



## **On approval of requirements for formation, method of calculating insurance reserves and their structure**

### *Unofficial translation*

Resolution of the Board of the National Bank of the Republic of Kazakhstan №13 dated January 31, 2019. Registered in the Ministry of Justice of the Republic of Kazakhstan on February 12, 2019, № 18290.

### **Unofficial translation**

In accordance with the laws of the Republic of Kazakhstan “On Insurance Activities” and “On State Statistics”, the Board of the National Bank of the Republic of Kazakhstan **HEREBY RESOLVES:**

**Footnote. The preamble is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02. 2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

1. To approve the attached Requirements for formation, method of calculating insurance reserves and their structure (hereinafter-the Requirements).

2. To recognize as invalid:

1) the resolution of the Board of the National Bank of the Republic of Kazakhstan dated May 6, 2014 №76 "On approval of the Requirements for formation, method of calculating insurance reserves and their structure (registered in the Register of state registration of regulatory legal acts under № 9529, published on July 2, 2014 in the information and legal system "Adilet");

2) paragraph 22 of the List of regulatory legal acts of the Republic of Kazakhstan on the issues of regulation of insurance activities, which are being amended, approved by the resolution of the Board of the National Bank of the Republic of Kazakhstan dated May 30, 2016 № 127 "On amendments to certain regulatory legal acts of the Republic of Kazakhstan on the issues of regulation of insurance activities" (registered in the Register of state registration of regulatory legal acts under № 14277, published on October 24, 2016 in the legal information system "Adilet").

3. The Department for regulation of non-bank financial organizations (A. M. Kosherbayeva) in the manner established by the legislation of the Republic of Kazakhstan shall ensure:

1) state registration of this resolution in the Ministry of Justice of the Republic of Kazakhstan together with the Legal department (N. V. Sarsenova);

2) sending of this resolution in the Kazakh and Russian languages to the Republican state enterprise on the right of economic management "Republican Center for Legal Information" for official publication and inclusion to the Standard control bank of regulatory legal acts of the Republic of Kazakhstan within ten calendar days from the date of its state registration;

3) placement of this resolution on the official Internet resource of the National Bank of the Republic of Kazakhstan after its official publication;

4) submission of this resolution to the Legal department of information on implementation of measures, provided for in subparagraphs 2), 3) of this paragraph and paragraph 4 of this resolution within ten working days after its state registration.

4. The Department for protection of rights of the consumers of financial services and external communications (A. L. Terentyev) shall ensure sending a copy of this resolution for official publication in periodicals within ten calendar days after its state registration.

5. Control over execution of this resolution shall be assigned to the deputy Chairman of the National Bank of the Republic of Kazakhstan Zh. B. Kurmanov.

6. This resolution shall be enforced upon expiration of ten calendar days after its first official publication.

**Footnote. Paragraph 6 is in the wording of the resolution of the Board of the National Bank of the Republic of Kazakhstan dated 12.09.2019 № 157 (shall be enforced upon expiry of ten calendar days after its first official publication).**

*Chairman of the  
National Bank*

*D. Akishev*

"AGREED"

Committee on statistics of the  
Ministry of National Economy of the  
Republic of Kazakhstan

\_\_\_\_\_  
" " \_\_\_\_\_ 2019

Approved  
by the resolution of the  
Board of the National bank  
of the Republic of Kazakhstan  
№ 13 dated January 31, 2019

## **Requirements for formation, method of calculating insurance reserves and their structure Chapter 1 . General provisions**

1. These Requirements for the formation, methodology for calculating insurance reserves and their structure (hereinafter - the Requirements) have been developed in accordance with the Law of the Republic of Kazakhstan "On Insurance Activities" (hereinafter - the Law) and

shall establish the requirements for formation, methodology for calculating insurance reserves and their structure according to mandatory and voluntary classes of insurance in the “general insurance” industry and the “life insurance” industry.

The requirements shall apply to insurance (reinsurance) companies, including Islamic insurance (reinsurance) companies, branches of non-resident insurance companies of the Republic of Kazakhstan and branches of non-resident Islamic insurance companies of the Republic of Kazakhstan.

**Footnote. Paragraph 1 is in the wording of the Resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02.2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

2. For the purposes of the Requirements, the following concepts shall be used:

1) actuarial methods – economic and mathematical calculation methods used by the actuary when calculating insurance reserves;

2) catastrophic risk - the risk of loss or adverse change in the value of insurance obligations as a result of significant uncertainty in the assumptions used in pricing and the formation of reserves in relation to extreme and exceptional events;

3) predicted payments - obligations of the insurance (reinsurance) company related to the extension (re-examination) of the degree of loss of professional ability (hereinafter - the degree of LPA) of the beneficiary or compensation for harm to persons who suffered damage as a result of the death of an employee in accordance with Article 940 of the Civil Code of the Republic of Kazakhstan (Special Part ) (hereinafter - the Civil Code);

4) calculation date – the date on which the calculation of insurance reserves shall be made ;

5) minimum deposit premium (deposit premium) - the amount of money that is payable to an insurance (reinsurance) company under an insurance (reinsurance) agreement, the terms of which provide for their non-refundability;

6) unearned insurance premium - part of the insurance premium relating to the remaining period of insurance protection under the insurance (reinsurance) agreement as of the calculation date;

7) indexation rate – a rate that increases the amount of insurance payment;

8) present expected value - the expected (probable) cost of insurance premiums (insurance contributions) or insurance payments or expenses, calculated (discounted) taking into account the interest rate and the time period between the date of calculation and the date of receipt of the insurance premium (contributions) or the date of insurance payments under an insurance (reinsurance) agreement using tables containing the probabilities of death, disability, illness and values calculated on their basis associated with the expected life expectancy of individuals (hereinafter – the Tables of mortality, morbidity, disability);

9) incurred losses - the amount of payments made and declared but unsettled losses of the insurance (reinsurance) company;

10) declared but unsettled loss - a requirement to the insurance (reinsurance) company about the occurrence of an insured event and (or) an insured event and (or) about making an insurance payment, declared by the policyholder (insured, beneficiary) in writing, or in the manner prescribed by the laws of the Republic of Kazakhstan on compulsory types of insurance and (or) an insurance (reinsurance) agreement under which the insurance payment was not made or was not made in full;

11) net premium (net contributions when paid in installments) - the amount of money that is payable to an insurance (reinsurance) company for its acceptance of obligations solely to make insurance payments without taking into account the coverage of other expenses of the insurance (reinsurance) company;

12) reserve basis - a set of parameter values that affect the amount of insurance reserves under life insurance and annuity insurance contracts;

13) expenses for settlement of insurance losses - the amount of money needed by an insurance (reinsurance) company to pay for expert, consulting or other services related to assessing the amount and reducing damage (harm) caused to the property interests of the insured that arose in connection with insured events;

14) insured event - an event that has a likelihood of subsequently being recognized as an insured event in accordance with the laws of the Republic of Kazakhstan on compulsory types of insurance and (or) an insurance (reinsurance) contract;

15) insurance reserves – obligations of an insurance (reinsurance) company under insurance (reinsurance) contracts, assessed on the basis of actuarial calculations in accordance with the Requirements;

16) the reinsurer's share in insurance reserves – part of the reinsurer's obligations under the insurance (reinsurance) contract as of the settlement date;

17) insurance premium – insurance premium under an insurance (reinsurance) contract;

18) net insurance premium – insurance premium without taking into account the reinsurer's share;

19) tariff basis – a set of parameter values that affect the amount of insurance tariffs under life insurance and annuity insurance contracts.

**Footnote. Paragraph 2 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02.2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

## **Chapter 2. Requirements to information, necessary for calculating insurance reserves**

3. Insurance reserves shall be formed by the insurance (reinsurance) company separately for each insurance (reinsurance) contract and (or) for each class of insurance, and (or) for

each declared but unsettled loss, depending on the type of insurance reserve provided for in paragraph 5 of the Requirements. The calculation of insurance reserves shall be made taking into account the volume of obligations assumed by the insurance (reinsurance) company under all concluded insurance (reinsurance) contracts, regardless of subsequent reinsurance of risks.

The actuary shall carry out the calculation of insurance reserves based on the information contained in the statements of the insurance (reinsurance) company and other information.

**Footnote. Paragraph 3 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

3-1. The results of the calculation of insurance reserves shall be submitted to the authorized body for regulation, control and supervision of the financial market and financial organizations (hereinafter - the authorized body) upon its request and to the National Bank of the Republic of Kazakhstan in accordance with the form, frequency and terms of submission established by the resolution of the Board of the National Bank of the Republic of Kazakhstan dated December 31, 2019 No. 275 “On approval of the list, forms, deadlines for submitting reports by an insurance (reinsurance) company and an insurance broker and the Rules for its submission”, registered in the Register of state registration of regulatory legal acts under No. 19927.

**Footnote. The requirements have been supplemented by paragraph 3-1 in accordance with the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

4. The actuary, no later than the 10th (tenth) working day of the month following the reporting quarter, shall draw up on paper in any form a justification for calculating insurance reserves, which shall be signed by the actuary and stored in the insurance organization.

