

OLMA Buys Russian Retail Branch of Zurich Insurance

By [The Moscow Times](#)

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ZURICH — Zurich Insurance Group is selling its Russian retail business to investment group OLMA, taking a hit of about \$300 million in the third quarter for the sale, the Swiss insurer said Thursday.

The sale comes as part of the insurer's strategy to shed underperforming units. Zurich Insurance began a three-year restructuring program at the end of 2013 to invest in high-margin businesses and sell underperforming lines, the cost of which will total \$600 million.

It said on Thursday it was selling the Russian retail unit, which had a gross written premium volume of 7.1 billion rubles (\$207 million) in 2013, to Russian investment group OLMA for \$30 million. Zurich said it would keep and expand its Russian corporate business.

A spokeswoman for Zurich said the retail business had not been profitable for the last two

years.

"The transaction is a proof-point of our 2014-2016 strategy. While we invest in priority markets, we either turn around or exit those that are under-performing," Mike Kerner, chief executive of Zurich's General Insurance unit said in a statement on Thursday.

The sale is expected to close in the third quarter of this year, and the loss will only have a small impact on shareholder equity, Zurich said.

Shares in Zurich were trading nearly 1 percent higher by 9:15 am GMT, slightly outperforming the European sector index.

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