

# GOVERNANCE REPORT 2020

# About GPI Holding

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INSURANCE COMPANY  
BY WRITTEN PREMIUM

**2006**

SINCE 2006 A MEMBER  
OF THE VIENNA  
INSURANCE GROUP

## Mission

**We support progressive individuals to  
live without obstacles**



## Our Values

**Empathy**  
**Professionalism**  
**Fairness**  
**Progress**

## Service Attributes

 **Accurate**  
 **Simple**  
 **Fast**  
 **Comfortable**



# **ACTIVITY OVERVIEW**

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2020 was quite a difficult and challenging year for both GPI and the entire insurance sector. Naturally, we have adapted to the new environment and our plans have been changed, however the financial stability and financial strength of GPI have given us an instant and effective response to this challenge.

This year, our main task was to protect safety of our employees and customers. Namely due to this reason upon the outbreak of pandemic we moved to the remote mode of working. At the same time, it was very important for us to be quickly adopted to new reality, maintain employees' effectiveness and keep the business continuity. The most powerful tool in resolution of this issue was the strategy, which has been the main driving force of GPI for many years - digitization of insurance products.

Naturally, the transition to remote work due to pandemic has been a big challenge for us, but I am proud to say that our team has managed to adapt very quickly to both technical and internal communication channels in order to work remotely without interruptions and moreover, we maintained our effectiveness especially in sales and service - Once again I will emphasize that I am grateful to our colleagues who made possible rapid changes.



**Paata Lomadze**

**Director General of GPI Holding**

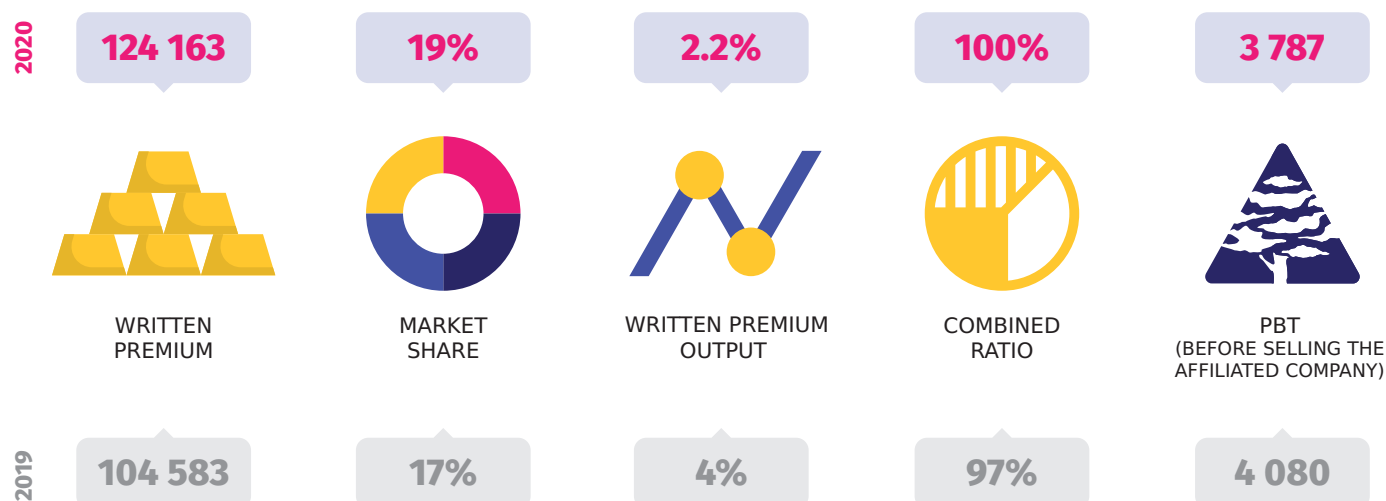
Furthermore, we saw an opportunity to transform the company and decided to fully embrace the advantages of hybrid work even after the pandemic. We understand that this requires changes in not only physical office space, but also rethinking and restyling of management, internal communications and other aspect of our activity. This is an exciting journey and we believe that it will transform our company for better.