The justification for calculating insurance reserves shall contain:

parameters of the reserve basis with the application of justifications for each parameter;  
justification for the choice of method for calculating the reserve of occurred but not declared losses (hereinafter - RONL) and the reserve of occurred but not yet declared losses (hereinafter - RONYL), outlining information on the number of periods of losses taken into account in the calculation, the frequency of losses, the choice of the loss development coefficient, smoothing out major losses, additional obligations and calculating the adjustment factor in accordance with paragraph 16 of the Requirements;

justification for the amounts of estimated costs associated with the consideration and settlement of the amount of insurance payments for the stated claims;

justification for determining major losses (if any);

justification for adjusting the loss taken into account in calculating the average (market average) value of paid claims in accordance with paragraph 22 of the Requirements (if any in the reporting period);

justification for adjusting the loss taken into account when calculating the loss ratio for policies, RONL and (or) RONYL using actuarial methods, in accordance with paragraphs 11-1 and 15 of the Requirements (if any in the reporting period);

justification for determining the probability of a repeated statement used in calculating the reserve for losses that have occurred but are not fully declared (hereinafter - the RONFL);

justification and calculation of the amount of obligations of the insurance (reinsurance) company associated with the occurrence on the date of calculation of additional risks under concluded insurance (reinsurance) contracts that were not provided for when forming insurance reserves;

the results of a test for the adequacy of loss reserves, including a retrospective analysis based on data for the last 12 (twelve) months, separately for each class of insurance and for the insurance portfolio as a whole;

conclusions about the sufficiency (inadequacy) of insurance reserves and in case of insufficiency of insurance reserves, analysis of the reasons for the insufficiency;

when forming the reinsurer's share in insurance reserves under reinsurance contracts providing for the transfer of more than 80 (eighty) percent of insurance premiums - the conclusion of the reinsurance subdivision on the availability of confirmation of the reinsurer (reinsurers) provided for in paragraph 53 of the Requirements, signed by the executive officer of the insurance (reinsurance) company whose powers includes supervision of issues of the reinsurance subdivision;

other assumptions and presumptions used by the actuary in calculating insurance reserves and the reinsurer's share in insurance reserves, and information necessary to indicate in the justification, in the opinion of the actuary.

**Footnote. Paragraph 4 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

### **Chapter 3. Structure of insurance reserves**

5. Insurance reserves required for formation of an insurance (reinsurance) company shall include:

1) reserve of unearned premiums (hereinafter - RUP) – a part of an insurance premium (contributions) under an insurance (reinsurance) contract relating to the period of insurance protection remaining on the calculation date (unearned premium), intended to fulfill obligations to ensure future payments, in the event their occurrence in the following reporting periods;

2) reserve for non-occurred losses (hereinafter - RNL) - obligations of an insurance (reinsurance) company to make insurance payments for insured events that did not occur on the date of calculation;

3) reserves of losses:

RONL – an assessment of obligations of an insurance (reinsurance) company on making insurance payments, including expenses for the settlement of losses arising in connection with insured events that occurred in the reporting or preceding periods, on the fact of occurrence of which was not declared by the insurance (reinsurance) company in the manner established by the law of the Republic of Kazakhstan or the contract in the reporting period or preceding periods;

reserve for declared but not settled losses (hereinafter - RDNL) - an assessment of unfulfilled or not fully fulfilled obligations of an insurance (reinsurance) company on making insurance payments as of the reporting date, including expenses for the settlement of losses.

Footnote. Paragraph 5 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

6. The total values of insurance reserves under an insurance contract when calculating the RUP, RNL, RDNL and when calculating the RONL for the insurance class, which have a negative value, shall take the zero value.

Footnote. Paragraph 6 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

#### **Chapter 4. Calculation of insurance reserves in the branch "general insurance"**

7. The RUP is calculated separately for each insurance contract.

8. The proportion method is used for calculation the RUP value.

9. RUP using the proportion method shall be determined by summing up unearned premiums calculated for each contract.

The unearned premium by the proportion method shall be determined for each contract as the product of the insurance premium under the contract by the ratio of the unexpired period of insurance protection on the reporting date (in days) to the period of validity of insurance protection (in days) from the date of commencement of insurance protection to the end of the validity of insurance protection:

$$RUP = IP \times \left( \frac{T_1 - T_2}{T_1} \right)$$

,where:

IP - insurance premium;

T1 - the number of days during which insurance protection is valid from the date of commencement of insurance protection until the end of validity of insurance protection under an insurance (reinsurance) contract;

T2 - the number of days of insurance protection validity that have elapsed from the start of commencement of insurance protection until the date of calculation (inclusive).

When calculating prudential standards in accordance with the resolution of the Board of the National Bank of the Republic of Kazakhstan dated December 26, 2016 No. 304 “On establishing standard values and methods for calculating prudential standards of an insurance (reinsurance) company and insurance group and other mandatory norms and limits, requirements for purchased insurance (reinsurance) companies, subsidiaries of insurance (reinsurance) companies or insurance holding companies shares (participatory interests in the authorized capital) of legal entities, a list of bonds of international financial organizations acquired by insurance holding companies, the minimum required rating for bonds acquired by insurance holding companies, and a list of rating agencies, as well as a list of financial instruments (except for shares and participation interests in the authorized capital) acquired by insurance (reinsurance) companies” registered in the Register of state registration of regulatory legal acts under No. 14794 (hereinafter - Resolution No. 304) and the regulatory values and methodology for calculating prudential standards of a branch of a non-resident insurance (reinsurance) company of the Republic of Kazakhstan, a branch of a non-resident Islamic insurance (reinsurance) company of the Republic of Kazakhstan and other mandatory norms and limits, including the procedure for the formation of assets of a branch of a non-resident insurance (reinsurance) company of the Republic of Kazakhstan, branch of Islamic insurance (reinsurance) company – a non-resident of the Republic of Kazakhstan, accepted as a reserve, and their minimum amount (hereinafter - the Standards), established in accordance with paragraph 12 of Article 46 of the Law, calculation of the RUP under the contract of compulsory insurance of the employee against accidents during the performance of his/her labour (official) duties shall be carried out based on the amount of the insurance premium calculated in accordance with Article 17 of the Law of the Republic of Kazakhstan “On compulsory insurance of an employee against accidents during the performance of his/her labour (official) duties” (hereinafter - the Law on compulsory insurance of an employee against accidents).

**Footnote. Paragraph 9 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02.2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**



10. Calculation of RONL shall be made separately for each class of insurance. The total amount of RONL shall be determined by summing up the RONL, calculated for all insurance classes.

11. The RONL is carried out by the following actuarial methods:

1) the chain ladder method, without adjustment for inflation in accordance with Calculation of a reserve of occurred, but not declared losses by the chain ladder method without adjustment for inflation according to Appendix 9 to the Requirements and with adjustment for inflation in accordance with the Calculation of a reserve of occurred, but not declared losses by the chain ladder method with adjustment for inflation in the form according to Appendix 10 to the Requirements.

For the purposes of the Requirements, the chain ladder method refers to the method of allocating the insurer's obligations on making insurance payments for insurance events that occurred in the reporting period or in the periods preceding the reporting period.

In the chain ladder method, distribution of the insurer's obligations is based on payments (paid losses) or losses incurred by the insurance (reinsurance) company.

In the chain ladder method with adjustment for inflation, payments (paid losses) or losses incurred are increased by the inflation rate;

2) Bornhuetter-Ferguson method in accordance with Calculation of the reserve for occurred, but not declared losses by the Bornhuetter-Ferguson method in the form according to Appendix 11 to the Requirements.

The Bornhuetter-Ferguson method is based on the chain ladder method, where the distribution of obligations is based on payments (paid losses) or losses incurred, and in determination of expected amount of future losses.

The expected amount of future losses is equal to the product of the earned premium and the loss ratio, the amount of which is not less than the average value of the loss ratio for policies, calculated for the completed financial years preceding the loss periods taken into account by an insurance (reinsurance) company when distributing obligations according to Appendix 11 to the Requirements.

**Footnote. Paragraph 11 as amended by the resolution of the Board of the National Bank of the Republic of Kazakhstan dated 12.09.2019 № 157 (shall be enforced upon expiry of ten calendar days after its first official publication).**

11-1. The loss ratio for policies shall be calculated as the ratio of the amount of losses incurred, including expenses for losses settlement, under insurance (reinsurance) contracts that entered into force in the corresponding financial year to the earned insurance premiums under the specified insurance (reinsurance) contracts.

When calculating the loss ratio for policies, losses incurred, including expenses for losses settlement, and insurance premiums earned shall be taken into account for completed financial years up to the reporting date.

When calculating the loss ratio for policies used to calculate insurance reserves, the actuary, if necessary, shall make an adjustment of the loss under an insurance (reinsurance) contract that is large.

Footnote. Paragraph 11-1 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

12. If the actuary allocates the insurer's obligations based on the losses incurred when calculating the RONL using actuarial methods, the Table of accumulated losses of Calculation of the reserve of losses occurred, but not declared using the chain ladder method without adjustment for inflation in accordance with Appendix 9 to the Requirements shall be constructed by summing up the declared but unsettled losses and accumulated amounts of payments (paid losses) at the end of each period of losses occurrence, used to construct the triangle of accumulated losses, according to the Table of accumulated losses based on losses incurred of the Distribution of obligations of an insurance (reinsurance) company based on losses incurred in accordance with Appendix 12 to the Requirements.

