishing the state budget. The only exception was the export and import insurance operations of the USSR Gosstrakh (the first reinsurance contract was concluded in 1924 with the London Insurance Company).

At present, reinsurance is a prerequisite for the financial stability of an insurance company by enabling it to enter into insurance contracts for sums insured in excess of the insurer's ability to guarantee its obligations and to form an insurance portfolio balanced by object, sum insured, insured risk and region. No insurer, even one with significant assets, would be able to insure large risks without reinsurance. The reinsurance market is based on the principle of risk reallocation between insurance and reinsurance companies.

At present, the possibility of cooperation with some foreign reinsurance companies is limited for Belarus due to the introduction of sanctions, so reinsurers need to look for alternative opportunities to place risks of insurance companies.

The subject matter of the research undertaken by the author is the organization of reinsurance relations in the Republic of Belarus under current conditions. The purpose of the study is to analyze the Belarusian reinsurance market and possibilities of its adaptation under the conditions of market uncertainty and sanctions restrictions. In order to achieve this objective the following tasks should be solved in the article: to analyze the dynamics of the reinsurance market; to reveal the current structure of the reinsurance market in Belarus; to evaluate the influence of the Belarusian national reinsurance organization on the insurance market; to analyze the influence of external and internal factors on the state of reinsurance operations.

2. Literature review

The development of reinsurance is of great importance to the economy of the country due to the role of reinsurers as guarantors of the reinsurer's assumed obligations to minimize risks and compensate for losses when insured events occur. In addition, the reinsurance system is, together with insurance, an important source of replenishment of the state budget and inflow of foreign currency into the country.

The article uses materials of scientific publications of foreign and domestic authors on insurance and reinsurance. Theoretical and methodological aspects of reinsurance essence are described in works of Arkhipov (2019), Zhuravlev (1993), Pfeiffer (2000).

The issues of organization of reinsurance, use of its forms and types in activity of insurance company, economic efficiency are investigated in works of Ananenko (2019), Antonovich (2014), Krupenko (2017), Yuldashev (2017).

The study of reinsurance problems was carried out taking into account general insurance theory and determining the place of reinsurance in it: Verezubova (2021), Zaitseva (2015), Korjenevskaya (2017, 2019), Shanina, Shavlyuga (2021).

The author used the works of such scientists as Turbina (2015), Tsyganov (2015) to study the issues of reinsurance assessment in view of integration processes and introduction of economic sanctions.

3. Materials and methods

General scientific methods, methods of strategic analysis, expert evaluations, statistical methods, methods of economic and financial analysis were used as methodological basis of the research. Objectivity of applied methods of research, use of works of domestic and foreign scientists in the field of insurance and reinsurance confirms reliability and validity of the conclusions presented in the article. The

results received in the work contain theoretically correct methodical elaborations necessary for the decision of questions of increase of efficiency of the market of reinsurance.

The materials of scientific and practical conferences, periodicals on the problem under study, statistical data of the National Bank, the Ministry of Finance of the Republic of Belarus, the State Enterprise “Belarusian National Reinsurance Organization” (BNRO), the Belarusian Association of Insurers were used as the information base for the practical part of the study.

The author used the graphical method to present the results of the study.

4. Insurance market analysis of the Republic of Belarus for 2015–2020

The development of reinsurance is inextricably linked with the development of the insurance market. Increasing uncertainty and instability in the external environment and a slowdown in economic development in recent years have had a negative impact on national insurance systems, whose development is directly dependent on the state of the macroeconomic environment (Korjenevskaya, 2017).

As of 01.01.2022, there are 16 insurance companies operating in the insurance market of Belarus, with the bulk of insurance business in terms of the amount of accrued insurance premiums in the country concentrated in 10 insurance companies (mostly state-owned).

Belarus is constantly amending its current legislation, but the insurance market still remains heavily regulated. Thus, according to the Belarusian legislation: compulsory insurance can be provided only by state-owned insurance companies or companies with more than 50% state participation in the charter capital; state enterprises and enterprises with a controlling interest in which the state owns a stake cannot insure the lives of their employees in non-government insurance companies (there are also many interrelated problems caused by objective reasons and subjective circumstances that hinder the development of the segment).

The insurance market in Belarus is characterized by a rather low share of insurance premiums in gross domestic product (GDP). This indicator has changed insignificantly over the 10 years. In 2020, the share of insurance premiums as a share of the country’s GDP was 1.03%. In terms of this indicator, Belarus lags behind most European countries, where it ranges on average from 2.5% to 11.0%. The global average contribution-to-GDP ratio in 2020 was 7.4%.

Figure 1 shows the evolution of the share of insurance in GDP in the Republic of Belarus.

