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# Risks of Fraud in CTP in Siberia: Causes, Consequences, Regulation

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## ABSTRACT\*

The problem of unfair actions in Compulsory Third Party (CTP) has persisted in Siberia for several years and, first of all, is related to fraud. The **purpose** of the study is to assess the causes and impact of the risks of unfair actions in the field of CTP on the insurance market using the example of the regions of Siberia. The research **methodology** includes dynamic, spatial and correlation analysis, as well as index and coefficient methods used to assess the total risk. The article analyzes the quantitative indicators of the risk of unfair actions in the field of CTP in the regions of Siberia, identifies the causes of the unfavorable situation, the consequences of a socio-economic nature, and provides proposals aimed at reducing the risk. To improve the efficiency and quality of services in the CTP market, it is necessary to assess the factors constraining its development, regularly conduct communication activities between government authorities and the insurance business, differentiate quantitative indicators when assessing damage, taking into account regional specifics, develop an insurance culture and accessibility of CTP services in remote areas. The study will be useful for regulatory authorities and organizations of the insurance market, executive authorities at the federal and regional levels, and individual subjects of the insurance market in the development of regional insurance policy.

**Keywords:** auto insurance; insurance premiums; insurance payments; total risk under CTP; frequency of insurance cases; rolling coefficient of you-payments; "red" zone; insurance culture; availability of insurance services

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## INTRODUCTION

Compulsory Third Party (CTP) appeared in Russia 20 years ago — the Federal law No. 40 was adopted on 1 July 2003. Since then, there have been numerous changes: CTP insurance is becoming an increasingly transparent, understandable, and convenient form of protection for car owners. The availability of CTP policies, as well as the settlement of claims, is becoming easier due to the development of digitalization processes in the insurance market. Nevertheless, this type of insurance remains the most problematic among all types of insurance in Russia. The issues are related to increased unprofitability, risks of dishonest actions, low quality of settlements, and weak competition. However, CTP is a mass type of insurance that covers a large portion of consumers, so its effective implementation is important in terms of risk protection, ensuring social stability, and developing insurance culture.

Over the past few years, a number of regions in Russia have seen an increased risk of unscrupulous actions in the area of CTP. This has also affected some Siberian regions. The increase in such risks leads to a rise in insurance company losses. As a result, insurers are forced to reduce sales due to the loss of economic interest. And, a supply shortage arises, which inevitably leads to an increase in the final cost of insurance products for consumers. Consequently, approximately one-third of vehicles in the Siberian regions are operated without STP contracts,<sup>1</sup> victims cannot exercise their rights in the event of an accident, social tension rises, and, as a result, consumer trust in the insurance market as a whole decrease. A similar problem is noted in the North Caucasian, Southern, and Far Eastern federal districts.

<sup>1</sup> The number of privately owned passenger cars per 1000 population by subjects of the Russian Federation (from 2000 to 2022). URL: [https://rosstat.gov.ru/storage/mediabank/obesp\\_legk\\_avto.xls](https://rosstat.gov.ru/storage/mediabank/obesp_legk_avto.xls); Insurance. Statistics. Statistical indicators and information about individual entities in the insurance business. URL: [https://cbr.ru/finmarket/supervision/sv\\_insurance/stat\\_ssd/2024\\_4/](https://cbr.ru/finmarket/supervision/sv_insurance/stat_ssd/2024_4/) (accessed on 22.12.2024).

The purpose of this article is to assess the causes and impact of the risks of fraudulent activities in the CTP sector on the insurance market in Siberia.

The main issues of regulating the insurance market are governed by the law “On the Organization of Insurance Business in the Russian Federation”.<sup>2</sup> At the same time, a number of special regulatory legal documents are dedicated to the organizational and economic aspects of CTP: the Law “On Mandatory Insurance of Civil Liability of Vehicle Owners” No. 40,<sup>3</sup> the Regulation of the Bank of Russia “On the Unified Methodology for Determining the Amount of Expenses for Restoration Repair of Damaged Vehicles” No. 755.<sup>4</sup>

The specificity of the insurance business lies in the assessment of risks by insurers, taking into account the probability of an insured event occurring and the statistics of payments. The peculiarity of CTP lies in its non-market nature, which is why this type is initially considered unprofitable for insurers and subsequently became loss-making in a number of regions. Subsequently, systemic problems in the CTP market emerged and worsened:

- insurers’ avoidance of entering into and fulfilling contracts;
- refusal of car owners to purchase CTP policies;
- insufficient control by government authorities over compliance with legislation by all market participants.

The listed problems have created opportunities for abuses and dishonest

<sup>2</sup> Law “On the Organisation of Insurance Business in the Russian Federation” No. 4015 from 27.11.1992. URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_1307/](https://www.consultant.ru/document/cons_doc_LAW_1307/) (accessed on 22.12.2024).

<sup>3</sup> The Law “On Compulsory Insurance of Civil Liability of Vehicle Owners” No. 40 from 25.04.2002. URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_36528/?ysclid=lqj6tau0tt143069011](https://www.consultant.ru/document/cons_doc_LAW_36528/?ysclid=lqj6tau0tt143069011) (accessed on 22.12.2024).

<sup>4</sup> Regulation of the Bank of Russia “On the Unified Methodology for Determining the Amount of Expenses for Restoration Repairs of Damaged Vehicles” No. 755 from 04.03.2021. URL: <https://www.garant.ru/products/ipo/prime/doc/400821665/?ysclid=lqj6uey3xh271599393> (accessed on 22.12.2024).

actions in this field by insurers, consumers of insurance services, and various intermediaries. Most often, fraudulent activities are related to the staging of traffic accidents, which leads to increased costs for insurers and a rise in unprofitability.

In modern science and practice, significant attention is paid to the legal, economic, and social issues of CTP. In particular, the features of implementing auto insurance in the regions of Russia [1], the characteristics and specifics of the CTP market [2], as well as the issues of interaction among the participants in legal relations [3] are considered. A number of studies are dedicated to unresolved legal issues related to the implementation of CTP in our country, which reduce the efficiency and accessibility of the service for consumers [4–6].

In the context of insurance claims settlement, it is worth noting issues of technical expertise [7], problematic aspects of pre-trial and judicial loss settlement, as well as methods of protecting the interests of CTP service consumers [8, 9].

Many contemporary papers include the study of unfair practices in CTP. They analyse methods and schemes for committing fraudulent activities, including those within organized crime groups [10, 11], as well as methods for detecting [12, 13] and preventing fraudulent practices [14, 15]. The key role of investigative bodies in investigating fraud in the field of auto insurance is emphasized [16].

It is important to note that insurance fraud is considered a threat to economic security [17]. Therefore, within the framework of regulating the loss ratio in CTP, an important aspect is the economic justification of the cost aspects of CTP and its effectiveness. In particular, the feasibility of adjusting corrective coefficients is considered [18, 19], and an assessment of price adequacy and profitability is provided [20]. A number of authors propose models for assessing risk factors [21]. Also, the research of domestic scientists is dedicated to the issues of social significance and safety of

mandatory automobile liability insurance for drivers [22, 23].

## METHODOLOGY FOR RISK ASSESSMENT UNFAIR PRACTICES IN CTP

The problem of dishonest actions in CTP is multifactorial, including economic, social, and organizational-legal components. All these aspects provoke the possibility of fraudulent actions — this includes the mass nature of the type of insurance, the imperfection of the current damage assessment algorithms, and often the inconsistency of the actions of insurance participants when insurance events occur.

Insurance fraud is a crime committed through deception regarding the occurrence of an insured event or the inflation of the amount of an insurance payment. Insurance fraud includes providing knowingly false information about circumstances confirming the occurrence of an insured event, staging a traffic accident, an unfortunate incident, or the theft of insured property.<sup>5</sup>

The problem of fraud in insurance activities is one of the significant issues for all participants in the insurance market. Russian insurers lose at least 27 bln rubles annually due to fraud, with about 70% of crimes occurring in the field of auto insurance [17].

Therefore, the analysis of the situation should begin with insurance statistics indicators. Quantitatively, the risk of fraudulent actions in CTP is expressed in the increased value of the “total risk” index, calculated by the Insurance Market Department of the Bank of Russia. Thus, according to the Bank of Russia,<sup>6</sup> the leader of

<sup>5</sup> Resolution of the Plenary Session of the Supreme Court of the Russian Federation dated 20.11.2017 No. 48 (as amended on 15.12.2022) “On Judicial Practice in Cases of Fraud, Embezzlement, and Misappropriation”. Bulletin of the Supreme Court of the Russian Federation. No. 2. February, 2018.

<sup>6</sup> Monitoring of regional risks of unfair practices in CTP insurance. Quarterly bulletins of the Bank of Russia. No. 1 as of 01.10.2019 — No. 22 as of 01.01.2025. URL: [https://cbr.ru/Collection/Collection/File/46300/monitoring\\_OSAGO\\_2025-22.pdf](https://cbr.ru/Collection/Collection/File/46300/monitoring_OSAGO_2025-22.pdf) (accessed on 22.12.2024).

the anti-rating among the regions of Siberia is Novosibirsk Oblast, where the situation is complex – from 2021 to the present, the index value has varied from 4 to 6.5 points, which places the region in the “red” zone. Therefore, the issue of CTP in the Novosibirsk region has received increased attention in the paper.