Our digital services have allowed our customers to get the services remotely as quickly and with high quality as before. We started developing digital platforms much earlier, a few years ago and this allowed us to easily respond to the challenge, although we closed the service center, but all the processes became uninterrupted and maintained the quality of service. Once the pandemic started, we offered full insurance services online and simplified the procedures in order to make the process more convenient for our customers. We even noticed some kind of opportunity in the pandemic. If only 50% of the Insureds used digital services before the pandemic, this figure has increased by 90% and now 80% of Insureds are still using remote services.

Despite the fact that, compared to 2019, we had a minor increase in premium, this increase was primarily resulted by change of exchange rate of national currency and not by the increase of the Insureds. Due to the pandemic, travel insurance and CMTPL suffered much more. In general, the trends of motor insurance, small and medium business insurance, property insurance have also been reduced. At the same time health insurance line increased considerably, as healthcare became even more important during the pandemic.

Our stable position as the market leader allowed us to give a worthy response to the emerging challenges. It is this status that has attracted many of our loyal and dedicated customers who have always had high expectations of us. During the pandemic, we managed to be maximally flexible for our policyholders by offering them various payment schemes including: both temporary suspension of policies and deferred payments, discounts, and many others. This way, we were able to retain our customers despite the tremendous economic hardship they experienced as a result of the pandemic.

## MAIN FINANCIAL INDICATORS OF BUSINESS ACTIVITY



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The company's written premium rate is increased by approximately 19% in 2020 compared to the previous year. The market share of the company has also been increased and constitutes 19%.

The ultimate goal of the company's risk and finance management system is to protect shareholders from the cases that impede to achieve stable financial profitability. The significance of effective and prolific risk management system existence is acknowledged by the top management.

Overall, the supervisory board is being held accountable for overseeing the risk management structure, while the company management bears the responsibility for implementing risk management, controlling procedures and approving risk appetite.

Detailed information on risk management by the Company is provided in the 2020 Audited Financial Statement.

The exhaustive information on managing risks by the company and its affiliates is presented in the 2020 Audited Financial Statements.

The company's market share information and statistical data is retrieved from the following web-page: [insurance.gov.ge](https://insurance.gov.ge)



**SUPPORTING  
EMPLOYEES  
THROUGH  
COVID-19  
PANDEMIC**

# SUPPORTING EMPLOYEES THROUGH COVID-19 PANDEMIC

When Georgia has announced first confirmed cases of novel Corona Virus in the country, going to the office was very risky for our employees, since the reports of new cases continued to trend steadily upward. The health and well-being of our employees remained our highest priority. Although all age groups are at risk of contacting COVID-19, older people and people with underlying health conditions are more vulnerable against the virus and face significant risk of developing severe illnesses. Therefore, after the very first days of COVID pandemic outbreak the company management decided to mandate work-from-home for employees over 50, pregnant women, employees with chronic illnesses or and employees who traveled abroad for the last couple of weeks.

In response to the COVID-19 outbreak the company established pandemic risk management team consisting of operation director, IT Department, Marketing Communications Department and other core department representatives and the employees were encouraged to communicate with them in order to obtain any COVID-19 related information timely and accurately.



Since the new daily cases started rising the company started preparation for transitioning to remote work with the aim of maintaining all of the employees and support them to adapt on new remote-work reality. The COVID 19 pandemic risk management team was capable of providing staff with necessary inventory and equipment, while IT department set up a network and installed programs in the shortest possible time.