If the actuary allocates the insurer's obligations based on the losses incurred when calculating the RONL using actuarial methods, the Table of accumulated losses with adjustment for inflation for the past periods of Calculation of the reserve for losses occurred, but not declared using the chain ladder method with adjustment for inflation in accordance with Appendix 10 to the Requirements is constructed by summing up the declared but unsettled losses and accumulated amounts of payments (paid losses) at the end of each period of losses occurrence, used to construct the triangle of accumulated losses, according to the Table of accumulated losses based on losses incurred of the Distribution of obligations of an insurance (reinsurance) company based on losses incurred in accordance with Appendix 12 to the Requirements.

If the actuary allocates the insurer's obligations based on the losses incurred when calculating the RONL using actuarial methods, the Table of accumulated losses of Calculation of the reserve of losses occurred but not declared using the Bornhuetter-Ferguson method in the form according to Appendix 11 to the Requirements shall be constructed by summing up the declared, but not settled losses and accumulated amounts of payments (paid losses) at the end of each period of losses occurrence, used to construct the triangle of accumulated losses, according to the Table of accumulated losses based on losses incurred of the Distribution of obligations of an insurance (reinsurance) company based on losses incurred in accordance with Appendix 12 to the Requirements.

13. If, on the reporting date, the value of the RONL assumes a decrease of more than 30 (thirty) percent compared to the previous reporting date, the actuarial method specified in paragraph 11 of the Requirements, which provides for the largest amount of the RONL, shall be used to calculate the RONL.

14. RONL for the class of compulsory insurance of an employee against accidents during the performance of his/her labour (official) duties consists of two parts and shall be determined by the following formula:

$\text{RONL} = \text{RONYL} + \text{RONFL}$ , where:

RONYL shall be calculated using actuarial methods specified in paragraph 11 of the Requirements. When an insurance (reinsurance) company carries out activities in the class of compulsory insurance of an employee against accidents during the performance of his/her labour (official) duties for less than 3 (three) years or there is insufficient data to calculate the RONYL using the methods specified in paragraph 11 of the Requirements, the RONYL shall be at least 5 ( five) percent of the amount of the insurance premium under insurance ( reinsurance) contracts and additional agreements to insurance (reinsurance) contracts for this class, which entered into force in the last twelve months preceding the date of calculation.

When the actuary distributes the insurer's obligations on the basis of incurred losses when calculating RONYL using actuarial methods, the Table of accumulated losses for Calculation of the reserve for occurred but not reported losses using the chain ladder method without adjusting for inflation in the form in accordance with Appendix 9 to the Requirements shall be constructed by summing the declared but unsettled losses and accumulated values of payments (paid losses) at the end of each loss period used to construct a triangle of accumulated losses, according to the Table of accumulated losses based on incurred losses. Distribution of liabilities of an insurance (reinsurance) company based on incurred losses in accordance with Appendix 12 to the Requirements.

When the actuary distributes the insurer's obligations on the basis of losses incurred when calculating RONYL using actuarial methods, the Table of accumulated losses adjusted for inflation over past periods of Calculation of the reserve for occurred but not reported losses using the chain ladder method adjusted for inflation in the form in accordance with Appendix 10 to the Requirements shall be constructed by summing the declared, but unsettled losses and accumulated amounts of payments (paid losses) at the end of each loss period used to construct a triangle of accumulated losses, according to the Table of accumulated losses based on incurred losses. Distribution of liabilities of an insurance (reinsurance) company based on incurred losses in accordance with Appendix 12 to the Requirements.

When the actuary distributes the insurer's obligations on the basis of losses incurred when calculating RONYL using actuarial methods, the Table of accumulated losses for Calculation of the reserve for occurred but not reported losses using the Bornhuetter-Ferguson method in the form according to Appendix 11 to the Requirements shall be constructed by summing the declared but unsettled losses and accumulated amounts of payments (paid losses) at the end of each loss period used to construct a triangle of accumulated losses, according to the Table of accumulated losses based on incurred losses. Distribution of liabilities of an insurance ( reinsurance) company based on incurred losses in accordance with Appendix 12 to the Requirements;

RONFL shall be calculated for beneficiaries for whom insurance payment was made in connection with establishing the degree of LPA and compensation for harm to persons who suffered damage as a result of death of an employee in accordance with Article 940 of the Civil Code.

RONFL shall be formed in order to assess the expected obligations associated with the extension (re-examination) of the degree of LPA and compensation for harm persons who suffered damage as a result of death of an employee in accordance with Article 940 of the Civil Code, accepted by the insurance (reinsurance) company under insurance (reinsurance) contracts.

RONFL shall be equal to the amount of predicted payments associated with the extension (re-certification) of the LPA degree, determined individually for each beneficiary for whom the LPA degree has been established or for whom a repeated extension (re-certification) of the LPA degree is expected, and associated with compensation for harm to persons who suffered damage as a result of death of an employee according to Article 940 of the Civil Code.

The calculation of RONFL shall be carried out in accordance with the Rules for calculating annuity payments under an annuity agreement and on the requirements for an annuity agreement and the permissible level of expenses of the insurer for conducting business under concluded annuity agreements, approved by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and supervision of the financial market and financial organizations dated March 1 2010 No. 28, registered in the Register of state registration of regulatory legal acts under No. 6156.

In order to assess the predicted payments for each beneficiary, the extension of the period for establishing the degree of LPA shall be carried out until the retirement age established by the Law of the Republic of Kazakhstan “On pension provision in the Republic of Kazakhstan” is reached, with a probability of 100 (one hundred) percent.

In order to assess predicted payments, the RONFL shall be formed for each person entitled to compensation for harm to persons who suffered damage as a result of death of an employee in accordance with Article 940 of the Civil Code, with a probability of making payments of 100 (one hundred) percent.

If the insurance (reinsurance) company does not receive an application for concluding an annuity agreement in connection with the repeated extension (re-examination) of the beneficiary’s LPA degree within 2 (two) years after the expiration of the annuity agreement, and the insurance (reinsurance) company:

- 1) does not have information about the extension (re-certification) of the beneficiary’s LPA degree after the expiration of the annuity agreement, then the actuary, if necessary, shall exclude the given amount of predicted payments for the beneficiary from the calculation of the RONFL;

2) has information about the extension (re-certification) of the beneficiary's LPA degree after the expiration of the annuity agreement, then the actuary shall evaluate the predicted payments taking into account the probability of the beneficiary's repeated application, calculated by the actuary based on his/her professional judgment.

When accepting and (or) transferring to reinsurance obligations under insurance contracts concluded in accordance with the Law on compulsory accident insurance of employees, the reinsurer shall submit the parameters of the reserve basis used in calculating the RONFL to the reinsurer-resident of the Republic of Kazakhstan by indicating such parameters in the reinsurance contract and (or) an agreement concluded through intermediaries.

The values of the parameters of the reserve basis used by the reinsurer-resident of the Republic of Kazakhstan when calculating the RONFL coincide with the values of the parameters of the reserve basis used by the reinsurer when calculating the RONFL, except for the case when the reserve basis of the reinsurer-resident of the Republic of Kazakhstan is more conservative than the reserve basis of the reinsurer.

**Footnote. Paragraph 14 is in the wording of resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02.2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

15. In order to equalize factors for the development of losses when calculating RONL and (or) RONYL using actuarial methods, the actuary, if necessary, shall adjust the loss under an insurance (reinsurance) contract that is large.

**Footnote. Paragraph 15 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

16. Under the contracts of voluntary insurance, the insured object of which is the property interest of the employee, whose life and health were injured as a result of an accident that led to establishment of the degree of LPA to him/her, the actuary shall carry out the increase RODL in the amount of obligations of an insurance (reinsurance) company, connected with extension (re-certification) of the degree of disability, deterioration of the health of the beneficiary (hereinafter – additional obligations).

Total amount of additional obligations is equal to the amount of forecasted payments, determined individually for each beneficiary whom the degree of LPA is established or who is expected to re-extension (re-certification) of the degree of LPA, multiplied by the correction coefficient, calculated on the basis of statistical data of the insurance (reinsurance) company, using the probability of prolongation for a similar group of losses.

17. The actuary shall make the decision on determining the amount of RONL separately for each insurance class and RONYL for class of compulsory insurance of an employee from

accidents upon performance of labour (official) duties based on actuarial methods of calculation, provided by paragraph 11 of the Requirements.

18. If an insurance (reinsurance) company carries out activities according to the insurance class, with the exception of compulsory insurance of an employee against accidents during the performance of his/her labor (official) duties, for less than 3 (three) years or there is insufficient data for calculating RONL using actuarial methods specified in paragraph 11 of the Requirements, RONL shall be at least 5 (five) percent of the amount of the insurance premium under insurance (reinsurance) contracts and additional agreements to insurance (reinsurance) contracts that entered into force in the last 12 (twelve) months preceding the date of calculation.

**Footnote. Paragraph 18 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market No. 3 dated 20.02.2023 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

19. For the class of mortgage insurance, the RONL value shall be at least 60 (sixty) percent of the amount of the insurance premium under insurance (reinsurance) contracts and additional agreements to insurance (reinsurance) contracts that entered into force in the last 12 (twelve) months preceding the date of calculation.