The “aggregate risk” for CTP is calculated based on three indicators across all subjects of the Russian Federation, based on published insurance statistics data from the Bank of Russia (external monitoring indicators):

- average insurance payment: the ratio of total insurance payments to the number of settled insurance events, thousand rubles. As of 1 January 2022, this figure in the Novosibirsk region was almost 90 thousand rubles, which was 1.3 times higher than the average value in Russia (68.5 thousand rubles). As of 1 January 2025, the indicator in the region had already reached 142.6 thousand rubles, which is 1.4 times higher than in Russia (99.9 thousand rubles);

- frequency of insurance claims: the ratio of the number of settled losses to the number of concluded CTP contracts,%. In the Novosibirsk region as of 01.01.2022, this figure was 7.5%, which is 1.3 times higher than the average value in Russia (5.5%). As of 01.01.2025, the indicator was 6%, which is also 1.3 times higher than the average in Russia (4.6%);

- sliding payment ratio: the ratio of insurance payments to insurance premiums,%. For the Novosibirsk region as of 01.01.2022, this figure was 110%, which is 1.6 times higher than the average value for Russia (67%). As of 01.07.2023, the indicator was 86.3%, which is also 1.6 times higher than the average Russian value.

For each of the three aforementioned indicators, depending on the extent of the deviation of the regional value exceeding the average for Russia, penalty points are determined, the sum of which constitutes the final index “total risk” (with values ranging from 0 to 7, where 7 is the maximum risk).

If there is an abnormal increase in indicators (event frequency, average payment, intensity of lawsuits, etc.), it may indicate a distortion in the natural process of loss occurrence, that is, a disruption in market pricing.

These processes will lead to:

- lack of interest from insurers in implementing CTP, reduction of presence in certain regional markets, and restriction of policy sales to particularly unprofitable clients (transport organizations, taxis, drivers with a “bad” insurance history, etc.), imposition of additional services;

- the emergence of “fake brokers”, consultants for E-CTP, the sale of counterfeit policies, the entry of false data;

- the increase in citizens’ dissatisfaction with insurance services in the Russian Federation entity and the number of complaints against insurers;

- deterioration of the price accessibility of CTP and a decrease in trust in the insurance market.

From 1 July 2024, the methodology for calculating the total risk has been supplemented with a sampling indicator based on the criterion of “recurrence” of losses. The sample includes insurance cases where the same car or driver is involved in accidents multiple times during the analysed period.

To analyse the reasons for the increased risk of fraudulent activities in CTP in the regions, it is also advisable to use internal monitoring indicators that take into account the regional situation in the CTP sector in a specific subject of the Russian Federation, including:

- the level of consumer complaints regarding the CTP service;

- the intensity of court payments in damage settlements;

- the activity of initiating criminal cases in the field of CTP.

These indicators can largely reflect the effectiveness of the work of regional executive authorities, including law enforcement and judicial bodies. Therefore,

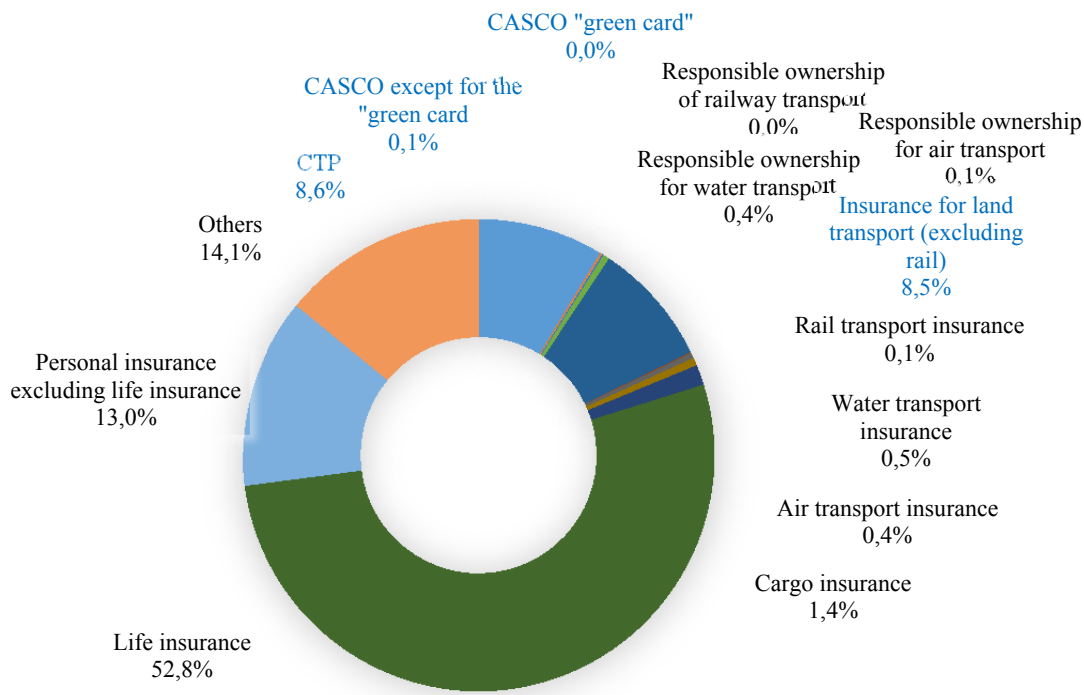


Fig. 1. Structure of Insurance Premiums in Russia in 2024

Source: Author's calculations.

it is advisable to assess the risks of fraudulent activities in the area of CTP by comparing these two groups of indicators in territorial and temporal aspects.

### ANALYSIS OF THE SITUATION IN THE CTP

CTP belongs to the group of types of auto insurance. Based on the content of the published insurance statistics of Russia, the concept of "transport insurance" is distinguished, which includes the insurance of all types of transport (land, water, air), the liability of vehicle owners, and cargo insurance.

Auto insurance is a part of transportation insurance and includes: insurance for land motor vehicles (comprehensive coverage); liability insurance for vehicle owners (CTP and CASCO).

It should be noted that this type of insurance is economically and socially significant, as it occupies a substantial share of the Russian insurance market and, accordingly, forms the largest insurance fund and provides

protection for the property interests of those injured in traffic accidents<sup>7</sup> (Fig. 1).

In Fig. 1, other types of auto insurance are highlighted as they are closely related to CTP and often accompany it, but their share is insignificant. The category "Other" includes other types of property and liability insurance that are not the subject of this study.

In the regions of Russia, the share of CTP in the structure of insurance premiums varies, and consequently, the level of total risk also varies (Fig. 2). Thus, in the North Caucasus Federal District (NCFD), the share of CTP exceeds 20%, in the Siberian Federal District (SFD) it is 16.5%, and in the Central Federal District (CFD) it is 5.1%.

Fig. 3–6 present the CTP indicators in territorial comparison.

The amount of insurance premiums for CTP per contract in the SFO is slightly lower, while the number of payments is higher

<sup>7</sup> Insurance. Statistics. Statistical indicators and information about individual entities in the insurance business. URL: [https://cbr.ru/finmarket/supervision/sv\\_insurance/stat\\_ssd/2024\\_4/](https://cbr.ru/finmarket/supervision/sv_insurance/stat_ssd/2024_4/) (accessed on 22.12.2024).

