



Karelia University of Applied Sciences  
BBA

# Opportunities of cargo insurance in Russia

Svetlana Emden-Bazhenova

Thesis, May 2022

[www.karelia.fi](http://www.karelia.fi)



THESIS  
May 2022  
Degree Programme in International  
Business  
Tikkarinne 9  
80200 JOENSUU  
+358 13 260 600

Author  
Svetlana Emden-Bazhenova

Title  
Opportunities of cargo insurance in Russia.

Commissioned by Case company X

#### Abstract

Russia is a tempting country for many international businesses. Thus, one Finnish start-up company is interested in entering the Russian market, and prior to this entrance, it needs to study the markets and the demand for their solutions. Therefore, this company proposed the topic for this thesis. The research subject of this work is the Russian cargo insurance market. The company will not be mentioned by the name in this work for confidentiality purposes.

The purpose of the research is to analyse the business opportunities for the commissioning company in the Russian Federation. The results of this research will affect the decision on entering Russian market.

The objective of this work is to conduct a study and analyse the cargo insurance market globally and then focus on this market in the Russian Federation. The sub-questions consider the pros and cons of the logistics industry in Russia, the general situation with the cargo insurance market in Russia, the use of per shipment cargo insurance and the main problems faced by Russian companies.

The thesis was conducted based on the theoretical framework and on the qualitative research. The qualitative research is based on two questionnaires that were designed online in Google Forms and then delivered to the target companies.

The results of the research show that the cargo insurance market in Russia has a declining development dynamic due to political, economic, legislative and cultural problems. Moreover, the recently started military invasion into the territory of Ukraine makes it impossible to start business in the Russian Federation for at least as long as this invasion continues.

Language  
English

Pages 58  
Appendices 6  
Pages of Appendices 10

Keywords: cargo insurance, carrier liability insurance, per shipment cargo insurance, general "annual" cargo insurance, freight forwarding company, consignor, carrier

## Contents

1	Introduction .....	4
1.1	Background .....	4
1.2	Research aim and objective .....	5
1.3	Thesis outline .....	5
2	Market analysis .....	6
2.1	Global logistic market.....	6
2.2	Introduction to cargo insurance industry .....	13
2.3	Role of cargo insurance in Russia.....	16
2.3.1	Introduction to logistic industry in Russia .....	17
2.3.2	Advantages and disadvantages of the logistics industry in Russia ...	20
2.3.3	Analysis of various risks affecting on the cargo insurance market in Russia .....	23
2.3.4	Essence of cargo insurances in Russia .....	25
3	METHODOLOGY .....	27
3.1	Methodology Approaches.....	27
3.2	Survey execution.....	28
4	RESULTS.....	30
4.1	General data collection .....	30
4.2	Use of per shipment cargo insurance.....	33
4.3	Measuring customer satisfaction.....	37
5	CONCLUSIONS AND RECOMMENDATIONS .....	39
5.1	Key findings.....	39
5.2	Suggestions for the future research .....	42
5.3	Reflection of the learning process .....	43
	References.....	44

## Appendices

- Appendix 1 List of freight forwarding companies.
- Appendix 2 List of insurance companies.
- Appendix 3 Questionnaire 1: for freight forwarding companies.
- Appendix 4 Questionnaire 2: for insurance companies.
- Appendix 5 Cover letter 2: for freight forwarding companies.
- Appendix 6 Cover letter 1: for insurance companies.

# 1 Introduction

In the era of globalization, billions of tons of cargo are transported around the world each year. Activities along the supply chain for the cargo transportation are inevitably associated with various kinds of risks, whether it concerns the transportation of goods by one or another mode of transport, the implementation of warehousing and temporary storage of goods or the performance of loading and unloading processes. (Rushton, Croucher & Baker 2022, 3.) The logistics chain is a high-risk area in which there is always the potential for emergencies. Therefore, cargo insurance is an important task that must be taken into account in the process of cargo transportation. (Rushton et al. 2022, 569-570.)

## 1.1 Background

The commissioner of this thesis is a start-up company that already operates in different foreign countries. This company is interested in entering the Russian market, and prior to the entrance it needs to study the market and its demands. Therefore, the topic for this thesis was proposed by this company. The company will not be mentioned by name in this work for confidentiality purposes. Further reference to the company will use the case company or commissioning company terms.

The case company wants to know about the Russian logistics industry and about the cargo insurance market, as Russia is a big area with a large volume of cargo transportation. Entering a new market requires knowledge of potential risks and possible opportunities. Accordingly, the decision on entering the Russian market will be considered in this work.

## **1.2 Research aim and objective**

The aim of the thesis is to answer the question “What are the opportunities of the cargo insurance market in Russia?” The sub-questions of this work were discussed with the commissioner and were set to guide this study as follows:

- What is the situation with the cargo insurance market in Russia?
- What is the use of per shipment insurance in Russia?
- What are the main challenges freight forwarders and insurance companies have in Russia?

The objective of this work is to conduct a study and analyse the cargo insurance market globally and then focus on this market in the Russian Federation. This approach helps the reader to understand the essence of the cargo insurance market globally and then, with this knowledge, to study the Russian cargo insurance market in more detail. For the commissioning company, this approach helps to get an idea of the business possibilities in the target country. To support the theoretical study, the survey was also conducted.

## **1.3 Thesis outline**

The structure of this research is organised logically in the next four chapters. The second chapter includes a literature review or theoretical framework of this work.

First, it provides the basic data of the global logistics market and then narrows down to the global cargo insurance industry. Afterwards, the theoretical concepts move on to the role of cargo insurance in Russia, including a discussion of the Russian logistic industry, its pros and cons and a risk analysis of the cargo insurance market. The aim of the theoretical background is to help the reader to understand the main concepts and terms of the logistics industry and the cargo insurance industry as well as to study and find needed information for the case company about the cargo insurance market in Russia.

The third chapter provides insights into the chosen research methods to reach the results. The fourth chapter focuses on results of the qualitative research. There, the outcomes from two questionnaires will be discussed and compared. The aim of this chapter is to bring in data that was not found in the theoretical part of this thesis and to answer the questions set for this work. Finally, the fifth chapter concludes the main points of this thesis and answers the research questions. This chapter also consists recommendations for further research.

## **2 Market analysis**

This chapter introduces the global logistic market and the cargo insurance industry. Furthermore, this section focuses on the cargo insurance market in Russia. The key components of the Russian logistics industry and the cargo insurance market are then described.

### **2.1 Global logistic market**

Nowadays, we are living in a world of production and consumption. Much of the food we eat, the clothes we wear, or the devices we use were produced in another country and then transported to our country. The global movement of products and services between countries is called globalisation. (Atech 2021.)

Globalisation is impossible without well-functioning international logistics. Thus, in connection with the development of international trade, international logistics can be understood as a set of many logistics operations performed on an international scale. (Ma, Cao & Li 2021, 6.) Basically, logistics is not only about the physical flow of goods from manufacturers through wholesalers and retailers to end consumers, but also about other flows such as information flow and storage. (Rushton et al. 2022, 5; Kondratjev 2015, 3.)

The global logistics industry operates in two types of distribution channels: the physical distribution channel and the trading channel (Figure 1). The physical distribution channel is the method used to physically deliver finished goods from the production point to the end point. The end point means the place where the product is available to customers. It can be a retail outlet or customer's house in case of direct delivery to the customer. (Rushton et al. 2022, 54.)

The trading channel, also known as the transactional channel, refers to finished goods and to the delivery of this goods from the production point to the consumption point (Figure 1). However, the trading distributional channel is not about the physical movement of the product but about negotiation aspects, the buying and selling aspects of the product and about the change of ownership of the product. (Rushton et al. 2022, 54-55.)

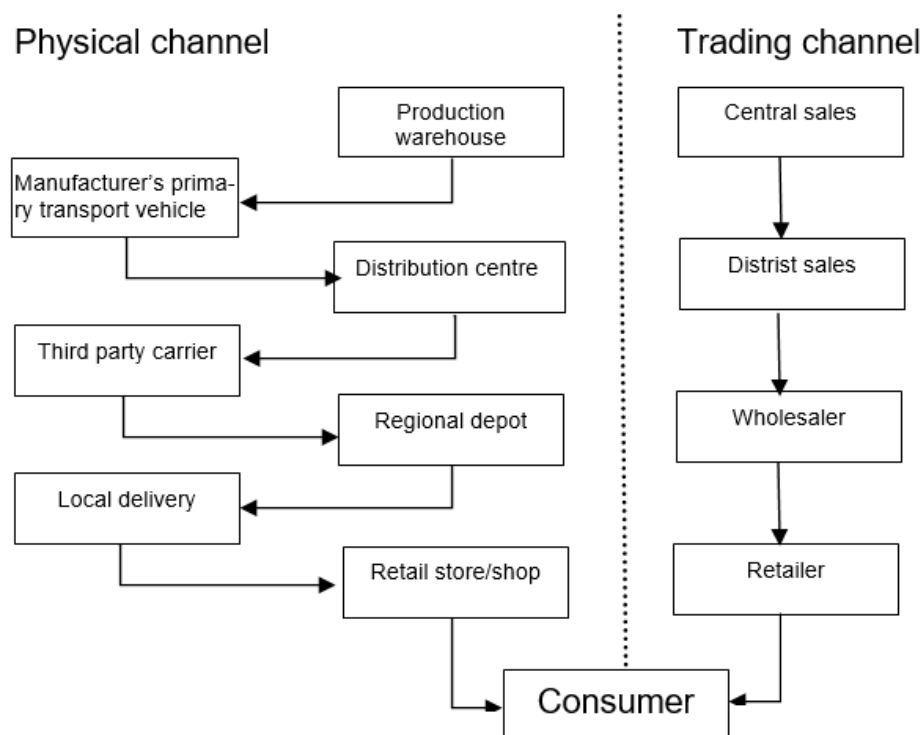


Figure 1. Typical channels of distribution (Rushton et al. 2022, 60).

The most common physical distribution channels in the logistics industry are Business to Business (B2B) and Business to Customer (B2C) channels. A B2B channel applies to industrial products such as raw materials, components, spare parts, etc., and the delivery of the products generally starts from the supplier to

the factory. (Rushton et al. 2022, 54-59.) In other words, it involves transactions between businesses, for example, between a wholesaler and retailer (Chen 2020).

In comparison, a B2C channel applies to the physical products. The delivery of this product goes straight to the end customer. (Rushton et al. 2022, 54-55.) For example, companies such as Walmart, Amazon and Meta (formerly Facebook) use B2C channels; these companies sell products or services directly to the end-customer (Kenton 2022).

Logistics companies, along with the use of different distribution channels, also use different modes of transportation, such as road freight, sea freight, air freight and rail freight transportation modes. All these modes can be understood as the movement of products throughout the globe by sea, land or sky. The choice of the right transportation mode is a significantly important decision for logistics management and companies. Before making this decision, companies should take into account different factors such as the logistics infrastructure of the country, the trade barriers, licences, culture, climate, etc. (Rushton et al. 2022, 395-396.)

It is important to understand who are the main players in the logistics industry. The main players are freight forwarders, freight carriers and consignors. Freight forwarders or transport intermediaries are the companies which have significant roles in international trade. These companies provide complex services to their customers, including transportation, documentation, custom clearance, warehousing, supervision of the movement, port related activities, etc. When arranging freight delivery these companies can use different modes of transportation. (Rushton et al. 2022, 416.) Freight forwarders have a wide network of carriers with whom they cooperate under the contract of carriage (Roslyng Olesen 2015,15). The main role of a freight forwarding company is to organise the delivery of freight from the place of origin to the place of destination and organise different services that can be needed in the process of transportation (Rushton et al. 2022, 416).

According to Bowersox and Closs (1996), freight forwarding companies operate under the 4 Ds of uncertainties: distance (usually goods are transported over long distances), demand (customer demand is constantly increasing and uncertain), diversity (diversity of culture, since goods are usually transported outside the borders of one country), and documentation (difference in documentation). A fifth D should nowadays be added to the list: the desire of customers. Customers' desire getting a product at a lower price and at the same time getting the highest level of service with the minimum impact on the environment. (Rushton et al. 2022, 558.)

Freight forwarding companies can be small offices or very large corporations. No matter their size, the scope of their activities is global. However, some companies may operate in certain regions of the world. For example, freight forwarding companies that specialise in the delivery of parcels and documentation are FedEx, United Parcel Service (UPS) and Deutsche Post DHL. These companies are very large, operate worldwide and have offices and logistics facilities all around the world. (Rushton et al. 2022, 557-559.)

Another important player in the logistics industry is freight carriers. Freight carriers are the independent companies that transport goods from one place to another. These companies can be airlines, railway companies, road haulers, shipping companies or barge operators, depending which mode of transport is used to deliver the goods. Since one batch of goods or consignment, in logistics language, can be transported using several transportation modes, the delivery process may involve several types of carriers. (Bishop 2003, 4; Pienaar 2016, 11.)

Consignors or shippers is another important player in the logistics industry. A consignor is a person or a company who owns the cargo. They may work with a freight forwarding company to arrange cargo transportation but may also work directly with a freight carrier company. If they cooperate with a freight forwarder, a freight forwarding company represents them and takes responsibility to arrange cargo transportation. (Bishop 2003, 13-15; Glass 2013, 392.)

Figure 2 shows the structure of interaction between a shipper, a freight forwarder and a carrier. Thus, consignors sign the forwarding contract with a freight forwarding company, and carriers sign the contract of carriage with a freight forwarder. (Bishop 2003, 15.)



Figure 2. Arrangement between consignor, freight forwarder and carrier. (Bishop 2003, 15).

To understand the size of the industry, the author provides some statistics data relevant to global logistics. Thus, Figures 3 and 4 illustrate international export and import trade value in the world by different transportation modes. According to Figures 3 and 4, sea transportation, followed by air transportation, has major value in global trade. Global export trade growth remained strong from 2016 to 2019 and reached a maximum value in 2019 (Figure 3).

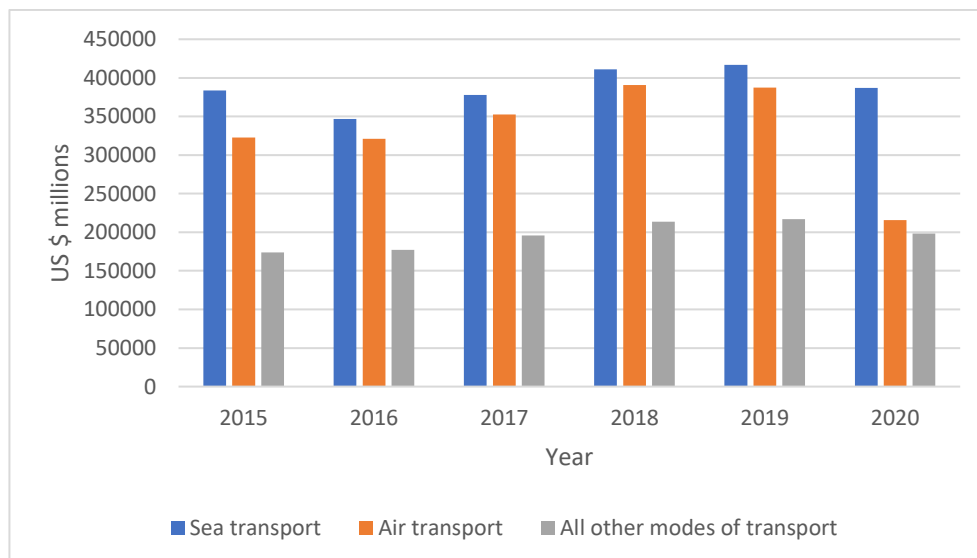


Figure 3. International export trade value in the world by different transportation modes (UNCTADSTAT 2022).

