



INSURANCE STATE
SUPERVISION SERVICE
OF GEORGIA

ANNUAL REPORT

2024



**Dear readers,
We are pleased to present the
2024 Annual Report of the
Insurance State Supervision
Service of Georgia (ISSSG).**

The insurance sector in Georgia is currently experiencing a significant phase of development. According to data collected and analyzed by the ISSSG, the total premium written from direct insurance activities in 2024 reached GEL 1,259 million - an 18% increase compared to the previous year. An increase in written premium was observed across all major lines of business. In 2024, the insurance profit (technical result) of companies amounted to GEL 307 million, showing a 24% increase over the previous year, while the net profit has increased by 72%, reaching GEL 127 million. This substantial growth in net profit is primarily attributed to the rise in insurance revenues, driven by the sector's overall expansion, along with supplementary sources (including investment income and foreign exchange rate gains). The transition to the Estonian taxation model of the insurance sector also had a positive impact on net profit. The reinvestment of profits has supported the market's stable development and increased capitalization.

The 2024 results indicate that the insurance market is experiencing dynamic growth. Premiums written from insurance activities are increasing year over year, as insurance companies strive to enhance existing insurance products and provide high-quality customer service. Over the past decade, medical insurance has consistently held the leading position, followed by land transport and property insurance. Insurers developed customer demand-oriented insurance products, and market competition remains strong.

It is noteworthy that 2024 marked the largest business arrangement in the history of the Georgian insurance market. Specifically, a newly established insurer acquired the major part of the insurance portfolio of an existing company, resulting in additional, over GEL 30 million investment in the sector.

In 2024, the ISSSG approved the Development Strategy of the Insurance State Supervision Service of Georgia for 2025-2029. Based on the mission, goal and existing challenges, the strategy identified 4 strategic priorities:

1. Efficient management and development of the organization
2. Further development of supervisory activities
3. Promotion of consumer protection and financial education
4. Support for the development of the insurance industry and enhancing cooperation

In 2024, significant progress was achieved in both enhancing the regulatory framework of the insurance sector and advancing its international integration. As part of legal and regulatory development several key by-laws were issued in line with the Law of Georgia “On Voluntary Private Pension.” This reform aims to establish a voluntary private pension system in the country, promote fair competition, ensure financial sustainability, encourage long-term investments, and protect the interests of pension scheme participants and beneficiaries. Additionally, starting from March 1, 2024, new minimum requirements for travel insurance came into effect, aligning more closely with international standards. These changes have strengthened consumer protection, increased public awareness of travel insurance products, and contributed to fostering healthy competition within the travel insurance market.

Furthermore, in 2024, a Recommendation was developed and implemented regarding the obligation to inform consumers about the refusal to issue insurance compensation due to gross negligence in property insurance (both immovable and movable property). The objective of this Recommendation is to ensure that consumers are properly informed about the provisions of Article 829 of the Civil Code of Georgia, which allows insurers to refuse compensation based on gross negligence. This initiative aims to protect consumers’ reasonable expectations arising from insurance contracts and to establish a fair policy for handling refusals on such grounds. By implementing these measures, transparent contractual terms will be ensured, which will protect consumer rights, strengthen trust in insurers, and ultimately contribute to the overall development of the insurance market.

In 2025, we established and implemented a standardized framework to inform consumers about financial costs and the implications of early termination of an insurance contract.

In terms of international cooperation, the ISSSG continues to engage in coordinated collaboration with relevant public and private stakeholders, both within Georgia and internationally. These efforts are aimed at the timely exchange of important information and experience. The ISSSG actively participated in various conferences and workshops at both the national and international levels.

In 2024, the ISSSG achieved significant milestones in strengthening international partnerships. A key achievement was the election of the Chairman of Insurance State Supervision Service of Georgia as a member of the Executive Committee of the International Association of Insurance Supervisors (IAIS). In this capacity, I will represent 30 countries from the Central, Eastern Europe, and Transcaucasia (CEET) region. My election to this position aims at safeguarding the interests of the CEET countries and ensuring their priorities are reflected in the Association’s activities. Representation on the Executive Committee marks a new and important phase for both Georgia and the ISSSG. Notably, this also marks a pivotal moment, as it is the first time a representative from Georgia—and from a non-EU country in the region—has been elected to this esteemed position. This development opens new opportunities for Georgia to expand international cooperation in the region, exchange experience, and adopt practices aligned with global standards. It represents a significant step forward in strengthening Georgia’s role in the international insurance community, enhancing the opportunities for interaction and cooperation with leading nations worldwide. Ultimately, it will enhance the competitiveness and resilience of Georgia’s insurance sector.

It is noteworthy that in October 2025, Georgia will host the 24th International Conference of Insurance Supervisors of Central, Eastern, and South-Eastern Europe (CESEE-ISI) for the first time. Delegations from twenty countries are expected to attend this landmark event.

The main goal and objectives of ISSSG are:

- To ensure and monitor the financial sustainability/solvency of insurers, voluntary private pension scheme founders, and insurance brokers;
- To uphold a high standard of protection of consumer rights;
- To promote the stable development of Georgia's insurance sector, which is a vital component of the country's overall economic growth.

I would like to extend my sincere gratitude to the Parliament and Government of Georgia, the economic team of the Government, and the Supervisory Board of the ISSSG for their continued support, engagement, and cooperation.

I would also like to thank our partner agencies, and representatives from the insurance, business, non-governmental and academic sectors, experts, media, and our international partners.

The Chairman of Insurance State
Supervision Service of Georgia



David Onoprishvili

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Licencing and Registration

INSURANCE COMPANIES

Insurance Companies According to 2024 data, 19 licensed insurance companies were operating in Georgia, all holding both non-life and life insurance licenses. These companies are:

JSC Insurance Company IMEDI L

JSC Insurance Company PRIME

JSC Insurance Company GPI Holding

JSC Insurance Company TAO

JSC Insurance Company CARTU

JSC Green Insurance Georgia

JSC International Insurance Company IRAO

JSC TBC Insurance

JSC Insurance Company Autograph

JSC Insurance Company ALDAGI

JSC Insurance Company ALPHA

JSC Risk Management and Insurance
Company Global Benefits Georgia

JSC Insurance Company EUROINS GEORGIA

JSC Insurance Group of Georgia

JSC PSP Insurance

JSC BB Insurance

JSC Insurance Company UNISON

JSC New Vision Insurance

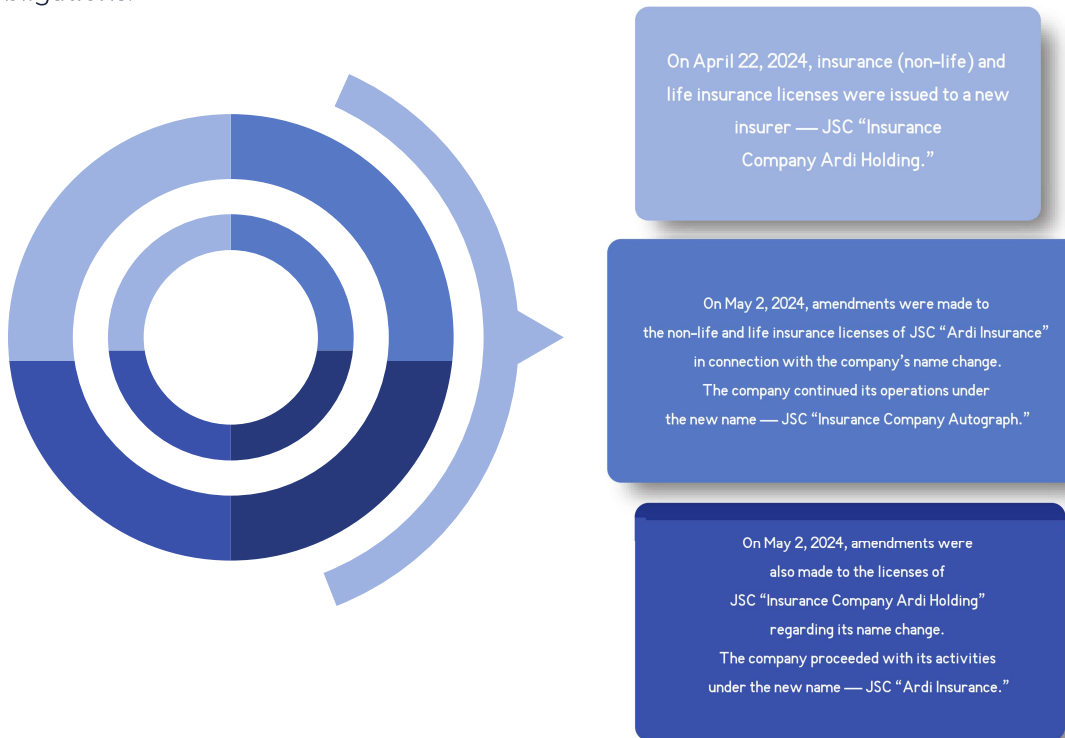
JSC ARDI INSURANCE

Since the beginning of 2024, the ISSSG has been reviewing and analyzing the process related to the alienation and acquisition of the insurance portfolio of JSC “Ardi Insurance.” As part of this process, it was planned that JSC “Georgian Capital” would acquire the insurance portfolio of JSC “Ardi Insurance” (excluding the portfolios related to compulsory third-party liability insurance for owners of motor vehicles registered in a foreign country and performance guarantee insurance) through the establishment of a new insurance company.

In this context, in March 2024, on the basis of relevant application, the ISSSG began examining the license application submitted by the newly established entity — JSC “Ardi Holding.” The review focused on determining the compliance of the submitted documents and information with the licensing requirements set out by law. Given the complexity of the issue, the ISSSG also reviewed the Memorandum of Understanding signed between the portfolio seller and the prospective acquirer, which outlined the terms of the acquisition and the planned future operations of the new entity.

The ISSSG examined the license applicant's founding documents, structure, and governance system. It also assessed compliance with the fit and proper criteria for the members of the governing bodies (for three members of the Supervisory Board, including an independent member, three managers) in terms of both qualification criteria and conflicts of interest, origin of capital and business plan for the next 3 years.

Considering the specific conditions related to the alienation of the insurance portfolio, the ISSSG analyzed and planned preliminary processes prior to the issuance of the insurance license. These processes included the change of the trade name of the alienating company — JSC “Ardi Insurance” — and the transfer of its insurance portfolio, along with the related assets. The aim was to protect the interests of customers and other relevant stakeholders, and to ensure the smooth and uninterrupted provision of services and fulfillment of obligations.



In accordance with the Law of Georgia “On Insurance”, to determine compliance with the eligibility criteria provided for by the same law, the ISSSG is authorized to conduct preliminary examination of the candidates for the administrator (for the member of the supervisory board, director), as well as for internal audit, of an insurer. Starting from January 1, 2024, the ISSSG also began applying additional scrutiny to the appointment of independent members to Supervisory Boards. During the reporting period, the ISSSG reviewed and assessed documentation to verify compliance with the eligibility criteria for 52 candidates. As a result: 1 application for appointment as an independent Supervisory Board member was rejected; 51 approvals were issued (including 12 Supervisory Board members (8 of whom were independent), 30 managers, and 9 internal auditors).

Non-state Pension Schemes

As of early 2024, four non-state pension schemes were registered by the ISSSG. In March, based on a decision by the governing body of JSC “International Insurance Company IRAO” and a corresponding application submitted to the ISSSG, the company’s pension scheme was terminated, and its registration was officially canceled (the pension scheme, originally registered in 2008, had no enrolled members and had not undertaken any activity).

By the end of 2024, three non-state pension schemes remained registered with the ISSSG. Of these, two were established by insurance companies and one by a non-insurance legal entity for its employees. The schemes are as follows:



In accordance with the Law of Georgia “On Voluntary Private Pension”, adopted on June 28, 2023, all founders of non-state pension schemes registered prior to January 1, 2025, are required to ensure full compliance of their activities with the provisions of the law by January 1, 2026."

Insurance Brokers

By the beginning of 2024, 25 registered insurance brokers were engaged in insurance brokerage activities.

In January 2024, the registration of LLC "Insurance Brokerage Company TRG Group" was canceled upon the company's voluntary application, following the cessation of its activities. In February 2024, due to the cessation of activities, the registration of LLC "Insurance Broker Inshare 2" was canceled based on a company's voluntary application. In May 2024, due to the change of the trade name, the relevant changes were made to the registration documents of LLC "Insurance Brokerage IC" and the company continues to operate under the name of LLC "Insurance Brokerage Acton".

During the reporting period, the ISSSG reviewed and examined the application of one entity for registration as an insurance broker and registered the insurance broker - LTD "Insurance Broker We Insure".

As of December 2024, 24 insurance brokers were engaged in intermediary activities in the insurance sector:

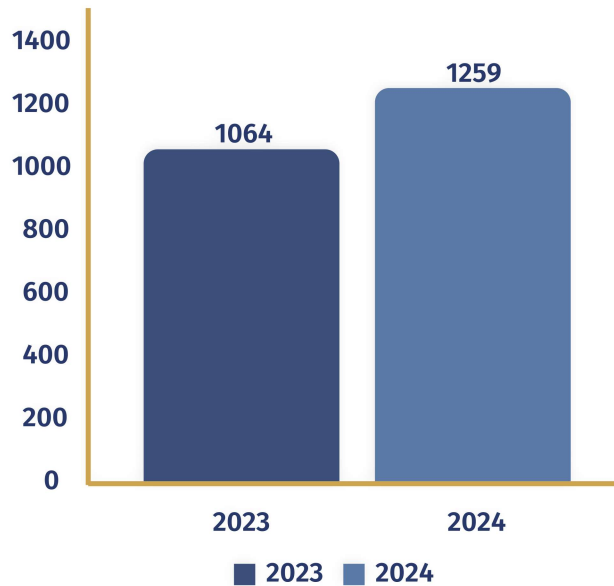
Insurance and Reinsurance Broker GrECo Ltd
Resolution Insurance Brokers Georgia Ltd
Insurance Broker G.S Ltd
Georgian Reinsurance Brokers Ltd
Insurance Broker Respect Ltd
Insurance Broker CIB Georgia Ltd
Insurance Broker Nikoloz Group Ltd
Magnus Insurance Broker Ltd
Insurance-Brokerage Company IBC Georgia LLC
Insurance Brokerage Company Calma LLC
Insurance and Reinsurance Broker Arriba Ltd
Insurance and Reinsurance Brokers House Georgia Ltd
Insurance Broker Acton LLC
Insurance Broker Brokers Hub LLC
Georgian Insurance Broker GIB LLC
Branch of a Foreign Enterprise – "Zaman Insurance & Reinsurance Broker" Branch
Prioge Insurance and Reinsurance Brokers LLC
Insurance Broker Frani Ltd
Insurance Broker Inforce LLC
Insurance Broker Volo LLC
Insurance Broker GeoTrust LLC
Deda Insurance Broker Ltd
Insurance broker TA Ltd
Insurance Broker We Insure Ltd

In order to determine compliance with the insurance limits and conditions established by law, the updated professional liability insurance policies of all registered insurance brokers were reviewed during the reporting period.

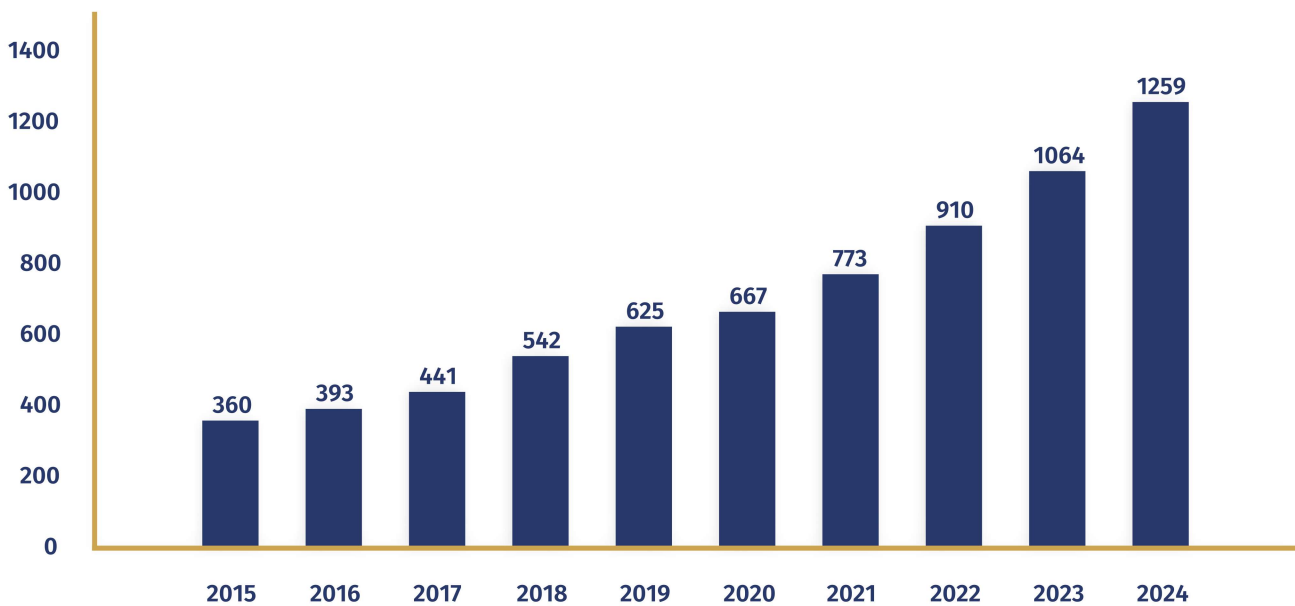
Georgian Insurance Market and Supervisory Process

Insurance Market Overview

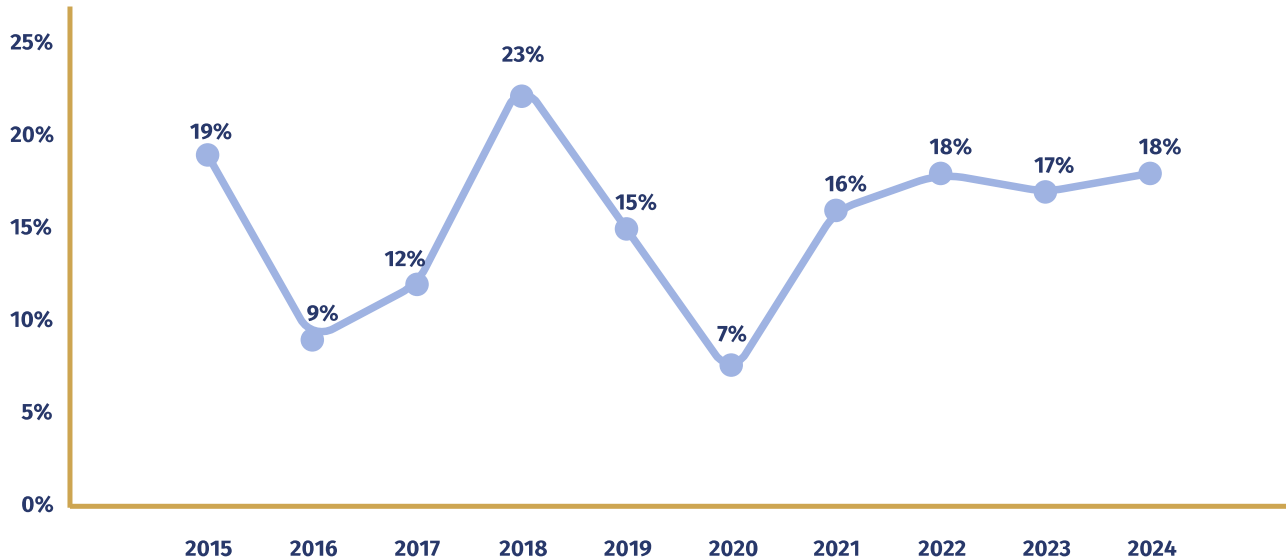
According to 2024 annual reports submitted by insurance undertakings, Gross Written Premium from direct insurance business amounted to GEL 1 259 million, which is 18% increase over the similar data for the previous year.



The diagram illustrates the development of the Georgian insurance market over the past 10 years, showing steady growth. The insurance market has grown three and a half times over the past ten years and has almost doubled over the past five years.