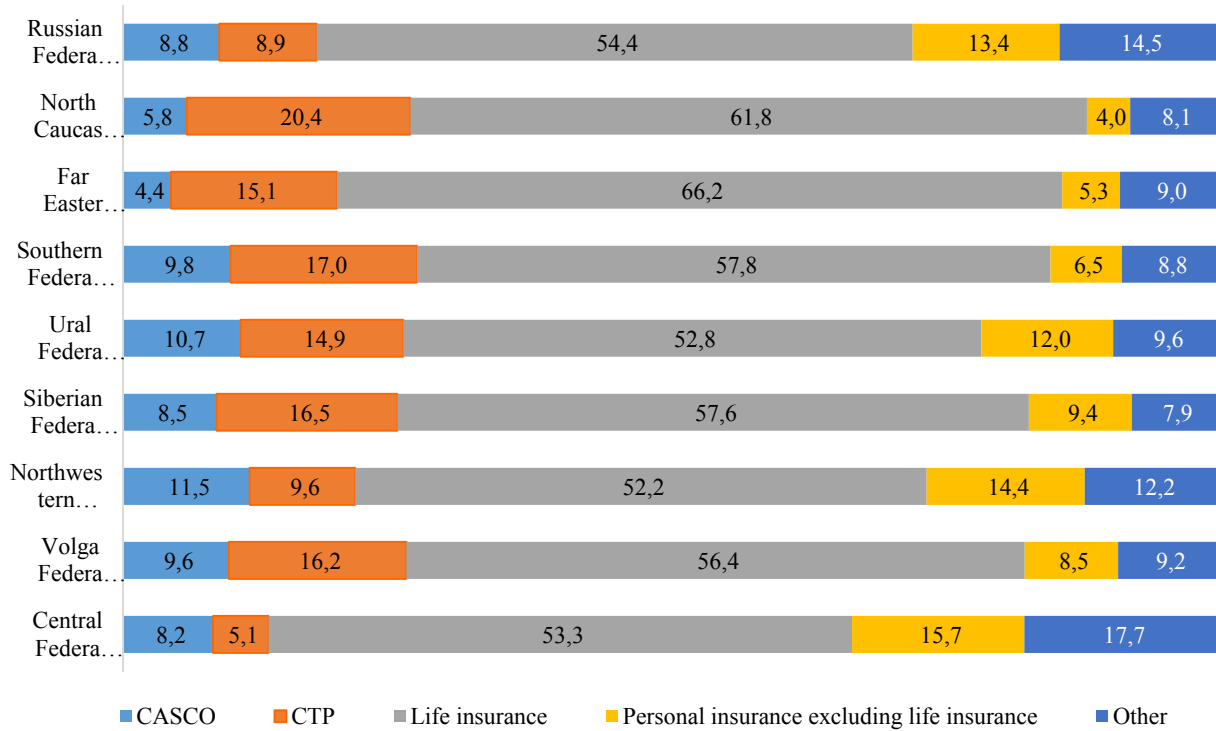
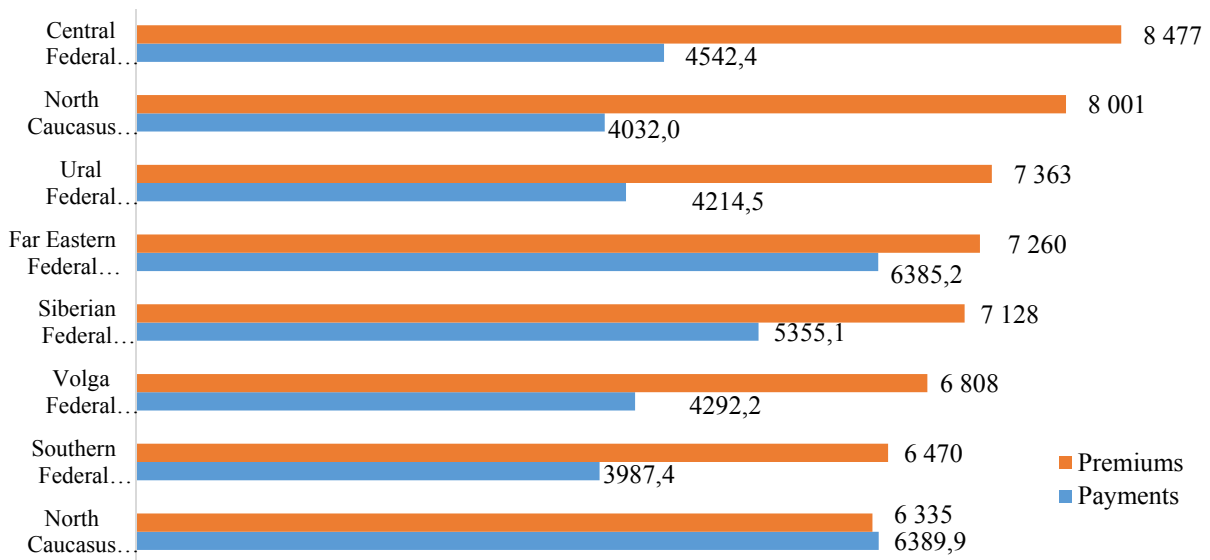


Fig. 2. Share of Insurance Premiums for STP in the Structure of Insurance Premiums in FD in 2024

Source: Author's calculations.



Average premium across Russia - 7487 rubles  
 Average payment in the Russian Federation- 4601 rubles

Fig. 3. Premiums and Payments for STP for one Contract Under FD in 2024, rub.

Source: Author's calculations.



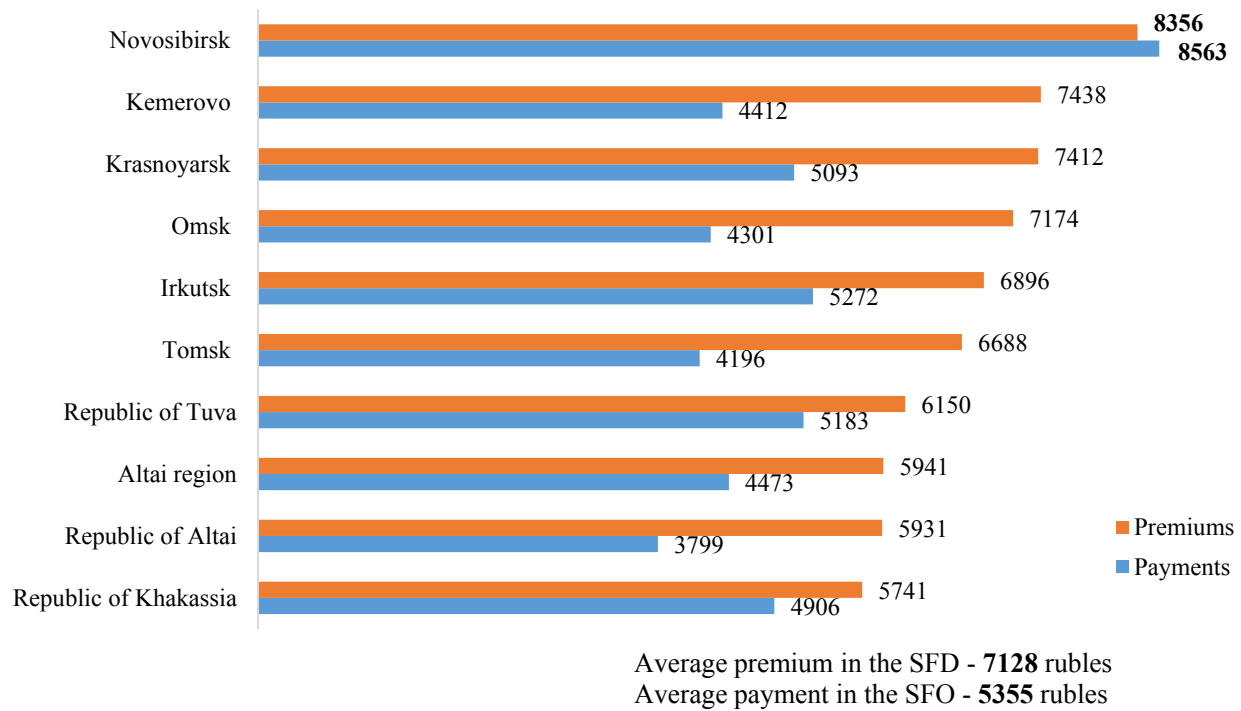


Fig. 4. Premiums and Payments for STP per Contract for the Subjects of the SFD in 2024, rub.

Source: Author's calculations.

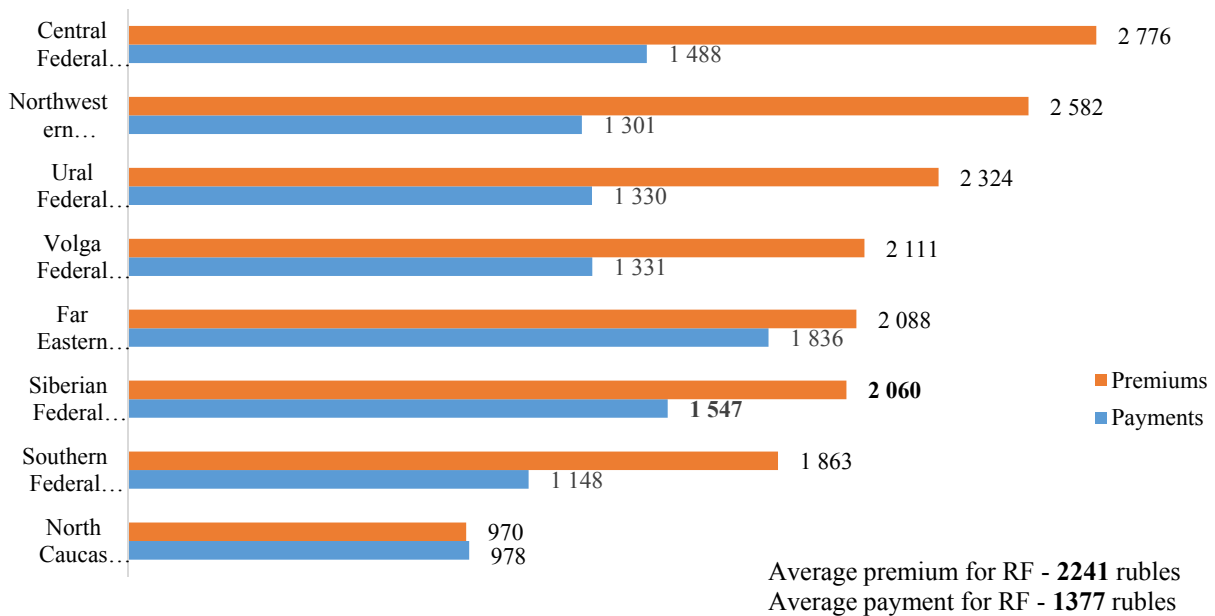


Fig. 5. Premiums and Payments for STP per Capita by FD in 2024, rub.

Source: Author's calculations.