Almost the same tendency shown in Figure 4, where global import trade growth was from 2016 to 2018 and reached a maximum value in 2018.

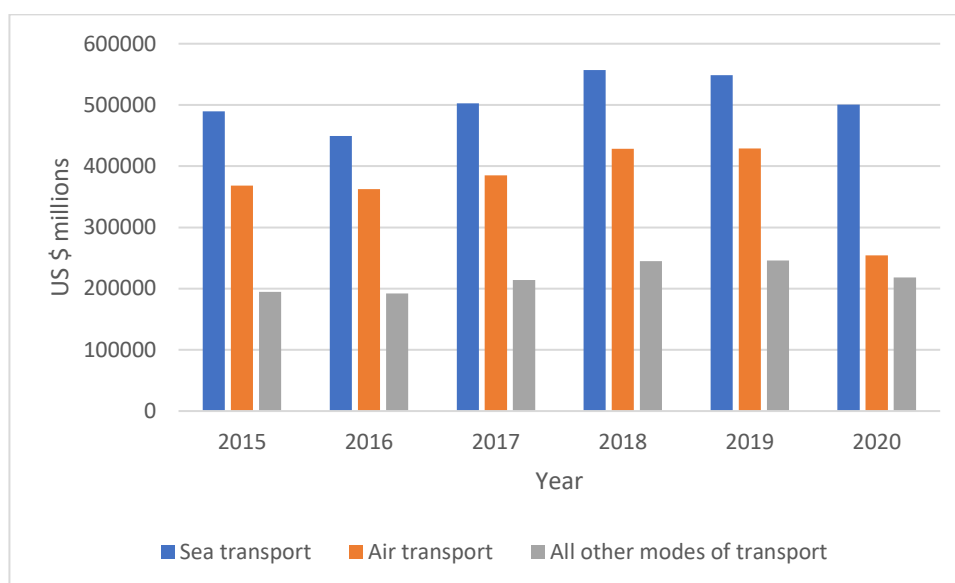


Figure 4. International import trade value in the world by different transportation modes. (UNCTADSTAT 2022).

Also, it is important to mention that the COVID-19 pandemic has significantly affected the global logistics industry. Because of the pandemic, the global trade value slightly went down in 2020 regarding export and import global trade. (Figure 3 & Figure 4). But, as an Unctadstat report (2021) states, the global trade value increased in 2021 due to easing pandemic restrictions, economic stimulus packages and rising commodity prices. (Unctadstat 2021, 3.)

The global volume of air freight has been rapidly growing, reaching 66.2 million metric tons in 2021. (Figure 5). In the 2020-post COVID period the volume dropped down to 56.1 million metric tons but significantly rose the following year. (Statista 2021.)

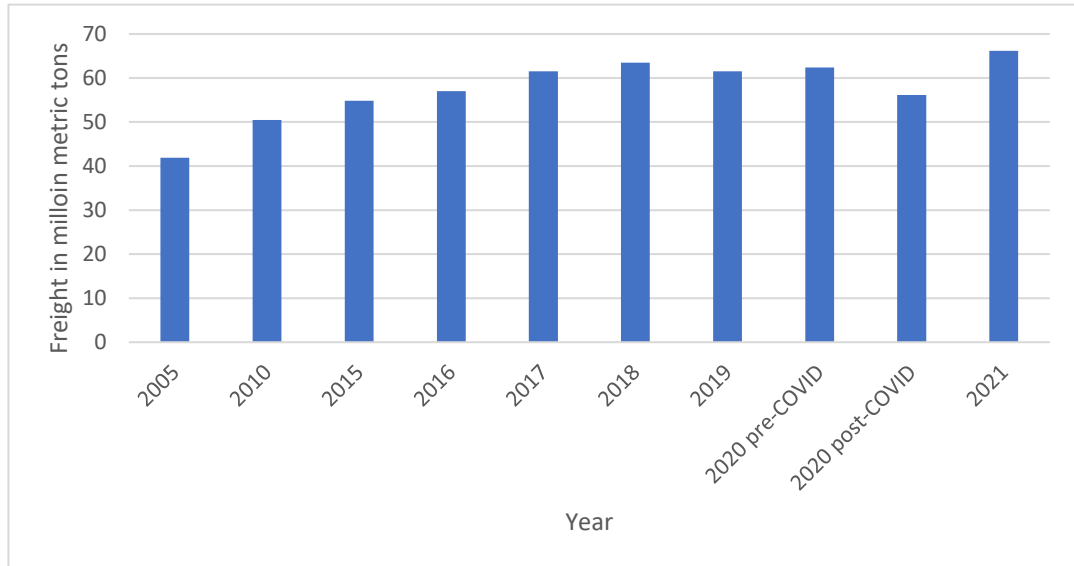


Figure 5. Worldwide air freight traffic from 2015 to 2022. (Statista 2021).

Figure 6 shows the most rapid increase in the capacity of container ships in maritime trade from 1980 to 2021, reaching 282 million Dwt (deadweight tonnage) in 2021. In comparison, the capacity of container ships in 1980 was just 11 Dwt. This illustrates how the demand for maritime transport has grown over the last decades. (Statista 2021.)

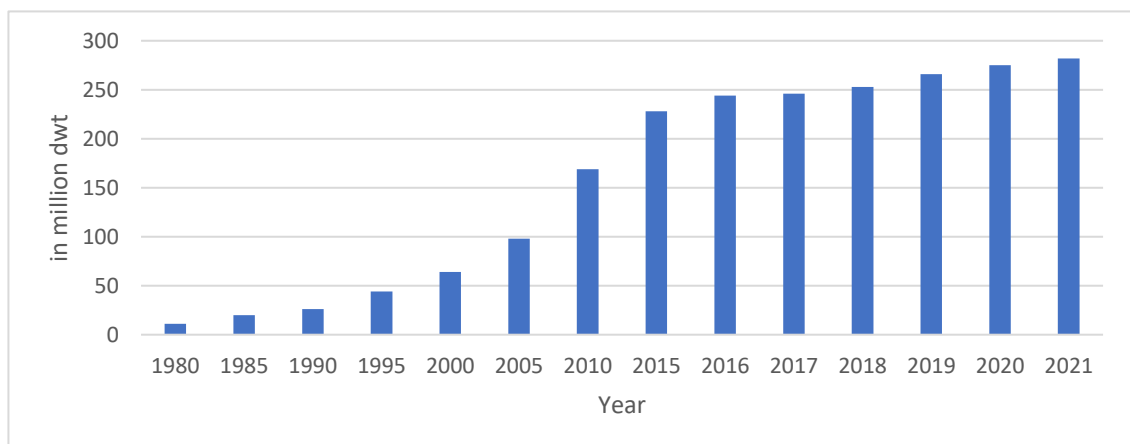


Figure 6. Capacity of container ships in maritime trade 1980-2021. (Statista 2021).

All things considered, it seems reasonable to assume that the logistics market is increasing in volume and variety as is competition among logistics companies. Successful business logistics practices can be achieved through cooperation between all players in the logistics industry with a common goal to provide a great customer service considering the eight “rights”: in the right place, at the right time, in the right quantity, at the right quality, at the right price, in the right condition, to the right customer and with the right environmental standards. (Rushton et al. 2022, 34.)

Also, it is worth mentioning that international trade is a high-risk area where there is always the potential for emergencies. Therefore, in order to protect a business’s bottom line, it is necessary to consider cargo insurance in the process of cargo transportation (Rushton et al. 2022, 569-570). A great example to understand why cargo insurance is essential is an accident that happened in March 2021 in the Suez Canal, when a huge container ship blocked the canal and disrupted global trade. As an outcome, all traffic through the canal was blocked from March 21 to 29, meaning delays for many products including gas and oil. (Lee & Wong 2021, 8 -11.)

## **2.2 Introduction to cargo insurance industry**

When it comes to international transportation, especially with use of several transportation modes and several carriers, there can be very high risk of damage, loss, or theft of transported cargo. It is important to know who is financially liable for the cargo during its transportation from the point of origin to the point of destination. Basically, there are two ways to protect and insure the cargo: carrier liability insurance and cargo insurance. Both these insurances might sound like the same thing, but they are totally different. The key differences that are important to understand will be described further.

Carrier liability is limited insurance by certain international and commercial documents (Rushton et al. 2022, 569). In fact, every mode of transportation has its own legal document that defines liability. For example, the Carriage of Goods

by Sea Act (“COGSA”) defines liability limits and duties for sea transportation (DiDomenico 2021). The Warsaw Convention also defines liability limits but for air transportation (Warsaw Convention 1939). CMR Convention defines a liability limit of 8.33 SDR (Special Drawing Rights) per kilogram of cargo for road transportation (CMR Convention 1978). Simply speaking, the carrier's liability has its limits, which depend on many factors. Table 1 illustrates a carrier’s maximum responsibilities, reclamations, and limitation periods for different modes of transportation (The World of Logistics 2022).

Mode of transport	Max compensation	Reclamation deadline	Limitation period
Sea transport	667 SDR / freight or 2 SDR / kg	Visible damages immediately hidden within 24h	1 year
Domestic transport rail	25 euro / kg	Visible damages immediately hidden within 10 days	1 year
International transport rail	17 SDR / kg	Visible damages immediately hidden within 7 days	1 year
Domestic transport road	20 euro / kg	Visible damages immediately hidden within 7 days	1 year
International transport road	8,33 SDR / kg	Visible damages immediately hidden within 7 days	1 year
Air transport	19 SDR / kg	Visible damages immediately hidden within 7 days	1 year

Table 1. Carrier’s liabilities for all modes of transportation. (The World of Logistics 2022).

Carriers are responsible for losses and damages of a transported cargo that happened when cargo was under their control. The carrier’s liability is always limited. Also, there exists a list of causes when carriers are not responsible for any damages or losses of a cargo. So, consignors should be able to prove that the damage or loss of a cargo was the carrier’s fault, or they end up without coverage for damaged or lost cargo. (Roanoke 2022.)

In order to be more financially protected, it is important for consignors to arrange additional cargo insurance (Rushton et al. 2022, 569). With cargo insurance, the

cargo will be protected from the place or origin to the place of destination, not only during the transportation. The payment, in case of damage or loss, will not depend on under whose control the cargo was. And the insured value of cargo insurance will be higher than the insured value of carrier liability. (Roanoke 2022a.) For example, the insured value or maximum compensation of the Roanoke insurance company is US \$3 million (Table 2). Generally, the insured value offered by cargo insurance covers the full invoice value of cargo lost or damaged plus shipping costs and plus 10% to cover additional costs (Burges 2012; Roanoke 2022b). But the calculation of the insured value may differ between insurance companies and between countries, too.

Mode of transport	Max compensation	Reclamation deadline
Ocean (Marine)	US \$3 million	3 days from the date of delivery
International rail transport	US \$3 million	9 months from the date of delivery
International road transport	US \$3 million	9 months from the date of delivery
International Air	US \$3 million	7 days from date of deliver for visible damage; 14 days for concealed/hidden damage, 120 days in case of non-delivery.

Table 2. Typical max compensation and time limitations for filing a claim against the carrier (Roanoke 2022b).

In the process of transportation is it important to have a clear understanding who is responsible financially for cargo at every stage of transportation. To understand when the ownership of the cargo passes from the seller to the buyer, who is responsible for the costs related to insurance of a cargo, freight or shipment, duty and customs, the International Chamber of Commerce (ICC) developed the International Commerce Terms or Incoterms (Burges 2012; Rushton et al 2022, 572). Incoterms rules are used internationally and domestically as the standard in contracts for the sale of goods. The document was published for the first time in 1936, and since this time it has been updated a few times. The last edition was launched in 2019. The name of the document is Incoterms 2020 and it started to be in use from 1 January 2020. (ICC 2022.)

There are different types of cargo insurance, differentiated mainly by three variables: transportation type, periodicity of insurance events, and types of risk covered. Firstly, it differentiates into land and marine insurance. Secondly, it differs by the periodicity: it can be open coverage insurance or single coverage insurance. Open coverage insurance has a specific period of validity, usually one year, and this covers multiple shipments. Alternatively, single coverage insurance offers only per shipment coverage. (Rushton et al. 2022, 570.)

Thirdly, cargo insurance differs by the risk coverage. So, it can be "all risks" coverage, which obviously covers all risks, but it can be "named perils" coverage, which has restrictions. This type of cargo insurance has certain restrictions on what is covered and what is not covered. For example, an insurance company may indicate in the policy that the cargo can be shipped only by ships that are not older than a certain age. (Rushton et al. 2022, 570-571.)

To summarise, cargo insurance is an additional protection, not a mandatory type of insurance. Unlike carrier liability, cargo insurance is not automatic. Cargo insurance is important especially when cargo is transported internationally. It has many advantages: the main one is the minimization of financial losses if the cargo was damaged or lost. The coverage will be much higher than with coverage under carrier liability, which will compensate damaged or lost cargo only partially or in the worst case not at all.

### **2.3 Role of cargo insurance in Russia**

This chapter focuses on cargo insurance in the Russian Federation. At the beginning, the main data of the logistics industry in Russia and its pros and cons are outlined. Next is a discussion of different risks in the transportation industry in Russia. Finally, this chapter describes why it is important for shippers to have cargo insurance in Russia.

### 2.3.1 Introduction to logistic industry in Russia

Russia is a large country with a population of about 145.83 million and 16,376,870 km<sup>2</sup> of land area (World Population Review 2022). The Russian transportation system is one of the most extensive in the world. For example, the country is in the third place after the USA and China in terms of the length of railway and in fifth place in terms of automobile roads. Freight transport in the country is based on two main modes of transportation: railway, and road modes. (Rosstat 2020, 3.)

Historically, in Russia the rail transportation mode has the main traffic load, especially in relation to cargo transportation. The high cost of railway infrastructure maintenance has stimulated the development of the pipeline and road transportation modes, which to some extent has also created competition among transportation modes. (Rosstat 2020, 3.)

International export trade of goods from Russia during 2015-2021 had an unstable dynamic since the curve has two drops, one in 2016 and one in 2020 (Figure 7). In 2021 the value of the international trade of goods reached 388.4 billion US dollars, the pick value was in 2018, which was 443.9 billion US dollars. The international import trade of goods to Russia has a more stable curve, which reached its maximum value of 306.8 billion US dollars in 2021. (Statista 2022a; Statista 2022b.)