**Footnote. Paragraph 19 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02.2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

20. Declared but the unsettled loss shall be reflected in the loss report from the date of the statement of the insured (insured, beneficiary) about the occurrence of an insured event and (or) an insured event and (or) making an insurance payment in writing or the manner prescribed by the laws of the Republic Kazakhstan on compulsory types of insurance and (or) an agreement.

The reinsurer (assignor) shall notify the reinsurer of the occurrence of an insured event and (or) an insured event within 3 (three) business days from the date of receipt by the reinsurer (assignor) of such an application unless otherwise provided by the reinsurance contract.

**Footnote. Paragraph 20 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

21. RDNL shall be formed separately for each declared but unsettled loss, from the date of receipt of the application of the policyholder (insured, beneficiary) about the occurrence of an insured event and (or) an insured event and (or) about making an insurance payment,

depending on which date occurs earlier, before the date of the insurance payment or the decision to refuse to make the insurance payment by the insurer, or the written refusal of the policyholder to receive the insurance payment, depending on which date comes earlier.

In the absence of grounds for the formation of RDNL for the declared but unsettled loss, established by paragraph 25 of the Requirements, the insurance (reinsurance) company shall write off the RDNL, with the exception of RDNL formed under a life insurance contract within the framework of the state educational savings system, after 3 (three) years from the date of receipt of the application of the policyholder (insured, beneficiary) about the occurrence of an insured event and (or) an insured event and (or) about making an insurance payment.

**Footnote. Paragraph 21 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

22. RDNL shall be formed in the amount of the declared loss.

If the insured (insured, beneficiary) and the insurance (reinsurance) company do not have sufficient information about the amount of loss, the RDNL shall be formed in an amount sufficient for the insurance payment, but not less than the average value of paid claims made for a similar group of insured events for the previous financial year or the previous 2 (two) fiscal years, whichever is greater.

In the absence of sufficient information about paid claims made for a similar group of insured events for the previous financial year or the previous 2 (two) financial years, the RDNL shall be formed in the amount of at least the average market value of paid claims made for the insurance class for the previous financial year or the previous 2 (two) fiscal years, whichever is greater.

The actuary, if necessary, shall adjust the loss taken into account in the calculation of the average (average market) value of paid claims, which is large, the justification for the implementation of which is provided by the actuary in accordance with paragraph 4 of the Requirements.

The amounts of RDNL formed due to the lack of sufficient information on the amount of loss shall be recalculated at the end of each financial year based on their amounts calculated in accordance with parts two and three of this paragraph.

If there are documents confirming the amount of the loss, or after the receipt by the insurance (reinsurance) company of the indicated documents, the RDNL shall be formed in the amount of the declared and documented loss.

The total amount of RDNL shall be determined by summing the RDNL formed for all declared but unsettled losses.

Footnote. Paragraph 22 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).

23. The amount of the RDNL shall be increased by the amount of estimated expenses directly related to consideration and settlement of the amount of insurance payments for the declared claims, calculated by the actuary.

24. If necessary, the calculated amount of the RDNL shall be reduced by the amount of overdue debt of the insured (reinsurer) for payment of an insurance premium (next insurance premium) of an insurance (reinsurance) company on the date of calculation (including the amount of debt under the annuity insurance contract).

Footnote. Paragraph 24 is in the wording of the resolution of the Board of the National Bank of the Republic of Kazakhstan dated 12.09.2019 № 157 (shall be enforced upon expiry of ten calendar days after its first official publication).

25. If judicial proceedings on the issue of insurance payments has started in respect of an insurance (reinsurance) company, the RDNL shall be formed in accordance with the procedure established in paragraph 22 of the Requirements, in the period from the date of commencement of judicial proceedings to the date of entry into force of the court decision on the issue of insurance payments, but not earlier than the date of insurance payments.

26. The actuary increases the amount of insurance reserves by the amount of obligations of an insurance (reinsurance) company, related to occurrence of additional risks under insurance (reinsurance) contracts on the date of calculation, that are not provided for when forming insurance reserves.

#### **Chapter 5. Calculation of insurance reserves in the branch "life insurance"**

27. Calculation of insurance reserves of an insurance (reinsurance) company, carrying out insurance activities in the branch "life insurance" shall be carried out using actuarial methods.

28. Calculation of insurance reserves of an insurance (reinsurance) company, carrying out insurance activities in the branch "life insurance" shall be performed by the actuary separately for each contract of insurance (reinsurance), except for insurance contracts, providing for the condition of the insured's participation in investments, as well as separately by types of contracts of:

- 1) non-accumulative life insurance (reinsurance);
- 2) accumulative life insurance (reinsurance);
- 3) annuity, for which the terms of beginning of insurance payments occur after the settlement date;
- 4) annuity, for which the terms of beginning of insurance payments occurred before the settlement date.

29. Calculation of insurance reserves of an insurance (reinsurance) company carrying out insurance activities in the "life insurance" industry, according to the class of accident



insurance, according to the class of insurance in case of illness, according to the class of compulsory insurance of a tourist and according to the class of compulsory insurance of an employee against accidents in case of performance of his/her labour (official) duties shall be carried out by an actuary in accordance with paragraphs 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 Requirements.

**Footnote. Paragraph 29 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

30. Calculation of insurance reserves shall be carried out on the basis of a reserve basis, taking into account the terms of insurance contracts.

31. The reserve basis is established taking into account differences in the conditions of the contract of insurance (reinsurance), in particular, depending on the list of insurance cases, the validity period, the procedure and terms of payment of insurance premiums, the terms of insurance payments, as well as other factors that objectively affect the degree of risk accepted for insurance.

32. The reserve basis includes the following parameters:

1) effective annual interest rate;

2) tables of mortality, morbidity and disability used by an insurance (reinsurance) company for calculation of insurance reserves;

3) absolute value or share of the insurer's future expenses for servicing insurance contracts (future expenses for conducting business), as well as the share of expenses for making insurance payments as a percentage of the insured sum (hereinafter-expenses indicators);

4) indexation rates of insurance payments.

33. The values of the reserve basis parameters coincide with the values of the tariff basis parameters, with the exception of the case when the reserve basis is more conservative than the tariff basis.

In the case when the reserve basis is more conservative than the tariff basis:

the effective annual interest rate of the reserve basis is less than the effective annual interest rate of the tariff basis;

the coefficients of the Tables of mortality, morbidity, disability under life insurance contracts of the reserve basis exceed the coefficients of the corresponding Tables of tariff basis for all ages;

the coefficients of the Tables of mortality, morbidity, and disability under annuity insurance contracts of the reserve basis are less than the coefficients of the corresponding Tables of tariff basis for all ages;

the rates of administrative expenses of the reserve basis exceed the corresponding rates of the tariff basis;

the reserve basis indexation rate is higher than the tariff basis indexation rate.

This paragraph does not apply to:

annuity contracts concluded in accordance with the Law on compulsory accident insurance of employees before January 1, 2011;

other contracts in the “life insurance” industry, concluded before January 1, 2015.

This paragraph in terms of the effective annual interest rate does not apply to life insurance contracts within the framework of the state educational savings system.

**Footnote. Paragraph 33 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

34. When calculating insurance reserves, the actuary for all existing contracts, with the exception of life insurance contracts within the framework of the state educational savings system, uses an effective annual interest rate of no more than:

1) 4 (four) percent if the insurance currency is a foreign currency;

2) 6 (six) percent, if the insurance currency is the national currency, for contracts concluded before January 1, 2023;

3) 8 (eight) percent, if the insurance currency is the national currency, for contracts concluded after January 1, 2023.

The effective annual interest rate used to calculate insurance reserves for life insurance contracts within the framework of the state educational savings system shall be equal to the effective annual interest rate of the tariff basis, increased by no more than 2 (two) percent, and does not exceed 10 (ten) percent.

When using a conservative approach to calculate insurance reserves for life insurance contracts within the framework of the state educational savings system, the effective annual interest rate of the reserve basis is lower than the tariff basis.

**Footnote. Paragraph 34 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

35. When calculating insurance reserves, the actuary uses the indexation rate if the insurance (reinsurance) contract provides for indexation.

For pension annuity contracts, the actuary uses an indexation rate of at least 5 (five) percent.

35-1. When calculating insurance reserves under annuity insurance contracts concluded in accordance with the Law on Compulsory Insurance of Employees against Accidents, the indexation rate shall be applied in the amount of the forecasted inflation rate, which is determined by an actuary of an insurance organization licensed to carry out actuarial activities in the insurance market, based on statistical data on inflation.

The indexation rate shall be approved by the board of the insurance company on an annual basis. If necessary, the board of the insurance company shall review the indexation rate based on the actuary's conclusion, but not more than twice a year.

To apply the requirements of this paragraph to the branch of the insurance (reinsurance) company - non-resident of the Republic of Kazakhstan, the board of the insurance company refers to the relevant management body of the insurance company - non-resident of the Republic of Kazakhstan.

**Footnote. The requirements are supplemented by paragraph 35-1 in accordance with the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

36. Selection of tables of mortality, morbidity, and disability shall be made taking into account the specifics of the insurance risk under the insurance contract, based on the characteristics of the insured and (or) the beneficiary.