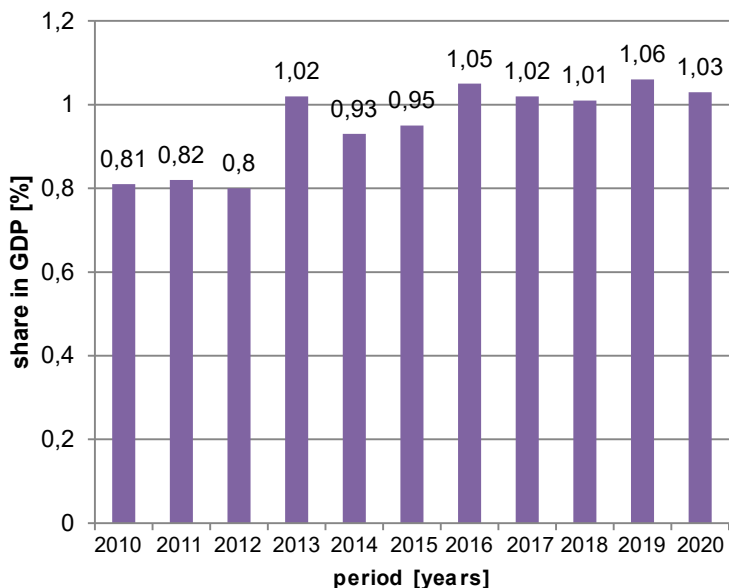


Figure 1. Share of insurance premiums in GDP in the Republic of Belarus 2010–2020

Source: own study based on (Ministry of Finance and the National Bank of the Republic of Belarus, 2010–2020).

The average premium per capita in 2020 in developing countries in Europe, the Middle East and Africa was USD 80, the global average USD 809, while in Belarus the insurance density in 2020 was only USD 66.3, a decrease of USD 5.0 compared to 2019 (Shanina, Shavlyuga, 2021).

The dynamics of insurance premiums and claims for 2018–2020 in the Republic of Belarus are presented in Figure 2.

According to official statistics of the Ministry of Finance of Belarus, premiums of insurance organizations of Belarus for direct insurance and coinsurance increased by 14.5% in 2019 and by 7.6% in 2020. At the same time, premiums for voluntary insurance contracts have increased by 20,2% in 2019 and by 9,3% in 2020 and amounted to 940,3 million. The amount of insurance premiums under obligatory insurance agreements increased by 6.5% in 2019 and by 4.9% in 2020, and amounted to P569.9 million as at 01.01.2021.

The growth rate of insurance contributions for 2020 compared to 2019 was 107.6%, but in US dollar terms the volume of assessed contributions decreased by 7.6% (figures presented in dollar equivalent are calculated taking into account the average official exchange rate of the Belarusian ruble to the US dollar as set by the National Bank of the Republic of Belarus).

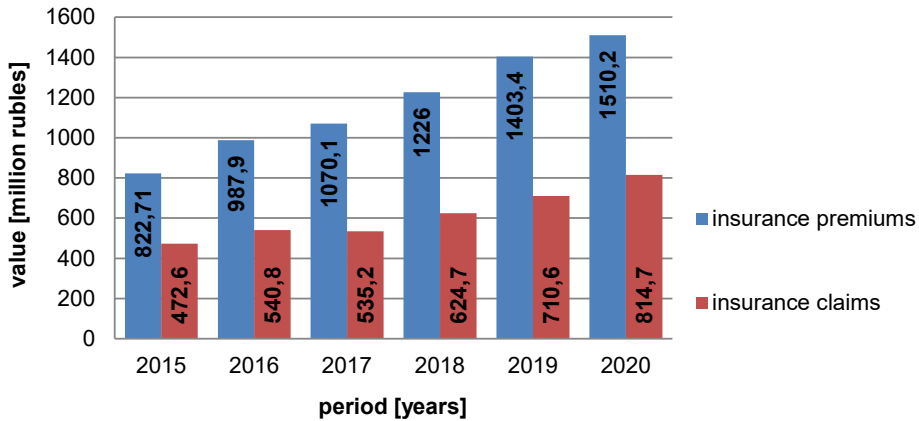


Figure 2. Dynamics of insurance premiums and claims in Belarus 2015–2020

Source: own study based on (Ministry of Finance of the Republic of Belarus, 2015–2020).

In 2020, insurance indemnity and insurance coverage payments totaled BYR814.7 million (the equivalent of USD 334.6 million) and exceeded this indicator for 2019 by BYR104.1 million. The level of insurance premiums as a proportion of total insurance premiums for 2020 increased by 3.3 percentage points compared to 2019, amounting to 53.9%. Compared to the previous year of 2019, total insurance benefits in 2020 increased by 14.7% (in US dollars – decreased by 1.5%).

Thus, despite the expansion of the range of insurance products, the increase in the financial resources of insurance organizations, and improvements in legislation, the potential of the national insurance industry as a tool to reduce the likelihood of insured events and provide insurance protection has not been sufficiently exploited. Premium receipts in dollar terms have declined.

Under these circumstances, losses arising from large and dangerous insurance risks can cause insurer insolvency, leading to financial bankruptcy.

5. Reinsurance dynamics in the Republic of Belarus for 2015–2020

Reinsurance serves as a tool to protect the insurance company from the impact of various risks, provides additional financial capacity for the direct insurer to accept risks for insurance, secondary distribution of the risk accepted for insurance, etc. The insurance objects in the Belarusian insurance market increasingly include: spacecraft, shopping malls, logistics and hotel complexes, software, nuclear power plant, etc. As a consequence, the outward and inward reinsurance mechanism is becoming increasingly important. The main types for which reinsurance protection is purchased in Belarus are insurance of property interests of legal entities and business

interruption, insurance of construction and erection risks and civil liability during construction works, cargo insurance and insurance of entrepreneurial risks.