**WE ALL TOGETHER CAN  
STOP COVID-19!**

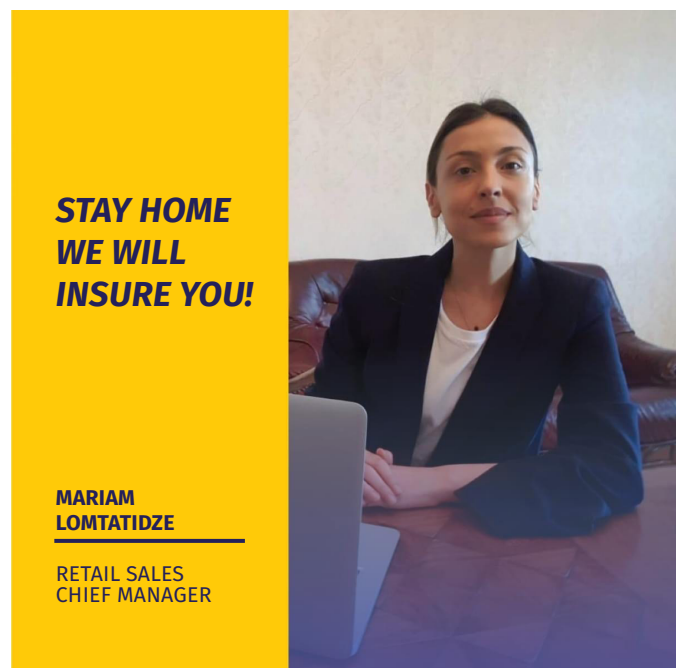
**GPI**   
VIENNA INSURANCE GROUP



At the same time, an internal communication plan was adopted which provided for daily communication activities of employees within the remote working process. Before the transition to a remote mode, the company's CEO and operation director had introduced the action plan to all employees a week earlier. It is noteworthy, that during pandemic, all of our employees maintained their job, salary and bonus except for small project staff. Furthermore, we upgraded recruitment system, successfully hired 64 new employees and provided smooth remote onboarding process during pandemic. We had day-to-day communication with our employees, constantly providing information and all department representatives had Zoom or Teams meetings on a daily basis. As a result, all processes in the company went smoothly during this unprecedented situation.

channels. At any stage, we had no obstacles and all the processes were proceeded smoothly. At the same time, the recruitment system was renewed and within the remote working process, 64 new employees were successfully hired and integrated into the working process.

In order to identify employees' needs and problems we conducted survey, which showed that 70% of our employees liked working remotely, the management also noticed the new opportunity in this challenge and took a decision to permanently move to the new model of working: so called to Hybrid Management Model, where more than 70% of employees work remotely from home, this model implies introducing of completely new approaches and standards in management, adoption of new management systems that started in 2020 and will be completed by the end of 2021.



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## STAFF PROFESSIONAL TRAINING AND DEVELOPMENT

Support for the career growth and professional development of employees is an integral part of the recruitment policy of GPI Holding. After the transition to the remote working mode, all internal training programs were adapted to the specification of distance learning, as a result, the total number of training days conducted in 2020 amounted to 261 days. In the same period, together with the invited external experts were developed and conducted the 6-month retraining program directed to corporate sales for 50 sales managers.

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## NEW ORGANIZATIONAL CHART

According to the strategy of GPI Holding, once in 3-5 years, the organizational chart is reviewed to reflect both the company's growth and new demands, as well as to respond to environmental changes, challenges, in order to keep pace with new perspectives and implement appropriate processes.

In 2020, an organizational restructuring of the company was completed. The process involved a team of consultants (C-Team) along with the top management and HR department. As part of the project, the existing structure, systems and processes were analyzed and appropriate changes were introduced. As a result, several completely new structural units were set up and staffed, for which five major processes were planned.

Furthermore, in early 2020 we introduced digital EJIL Management and Scrum Methodology.

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## BENEFITS

Our company always supports new mothers – offering flexible hours, approved absence during child illness and other relevant support for work-life balance. We also provide cash gift for childbirth, marriage or in the event of the death of loved ones.

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## SUPPORT FUND

For many years, the company has had a special fund to support employees in case of need. All employees voluntarily contribute a certain amount of money to support the fund. If any of our colleagues or their family members have a health problem, the GPI fund allocates a substantial sum for this cause. All GPI employees enjoy an effective insurance package provided by the company, but in the event of a serious diagnosis that exceeds insurance or state financial aid limits, we can provide assistance to our employees from this fund.