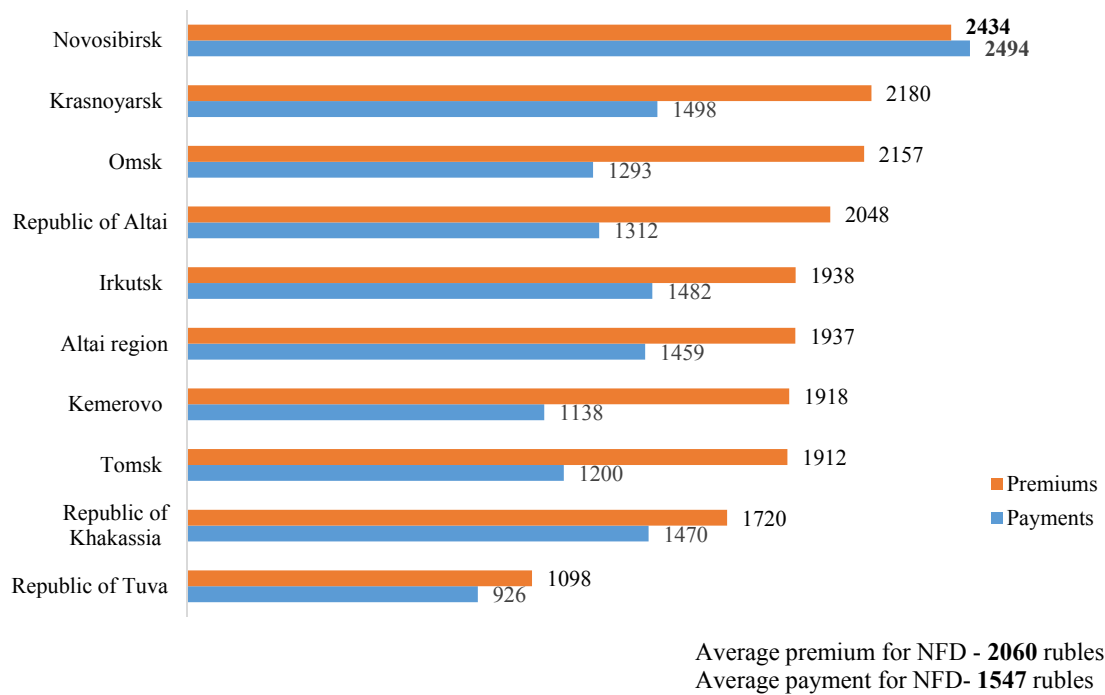


Fig. 6. Premiums and Payments for STP per Capita for the Subjects of the SFD in 2024, rub.

Source: Author's calculations.

Table 1

**Paired Correlation Coefficients Between Premiums and Payments for STP and Compulsory Motor Liability Insurance and Other Types of Insurance in 2024**

STP	Insurance of vehicles		Insurance citizens' property		Life insurance	
	Premiums	Payments	Premiums	Payments	Premiums	Payments
Premiums for CTP	0.8788	x	0.8535	x	0.8594	x
Payments for CTP	x	0.8199	x	0.8363	x	0.8101

Source: Author's calculations.

than the average in Russia. This indicates a higher loss ratio for this type of insurance in the SFO compared to the national average. The consequence is the lack of interest from insurers in providing CTP, a reduction in presence and sales volumes in certain areas — there is a refusal to provide the CTP service or the imposition of additional services, which leads to a violation of the principle of universal insurance.

Novosibirsk leads in the sum of premiums and payouts per policy among the subjects of the Siberian Federal District (SFD) and is the only one where payouts exceed premiums. The sum of premiums in the region is 17% higher than in the SFD and 12% higher than the national average. The sum of insurance payouts in Novosibirsk is 60% higher than the SFD value and 86% higher than the average for Russia. These figures confirm the high loss



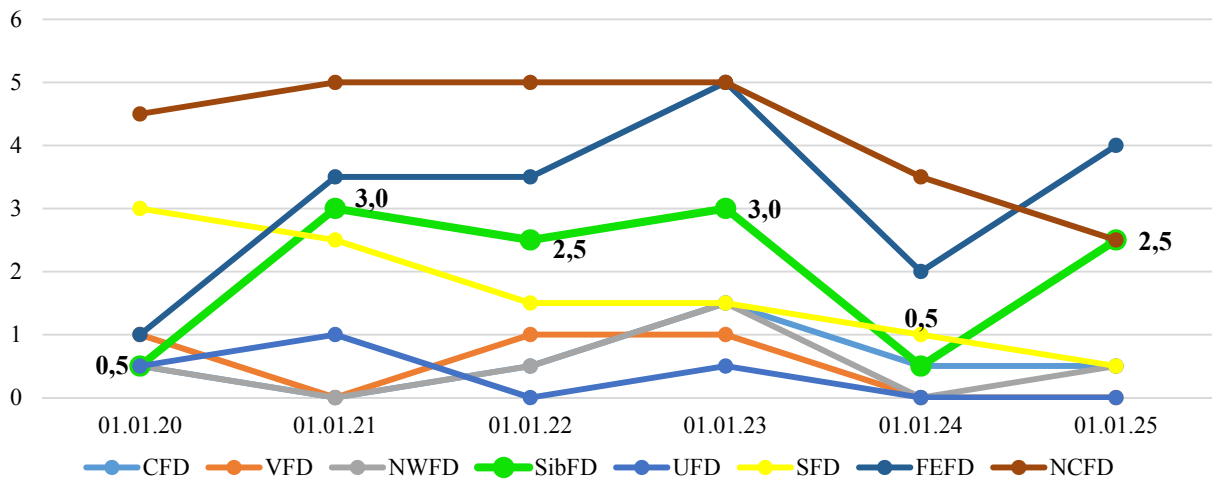


Fig. 7. Total Risk for STP by FD, Points

Source: Monitoring of the CTP of the Bank of Russia.

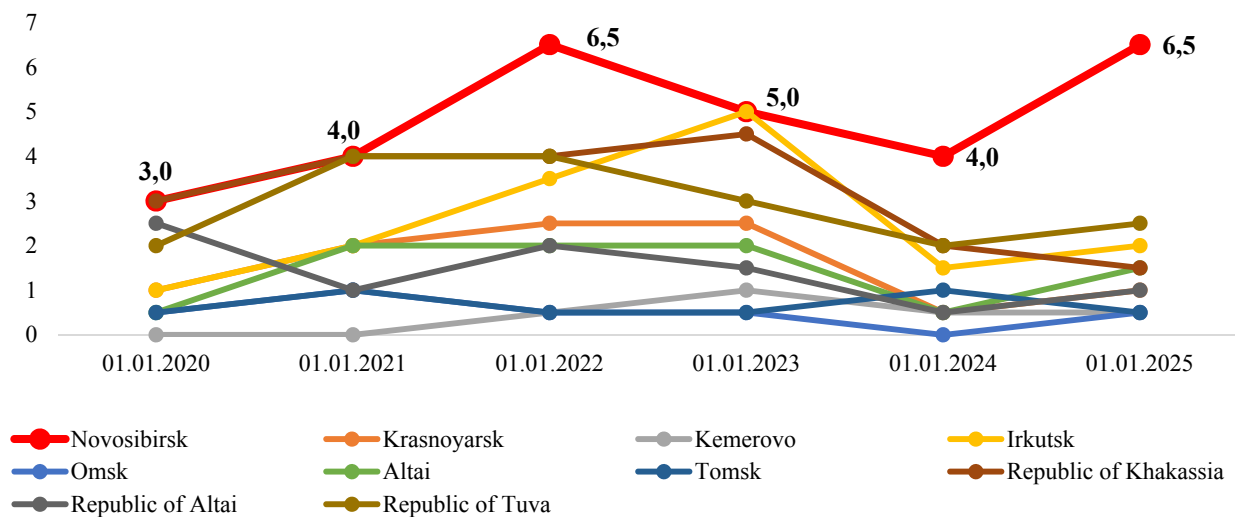


Fig. 8. Total Risk for STP by Regions of the SFD, Points

Source: Monitoring of the CTP of the Bank of Russia.

ratio of compulsory motor third-party liability insurance (CTP) in the region.

Overall, across federal districts, bonuses and payments vary significantly, with the Siberian Federal District occupying average positions. In the Novosibirsk, the payout per capita significantly exceeds the indicator for all regions of the Siberian Federal District and is 81% higher than the national average. The ratio of payouts to premiums for CTP in the region exceeds one. As a result, profitability decreases, the cost of CTP increases, the supply of policies decreases, and consequently,

the total number of contracts concluded in the region also declines.

Since CTP is a mass insurance type, it forms the basis of voluntary insurance types and, consequently, the socio-economic development of the regions of Russia. The relationship between the volumes of insurance premiums for CTP and types of voluntary insurance is confirmed by calculating the correlation coefficients of CTP with other significant types of insurance in a spatial comparison based on data from all subjects of the Russian Federation (Table 1).