Reinsurance in Belarus has developed at a steady pace in recent years, despite some unfavorable external and internal factors.

For 2020 reinsurance premiums for risks assumed in reinsurance amounted to RUB 139.6 million. Reinsurance premium growth rate for 2020 compared to 2019 was 133.7%. For 2020 reinsurance premiums for risks ceded to reinsurance amounted to 115.6 million rubles and decreased by 3.7 million rubles, or 3.1% compared to 2019. In dollar terms, there was a 16.7% decrease in reinsurance premium in 2020 compared to 2019 (USD 47.5 million versus USD 57.0 million respectively). The decrease in reinsurance premium for ceded risks is due to the fact that insurers in the republic retained in their own retention under ceded and retrocession insurance contracts RUB 110.6 billion of liability, an increase of 5.0% compared to the previous year.

Figure 3 shows the dynamics of reinsurance premiums in the Republic of Belarus.

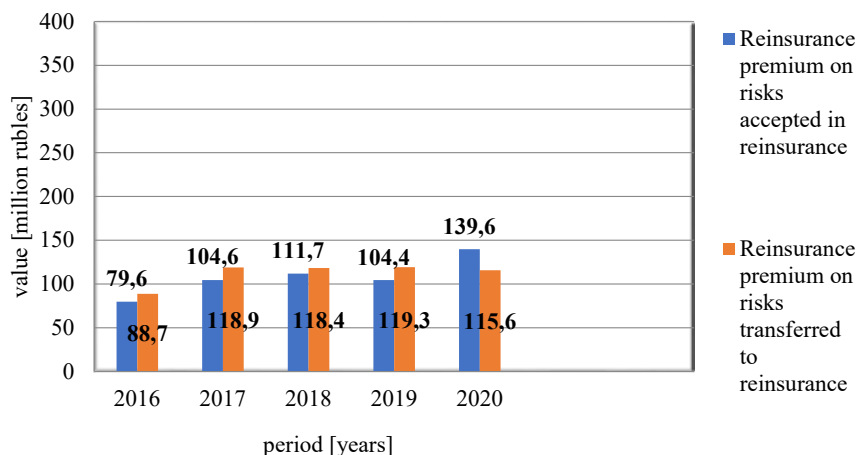


Figure 3. Dynamics of reinsurance premium in the Republic of Belarus 2016–2020

Source: own study based on (Ministry of Finance of the Republic of Belarus, 2016–2020).

The number of reinsurance and retrocession contracts concluded decreased by 43.6% in 2020 compared to 2019. The slowdown in the Belarusian reinsurance market is due to a slowdown in the growth of the insurance market in Belarus, which is due to the unfavorable epidemiological situation, the consequent closure of borders by other countries and preventive measures to prevent the spread of infection caused by the SARS/CoV 2019 coronavirus, as well as sanctions measures.

The dynamics of the number of contracts transferred to reinsurance and retrocession for 2015–2020 is shown in Figure 4.

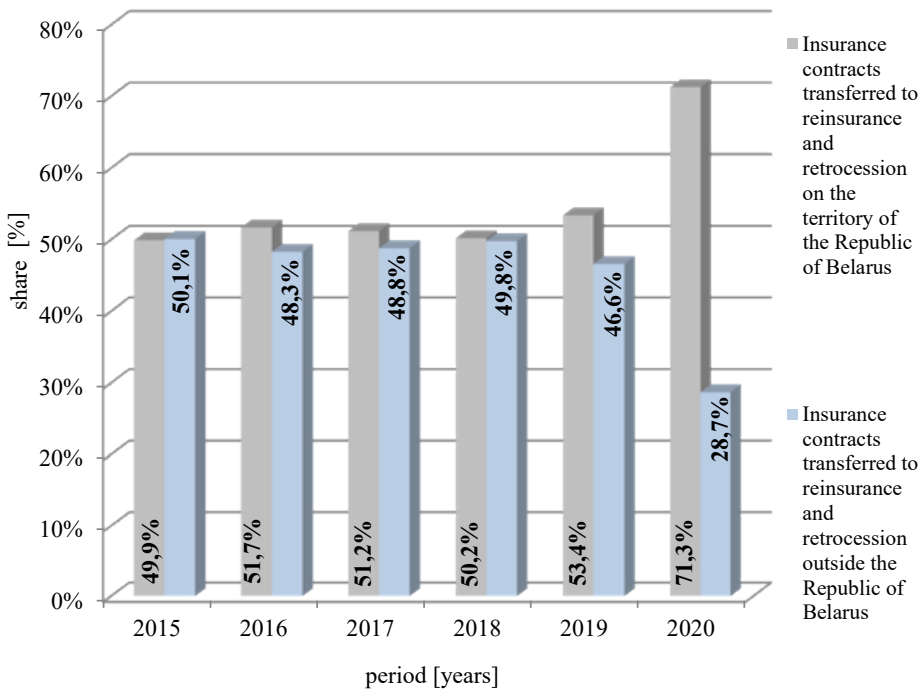


Figure 4. Dynamics of the number of insurance contracts transferred to reinsurance and retrocession 2015–2020

Source: own study based on (Ministry of Finance of the Republic of Belarus, 2015–2020).