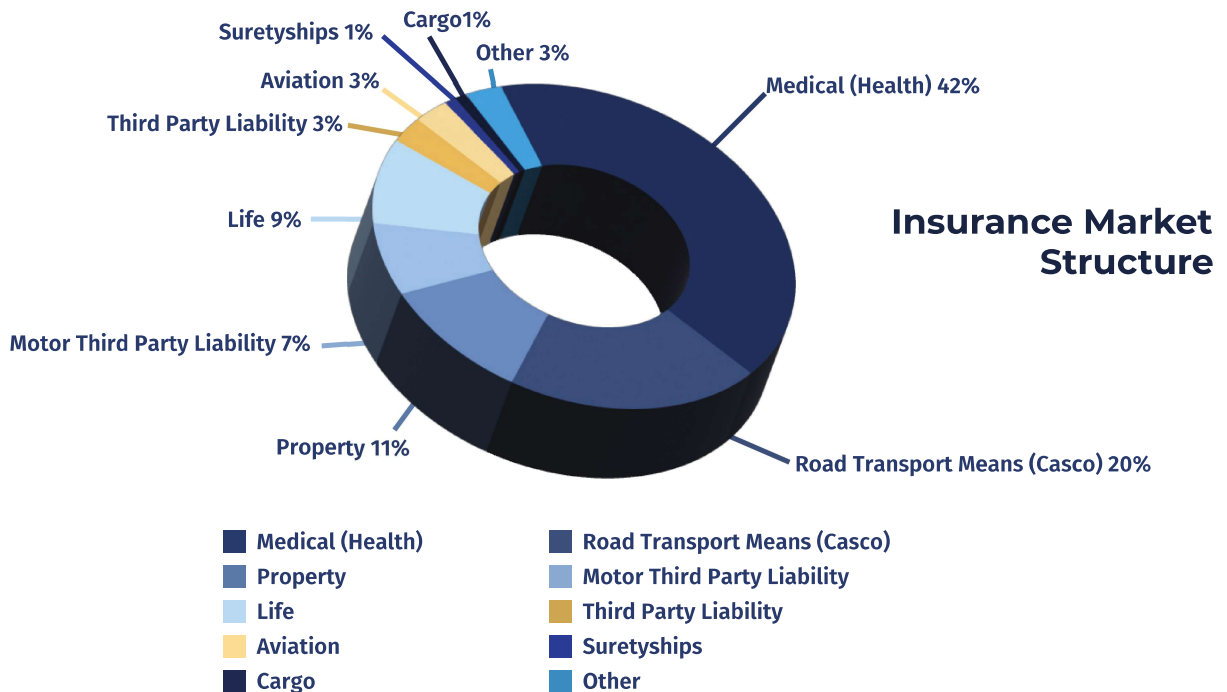


Gross Written Premium by years (mln. GEL)



■ Market growth dynamics

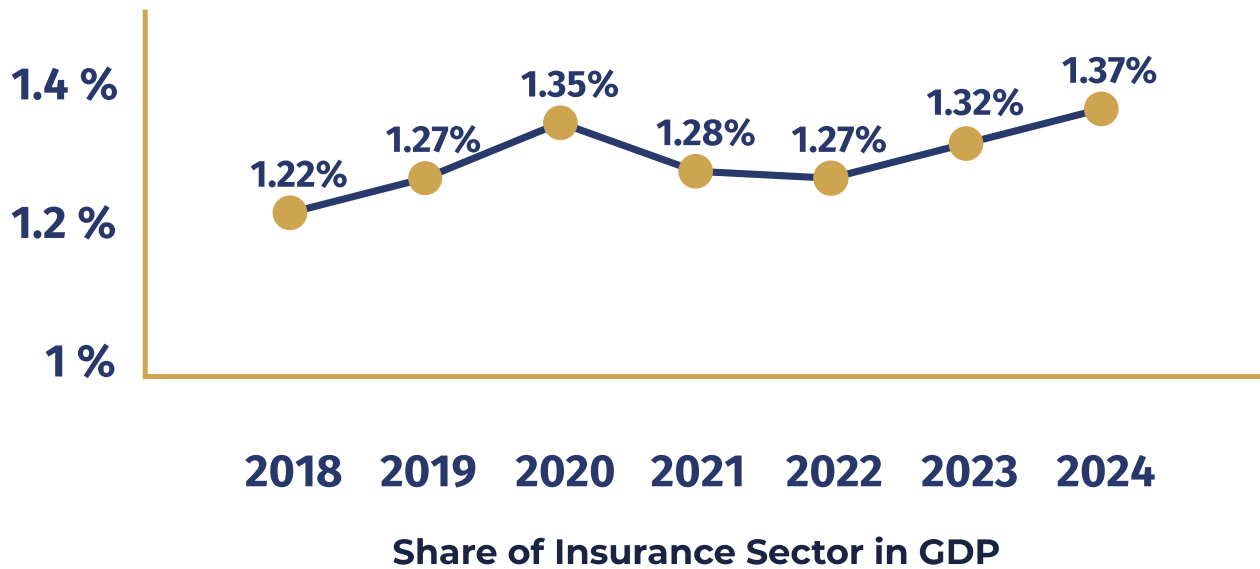
Against the backdrop of the diversity of available insurance products, the highest demand remains for health insurance, road transport, and property insurance. However, it is evident that consumer awareness is significantly higher in the field of health insurance and the insurers have succeeded in developing considerably more convenient insurance packages over the years. As a result, health insurance has become the dominant sector. The rising demand for motor vehicles insurance is driven by increased traffic and a higher frequency of accidents.



In 2024, premiums written from medical (health) insurance activities totaled GEL 534 million, accounting for 42% of total premiums written. Road transport (Motor casco) insurance generated GEL 256 million, representing 20% of total premiums. Property insurance contributed GEL 132 million - 11% of the market. Life insurance amounted GEL 109 million, making up 9% of total premiums. Motor TPL and civil liability insurance categories brought in GEL 82 million and 32 million GEL, respectively—6% and 3% of the total. Other types of insurance collectively accounted for GEL 114 million, or 9% of total premiums written.

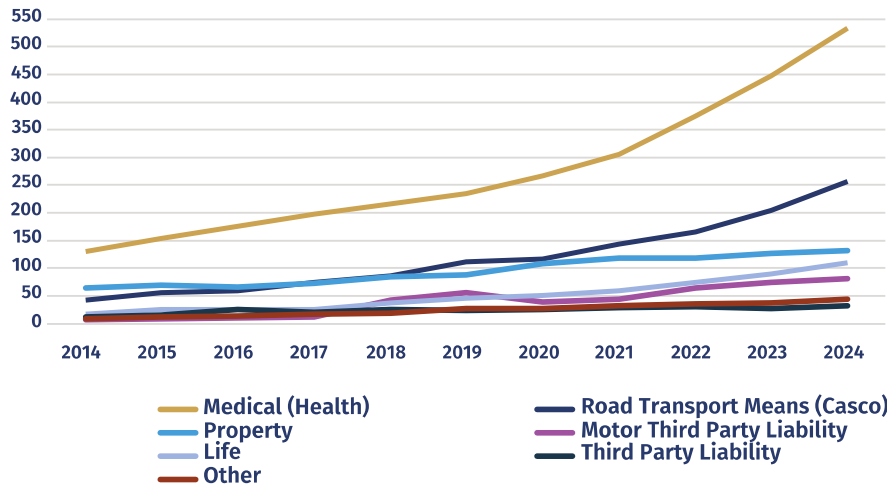
Life insurance is largely linked to products associated with banking products, however it is also often combined with health insurance products with life insurance component included.

Motor third party liability insurance includes the compulsory civil liability insurance of an owners of motor vehicles registered in foreign countries driven in the territory of Georgia, as well as voluntary insurance and road carrier liability insurance.



According to 2024 data, the share of the insurance sector in the gross domestic product (GDP) has increased, driven by the sector's higher growth rate relative to GDP. However, this indicator still lags behind that of developed countries. This is primarily because compulsory civil liability insurance for road transport owners has not yet been introduced and long-term and savings life insurance—key components of mature insurance markets—are still underdeveloped. Active efforts are underway in both areas, and their advancement, along with overall market growth, is expected to significantly enhance the attractiveness of Georgia's insurance sector for potential investors.

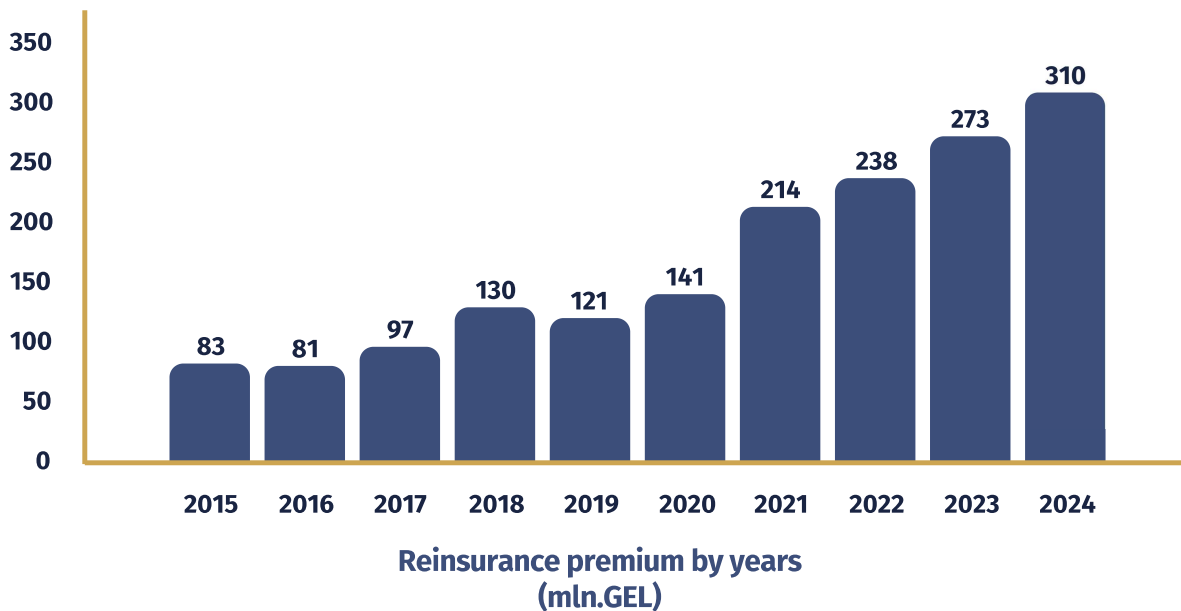
Written Premiums Dynamics by Lines of Business (mln. GEL)



NOTE 1: “Other Liability lines” include professional indemnity, employer’s liability and general third party liability, not related to the road or other transport

NOTE 2: “Other” includes Cargo, Travel, Marine, Aviation, Suretyships and Miscellaneous financial loss insurance.

Despite global disruptions in recent years (the COVID-19 pandemic, military conflicts and natural disasters in neighboring countries and major trading partners) the insurance sector has demonstrated consistent growth with no significant fluctuations.

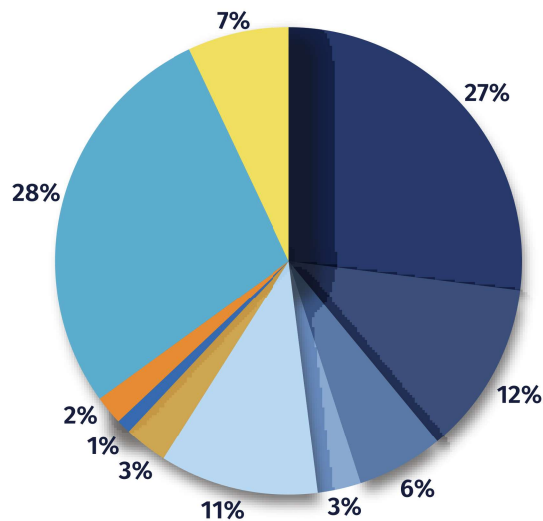


NOTE: The figures do not include data on health and life insurance/reinsurance, as life insurance is often integrated into health insurance products—either as simple one-year policies with fixed limits or as separate life insurance policies issued as bank assurance products. As a result, reinsurance in these categories is less common and less extensive compared to property and liability insurance.

Reinsurance is a critical component of an insurer's operations and serves as a key instrument for maintaining financial stability.

Statistical trends show that reinsurance coverage consistently mirrors the growth of insurers' activities. Reinsurers' participation remains stable across most of the obligations undertaken by insurers, particularly in the areas of property and liability insurance.

It is also noteworthy that the use of broad and complex obligatory reinsurance treaties is becoming increasingly widespread. Insurers are constantly seeking possibilities to reduce reliance on facultative reinsurance contracts. Obligatory reinsurance provides automatic coverage for a defined portion of the insurer's portfolio, significantly streamlining processes and minimizing operational risks associated with placing individual risks on a facultative basis.



The shares illustrated in this graph mainly refer to per risk exposures. Specifically, the higher the sum insured (exposure), the greater the need for reinsurance. Consequently, property insurance is leading in terms of reinsured volume, which corresponds with its position among the top categories by premiums written. Nevertheless, in other lines of insurance—despite relatively lower overall premiums—per risk exposure can be quite substantial.

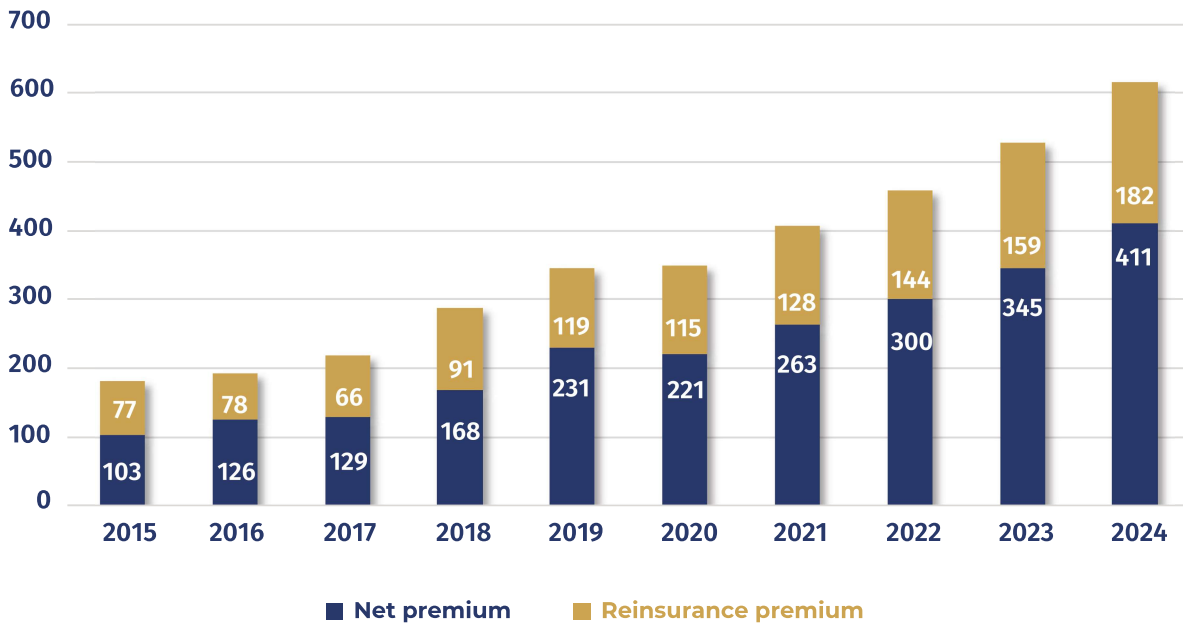
Reinsurance Premium by main Lines of Business



Lines of Business	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Medical	0%	6%	0%	3%	0%	2%	20%	18%	17%	16%
Road transport	6%	3%	17%	26%	15%	10%	8%	12%	12%	13%
Property	71%	60%	63%	66%	58%	63%	64%	64%	66%	63%
Motor third party liability	12%	7%	16%	10%	8%	3%	4%	5%	4%	4%
Life	19%	17%	20%	13%	12%	13%	13%	14%	20%	18%
Other liability insurance	60%	42%	61%	53%	53%	62%	63%	68%	69%	67%
Aviation	90%	75%	87%	90%	88%	98%	93%	92%	93%	95%
Suretyship	60%	54%	60%	62%	52%	61%	61%	67%	69%	71%
Cargo	29%	28%	29%	33%	34%	33%	30%	31%	37%	40%
Other	16%	21%	16%	17%	21%	32%	35%	29%	27%	22%
Total	23%	21%	22%	24%	19%	21%	28%	26%	26%	25%

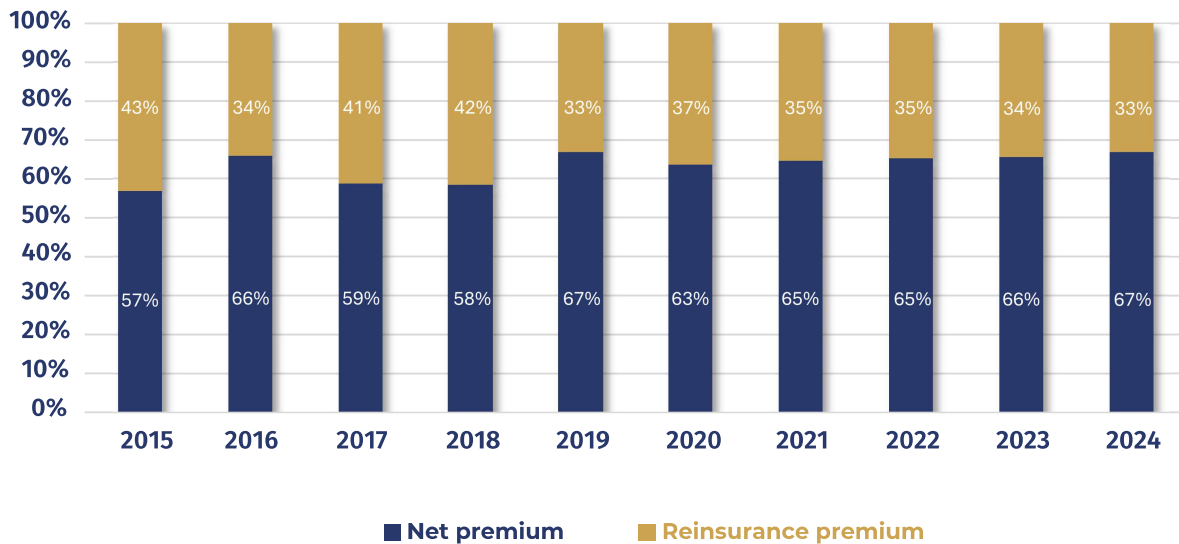
The share of reinsurance premiums by lines in the total amount of premiums practically does not change significantly from year to year.

Reinsurance is usually most needed in aviation, property, liability, suretyships and cargo. Those lines of business cover the largest risks, which are then diversified through reinsurance. It is obvious from the above Table that reinsurance plays a minimal role in health insurance with smaller amounts of losses but much higher frequency.



Share of ceded reinsurance in gross premiums (mln. GEL)

NOTE: Life and health insurance data is not included

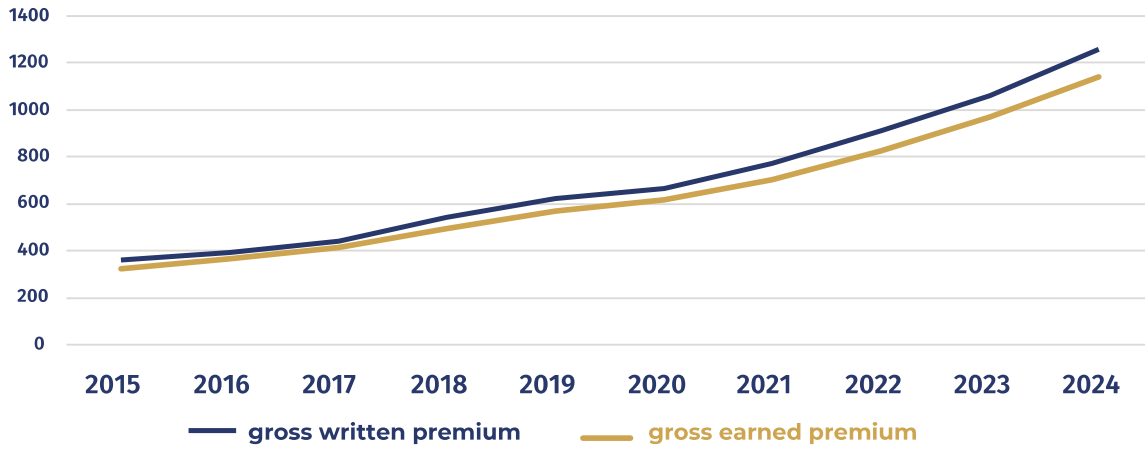


Share of ceded reinsurance in gross premiums (%)

NOTE: Life and health insurance data is not included. With the addition of Health and Life data, share of reinsurance in total GWP is 26%.