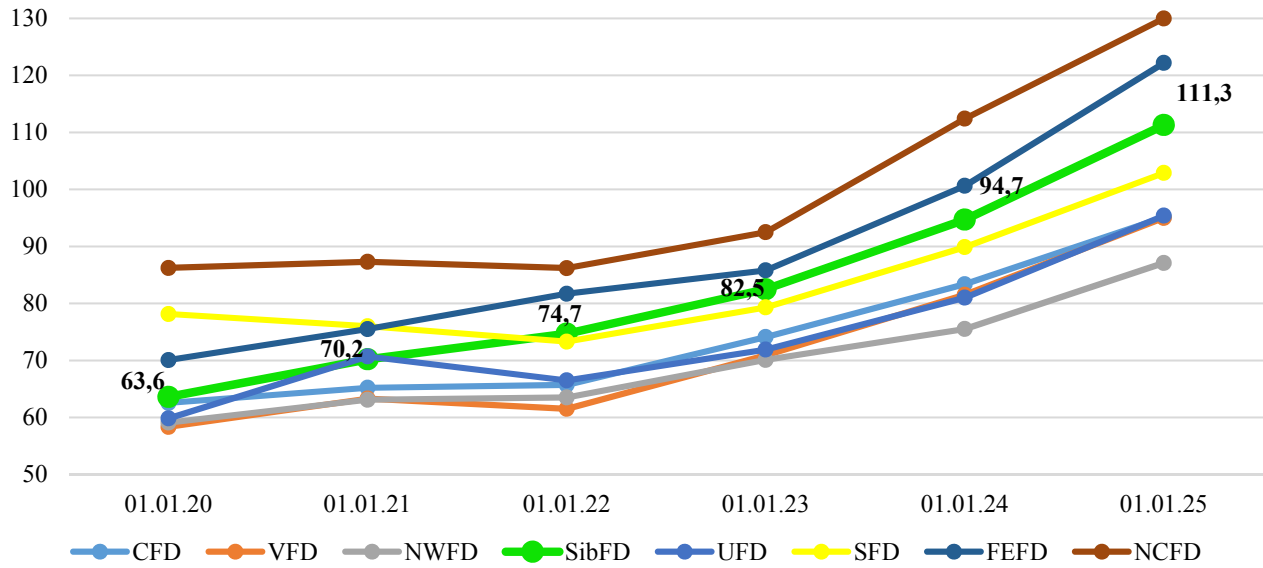


Fig. 9. The Average Insurance Payment for STP in FD, Thousand Rubles

Source: Monitoring of the CTP of the Bank of Russia.

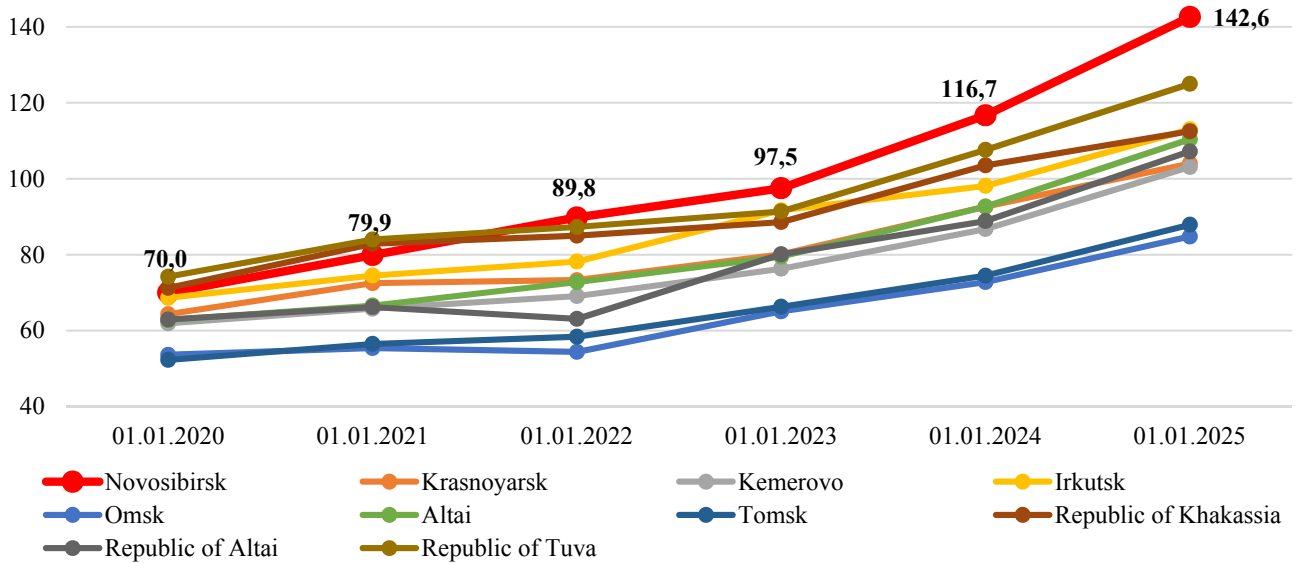


Fig. 10. The Average Insurance Payment for STP by Regions of the SFD, Thousand Rubles

Source: Monitoring of the CTP of the Bank of Russia.

Calculations showed a strong correlation (above 0.7) between premiums and payouts for CTP and premiums and payouts for voluntary types of insurance. That is why consumer satisfaction with the CTP service directly affects the development of these segments of the insurance market.

Next, Fig. 7–14 present the dynamics of the components of total risk for CTP in federal

districts and regions of the Siberian Federal District.

Among the federal districts, the highest total risk level is observed in the North Caucasian Federal District (maximum 5 points). It is followed by the Far Eastern Federal District, where the maximum value was recorded on 1 January 2023, after which the situation was stabilized. The Siberian

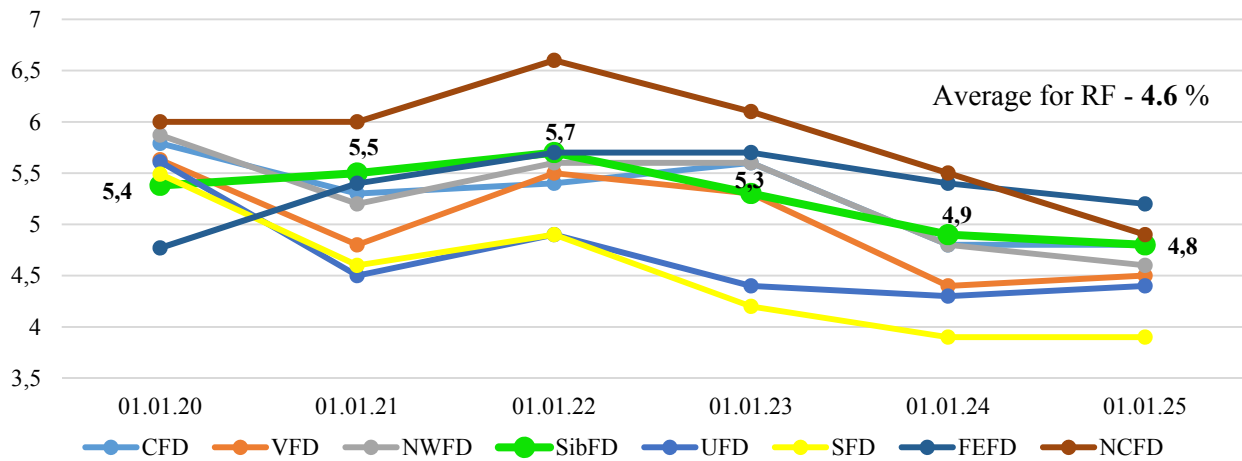


Fig. 11. The Frequency of Insurance Claims for STP by FD, %

Source: Monitoring of the CTP of the Bank of Russia.

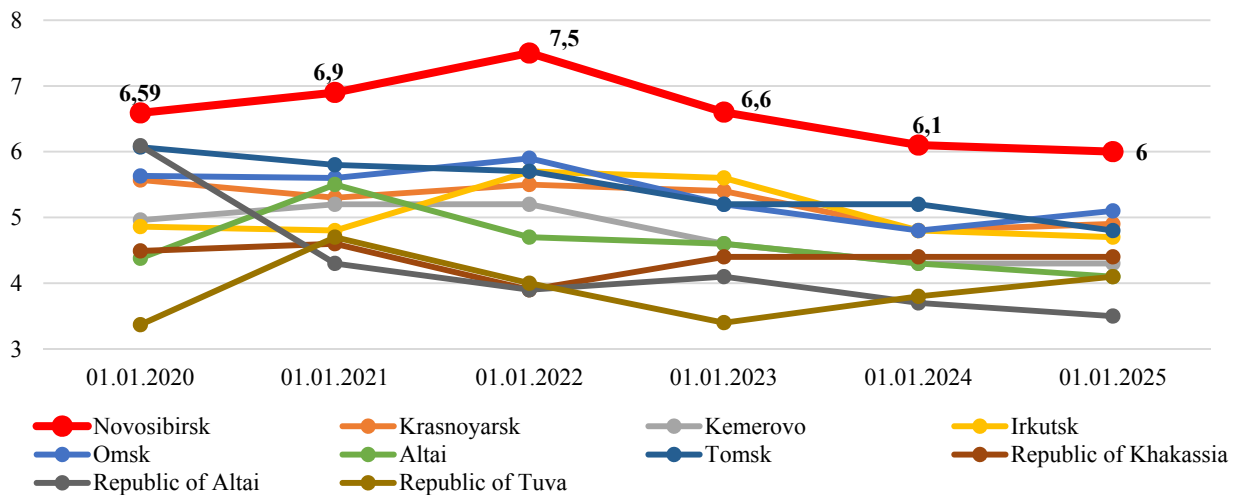


Fig. 12. The Frequency of Insurance Claims for STP in the SFD, %

Source: Monitoring of the CTP of the Bank of Russia.

Federal District shows a similar trend – the indicator is above the national average but remains within acceptable limits.