The analysis of Figure 4 shows that during 2015–2020 most of the contracts ceded by market participants to reinsurance and retrocession were placed in Belarus. This is due to the peculiarities of government regulation and current legislation, which aim to reduce currency outflows abroad. Residents of the Republic of Belarus were ceded 80.9 million rubles (70.0%) of premiums in 2020, non-residents – 34.7 million rubles (30.0%).

The insurance legislation of the Republic of Belarus is in place and is aimed at improving the quality of reinsurance activities and strengthening the sustainability of the reinsurance market. However, it also has a number of problems, the key ones being — monopolization of the reinsurance market, ban on transfer of life insurance risks into reinsurance, etc.

Equity capital and capacity of the insurance market both in terms of insurance organizations of the Republic of Belarus and in the market as a whole had a positive dynamics. However, in comparable prices the situation was reversed. The reason for the negative dynamics of the indicator is the gradual reduction in the number of insurers in the market. Property insurance has a large share in the total amount of reinsurance premiums. This is due to the fact that this industry is characterized

by complicated risks with considerable sums insured. The majority of ceded and retrocession contracts are placed in Belarus. This is due to the peculiarities of state regulation and current legislation.

The State Enterprise “Belarusian National Reinsurance Organization” (BNRO), founded by the Government of the Republic of Belarus, plays the leading role in the reinsurance market in Belarus. The state reinsurer reinsures wide range of insurance types, such as: insurance of property of legal entities and construction and installation risks; aviation risks insurance; civil liability insurance of vehicle owners in “Green Card” system; insurance of financial risks; cargo insurance, space risks insurance, etc.

As a state-owned reinsurer, until May 2019, BNRO was the only state-owned reinsurer entitled to external cession and purchase retrocession protection in international markets, i.e. external cession was prohibited by law and all risks were placed only in the domestic market at BNRO. Today, insurance companies have the right to independently reinsure the risks of voluntary insurance left by them on their own retention with foreign reinsurers. At the same time the following requirements should be observed: inclusion of foreign insurance (reinsurance) organizations for reinsurance purposes in the register of the Ministry of Finance of the Republic of Belarus; possession of a rating by an international rating agency (not lower than the sovereign rating of the state where the foreign insurance organization is established); reinsurance rate cannot exceed the reinsurance rate offered by BNRO for risk reinsurance; the remuneration from foreign reinsurer, cannot be lower than the remuneration

Let’s analyse the dynamics of equity and authorized capital of BNRO. The data is presented in Figure 5.

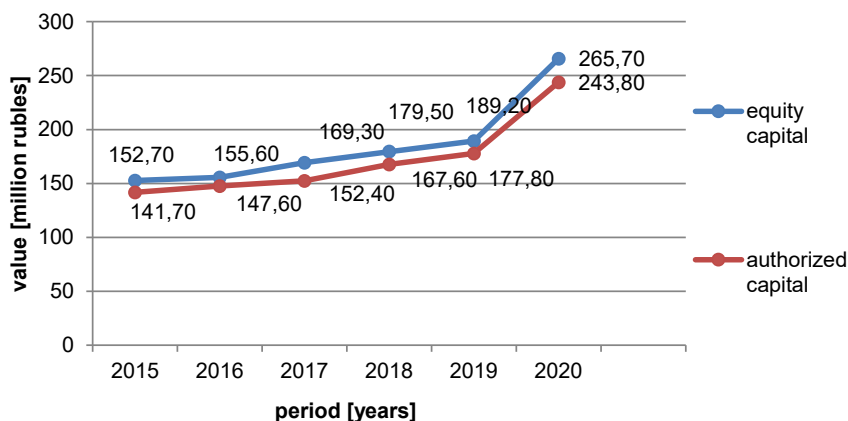


Figure 5. Dynamics of BNRO’s equity and authorized capital for 2015–2020

Source: own study based on (Ministry of Finance of the Republic of Belarus, 2015–2020).

The analysis of the dynamics of equity and share capital reflects an increase in the indicators over 5 years. These indicators also show a positive trend for 2020. The evolution of the national reinsurer's net income is shown in Figure 6.

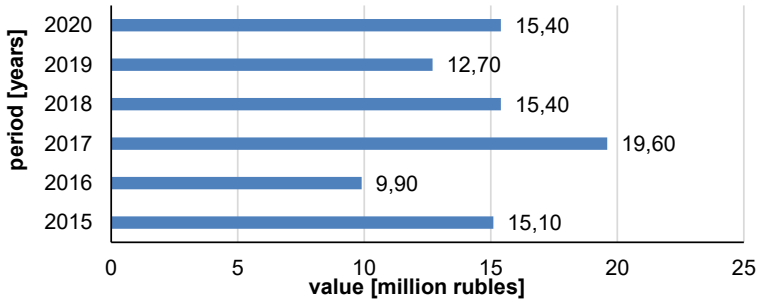


Figure 6. Dynamics of BNRO's net profit for 2015–2020

Source: own study based on (Ministry of Finance of the Republic of Belarus, 2015–2020).

Net profit growth rate in 2016 – 65.66%, in 2017 – 197.68%, in 2018 – 78.97%, in 2019 – 82,30%. Net profit for 2020 was 15.4 million rubles. According to this indicator, BNRO ranks first in the insurance market of the Republic of Belarus, ahead of BRUSP Belgosstrakh (market share in insurance premium collection of over 50%) and BRUPEIS Beleximgarant, which have a large equity capital.

