

Insurance

JSC "RZD" pays great attention to insurance coverage of the Company's property risks. The Company has insured the real estate complex, freight rolling stock, passenger car fleet, locomotives, electric trains, and has arranged personal insurance for its employees.

3 RUR bln

Total amount of Directors', officials' and companies' liability insurance contract for the period from 21 February 2012 to 20 February 2014.

8,591 facilities

Insured following the implementation of Federal Law No. 225-FZ "On compulsory insurance of civil liability of a hazardous facility owner for damage caused by an incident at the facility" dated 27 July 2010 on 1 January 2012.

1 RUR bln

Total amount of the civil liability insurance contract for rail transport infrastructure, owner and carrier

650 RUR mln

Total amount of insurance indemnity received in 2012

In order to improve the Company's coverage system, the Directors', officials' and companies' liability insurance contract for the period from 21 February 2012 to 20 February 2014 was concluded for a total insured sum of RUR 3 bln. Those insured are the members of the Board of Directors, President, First Vice president, senior vice presidents, vice presidents, board members, chief accountants, heads of legal services, heads of units, departments, administrations, managers and members of boards of 89 subsidiaries and affiliates. This insurance provides for the reimbursement of expenses to Company executives that may be borne in the event of claims lodged against them due to wrong doings by the Company's management.

Following the implementation of Federal Law No. 225-FZ "On compulsory insurance of civil liability of a hazardous facility owner for damage caused by an incident at the facility" dated 27 July 2010 on 1 January 2012 that applies to 8,581 facilities of JSC "RZD" registered in the state register of hazardous production facilities, an open tender was held to select suppliers of policies for each hazardous facility.

In order to minimize risks of MTPL and hull coverage of the Company's car fleet, in 2012, the Company held relevant open tenders to choose contractors from reputable insurers with a good standing in the MTPL and hull coverage market and with an extensive branch network.

In addition, in 2012 an open tender was held to choose an insurer to enter into a contract for civil liability insurance for rail transport infrastructure owner and carrier. Each year, JSC "RZD" voluntarily enters into this contract that insures the civil liability of JSC "RZD" for damage to life, health, property of beneficiaries and/or environment. The total insured sum under the contract is RUR 1 bln.

JSC "RZD" continuously improves its coverage and relevant regulatory framework. Terms of insurance contracts are refined to extend the range of coverable risks.

In 2012 further claims were settled; the total amount of insurance indemnity received exceeded RUR 650 mln. A major insured event was settled in relation to a flood that resulted in heavy damage to the rail infrastructure and social facilities of JSC "RZD" that occurred on 6-7 July 2012 in the Krasnodar Territory. This occurrence was recognized as an insured event and insurance indemnity of the costs to restore infrastructure facilities amounted to RUR 251.041 mln.