In the Novosibirsk region, the total risk level reached 6.5 points as of 1 January 2025. It leads among the regions of Siberia and ranks second among the subjects of Russia (after Ingushetia). It should be noted that in the other regions of the Siberian Federal District, the indicator has a tendency to decrease since 2023.

The average payout is steadily increasing in all regions of Russia. Among the federal

districts, the highest figures are in the North Caucasian Federal District (NCFD) and the Far Eastern Federal District (FEFD), with the Siberian Federal District (SFD) in third place.

Novosibirsk Oblast ranks first in the SFO and fifth in the RF – the insurance payout as of 1 January 2025, amounted to 142.6 thousand rubles, which exceeds the SFO indicator by 28% and the national average by 43%. Additionally, among the regions of the SFO, a high average payout value is maintained in the Republic of Tuva.

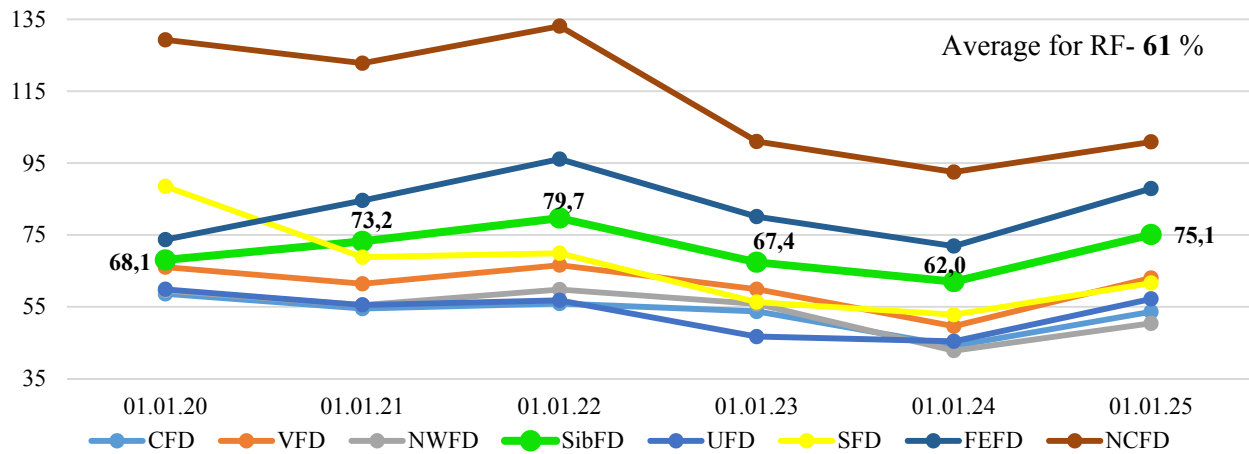


Fig. 13. Sliding Coefficient of Payments for STP by FD, %

Source: Monitoring of the CTP of the Bank of Russia.

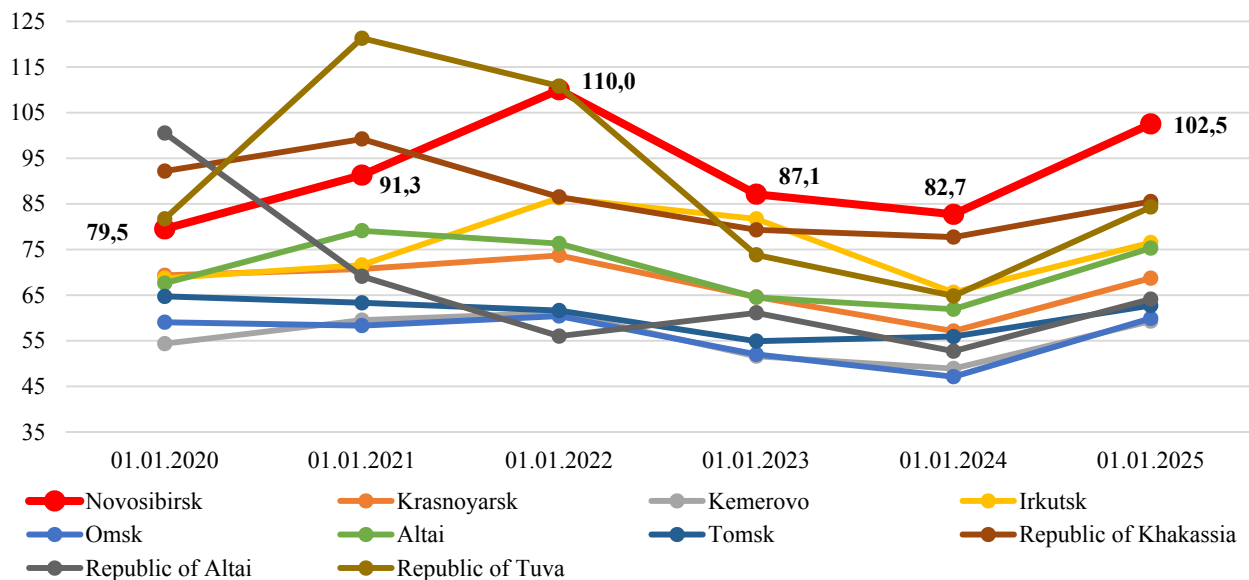


Fig. 14. Rolling Coefficient of Payments for STP in Accordance with SFD, %

Source: Monitoring of the CTP of the Bank of Russia.

Among the federal districts, the highest frequency of insurance claims for compulsory third-party (CTP) was observed in the North Caucasian Federal District (NCFD), but since 2022 it has been steadily decreasing, and this trend is seen in all regions. The Siberian Federal District (SFD) occupies an average position in this indicator.

In the Novosibirsk, the frequency of insurance cases is significantly higher than in other Siberian regions as of 1 January 2025,

the figure was 6%, which is 11% higher than the average in Russia. Throughout the entire monitoring period, the figure exceeded the equivalent for the Siberian Federal District and Russia by 18–30%. The frequency of court payouts in the region has also remained high over the past five years, which may indicate the activity of unscrupulous legal intermediaries.

In terms of the rolling payout ratio among federal districts, the North Caucasian Federal

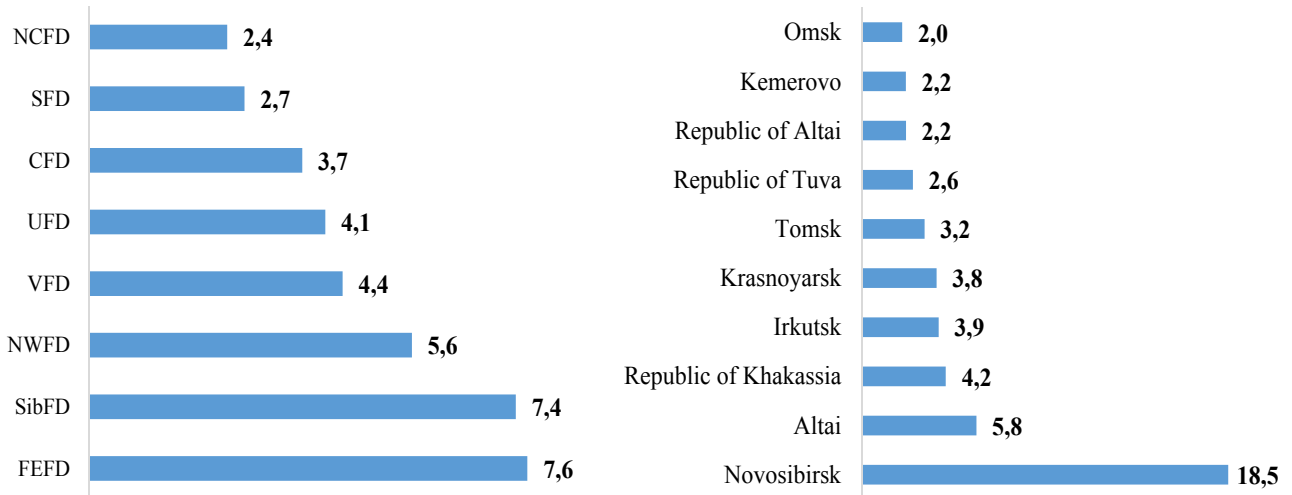


Fig. 15. Indicators of Repeated Losses for STP in Russia, %

Source: Monitoring of the CTP of the Bank of Russia.

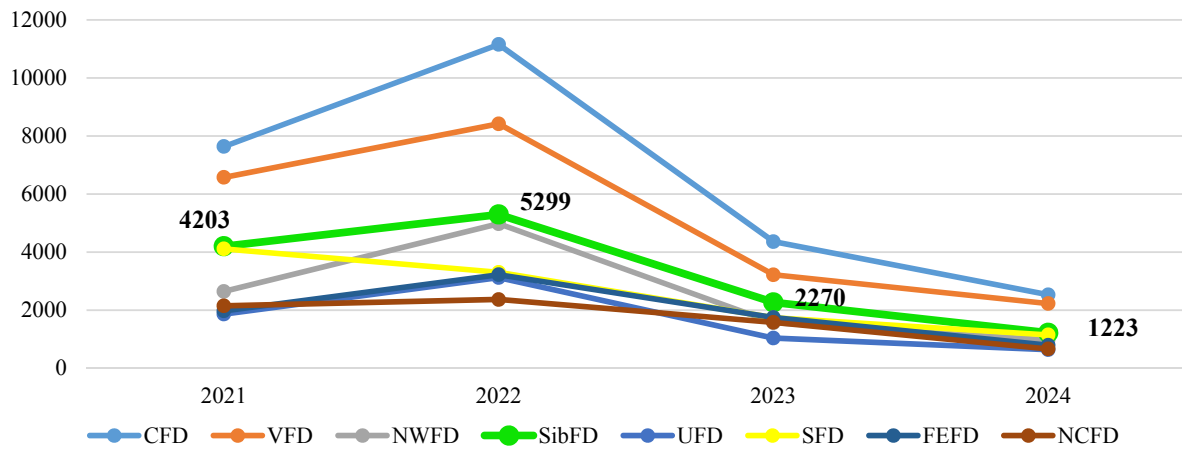


Fig. 16. The Number of STP Complaints by the FD, Units

Source: Author's calculations.