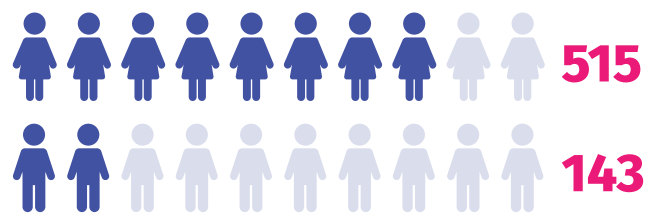
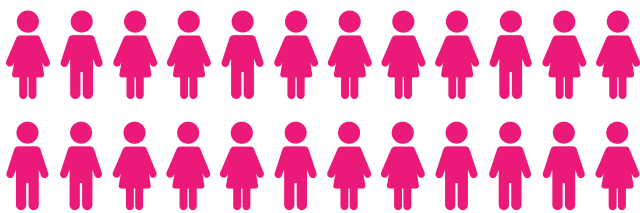


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## GENDER STATISTICS

FULL-TIME EMPLOYED IN GPI

**658**



EMPLOYED AT MANAGER POSITION





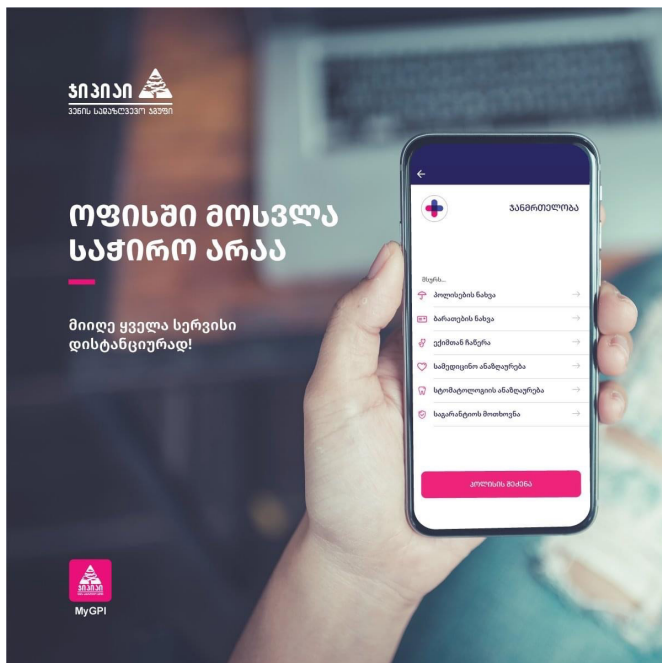
**SUPPORTING  
EMPLOYEES  
THROUGH  
COVID-19  
PANDEMIC**

# FULL ONLINE INSURANCE SERVICE

Full Online Insurance Service - before the pandemic the top priority of this project was to enhance efficiency of insurance services for our clients to make communication with us more convenient. To reduce visits to our service center and customer queues. It costed the company a lot of time and resource. GPI was the first company which offered the full online insurance service, but the pandemic brought it all up to other degrees.

From the very first days of the pandemic, the most important for the company was the safety of clients and employees. Therefore, after the first case of Coronavirus in the country, we closed the service offices and started providing the insurance services to our customers remotely.

The process began long before the pandemic; however, only 50% of the insureds took advantage of it. Even before the pandemic our clients had access to insurance products online, they were able to purchase a policy online, pay the premium, book a visit to the doctor, apply for a telephone consultation with a personal physician, get indemnification up to 500 GEL for medical and dental services on the same working day, request a letter of guarantee, apply online for a referral to a specialist independently, without personal physician's assistance, apply for medical examinations and co-financing for medication costs.