Activity Dynamics

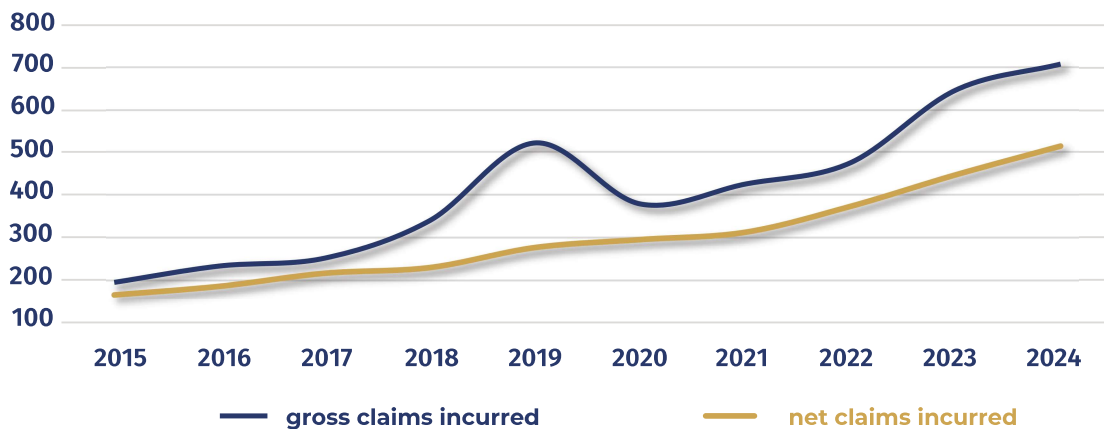
Earned premium growth dynamics



In 2024, the earned premium amounted GEL 1 143 mln., which is 18% increase compared to the previous year.

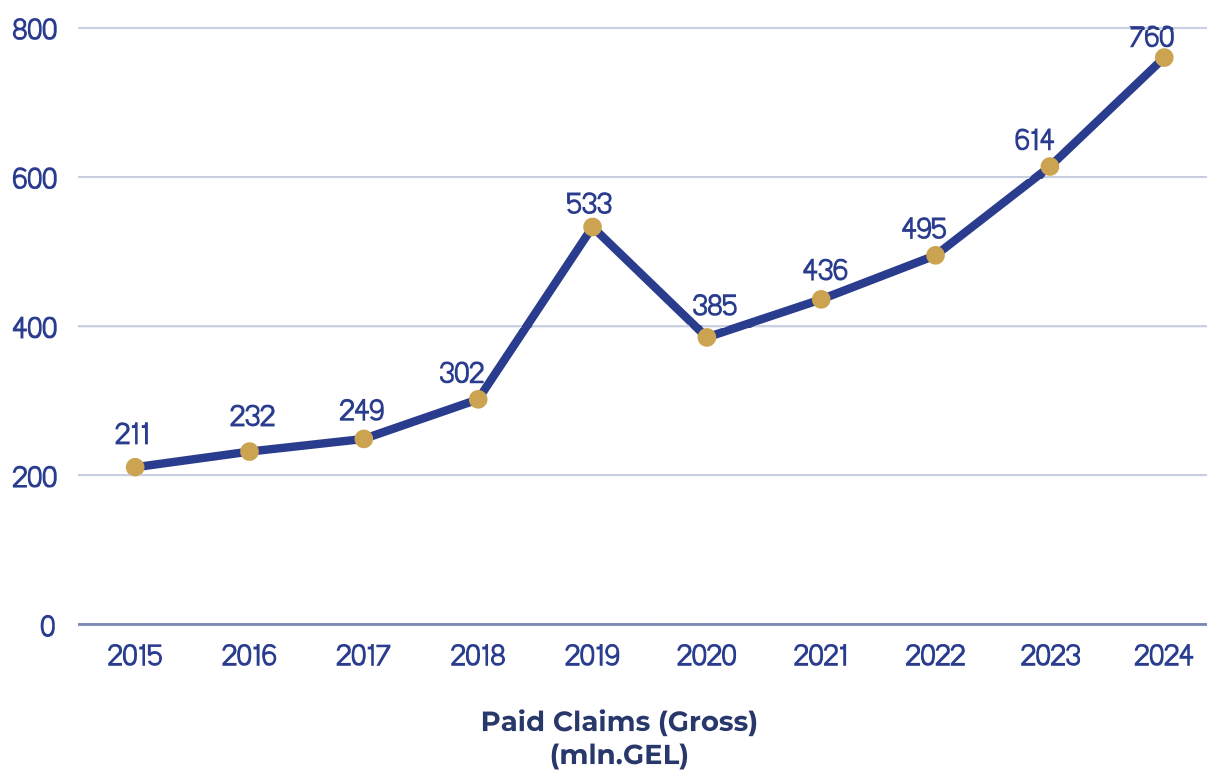
In 2014, following the transfer of state insurance programs to the Social Services Agency, the earned premium in health insurance decreased, but at the same time, this caused the decline in losses, and since 2015 both written and earned premiums have been growing steadily and almost in parallel, which indicates a stable development of the market (no major policy cancellation trends).

Incurred claims (gross and net)



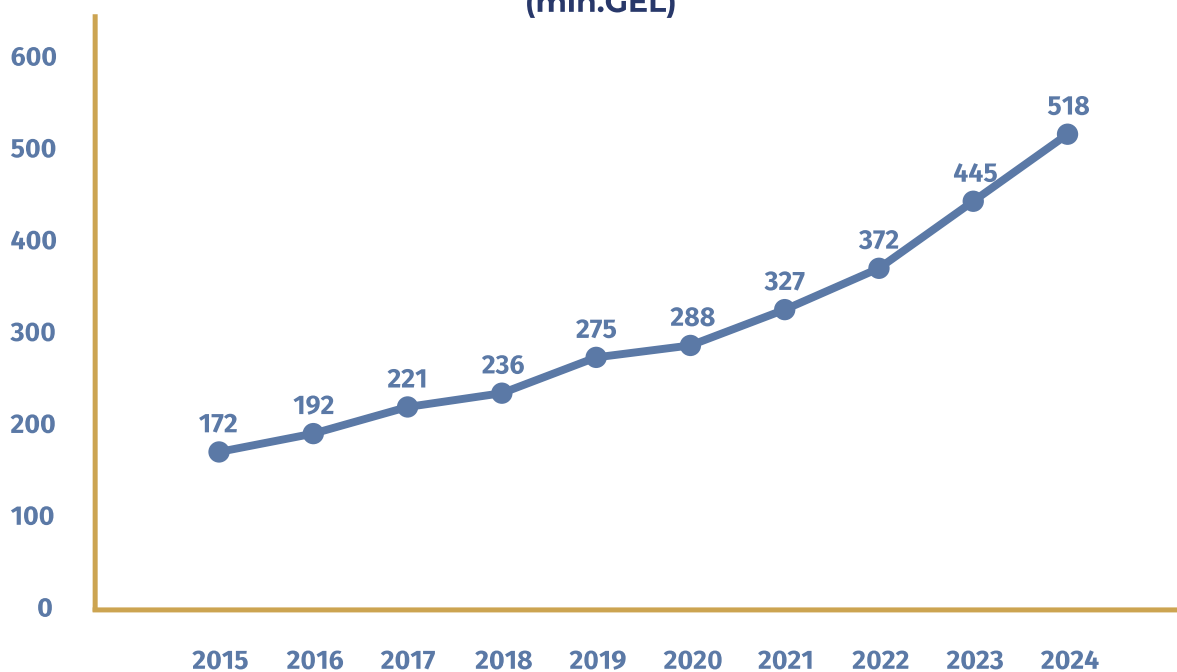
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Incurring claims (Gross)	194	233	251	339	522	379	425	475	646	708
Incurring claims (Net)	167	187	217	230	277	296	313	373	446	513

The difference between gross and net amounts is actually the share of reinsurers in claims. The table above shows the importance of reinsurance for insurance business and financial stability of insurance companies.



Gross paid claims in direct insurance business amounted to GEL 760 million, resulting in 24% increase in comparison with 2023.

Paid Claims (Net) (mln.GEL)



Net paid claims amounted to GEL 518 million, resulting in 17% increase in comparison with the previous year.

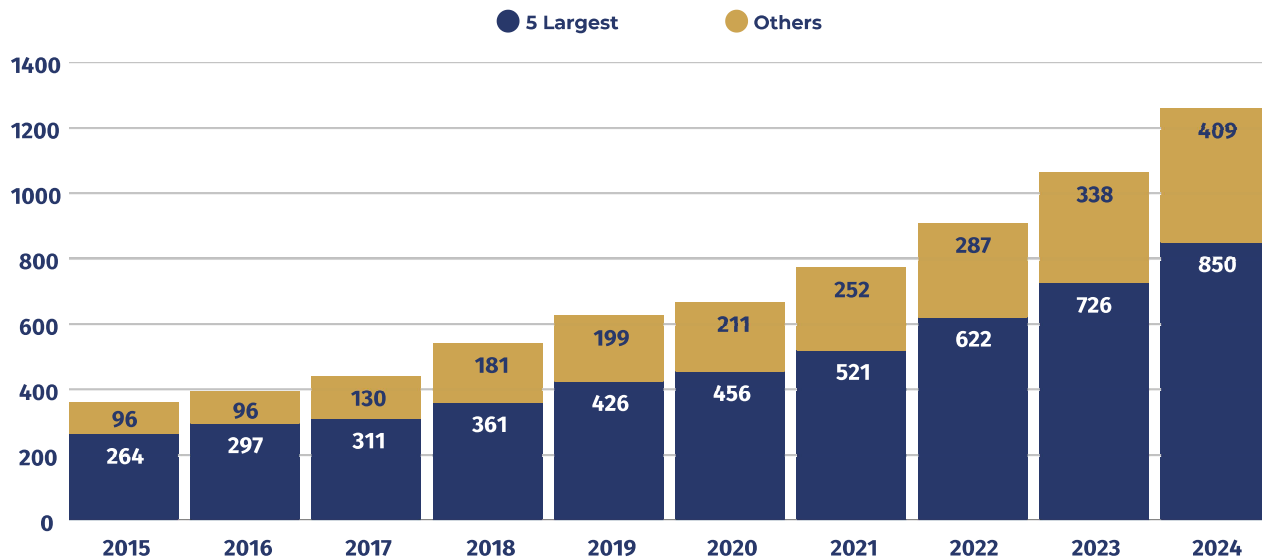
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Loss Ratio (Gross)	60%	63%	61%	69%	91%	61%	60%	57%	66%	62%

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Loss Ratio (Net)	68%	66%	67%	60%	62%	60%	62%	62%	62%	61%

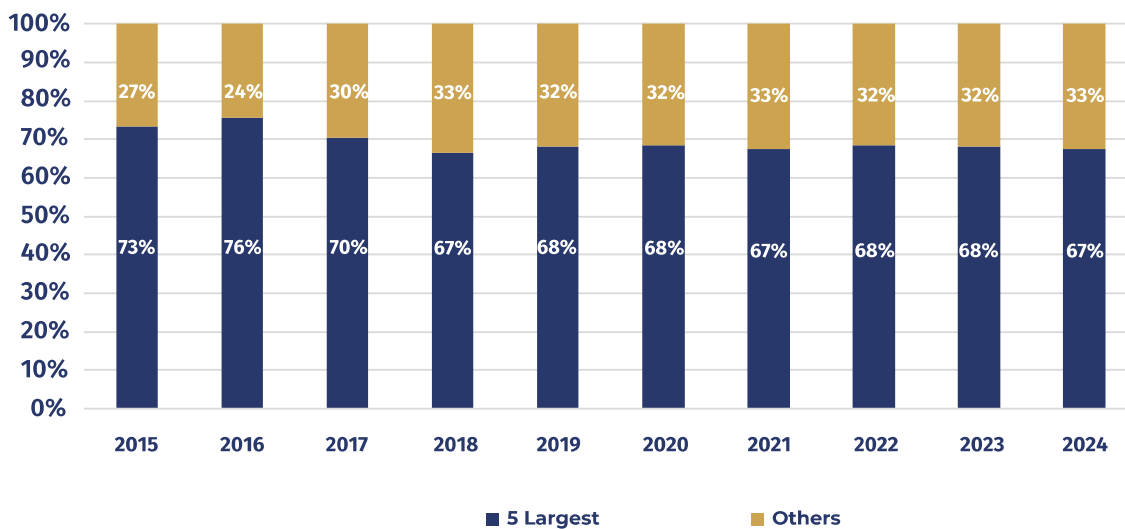
With complex reinsurance contracts despite the increase in the gross amount, the net loss ratio (i.e. the Insurer's share in the losses) remains stable. It is noteworthy, that for example, in 2019 a high loss ratio of 91% was due to major claims in the portfolios of two insurance companies. Those claims were so large that in the case of absence of proper reinsurance it would be impossible for the insurers to cover them, which would lead to their insolvency. For mitigating such risks, the ISSSG has issued a by-law regulating per risk net exposure, setting certain requirements for reinsurers and the quality of reinsurance.

Market Concentration

Share of 5 largest insurers on the market (mln. GEL)



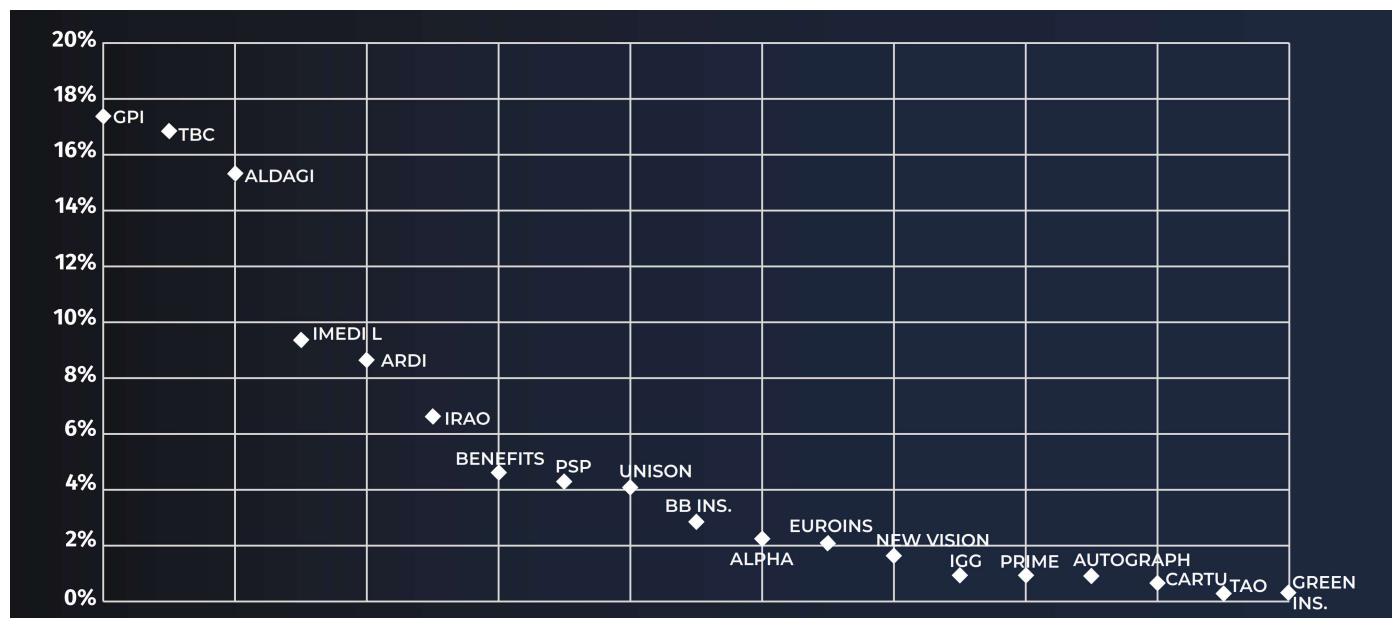
Share of 5 largest insurers on the market (%)



As shown in the above charts, the market share of 5 largest Insurers equals to 67%.

The chart below shows the distribution of individual shares of Insurers on the market

Market Concentration by Gross Written Premiums

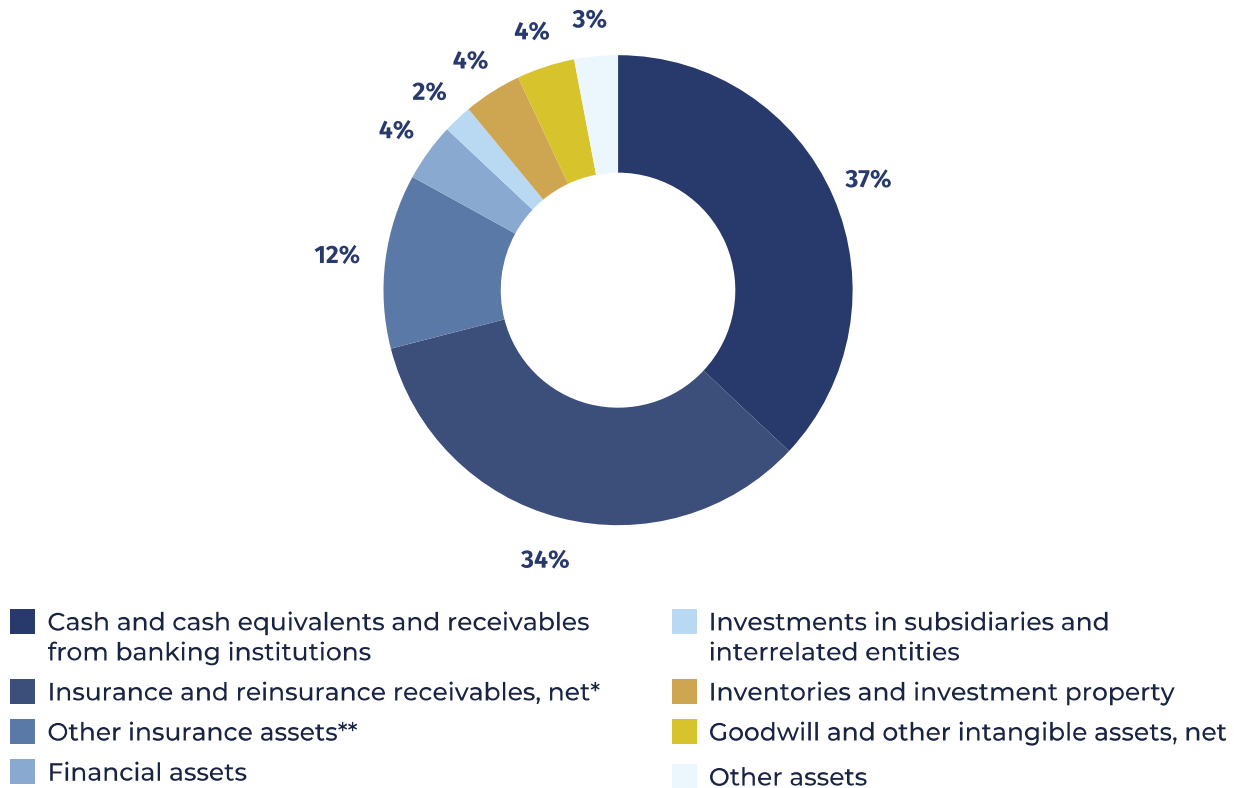


Structure of Insurers' Assets and Liabilities

Asset	Amount (million GEL)
Cash and cash equivalents and receivables from banking institutions	541
Financial assets	53
Insurance and reinsurance receivables, net*	491
Other insurance assets**	179
Investments in subsidiaries and interrelated entities	28
Inventories and investment property	53
Goodwill and other intangible assets, net	55
Other assets	47
Total	1,446

As of December 31, 2024, the assets of insurance companies amounted to GEL 1 446 million, which is 11% increase in comparison with the previous year. The equity has increased by 23% and amounts to GEL 459 million.

Structure of Assets

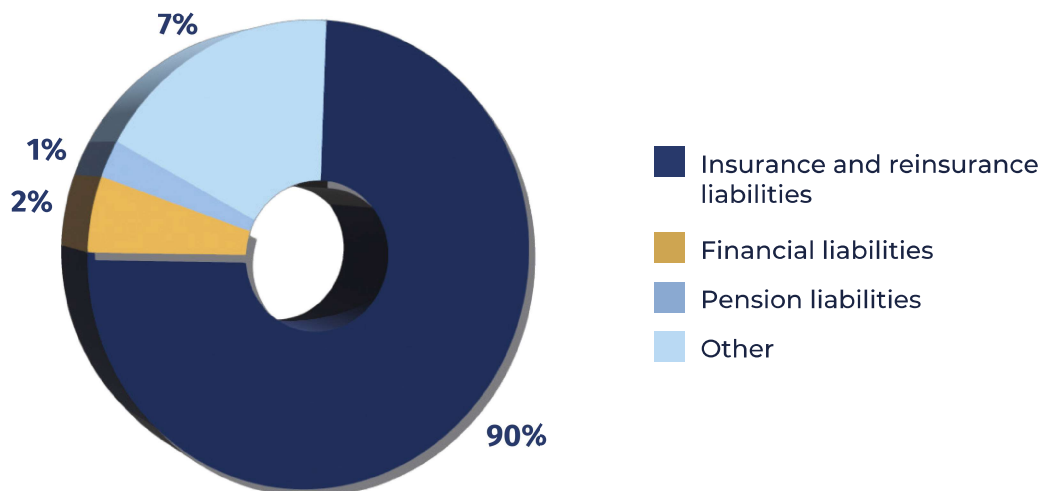


* **NOTE 1:** Insurance and reinsurance receivables are reduced by the impairment reserve as required by the regulations;

** **NOTE 2:** Other insurance assets mainly comprise of the Reinsurers' share in reserves.

A major part of the assets is represented by cash and cash equivalents and insurance related assets. Cash and cash equivalents account for 1/3 of liquid assets.