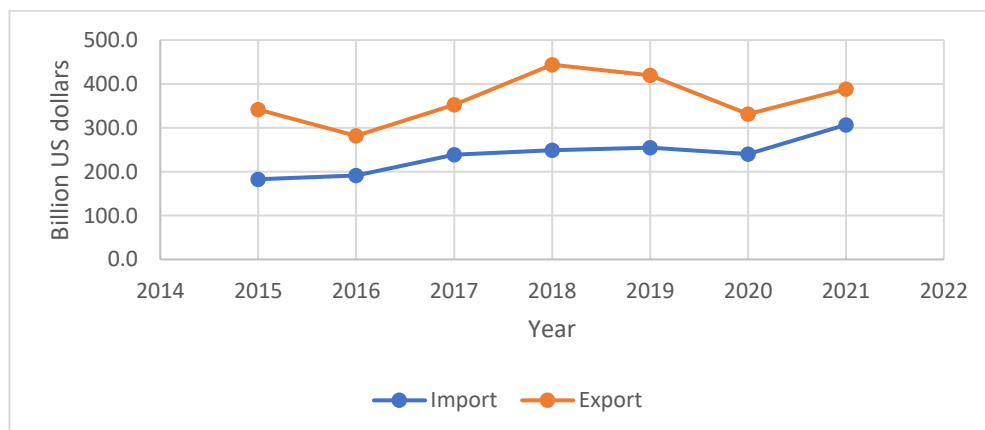


Figure 7. Russian international export and import trade value from 2015 to 2021. (Statista 2022a; Statista 2022b).

Russia's top export products by value in 2021 were crude oil, petroleum oils, coal, gold, and goods made from semi-finished iron or non-alloy steel. These export goods represent 45.6% of overall exports sales from Russia. Russia's top import products by value in 2021 were machinery including computers, electrical machinery, equipment, vehicles, and pharmaceuticals. (Russian Federal State Statistics 2022, 2.)

It is important to mention that Russia was one of the main trade partners of EU until February 2022 when Russia began its military aggression in Ukraine. For example, in 2021, Russia was the EU's fifth largest trade partner, accounting for 5.8% of the EU's total trade in goods (European Commission 2022). In 2021 EU's import trade of goods were worth €158.5bn (Figure 8), with fuel and mining products dominating. Exports of goods were worth €99.0bn in 2021 (Figure 8) led by machinery, equipment, and motor vehicles products. (Eurostat 2022.)

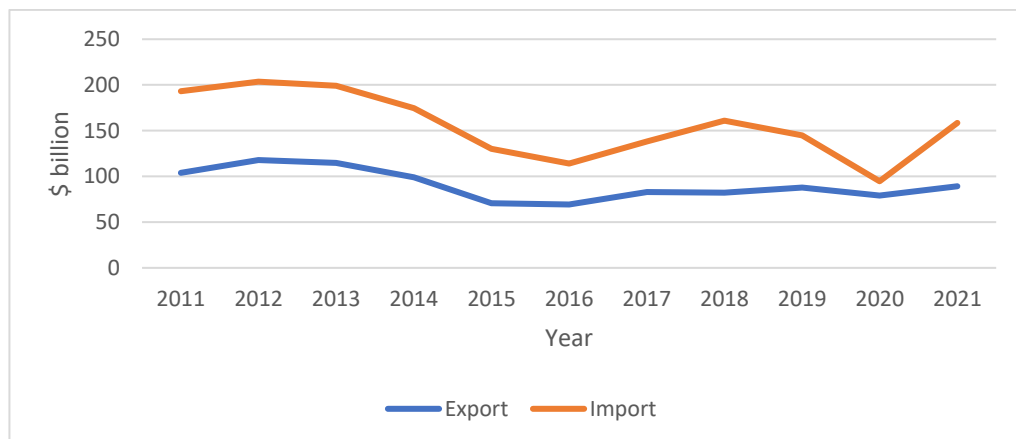


Figure 8. EU trade in goods with Russia, 2011- 2021 (Eurostat 2022).

It should be noted that Russia territorially is located between Europe and Asia and links them as a transit country. The distance by land between Europe and Asia is much shorter than the distance by sea. However, the dominant transportation mode between them is a sea freight mode. (Kaplan 2016, 4.)

The Russian Federation has the longest coastline in the world. According to Rosmor-port (2022a), the seaport economy of Russia consists of 882 port complexes with a capacity of about 800 million tons located in 63 seaports. In these, more than half a billion tons of various cargoes are handled (Figure 9). The

ports are classified into five sea basins: the Arctic Ocean, the Baltic Sea, the Pacific Ocean, the Azov-Black Sea, and the Caspian Sea basins. The seaports have strategic importance for the development of the Russian national economy and for meeting the export needs of the country. (Rosmorport 2022a.)

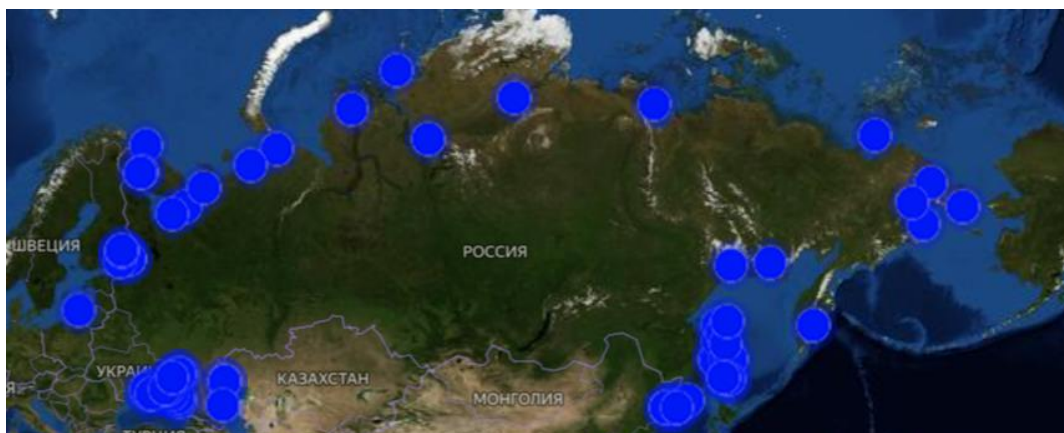


Figure 9. Infrastructure of Russian seaports. (Rosmorport 2022b).

In January-August 2021, the first place among the seaports of Russia in terms of container turnover was taken by the Big Port of St. Petersburg with a turnover of 1.37 million TEU. Second place was taken by the port of Vladivostok with a turnover of 807.36 thousand TEU, and the third place was assigned to Novorossiysk with 560.23 thousand TEU of turnover. For better understanding, in total, Russian ports transhipped 3.71 million TEU over the period of January-August 2021. (Infranews 2021.)

The cargo turnover of Russian seaports in 2021 increased by 1.7% compared to 2020 and reached 835.2 million tons. The port of Novorossiysk, which belongs to Azov-Black Sea basin, took the leading position in terms of cargo turnover among the ports of the Russian Federation. (Rosmorport 2022c.)

The sea ports of Baltic, Pacific and Azov-Black Sea basins contributed the biggest amount of cargo turnover in 2021 (Figure 10). The cargo turnover of the Caspian Sea basin seaport in 2021 amounted to 7 million tons, which is 14% less than in 2020. (Rosmorport 2022c.)

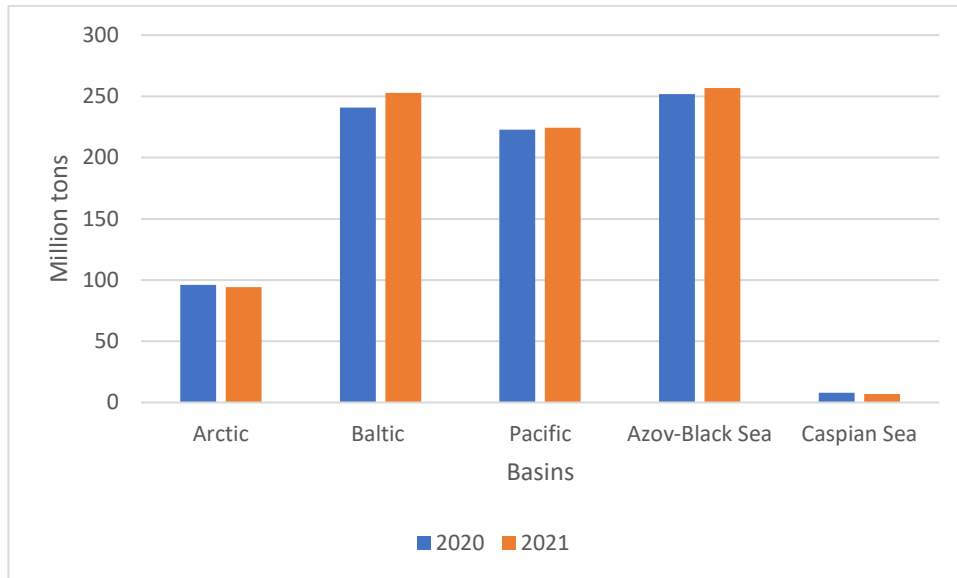


Figure 10. Cargo turnover of Russian seaports by basins in 2021 (Rosmorport 2022c).

All things considered, it seems reasonable to assume that Russia has a great opportunity to the logistic industry. The country is very large and has the longest coastline in the world with 63 seaports. In addition, Russia links Europe and China and has a great strategic importance to both of them. On the other hand, Russia was an important trade partner for European Union until the February 2022, when it started a military invasion in Ukraine. (BBC 2022.)

### 2.3.2 Advantages and disadvantages of the logistics industry in Russia

Among the advantages of the logistics industry in Russia, it is worth noting the development of new railway and road communications, as well as the planning of opening new routes for the transportation of goods. For example, a direct road freight route from China was opened in 2019. Another example is railway

communication with Crimea that was opened in 2019 for passengers' transportation and in July 2020 for freight railway transportation. (Lysionok 2020.)

As mentioned in the previous subchapter, Russia has 63 seaports and has the longest coastline in the world. These facts can be considered as an advantage for the logistic industry because the seaports have high importance in the world trade economy. (Rosmorport 2022c.)

Furthermore, the Northeast Passage, which was opened for international shipping, is the shortest route between Europe and Asia. (Arctic Russia 2022.) This is a very promising route because the Russian organisation of "Rosatom" is investing into this route by allocating more than 6 billion euro for the modernization of port infrastructure, repair of the fleet and construction of modern cargo ships. (Lysionok 2020.)

Moving on to the disadvantages of the international logistics market of Russia it is important to start with an event that has recently occurred and has a very large impact on the economic situation of the country. On February 24, 2022, Russia began a large-scale military invasion in Ukraine (BBC 2022). As a response to this aggression the European Union, the United States, the United Kingdom, and other countries have adopted sanctions against the Russian Federation. The list of these sanctions is long and continues to grow. (Funakoshi, Lawson & Deka 2022.)

The aggressive behaviour of the Russian Federation has a large negative impact on global logistics. For example, all Ukraine ports were closed with the start of the war and many major shipping companies had to stop new bookings to and from Ukraine and Russia as well. (Nguyen & Li 2022.) Also, the biggest shipping company Maersk decided to cease operations in Russia and sell all its assets there (Rytvinskaya 2022). These events will influence the global ocean freight market. Major road carriers UPS, FedEx, DHL have stopped flights to Russia and Ukraine. However, some small operators remain active there without commitment to lead times because it is difficult to guarantee the arrival time for the ordered goods during wartime. (Nguyen et al. 2022.)

Another big disadvantage, which has great effect on the international logistics industry of the Russian Federation and on the global logistics market is a Russian food import ban. The food embargo was introduced by presidential decree on August 6, 2014, against countries that have imposed or supported anti-Russian sanctions. Initially, the embargo was imposed on the countries of the European Union, the United States, Australia, Canada, and Norway; then Albania, Liechtenstein, Iceland, Montenegro, and Ukraine were included in the list. (Shagaida & Uzun 2022.)

At first, the ban was introduced for one year, but in 2015, it was extended until August 5, 2016, and then the extension became annual. The last extension has been made on September 20, 2021 and will be valid until the end of 2022. (Interfax 2021.) First the ban applies to meat and meat products, milk and dairy products, fish and fish products, and vegetables and fruits were banned. Since October 2017, it has been forbidden to import live pigs, except for purebred breeding animals, as well as offal and animal fat. (Shagaida & Uzun 2022.) The food embargo has great impact on the Russian logistics industry. Because of this, many partnerships between Russian and sanctioned companies, created over the years, were destroyed, and as a result, many freight routes have been changed or stopped. (Kostyrev 2017.)

The main factors that influenced the international logistics industry of the Russian Federation from a positive and negative point of view were described. All these factors greatly impact the cargo insurance industry because the development of the cargo insurance industry highly depends on the conditions of the logistics industry. Further, an analysis of various cargo insurance risks in Russia will be discussed.

### **2.3.3 Analysis of various risks affecting on the cargo insurance market in Russia**

This subchapter will discuss different risks that affect the cargo insurance market in Russia. The Russian Government, the corruption level, the stability of the Russian currency and the legislative problems will be highlighted here.

Basically, Russia has a federation government characterised as a semi-presidential republic, in which the President is the head of state. Vladimir Putin is the President of Russia and has been the leader of the country for more than 22 years (Worldpopulationreview 2022). In order to increase power and control over the Russian people, the President, the security forces and the Government, who is completely subordinate to the President, have created an authoritarian-bureaucratic nomenklatura system. (Vedomosti 2019; BTI Transformation index 2022.)

This system is characterised by the following factors. First, there is a small group of people who make important decisions on behalf of the whole country with minor control from the federal or regional level. Secondly, there is a weak judiciary role. Thirdly comes the prevalence of a vertical decision-making model over horizontal one. (BTI Transformation index 2022.)

According to the Corruption perceptions index (2021), Russia scored 29 points on a scale of 0 (highly corrupt) to 100 (very clean) on the 2021. To compare, Finland scored 88 points on the 2021 Corruption Perceptions Index. (Transparency International 2022). Corruption is widespread in Russia, and this factor creates a big concern for international and local businesses operating there. (Gov.UK 2021.)

The currency of Russia is the ruble. The ruble is not considered a stable currency as its value has changed over time, especially in March-April 2022, after the military invasion to Ukraine (The Economist 2022). Figure 11 shows a sharp jump in the exchange rate of the ruble in March 2022, when the ruble reached its peak of 133 rub to 1 euro. (Bank of Russia 2022.)