## GPI MOVES TOTALLY TO THE REMOTE WORKING MODE!



Actually, we had the readiness to switch to remote service mode, but we needed an urgent awareness campaign and significant fine-tuning and simplification of on-line services. To this end, we launched the "Stay at Home, We'll insure You!" campaign and encouraged our customers to receive the full range of insurance services online. Although we had already been providing almost all services to our customers remotely, the company management decided to move online all the services requiring visits to the office, including the signing of the policy; we have also simplified the telephone consultations with personal physicians. Since the beginning of March, we have introduced a phone consultation service with a pediatrician, which was not available before the pandemic.

We have allocated much more time for telephone consultations with physicians than planned before the pandemic, added the option of telephone consultations with subspecialists, and funded this service 100% for everyone, regardless of policy coverage. Our partner laboratory, Mrcheveli, provided in-home services for taking medical tests while the insureds paid only their share; we contacted the insureds through every possible channel and informed them about the functions of the application, explaining how to get this or that service online from the comfort of their homes. We referred emergency patients for examination or surgery to other provider clinics and funded the services remotely.

**STAY HOME  
STAY HEALTHY!**



**JOIN US IN ECOISTS!**



We simplified prescription of medications for Insureds suffering from chronic diseases in order to make this procedure more convenient for them without having to leave a house in a sense to protect their health. Referrals to medicaments were updating automatically and there was no need in call to personal doctor nor to the clinic. Based on the widespread belief frequent touching to money and payment cards was risky for that period, thus we offered to our customers to use an electronic card embedded directly into the application.

We designed a separate page on our website, where we provided our Insureds with information about the novel Corona Virus. From November on this website was available information on how the Covid confirmed Insureds or Covid suspicious patients could benefit from our services.

The Indemnification Service Department also worked remotely by 24-hour work schedule. If any Insured had a car accident, only in such a case on-site visit with a safe equipment was required. The Insured could have an opportunity to claim for a road accident indemnification remotely.

We had an active communication with Insureds through the facebook group "Ecoist", where we have been sharing the necessary information with our group members during the "Lockdown" period. We had Live sessions with the doctor, who has discussed the current situation and answered to all incoming questions. In cooperation with our partner company "Aspria" we were posting various fitness trainings that the members of "Ecoist" group could perform at home.

This project required quite a lot of human resources, involving almost every link: the management, who presented ideas for simplifying processes and providing benefits, the marketing communications staff, who communicated directly with the insureds.

At the time, the entire department was involved in activities designed to provide policyholders with detailed information about remotely available services. Small campaigns in support of the community and physicians were also planned; Human Resources supervised the process of transferring employees to remote work mode. Employees, developers, IT staff involved in the digital development process had to make changes to the application and website at an accelerated pace; As demand for online services increased, the department completely switched to ensuring their smooth delivery.

The workload has especially increased for employees working on online indemnification; here we had to add and reallocate staff. We added staff to the call center as well, where the number of referrals increased by 70%, especially during the second wave.

As a result, if before pandemic the applying rate for online/offline service in Insureds was 50%-50%, now 90% of our Insureds give their priority to remote services. Within two months the company had operated over 300 000 remote operations. For the quarantine period, the remotely indemnified amount for Insureds was more than 11 million GEL.

During the pandemic our Insureds had not to leave the house meanwhile we achieved our goal, that we have been trying for many years to increase remote service applying level among our Insureds.