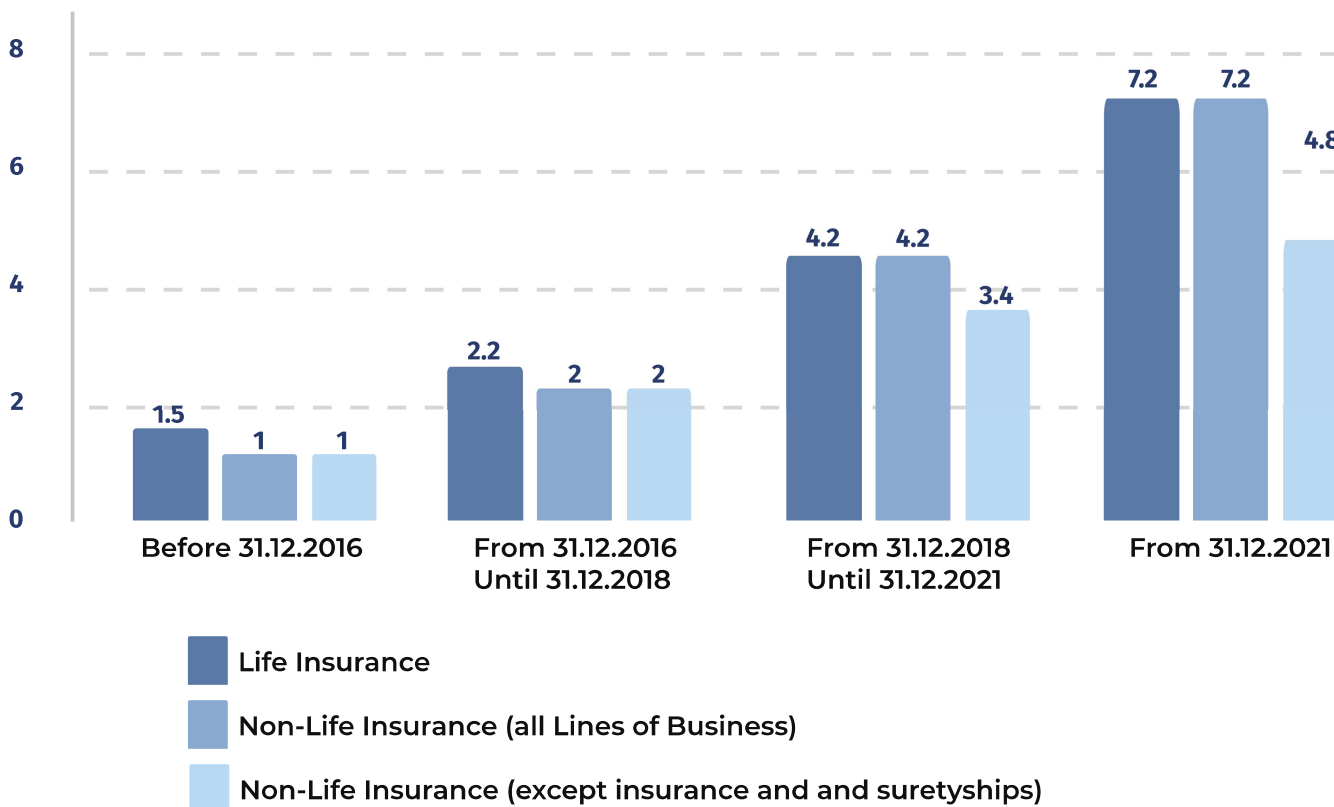
Structure of Liabilities



90% of insurers' liabilities are directly related to insurance and pension operations. Insurance reserves are covered mainly by monetary assets. Only a small part of technical provisions is covered by real estate or other financial assets. However, it should be noted that the quality of those assets is closely monitored by the ISSSG.

Financial stability of the sector

Minimum Capital Requirements (mln. GEL)

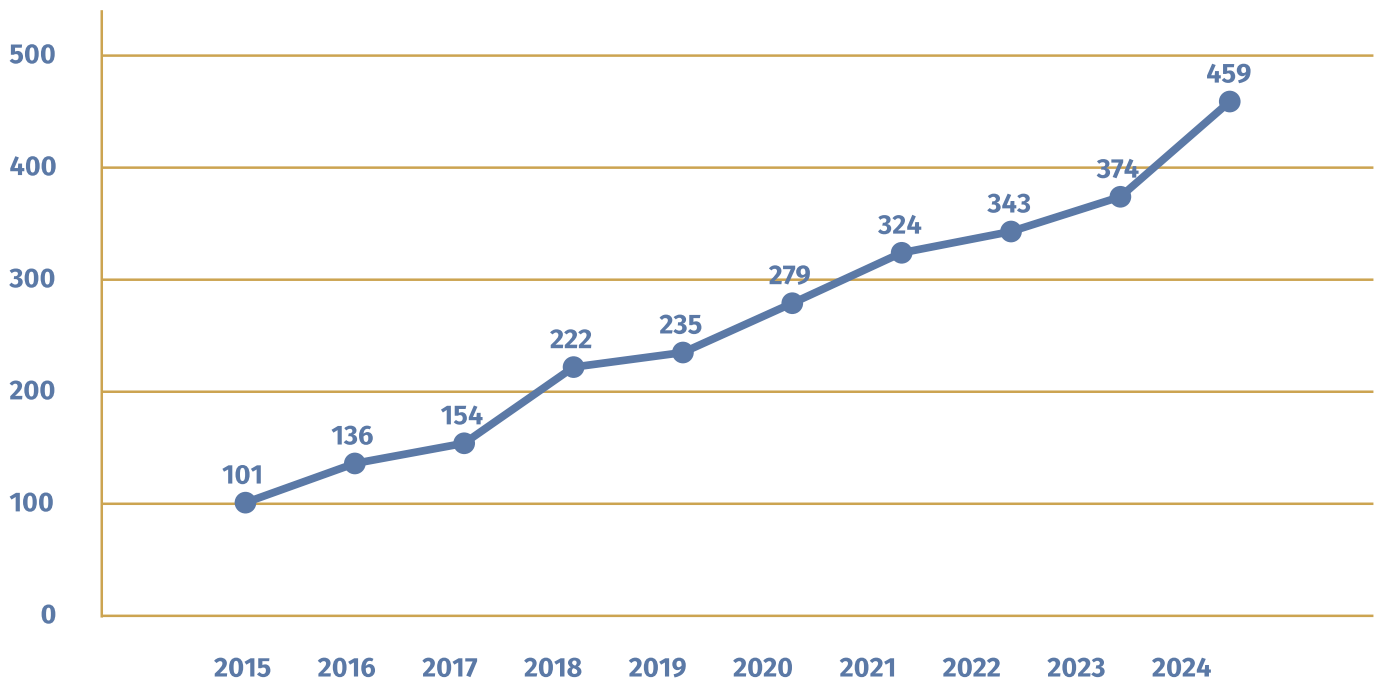


Through gradual increase in the minimum capital requirement, from 31.12.2021 the minimum capital requirement have increased to GEL 7.2 million, which should be held in monetary form, if the Insurer operates in the following areas:

- Life insurance;
- Non-life insurance;
- Reinsurance;
- Compulsory lines of business;
- Suretyships.

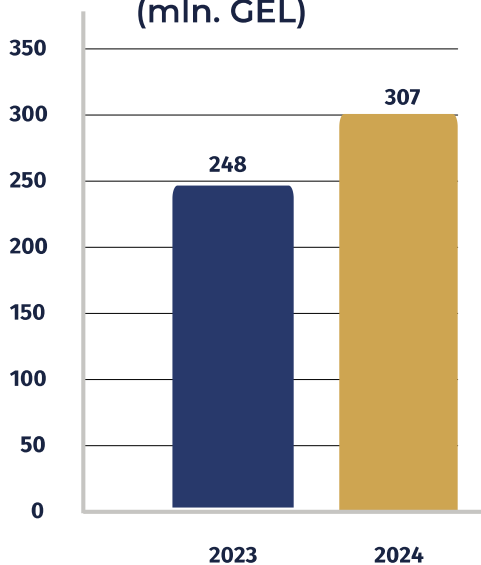
For the insurers operating only in non-life business, except for compulsory insurance and suretyships, from December 31, 2021, the minimum capital requirement has increased to GEL 4.8 million.

Total Equity of Insurers by Years (mln. GEL)

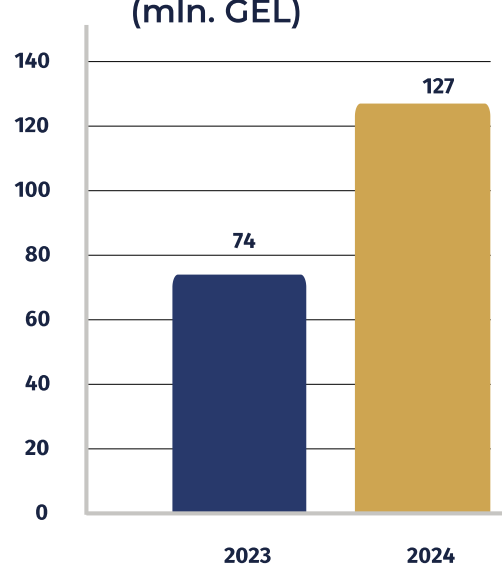


In 2024, total technical result amounted GEL 307 million, which is 24% more than the data of the previous year. Net profit amounted to GEL 127 million, showing a 72% increase. The increase in net profit was mainly driven by the rise in insurance profit amid the overall growth of the insurance market. It was also influenced by other revenues (investment income and currency exchange differences among them). Additionally, the transition of the insurance sector to the Estonian tax model had an impact on the growth of net profit. The reinvestment of profits contributed to the stable development of the market under conditions of increasing capitalization.

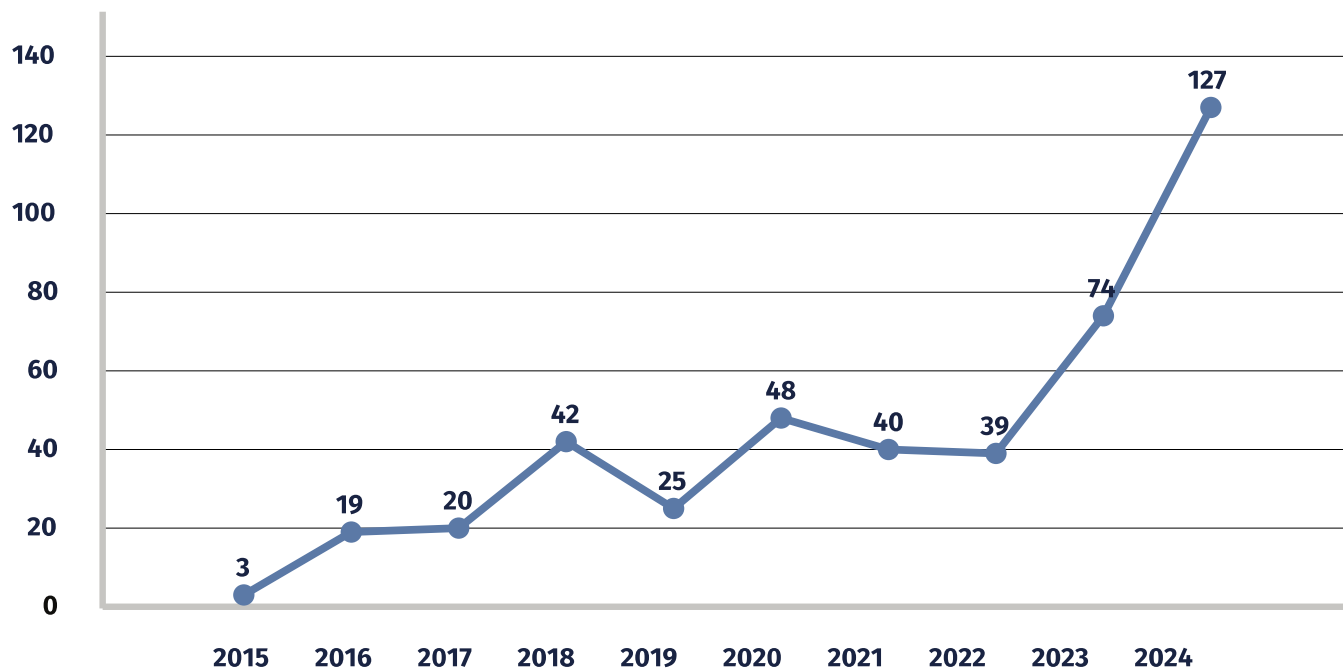
Technical Result (mln. GEL)



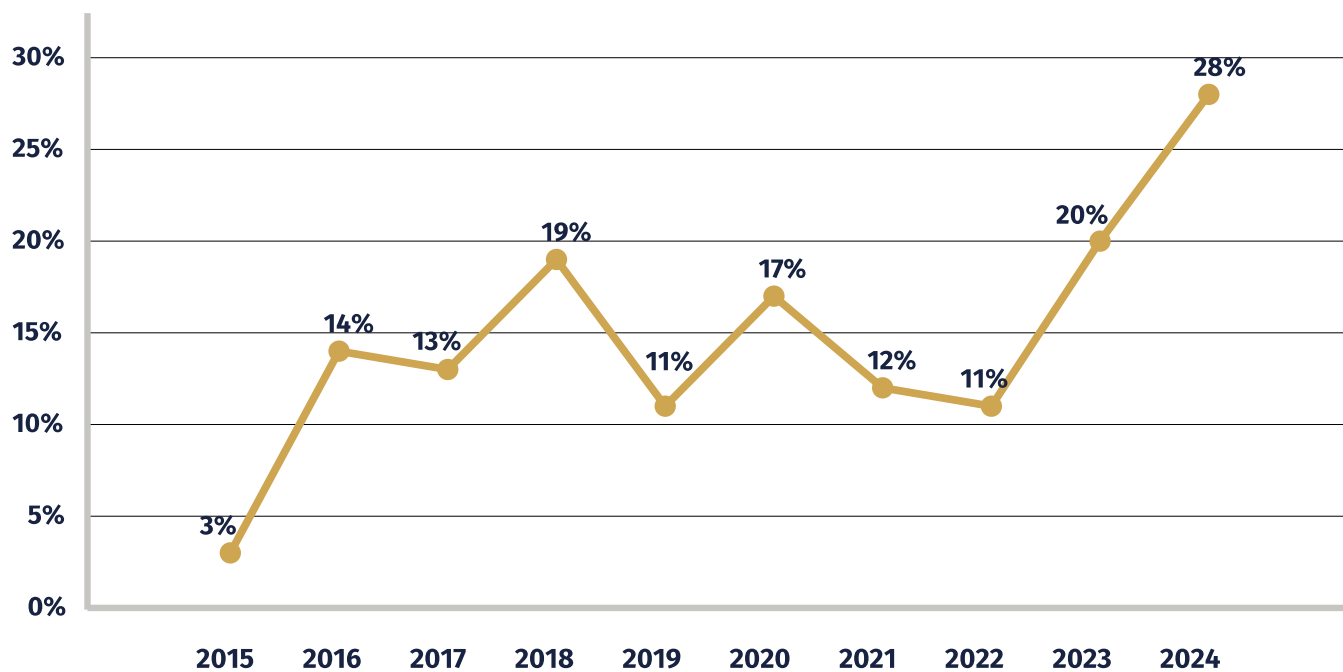
Net Profit (mln. GEL)



Annual Profit Dynamics (mln. GEL)

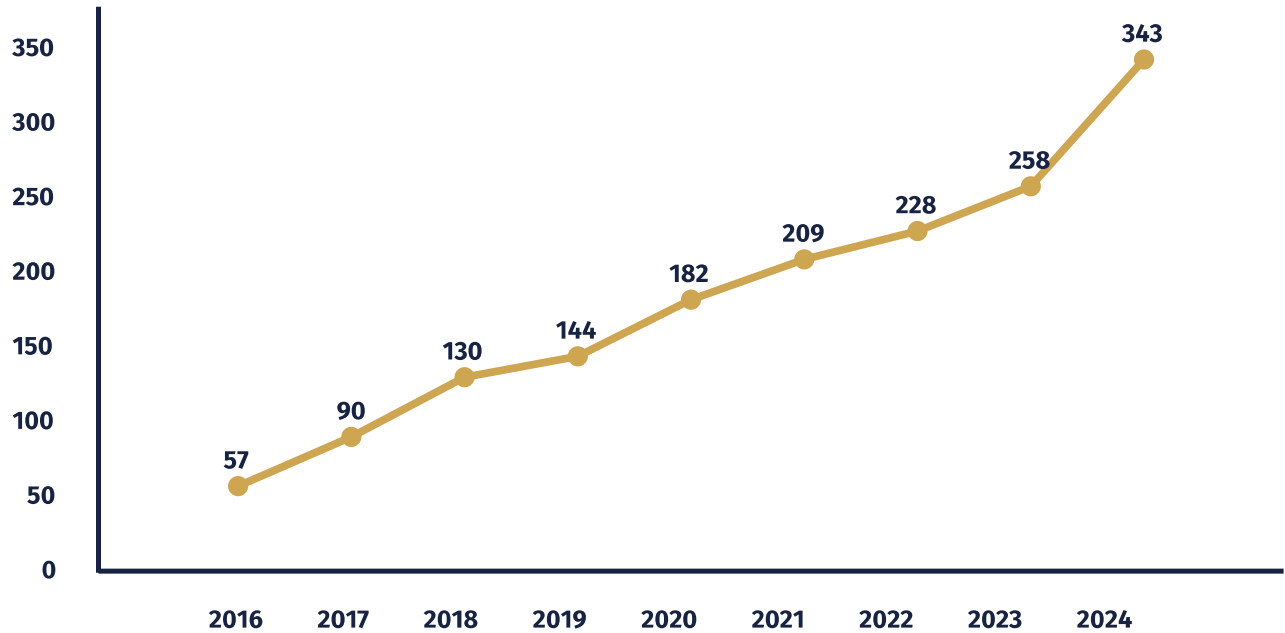


Dynamics of Return on Equity (ROE)

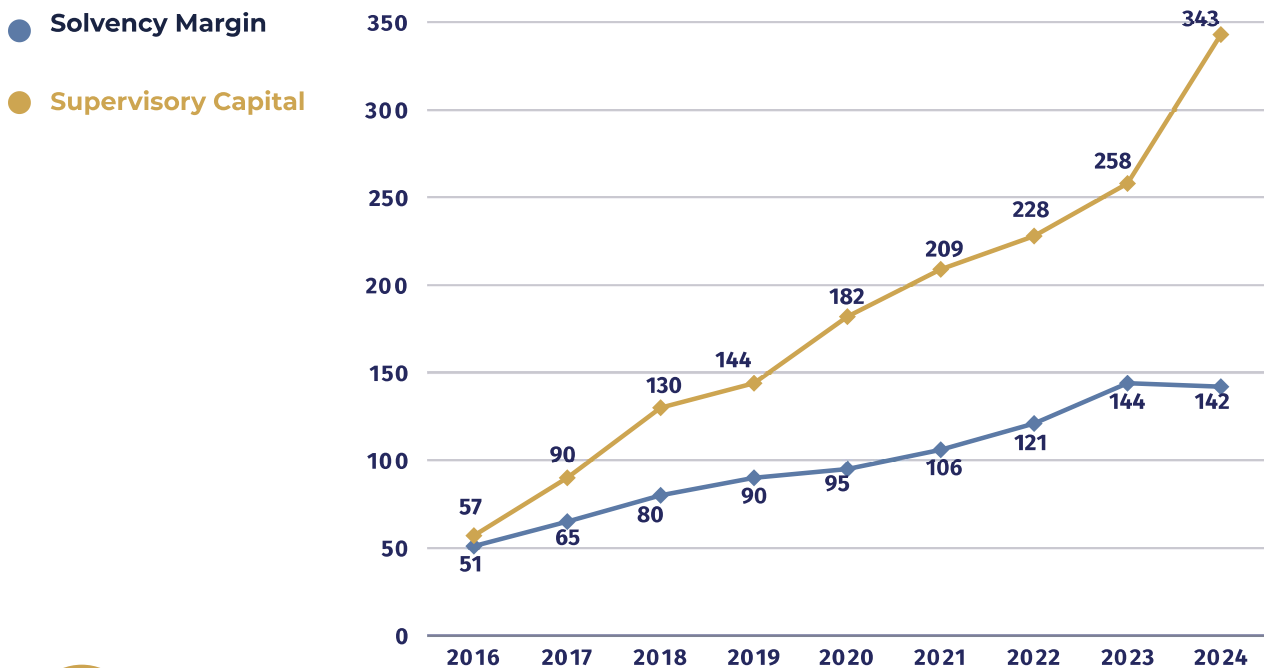


As already mentioned, changes in profitability were due to the pandemic and other related economic processes. However, the market maintained profitability, and the ISSSG set the requirements in a timely and consistent manner, which in turn ensured the stable growth of the supervisory capital.