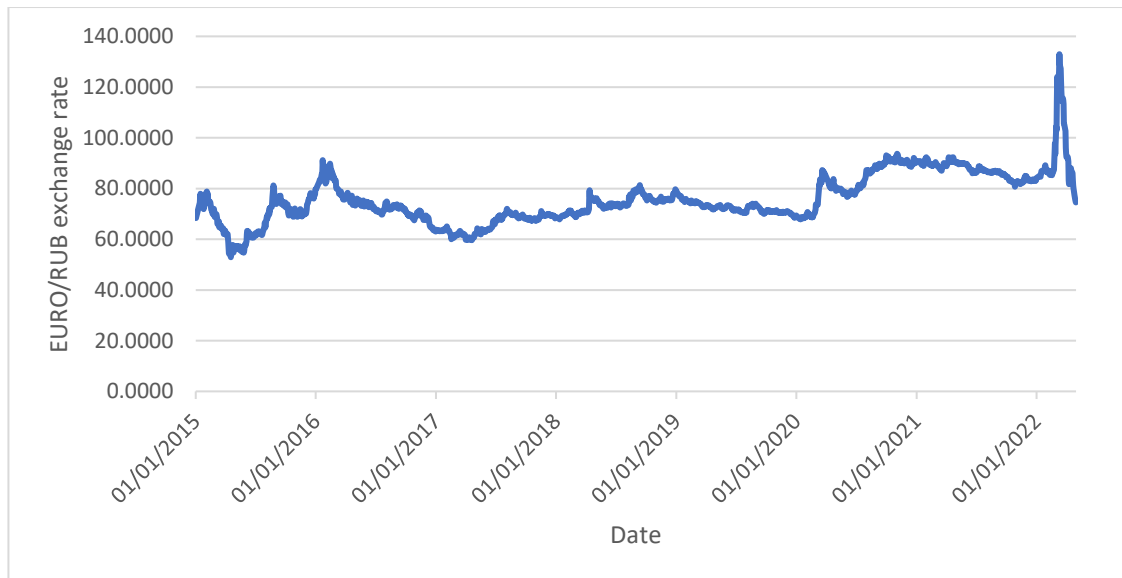


Figure 11. Euro to Russian ruble (RUB) exchange rate from January 2015 to April 30, 2022. (Bank of Russia 2022).

As in other countries, there are two types of cargo insurance in the Russian Federation: carrier liability insurance and cargo insurance. Carrier liability insurance and cargo insurance are voluntary insurances that can be purchased from an insurance company, and both of them are regulated by the laws of the Russian Federation. (Federal Law No. 83-FZ 2003; Law of the Russian Federation № 4015-10 1992.)

However, in comparison to EU countries, in the Russian Federation the carrier liability insurance works in a different way. In EU countries, the liability insurance is insured in accordance with applicable national or international laws. Depending on the mode of transport and transit countries, the amount of this liability is determined by international conventions, which have been listed in Chapter 2.2 of this work. Also, a freight forwarder and carrier liability insurance are an absolute norm and a market standard. (Petrenko 2021.)

In the Russian Federation, even though the liability insurance is regulated by the Federal law, practically, it is based on the rules of insurance companies and includes a lot of restrictions and requirements. Also, insurers often offer to freight forwarders or carriers to insure cargo instead of liability, which leads to double insurance of cargo and the absence of insurance coverage from the transport company. (Petrenko 2021.)

In other words, it is common practice in Russia that in carrier liability insurance policies have a lot of exclusions and requirements set by insurance companies rather than by the national or international law. In addition, even a slight deviation from named risk is treated by the insurance company as a non-insured event. Because of these factors, many companies in Russia do not see the point in insuring their liability when transporting goods. (Petrenko 2021.) Moreover, it happens in Russia that carriers or freight forwarding companies themselves insure the transported cargo, because in this way they can avoid unnecessary risks. (Makarova 2021.)

In summarising the findings, the Russian Federation has problems in political, economic, and legislative systems in the country. The high level of corruption and bureaucracy, the unstable country currency and non-functioning liability insurance create an unhealthy environment for the development of the cargo insurance market. Thus, in order to protect the businesses from the risks outlined above it is very important to have cargo insurance, especially during the international transportation. The following section will discuss the current situation of the cargo insurance market in Russia.

#### **2.3.4 Essence of cargo insurances in Russia**

In general, the cargo insurance industry shows unstable dynamics in Russia. Domestic cargo owners are not so interested in insuring cargo. There is no exact data on the percentage of the insured cargo turnover in Russia, but according to experts, this percentage does not exceed 40%. Meanwhile, cargo insurance remains one of the most effective ways to reduce risks during transportation. To

compare, the volume of insured goods in Europe was about 85% in 2020. (Translogistics 2022.)

There are some reasons for the low percentage of insured cargo. One of the reasons is the great Russian «may not be needed», meaning an unwillingness to pay for a not needed service. Another reason is a low insurance culture, as the insurance market in Russia still is not yet developed. The next reason is a lack of knowledge about cargo insurance and a hope that the insurance policy of the freight forwarder / carrier will cover all losses. The last reason is a feature of Russian legislation. (Translogistics 2022.)

The feature of the Russian legislation lies in the carrier liability insurance. This type of insurance is regulated by the Federal Law of the Russian Federation, which did not mention the right of the carrier to insure their liability until March 2020 (Federal Law No. 83-FZ 2003). According to the Federal Law No. 83-FZ, until March 2020, in case a carrier is unable to deliver the cargo to the expected destination, the carrier must pay to the cargo owner the full cost of the cargo (Makarova 2021). In the international practice, the liability of freight forwarders or carriers is limited to units for each kilogram of lost cargo, which is presented in Table 1 of this work. Also, until March 2020, insurance companies, in the case of an insured event, could refuse compensation, referring to the fact that the insurance contract is contrary to the Federal Law. (Translogistics 2022.)

In March 2020, an additional clause was introduced to this Federal Law. According to this clause, freight forwarders have the right to insure the risk of their liability for violation of the forwarding contract. (Federal Law No. 83-FZ 2003.) After that, the insurance companies cannot refuse to pay compensation by referring to this Federal Law (Translogistics 2022). Despite this, the Federal Law still does not work properly because insurance companies are allowed to set their restrictions and requirements to the insurance policies (Petrenko 2021). This issue has been discussed in the previous section.

The official statistics of the Bank of Russia (Makarova 2021) show that in 2021 more than 727,000 cargo insurance contracts were signed for insurance

premiums of 4.9 billion rubles (the sum insured is 19.3 trillion rubles). To compare, a year earlier for the same period more than 924,000 contracts totalling 4.7 billion rubles (the sum insured is 10.1 trillion rubles) were signed. The number of signed contracts decreased by 197,000 contracts when comparing mentioned periods. (Makarova 2021.)

The decreasing number of signed cargo insurance contracts and the small percentage of cargo insurance in general are explained by the reasons mentioned above. In addition, the COVID-19 pandemic and related restrictions contributed to this decline in 2021. (Makarova 2021.)

In summary, this chapter explained the main characteristics and parties of the global logistic industry and introduced the basic concepts, types, and terms of the cargo insurance industry. This approach is chosen so that the reader understands the scope and basic terms related to the global logistic industry and the insurance market. Furthermore, the study was focused on the logistics industry and the cargo insurance market in the Russian Federation. It was found that it is important to have cargo insurance in addition to a freight forwarder or a carrier liability insurance in Russia due to the many reasons.

### **3 METHODOLOGY**

This chapter focuses on the research methodology and data collection process. It describes research plans, target groups, and survey response rates.

#### **3.1 Methodology Approaches**

The thesis is a qualitative study with the main purpose of giving an understanding of the possible risks and opportunities of entering a new market for the case company. To support the theoretical part of this work, the following information was surveyed:

- The percentage of insured transported cargo.
- Information regarding the usage of per shipment cargo insurance.
- The information regarding the selling process of cargo insurance policies.
- The satisfaction level of freight forwarding companies with their cargo insurance company.
- The main challenges of freight forwarding companies and insurance companies.
- Recommendations on how to improve the cargo insurance industry in Russia.

The research work provides two surveys for two different target groups. The first survey was addressed to freight forwarding companies (Appendix 3), and the second survey was addressed to insurance companies (Appendix 4). The two lists of these target groups were created by the author (Appendix 1; Appendix 2).

The surveys have been designed in a way that they can be compared with each other. The formulation of the questions was made in accordance with the requirements of the case company, and the surveys were sent to the target groups after the approval of the company. The online surveys were made in Google Forms and were sent out to target groups by email.

The target groups were surveyed under the rules of my educational institute and following requirements by the EU General Data Protection Regulations. The collected data will not be used for other purpose than the mentioned study. No personal or company data of information will be identifiable in the research results.

### **3.2 Survey execution**

An online questionnaire was the most appropriate approach for this research. This method allows to survey companies located in different parts of the country in a time-saving manner. The online questionnaires were made in Google Forms and were sent to the target groups through an email accompanied by a cover

letter (Appendix 5; Appendix 6) that included privacy information, instructions, and deadlines.

Both surveys were sent out on Monday February 14, 2022. A reminder email was sent on Monday February 21, 2022. The final thank you email was sent on February 24, 2022. There were some replies from the target groups, but it was not enough to provide conclusive results. Therefore, the author of this work called to the target companies that did not answer the survey to collect the needed number of answers. During the phone calls, the person who is competent in insurance matters was interviewed, and answers were saved in Google forms.

The online questionnaire for freight forwarding companies accomplished a response rate of 66% of the total companies. In fact, there were 10 responses gathered online and 33 responses gathered from phone calls. In total, the questionnaire form was sent to 65 companies. During the phone calls, some companies were unreachable, and some companies refused to participate in the survey. The results of this questionnaire are based on the answers of 43 respondents who finished and submitted the questionnaire.

The response rate for insurance companies was 65%. Three responses were gathered online, and 12 responses were gathered from phone calls. In total, the questionnaire form was sent to 23 insurance companies. Some companies were unreachable due to very long waiting time on the line, and some companies declined to participate in the survey. The results of this questionnaire are based on the answers of 15 respondents who finished and submitted the questionnaire.

It should be noted that some responders did not answer all the questions, since both questionnaire forms did not contain mandatory questions other than an email address. Further, the results for both questionnaires will be compared and analysed.

## 4 RESULTS

This chapter presents the analyses of both questionnaires. The results are divided into three parts where both questionnaires are analysed and compared to each other. Since the questionnaire for freight forwarding companies contains more questions than the questionnaire for insurance companies, the analysis of the questionnaire for freight forwarders will take precedence over the other questionnaire.

### 4.1 General data collection

The first part of the questionnaire was designed to find out some general data about freight forwarding and insurance companies. At this stage, companies that do not buy or sell cargo insurance were suggested to complete and submit the questionnaire form.

In the survey, the most used transportation mode among 43 companies was the road transportation mode, which made up 74%. Almost all companies used several modes of transport. It is worth noting that rail transportation mode represented almost 61% of the total responses (Figure 12.)

What type of transportation modes/mode your company use to transport a cargo?

43 responses

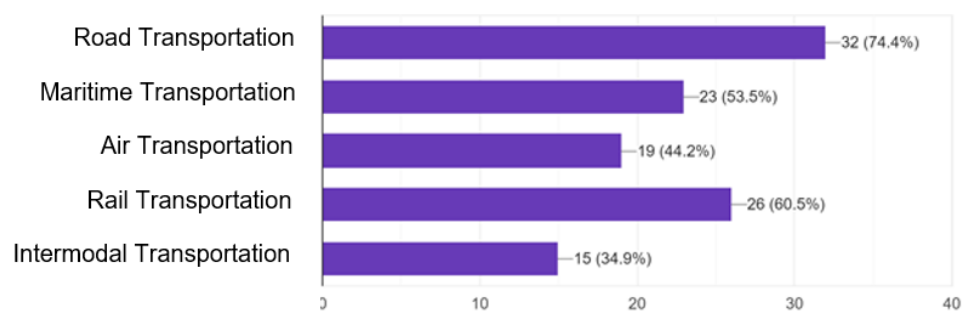


Figure 12. Type of transportation modes used by respondents.

According to the results shown in Figure 13, most of the interviewed companies insured the transported cargo. The percentage of companies who did not insure the transported cargo made up 42%. Some companies indicated the reason why they do not want to insure the cargo. The reason is that the liability insurance is enough for them and there is no need to insure the cargo separately.

Does your company insure the cargo?

43 responses

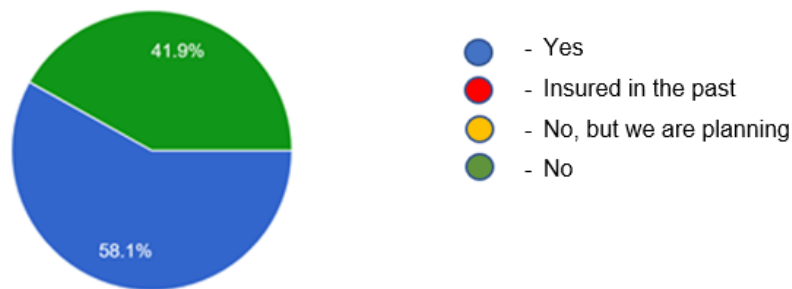


Figure 13. Percentage of freight forwarding companies that insured the transported cargo.

The survey was able to identify the 5 main insurance companies with which forwarding companies cooperated. Pari insurance company is the most demanded insurance company. Notably, 6 companies out of 22 responded that this is a commercial secret of the company (Figure 14). Also, it was found that reputation of the insurance company and reasonable insurance prices are the most important factors influencing the choice of the insurance company.

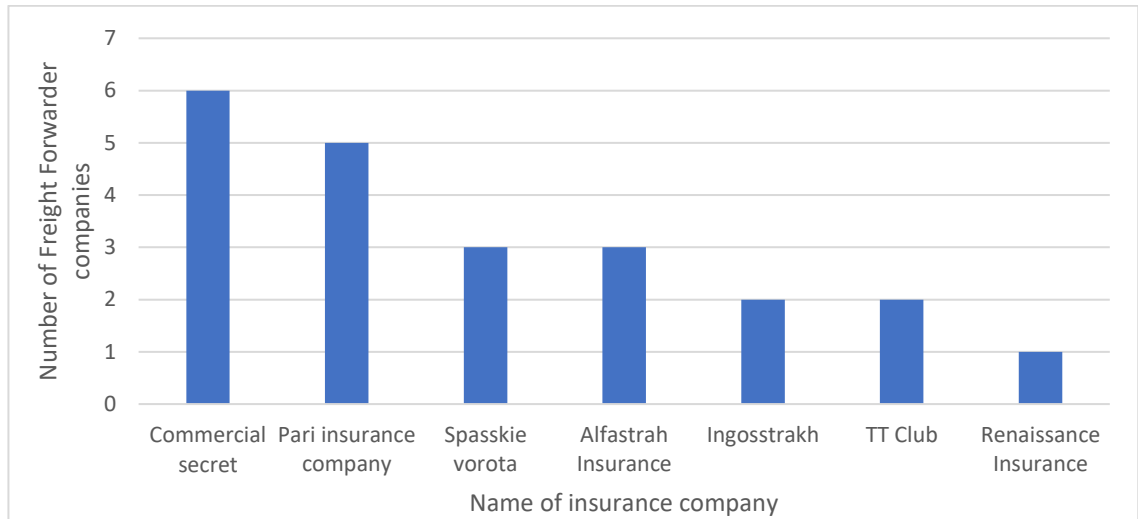


Figure 14. Name of insurance companies cooperating with freight forwarding companies.