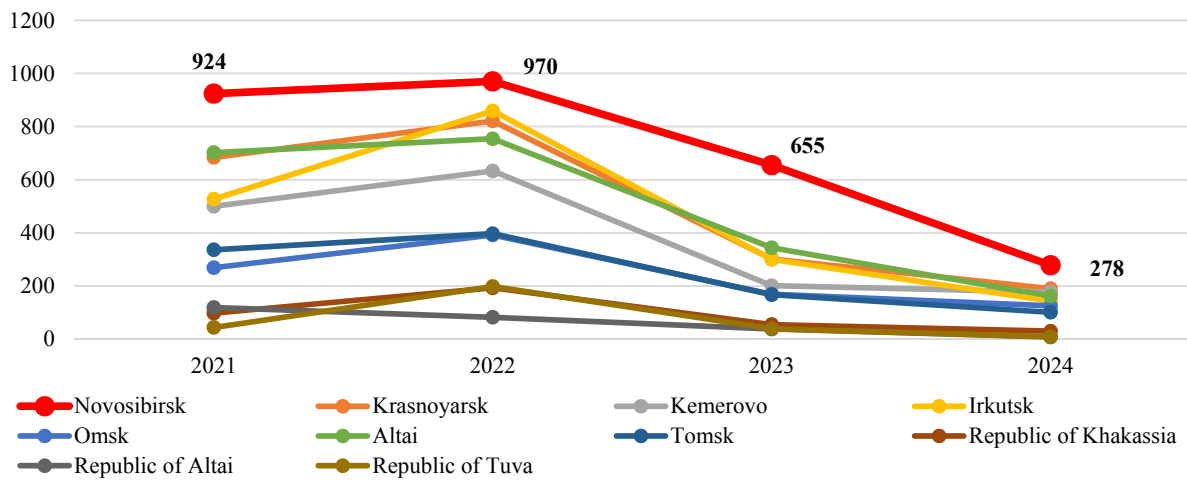


Fig. 17. Number for STP Complaints by SFD Subjects, Units

Source: Author's calculations.

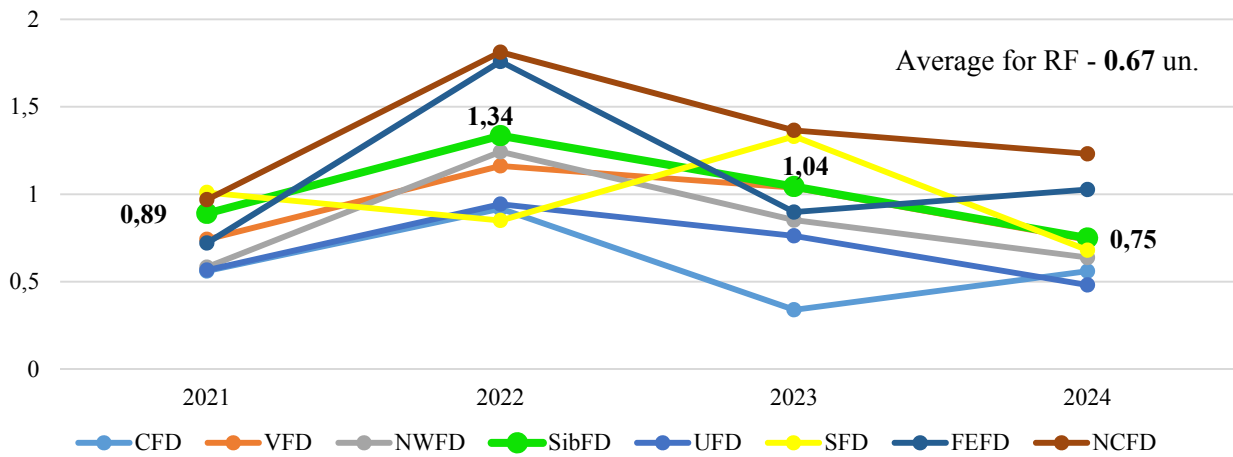


Fig. 18. The Number of Consumer Complaints per 1000 STP Contracts by FD, Units

Source: Author's calculations.

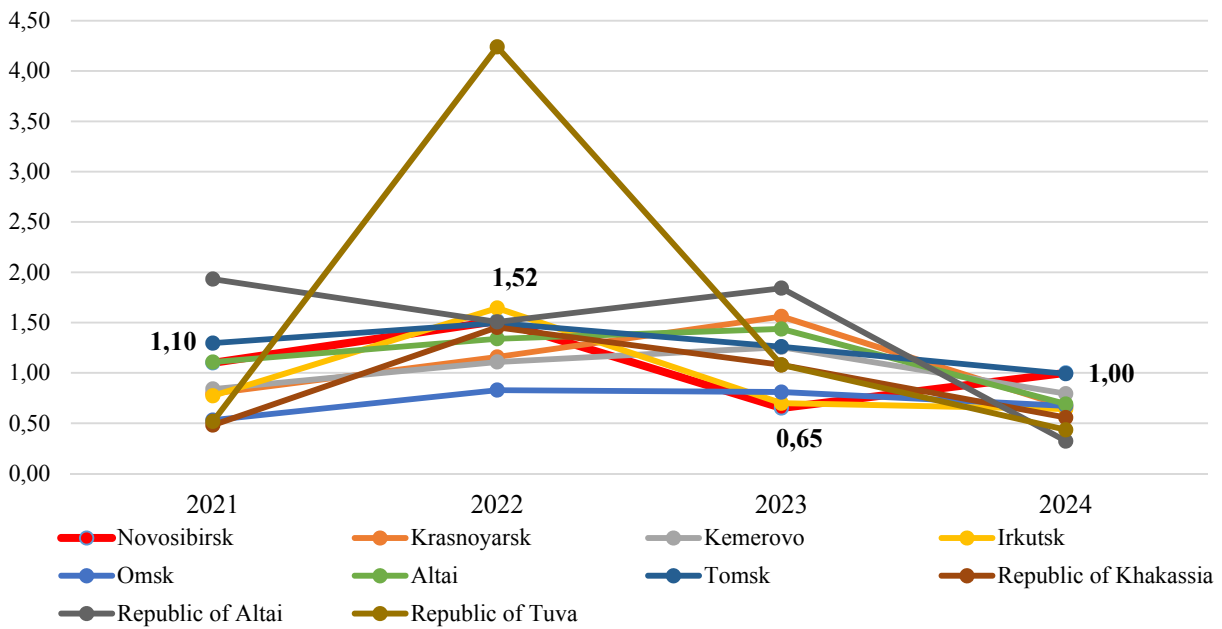


Fig. 19. The Number of Consumer Complaints per 1000 STP Contracts for the Subjects of the SFD, Units

Source: Author's calculations.

Table 2

**Paired Correlation Coefficients Between the Number for STP Complaints and Indicators of the Risk of Unfair Actions**

Indicator	Value
Total risk and complaints regarding CTP	-0.1404
Average insurance payout and complaints regarding CTP	-0.3029
Frequency of insurance cases and complaints regarding CTP insurance	0.2289
Sliding payment ratio and complaints for CTP	-0.1519

Source: Author's calculations.



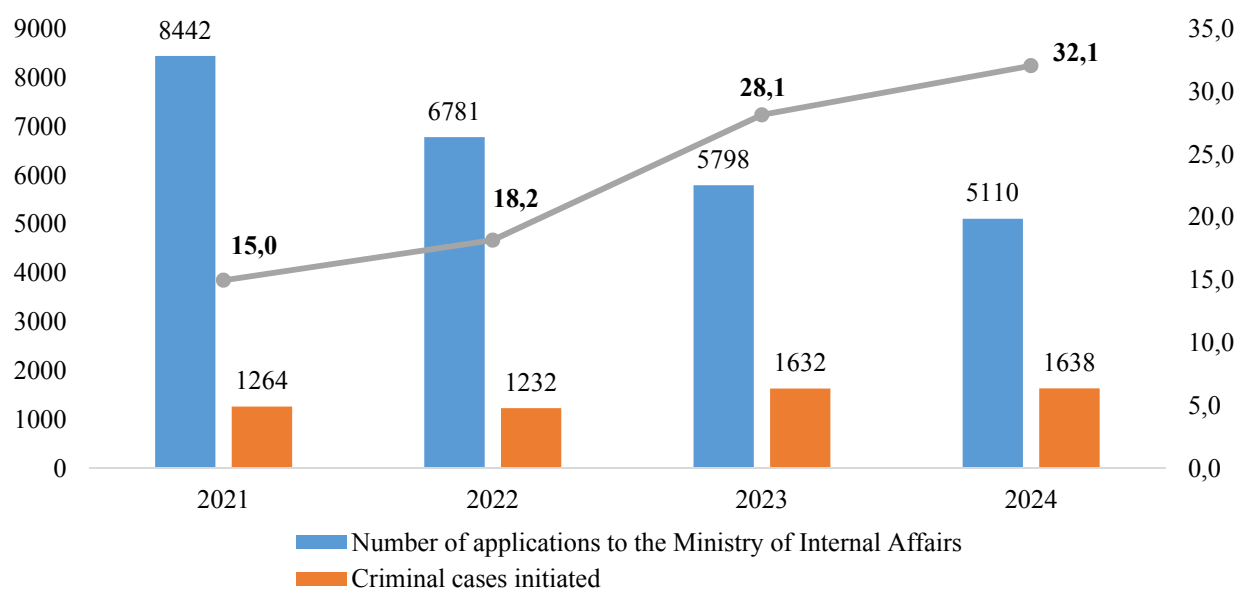


Fig. 20. Indicators of Criminal Cases for STP in Russia, %

Source: Author's calculations.