BNRO's reinsurance portfolio is constantly expanding. Based on performance in 2020, 16,112 contracts were concluded.

The evolution of the number of reinsurance contracts from 2015 to 2020 is shown in Figure 7.

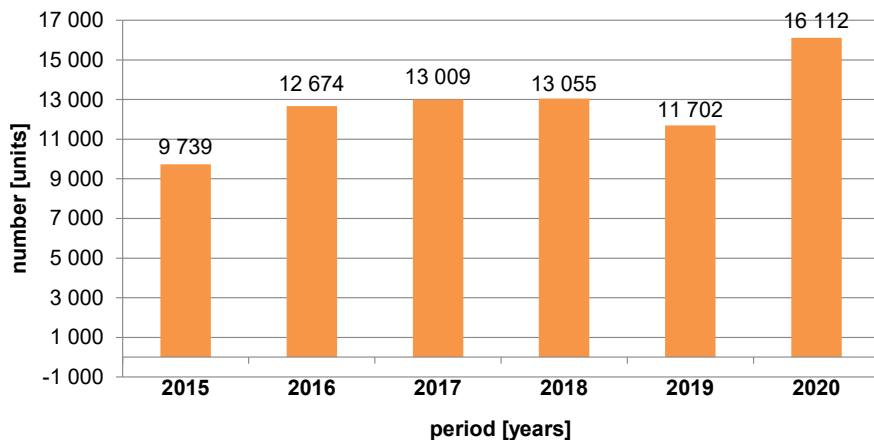


Figure 7. Dynamics of the number of reinsurance contracts concluded by BNRO for 2015–2020

Source: own study based on (BNRO, 2015–2020).

The figure shows that in 2019 there are 1,354 fewer contracts than in 2018, but despite this, the amount of premium written has increased compared to the previous year, which indicates the active work of the state enterprise to conclude obligatory reinsurance contracts, which allow receiving bordering of premiums and losses without the need to conclude a separate reinsurance contract for each risk. In 2020, BNRO concluded the maximum number of contracts during the analyzed period. Cooperation agreements were concluded with 13 foreign insurance pools, which enabled the Belarusian Nuclear Insurance Pool to participate in reinsurance of foreign nuclear risks. In 2020, the reinsurance portfolio of BNRO increased due to participation in risks of Latin America, Africa and Asia. The Belarusian Nuclear Insurance Pool has provided reinsurance coverage in respect of property risks and risks of civil liability for nuclear damage of such states as Canada, Hungary, the UAE, Ukraine, the Russian Federation.

Consider the dynamics of the amount of liability assumed during the period under review (Figure 8).

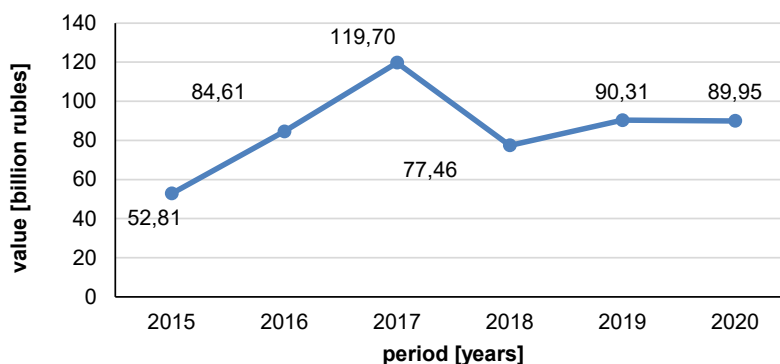


Figure 8. Dynamics of the total premiums received by BNRO under contracts of direct insurance for 2015–2020

Source: own study based on (BNRO, 2015–2020).

The dynamics presented in Figure 8 show a decrease in the amount of accepted responsibility in recent years. BNRO's accepted liability figure for 2020 is RUB 89.95 billion (2019: RUB 90.31 billion). It should be noted that the types of insurance that account for the largest amount of accepted liability each year remain unchanged. This is due to the large sum insured for these risks and the renewal of their insurance programs on an ongoing basis. These include: Belavia and Transaviaexport Airlines' civil liability and hull insurance of aircraft owners, vehicle owners' civil liability in the Green Card system, property insurance of such industrial domestic giants, The company provides insurance coverage for such industrial giants as Gazprom Transgaz Belarus, Belarusian Potash Company (also cargo risks), Mozyr Refinery,

Naftan, RUE PA Belorusneft, Belgips, Stadler Minsk, Belji, reinsurance of risks of BELINTERSAT-1 communications satellite operation, etc.

The dynamics of the signed and received BNRO award for 2015–2020 are shown in Figure 9.