According to the results shown in Figure 15, most of the companies insure less than 50% of the transported cargo in all mentioned transportation modes. However, some of the freight forwarders insure more than 50% of transported cargo.

What percentage of the transported cargo does your company insure?

- less than 50%
- 50/50
- more than 50%
- do not insure
- do not know

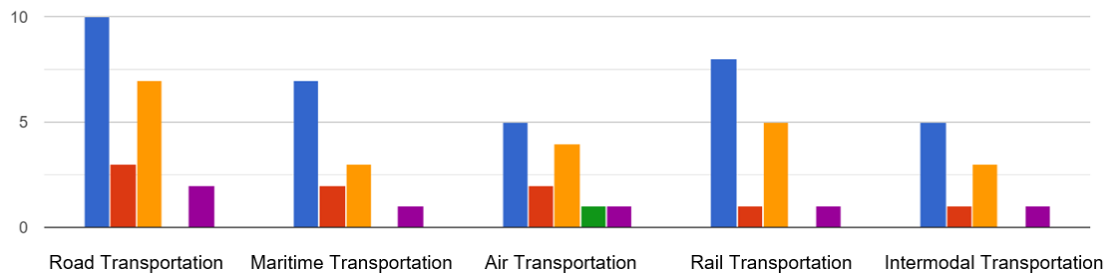


Figure 15. Percentage of insured cargo among transportation modes.

The results of the survey for insurance companies showed that 87% of the 15 responded insurance companies offer cargo insurance service. Insurance companies that did not offer this service completed the questionnaire at the 3<sup>rd</sup> question of the questionnaire.

The results of the first part of questionnaires showed that the road transportation mode is the most used mode of transport among the freight forwarding companies. The percentage of freight forwarding companies cooperating with an insurance company exceeds the percentage of non-cooperating ones. However, the number of non-cooperation companies is very high, which is supported by the theoretical part of this work. Also, it was found that a very high percentage (nearly 87%) of the responded insurance companies offer cargo insurance service.

#### 4.2 Use of per shipment cargo insurance

The second part of the questionnaires was designed to understand the use of per shipment cargo insurance and other matters related to per shipment and general (annual) cargo insurance policies. Per shipment cargo insurance policies are of interest for the case company.

Figure 16 illustrates that 92% of the 13 insurance companies offered both types of cargo insurance, and only 8% offered only a general policy of cargo insurance. Similarly, freight forwarding companies mostly used or offered to their partners both types of cargo insurance, which made up 48% of the total result. It is notable that 36% of the freight forwarders indicated per shipment insurance, meaning that this type of cargo insurance is more used than a general insurance policy (Figure 16).

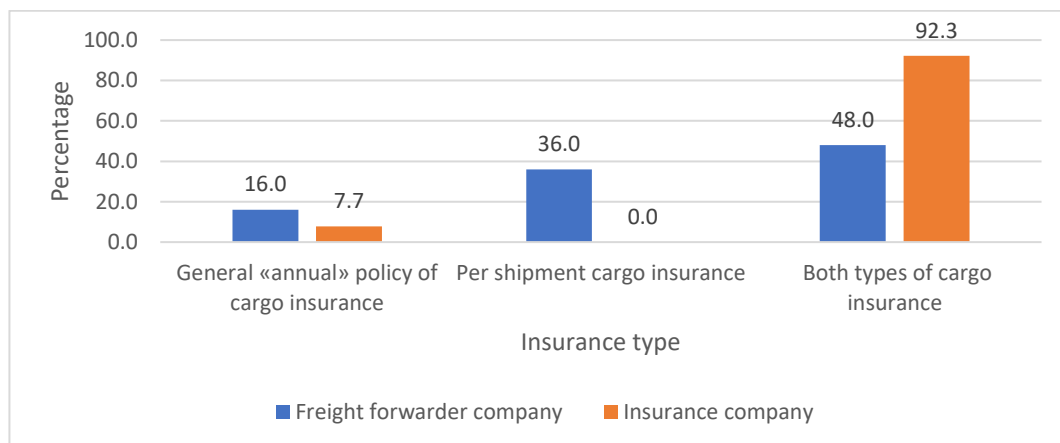


Figure 16. Comparison of cargo insurance types used by freight forwarding companies and offered by insurance companies.

When considering the frequency of selling cargo insurance policies by insurance companies, it was found that a general “annual” cargo insurance policy was sold more often than a per shipment one. However, six insurance companies indicated that they often sell per shipment insurance (Figure 17).

6. How frequently does your company sell different types of cargo insurance policy?

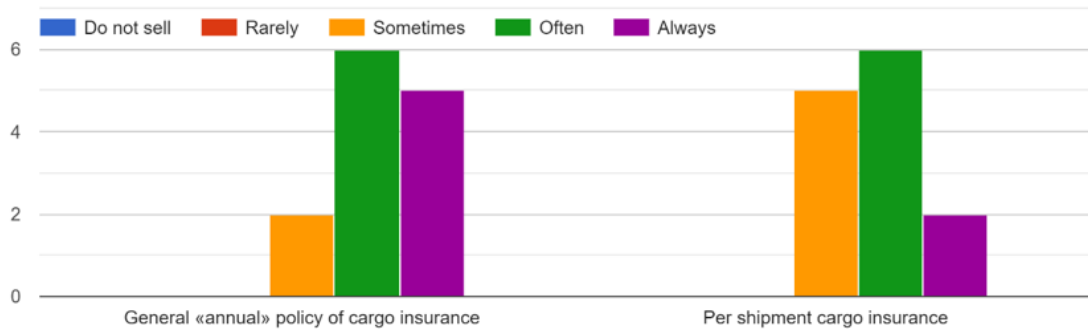


Figure 17. Frequency of selling cargo insurance policies by insurance companies.

Figure 18 and Figure 19 help to understand to whom insurance companies sell cargo insurance policies and from whom freight forwarders buy cargo insurance policies. Thus, it is clearly seen that freight forwarding companies bought cargo insurance policy directly from insurance companies, corresponding to 96% (Figure 18).

Who do you buy your insurance policy from?

Freight forwarding companies:  
25 responses

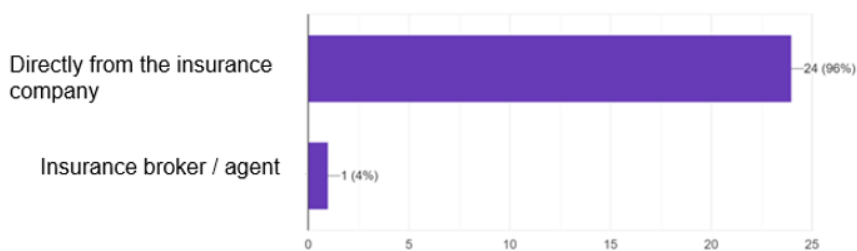


Figure 18. Data on who freight forwarding companies buy cargo insurance policies from.

The most common answer among insurance companies was shared among consignors and cargo owners (Figure 19). It should be noted that questions mentioned in these two figures have the possibility of multiple-choice answers.

Who do you sell cargo insurance policies to or through?

Insurance companies:  
12 responses

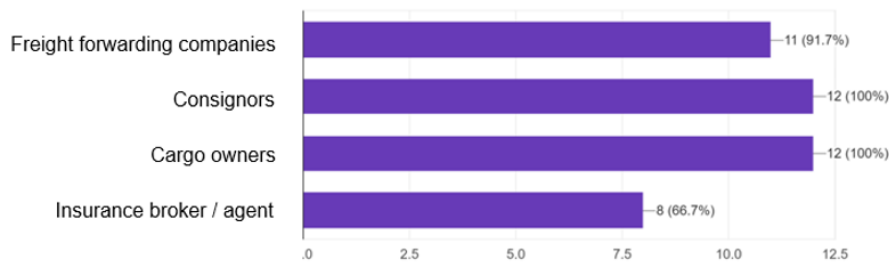


Figure 19. Data on to whom insurance companies sell cargo insurance policies.

Figure 20 illustrates that email and phone calls are most commonly used communication channels for providing quotes by insurance companies. Meanwhile email and online forms are most commonly used communication channels for getting quotes for forwarding companies. Only 19% of freight forwarders got quotes over the phone, while 85% of the insurance companies responded that they provided quotes using this way. In addition, the survey results show that almost 91% of the 21 responding freight forwarders got a quote for per shipment cargo insurance instantaneously.

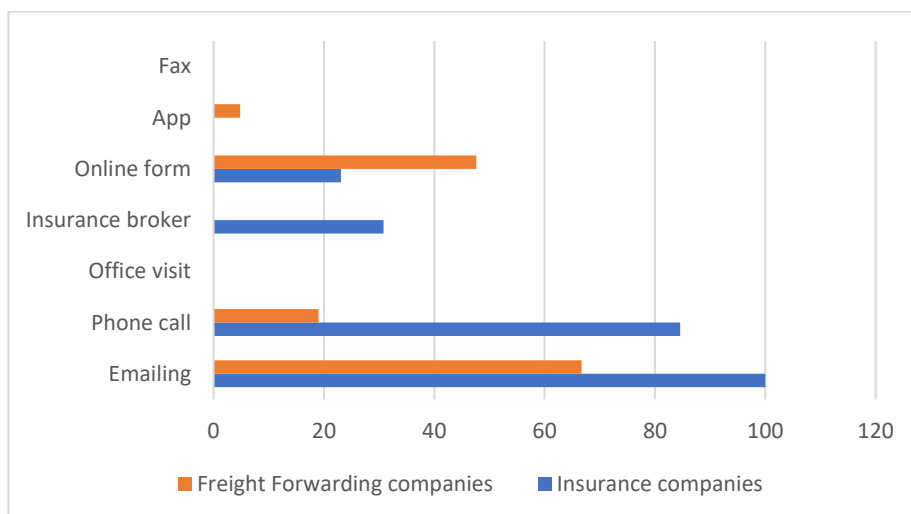


Figure 20. Channels used to provide quotes by insurance companies and to get quotes by freight forwarding companies for per shipment cargo insurance.

The next question in the survey for freight forwarding companies was created to understand how they charged their partners (consignors, cargo owners) for the service of providing them cargo insurance. The results showed that 64% of freight forwarding companies have a separate line for the cost of cargo insurance service in the bill, 8% of the companies have the cost of cargo insurance service within the total cost. Also, one company replied that they cover the cost of cargo insurance services themselves. (Figure 21).

This question has many “other” answers. For example, three freight forwarding companies responded that depending on the situation they provide a separate bill for cargo insurance service or cover this cost themselves because liability insurance does not work in Russia. Another three freight forwarders responded that depending on the agreement with the partner they provide a separate bill or include it to the total cost (Figure 21).

Does your company charge your partners (consignors, cargo owners) for the service of providing them cargo insurance?

25 responses

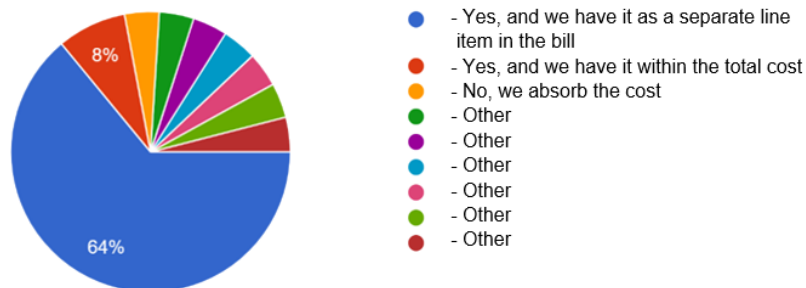


Figure 21. The method used by the freight forwarding companies to charge their partners for the cargo insurance service.

The last question in this section is for insurance companies to find out if they were investing, planning to invest, or not investing in insurance technology (InsurTech). According to Figure 22, almost 85% of the responding insurance companies were investing in insurance technology. Notably, only one company would like to invest in InsurTech, but did not have enough resources for that. One company was planning to invest in the future.

Is your company investing or planning to invest in insurance technology (i.e. online platform, App)?

13 responses

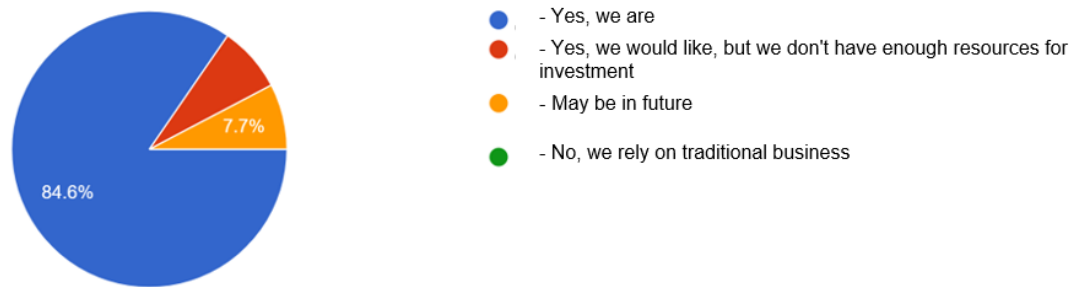


Figure 22. Investing of insurance companies in insurance technology.

In summary, these results provide crucial insights into the use of pre-shipment insurance by freight forwarding companies and insurance companies. It was found that freight forwarding companies most used both types of cargo insurance. The same results for insurance companies that they most sold both types of cargo insurance and did not sell only per shipment cargo insurance. However, it was found that insurance companies more often sold a general cargo insurance policy than a per shipment one. The finding that some freight forwarding companies themselves cover the cost of cargo insurance service is supported by the theoretical part of this work.

### 4.3 Measuring customer satisfaction

The last part of the questionnaire provides insight into the satisfaction level of freight forwarding companies and discusses the challenges that companies face in the working process. Also, this part provides recommendations on how to improve the cargo insurance industry.

The results of Figure 23 showed that 56% of the responding companies are satisfied with cooperating with the insurance company, and 36% are very satisfied. Only 2 companies were in the middle stage of the scale from 1 - very

dissatisfied to 5 - very satisfied. None of the companies answered that they do not have experience in working with an insurance company.

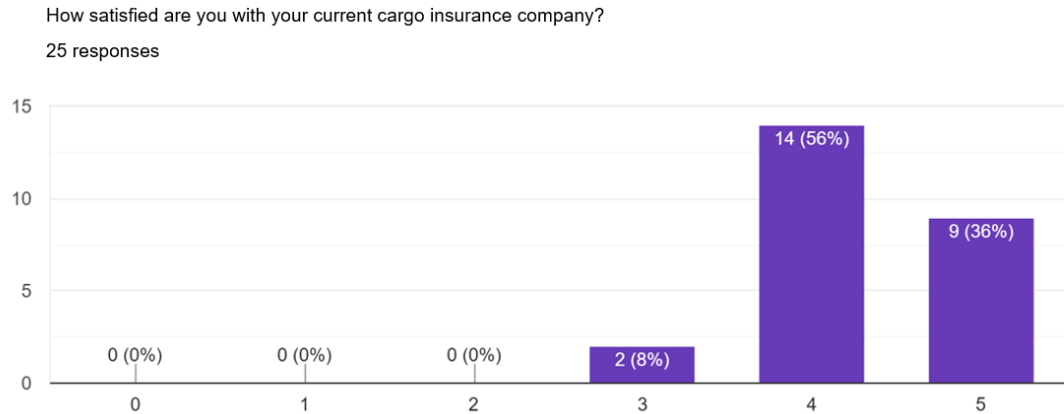


Figure 23. Satisfaction level measurement.