When calculating the RNL under pension annuity contracts:

concluded before July 1, 2017, indicators that do not exceed the death rate are used for calculating insurance payments under the pension annuity contract in accordance with Appendix 13 to the Requirements;

concluded after July 1, 2017, indicators that do not exceed mortality rates are used for calculating insurance payments under the pension annuity contract, specified in Appendix 2 to the Methodology for calculating the insurance premium and insurance payment under the pension annuity contract, approved by the resolution of the Board of the National Bank of the Republic of Kazakhstan dated October 20, 2015 № 194 "On approval of the standard pension annuity contract, establishing the Methodology for calculating the insurance premium and insurance payment from the insurance company under the pension annuity contract, acceptable level of expenses of the insurance company for conducting business under the concluded pension annuity contracts, as well as the indexation rate of insurance payment", registered in the Register of state registration of regulatory legal acts under № 12318.

37. The RNL for the contracts of life insurance (reinsurance) shall be calculated as the amount of reserves for non occurred losses for all existing contracts of life insurance (reinsurance) on the date of calculation.

38. The RNL on a separate contract of life insurance (reinsurance), except for the insurance contract, providing for the condition of the insured's participation in investments, is equal to the maximum value of the following two values:

$$1) RNL 1 = PevP + PevAP + PevOE - PevIC,$$

where:

PevP – presented expected value of insurance payments stipulated by the terms of the insurance (reinsurance) contract;

PevAP – presented expected value of expenses of an insurance (reinsurance) company that are directly related to consideration, settlement, and determination of the amount of insurance payments;

PevOE – presented expected value of operating expenses of an insurance (reinsurance) company related to conducting of the business;

PevIC – presented expected value of insurance contributions (for a one-time payment-the insurance premium), which are subject to receipt by the insurance (reinsurance) company after the date of calculation;

$$2) RNL 1 = PevP - PevINC$$

where:

PevP – presented expected value of insurance payments stipulated by the terms of the contract of insurance (reinsurance) only when an insurance event occurs (excluding insurance payments made after the period established by the insurance contract);

PevINP – presented expected value of insurance net of contributions (for a lump sum payment – insurance net premium), which subject to receipt by an insurance (reinsurance) company after calculation date for adoption of its obligations solely by making insurance payments related to occurrence of the insured case (excluding insurance payments made upon expiry of the period, established by the insurance contract).

38-1. The RNL under a separate life insurance contract within the framework of the state educational savings system, calculated in accordance with paragraph 38 of the Requirements, increases by the amount of the accrued state premium, taking into account the income from its investment.

**Footnote. The requirements have been supplemented by paragraph 38-1 in accordance with the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 23.11.2022 No. 102 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

39. When calculating the presented expected value, the reserve basis parameters, specified in paragraph 32 of the Requirements shall be used.

40. The RNL for annuity contracts is calculated as the amount of the reserve for non occurred losses for all acting annuity contracts on the date of calculation.

41. The RNL for a separate annuity contract is equal to the following value:

$$RNL = PevP + PevOE - PevIC,$$

where:

PevP – presented expected value of insurance payments stipulated by the terms of the annuity contract;

PevOE – presented expected value of operating expenses of an insurance (reinsurance) company, related to conducting business under an annuity contract;

PevIC – presented expected value of insurance contributions (for a lump sum payment-the insurance premium), which are subject to receipt by an insurance (reinsurance) company after

the date of calculation. For an annuity contract, on which the start date of insurance payments occurred before the calculation date, the PevIC is zero.

42. In increasing of the amount of regular insurance payments under the annuity contracts, the RNL is determined:

during the period of insurance payments - in accordance with paragraph 41 of the Requirements. Calculation of the presented expected value of insurance payments is carried out taking into account the increase in the amount of insurance payments made;

during the accumulation period - in accordance with paragraph 41 of the Requirements, taking into account the increase in the amount of insurance payments under the annuity contract at the expense of additional incomes of an insurance (reinsurance) company.

43. When calculating the presented expected value, the reserve basis parameters specified in paragraph 32 of the Requirements shall be used.

44. The RONL for non-accumulative life insurance (reinsurance) contracts is calculated by the actuary in accordance with paragraphs 10, 11, 12, 13, 14, 17, 18, 19 and 26 of the Requirements.

45. The RONL for annuity contracts, as well as for accumulative life insurance (reinsurance) contracts, is zero.

46. The RDNL for life insurance (reinsurance) contracts is calculated by the actuary in accordance with paragraphs 20, 21, 22, 23, 24 and 25 of the Requirements.

47. The RDNL for annuity contracts is zero.

## **Chapter 6. Share of the reinsurer in the insurance reserves Paragraph 1. The branch "general insurance"**

48. The share of the reinsurer in the RNL is calculated separately for each insurance (reinsurance) contract.

49. Under proportional reinsurance contracts, the reinsurer's share in the RUP shall be determined for each insurance (reinsurance) contract as the product of the coefficient and the RUP under the insurance (reinsurance) contract as of the reporting date.

Reinsurer's share in RUP = bRE RUP, where:

the coefficient bRE shall be equal to the ratio of the insurance premium under the reinsurance contract to the insurance premium under the insurance contract.

When calculating prudential ratios in accordance with Resolution No. 304 and the Standards in the bRE coefficient, the insurance premium under a reinsurance agreement shall be taken into account, except for commission to the assignor, insurance broker or branch of an insurance broker-non-resident of the Republic of Kazakhstan under a reinsurance (insurance) agreement and compensation, payments insurance intermediaries and other persons from the reinsurer who are not related to insurance protection for risks transferred to reinsurance.

The amount of the commission fee of an insurance broker or a branch of an insurance broker-non-resident of the Republic of Kazakhstan shall also include the difference between the insurance premium accepted by the insurance broker or a branch of an insurance broker-non-resident of the Republic of Kazakhstan from the reinsurer under the insurance contract, and the insurance premium transferred to the reinsurer under the reinsurance contract.

The reinsurer's share in RUP under non-proportional reinsurance agreements shall be calculated in accordance with the terms and conditions of the reinsurance agreement.

When calculating prudential ratios in accordance with Decree No. 304 and the Standards, the reinsurer's share in RUP under non-proportional reinsurance agreements shall be calculated in accordance with the terms of the reinsurance agreement or is equal to 0 (zero).

**Footnote. Paragraph 49 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

49-1. When calculating prudential ratios in accordance with Decree No. 304 and the Standards, the reinsurer's share in the RUP under a reinsurance agreement, the terms of which provide for a minimum deposit premium (or deposit premium) (hereinafter referred to as MDP), subject to recalculation (adjustment) upon the expiration of the reinsurance agreement under the corresponding the recalculation rate is determined based on the amount of the insurance premium (not being MDP) accrued to the reinsurer at the specified recalculation rate or is equal to 0 (zero).

When calculating prudential ratios in accordance with Decree No. 304 and the Standards, the reinsurer's share in the RUP under a reinsurance agreement, the terms of which provide for MDP, not subject to recalculation (adjustment) upon the expiration of the reinsurance agreement, and (or) the condition that in case of early termination reinsurance contracts (cover notes) part of the premium is non-refundable, equal to 0 (zero) for the amount non-refundable as of the reporting date.

**Footnote. Paragraph 49-1 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

50. The share of the reinsurer in RONL is determined by an actuary separately for each insurance class as the difference between the RONL subject to the reinsurer's share and RONL excluding reinsurer's share, calculated in accordance with paragraphs 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 26 of the Requirements.

The share of the reinsurer in the value of forecasted payments, calculated in accordance with paragraph 14 of the Requirements is determined by the actuary separately for each beneficiary in accordance with the terms of the reinsurance contract.

51. To calculate RONL without taking into account the share of the reinsurer, the calculation method selected when calculating RONL taking into account the share of the

reinsurer shall be applied, using the loss development coefficients used in calculating RONL taking into account the share of the reinsurer.

In the case of calculating RONL in accordance with paragraph 18 of the Requirements, the reinsurer's share in RONL is equal to the product of the percentage used in calculating RONL taking into account the share of the reinsurer in accordance with paragraph 18 of the Requirements, and the reinsurance premium for insurance contracts and additional agreements to insurance contracts transferred to reinsurance and entered into force in the last 12 (twelve) months preceding the calculation date.

**Footnote. Paragraph 51 is in the wording of the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 20.02.2023 No. 3 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

52. The reinsurer's share in the RDNL is calculated based on the amount of losses that are subject to compensation from the reinsurance company, according to the terms of the reinsurance contract.

53. Under reinsurance contracts (additional agreements), the share of the reinsurer in the insurance reserves shall be equal to 0 (zero), except for cases when the insurance (reinsurance) company has a confirmation of the reinsurer (reinsurers) in writing that he (they) accept risks for reinsurance (acceptance) indicating all conditions of reinsurance (including the amount of the insurance premium accepted by the reinsurer, obligations under the reinsurance agreement, liability limit, commission of the assignor, commission of the insurance broker and (or) branch of the insurance broker-non-resident of the Republic of Kazakhstan).

As a confirmation of the reinsurer (reinsurers) about the acceptance by him/her (them) of risks for reinsurance (acceptance) before receiving the reinsurance contract, a reinsurance cover or a reinsurance slip with a signature sheet shall also be accepted that meets the requirements of the regulatory legal act of the authorized body that determines the conditions and procedure for carrying out the activities of an insurance broker and a branch of an insurance broker-non-resident of the Republic of Kazakhstan in accordance with paragraph 9 of Article 17 of the Law.