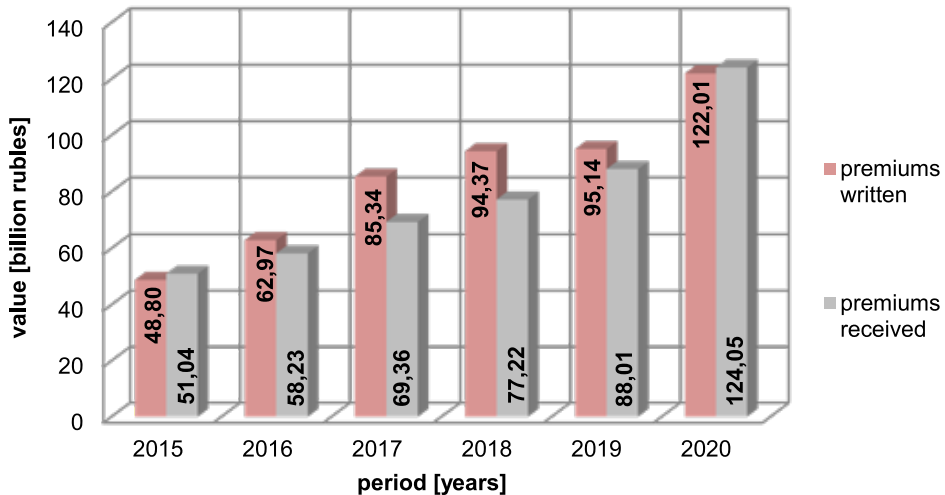


Figure 9. Dynamics of the volume of reinsurance premiums written and received by BNRO from 2015 to 2020

Source: own study based on (BNRO, 2015–2020).

The growth rate of premium written in 2020 compared to 2019 was 128.24%. The growth rate of premium received in 2020 compared to 2019 was 140.95%. The dynamics of written and received reinsurance premium in the period under review has a positive trend, which indicates a qualitative revision of the company's insurance portfolio, active work with foreign partners in terms of taking risks from them, which usually have higher insurance rates compared to the risks of the domestic market.

The structure of the written reinsurance premium of a state-owned company by type of insurance is shown in Figure 10.

The structure of premiums written by the state enterprise in 2020 is presented by types of insurance as follows: property insurance – 44.19%; aviation risk insurance – 12.61%; construction and installation risk insurance – 7.26%; catastrophic risk insurance – 6.13%. It should be noted that the specific weight of risks signed with companies from CIS countries in the total portfolio of the state enterprise is decreasing due to expansion of cooperation with companies from other regions of the world: Central and South America, Africa, Middle East, etc.

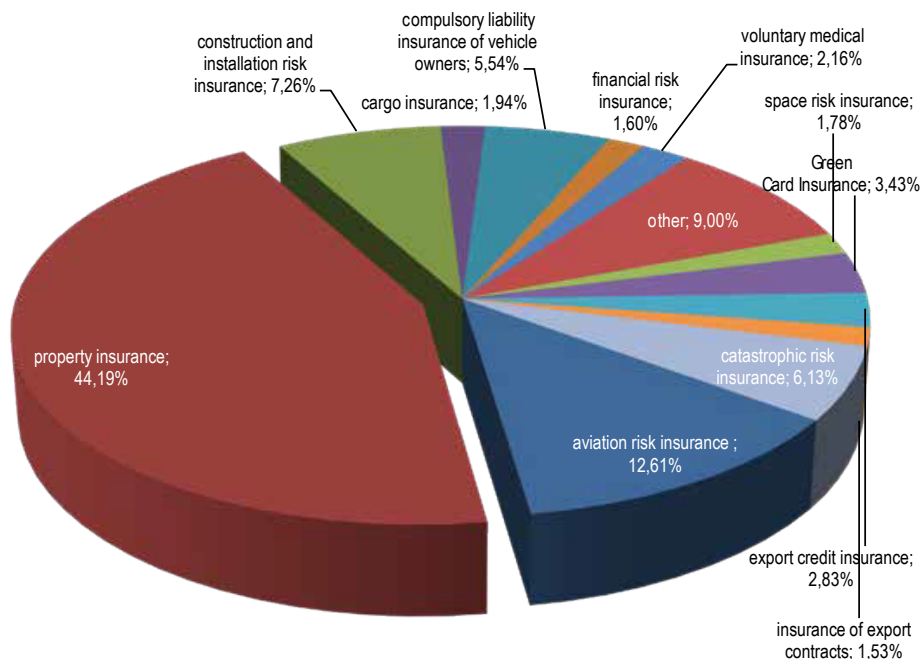


Figure 10. Structure of reinsurance premiums written by state-owned enterprise by type of insurance in 2020

Source: own study based on (BNRO, 2020).

In Belarus, reinsurance has been predominantly in facultative form until recently. The ratio of reinsurance contracts entered into by the reinsurance organization by form is shown in Figure 11.

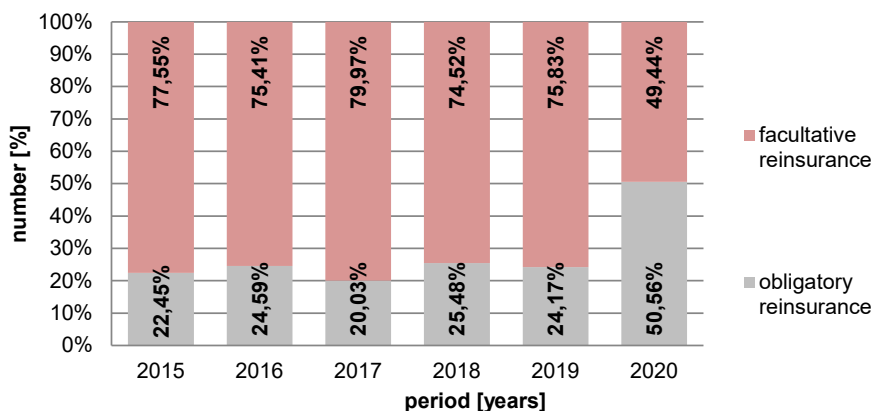


Figure 11. Dynamics of reinsurance premium written and received by BNRO by form of reinsurance 2015–2020

Source: own study based on (BNRO, 2015–2020).