According to the results, six freight forwarding companies out of eleven respondents answered that they had no problems and were completely satisfied with the work with the insurance company. However, five companies highlighted the following challenges that they had faced in the process of working with insurance companies:

- The need to collect many documents from different parties if an insurance case occurs.
- The long process of negotiating for non-standard cargo insurance.
- The insurance company does not follow the contract.

Some of the freight forwarding companies provided the following recommendations on how to improve their business cooperation with an insurance company:

- Reduce the number of the required documents.
- Improve the customer support service of insurance companies.
- Insurance companies should hire better trained staff.

Some of the insurance companies have also provided recommendations on how to improve the cargo insurance industry. Thus, two companies recommended to improve the overall level of insurance culture among customers and two

companies noted the need to improve the level of education and knowledge base of employees of insurance companies.

Furthermore, some of the insurance companies highlighted their views on the effectiveness of providing insurance services to their clients. One company rated its efficiency at 80%, and 3 answered that the cargo insurance process needs improvements on legislation level.

In summary, this part of the questionnaire shows that freight forwarding companies were mostly satisfied with their insurance company. However, some challenges that occurred during working process with the insurance companies were highlighted. Analysing the recommendations, that were provided by the freight forwarding companies, it is possible to conclude that insurance companies have some organisational problems. Recommendations given by the insurance companies support the findings of the literature review of this work: the insurance culture in Russia is on a low level.

## **5 CONCLUSIONS AND RECOMMENDATIONS**

This final chapter of this work will present answers to the questions set in the beginning of this work. Also, the main findings that were established in the theoretical and in the qualitative part of this work will be presented. In addition, recommendations for further study and reflections on the learning process will be highlighted here.

### **5.1 Key findings**

In this thesis the Russian cargo insurance market was analysed for the commissioning company. The main question of this work is “What are the opportunities of the cargo insurance market in Russia?”. The answer to this

question should help the commissioning company understand whether it should expand its business to Russia or not.

The answer to the main question and the sub-questions of this work are summarised as follows. The second chapter of this work described that the global logistics industry and the global cargo insurance market are well-developed today. Unfortunately, the same cannot be said about the Russian cargo insurance market. Even though the country is large and has a developed logistics infrastructure, it also has political, economic, legislative, and cultural problems that affect the cargo insurance market.

Political and economic problems arise because all power in the Russian Federation belongs to the security forces, and the President of the country is at the head of this corporation. Also, Russia was the lowest rated European country in the Corruption Perceptions Index for 2021, meaning that corruption is endemic in Russia. The ruble is not considered a stable currency. In addition, the large-scale military invasion of Russia in Ukraine that has started on February 24, 2022, has had a great negative impact on the logistic and cargo insurance markets of the country. All these factors create an unhealthy environment for an international company to start a business in the Russian Federation.

The legislative problem is that the carrier liability insurance in Russia does not work in a proper way. The study has shown that this type of insurance is based on the rules of insurance companies rather than on national or international laws and has many exclusions and requirements. Also, there was a problem in the Federal Law of the Russian Federation which regulates this insurance. The problem is that in case a carrier is unable to deliver the cargo to the expected destination, the carrier must pay the cargo owner the full cost of the cargo, while the payment should be limited to units for each kilogram of lost or damaged cargo. As an outcome, some freight forwarding and carrier companies do not insure their liability or they then insure transported cargo instead, because in this way they can avoid unnecessary risks. These findings are supported by the conducted surveys.

The situation in the cargo insurance market in Russia is not very favourable. The literature review part of this study has showed that the percentage of insured cargo in Russia does not exceed 40%. The conducted survey has showed that 58% of the interviewed freight forwarding companies insured the transported cargo. This is explained by a low insurance culture, a lack of knowledge about cargo insurance and complexities at the level of legislation regarding liability insurance.

The results of surveys illustrated the following outcomes regarding the usage of per shipment cargo insurance. Both types of cargo insurance policies (per shipment and general policies) are used most by freight forwarding companies and offered most by insurance companies. However, between these two types of policies, the per shipment type of insurance is more used by freight forwarding companies. Despite this, insurance companies more often sold the general type of cargo insurance rather than the per shipment one.

The process of buying and selling a per shipment cargo insurance policy is characterized as follows. Insurance companies sell cargo insurance policies mainly to the cargo owners, consignors, and freight forwarders. Freight forwarding companies buy cargo insurance almost only directly from insurance companies. The most used channels to get or offer the quote are emails, phone calls and online platforms, and this process happens instantly. Freight forwarders also charge their partners mainly by having a separate line for cargo insurance service cost in the bill.

From the survey, it was possible to find out the main challenges that freight forwarders have. To collect all needed documents if an insurance case occurs was the most mentioned problem. The long process of negotiations with insurance companies for non-standard cargo and new requirements from the insurance companies, which were not announced in the contract, were also mentioned as problems. However, freight forwarding companies are mostly satisfied with their insurance companies. Concerning insurance companies, the survey showed that the cargo insurance process is far from ideal and needs improvements. The same result was found in the theoretical part of this work.

The following are recommendations for improving the process of cargo insurance on both sides, the freight forwarder and insurance companies. According to the freight forwarding companies, reducing the number of required documents, improving the customer support service, and hiring more trained staff by insurance companies are all needed. According to the insurance companies, increasing the overall level of insurance culture among customers and improving the level of education and knowledge base of their employees would be improvements.

In my opinion, the environment in Russia for a foreign company starting a business is not suitable. Moreover, Russia is a country at war, and it is not possible to start business there as long as this invasion continues. Also, the reaction of the Russian Federation to Finland's accession to NATO (Yle 2022) may be negative and have a bad effect on the development of the business of Finnish companies in the territory of the Russian Federation.

## **5.2 Suggestions for the future research**

This research presented a detailed study of per shipment cargo insurance in the Russian Federation. The survey was conducted to receive primary data on the companies working in the industry. However, this work did not explore the difference between the per shipment cargo insurance and the general or annual cargo insurance and did not answer the question “why it is more beneficial for cargo owners to have a per shipment type of cargo insurance than the general one?”. These topics can be recommended for future research.

It is also recommended to study the latest innovations in the global cargo insurance industry. It is a relevant topic, as the amount of transported cargo is growing, and insurance technologies are developing.

### **5.3 Reflection of the learning process**

During the working process on the thesis, I faced some limitations such as a lack of previous research studies on the cargo insurance topic, limited access to statistics data and a limited number of responses to the questionnaires. Because of this it took a surprisingly long time to study the theoretical part of this study. Although these limitations influenced the results of this work, in general it was possible to find the needed data to finalise the work.

On the last day of conducting surveys, the Russian military invasion in Ukraine began, which extended my work on the thesis, because I needed to study how this might affect the Russian cargo insurance market.

In general, I am satisfied with the result of my thesis. I have improved my learning skills about insurance industry, and I have acquired many additional professional skills that can be used in my future work or future study. I believe that my work will be also useful for the case company, helping it to make the right decisions regarding entering the Russian market.

## References

- Atech. 2021. HOW GLOBALIZATION IS IMPACTING THE LOGISTICS INDUSTRY. <https://www.atechlogistics.com/how-globalization-is-impacting-the-logistics-industry/>. 26.01.2022
- Bank of Russia. 2022. Dynamics of the official exchange rate of a given currency. [https://www.cbr.ru/currency\\_base/dynamics/?UniDbQuery.Posted=True&UniDbQuery.so=1&UniDbQuery.mode=1&UniDbQuery.date\\_req1=&UniDbQuery.date\\_req2=&UniDbQuery.VAL\\_NM\\_RQ=R01239&UniDbQuery.From=01.01.2015&UniDbQuery.To=30.04.2022](https://www.cbr.ru/currency_base/dynamics/?UniDbQuery.Posted=True&UniDbQuery.so=1&UniDbQuery.mode=1&UniDbQuery.date_req1=&UniDbQuery.date_req2=&UniDbQuery.VAL_NM_RQ=R01239&UniDbQuery.From=01.01.2015&UniDbQuery.To=30.04.2022). 30.04.2022
- BBC. 2022. Ukraine conflict: Russian forces attack from three sides. <https://www.bbc.com/news/world-europe-60503037>. 16.03.2022
- Bishop Statista. 2021. Capacity of container ships in seaborne trade from 1980 to 2021. <https://www.statista.com/statistics/267603/capacity-of-container-ships-in-the-global-seaborne-trade/>. 04.04.2022
- BTI Transformation index. 2022. Russia Country Report 2022. <https://bti-project.org/en/reports/country-report/RUS>. 28.04.2022
- Burges, D. 2012. Cargo Theft, Loss Prevention, and Supply Chain Security. Chapter 10. The True Impact of Cargo Theft. Elsevier Inc. <https://learning.oreilly.com/library/view/cargo-theft-loss/9780124160071/xhtml/CHP010.html#CESECTITLE0100>. 09.02.2022
- Chen, J. 2020. Business-to-Business (B2B). Investopedia. <https://www.investopedia.com/terms/b/btob.asp>. 15.02.2022
- CMR Convention. 1978. Convention on the Contract for the International Carriage of Goods by Road (CMR). Geneva. <https://www.jus.uio.no/lm/un.cmr.road.carriage.contract.convention.1956.amended.protocol.1978/portrait.pdf>. 08.02.2022
- CMR Convention. 1978. Convention on the Contract for the International Carriage of Goods by Road (CMR). Geneva. <https://www.jus.uio.no/lm/un.cmr.road.carriage.contract.convention.1956.amended.protocol.1978/portrait.pdf>. 08.02.2022
- DiDomenico, V. 2021. Carriage of Goods by Sea Act Fundamentals. Blankrome. <https://www.blankrome.com/publications/carriage-goods-sea-act-fundamentals>. 08.02.2022
- Eurasian Economic Commission. [http://www.eurasiancommission.org/ru/act/integr\\_i\\_makroec/dep\\_stat/econstat/Pages/transport.aspx](http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/econstat/Pages/transport.aspx). 24.01.2022
- European Commission. 2022. Countries and regions. <https://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>. 10.04.2022
- Eurostat. 2022. EU trade in goods with Russia, 2011-2021. <https://ec.europa.eu/eurostat/statistics-explained/index.php?oldid=483794>. 10.04.2022
- Federal Law No. 83-FZ. 2003. THE FEDERAL LAW of the Russian Federation about forwarding activity from 30.06.2003. <http://pravo.gov.ru/proxy/ips/?docbody=&nd=102082415&intelsearch>

[=%D4%E5%E4%E5%F0%E0%EB%FC%ED%FB%E9+%E7%E0%EA%EE%ED+%EE+%F2%F0%E0%ED%F1%EF%EE%F0%F2%ED%EE-%FD%EA%F1%EF%E5%E4%E8%F6%E8%EE%ED%ED%EE%E9+%E4%E5%FF%F2%E5%EB%FC%ED%EE%F1%F2%E8.](#)  
23.03.2022

- Funakoshi, M. Lawson, H. & Deka, K. 2022. Tracking sanctions against Russia. <https://graphics.reuters.com/UKRAINE-CRISIS/SANCTIONS/byvrienzmve/>. 20.03.2022
- Glass, D. 2013. Freight Forwarding and Multi Modal Transport Contracts. UK: Informa law from Routledge. E-Book Central. 08.04.2022
- Gov.UK. 2021. Overseas Business Risk – Russia. <https://www.gov.uk/government/publications/overseas-business-risk-russia/overseas-business-risk-russia#organised-crime>. 28.04.2022
- ICC. 2022. INCOTERMS® RULES. <https://iccwbo.org/resources-for-business/incoterms-rules/>. 11.02.2022
- Infranews. 2021. The Big Port of St. Petersburg is the leader in container turnover among the ports of Russia in January-September 2021. <http://infranews.ru/logistika/more/59054-bolshoj-port-sankt-peterburg-lidiruet-po-kontejnerooborotu-sredi-portov-rossii-v-yanvare-sentyabre-2021-goda/>. 11.04.2022
- Interfax. 2021. Putin extended Russia's food embargo until 2022. <https://www.interfax.ru/business/792428>. 21.03.2022
- Kaplan, Z. 2016. The Trade Prospects for EU and China. Turkey. Technical University Istanbul. [https://unece.org/DAM/trans/doc/2016/wp5-eatl/WP5\\_GE2\\_2nd\\_infomal\\_session\\_Ms\\_Kaplan\\_1.pdf](https://unece.org/DAM/trans/doc/2016/wp5-eatl/WP5_GE2_2nd_infomal_session_Ms_Kaplan_1.pdf). 10.04.2022
- Kenton, W. 2020. Business-to-Consumer (B2C). Investopedia. <https://www.investopedia.com/terms/b/btoc.asp>. 15.02.2022
- Kenton, W. 2022. Business-to-Consumer (B2C). Investopedia. <https://www.investopedia.com/terms/b/btoc.asp>. 17.03.2022
- Kondratjev, J. 2015. Logistics. Transportation and warehouse in supply chain. Centria University of Applied Sciences. Industrial management. Bachelor's Thesis. [https://www.theseus.fi/bitstream/handle/10024/91465/Eng\\_Thesis\\_Final.pdf?sequence](https://www.theseus.fi/bitstream/handle/10024/91465/Eng_Thesis_Final.pdf?sequence) 26.01.2022
- Kostyrev, A. 2017. Outcomes of of prohibition. Kommersant. <https://www.kommersant.ru/doc/3374177>. 01.05.2022
- Law of the Russian Federation № 4015-10. 1992. The law of organisation of insurance business in the Russian Federation № 4015-10 from 27.11.1992. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_1307/](http://www.consultant.ru/document/cons_doc_LAW_1307/). 23.03.2022
- Lee, J. M., Wong, E. Y. 2021. Suez Canal blockage: an analysis of legal impact, risks and liabilities to the global supply chain. MATEC web of conferences 2021, Vol.339. 8 – 11. 08.04.2022
- Lysionok, A. 2020. Trends and barriers to the development of the logistics industry in Russia. Transinfo. <https://trans.info/ru/trendyi-i-bareryi-razvitiya-logisticheskoy-otrasli-v-rossii-chem-logistika-i-transport-zanimalis-v-2019-g-i-i-k-chemu-gotovitsya-v-2020-175724>. 28.04.2022