District (NCFD) leads by a wide margin, with a ratio of over 100% or close to it during the monitoring period. The Far Eastern Federal District (FEFD) follows, with the Siberian Federal District (SFD) in third place. The indicator is relatively stable, and in 2024, its growth is noted everywhere.

In the Siberian regions, the rolling payout ratio is volatile. The problematic areas are Novosibirsk Oblast, the Republics of Tuva and Khakassia, where in certain periods the ratio reaches 100% or more.

Fig. 15 shows the sample indicators based on the criterion of “recurrence” of losses as of 01.01.2025.

In the Far Eastern and Siberian Federal Districts, the indicators are the highest, confirming the presence of fraudulent activities in the macroregions. Novosibirsk is the leader in this indicator not only in Siberia but also in Russia – the indicator is 18.5%, which is 4.2 times higher than the average value for the Russian Federation.

Next, the dynamics of the level of complaints regarding the CTP service, which is used as an additional indicator when analyzing unfair practices in CTP, are presented (Fig. 16–19).

The highest number of consumer complaints about the CTP service has been recorded in federal districts with high population density and a large number of cars – the Central Federal District, the Volga Federal District, and the Siberian Federal District.

In Siberia, the highest number of complaints also falls on the Novosibirsk region as a zone with an increased risk of unscrupulous actions in CTP. At the same time, the number of complaints is steadily decreasing in all regions. The dynamics of this phenomenon may depend on various factors: changes in the insurance market situation, seasonality, and the insurance culture of citizens. The main reasons cited in consumer complaints were not related to price accessibility, but to actual restrictions when purchasing, disagreement among car owners with the application of the “Bonus-Malus” (BM) coefficient, including due to the activity of electronic BM correction services by third parties and disagreement with the amount of the insurance premium.

The number of complaints per 1 000 CTP contracts has also decreased over the past two years, except in the Southern Federal District

(SFD). This indicator remains quite high in the North Caucasian Federal District (NCFD) and the Far Eastern Federal District (FEFD), which indicates the poor quality of the CMTPL service. It should be noted that in the Siberian Federal District (SFD), the relative number of complaints has halved over the past two years, which is related to the resolution of the service accessibility issue.

By subjects of the Siberian Federal District, the number of consumer complaints per 1 000 contracts is low, including in the Novosibirsk region. The exception is the Republic of Tuva, where in 2022 the figure was 4.2 units (for comparison, the average value for the Russian Federation for the same period was 1.17 units).

Additional risk indicators in CTP, such as the number of consumer complaints, are non-market in nature and therefore do not depend on the dynamics of the main components of total risk. Instead, they are determined to a greater extent by the effectiveness of managerial activities in the regions. This is confirmed by the correlation coefficients between the risk indicators of unfair practices in CTP and the number of complaints regarding this insurance product (*Table 2*).

The coefficients indicate that the correlation between the given indicators is practically absent.

*Fig. 20* presents the indicators of criminal cases related to CTP.

The positive dynamics in the number of initiated criminal cases and their ratio to the number of submitted applications indicate an improvement in the efficiency of law enforcement agencies.

### WAYS TO REDUCE RISK UNFAIR PRACTICES IN CTP

In the field of combating insurance fraud in auto insurance, the following most effective tools are highlighted:

- improvement of information exchange between participants in the insurance market and regional executive authorities, which is planned to be ensured within the framework

of the creation of a unified information system “AIS-Insurance”;

- development of interstate agreements to combat fraud between Russia and the CIS countries;
- improvement of video surveillance systems for road traffic participants [15];
- the compilation of “blacklists” of unreliable insurers and agents;
- the creation of public organisations to combat insurance fraud at regional, national, and international levels [17].

Specifically, to address the issue of unscrupulous actions in CTP insurance in regions with increased risk, it is advisable to use a systematic approach that takes into account all factors and measures of influence.

*Evaluation and accounting of stimulating and restraining factors* in the development of the OSAGO market in regions with similar problems, regular monitoring and assessment of regulatory possibilities by the mega-regulator — timely identification of risk development and response to them, as well as assessment of the changes in the OSAGO situation after the implementation of impact measures.

Thus, as a result of summarizing socio-economic and insurance indicators in several regions of Siberia, the following factors that hinder the development of the insurance market, including in the OSAGO segment, have been identified:

- low level of insurance literacy among citizens and small and medium-sized enterprises (SMEs);
- limited availability of insurance services, which is reflected in the number of physical and remote sales channels, as well as limited financial accessibility in remote and sparsely populated areas;
- agglomeration effects and population density, which provoke an increase in the unprofitability of CTP in cities with high population density;
- the differentiated income levels of citizens, which affect the number of vehicles in use;

- the inertia of insurance market participants, regional executive authorities, and law enforcement agencies in certain regions, taking into account culture and mentality;

- the limited budgetary potential of certain entities of the Russian Federation, which affects the level of activity of interested parties in forming an insurance culture.

Some of the mentioned factors are complex and cannot be managed in the short- and medium-term (for example, budget potential, citizens' income levels). However, they must be taken into account in the implementation of strategic documents in the regions. Other factors can be regulated, including by the mega-regulator and regional authorities (insurance culture level, availability of insurance services).

2. *The implementation of best practices* from regions in preventing fraudulent activities in compulsory motor third-party liability insurance (CMTPL) and the scaling of positive experiences from Russian Federation entities that have managed to reduce the overall risk level or specific indicators.

3. *Formation of unified approaches* to the interaction between law enforcement agencies and insurers, the participation of self-regulatory organizations, the mega-regulator, regional executive authorities, and law enforcement agencies through the creation of interdepartmental working groups and the holding of meetings, including:

- the paper of specialized groups consisting of operational officers, investigators, and detectives to identify and solve crimes in the field of auto insurance;

- the use of methodological materials from insurers by law enforcement, investigative, and judicial authorities (when necessary), with regular updates;

- monitoring compliance with the requirements of legislation on providing information from external surveillance cameras in the field of auto insurance by requesting it from insurers;

- regular assessment of the effectiveness of the financial ombudsman's work in the regions of Russia in terms of pre-trial loss settlement. If the effectiveness of the financial ombudsman's work is found to be low, it is advisable to consider increasing its regional presence in problematic areas<sup>8</sup>;

- making changes to the RSA's damage assessment guide to account for regional coefficients of spare parts costs, allowing the use of used parts.

These measures will allow for a reduction in the average insurance payout, bringing it closer to the amount of actual damage, which will help reduce the overall risk of fraudulent activities in the CTP in problematic regions.

## CONCLUSION

Within the framework of the study, the problem of fraudulent activities in CTP in the Siberian regions has been substantiated. The causes of the problem are increased loss ratios with negative dynamics, resulting in regions receiving a high-risk assessment for fraudulent activities. The problem is widespread, observed in many regions of Russia due to the specifics of CTP – massiveness and mandatory nature.

As a result of the situation analysis, it was found that the risk level in the Siberian regions is differentiated due to regional differences. The highest risk level is recorded and maintained dynamically in the Novosibirsk. The Irkutsk, the Republics of Tuva and Khakassia also fell into the “red” zone, but subsequently managed to exit it.

The main reasons for the difficult situation in the CTP sector in certain regions are related to the negative economic impact of illegal activities on the CTP system. Such actions are confirmed by increased rates of insurance claims frequency, average insurance payouts, and the “recurrence” of losses. Additionally, the work

<sup>8</sup> In Russia, there are only four branches of the Financial Ombudsman Service in the regions. All complaints are submitted and reviewed remotely.

includes an analysis of consumer complaints regarding the CTP service and the indicators of insurers' interactions with law enforcement and judicial authorities. The increased loss ratio of CTP in certain regions also depends on the level of competition in the insurance market, regional coefficients for the cost of spare parts, the managerial actions of regional and municipal authorities, and climatic and geographical conditions.

It is important to note that CTP is a socially and economically significant type of insurance for the regional economy and the insurance market as a whole, as it shapes public opinion and consumer attitudes towards insurance, determining the pool of trust in the market and authorities. Therefore, it is important to address issues in this area at both the federal and regional levels of governance and self-regulation.

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