Supervisory Capital (mln. GEL)

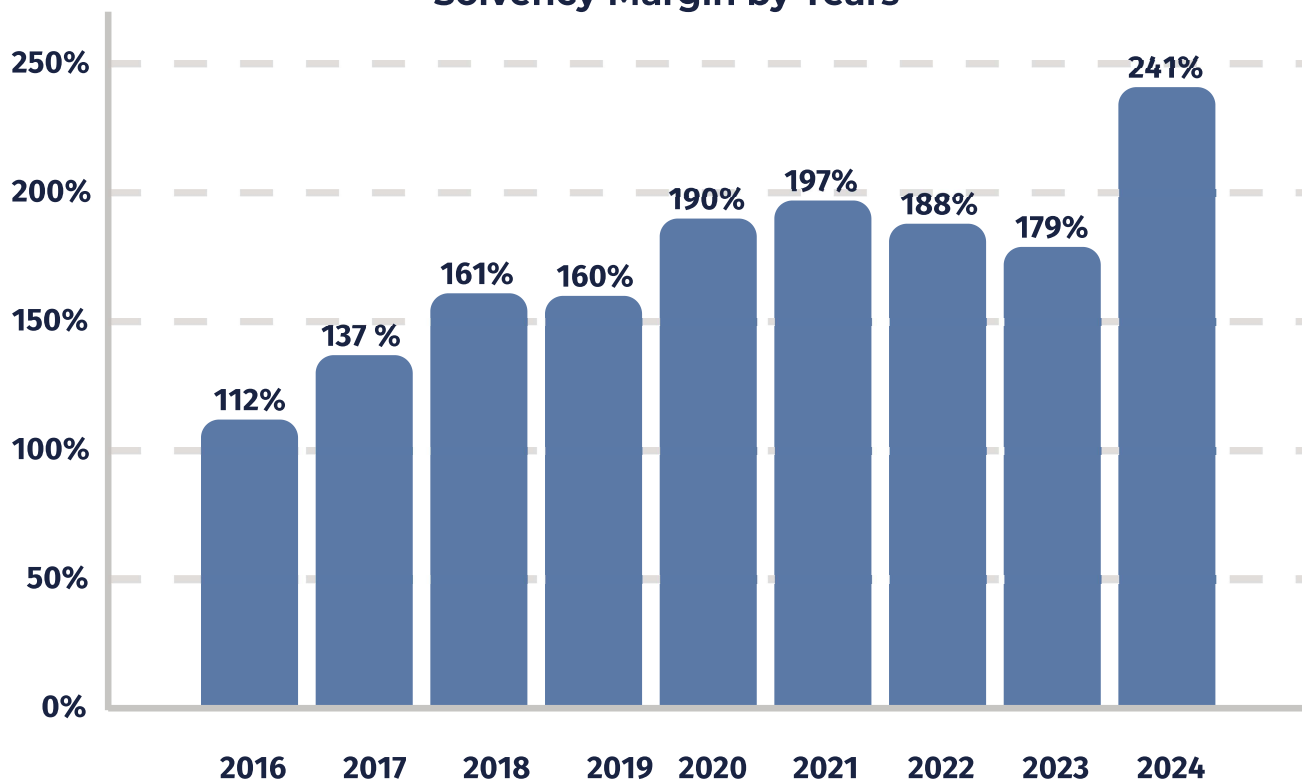


Solvency Margin and Supervisory Capital Dynamics (mln. GEL)

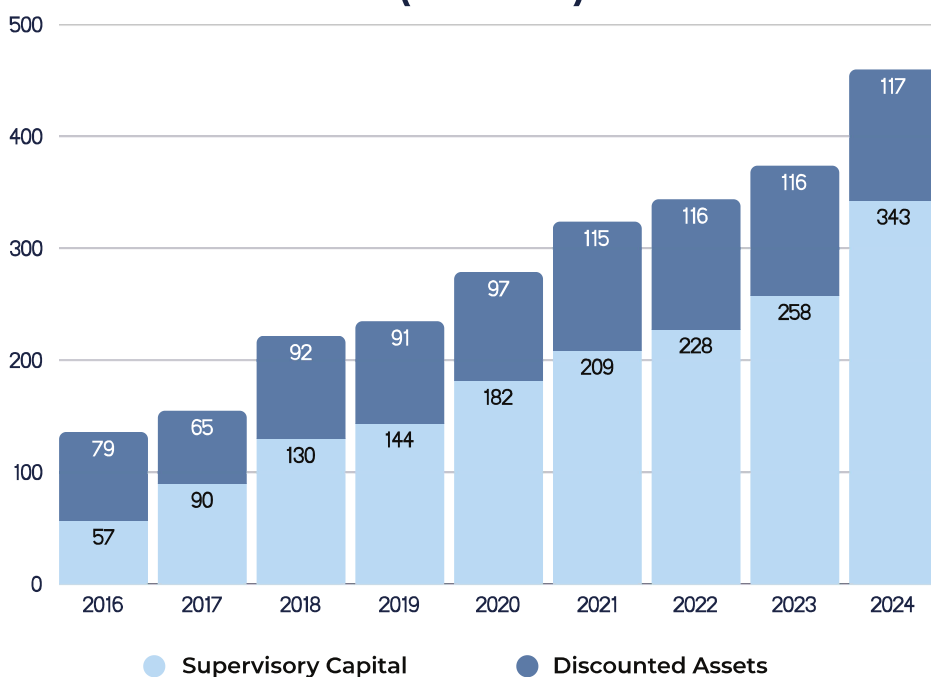


The ratio of the Supervisory capital to solvency margin is 241%, which indicates high solvency of the market. However, it must be noted, that due to increased performance results, several insurers needed additional investments in the capital as required by regulations. The ISSSG performs intensive monitoring on this process.

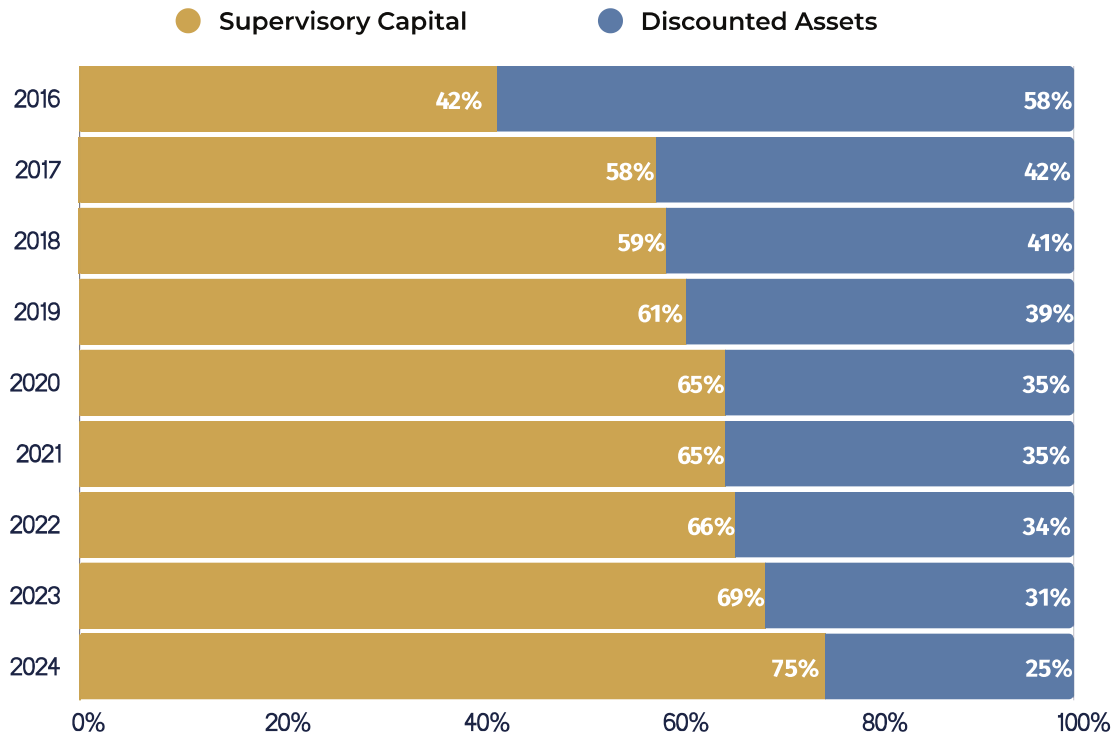
Development of Supervisory Capital in Relation to Solvency Margin by Years



Share of Supervisory Capital in Total Equity of Insurers (mln. GEL)



Share of Supervisory Capital in Total Equity of Insurers (%)



The share of the discounted assets in the total assets of the companies has decreased significantly since the introduction of regulatory capital requirements (since 2016).

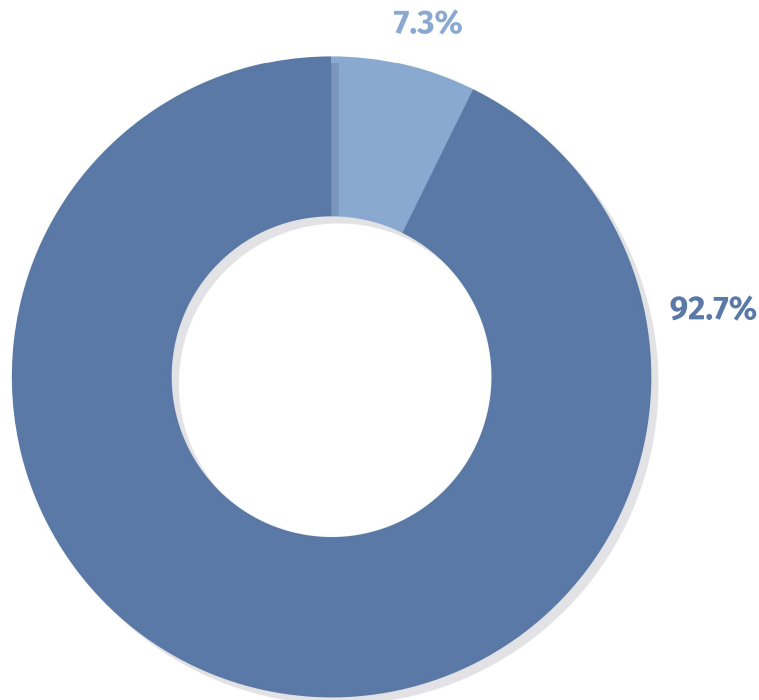
Insurance Brokers

Insurance brokers represent a very important part of the insurance business. Brokers bear a significant risk in terms of the client money held and the quality of the risk placement. Due to the above-mentioned, the regulatory framework for the supervision of insurance intermediaries has been strengthened, which will further ensure high quality, professionalism and reliability of services.

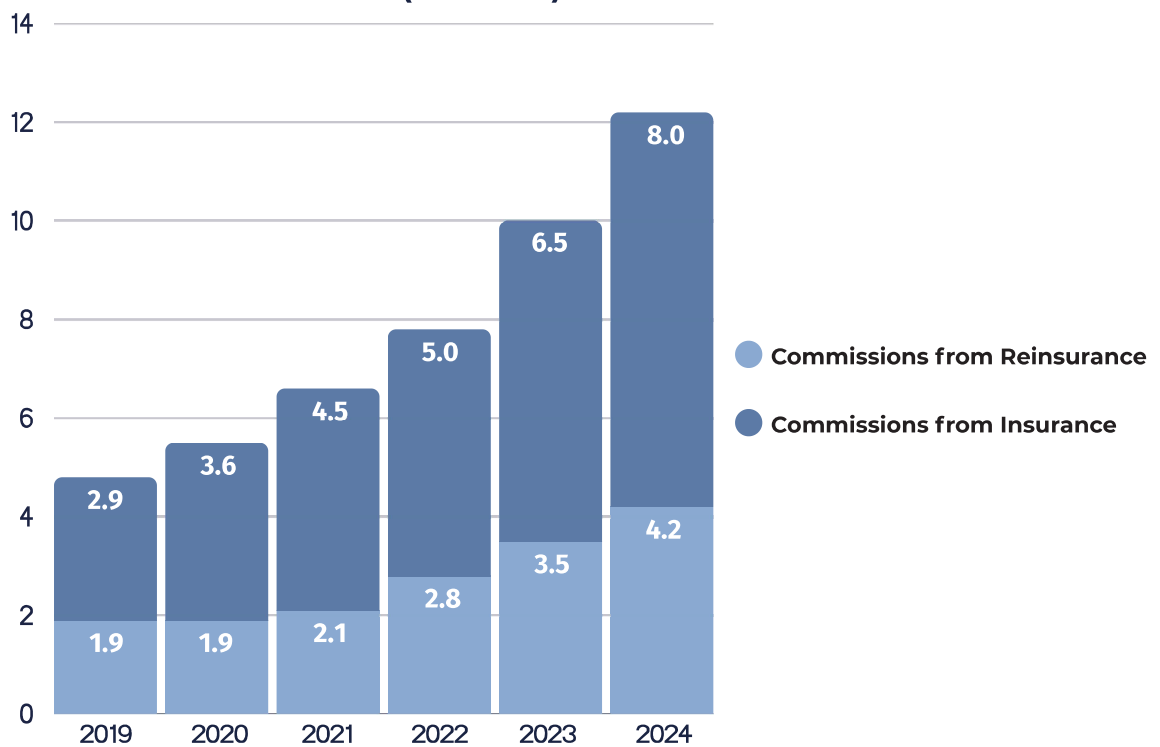
In 2024, total insurance brokerage amounted GEL 12.2 million, which is 21% increase compared to the previous year. Insurance brokers are allowed to provide both insurance and reinsurance intermediary services. 66% of their commission revenues come from insurance and the remaining 34% - from reinsurance operations. In 2024, commissions growth was almost similar in both activities.

The chart below shows the share of the registered brokers in total insurance premiums.

Participation of Brokers in Insurance agreements



Insurance brokers' revenues by years:
Revenues from brokerage by years
(mln. GEL)



Supervision Process

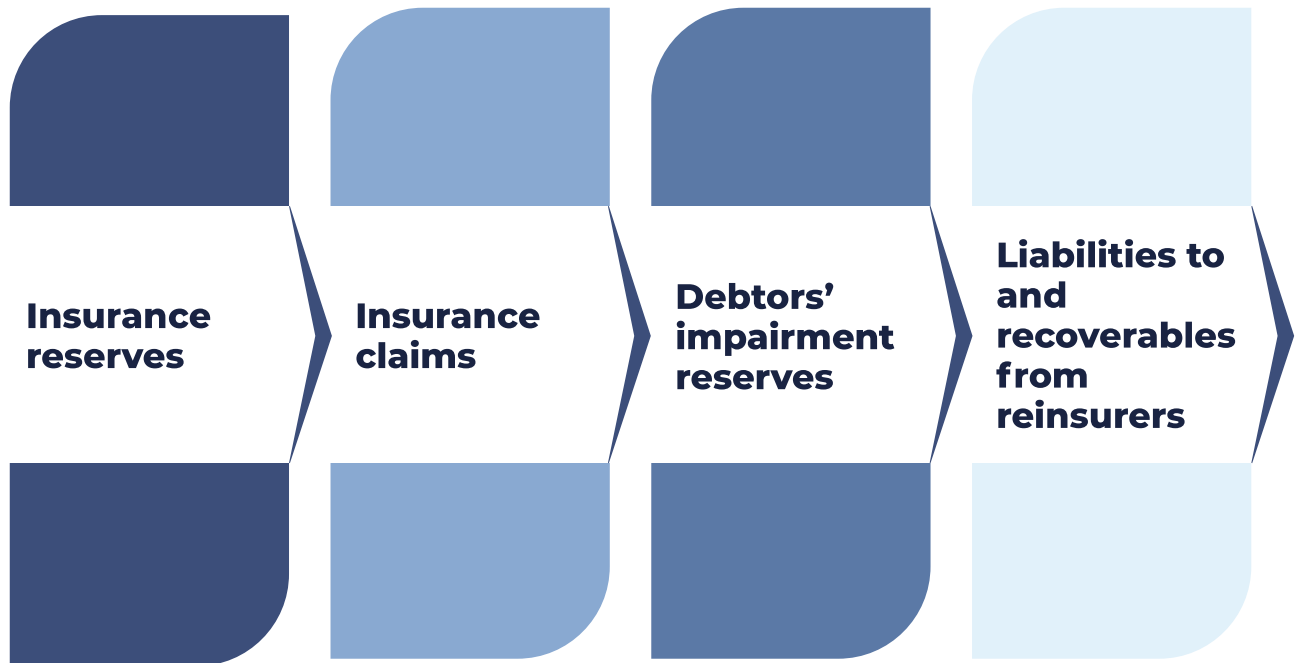
One of the primary tasks of the ISSSG is to oversee and maintain the financial stability/solvency of the insurers and insurance brokers (hereinafter referred to as “Companies”), as well as to monitor their activities in the prevention of money laundering and terrorism financing.

Direct supervision of the Companies is conducted by reviewing/analyzing their monthly and quarterly reporting forms adopted by the ISSSG. The oversight is supplemented by additional information, documents, or other detailed data obtained during on-site inspections. When necessary, supervised entities may be fined to ensure the fulfillment of requirements set by law and appropriate regulations.

- During the year 2024 ISSSG reviewed annual reports and financial and statistical reports for the IV quarter, December, I-III quarters and monthly reports for January-November of 2024, as well as supervisory capital and solvency margin calculation forms received from 18 Insurers.
- Information provided by the Insurers and insurance brokers from the banking institutions on the monetary amounts for the same period, as well as legally binding security measures were compared with the data in the submitted financial and statistical reporting forms.
- The ISSSG reviewed annual reporting forms for 2023 and 6 months of 2024 submitted by 24 insurance brokers.
- Annual audited statements of insurance companies for 2023 were analyzed and compared with the data of financial reporting forms submitted by the same undertakings. Audited statements of insurance brokers for 2023 were also reviewed by the ISSSG during the reporting period.
- Based on the reporting forms submitted by the insurers and the founders of non-state pension schemes, the ISSSG prepared statistical and financial reports of the insurance market for the 2023 and I-III quarters of 2024. These reports were also translated into English and published on the official website of the ISSSG.
- Statistical, financial and other information related to the insurance market was prepared in response to the requests from various organizations (insurance undertakings, insurance brokers, National Bank of Georgia, National Statistics Office, Service for Accounting, Reporting and Audit Supervision, National Health Agency, etc.).
- Based on the reporting forms submitted by the Insurers, analytical reports were prepared on the financial position, solvency, liquidity, assets covering technical provisions and compliance with supervisory capital requirements of the Insurers.
- The ISSSG registered all deposit agreements with banking institutions to secure the minimum capital of insurance companies and issued preliminary written consents on the transactions related to the allocation of this capital.

-
- The information received from the Compulsory Insurance Center for December 2023 and January-November 2024 was processed and compared with the information provided by the insurance companies in the reporting forms.
 - The compliance with the ratio between net exposure and regulatory capital was reviewed together with the relevant completed templates/reporting forms. The ISSSG requested other ad-hoc information, including information on reinsurance contracts and, in some cases, copies of agreements and/or supplementary documents.
 - Additional financial analysis of the Insurers' reports for the IV quarter of 2023 and I-III quarters of 2024 was carried out through an analytical tool implemented with the support of World Bank experts.
 - It should also be noted that, within the framework of remote supervision, the ISSSG actively controls the observance by the supervised entities of recommendations and instructions issued by the ISSSG based on the findings during on-site inspections.
 - In 2024, the ISSSG identified 272 violations during its remote supervision activities. To address these issues, the ISSSG issued written warnings and imposed fines on the undertakings concerned.
 - A review of the reporting forms submitted by insurance brokers revealed certain types of inaccuracies for which corresponding letters were sent and the revised reporting forms were requested. To eliminate identified violations, the ISSSG issued written warnings and imposed fines.
 - As a result of a review of the 2023 audited statements, representatives of the Insurers were interviewed and additional clarifications were obtained regarding the discrepancy between the audited figures and the data presented in the supervisory financial reporting forms. Following these discussions, the Insurers resubmitted revised reporting forms to the ISSSG, aligning them with the audited statements where applicable.
 - It is noteworthy that in 2024, Insurers submitted their 2023 financial statements for the first time prepared and audited in accordance with the new International Financial Reporting Standard for Insurance Contracts (IFRS 17). These statements also included the restatement of opening balances (for the year 2022) under the new standard. The ISSSG examined the impact of this change on the Insurers' capital.
 - As a result of communication with the National Health Agency and insurance companies to verify the lists of individuals covered under medical (health) insurance, there has been a significant reduction in cases where Insurers failed to properly comply with the requirements set by the Decree #36 of the Government of Georgia "On certain measures to be taken for the transition to universal health care system" of February 21, 2013 and the related requests of the ISSSG.