During 2015–2019, the ratio of forms of reinsurance in BNRO's portfolio changed insignificantly (with predominance of facultative reinsurance), which is a disadvantage because facultative reinsurance does not fully perform the main functions of the secondary liability distribution market, but only provides spot risk management in the insurer's portfolio. Facultative reinsurance does not always provide the direct insurer with the necessary reinsurance protection. Also, the management of the facultative reinsurance contract portfolio increases the insurer's maintenance and renewal costs.

In 2019, facultative reinsurance contracts accounted for 75.83% and 24.17% of obligatory reinsurance. However, already in 2020, the share of facultative reinsurance contracts decreased to 49.44% and the share of obligatory reinsurance, on the contrary, increased significantly to 50.56%. This trend is related to the fact that in recent years, in order to expand interaction with the international market for attracting reinsurance premiums to the Republic of Belarus, cooperation agreements in the field of reinsurance (retrocession) have been actively concluded. Agreements with insurance and reinsurance companies have been concluded: Pingan Property & Casualty Insurance Company of China, LTD (China); JSC Insurance Company KAFOLAT (Kazakhstan), Europa Re Ltd (Switzerland); with broker companies: Beacon Insurance Brokers PVT. LTD (India), Kay International plc (UK), UlysseRe SIA (Latvia), Alesco Risk Management Services Limited (UK).

Belarusian companies participate in the obligatory cargo reinsurance program of a major Russian company and also provide foreign partners with their capacity for facultative transactions. However, sanctions restrictions from the EU countries and the USA reduce available reinsurance capacity for Belarus, forcing it to cooperate with reinsurers from Russia and CIS countries. Since mid-2021, following the introduction of sanctions, retrocessional obligatory programs, led by insurance and reinsurance companies representing the EU and the US, have been closed to Belarusian risks.

6. Conclusions

Reinsurance is a universal way of protecting an insurance company, an opportunity for the insurer to carry out new types of insurance, to gain valuable experience and advice from foreign companies. Reinsurance, while allowing for the financial stability of an insurance company in the event of a large payout, can also be seen as a business tool. It is in this area that the received reinsurance premiums are accumulated at a relatively low cost, thereby predetermining its profitability.

In the course of the research it was determined that reinsurance in the Republic of Belarus faces new challenges in the context of market uncertainty and introduction of economic sanctions which coincided with changes in the national legislation. Liberalization of reinsurance activity provided insurance companies of the Republic

of Belarus with more opportunities to build their reinsurance business model and allowed them to enter the global insurance and reinsurance market.

However, in the current environment of sanctions restrictions, the possibility of cooperating with some foreign reinsurance companies is limited. Reinsurance of risks was carried out in accordance with the legislation in BNRO, which placed risks in secondary reinsurance (retrocession), moreover, in compliance with the requirements of aircraft lessors – in the international, mainly European insurance (re-insurance) market. Unfortunately, the sanctions ban on the provision of insurance and reinsurance services to the government of the Republic of Belarus, Belarusian state bodies and institutions, companies and agencies has effectively stopped the placement of large risks in the international insurance market. As a result, Belarusian insurance companies are more focused on the national market. Besides, the low capitalization of insurance companies weakens the competitive position of Belarusian reinsurers compared to reinsurers not only in the non-CIS countries, but also in the CIS countries. The search for alternative reinsurance markets has shown that the provided capacities are so insignificant that they cannot meet the needs of placing even small volume risks.

In order to further develop insurance activities, to overcome the negative consequences of the imposed sanctions, and to provide adequate insurance protection to the largest enterprises, the reinsurance procedure in the Republic of Belarus has been amended. According to the new procedure for carrying out reinsurance activities, the priority reinsurers along with BNRO may be any Belarusian insurance companies with the equity capital of not less than 25 million Belarusian rubles (as of 1.04.2022 – 8494,156.02 USD at the exchange rate of the National Bank of the Republic of Belarus. The adopted amendments allowed the insurance companies to be in the position of insurers). The adopted amendments allowed insurance companies to place risks in the required volume on their own. However, the leading insurers of the country refuse to provide reinsurance coverage in the large risk market.

In order to overcome the emerging problematic issues, to make optimal use of the available capacity of the national insurance market, to reduce the risk burden and to ensure the safe functioning of the entire insurance market, the following factors should be taken into account:

1. The possibility of introducing new and extending existing economic sanctions against insurance and reinsurance market participants.
2. Inaccessibility of reinsurance capacity in developed countries for Belarusian companies. The liberalization of reinsurance legislation has greatly improved the situation in terms of decision-making by insurers themselves to enter into large contracts, but foreign partners are not willing to participate in reinsurance of risks of Belarusian companies, despite the absence of effective sanctions against specific insurance organizations in Belarus.