If the insurance (reinsurance) company has confirmation of the reinsurer (reinsurers) provided for by this paragraph, the reinsurer's share in the following insurance reserves, if necessary, shall be formed subject to the following conditions:

in RUP:

the amount of the insurance premium under the facultative reinsurance agreement at the time of transfer of the insurance risk does not exceed the amount of the premium under the insurance agreement, except for the case when the obligation under the reinsurance agreement is exceeded as a result of a change in the exchange rate of the currency;

the reinsurance contract does not provide for the transfer of less than 10 (ten) percent of the volume of liability and more than 50 (fifty) percent of the insurance premium;

the reinsurance contract does not contain a condition on the receipt by the affiliated person of the reinsurer and (or) the affiliated person of the insured, except for the reinsurer and the insured person, part of the insurance premium, profit and (or) a positive difference between the income and expenses of the reinsurer under the contract or a group of reinsurance contracts;

in insurance reserves:

as of the reporting date under the facultative reinsurance agreement, there are no receivables related to the reimbursement by the reinsurer of the insurance payment for an insured event that is overdue for a period of more than 90 (ninety) days from the date of issuing a claim against the reinsurer, insurance broker or branch of an insurance broker-non-resident of the Republic of Kazakhstan for compensation the reinsurer of the insurance payment;

the reinsurer is not registered in offshore zones;

the reinsurer as of the reporting date is not included in the register of prohibited insurance (reinsurance) companies-non-residents of the Republic of Kazakhstan.

**Footnote. Paragraph 53 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

54. When calculating prudential ratios in accordance with Decree No. 304 and the Regulations, the reinsurer's share in insurance reserves under reinsurance agreements providing for the transfer of all or part of insurance risks to reinsurance under compulsory insurance of civil liability of vehicle owners is equal to 0 (zero).

The requirements of paragraph 53 of the Requirements shall not apply to reinsurance contracts that provide for the transfer of catastrophic risks.

**Footnote. Paragraph 54 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated January 26, 2021 No. 5 (shall come into effect after the day of its first official publication).**

## **Paragraph 2. Branch "life insurance"**

55. Calculation of the reinsurer's share in insurance reserves under non-accumulative contracts of life insurance (reinsurance) shall be carried out in accordance with paragraphs 48, 49, 50, 51, 52, 53 and 54 of the Requirements.

56. The share of the reinsurer in the RNL under accumulative contracts of life insurance (reinsurance) and annuity insurance contracts shall be determined based on the share of liability under the insurance contract transferred to reinsurance, and is calculated in accordance with paragraphs 37, 38, 39 and 40 of the Requirements, or based on the amount of the insurance premium (insurance contributions) under the reinsurance contract.



57. The share of the reinsurer in the RDNL under the contracts of accumulative life insurance (reinsurance) shall be determined in accordance with paragraph 52 of the Requirements.

Appendix 1  
to the Requirements for formation,  
method of calculation of insurance  
reserves and their structure

**Journal of accounting the existing contracts of insurance  
(reinsurance) and contracts, transferred to reinsurance  
in the branch "general insurance"**

**Reporting period: as of "\_\_\_" "\_\_\_\_\_ " 20\_\_ year**

Footnote. Appendix 1 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 2  
to the Requirements for formation,  
method of calculating of insurance  
reserves and their structure

**Form for collecting administrative data**

**Journal of accounting losses (with the exception of the made insurance payments)**

**Reporting period: as of "\_\_\_" "\_\_\_\_\_ " 20\_\_ year**

Footnote. Appendix 2 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 3  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

Footnote. Appendix 3 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 4  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

**Form for collecting administrative data Journal of accounting the existing contracts of insurance (reinsurance) and contracts, transferred to reinsurance in the branch**

Footnote. Appendix 4 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 5  
to the Requirements for formation,  
method of calculating insurance

**reserves and their structure**

**Journal of accounting the existing contracts of pension annuity and other types of annuity insurance**

Footnote. Appendix 5 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 6  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

**Form for collecting administrative data**

**Journal of accounting the existing annuity contracts concluded in accordance with the Law of the Republic of Kazakhstan dated February 7, 2005 "On Compulsory Insurance of an Employee from Accidents upon Performance of Labour (Official) Duties by them"**  
**Reporting period: as of "\_\_\_" "\_\_\_\_\_ " 20\_\_ year**

Footnote. Appendix 6 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 7  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

**Form for collecting administrative data**

**Journal of accounting the contracts of insurance (reinsurance) and additional agreements to insurance (reinsurance) contracts that have entered into force over the past 12 (twelve) months**  
**Reporting period: as of "\_\_\_" "\_\_\_\_\_ " 20\_\_ year**

Footnote. Appendix 7 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 8  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

Footnote. Appendix 8 was excluded by the resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of the financial market dated 26.03.2020 No. 23 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Appendix 9  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

**Calculation of the reserve of occurred but not declared losses using the chain ladder method without adjustment for inflation**

Reporting period: as of " \_\_\_\_ " " \_\_\_\_\_ " 20\_\_ year

Form

Table of losses at the reporting date for \_\_\_\_\_ insurance class

The table of losses is formed on the basis of \_\_\_\_\_ losses (paid, incurred)

Period of occurrence of insurance cases (i)	Losses for the periods (j)					
	1	2	...	n-2	n-1	n
1	X (1,1)	X (1,2)		X (1, n-2)	X (1, n-1)	X (1, n)
2	X (2,1)	X (2,2)		X (2, n-2)	X (2, n-1)	x
3	X (3,1)	X (3,2)	...	X (3, n-2)	x	x
...	...	...	...	x	x	x
n-1	X (n-1,1)	X (n-1,2)	x	x	x	x
n	X (n,1)	x	x	x	x	x

X (i, j) - payments (paid losses) or losses incurred, at the end of the j-th period, for insurance cases that occurred in the i-th period;

n - the number of periods for which data on payments is considered;

the Table of losses at the reporting date reflects payments (paid losses) or losses incurred, grouped by the periods of occurrence of insurance cases.

Table of accumulated losses \_\_\_\_\_ insurance class

Period of occurrence of insurance cases (i)	Accumulated losses (j)					
	1	2	...	n-2	n-1	n

1	$S(1,1)=X(1,1)$	$S(1,2)=X(1,1)+X(1,2)$	...	$S(1,n-2)=X(1,1)+X(1,2)+\dots+X(1,n-2)$	$S(1,n-1)=X(1,1)+X(1,2)+\dots+X(1,n-2)+X(1,n-1)$	$S(1,n)=X(1,1)+X(1,2)+\dots+X(1,n-1)+X(1,n)$
2	$S(2,1)=X(2,1)$	$S(2,2)=X(2,1)+X(2,2)$	...	$S(2,n-2)=X(2,1)+X(2,2)+\dots+X(2,n-2)$	$S(2,n-1)=X(2,1)+X(2,2)+\dots+X(2,n-2)+X(2,n-1)$	x
3	$S(3,1)=X(3,1)$	$S(3,2)=X(3,1)+X(3,2)$	...	$S(3,n-2)=X(3,1)+X(3,2)+\dots+X(3,n-2)$	x	x
...	...	...	...	x	x	x
n-1	$S(n-1,1)=X(n-1,1)$	$S(n-1,2)=X(n-1,1)+X(n-1,2)$	x	x	x	x
n	$S(n,1)=X(n,1)$	x	x	x	x	x

Note: the Table of accumulated losses indicates the total amounts of payments (paid losses) or losses incurred, grouped by the periods of occurrence of insurance cases.

Table of coefficients of losses development  $g(j)$  \_\_\_\_\_

Method of losses development (arithmetic average, average for n - periods, average value)

The period of occurrence of losses (i)	Factors of losses development (j)					
	1	2	...	n-2	n-1	n
1			...			x
2			...		x	x
3			...	x	x	x
...	...	...	...	x	x	x
n-1			x	x	x	x
n	x	x	x	x	x	x

  

Coefficients of losses development $g(j)$						
$g(j)$	1	2	...	n-2	n-1	n
arithmetic average						x
average for n-periods						x
average value						x



n	x	$S(n,1) * g(1) \dots$	$S(n,1) * g(1) * g(2) \dots * g(n-3)$	$S(n,1) * g(1) * g(2) \dots * g(n-2)$	$UL(n,n) = S(n,1) * g(1) * g(2) \dots * g(n-1)$	$UL(n, n) - S(n,1)$
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Table of the reserve of occurred but not declared losses on \_\_\_\_\_ insurance class

Period of occurrence of insurance cases (i)	Reserve of losses for periods	Declared, but not settled losses	Occurred, but not declared losses
	1	2	3
1			
2			
3			
...			
n-1			
n			
Total			

Note:

the Table of the reserve of occurred but not declared losses indicates:

in the column "Reserve of losses for periods" - the values of the losses reserves in the corresponding periods;

in the column "Declared, but not settled losses" - the amount of declared losses in the corresponding periods;

in the column "Occurred, but not declared losses" - the difference between the columns "Reserve of losses for periods" and "Declared, but not settled losses" in the corresponding period. If there is a negative difference, the column "Occurred, but not declared losses" takes the value 0 (zero);

if the calculation is based on payments, then RONL - the sum of occurred but not declared losses referred to in column 3 of the Table of the reserve of occurred, but not declared losses, if the calculation is based on incurred losses, then RONL is the sum of losses reserves for periods.