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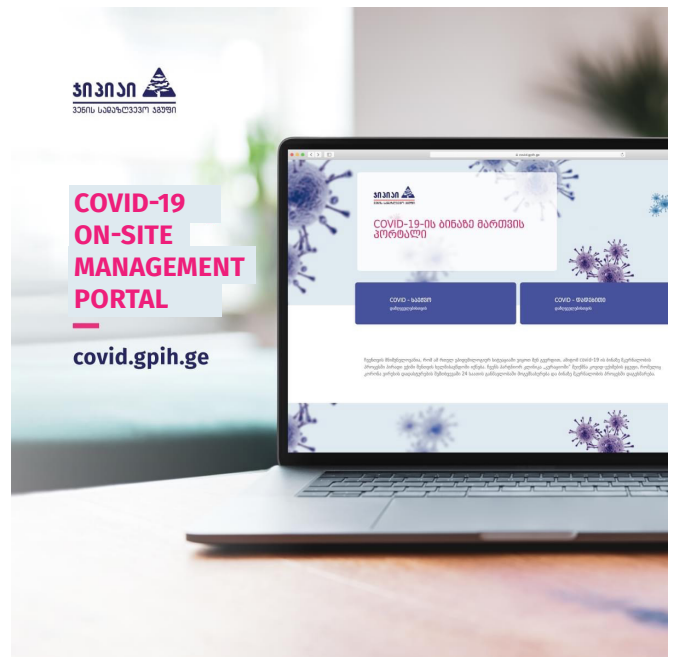
## COVID-19 ON-SITE MANAGEMENT

Starting from November 2020, the company decided to help government agencies in managing the pandemic and got involved in the at-home management of COVID-infected patients. Although the risk of a pandemic is listed in exclusions of the health insurance policies, given the current situation, the “GPI” is funding the costs of in-home treatment and testing for its insureds. The company has doubled its resources to meet the growing demand and ensures personal physician services to all its COVID -positive insureds through provider clinics. As prescribed by our personal physician, we fund all necessary tests for COVID-positive patients.

In parallel with the growth of the wave of Covid-positive patients, there was a sharp increase in addressing to the call-center for consultations with personal doctors.

Due to increased demands, we decided to simplify even this process and created the special portal covid.gpih.ge. Through this page, all Covid-infected or persons with suspicious symptoms could be registered in our base. Covid-infected Insureds, living in Tbilisi were entering personal data.

Within 24 hours, people living in the regions could find their personal doctor's phone and call them.



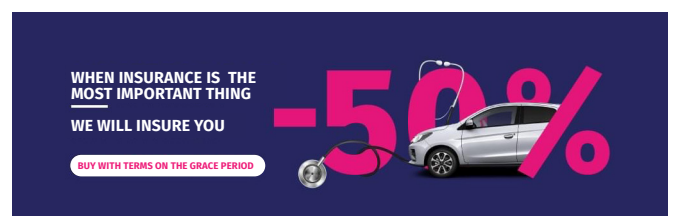
The website remains active and is constantly updated with current information, blogs, and articles about coronavirus and vaccination.