3. A reduction in reinsurance capacity in the face of an adverse situation in any line of business, accompanied by an increase in reinsurance rates.
4. A reduction in the number of insurers and in the intensity of competition between insurers. This should be compensated by state regulation and self-regulation of the reinsurance market to improve the transparency of insurance services and products.

Integration projects within the EAEU should take into account the interests of the insurance market and stimulate the strengthening of reinsurance protection of association members. Reinsurance mechanisms should be established within interstate integration associations of which the Republic of Belarus is a member to provide additional reinsurance capacity. The register of foreign insurance (reinsurance) companies, with which the insurance companies of the Republic of Belarus are entitled to conclude reinsurance contracts, should also be expanded by adding to it the list of companies with which BNRO has reinsurance contracts or abolish it. Taking into account the sanctions imposed on Belarus, it should be noted that further development of the Belarusian reinsurance market will depend, *inter alia*, on improving the financial and economic performance of insurance companies while creating a model of efficient insurance regulation based on international standards.

Thus, the Belarusian reinsurance market is influenced by global trends on the one hand and has its own specifics on the other hand. The development of reinsurance in Belarus in the mid-term perspective will face challenges, which should be answered on the basis of formation of effective reinsurance protection for Belarusian insurers.

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REASEKURACJA NA BIAŁORUSI: ANALIZA RYNKU I NOWE WYZWANIA WSPÓŁCZESNOŚCI

Streszczenie:

Cel: Reasekuracja odgrywa ważną rolę w zapewnieniu stabilności finansowej zakładu ubezpieczeń i jest jednym ze skutecznych mechanizmów zarządzania ryzykiem. Ubezpieczyciel poprzez operacje reasekuracyjne ogranicza ryzyko strat z ubezpieczeń bezpośrednich; stwarza dla towarzystwa ubezpieczeniowego źródło dodatkowego dochodu, możliwość zawierania umów ubezpieczenia na wysokie sumy ubezpieczenia, wejścia na nowe rynki i nowe rodzaje ubezpieczeń, regulację stosunku wysokości kapitału własnego do wolumenu operacji ubezpieczeniowych. Celem badania jest analiza białoruskiego rynku reasekuracyjnego i jego adaptacji do niepewności rynkowej i sankcji.

Materiały i metody badawcze: Analiza oparta jest na danych Ministerstwa Finansów, Narodowego Banku Republiki Białorusi, Białoruskiej Narodowej Organizacji Reasekuracji (BNRO). Zastosowano następujące metody: analiza porównawcza, systematyczna i statystyczna; metoda uogólnień.

Wyniki: Analizie poddano obecny stan i strukturę rynku reasekuracji w Republice Białorusi w latach 2015–2020. Dokonano oceny funkcjonowania BNRO i jego wpływu na rynek białoruski. Podano dane odzwierciedlające główne problemy reasekuracji na Białorusi oraz sposoby ich rozwiązania w warunkach ograniczeń sankcji.

Wnioski praktyczne: Wyniki analizy przyczynią się do zwiększenia rentowności reasekuracji w kraju, stabilności rynku ubezpieczeniowego oraz wzrostu ubezpieczeń w PKB Republiki Białoruś, a także do opracowania kierunków dalszego rozwoju reasekuracji.

Wnioski i podsumowanie: Reasekuracja w Republice Białorusi koncentruje się głównie na ochronie małych i średnich ryzyk i posiada do tego celu odpowiednią infrastrukturę. Białoruś posiada ustawodawstwo ubezpieczeniowe, które ma na celu poprawę jakości działalności reasekuracyjnej i wzmocnienie stabilności rynku reasekuracyjnego. Ma jednak również szereg problemów, z których najważniejszymi są odrębne ograniczenia cedowanych ryzyk, zakaz przenoszenia ryzyk ubezpieczeniowych na życie itp. Kapitał własny zarówno przez reasekuratorów, jak i przez rynek jako całość wykazuje pozytywny trend. Odwrotna sytuacja wystąpiła jednak w cenach porównywalnych. Powodem ujemnej dynamiki wskaźnika jest stopniowe zmniejszanie się liczby ubezpieczycieli na rynku. W reasekuracji na Białorusi dominuje fakultatywna forma umów reasekuracyjnych. Można również zauważyć, że w krajowej praktyce dominuje reasekuracja krajowa; w latach 2016–2020 ponad połowa ryzyk została scedowana na reasekurację tylko na firmy ubezpieczeniowe Republiki Białorusi. Wynika to ze specyfiki regulacji rządowych i obowiązujących przepisów. Ponadto powodem jest rating kraju, a w konsekwencji rating białoruskiej Narodowej Organizacji Reasekuracji na międzynarodowym rynku reasekuracyjnym, a także ograniczone możliwości finansowe reasekuratora. W najbliższych latach białoruski rynek ubezpieczeń i reasekuracji będzie się rozwijał w trudnych warunkach ze względu na dalszy spadek realnych dochodów gospodarstw domowych, ograniczenia sankcyjne i niewystarczającą zdolność rynku ubezpieczeniowego.

Słowa kluczowe: rynek reasekuracyjny, cedent, reasekuracja fakultatywna i obowiązkowa, retrocesja, retencja, reasekuracja finansowa.