Appendix 10  
to the Requirements for formation,  
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**Calculation of the reserve of occurred, but not declared losses using the chain ladder method with adjustment for inflation**

Reporting period: as of " \_\_\_\_ " " \_\_\_\_\_ " 20\_\_ year

Form

Table of losses at the reporting date for \_\_\_\_\_ insurance class

The table of losses is formed on the basis of \_\_\_\_\_ losses (paid, incurred)

Period of occurrence of insurance cases (i)	Losses for periods (j)					
	1	2	...	n-2	n-1	n
1						
2						x
3					x	x
...	...	...	...	x	x	x
n-1			x	x	x	x
n		x	x	x	x	x

Note: the Table of losses at the reporting date reflects payments (paid losses) or losses incurred, grouped by the periods of occurrence of insurance cases.

Table of information on inflation for each past period

Periods	Inflation for the past period (in percentage)
1	
2	
3	
...	
n-1	
n	

Note: the Table of inflation information for each past period indicates the accumulated values of official inflation values for the period of occurrence of insurance cases.

Table of losses with adjustment for inflation for past periods on \_\_\_\_\_ class of insurance

Period of occurrence of insurance cases (i)	Losses for periods with adjustment for inflation for past periods (j)					
	1	2	...	n-2	n-1	n
1						
2						x
3					x	x
...	...	...	...	x	x	x
n-1			x	x	x	x
n		x	x	x	x	x

Table of accumulated losses with adjustment for inflation for past periods on \_\_\_\_\_ class of insurance

--	--





n-1	x	x	...			
n	x					

Table of the reserve of losses with adjustment for inflation for past periods on \_\_\_\_\_

class of insurance

Period of occurrence of insurance cases (i)	Forecasted accumulation of losses with adjustment for inflation for past periods						The reserve of losses for periods
	1	2	...	n-2	n-1	n	
1	x	x	...	x	x	x	0
2	x	x	...	x	x		
3	x	x	...	x			
...	...	...	...	...	...	...	...
n-1	x	x	...				
n	x						
Reserve of losses with adjustment for inflation for past periods							

Table of reserve of occurred but not declared losses on \_\_\_\_\_

class of insurance

Period of occurrence of insurance cases (i)	Reserve of losses for periods	Declared but not settled losses	Occurred, but not declared losses
	1	2	3
1			
2			
3			
...			
n-1			
n			
Total			

Note: if in the Table of reserve of occurred but not declared losses, the calculation is based on payments, then RONL- the sum of occurred, but not declared losses, indicated in column 3 of the Table of reserve of occurred, but not declared losses, if the calculation is based on incurred losses, then RONL - the sum of reserve of losses for the periods, indicated in column 1 of the Table of reserve of occurred, but not declared losses;

the column "Occurred, but not declared losses" indicates the difference between the columns " Reserve of losses for periods" and "Declared, but not settled losses" in the corresponding period. If there is a negative difference, the column "Occurred, but not declared losses" takes value 0 (zero).

Footnote. Appendix 11 is in the wording of the resolution of the Board of the National Bank of the Republic of Kazakhstan dated 12.09.2019 № 157 (shall be enforced upon expiry of ten calendar days after its first official publication).

Calculation of the reserve of occurred, but not declared losses using the Bornhuetter-Ferguson method

Reporting period: as of "\_\_\_" "\_\_\_\_\_" 20\_\_ year

Form

Table of losses at the reporting date on \_\_\_\_\_  
class of insurance

Table of losses is generated on the basis \_\_\_\_\_ losses  
(paid, incurred)

Period of occurrence of insurance cases (i)	Losses for periods (j)					
	1	2	...	n-2	n-1	n
1	X (1,1)	X (1,2)		X (1, n-2)	X (1, n-1)	X (1, n)
2	X (2,1)	X (2,2)		X (2, n-2)	X (2, n-1)	x
3					x	x
...	...	...	...	x	x	x
n-1	X (n-1,1)	X (n-1,2)	x	x	x	x
n	X (n,1)	x	x	x	x	x

Note:

X (i, j) - payments (paid losses) or losses incurred, at the end of the j-th period, for insurance cases, that occurred in the i-th period;

n - number of periods for which data of losses is considered;

the Table of losses at the reporting date reflects payments (paid losses) or losses incurred, grouped by the periods of occurrence of insurance cases.

Table of accumulated losses on \_\_\_\_\_  
class of insurance

Period of occurrence of insurance cases (i)	Accumulated losses (j)					
	1	2	...	n-2	n-1	n
1	$S(1,1)=X(1,1)$	$S(1,2) =X(1,1) + X(1,2)$	...	$S(1,n-2) =X(1,1) + X(1,2)+ \dots + X(1,n-2)$	$S(1,n-1) =X(1,1) + X(1,2)+ \dots + X(1,n-2) + X(1,n-1)$	$S(1,n) =X(1,1) + X(1,2)+ \dots + X(1,n)$
2	$S(2,1)=X(2,1)$	$S(2,2) =X(2,1) + X(2,2)$	...	$S(2,n-2) =X(2,1) + X(2,2)+ \dots + X(2,n-2)$	$S(2,n-1) =X(2,1) + X(2,2)+ \dots + X(2,n-2) + X(2,n-1)$	x

3	$S(3,1)=X(3,1)$	$S(3,2)= X(3,1) + X(3,2)$	...	$S(3,n-2)=(X(3,1) + X(3,2)+ \dots + X(3,n-2))$	x	x
...	...	...	...	x	x	x
n-1	$S(n-1,1)=X(n-1,1)$	$S(n-1,2)= X(n-1,1) + X(n-1,2)$	x	x	x	x
n	$S(n,1)= X(n,1)$	x	x	x	x	x

Note: the Table of accumulated losses indicates the total payments (paid losses) or losses incurred, grouped by the periods of occurrence of insurance cases.

Table of coefficients of losses development  $g(j)$

method of losses development (arithmetic average, average for n - periods, average value)

Period of occurrence of losses (i)	Factors of losses development (j)					
	1	2	...	n-2	n-1	n
1			...			x
2			...		x	x
3			...	x	x	x
...	...	...	...	x	x	x
n-1			x	x	x	x
n	x	x	x	x	x	x
Coefficients of losses development $g(j)$						
$g(j)$	1	2	...	n-2	n-1	n
arithmetic average						x
average for n - periods						x
average value						x

Note: the Table of coefficients of losses development determines the factors of losses development  $F(I,j)$  corresponding to the relative increase in the total amount of declared losses from one payment period to the next, using the following formula:

Factor of losses development  $F(i,j)= S(i,j+1)/S(i,j)$ .

The coefficients of losses development  $g(j)$  are calculated as the average value of the losses development factors for the periods of losses occurrence.

Table of coefficients

Period of occurrence of insurance cases (i)	Coefficients of losses development $g(j)$	Factors of losses development $f(j)$	The factors of delay $h(j)= 1 - 1/f(j)$
1	1	1	$1-1/1$
2	$g(n-1)$	$1*g(n-1)$	$1-1/(g(n-1))$

3	$g(n-2)$	$1 * g(n-1) * g(n-2)$	$1-1/ (1 * g(n-1) * g(n-2))$
...	...	...	...
n-1	$g(2)$	$1 * g(n-1) * g(n-2) * \dots * g(2)$	$1-1/ (1 * g(n-1) * g(n-2) * \dots * g(2))$
n	$g(1)$	$1 * g(n-1) * g(n-2) * \dots * g(2) * g(1)$	$1-1/ (1 * g(n-1) * g(n-2) * \dots * g(2) * g(1))$

Note: the Table of coefficients indicates:

in the column "Coefficients of losses development  $g(j)$ " - the values of coefficients of losses development, indicated in the Table of coefficients of losses development  $g(j)$ ;

in the column "Factors of development of losses  $f(j)$ " - accumulated values of coefficients of losses development;

in the column "Factors of delay  $h(j)$ " - values equal to  $1-1/f(j)$ , where  $f(j)$  is a development factor.

Table for calculating loss ratio by policies

Financial year (y)	Incurred losses	Earned premiums	Loss ratio by policies
1	2	3	4
1	$UL(1)$	$UP(1)$	$U(1)=UL(1)/UP(1)$
2	$UL(2)$	$UP(2)$	$U(2)=UL(2)/UP(2)$
...	...	...	...
m-1	$UL(m-1)$	$UP(m-1)$	$U(m-1)=UL(m-1)/UP(m-1)$
m	$UL(m)$	$UP(m)$	$U(m)=UL(m)/UP(m)$

Note:

in the Table for calculating the loss ratio:

the column "Incurred losses" indicates the values of losses incurred as of the reporting date, including expenses for settlement of losses, under the contracts of insurance (reinsurance), that entered into force in the financial year, preceding the period of occurrence of insurance cases;

the column "Earned premiums" indicates the earned premium under the contracts of insurance (reinsurance) that entered into force in the financial year preceding the period of occurrence of insurance cases;

the loss ratio  $U$  is determined by the following formula:

$$U \geq [U(1) + U(2) + \dots + U(m)]/m, \text{ where:}$$

$U(m)$  - coefficients of loss by policies for each m-th financial year preceding the period of occurrence of insurance cases, calculated as the ratio of the amount of losses incurred, including expenses for settlement of losses, under the contracts of insurance (reinsurance), that entered into force in the corresponding financial year, to the insurance premiums, earned at the reporting date under these contracts;

m - number of financial years.