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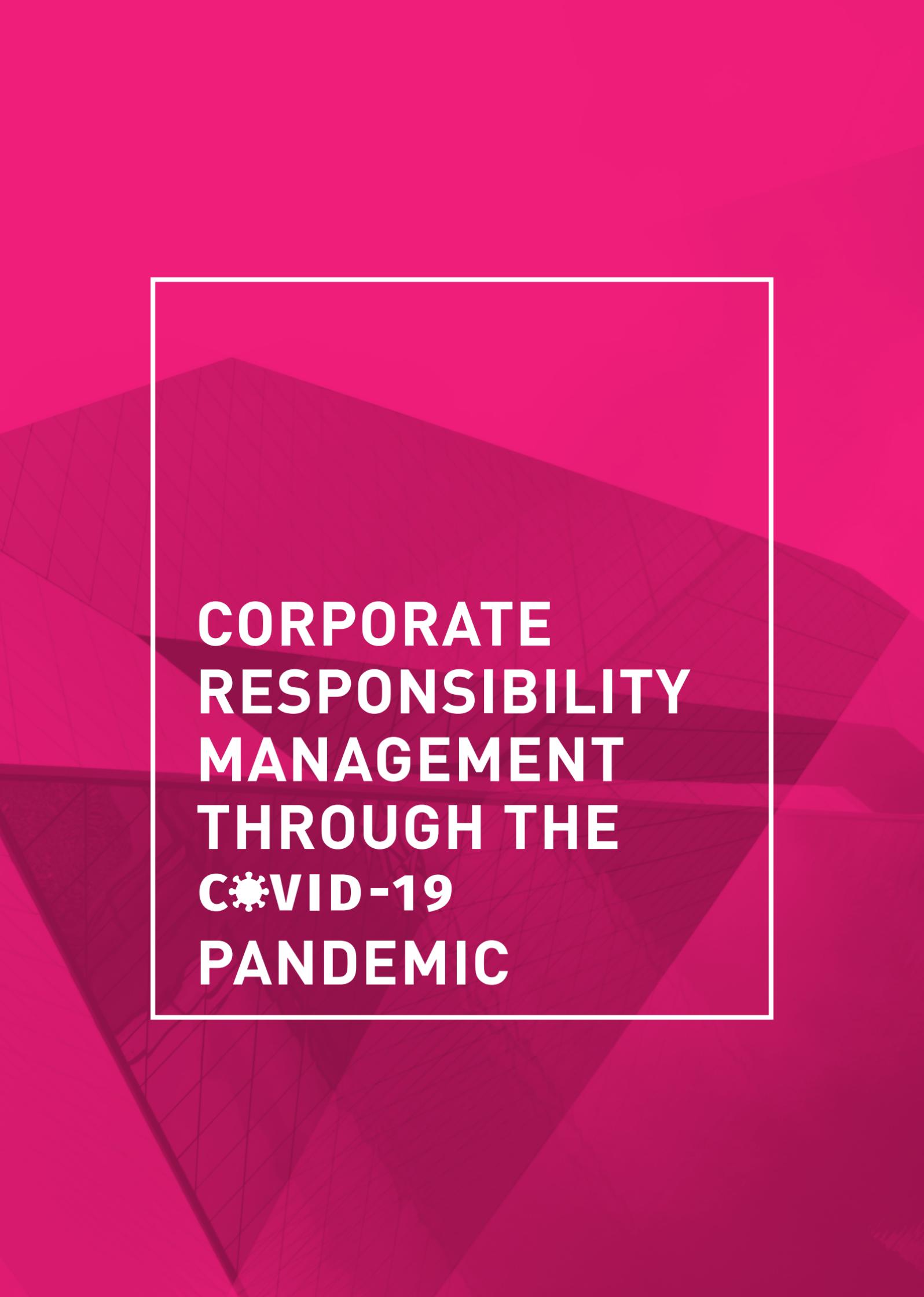
## CUSTOMER FINANCIAL SUPPORT AND BENEFITS

Since the pandemic caused serious disruption to the businesses we had insured, especially the hotel and restaurant businesses, we worked closely with them to develop individual benefits for each of them, such as deferral of premiums, temporary suspension of the policy without penalty, halving of premiums, etc.

During the first lockdown period, premiums for individual auto and health insurance customers were halved, grace periods were introduced and special agreements were reached with small and medium-sized companies involved in tourism and other vulnerable sectors to prevent imposing penalties and cancellation of policies.



The demand for health insurance especially increased during the pandemic, prompting us to offer health and auto insurance at a 50% discount. As a result, many people were able to insure their most valuable asset - their health - and keep their peace of mind during the pandemic.



**CORPORATE  
RESPONSIBILITY  
MANAGEMENT  
THROUGH THE  
COVID-19  
PANDEMIC**

# SUPPORT FOR INFECTIOUS HOSPITAL PHYSICIANS

Immediately, after the first cases of the pandemic were identified, medical doctors became involved in the fight against the invisible enemy. The role of the staff of the Tbilisi Infectious Diseases Hospital in this process was particularly great, because they received and treated the first patients. Given the current situation in the country, we considered the support and appreciation of medical doctors to be of utmost importance because they stand at the forefront of the fight against the virus.

As part of the fight against COVID-19, we created a "Gratitude Fund" to which we transferred 100,000 GEL in the first phase and used the amount to double the salaries of the Infectious Diseases Hospital doctors for April.