To ensure an efficient and prompt inspection process, the ISSSG conducted targeted, issue-specific inspections focusing on the following areas:



The inspections revealed certain accounting inaccuracies and instances of non-compliance with applicable legislation. As a result, insurers were instructed to increase the amounts of their insurance reserves, enhance their accounting and internal control systems, and make necessary adjustments to their financial and statistical reports.

In 2024, the largest transaction in the history of Georgia's insurance market took place. A new insurer was established, which acquired the main part of the portfolio of an existing insurance company. As a result of this transaction, additional investment in the sector exceeded GEL 30 million.

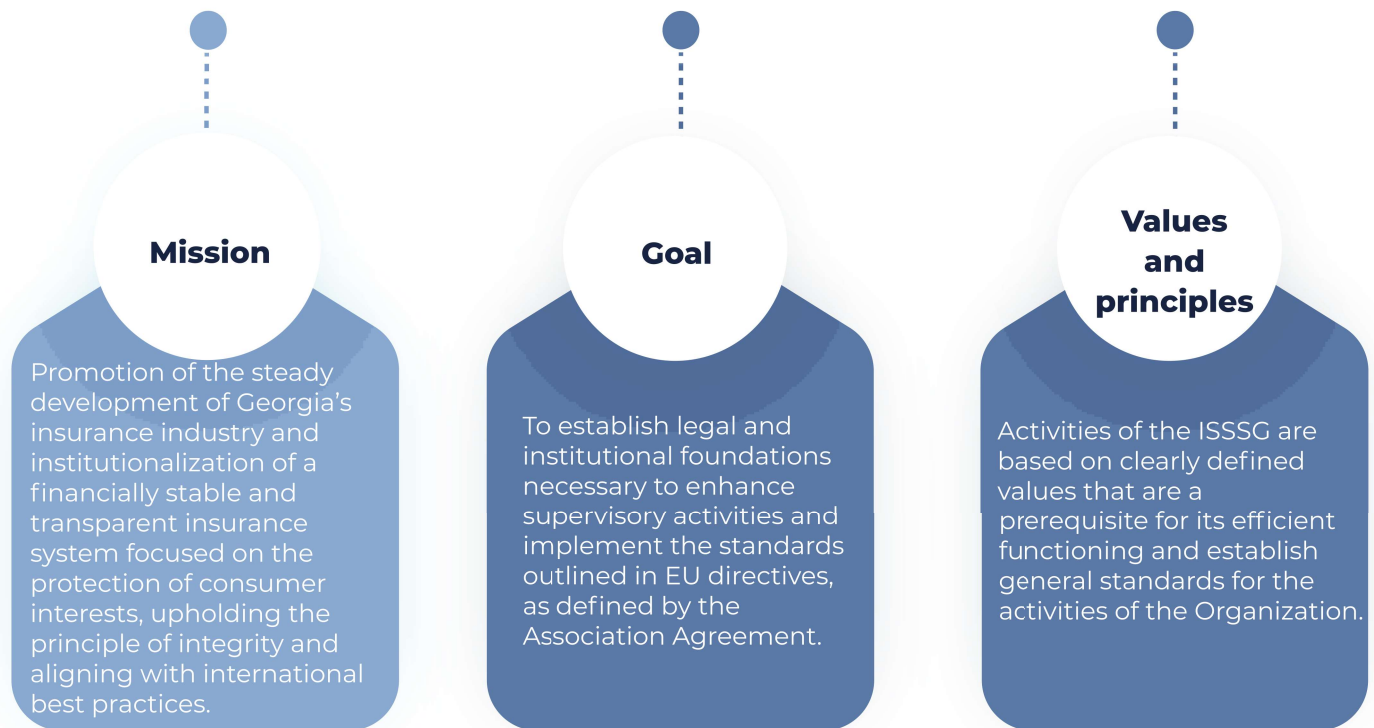
During 2024, with joint efforts of the ISSSG, World Bank and experts from various fields, a regular contest was conducted to reveal the winning companies of the Best Annual Reporting and Transparency Award (BARTA).

Development Strategy of Insurance State Supervision Service of Georgia

In December 2024, the 2025–2029 Development Strategy of the ISSSG was approved, along with plans to develop an action plan. The strategy and accompanying action plan aim to support the achievement of the organization’s goals and ensure coordinated work across structural units. At the national level, the formation of a healthy, competitive insurance market and a high insurance culture requires the ISSSG to promote the establishment of effective and fair insurance practices throughout the country. The development of the sector also demands the analysis of the best international practices and consideration of modern insurance trends.

The ISSSG is continuously expanding its international network through both bilateral and multilateral cooperation. Organizational activities of the ISSSG are becoming increasingly advanced, necessary legal and institutional foundations for the future development of the insurance sector are being established and supervisory approaches and practices of the ISSSG are gradually evolving.

Conceptual framework



Activities of the ISSSG are based on clearly defined values that are a prerequisite for its efficient functioning and establish general standards for the activities of the Organization.

- ✓ **Integrity** – Adherence to ethics and impartiality in the process of supervisory activities and decision-making, prioritization of public interest.
- ✓ **Transparency** – Openness of supervisory policies and procedures; effective communication with supervised entities, stakeholders, and the public, while upholding the confidentiality requirements determined by legislation.
- ✓ **Reliability and accountability** - Building public trust through effective, responsible supervision of the insurance sector, while taking ownership of decisions and outcomes.

✓ **Equality** - Safeguarding equality and preventing discrimination, fostering fair competition.

✓ **Teamwork** - Combining efforts toward shared goals; mutual respect and tolerance.

✓ **Continuous development** – Continuous refinement and improvement of supervisory practices, constant familiarization with international best practices, adaptation and implementation in Georgian context, keeping pace with technological advancements.

✓ **Protection of consumer interests** - Constant monitoring of the protection of consumer rights, implementation and supervision of consumer-focused regulations.

Adherence to the ISSSG's values and principles not only enhances internal management efficiency but also ensures an unwavering commitment to consumer interests.

Strategic priorities

Guided by its mission and goal, the ISSSG has outlined its strategic priorities for 2025–2029, along with the key objectives necessary for their implementation.

Strategic priority I

Efficient management and development of the Organization

- Objective 1 - Institutionalizing a strategic management cycle;
- Objective 2 - Further developing the human capital management system;
- Objective 3 - Enhancing administrative activities;
- Objective 4 - Strengthening information and technological capabilities;
- Objective 5 - Providing legal support for the activities of the ISSSG;
- Objective 6 - Improving communication channels.

Strategic priority II

Further development of supervisory activities

- Objective 1 - Refining and developing the supervisory policy;
- Objective 2 - Preparing for the implementation of Solvency II standards in supervisory activities;
- Objective 3 - Refining supervisory processes and procedures;
- Objective 4 - Automating supervisory processes in phases;
- Objective 5 - Strengthening mechanisms for the prevention of risks of money laundering and financing of terrorism;
- Objective 6 - Conducting of licensing/registration processes;
- Objective 7 - Developing the legislative framework governing supervisory activities.

Strategic priority III

Promotion of consumer protection and financial education

- Objective 1 - Promoting consumer protection;
- Objective 2 - Gradually approximating to the EU directives;
- Objective 3 - Supporting the National Consumer Protection Strategy;
- Objective 4 - Raising awareness on insurance issues;
- Objective 5 - Supporting the National Strategy for Financial Education.

Strategic priority IV

Support for the development of the insurance industry and enhancing cooperation

- Objective 1 - Supporting healthy competition;
- Objective 2 - Enhancing cooperation at the national level;
- Objective 3 - Enhancing international cooperation;
- Objective 4 - Continuously analyzing international best practices;
- Objective 5 - Deepening coordination with donors.

Activities to Facilitate Prevention of Money Laundering and Terrorism Financing

The ISSSG is responsible for the supervision of insurance organizations, pension companies, and insurance brokers, ensuring their compliance with the legislative obligations pertaining to the prevention of money laundering and terrorism financing, through the Division for the Prevention of Money Laundering and Terrorism Financing.

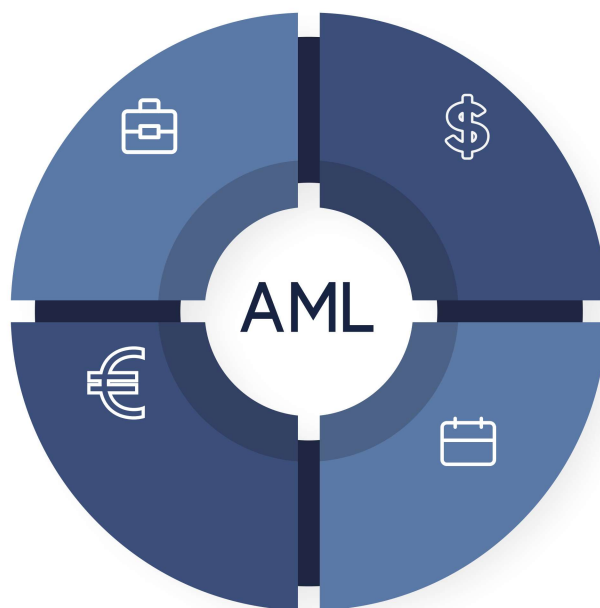
Following the ISSSG's supervisory principles, during the reporting period, the forms for the annual (2023) and the first half of 2024 reports on the supervision of money laundering and terrorism financing risks for insurance organizations, pension companies, and insurance brokers were reviewed. Following the analysis of these reports, the ISSSG imposed fines and/or issued written warnings to the respective entities for the violations identified.

During the reporting period, the ISSSG conducted an on-site inspection of one insurance broker.

Throughout the reporting period, the ISSSG was actively involved in the enhanced follow-up process of findings identified by the fifth-round mutual evaluation report conducted by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (Moneyval). In this context, the ISSSG developed and approved the "On-site Inspection Guidelines for Insurance Organizations, Non-State Pension Scheme Founders, and Insurance Brokers for the Prevention of Money Laundering and Terrorism Financing."

In September 2024, at the initiative/participation of the ISSSG, and with the support of the joint co-operation initiative of the European Union and the Council of Europe "Partnership for Good Governance," a training session was conducted for insurers, insurance brokers, and pension companies on the topic of preventing money laundering and the financing of terrorism, specifically tailored to the insurance sector.

Through amendments made to the relevant legal act issued by the Chairman of the ISSSG, the number of monetary fines imposed on insurance brokers and/or administrators for violations of the legislation regarding the prevention of money laundering and terrorism financing was determined. Additionally, changes were introduced to the Rule "On determination, imposition, and enforcement of a pecuniary penalty against the insurer," establishing a sanctioning mechanism for non-compliance with financial sanctions as outlined by the United Nations Security Council Resolutions.



Development of Actuarial Profession

According to amendments made to the Law of Georgia “On Insurance” in 2023, starting from January 1, 2025, it will be mandatory for insurers to have an actuary in their company. It should be noted that the actuarial profession is widely established in international practice and plays a crucial role in ensuring the adequacy of an insurer’s financial calculations, as well as being an important component of the insurer's solvency and financial stability.

In 2024, the ISSSG hosted an event organized by the Association of Actuaries and Financial Analysts (AAFA). The meeting was led by Jan Šváb, the Chairman of the Czech Actuarial Society, who shared with representatives of the ISSSG and insurance companies the standards and best practices in the European Union regarding actuarial qualifications and the annual actuarial report.

Additionally, during the reporting period, the actuary of The ISSSG participated in the Actuarial Congress organized by the International Association of Actuaries (Actuaires du Monde) in Sarajevo, Bosnia and Herzegovina.

The congress addressed key actuarial issues, including challenges in life and non-life insurance in relation to inflation, interest rates, liquidity, and credit risks, pension schemes, the subsidization of inclusive insurance for poverty reduction, ESG for actuaries in an inclusive world, social sustainability in insurance in the age of artificial intelligence, sustainable finance, and more.



Considering that actuaries are a rare and scarce profession in the Georgian labor market, there has been no specialized course at Georgian universities dedicated to train qualified professionals in this field. It is noteworthy that, with the direct involvement of the actuary employed by ISSSG, starting from October 1, 2024, the course “Actuarial Mathematics for Non-Life Insurance” is taught at the Faculty of Exact and Natural Sciences of Ivane Javakhishvili Tbilisi State University. The course was initiated by the Association of Actuaries and Financial Analysts (AAFA) and its curriculum is developed in accordance with the requirements for Certified Actuarial Analysts (CAA), a globally recognized qualification. The course will be led by leading specialists from the insurance sector, including the actuary of the ISSSG.

The above-mentioned course has been designed to be accessible not only to students but also to anyone interested in pursuing a career as an actuary. The training is free of charge, and upon successful completion of the course and examination, participants will be awarded certificates confirming their achievement. Despite being a new initiative, the course has generated significant interest, with 70 participants registering, including both students and employees of insurance companies who are actively engaged in the learning process.

Development of the Legal Framework/Legislative Process

In 2024, the ISSSG actively continued its efforts to develop the legal framework.

In accordance with the requirements of the Law of Georgia “On Voluntary Private Pension,” all by-laws envisioned by the law were developed and issued within the prescribed timeframe. This laid the legal foundation for the development of a voluntary private pension system in Georgia. To prepare the by-laws under this law, the

ISSSG closely cooperated with representatives of the Ministry of Economy and Sustainable Development of Georgia, as well as experts from the Asian Development Bank. It is also worth noting that during the drafting process, it was deemed appropriate to consolidate several interrelated issues and convert them as a single legal act.



Taking this into account, the following by-laws were issued by the ISSSG and published on the official website of the LEPL Legislative Herald of Georgia:

Order №73 „On the approval of fit and proper criteria for the members of the supervisory board and governing body of the pension scheme“ (23.12.2024);

Order №74 „On the approval of the additional terms and conditions for private pension agreements“ (23.12.2024);

Order №75 „On establishing the list of countries in which pension activities are properly regulated (23.12.2024);

Order №76 „On the approval of the rule for recording pension contributions, charges and commissions in personal retirement accounts, as well as the rule for storing and delivering information in a durable medium“ (23.12.2024);

Order №77 „On the approval of the rules of risk management“ (23.12.2024);

Order №78 „On the approval of the minimum amount of capital of a pension company, minimum requirements for determining the equity and the rule for their determination“ (23.12.2024);

Order №79 „On the approval of the methodology for calculating the net asset value of pension scheme participants“ (23.12.2024);

Order №80 „On the approval of the rule for the transfer of pension assets“ (23.12.2024);

Order №81 „On the approval of the rule on the minimum requirements of the mechanisms for considering and resolving the claims of participants and beneficiaries of a pension company and an insurer and protection of consumer rights“ (23.12.2024);

Order №82 „Rule for drawing up and providing information/documents to participants of the pension scheme and the requirements for a brief description of the pension scheme (rules of the pension scheme) to be provided to participants, potential participants and beneficiaries“ (23.12.2024);

Order №83 „On the approval of the procedure and the rule for recognition of a foreign pension organization and exemption from certain requirements“ (23.12.2024);

Order №84 „On the approval of the rule for maintaining the register of entities carrying out voluntary private pension activities“ (23.12.2024);

Order №85 „On the approval of the rule for determining the main data of the operational plan of a pension company“ (24.12.2024);

Order №86 „On the approval of the rule for determining and imposing a pecuniary penalty on a pension company and an insurer“ (24.12.2024);

Order №87 „On the approval of the rule on the merger of pension companies“ (26.12.2024);

Order №88 „On the approval of the rule for the programmed withdrawal of a pension“ (26.12.2024);

Order №89 „On the Approval of the Rule on Investment of Pension Assets“ (26.12.2024);

Order №90 „On the approval of fit and proper criteria for the liquidator of a pension company, the rule for compensation and carrying out activities by the liquidator“ (26.12.2024).

As in previous years, cooperation continued with the Ministry of Economy and Sustainable Development of Georgia regarding the draft Law of Georgia “On Compulsory Civil Liability Insurance of the Owners of a Motor Vehicles registered in Georgia,” initiated by the Ministry, and nine accompanying draft by-laws. The ISSSG was involved in reviewing and processing the comments received from various public institutions on these drafts.

In addition, a draft Decree of the Government of Georgia was prepared to amend the Decree No. 102 of the Government of Georgia of May 2, 2013, “On the establishment of LEPL Insurance State Supervision Service of Georgia and the Supervisory Board.” The need for this amendment arose from the adoption of the Law of Georgia “On Voluntary Private Pension” by the Parliament of Georgia in 2023 and the Law of Georgia “On Supplementary Supervision of Regulated Enterprises within a Financial Conglomerate.” These laws, along with the resulting amendments to the Law of Georgia “On Insurance,” introduced new functions and additional supervisory powers for the ISSSG. Accordingly, the ISSSG’s statute was revised to align with these legislative changes, specifically:

- Under the Law of Georgia “On Voluntary Private Pension,” the ISSSG was designated as the supervisory authority for the entities defined by the law. The ISSSG was granted additional powers, including the authority to impose sanctions, as provided by the law, on pension companies, insurers acting as founders of pension schemes, and their administrators. Furthermore, it was clarified and determined that, in addition to developing and issuing regulations and legal acts for the regulation of insurance and insurance intermediation activities, the ISSSG is also authorized to determine and regulate issues arising from the Law of Georgia “On Voluntary Private Pension” on the basis of by-laws;

- Pursuant to the Law of Georgia “On Supplementary Supervision of Regulated Enterprises within a Financial Conglomerate,” the ISSSG was granted the authority to exercise additional supervision at the level of financial conglomerates, taking into account its respective competence in relation to the regulated entities within the conglomerate. The ISSSG’s functions were expanded, enabling it, in cooperation with the relevant supervisory authorities, to make decisions and take actions as provided by the above-mentioned law, including implementing appropriate measures and issuing legal and individual administrative-legal acts in accordance with the same law.

During the reporting period, several by-laws issued by the ISSSG were amended, including the following:

An amendment was introduced to "The Rules of calculation of the regulatory capital of insurer," approved by the Order No. 16 of the Chairman of the ISSSG dated September 16, 2016.

The aim of this amendment is to provide insurance companies with greater opportunities to attract investment by allowing subordinated loans obtained by insurers to be included in their regulatory capital (this approach is in line with practices already permitted in the banking sector and internationally recognized in the insurance sector, including in EU member states). The amendment also takes into account the expressed interest of insurers and the existence of similar practices within Georgia's financial sector. As it is well known, subordinated loans are characterized by a lower repayment priority compared to other types of debt.

Therefore, in the event of severe financial distress, insolvency, or liquidation of the company, claims by subordinated creditors are settled only after all other non-shareholder creditor claims have been fully satisfied. Due to this characteristic, subordinated debt is generally considered to be quasi-equity in nature. The amendment also introduced a definition specifying what qualifies as a subordinated loan. Furthermore, a new provision was added that establishes the maximum allowable amount of subordinated loans that may be included in capital, both for dated and perpetual subordinated debt. The criteria that a subordinated loan must satisfy to qualify for inclusion in capital were outlined in detail, including the mechanisms/procedures and timelines for coordination with the ISSSG—both for the initial recognition and for any subsequent amendments.

Additionally, insurers were required to ensure ongoing compliance with the amended requirements for the entire duration that a subordinated loan is included in their supervisory capital. In line with the revised rule, which mandates insurers to report the amount of regulatory capital to the ISSSG, Annex No. 1 (of the same rule) was updated accordingly by adding a field specifically for information related to subordinated loans; An amendment was introduced to the "Rules of Determining the Solvency Margin by the Insurers in the Course of Insurance Operations," approved by Order No. 15 of the Chairman of the ISSSG, dated September 16, 2016. This amendment was prompted by the following considerations: it is well known that the medical (health) insurance line is characterized by a high frequency of claims and a higher loss ratio compared to other types of insurance. At the same time, the settlement of insurance claims in this line typically occurs much more rapidly than in other insurance classes. According to the amendment, the solvency margin is now calculated at the end of the reporting year, based on the loss and premium data from the last three years. This approach aims to ensure the insurer's adequate solvency for future operations and unforeseen events. Under this methodology, a correction coefficient of 1.5 is applied for liability insurance (which is associated with high uncertainty), while a coefficient of 1.0 is applied for all other lines of insurance. It is also known that, by the end of the reporting year, the majority of claims under health insurance are fully reported and corresponding reserves are established. Additionally, the probability of material deviations related to incurred claims from the prior year or existing policies is minimal.