Table of the reserve for occurred, but not declared losses

						Declared, but not	
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Period of occurrence of insurance cases (i)	Earned premiums	Loss ratio U	Expected final losses z (i)	Factors of delay h (j)	Losses incurred, but not paid at the reporting date R(i)	settled losses at the reporting date	Occurred, but not declared losses
	1	2	3=1*2	4	5=3*4	6	7=5-6
1							
2							
3							
...							
n-1							
n							
Total							

Note: in the Table for reserve of occurred, but not declared losses of this Form:

in the column "Earned premiums" - the earned premium of the insurance company in the corresponding period;

in the column "Loss ratio U" - the value of the loss ratio, the size of which is not less than the average value of the loss ratio by policies in accordance with the Table for calculating the loss ratio by policies of this Form;

in the column "Factors of delay h(j)" - the values of the delay factors h(j), calculated in the Table of coefficients of this Form;

if the calculation method Bornhuetter-Ferguson is based on payments, then RONL- the sum of occurred, but not declared losses (column 7, Table of reserve of occurred, but not declared losses of this Form), if the calculation is based on incurred losses, then RONL - the sum of occurred, but not paid losses at the reporting date (column 5 of the Table of reserve of occurred, but not declared losses of this Form);

in the column "Occurred, but not declared losses", there is a difference between the columns "Occurred, but not paid losses at the reporting date R(i)" and "Declared, but not settled losses at the reporting date" in the corresponding period. If there is a negative difference, the column "Occurred, but not declared losses" takes value 0 (zero).

When calculating the RONL minus the reinsurer's share:

the column "Earned premiums" indicates the values of the earned premium minus the reinsurer's share in the corresponding period;

the column " Factors of delay h(j)" indicates the values of the delay factors h(j), taking into account the reinsurer's share, calculated in the Table of coefficients of this Form.

**Distribution of liabilities of an insurance (reinsurance) company based on losses incurred**  
**Table of accumulated amounts of payments (paid losses) grouped by periods of occurrence of insurance cases**

Period of occurrence of insurance cases (i)	Accumulated paid losses by periods (j)					
Periodicity	1	2	...	n-2	n-1	n
1	X (1,1)	X (1,1) + X (1,2)		X (1,1) + ... + X (1, n-2)	X (1,1) + ... + X (1, n-2) + X (1, n-1)	X (1,1) + ... + X (1, n-1) + X (1, n)
2	X (2,1)	X (2,1) + X (2,2)		X (2,1) + ... + X (2, n-2)	X (2,1) + ... + X (2, n-2) + X (2, n-1)	x
3	X (3,1)	X (3,1) + X (3,2)	...	X (3,1) + ... + X (3, n-2)	x	x
...	...	...	...	x	x	x
n-1	X (n-1,1)	X (n-1,1) + X (n-1,2)	x	x	x	x
n	X (n,1)	x	x	x	x	x

X (i,j) – payments (paid losses) at the end of the j-th period, for insurance cases, that occurred in the i-th period.

Table of declared not settled losses, grouped by state at the end of each period of occurrence of losses

Period of occurrence of insurance cases (i)	Declared not settled losses for periods (j)					
Periodicity	1	2	...	n-2	n-1	n
1	Y (1,1)	Y (1,2)		Y (1, n-2)	Y (1, n-1)	Y (1, n)
2	Y (2,1)	Y (2,2)		Y (2, n-2)	Y (2, n-1)	x
3	Y (3,1)	Y (3,2)	...	Y (3, n-2)	x	x
...	...	...	...	x	x	x
n-1	Y (n-1,1)	Y (n-1,2)	x	x	x	x
n	Y (n,1)	x	x	x	x	x

Y (i, j) – declared losses at the end of the j-th period, for insurance cases, that occurred in the i-th period.

Table of accumulated losses based on losses incurred \_\_\_\_\_ at the reporting date

Period of occurrence of insurance cases (i)	Losses incurred (j)					
Periodicity	1	2	...	n-2	n-1	n
1						
2						
3						
...						
n-1						
n						

Periodicity	1	2	...	n-2	n-1	n
1	$X(1,1) + Y(1,1)$	$X(1,1) + X(1,2) + Y(1,2)$		$X(1,1) + \dots + X(1, n-2) + Y(1, n-2)$	$X(1,1) + \dots + X(1, n-2) + X(1, n-1) + Y(1, n-1)$	$X(1,1) + \dots + X(1, n-1) + X(1, n) + Y(1, n)$
2	$X(2,1) + Y(2,1)$	$X(2,1) + X(2,2) + Y(2,2)$		$X(2,1) + \dots + X(2, n-2) + Y(2, n-2)$	$X(2,1) + \dots + X(2, n-2) + X(2, n-1) + Y(2, n-1)$	x
3	$X(3,1) + Y(3,1)$	$X(3,1) + X(3,2) + Y(3,2)$	...	$X(3,1) + \dots + X(3, n-2) + Y(3, n-2)$	x	x
...	...	...	...	x	x	x
n-1	$X(n-1,1) + Y(n-1,1)$	$X(n-1,1) + X(n-1,2) + Y(n-1,2)$	x	x	x	x
n	$X(n,1) + Y(n,1)$	x	x	x	x	x

Appendix 13  
to the Requirements for formation,  
method of calculating insurance  
reserves and their structure

### Mortality rates for calculating insurance payments under the contract of pension annuity

Age	Men	Women
25	0,0024481809	0,0006274238
26	0,0025943697	0,0006676971
27	0,0027233502	0,0007056074
28	0,0028425047	0,0007412992
29	0,0029577995	0,0007767228
30	0,0030798642	0,0008119244
31	0,0032114459	0,0008505828
32	0,0033612022	0,0008924813
33	0,0035291163	0,0009385639
34	0,0037197668	0,0009906002
35	0,0039348729	0,0010483273
36	0,0041784741	0,0011163161
37	0,0044493232	0,0011944894
38	0,0047483920	0,0012837138
39	0,0050708321	0,0013820340
40	0,0054208771	0,0014874267
41	0,0057993651	0,0016000204
42	0,0062130588	0,0017212900
43	0,0066625747	0,0018544187
44	0,0071474184	0,0020023703

45	0,0076680100	0,0021676861
46	0,0082244930	0,0023516809
47	0,0088216652	0,0025538640
48	0,0094584171	0,0027714017
49	0,0101280734	0,0030039882
50	0,0108212272	0,0032509632
51	0,0115228363	0,0035141552
52	0,0122233730	0,0037896536
53	0,0129133803	0,0040738105
54	0,0135955053	0,0043618174
55	0,0142859526	0,0046536866
56	0,0150084234	0,0049548709
57	0,0157948684	0,0052740418
58	0,0166676936	0,0056276768
59	0,0176400368	0,0060313270
60	0,0187181346	0,0065036410
61	0,0199037048	0,0070585173
62	0,0212196935	0,0077140411
63	0,0226839310	0,0084825984
64	0,0243147043	0,0093742669
65	0,0261183219	0,0103971349
66	0,0280940488	0,0115659366
67	0,0302425933	0,0129055099
68	0,0325700636	0,0144510322
69	0,0350858599	0,0162382933
70	0,0378016624	0,0182951136
71	0,0407143335	0,0206292088
72	0,0438107362	0,0232341066
73	0,0470696180	0,0260982484
74	0,0504811467	0,0292280131
75	0,0540616273	0,0326530238
76	0,0578665497	0,0364307871
77	0,0619843680	0,0406359180
78	0,0664916973	0,0453425305
79	0,0714740982	0,0506171641
80	0,0769774599	0,0565051459
81	0,0830319346	0,0630317637
82	0,0896147271	0,0702018558
83	0,0966845108	0,0779949274
84	0,1042579696	0,0864008004
85	0,1122879396	0,0954219949
86	0,1207280202	0,1050267964



87	0,1295129290	0,1151705866
88	0,1385844507	0,1258039246
89	0,1481204333	0,1369032122
90	0,1582202894	0,1485338001
91	0,1691737115	0,1610224830
92	0,1809266576	0,1738000217
93	0,1934419461	0,1871487399
94	0,2065024009	0,2007375293
95	0,2203274393	0,2150498902
96	0,2350011690	0,2300562069
97	0,2507578103	0,2455860090
98	0,2673864944	0,2613597427
99	0,2847965003	0,2771617489
100	0,3046228561	0,2955023955
101	0,3275264532	0,3170455227
102	0,3549860330	0,3437003847
103	0,3868036658	0,3745180950
104	0,4235753219	0,4101464523
105	0,4660173959	0,4516534218
106	0,5147843396	0,5000418052
107	0,5634808009	0,5490524338
108	0,6239580347	0,6110982356
109	0,7883509815	0,7810056771
110	1,0000000000	1,0000000000