We launched an awareness 'Thank you Doctor' campaign. We published interviews with infectious disease doctors, nurses, and orderlies in our partner media outlets and on official Facebook page and introduced them to people.

In the second phase, we gave all employees the opportunity to donate the amount they wanted to the "Gratitude Fund." With the money raised, we have held various charity events.



**KETEVAN DONGHUZASHVILI**

**SUPERINTENDENT OF NURSING IN THE INFECTIOUS HOSPITAL**

*"Our work schedule has been changed over the last month, but I never thought to quit my job, especially when I see how wholeheartedly work my friends, I have spent my whole life with them. I never feel tiredness and I am always ready to fight together with them."*

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## AID TO ELDERLY PEOPLE IN CATHARSIS

Catharsis is a social assistance center for the elderly people who are in greatest need of care. The center ensures a daily nutrition for elderly people. Due to the pandemic, the delivery of food for them was under risk. We were able to fund their three-day food twice with resources from the "Gratitude Fund" and by the additional sources from the Company. On the first time, 3000 GEL we have transferred for the Easter. In addition, the second time 2000 GEL for the New Year. On both holidays the elderly people were able to take dinner home.



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## ASSISTANCE TO A SOCIALLY VULNERABLE LARGE FAMILY

By means of funds entered in the "Gratitude Fund" we were able to help the socially vulnerable Khazomia's large family. We received information about Tamuna Khazomiya's family from USAID and made our contribution to construction of their house. Tamuna has 4 children, two of them are with disabilities. The family is socially vulnerable and had no appropriate house where they could live normally. With the support of NGOs, the family started the construction of a small house, through the use of resources from "Gratitude Fund" we joined to the construction process and funded the roofing of the house completely.

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## MELIORA 2020 - CORPORATE LIABILITY AWARD

Our project "Full Online Insurance Service" won in the competition of Business Liability Award "Meliora 2020". In the category - "Supporting consumers and suppliers through the COVID-19 pandemic, we have earned recognition of the International Evaluation Commission and took the first place among the most important projects.

The strategic research and development center of Georgia has been conducting the Responsible Business Competition "Meliora" for the third year. It is noteworthy that we have won the award in all three categories.





# **DIGITAL PRODUCTS**

# Myportfolio

This is new online platform simplifying the sale process for employees of sale and underwriting department. The platform is a part of the customer relationship management process (crm), which allows the company and each employee of sales to manage their own portfolio. The platform gives to each employee the opportunity to have a perfect and constantly updated base on customers. The platform allows the company to collect customer information in a single system from different departments. Comprehensive information will allow the sales department to know the needs of clients exactly, make the proper offers and plan activities.

Myportfolio is available for sales or other staff at any time and from any location as from PC and iPads.

The platform fully responds to the sales process and needs of the company. It is synchronized with the sales platform (Myagent - iPad) and makes it possible to automatically fill in the policy application based on the required fields of the potential transaction (see "Transactions") without performing duplicate work.



14 დეკემბერი | 12:00

f LIVE

Myportfolio

**MYPORTFOLIO - ახალი პლატფორმა  
ახალი რეალობისთვის**

**ვახო კორძაია**  
გაყიდვების დირექტორის მოადგილე



## Myportfolio

### The main parts of the platform:

- Contacts – that implies information about a potential, or existing client, entered by sales employee, database manager, or call-center.
- Transactions - the transaction process started by the customer's interest in any product.
- Reporting - estimates the sales indicators, won and lost transactions, each manager has the opportunity to check own or his/her subordinated units daily renewable indicators on the personal page and plan the relevant actions for their improvement or maintenance for each next day or week.
- Administrating - through this module of program the sales management and CRM administrator manages the working process of sales employees.
- Underwriting - the CRM system enables the underwriting department to communicate with the sales staff in the most organized and result-oriented way. Reduces unnecessary interaction and saves time. "My Portfolio", designed for underwriters represents also a tool for managing a personal portfolio that simplifies the preparation of proposals, evaluates competitiveness and analyses losses and profit margins.