Nevertheless, insurers are still required to calculate the solvency margin for health insurance using the standard 1.0 correction coefficient, which increases the supervisory requirement and, consequently, the cost of health insurance. This increase is not associated with the actual cost of providing the service but rather results from supervisory requirement, thereby making health insurance products more expensive. Considering the above, it was deemed appropriate to set the correction coefficient for the health insurance line at 0.5;

An amendment was made to the “Instructions on the protection of consumer rights by insurers while providing insurance services,” approved by Order No. 18 of the Chairman of the ISSSG, dated April 3, 2017. As a result of this amendment, additional obligations were established for insurers to be fulfilled after the conclusion of the insurance contract. These obligations aim to ensure better protection of consumer interests during the provision of insurance services;

An amendment was made to the “Rule of determination and imposition of pecuniary penalty against insurance broker and/or administrator,” approved by Order No. 35 of the Chairman of the ISSSG dated September 25, 2019. The amendment established the ISSSG’s authority to impose pecuniary penalties—defined under the same rule—on an insurance broker and/or its administrator in cases where the broker and/or any of its administrators violates the requirements of the Law of Georgia “On Facilitating the Prevention of Money Laundering and the Financing of Terrorism” and/or the by-laws issued on its basis.

An amendment was made to the “Rule on determination, imposition, and enforcement of a pecuniary penalty against the insurer,” approved by Order No. 02 of the Chairman of the ISSSG dated March 17, 2015. The amendment established the ISSSG’s authority to impose pecuniary penalties—under the same rule—on an insurance organization and/or its administrator in cases where the insurer and/or any of its administrators violates the requirements of the Law of Georgia “On Consumer Rights Protection,” the Law of Georgia “ On Supplementary Supervision of Regulated Enterprises within a Financial Conglomerate,” Articles 19, 21, and 24 and/or Article 26(2) of the Law of Georgia “On Securitization,” and the Law of Georgia “On Accounting, Reporting and Auditing.”

On July 9, 2024, the ISSSG issued Recommendation No. 6, “On the fundamental elements of the information security strategy and framework for insurers not classified as category III critical information system subjects.” The purpose of this recommendation is to establish the fundamental elements of an information security strategy and framework for insurers that are not classified as Category III critical information system subjects. The goal is to support the proper management of information security-related risks, ensuring that insurers implement adequate mechanisms for information protection and security controls, thereby strengthening trust among stakeholders.

During the reporting period, on July 8, 2024, the ISSSG issued Recommendation No. 5, “On informing the consumer regarding the refusal to provide insurance compensation in case of gross negligence under property insurance.” The implementation of the measures outlined in the Recommendation ensures transparency in contractual terms, which in turn contributes to the protection of consumer rights, strengthens trust in insurers, and ultimately supports the development of the insurance market.

In 2024, the ISSSG reviewed the following draft legal acts prepared by the National Bank of Georgia:

The draft Order of the President of the National Bank of Georgia “On the Approval of the Regulation on the Specialized Depository of a Voluntary Private Pension Scheme”;

The draft Order of the President of the National Bank of Georgia “On the Approval of the Rule for Licensing, Registration, Recognition, and Regulation of Asset Management Companies.”

On May 30, 2024, the President of the National Bank of Georgia and the Chairman of the Insurance State Supervision Service of Georgia issued a joint order titled: “On the approval of the rule for calculating supplementary capital adequacy/solvency margin requirements for regulated entities within a financial conglomerate.” This joint order was issued pursuant to the Law of Georgia “On supplementary supervision of regulated entities within a financial conglomerate,” which designates the National Bank of Georgia and the ISSSG as joint supervisory authorities.

International Cooperation

In 2024, cooperation with the International Association of Insurance Supervisors (IAIS) continued, with the ISSSG actively participating as a member. It is noteworthy to mention that representatives from the ISSSG took part in the IAIS Annual Global Conference, held in Cape Town, South Africa."



Executive Committee - EXCO

The event was hosted by the South African Reserve Bank and the Financial Sector Conduct Authority and in keeping with tradition, featured the IAIS Annual General Meeting, meetings of sectoral committees, and the Annual Conference. The 2024 event was of particular significance to the ISSSG, as on December 5, during the meeting of the Executive Committee (ExCo) of the International Association of Insurance Supervisors (IAIS), the committee members approved Mr. David Onoprishvili, Chairman of the Insurance State Supervision Service of Georgia, as a member of the ExCo representing the Central, Eastern Europe, and Transcaucasia (CEET) region for a two-year term.



The CEET region includes 11 European Union member countries (Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Croatia, Slovenia, Lithuania, Latvia, Estonia), 9 EU candidate countries (Georgia, Ukraine, Moldova, Turkey, Serbia, Bosnia and Herzegovina, Albania, North Macedonia, Montenegro), and 7 non-EU countries (Israel, Kazakhstan, Uzbekistan, Azerbaijan, Armenia, as well as Russia and Belarus – whose association membership is suspended), where, based on the region's composition, Georgia is also a member.

According to the IAIS (International Association of Insurance Supervisors) charter, the number of representatives in the ExCo is determined based on the size of each region. Consequently, the CEET region is entitled to two representatives in the ExCo. On this occasion, Mr. David Onoprishvili, along with his Slovenian colleague, was elected as one of the region's two representatives. The primary goal of membership in the Committee is to ensure the protection and interests of CEET region countries and to take into account their priorities are reflected in the Association's activities. Representing ExCo marks a new and important milestone for both Georgia and the ISSSG, especially as it is the first time a representative from a non-EU country has been elected for the ExCo. This achievement paves the way for Georgia to enhance international cooperation in the region, share experiences, and adopt globally aligned standards. This is an important step in strengthening Georgia's role in the international insurance framework, expanding opportunities for collaboration with leading global partners and help make Georgia's insurance sector more competitive and resilient.. The ISSSG will continue to actively engage in the ongoing work of the ExCo.



As part of the IAIS's 2024 annual event, six roundtable discussions were held with the participation of various representatives from the insurance sector/financial sector, in an expanded discussion format on the topic of the role of insurance in achieving and supporting the United Nations Sustainable Development Goals (SDGs). The discussion on the theme "Non-life insurance and the United Nations Sustainable Development Goals" was led by Deputy to Chairman of the ISSSG, Ekaterine Tsereteli, upon the association's invitation.

The discussions was focused on the following key issues: poverty reduction through the insurance sector, decreasing social inequality, ensuring access to healthcare, promoting decent work, combating climate change, mitigating risks related to natural disasters, and fostering economic resilience, as well as the overall role of insurance systems in achieving global goals. Participants shared their experiences, current challenges, and future visions in these areas, along with the measures already implemented or planned. They also exchanged recommendations on how to improve and accelerate coordinated efforts to ensure the achievement of the Sustainable Development Goals by the 2030 target year.

It is noteworthy that this topic is extensively covered in the "Georgia's Development Strategy – Vision 2030" approved by the Government of Georgia, which emphasizes the role of insurance instruments and their impact on achieving long-term development goals.

Since 2019, the Chairman of the ISSSG, Mr. Davvid Onoprishvili, has been a member of the IAIS Implementation and Assessment Committee (IAC), actively participating in the Committee’s work on behalf of both the ISSSG and Georgia. In 2024, IAC held four meetings—two in person (including in Cape Town and Basel) and two in virtual format. During the reporting period, the key topics discussed at the working meetings included the assessment of insurance market development in IAIS member jurisdictions in relation to the Insurance Core Principles (ICP) — a core function of the Committee. Other matters included the development of a memorandum on a unified supervisory framework for internationally active insurance groups (IAIGs), and a guidance paper on transitioning to a risk-based solvency (RBS) regime, which outlines considerations and recommendations for jurisdictions establishing or enhancing such frameworks.

The IAIS 2025–2029 Strategic Plan priorities are: digital innovation and cyber risks; a new project on fair treatment of customers and operational resilience in the insurance sector, aimed at improving related standards; climate-related supervisory risks; and the advancement of inclusive insurance in diverse markets.



NAIC

In 2024, the National Association of Insurance Commissioners (NAIC) of the United States hosted an international forum, which was attended by the Chairman of the ISSSG as part of a working visit. The meeting took place in Washington, D.C., United States.



In 2024, cooperation continued with the International Organization of Pension Supervisors (IOPS), and the ISSSG, as a member of IOPS, participated in the international conference/roundtable held in Yogyakarta, Indonesia, focused on voluntary (private) pension savings in Asia. The event was organized by the Organisation for Economic Co-operation and Development (OECD), the Asian Development Bank (ADB), and Indonesia’s financial regulator. The conference addressed region-specific challenges in Asia, reflecting the scale and complexity of issues unique to the region. Discussions covered regulatory experiences in the insurance and pension sectors, institutional frameworks, and insurance market data. Regulators from various countries shared their perspectives on the key challenges arising from increasing risks. Topics of discussion included market development trends in the financial sectors of Asian jurisdictions, regulatory challenges, the impact of climate change on insurance, gaps in financial protection in cases of pension savings and natural disasters, and the use and role of technology in enhancing access to insurance and pension offerings.

In 2024, as in previous years, cooperation continued with the European Insurance and Occupational Pensions Authority (EIOPA). Although Georgia is not a member of the European Union, the ISSSG regularly participates in EIOPA-organized meetings and events by invitation, which adds significant value to this cooperation. During the reporting period, upon EIOPA's invitation, the Chairman of the ISSSG attended a conference held in Frankfurt, Germany. The event aimed to strengthen collaboration with non-EU and non-EEA jurisdictions in Eastern Europe and the Western Balkans that are interested in adapting and implementing EU risk-based insurance legislation. The conference addressed key issues related to regulatory and supervisory practices, including the impact of inflation across regions, climate change-induced natural disasters and their implications for insurance, risk-based supervision and its application in a dynamic environment, as well as recent developments surrounding Solvency II.



In 2024, the ISSSG participated in the 11th annual event organized in Budapest, Hungary, by the three European Supervisory Authorities (ESAs), dedicated to Consumer Protection Day in the financial sector. The event focused primarily on the use of artificial intelligence in the financial sector, improving access to financial products, and ensuring effective supervision.

Also in Budapest, the ISSSG took part in the IAIS CEET regional meeting titled “Supervisory Focus for the Coming Years: Climate Change, Digital Innovation, and Solvency II,” hosted by the Central Bank of Hungary. As one of the regional representatives, the ISSSG engaged in discussions centered on current global trends and supervisory practices related to sustainability, climate-related risks, digital innovations (FinTech and SupTech), and cyber risks. In addition, the meeting covered recent amendments to the Solvency II Directive currently in the process of being implemented, as well as IAIS’s planned activities for 2025–2029.

During the reporting period, representatives of the ISSSG also participated virtually in a series of brief events organized by the European Insurance and Occupational Pensions Authority (EIOPA), focused on the new 2024 EU Directive on the Recovery and Resolution of Insurance and Reinsurance Undertakings (IRRDR). Engagement with this topic is expected to continue into 2025.



In 2024, cooperation with the Eastern European Risk and Insurance Association (EERIA) continued, and within the framework of the ISSSG's membership in the Association, its representatives participated in the First Summer School program held in Ohrid, North Macedonia. The training program covered the following topics: insurance business models, governance systems, regulation, digital transformation, and sustainable insurance. It included an overview of the current landscape of the insurance sector, discussion of different models, challenges, and advantages, as well as case studies. Participants had the opportunity to share experiences from various countries and engage in open discussions with invited speakers. Upon completion of the program, participants were awarded certificates.



During the reporting period, cooperation continued between the ISSSG and XPRIMM (Promoting the Reinsurance & Insurance Market by Media), a media agency specializing in insurance/reinsurance, insurance intermediation, and private pension insurance topics. Within the framework of this cooperation, in 2024, representatives of the ISSSG conducted a working visit to Baku and participated in the Azerbaijan International Insurance Forum, organized by the Central Bank of Azerbaijan and the Insurance Association of Azerbaijan. The event covered several key topics, including climate risks in insurance, bancassurance products, current challenges and trends, access to health insurance, the role of technology in motor vehicle insurance, and more.

As part of the cooperation with media agency XPRIMM, an international conference and an extended format working meeting are planned to be held in Georgia in June 2025.



During the reporting period, the ISSSG was invited to participate in a meeting jointly organized by the Financial Stability Institute (FSI) and the Bank for International Settlements (BIS) in Basel, Switzerland. The meeting focused on the implementation of policies regarding the involvement of big-tech companies in the insurance business. Discussions covered the operations of large technology companies both as insurers and intermediaries, their potential for scaling, motivations for entering the insurance market, and the use of digital platforms by insurance intermediaries to distribute insurance products. The discussion also emphasized regional cultural factors, consumer behavior patterns, and market maturity. An extensive discussion was also held on the role of artificial intelligence in financial activities, alongside presentations on the perspectives of regulatory frameworks.

In 2024, the ISSSG participated in the 9th International Insurance Conference organized by the Insurance Supervision Agency of Slovenia in Ljubljana. The event focused on the impact of climate change on the insurance market, ways to overcome emerging challenges, and effective solutions for environmental protection. Key topics included the prediction of natural disasters, current protection gaps in insurance, and potential remedies. During the meetings, the Chairman of ISSSG initiated the planning of a Memorandum of Understanding with the Slovenian Insurance Supervision Agency. Preparatory work for the signing of the memorandum is currently underway.

Also, during the reporting period, representatives of the ISSSG participated in a seminar held in Tbilisi, organized with the support of the Government of Romania (RO-AID). The seminar focused on the practical aspects of EU accession, and the preparatory work required following the launch of accession negotiations. Romanian experts shared their experience in organizing the pre-accession process, including horizontal and vertical coordination mechanisms, national cooperation policies, specific challenges of translating legal documents, negotiation practices, and the role of EU financial and advisory support instruments.

Deepening Bilateral Cooperation

During the reporting period, within the framework of a high-level bilateral meeting, the Chairman of the ISSSG, Mr. David Onoprishvili, hosted Mr. Peter Braumüller, Managing Director for Insurance and Pension Supervision of the Austrian Financial Market Authority (FMA). As part of the visit, Mr. Braumüller also met with representatives of the ISSSG and shared insights on EU standards and best practices related to the Solvency II regulatory framework. He also addressed topics concerning climate risks and sustainability in the insurance sector, as well as trends and challenges related to digitalization.

During the meeting with the Chairman of the ISSSG, the parties discussed the deepening of future cooperation and potential areas of collaboration. To this end, Mr. Braumüller expressed an initiative to host representatives of the ISSSG at the Austrian Financial Market Authority and to hold a follow-up meeting with the Chairman of the ISSSG. In addition, the parties agreed to initiate relevant preparatory work toward the possible signing of a memorandum of cooperation between the two institutions.



EU Integration



During the reporting period, the ISSSG continued its involvement in the implementation of tasks under the electronic platform for legal approximation (EMS), created by the Ministry of Justice, aimed at monitoring the fulfillment of obligations related to legal harmonization with the European Union. Specifically, the ISSSG participated in the meetings of the Interagency Working Group on the Coordination and Monitoring of Legal Approximation with the EU, established in 2024 based on the decision adopted at the 71st session of the Government Commission on EU Integration of Georgia. As part of these efforts, the ISSSG ensured the uploading of relevant information to the EMS platform concerning directives for which the Ministry of Justice had set deadlines in the latter half of 2024. It is also noteworthy that during the reporting period, the ISSSG completed and submitted the 2024–2025 Action Plan for Legal Approximation with the EU to the Ministry of Justice. During the reporting period, at the request of the Ministry of Foreign Affairs of Georgia, the ISSSG prepared semi-annual and annual reports on the implementation of Georgia's National Action Plan for EU Integration. These reports cover activities outlined under the Association Agreement and the Association Agenda between Georgia and the European Union and reflect the status of implementation within the ISSSG's competence, as recorded in the electronic monitoring system of the Association Agreement.

During the reporting period, the ISSSG reviewed and analyzed the European Commission's 2024 Enlargement Package, which provides an in-depth overview of the financial sector (including insurance), assessing its alignment with EU standards.

Within the framework of dynamic approximation and with the goal of harmonizing insurance legislation and advancing further integration, the ISSSG plans to align with Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution. This directive is not explicitly reflected in the Association Agreement between Georgia and the European Union. Additionally, in light of modern global trends, it was deemed appropriate to initiate the implementation of Environmental, Social, and Governance (ESG) standards into local legislation. To support this, and in coordination with the Ministry of Foreign Affairs of Georgia, the ISSSG submitted a Twinning Concept Note to the EU Delegation to Georgia in 2024. As of October 2024, the proposal has been officially included in the pipeline of future Twinning projects.

Also in 2024, representatives of the ISSSG participated in meetings of the interagency working group established for dynamic approximation with the Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464) and for the development of corresponding legal acts. The aim of this directive is to provide supervisory, regulatory, and controlling authorities with comprehensive information on the sustainability of enterprises, including the risks and opportunities they face. Corporate sustainability reporting presents detailed information about a company's current and future impact on society and major global challenges.

The process of harmonization with the Solvency II Directive

In 2024, the ISSSG continued its work on harmonizing Georgian legislation with the Directive 2009/138/EC of the European Parliament and the Council of November 25, 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) within the framework of the relevant working group.

Importantly, to better understand the Solvency II system, the ISSSG invited Professor Karel Van Hulle, from the Goethe University in Frankfurt and the Catholic University of Leuven, who is also the author of the Solvency II system. Professor Van Hulle held working meetings with the ISSSG's employees and licensed insurance companies in Georgia. During the meetings, he discussed the legislative framework of Solvency II, prepared jointly by the ISSSG and Spanish experts, and provided his insights. He also provided an in-depth overview of the system and current related issues. For industry representatives, this was a significant opportunity to hear directly from the person who developed the system for EU countries about the new system and its specifics. The ISSSG plans to continue collaboration on this topic with Professor Van Hulle to further understand the specifics of its implementation. Additionally, it should be noted that the main part of the aforementioned draft law has been finalized within the working group created by the ISSSG and it is planned to introduce it to other stakeholders in 2025.

Since the requirements of the aforementioned directive are systemic in nature and its harmonization completely changes the regulatory framework for insurance, as well as the approaches to the operations of insurance companies, its implementation is an ongoing process, and efforts in this direction will continue over the coming period.

Protection of Consumer Rights

The protection of consumer rights in the insurance sector and the systematic monitoring of the consumer market represent key priority areas of the activities of the ISSSG. Instruction on the protection of consumer rights by the insurer during the provision of insurance services

- The instruction regulates the consistent provision of complete, necessary, clear, accurate, and timely information by the insurer to the consumer during the delivery of insurance services. It aims to protect consumer rights in the insurance sector, ensure control of systemic risks, foster a competitive environment, and reduce potential risks in the consumer market.

- The purpose of the instruction is to strengthen market discipline and increase the economic efficiency of the consumer market in the country. It also seeks to raise awareness and build consumer trust toward the insurance sector, ensure that insurers adhere to the principles of good faith, care, and prudence during their operations, and reduce the risk of using unsustainable and reputationally risky business models by insurers. These efforts serve to establish the conditions necessary for fair and healthy competition.

The instruction applies to insurers when providing insurance services—whether compulsory or voluntary—within the scope of any type of insurance activity. It covers all forms of interaction with consumers, including through remote communication channels, whether directly by the insurer or on their behalf.

Before entering an insurance contract, it is important to understand your rights in order to make an informed decision and develop realistic expectations based on the contract:

- Before signing an insurance contract, you are entitled to receive a detailed, accurate, clear, and non-misleading description of the insurance terms and conditions;
- If the insurer offers you the insurance product in written form (either physically or electronically), they must provide an accompanying “Information Sheet” detailing the insurance product.
- If the product is offered verbally, the insurer must provide this information in the same manner; An insurance contract may consist of multiple documents (e.g., the insurance agreement, terms and conditions, insurance policy, annexes, etc.). At the time of signing, you must also receive the “Key Terms of the Contract”, which summarizes the essential information about the insurance product and lists all contract-related documents;
- If any changes occur to the insurance terms after the product has been offered but before the contract is signed—and the insurer knows you have relied on those terms in good faith—they are obligated to disclose and explain the updated terms to you;
- During the validity of a remotely signed insurance contract, you have the right to request a change to the agreed method of remote communication, provided that such a change does not conflict with the terms of the contract or the nature of the insurance product;
- Upon request, the insurer must provide standard information related to the insurance contract free of charge and within a reasonable timeframe.
- Upon request (including in the case of remotely concluded contracts), the insurer is obliged to provide all supporting documents related to the insurance terms in physical form, free of charge and within a reasonable timeframe; If there is a potential change in the terms of the insurance contract, the insurer must inform you directly, through the pre-agreed notification method stipulated in the contract. Posting information only on the insurer’s website is not considered as a valid notification;
- By mutual agreement, you and the insurer may waive the advance notification requirement if the changes to the insurance contract are beneficial to you;
- If you are dissatisfied with the insurer’s services or any specific insurance product, you have the right to file a complaint with the insurer’s dedicated unit.