- Ma, W., Cao, X. & Li, J. 2021. Global and International Logistics. Journal Sustainability. file:///C:/Users/Svetlana/Desktop/Education/spring%202022/Thesis/Global\_and\_International\_Logistics.pdf . 26.01.2022
- Makarova, P. 2021. Cargo insurance. Kommersant. Страхование грузов – Коммерсантъ Санкт-Петербург (kommersant.ru). 28.04.2022
- Nguyen, V. Li, H. 2022. Russia-Ukraine War's Impact on Global Logistics. Raboresearch. <https://research.rabobank.com/far/en/sectors/far-supply-chains/russia-ukraine-war-impact-on-global-logistics.html>. 20.03.2022
- Petrenko, A. 2021. Liability insurance. Forwarders and carriers: new solutions – old problems? TransLogistica-SPb Logistic event. [https://www.panditrans.com/wp-content/uploads/2021/10/TT-Klub\\_Pandi-Trans\\_TransLogistikaSPb\\_2021\\_strahovanie-otvetstvennosti\\_veb.pdf](https://www.panditrans.com/wp-content/uploads/2021/10/TT-Klub_Pandi-Trans_TransLogistikaSPb_2021_strahovanie-otvetstvennosti_veb.pdf). 21.03.2022
- Pienaar, V. 2016. Business logistics management. South Africa: Oxford University Press Southern Africa (Pt) Limited. 08.04.2022
- Roanoke. 2022a. Why Cargo Owners Need Insurance? <https://www.roanokegroup.com/solutions/marine-cargo-insurance/>. 09.02.2022
- Roanoke. 2022b. Marine Cargo Claims and Procedures. <https://www.roanokegroup.com/claims/marine-cargo-claims-and-procedures/>. 06.04.2022
- Roslyng Olesen, T. 2015. Value Creation in the Maritime Chain of Transportation: The Role of Carriers, Ports and Third Parties in Liner and Bulk Shipping. Frederiksberg. CBS Maritime. [https://www.cbs.dk/files/cbs.dk/mapping\\_report\\_c\\_value\\_creation\\_1.pdf](https://www.cbs.dk/files/cbs.dk/mapping_report_c_value_creation_1.pdf). 04.04.2022
- Rosmorport. 2022a. Strategy for the Development of Russian Seaport Infrastructure. <https://www.rosmorport.ru/investors/seastrategy/>. 11.04.2022
- Rosmorport. 2022b. Water transport infrastructure. Rosmorport. <https://morflot.gov.ru/glavnaya/intmap.html>. <https://morflot.gov.ru/glavnaya/intmap.html> . 11.04.2022
- Rosmorport. 2022c. Cargo turnover of Russian seaports for 12 months of 2021. <https://www.morport.com/rus/news/gruzooborot-morskih-portov-rossii-za-12-mesyacev-2021-g>. 11.04.2022
- Rosstat. 2020. Transport in Russia. <https://rosstat.gov.ru/folder/23455.07.04.2022>
- Rushton, A., Croucher, P., Baker, P. 2022. The handbook of logistics and distribution management. KoganPage. Seventh edition. 23.03.2022
- Russian Federal State Statistics. 2022. International trade. <https://rosstat.gov.ru/folder/11193>. 10.04.2022
- Shagaida, N., Uzun, V. 2022. Food embargo and prioritization. Economic Portal. <https://institutiones.com/general/2907-prodovolstvennoe-embargo-i-vybor-prioritetov.html>. 11.04.2022
- Statista. 2021. Capacity of container ships in seaborne trade from 1980 to 2021. <https://www.statista.com/statistics/267603/capacity-of-container-ships-in-the-global-seaborne-trade/>. 04.04.2022
- Statista. 2021. Worldwide air freight traffic from 2004 to 2022. <https://www.statista.com/statistics/564668/worldwide-air-cargo-traffic/>. 04.04.2022

- Statista. 2022a. Russia: Export of goods from 2010 to 2020.  
<https://www.statista.com/statistics/263663/export-of-goods-from-russia/>. 28.03.2022
- Statista. 2022b. Russia: Import of goods from 2010 to 2020.  
<https://www.statista.com/statistics/263648/import-of-goods-to-russia/>. 28.03.2022
- The Economist. 2022. Western sanctions have rocked Russia's financial system. <https://www.economist.com/graphic-detail/2022/03/05/western-sanctions-have-rocked-russias-financial-system>. 30.04.2022
- Translogistics. 2022. Peculiarities of insurance for road cargo transportation. Trans.ru. <https://trans.ru/education/spravochnik-logista/strahovanie-pri-vnutrirossiyskih-avtomobilnyh-gruzoperevozkah.html>. 29.04.2022
- Transparency International. 2022. Corruption perception index 2021. [https://www.transparency.org/en/cpi/2021?gclid=CjwKCAjwkMeUBhBuEiwA4hpgECk4qfxN9Wsl15waLty4BHmaOSBpFrKFSgfYO6\\_RyOlakOZNtm4HHxoCzm4QAvD\\_BwE](https://www.transparency.org/en/cpi/2021?gclid=CjwKCAjwkMeUBhBuEiwA4hpgECk4qfxN9Wsl15waLty4BHmaOSBpFrKFSgfYO6_RyOlakOZNtm4HHxoCzm4QAvD_BwE). 20.02.2022
- UNCTADSTAT report. 2021. Global Trade update. UNCTAD 2021. [https://unctad.org/system/files/official-document/ditcinf2021d4\\_en.pdf](https://unctad.org/system/files/official-document/ditcinf2021d4_en.pdf). 07.02.2022
- UNCTADSTAT. 2022. Exports and imports by service-category and by trade-partner, annual. <https://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=135718>. 07.02.2022
- Vedomosti. 2019. 20 years of Putin: the transformation of the security forces. <https://www.vedomosti.ru/opinion/articles/2019/08/21/809260-transformatsiya-eliti>. 28.05.2022
- Warsaw Convention Warsaw Convention. 1939. Convention for the unification of certain rules for international carriage by air. <https://www.iata.org/contentassets/fb1137ff561a4819a2d38f3db7308758/mc99-full-text.pdf>. 08.02.2022
- World Population Review. 2022. Russia Population 2022. <https://worldpopulationreview.com/countries/russia-population>. 09.04.2022
- Yle. 2022. It's official: Finland to apply for Nato membership. <https://yle.fi/news/3-12446441>. 28.05.2022

**List of Freight Forwarding companies.**

1. PEC cargo express, Moscow, 8(495) 660-11-11, [pecom@pecom.ru](mailto:pecom@pecom.ru), <https://pecom.ru/>
2. GK "Delovye Linii", Moscow, + 7 (495) 775-55-30, [pismo@dellin.ru](mailto:pismo@dellin.ru), <https://www.dellin.ru/>
3. Trasko, Moscow, +7 (495) 292-74-06, [info@trasko.ru](mailto:info@trasko.ru), <https://trasko.ru/>
4. Fesco, Moscow +7 (495) 780-60-01, Vladivostoc (+7 (423) 252-10-10), [fesco@fesco.com](mailto:fesco@fesco.com), <https://www.fesco.ru>
5. Intertrance, Moscow, (499) 262-09-55, [mail@in-trans.ru](mailto:mail@in-trans.ru), <http://www.in-trans.ru/index.html>
6. Inteco, Chelyabinsk, +7 (919) 403-93-28, [info@tk-74.ru](mailto:info@tk-74.ru)
7. Kuehne+Nagel, Moscow, +7 495 795-20-00, +7 495 795 20 23, [info.moscow@kuehne-nagel.com](mailto:info.moscow@kuehne-nagel.com), <https://ru.kuehne-nagel.com/nashi-adresa?query=Russia>
8. Ponyexpress, Moscow, 8 495 937 77 77, 8 (800) 234-22-40, [info@ponyexpress.ru](mailto:info@ponyexpress.ru)
9. Sherl, Moscow, +7 (495) 775-18-50/51, [info@msk.sherl.ru](mailto:info@msk.sherl.ru), <https://sherl.ru/contacts/>
10. Lorry, Ecoterinbyrg, +7 343 253-61-00, [info@lorry.com](mailto:info@lorry.com), <https://lorry.com/>
11. ANP Cargo ,Chelyabinsk, +7 (351) 741-00-00, [info@anpcargo.ru](mailto:info@anpcargo.ru), <http://www.anpcargo.ru/>
12. Rail continent, Moscow, +7 737 33 00, [msk@railcontinent.ru](mailto:msk@railcontinent.ru), <http://www.railcontinent.ru/contacts/>
13. Kamchat-gruz, Petropavlovsk- Kamchatskiy, [ROM2302@YANDEX.RU](mailto:ROM2302@YANDEX.RU), +7 961 961-46-66 +7 962 282-00-00, <https://kamchat-gruz.ru/contacts>
14. Cosco shipping, Saint- Petersburg, + 812 3-630-630 (доб. 132), [gruntel@coscon.com](mailto:gruntel@coscon.com), <https://world.lines.coscoshipping.com/russia/ru/contactus/officecontacts/1/1>
15. Logitek, Moscow, 8 (800) 550-40-71, +7(499)490-65-82, [info@tklogitek.ru](mailto:info@tklogitek.ru), <https://tklogitek.ru/kontakty.html>
16. Don-Polymer, Voronezh, Daria +7 473 200 91 73, [zakaz@don-polymer.ru](mailto:zakaz@don-polymer.ru), <https://don-polymer.com/contacts>
17. A2service, Moscow, +7 499 550 88 89, [info@a2service.com](mailto:info@a2service.com), <https://a2service.com/contacts/>
18. Gruzovoi kompleks OOO, Chelyabinks, +7 (351)-778-33-61 , +7 (351) 778-38-11, [www.gk-cargo.ru](http://www.gk-cargo.ru), <https://shipadvisor.ru/gruzovoy-kompleks-ooo/>
19. KGK Logistics, Kazan, +7 (843) 278-73-09, +7 (843) 278-73-47, [torgov.dom@tdkqk.ru](mailto:torgov.dom@tdkqk.ru), <http://xn----8sbikmajbeg7a1bn.xn--p1ai/contacts/nashi-kontakty/> развоз молочной продукции
20. Itella, Moscow, +7 (499) 926-53-00, [Aleksandra.Tikhonova@itella.com](mailto:Aleksandra.Tikhonova@itella.com), <https://itella.ru/contacts/>
21. Railgo, Moscow, +7 495 995-50-00, +7 495 995-99-90, [info@rail-go.ru](mailto:info@rail-go.ru), <https://railgo.ru/en/about/contacts>
22. Eurosis Logistica, Saint-Petersburg, +7 (812) 326-81-20, [transport@eurosib.biz](mailto:transport@eurosib.biz), <http://www.eurosib.biz/ru/kontakty>
23. JelDorExpediciya, Moscow, +7(495)643-1019, [moscow@jde.ru](mailto:moscow@jde.ru), <https://www.jde.ru/company/contact.html>

24. STS Logistics, Moscow, 8 (800) 555 02 02, [info@stslog.com](mailto:info@stslog.com), <https://stslog.com/ru/contacts>
25. Crafter, Krasnodar, +7 (861) 217-74-07, [info@crafter-tl.ru](mailto:info@crafter-tl.ru), <https://crafter.online/contacts/>
26. Lorp, Yakutsk, (4112) 42-42-50, [direct@lorp.ru](mailto:direct@lorp.ru), <http://lorp.ru/company/obratnaya-svyaz>
27. Rtlogistica, Moscow, Moscow, +7 (495) 777-02-74, [info@rtlog.ru](mailto:info@rtlog.ru), <http://rtlog.ru/contacts/>
28. NSC ARKHANGELSK, Arkhangelsk, Andrey Vladimirovich +7 8182 637459, [bav@ansc.ru](mailto:bav@ansc.ru), <http://www.ansc.ru/en/company/contE.shtm>
29. Amurship, Khabarovsk, +7 (4212) 400-107, [amurship@amurship.ru](mailto:amurship@amurship.ru), <https://www.amurship.ru/eng/contacts.html>
30. AliansAutoGroup, Nyagan, +7 346 722-11-77 (доб. 4335), [aag@starwayp.com](mailto:aag@starwayp.com), <http://xn--80aage1bmjiaigoq1jxb.xn--p1ai/>
31. Ruscon, Moscow, Телефон:8 (800) 775-57-15, [request@ruscon.global](mailto:request@ruscon.global), [info@ruscon.global](mailto:info@ruscon.global), <https://ruscon.global/ru/>
32. YakutskEnergy, Yakutsk, +7 (4112) 49-73-99, [inform@yakutskenergo.ru](mailto:inform@yakutskenergo.ru), <https://yakutskenergo.ru/>
33. Aviacon, Ecaterinburg, +7 (343) 379-22-35, [info@aviacon.ru](mailto:info@aviacon.ru), <https://aviacon.aero/>
34. Tomskport, Tomsk, (3822) 790511, [info@tomskport.ru](mailto:info@tomskport.ru), <http://tsc.tomsk.ru/>
35. TransContainer, Moscow, +7 495 788 17äö 17, +7 499 262 77 00, [trcont@trcont.com](mailto:trcont@trcont.com), <https://trcont.com/en/main>
36. Fetexim, Vladivostok, +7 (423) 279-57-49, [fetexim@fetexim.ru](mailto:fetexim@fetexim.ru), <https://fetexim.ru/en/>
37. TransLogistica, Saint-Petersburg, +7 (800) 301-78-02, [info@tlspb.ru](mailto:info@tlspb.ru), <https://tlspb.ru/>
38. TransLogistic, Moscow, +79857382307, [translogistic.china@yandex.ru](mailto:translogistic.china@yandex.ru), <https://tk-translogistic.com/>
39. CredoTrans, Saint-Perersburg, +7 (800) 777-73-92, [info@credotrans.ru](mailto:info@credotrans.ru), <https://credotrans.ru/>
40. VL Logistic, Vladivostok, 8 (423) 221-40-50, [vlad@vll.v-lazer.com](mailto:vlad@vll.v-lazer.com), <https://vl-logistic.ru/>
41. NordWindAirlines, Moscow, <tel:+74957305080>, [nws@nordwindairlines.ru](mailto:nws@nordwindairlines.ru), <https://nordwindairlines.ru/en/contacts>
42. LLC Aldetrans, Moscow, +7 (495) 021-11-71, [info@aldetrans.ru](mailto:info@aldetrans.ru), <https://aldetrans.ru/en/>
43. SASCO, Novosobirsk, +7 (383) 218-21-77, [info@sasco-logistics.ru](mailto:info@sasco-logistics.ru), <https://sasco-logistics.ru/en/>
44. TransLes, Moscow, +7 [495] 771 60 38, [info@transles.biz](mailto:info@transles.biz), <https://www.transles.ru/kontakty/>
45. TL Logistics, Saint-Petersburg, +7 (812) 325-31-51
46. eCargoWorld Russia, Moscow, +7 499 673 0 338, [ru.mow@eCargoPlus.com](mailto:ru.mow@eCargoPlus.com), <http://www.ecargoworld.com/ru/contact-us>
47. Trans Algorithm, Moscow, +7 (495) 980-1327, [infotrans@transalgorithm.com](mailto:infotrans@transalgorithm.com), <http://transalgorithm.com/?lng=eng>
48. Hecny Moscow, Moscow, (+7 499) 754-4818, [info@hecny.ru](mailto:info@hecny.ru), <http://www.hecny.ru/en/>
49. Nord Wheel, Moscow, 8 (800) 777-41-97, [msk@nordw.ru](mailto:msk@nordw.ru), <https://nordw.ru>