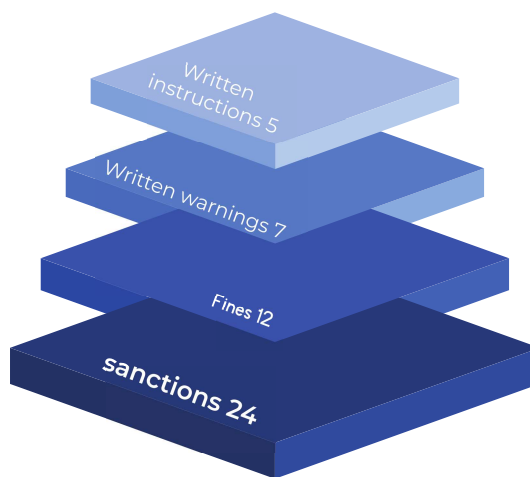
In case of violation of your rights by the insurer, insurance agent, or insurance broker, you are entitled to apply to the Insurance State Supervision Service of Georgia.

Statistical Data – 2024

In 2024, the ISSSG received 194 new complaints;
The review of 8 complaints submitted in 2023 continued in the current reporting period;
During the reporting period, the ISSSG completed proceedings on 187 complaints;
As of 31 December 2024, 15 cases were still under review;
The ISSSG reviewed 191 monthly reports submitted by insurers regarding customer complaints.
As a result of reviewing customer complaints and submitted reports, various types of violations were identified.

Depending on the nature and severity of the breaches, corresponding/appropriate sanctions were imposed.

In total, 24 sanctions were issued, including:



Remote Monitoring

In the reporting period, within the scope of remote monitoring, the ISSSG inspected two insurers for compliance with Articles 6 and 7 of the “Instruction on the protection of consumer rights by the insurer during the provision of insurance services.” In one case, significant deficiencies were identified; In the other, moderate deficiencies were detected.

To eliminate and address the identified shortcomings, the ISSSG requested action plans from the insurers aimed at correcting the issues within the shortest timeframe possible.

Thematic Monitoring: Minimum Requirements for Travel Insurance

As of March 1, 2024, minimum requirements for travel insurance products came into force. Key elements of the regulation include:

If the total limit of travel insurance equals or exceeds €30,000 / \$30,000:

- a) Emergency outpatient care: Minimum coverage limit must be at least €5,000 / \$5,000 (previously €1,000–2,000);
- b) Emergency hospitalization: Minimum coverage limit must be at least €30,000 / \$30,000 (previously €400/day);

If the total limit of travel insurance is less than €30,000 / \$30,000:

- a) Emergency outpatient care: Coverage must be no less than 10% of the total limit, but at least €1,000 / \$1,000 (previously €150–1,000/\$150–1,000);
- b) Emergency surgical care: Coverage must equal the entire insurance limit, (representing an increase of at least tenfold compared to the previous limits of €150–400 / \$150–400).

An insurance event that occurs and continues after the end of the insurance period (previously, compensation was provided only within the insurance period):

- a) If the medical service provider charges at fixed rate, it must be fully covered, provided the event occurred during the insurance period – within the established limits;
- b) If charged daily, reimbursement must cover at least 15 (fifteen) days beyond the end of the policy period.

Mandatory minimum coverage levels for emergency medical services;

Full disclosure of travel insurance terms (delivered in the same form as the contract and policy).

! It is not permissible to consider a reference to online availability or a general statement of provision as adequate disclosure.

Obligation to reimburse claims related to insurance events that began but were not completed during the policy period;

! Age-based discrimination is prohibited in travel insurance products.

Following the enforcement of the new standard, the ISSSG conducted thematic monitoring, evaluating updated insurance terms, policy designs, and compliance with the minimum criteria. Only those products that fully met the new requirements were allowed on the market.

- Following the enforcement of the established requirements, consumer protection and awareness in the travel insurance market have improved;
- Enforced changes promote healthy competition in the travel insurance market.

Recommendation – „On informing the consumer regarding the refusal to provide insurance compensation in case of gross negligence under property insurance“

During the reporting period, the ISSSG examined the issue of gross negligence as a basis for denying compensation in property insurance claims. The ISSSG analyzed international standards and the reforms implemented. The purpose of the study was to support the development of a fair approach in the local insurance market, ensure alignment with international best practices, and promote accurate consumer expectations when insurers decide on claim payouts.

As a result, on 8 July 2024, the ISSSG issued a recommendation aimed at enhancing fairness and the quality of consumer information in the insurance sector.

Specifically, the recommendation calls for the clear and comprehensible inclusion of gross negligence as an exclusion clause in the Information Sheet, Key Terms of the Insurance Contract, and the Insurance Contract itself. This measure aims to foster realistic consumer expectations, support informed decision-making at the pre-contractual stage, and promote fair and transparent provision of insurance services.

The recommendation applies to all licensed insurers and registered insurance intermediaries operating in Georgia.

The implementation of the measures outlined in the Recommendation will contribute to the development and adoption of transparent contractual terms, which in turn will strengthen consumer protection, build trust in insurers, and ultimately promote the advancement of the insurance market.

Recommended measures to ensure consumer awareness regarding “gross negligence” as a ground for denial of insurance indemnity in property insurance:

The insurer shall develop a unified approach for assessing gross negligence, which must be fair, simple, understandable, and aligned with established judicial practice in Georgia;

The insurer shall clearly and explicitly include in the insurance contract a clause indicating that gross negligence constitutes a contractual ground for the insurer to refuse indemnity. The criteria for determining whether an action will be qualified as gross negligence must be unambiguous and presented in a manner that is easily understandable to the consumer;

The insurer must ensure that the condition of “gross negligence” as a basis for exemption from the indemnity obligation is reflected in both the „Information Sheet“ and “Key terms of Insurance Contract”, as required by the regulatory instruction. It should be included alongside a complete list of insurance exclusions and presented clearly to the consumer during both the product offering and contract conclusion stages.

II. During the reporting period, amendments were made to the “Instruction on the protection of consumer rights by the insurer during the provision of insurance services”.

- The procedure for providing consistent, complete, essential information in cases of debt arising from the insurance contract and early termination of the insurance agreement was defined and clarified.
- The established requirements are binding for insurers, ensuring that administrative processes are conducted transparently, timely, and effectively, contributing to improved consumer awareness and increased trust in the insurance sector.
- The deadline for complying with these requirements has been set for February 1st, 2025.

Pension Provision System and the Consumer

During the reporting period, in collaboration with invited experts, two draft legal acts were developed in accordance with the Law of Georgia „On Voluntary Private Pension“:

- The rule for protecting the rights of consumers, aimed at ensuring the protection of the interests of participants, potential participants, and beneficiaries;
- The minimum requirements of the mechanisms for considering and resolving the claims of participants and beneficiaries of a pension company and an insurer.

Private Pension Priorities

More control over your savings - You decide how much to contribute, how often, and how to manage your accumulated funds;

Long-term accumulation opportunity - Your savings grow over time as they are invested, and the returns are added. The pension scheme is designed for long-term prospects, meaning your savings grow more effectively over time;

Potential for investment growth - Investment in pension funds increases your savings using more diversified and profitable investment instruments.

Tax benefits - Annual pension contributions up to 6,000 GEL and received pensions are not subject to income tax;

Independence from state pensions - State pensions cover only basic needs, while private pensions ensure a guaranteed income for your retirement;

Accessible to every citizen - The system is available to everyone, regardless of employment status.

Voluntary private pension system – an opportunity to manage your financial future!

First National Consumer Protection Strategy

The Government of Georgia has endorsed the first National Consumer Protection Strategy.

The document aims to develop the legal and institutional framework for consumer protection and to strengthen inter-agency coordination in this domain.

The four-year strategy outlines legislative, institutional, and practical reforms, raises awareness among consumers and businesses, enhances cooperation with international and local organizations, and includes other important steps necessary to address challenges in the sector.

The first National Consumer Protection Strategy was developed with the involvement of the Georgian National Competition and Consumer Protection Agency, the Insurance State Supervision Service of Georgia, the National Bank of Georgia, the Communications Commission, the Georgian National Energy and Water Supply Regulatory Commission (GNERC), and the National Food Agency.

The goal of the Strategy is to ensure, at the national level and through a joint framework, the equal and effective protection of both collective and individual consumer interests. This approach is expected to provide even stronger guarantees for citizens as consumers, ensuring that their rights are better protected and safeguarded.

On December 27 of the current year, a Steering Committee composing six regulatory agencies convened to review the initiatives implemented in 2024 in accordance with the action plan and to approve it for 2025.

Promoting Financial Education

International Consumer Protection Week

Organized by the Insurance State Supervision Service of Georgia, the Georgian National Competition and Consumer Protection Agency, GNERC, the National Bank of Georgia, the Communications Commission, and the National Food Agency, International Consumer Protection Week was held from March 11 to 15.



The opening event took place on March 11 in Tbilisi at the Pullman Hotel, where the six regulatory agencies responsible for consumer rights protection discussed the outcomes achieved in this field, ongoing challenges, and enforcement mechanisms.

The Chairman of the ISSSG, Mr. David Onoprishvili, addressed the participants. He spoke about the activities and results achieved by the ISSSG in 2023 regarding consumer protection, as well as the current challenges. He also highlighted the importance of effective consumer awareness campaigns and shared insights from international experience



As part of International Consumer Protection Week, meetings with consumers were held on March 12 in Gurjaani, March 14 in Kutaisi, and on March 15—World Consumer Rights Day—in Batumi.

The goal of the week was to raise public awareness about consumer rights.

The events were attended by heads of regulatory authorities, Members of Parliament, representatives of central and regional governments, the business community, academia, non-governmental organizations, and consumers from various sectors. To promote the exchange of the best international practices, participants also included representatives from the European Union, UNCTAD, the diplomatic corps, and the Lithuanian Consumer Rights Protection Authority



III International Conference "Competition and Consumer Protection"

COMPETITION AND CONSUMER PROTECTION II INTERNATIONAL CONFERENCE

NOVEMBER 16-18 | 2023 | TBILISI, GEORGIA



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National Bank of Georgia



Georgian National
Competition
Agency



INSURANCE STATE
SUPERVISION SERVICE OF
GEORGIA



Communications
Commission

From November 20 to 22, 2024, Tbilisi hosted the III International Conference "Competition and Consumer Protection." The annual conference aims to strengthen competition policy in Georgia by drawing on international and local practices, facilitating in-depth discussions on achieved results and existing challenges, and improving mechanisms for consumer protection.

The conference was attended by over 300 delegates, including more than 50 local and international speakers and 25 representatives from competition and consumer protection agencies across 12 countries. Participants also included members of the Government and Parliament of Georgia, local and international experts, representatives of public institutions, regulatory authorities, academia, and the business sector.

The opening session featured remarks from: Mr. David Onoprishvili, Chairman of the Insurance State Supervision Service of Georgia; Mr. Irakli Lekvinadze, Chairman of the Georgian National Competition and Consumer Protection Agency; Mr. David Narmania, Chairman of the Georgian National Energy and Water Supply Regulatory Commission (GNERC); Ms. Ekaterine Galdava, Vice President and Board Member of the National Bank of Georgia; Mr. Vakhtang Abashidze, Member of the Communications Commission.



As a keynote speaker, Ms. Teresa Moreira, Head of the Competition and Consumer Policies Branch at UNCTAD, addressed the audience, alongside Ms. Cristina Caffarra, Deputy Director of the Competition Research Policy Network, and Ms. Isabelle Pérignon, Director for Consumers at the Directorate-General for Justice and Consumers of the European Commission, among others. Together with representatives from both local and international organizations — including ICN, UNCTAD, OECD, EU DG COMP, and EU DG JUSTICE — the conference explored the activities undertaken in the fields of competition and consumer protection, discussed key challenges, and reviewed best practices and outcomes achieved at both the international and national levels.

As part of the conference, seven sessions and two panel discussions were held with the participation of local and international experts. The Head of the Consumer Rights Protection and Financial Education Division also took part, presenting effective approaches to consumer protection, relevant standards, and emerging trends.

Global Money Week

In 2024, Global Money Week was held with the participation of the Insurance State Supervision Service of Georgia, organized by the National Bank of Georgia's financial education platform, "FinEdu."

As part of the week, a public panel event was hosted at Alte University, focused on the theme "Protect Your Money, Secure Your Future," aimed at the younger generation. Representatives of the ISSSG spoke about the importance and role of insurance, while a representative from JSC Insurance Company Unison addressed the significance of cyber insurance.

Global Money Week has been celebrated worldwide since 2012. Held annually in over 170 countries during the spring, its main goal is to promote financial, economic, and entrepreneurial awareness and literacy among children and youth.

Working Meeting in the Kakheti Region

In celebration of Insurance Day, the Chairman of the Insurance State Supervision Service of Georgia, Mr. David Onoprishvili, along with representatives of the ISSSG, held a working meeting with the State Representative in the Kakheti Region, Mr. Giorgi Aladashvili, his deputies, and the mayors of the municipalities. The meeting was part of a campaign dedicated to Insurance Day.

Held at the Administration of the State Representative in Kakheti, the meeting focused on the current state of the insurance industry, key outcomes, and the functions of the ISSSG. Special attention was given to the importance of the agro-insurance project and the specific challenges facing the Kakheti region in this regard.



During the meeting, the parties discussed the necessity of effective consumer protection, mechanisms for improving consumer awareness, and future initiatives to be implemented in this direction.

As part of Insurance Day on May 2, various informational and educational activities were held throughout the week.

Informative brochures:

„The Importance of Insurance“

"Insurance and Consumer Rights"

"Minimum Requirements for Travel Insurance"

"Educational Calendar of Insurance Terms"

The materials developed within the campaign were published on the "FinEdu" Facebook page.

Final Event of the “Financial Education in Schools” Competition

The final event of the “Financial Education in Schools” competition, organized for teachers by the ISSSG, the National Bank of Georgia, “FinEdu”, and the Ministry of Education, Science, and Youth of Georgia, was held to honor and award the winning educators.

At the award ceremony, the Chairman of the Insurance State Supervision Service, Mr. David Onoprishvili, addressed the audience. He emphasized that one of the ISSSG’s key goals is to raise awareness about insurance and to support financial education in schools.



The ceremony was officially opened with welcoming remarks from Ms. Natia Turnava, President of the National Bank of Georgia, and Ms. Tamar Makharashvili, Deputy Minister of Education, Science, and Youth of Georgia. In addition to the official winners of the competition, special recognitions were also presented by the ISSSG, as well as representatives from the private insurance and financial sectors, who selected and awarded their own favorites.

Meeting of the National Financial Education Strategy Steering Committee

The Chairman of the ISSSG, Mr. David Onoprishvili, participated in the 8th meeting of the National Financial Education Strategy Steering Committee, which was held at the National Bank of Georgia and chaired by its President, Ms. Natia Turnava. The meeting brought together committee members from public, civil, educational, and private commercial sectors, along with other interested parties from commercial banks.

Participants reviewed the joint activities and results of 2023 in the field of financial education and discussed the 2024 plans, priorities, challenges, and opportunities.

The National Financial Education Strategy outlines key priorities and goals, promotes practical collaboration among stakeholders, and supports improved access to financial education for all target groups.

Activities Implemented at Local Level

Meeting of the Supervisory Board of the Insurance State Supervision Service at the Parliament of Georgia

A session of the Supervisory Board of the Insurance State Supervision Service of Georgia was held at the Parliament of Georgia, where the Chairman of the ISSSG, Mr. David Onoprishvili, presented the 2023 annual activity report of the ISSSG to the Board members. He also shared the results of the first five months of 2024 of the Georgian insurance market, discussed the measures taken in the field of consumer rights protection and the future plans of the ISSSG.



The meeting was attended by members of the Supervisory Board, including: Mr. Levan Davitashvili, Vice Prime Minister and Minister of Economy and Sustainable Development; Mr. Lasha Khutsishvili, Minister of Finance; Mr. Otar Shamugia, Minister of Environmental Protection and Agriculture; Mr. Mikheil Sarjveladze, Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health, and Social Affairs; Mr. Levan Vepkhvadze, Executive Director of the Business Association of Georgia; Mr. Elguja Meladze, President of the Employers' Association and representatives of the Insurance State Supervision Service of Georgia.

Mr. David Onoprishvili Participated in a Discussion Held Within the Economic Forum

The Chairman of the ISSSG, Mr. David Onoprishvili, participated in a discussion held within the Economic Forum alongside Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health, and Social Affairs Mr. Mikheil Sarjveladze and the CEO of Georgia Healthcare Group, Mr. Irakli Gogiashvili.

The discussion focused on the opportunities and challenges of Georgia's healthcare and insurance sectors. Key aspects highlighted during the panel included the resources and capabilities of the insurance sector. Several important insights were shared.

Mr. Davit Onoprishvili spoke about the ongoing developments and plans in the insurance sector. It was noted during the meeting that cooperation with the sector and relevant institutions will actively continue in response to the issues raised.

Professor Karel Van Hulle's Working Visit to Georgia

At the special invitation of the Chairman of the ISSSG, Mr. David Onoprishvili, Professor Karel Van Hulle of Goethe University Frankfurt and KU Leuven (Catholic University of Leuven) held a working meeting in Georgia with licensed insurance companies.

Professor Van Hulle is a globally recognized expert and a member of the Technical Committee of the International Association of Insurance Supervisors (IAIS), responsible for shaping international approaches to insurance regulation. From 2004 to 2013, he led the insurance and pension policy divisions within the European Commission. One of his most significant achievements is his role in developing the Solvency II regime—a risk-based solvency framework for insurance and reinsurance companies. He also represented the European Commission at the European Insurance and Occupational Pensions Authority (EIOPA) on these matters.

According to the EU–Georgia Association Agreement, Georgia is obliged to align its legislation with the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II). This alignment involves transitioning to a risk-based solvency system, the requirements of which will become mandatory for all licensed insurance and reinsurance companies in Georgia following the adoption of the new law.

The working meeting was held in a Q&A format, during which Professor Van Hulle spoke about the Solvency II system in the European Union and related topics. For industry representatives, this was a unique opportunity to receive first-hand insights into the new system and its specific features from the very expert who played a key role in developing it for EU member states.



As part of Mr. Karel Van Hulle's working visit, meetings were also held with the staff of the ISSSG, where participants conducted an in-depth discussion of the Solvency II system and associated issues, including: implementation of a risk-based supervision and solvency capital regime in Georgia; Own Risk and Solvency Assessment (ORSA); treatment of small and systemically important insurers; fit and proper assessment of persons responsible for company management; core governance functions within the Solvency II framework.

Working Meeting with the Insurance Sector

The Insurance State Supervision Service of Georgia held a working meeting with the insurance sector on the topic: "Gross Negligence as a Basis for Denial of Compensation in Insurance Relations." During the meeting, the results of a study conducted by the ISSSG, recent reforms, international practices, and future initiatives in this area were presented and discussed. The discussion emphasized the importance of the issue, the need to inform consumers, and the future activities to address and raise awareness on the matter.



Working Visit of the Representative of the Czech Association of Actuaries and Financial Analysts to Georgia

With the aim of supporting the development of the insurance sector and aligning it with European Union standards, a working meeting was held at the initiative of the Chairman of ISSSG, Mr. David Onoprishvili, and organized by the Association of Actuaries and Financial Analysts (AAFA). The meeting was attended by representatives of the ISSSG and insurance companies.

The session was led by Mr. Jan Schwab, Chairman of the Czech Society of Actuaries, who, together with the meeting participants, provided an in-depth overview of actuarial qualification requirements, annual actuarial reporting in the European Union, and international best practices.

Roundtable on Competition Law Enforcement with the Participation of Regulatory Authorities

In order to strengthen competition policy in Georgia, improve legal enforcement, and share international best practices, a roundtable was held at the initiative of the Georgian National Competition and Consumer Protection Agency, with the participation of national regulatory bodies.

The event was opened by and featured remarks from: Mr. David Onoprishvili, Chairman of the Insurance State Supervision Service of Georgia; Mr. Irakli Lekvinadze, Chairman of the Competition and Consumer Protection Agency, Ms. Natia Turnava, First Vice President and Acting President of the National Bank of Georgia; Mr. David Narmania, Chairman of the Georgian National Energy and Water Supply Regulatory Commission (GNERC); Ms. Ekaterine Imedadze, Member of the Communications Commission.



The meeting was held in a Q&A format, during which participants discussed current trends, challenges, opportunities, and results in the energy, communications, postal, and banking sectors, drawing on examples from Austria and Lithuania. The dialogue focused on strategic issues relevant to regulatory authorities.

Book Presentation: “Introduction to Insurance Law”

Mr. David Onoprishvili, Chairman of the Insurance State Supervision Service of Georgia, participated in the presentation of the newly published Georgian-language book "Introduction to Insurance Law" held at Ivane Javakhishvili Tbilisi State University. The book, authored by Associate Professor Natalia Motsonelidze, was introduced to the audience during the event.



Opening remarks were delivered by: Mr. David Onoprishvili, Chairman of the ISSSG; Mr. Lado Chanturia, Judge at the European Court of Human Rights from Georgia and Professor; Professor Besarion Zoidze; Ms. Tamar Zarandia, Dean of the Faculty of Law at TSU and Doctor of Law; Ms. Tamar Zambakhidze, Judge at the Supreme Court of Georgia.