50. Altan, Khabarovsk, +7 (4212) 544-202, 544-203, [office@tkaltan.ru](mailto:office@tkaltan.ru), <http://www.tkaltan.ru/>
51. Nawinia, Moscow, tel:+7(495) 172-31-89, [info@nawinia.com](mailto:info@nawinia.com), <https://nawinia.com/>
52. Verso Logistics, Moscow, [info@versologistics.com](mailto:info@versologistics.com), +7-495-514-14-40, <http://versologistics.com/>
53. Supercargo, Saint-Petersburg, [info@supercargo.su](mailto:info@supercargo.su), +7 (812) 649-19-05, <https://www.supercargo.su/>
54. Keystone Logistics, Saint-Petersburg, [forwarding@keystone-logistics.com](mailto:forwarding@keystone-logistics.com), +7 (812) 633 30 03, <https://www.keystone-logistics.com/kontakty/>
55. Modul freight-forwardign company, [info@modul.global](mailto:info@modul.global), +7 (812) 740 59 19, <http://www.modul.global/>
56. Nordline logistics, Saint-Petersburg, тел: 8 (812) 339-92-79, [info@nordlinelogistics.ru](mailto:info@nordlinelogistics.ru), [http://www.nordlinelogistics.ru/services\\_forw.php](http://www.nordlinelogistics.ru/services_forw.php)
57. Teora, Saint-Petersburg, +7 (812) 607 1 706, [anna,blinova@teora.group](mailto:anna,blinova@teora.group), <https://www.teora.group/>
58. Fintrans GL, Saint-Petersburg, +7 (812) 332-04-24, [info@fintransgl.ru](mailto:info@fintransgl.ru), <http://fintransgl.ru/contacts/>
59. Phortis, Saint-Petersburg, +7 (812) 677-55-20, [info@phortis.com](mailto:info@phortis.com), <http://www.phortis.com/contacts/>
60. Transafe logistics, Moscow, +7 (495) 933-36-60, [moscow@transafe.ru](mailto:moscow@transafe.ru), <http://www.transafe.ru/>
61. Trans Sinergia, Moscow, [INFO@TRANSSIN.RU](mailto:INFO@TRANSSIN.RU), +7 (495) 269 04 54, <https://transsin.ru/eng/#b211>
62. RhinoTrans, Moscow, +357 22 673675, [rts@rhinotrans.com](mailto:rts@rhinotrans.com), <http://www.rhinotrans.com/contacts.php>
63. Nafta trans, Moscow, +7 (495) 258-27-59, [info@nafta-trans.com](mailto:info@nafta-trans.com), <http://nafta-trans.com/Contacts.html>
64. NH logistics, Moscow, +7-495-669-7751, [info@nh-logistics.com](mailto:info@nh-logistics.com) , <https://nh-logistics.com/contact-us/>
65. Railship, Ecaterinburg, +7 (343) 381-57-20 (121 Andrey), [info@railship.ru](mailto:info@railship.ru), <https://www.railship.ru/>

**List of insurance companies.**

1. Alfastrah Insurance, +7 495 788-0-999, [alfastrah@alfastrah.ru](mailto:alfastrah@alfastrah.ru), <https://www.alfastrah.ru/corporate/cargo/cargoes/>
2. Ingosstrakh, [ingos@ingos.ru](mailto:ingos@ingos.ru), 8 (495) 956-55-55, <https://www.ingos.ru/corporate/transport/cargo/>
3. Renaissance Insurance, +7 905 713-9393, [info@renins.com](mailto:info@renins.com), <https://www.renins.ru/insurance/assets/ships>
4. Reso guarantee, +7 (495) 730-30-00, Dmitriy Lebedev: ex. 52-87, mob. +7 (903) 778-4930, [cargo@reso.ru](mailto:cargo@reso.ru), <https://www.reso.ru/Corporate/Cargo/>
5. RosGosStrah, <tel:+74959269977>, [cargo@rgs.ru](mailto:cargo@rgs.ru), <https://www.rgs.ru/for-companies/transport/strakhovanie-gruzov>
6. VTB Insurance, +7 (495) 644-44-40 доб. 077-1190, [corp@VTBins.ru](mailto:corp@VTBins.ru), <https://www.vtbins.ru/corporate/client/transportations>
7. SovKomBank Insurance, 8 800 100-2-100, [cargo@sovcomins.ru](mailto:cargo@sovcomins.ru), <https://sovcomins.ru/commercial-business/products/gruzy-i-logistika/strakhovanie-gruzov/>
8. Zetta insurance, [info@zettains.ru](mailto:info@zettains.ru) , <https://zettains.ru/strahovanie-yuridicheskikh-lic/strahovanie-gruzov/>
9. TT club insurance, +7 495 215 21 95, [office@panditrans.com](mailto:office@panditrans.com), <https://www.panditrans.com/kontaktyhttps://www.panditrans.comhttps://www.panditrans.com/>
10. VSK Insurance House, +7 (495) 727-44-44, 785-27-76, [info@vsk.ru](mailto:info@vsk.ru), [https://www.vsk.ru/companies/consignments/strahovanie\\_gruzov/#?top](https://www.vsk.ru/companies/consignments/strahovanie_gruzov/#?top)
11. Tinkoff, +7 495 648-11-11, +7 499 605-11-10, [business.welcome@tinkoff.ru](mailto:business.welcome@tinkoff.ru), <https://www.tinkoff.ru/eng/>
12. Soglasie Insurance, tel:+7 (495) 009-00-01,74157, [info@soglasie-vita.ru](mailto:info@soglasie-vita.ru), <https://www.soglasie.ru/firm/strakhovanie-gruzov-i-gruzoperevozchikov/>
13. AstroVolga Insurance, [sk@astrovolga.ru](mailto:sk@astrovolga.ru), 8 (846) 200-77-60, <https://astrovolga.ru/>
14. D2 Insurance, [info@d2insur.ru](mailto:info@d2insur.ru), 8 (800) 7755-290, WhatsApp: 79130118818, <https://www.d2insur.ru/>
15. The United Insurance Company, +7 (846) 332-44-89, [info@osk-re.ru](mailto:info@osk-re.ru), <https://www.osk-ins.ru/>
16. SpasskieVorota, 8 (499) 402-89-02, [info@spasskievorota.com](mailto:info@spasskievorota.com), <https://spasskievorota.ru/ul/cargo>
17. Ugoria, +7 (495) 970-10-70, доб. 207, 318, [corp@ugsk.ru](mailto:corp@ugsk.ru), <https://www.ugsk.ru/regions/corporate/freight/>
18. Absolut Insurance, +7 (495) 025-77-77, [cargo@absolutins.ru](mailto:cargo@absolutins.ru), <https://www.absolutins.ru/yuridicheskie-lica/strahovanie-imushchestva/gruzy/>
19. MegaRussD Insurance, +7 (495) 201-05-55, [info@megarussd.com](mailto:info@megarussd.com), <http://www.megaruss-d.ru/content/gruzy>
20. UralSib Insurance, 8 800 234-77-55, +7 495 784-77-55, [in@uralsibins.ru](mailto:in@uralsibins.ru), <https://uralsibins.ru/korp-klient/strahovanie-gruzov>
21. Gelios Insurance, 8 (800) 1 007 007, [company@skgelios.ru](mailto:company@skgelios.ru), <https://skgelios.ru/>
22. Pari insurance, +7 (800) 511-42-96, [ic@skpari.ru](mailto:ic@skpari.ru), <https://skpari.ru/>
23. Sogaz insurance, 8(495)234-44-24, [cf@sogaz.ru](mailto:cf@sogaz.ru), <https://www.sogaz.ru/>

**Questionnaire 1: for freight forwarding companies.**

To the attention of: (freight forwarder company),

Dear Sir, Dear Madam,

I invite you to take a part in a survey being conducted by me (Svetlana Emden-Bazhenova, bachelor student of Karelia University of Applied Science) to learn from your experience of working with your cargo insurance company.

This survey takes 5 minutes to be completed, on average.

“Under the rules of my education institution and following requirements by the EU General Data Protection Regulation, I am committed to keeping any personal and company data and information confidential. These data will not be used for other purpose than the mentioned study. No personal or company data of information will be identifiable in the research results, unless you provide explicit permission.”

1. Company name:
2. Correspondent email address:
3. What type of transportation modes/mode your company use to transport a cargo?
  - Road Transportation
  - Maritime Transportation
  - Air Transportation
  - Rail Transportation
  - Intermodal Transportation (Multimodal)
4. Does your company insure the transported cargo?
  - Yes (Please, indicate the name of insurance company)
  - Insured in the past (Please, clarify why did you stop cooperate?)
  - Not, but we are planning to insure
  - No (Please, clarify why)

If you answered “No” to the previous question, then you can finalize the questionnaire. In other cases, please continue with the following questions.

5. What percentage of the transported cargo does your company insure? (Please, indicate percentage using following scale: more than 50%; 50/50; less than 50%, do not insure; do not know).
- Road Transportation
  - Maritime Transportation
  - Air Transportation
  - Rail Transportation
  - Intermodal Transportation (Multimodal)
6. How many shipments does your company do each month? (optional)
- Less than 500
  - Less than 1 000
  - Less than 5 000
  - From 5000 to 10 000
  - More than 10 000
7. How satisfied are you with your current cargo insurance company? Please, rate your satisfaction level with a scale from 0-5. (0 – do not have experience of working with an insurance company, 1 - very dissatisfied to 5 - very satisfied).
8. Who do you buy your insurance policy from?
- Directly from the insurance company
  - Insurance broker / agent
  - Something else? (Please, specify\_\_\_\_\_)
9. Please rate from 1 (least important) to 5 (most important) the factors affecting your decision in choosing cargo insurance company?
- Reputation of the insurance company
  - Reliability of the insurance company
  - Experience in the insurance market
  - International background of the insurance company
  - Simple and understandable insurance service
  - Reasonable insurance price
  - The types of risks covered by the cargo insurance policy
  - Fast and professional claims handling process
10. What types of cargo insurance policy does your company use/offer to your partners?
- Insurance policy for a single cargo shipment (proceed to the next question)
  - General insurance policy (annual) (proceed to the question 15)
  - Both (proceed to the next question)

11. How do you get quotation for a single cargo shipment from your insurance company?
  - Emailing
  - Phone call
  - Office visit
  - Through an insurance broker
  - Online form
  - App
  - Fax
  - Other? (Please, specify\_\_\_\_\_)
  
12. How long does it take to get quotation for a single cargo shipment from your insurance company?
  - Instantaneously
  - Less than 5 min
  - From 5 min to 1 hour
  - Few hours
  - Few days
  - More than 5 days
  
13. Does your company charge your partners (consignors, cargo owners) for the service of providing them cargo insurance?
  - Yes, and we have it as a separate line item in the bill
  - Yes, and we have it within the total cost
  - No, we absorb the cost
  - Other
  
14. Do you think your insurance company offers you what you and your customers need with the insurance coverage or not?
  
15. What kind of challenges did you face in the process of working with your insurance company?
  
16. What would you recommend to your cargo insurance company to improve about their business model or customer-interaction and how?

**Questionnaire 2: for insurance companies**

To the attention of: (insurance company),

Dear Sir, Dear Madam,

I invite you to take a part in a survey being conducted by me (Svetlana Emden-Bazhenova, bachelor student at Karelia University of Applied Science) to understand the level of development of the cargo insurance industry in Russia.

This survey takes 3 minutes to be completed, on average.

“Under the rules of my education institution and following requirements by the EU General Data Protection Regulation, I am committed to keeping any personal and company data and information confidential. These data will not be used for other purpose than the mentioned study. No personal or company data of information will be identifiable in the research results, unless you provide explicit permission.”

1. Company name:
2. Correspondent email address:
3. Does your company offer cargo insurance service?
  - Yes, we offer cargo insurance
  - We don't offer cargo insurance policyIf you answered “We don't offer cargo insurance policy” to the previous question, then you can finalize this questionnaire.
4. What types of cargo insurance policy does your company offer?
  - General «annual» policy of cargo insurance
  - Per shipment cargo insurance
  - Both types of cargo insurance
5. Please, indicate what shipments are covered by insurance policy?  
(Please, click the tick-box under the following options: Domestic; International and Domestic and international, Do not sell this type of cargo insurance)
  - General «annual» policy of cargo insurance
  - Per shipment cargo insurance

6. How frequently does your company sell different types of cargo insurance policy?

Please, rate Do not sell/Rarely/Sometimes/Often/Always

- General "annual" cargo insurance policy
- Per shipment cargo insurance policy

7. Who do you sell cargo insurance policies to or through?

- Transport intermediaries
- Consignors
- Cargo owners
- Insurance broker / agent

8. How does your company provide quotes for your partners?

- Emailing
- Phone call
- Office visit
- Through an insurance broker
- Online form
- App
- Fax

9. Is your company investing or planning to invest in insurance technology (i.e. online platform, App)?

- Yes, we are
- Yes, we would like, but we don't have enough resources for investment
- May be in future
- No, we rely on traditional business
- Something else? Please specify \_\_\_\_\_

10. How efficient do you see the current process of providing your customers with insurance cover?

11. If you could, then what would you like to improve in the cargo insurance industry?

**Cover letter 1: for insurance companies**

Dear Recipient ,

I am a student of International Business at Karelia University of Applied Science. Currently, I am conducting my thesis as a research work related to finding potential barriers and possible opportunities of cargo insurance in Russia.

By responding to the questionnaire, you will help to understand at what level of development the cargo insurance industry is in Russia.

You can access the survey in Google form here:

All responses will be treated anonymously and confidentially. The results will only be used for research purposes.

I would be very grateful if you could take just 3 minutes of your time to complete the 11-question survey by 24 February 2022.

If you have any questions concerning the survey and the research, please, do not hesitate to contact me directly via email [svetlana.emden-bazhenova@edu.karelia.fi](mailto:svetlana.emden-bazhenova@edu.karelia.fi)

Thank you for your participation!

Kind regards,

Svetlana Emden-Bazhenova

**Cover letter 2: for freight forwarding companies**

Dear Recipient ,

I am a student of International Business at Karelia University of Applied Science. Currently, I am conducting my thesis as a research work related to finding potential barriers and possible opportunities of cargo insurance in Russia.

By responding to the questionnaire, you will help to understand at what level of development the cargo insurance industry is in Russia and to find out the possible ways to improve the insurance and claim process.

You can access the survey in Google form here:

All responses will be treated anonymously and confidentially. The results will only be used for research purposes.

I would be very grateful if you could take just 5 minutes of your time to complete the 16-question survey by 24 February 2022.

If you have any questions concerning the survey and the research, please, do not hesitate to contact me directly via email [svetlana.emden-bazhenova@edu.karelia.fi](mailto:svetlana.emden-bazhenova@edu.karelia.fi)

Thank you for your time and consideration!

Kind regards,  
Svetlana Emden-Bazhenova