



INSURANCE STATE
SUPERVISION SERVICE
OF GEORGIA

DEVELOPMENT STRATEGY OF THE ISSSG

2025 - 2029

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INTRODUCTION

LEPL Insurance State Supervision Service of Georgia (hereinafter – the ISSSG) was established as an independent body following the amendments to the Law of Georgia “On Insurance” on March 20, 2013. The ISSSG, as an entity vested with legal authority to exercise state supervision over insurance activities, operates independently in its functions and is directly accountable to the Government of Georgia.

Within the scope of its legal mandate, the ISSSG implements state policy in the insurance sector, ensures financial stability of the insurance market and promotes the operational efficiency and solvency of insurance entities. Working in close coordination with the Ministry of Economy and Sustainable Development of Georgia, the ISSSG supports the development of insurance policy frameworks. The ISSSG promotes the protection of consumer rights and development of competitive insurance environment. It is also actively engaged in enhancing and modernizing the insurance system, as well as aligning legal and regulatory frameworks with European standards governing insurance activities.

It is noteworthy, that Georgia’s insurance market is characterized by dynamic growth. The insurance sector is evolving rapidly and consistently, driven by technological advancements and a gradual shift in public perception (raising awareness) towards insurance. Written premiums continue to grow annually, while insurance companies strive to sophisticate the existing insurance products and deliver high-quality services to their consumers. The ISSSG actively supports the stable development of the insurance sector, thereby making a significant contribution to the country’s broader economic progress/advancement.

The development of a sound, competitive insurance market and strong insurance culture requires the nationwide promotion of efficient and ethical insurance practices. At the same time, sustainable sectoral growth necessitates the continuous analysis of international best practices and alignment with evolving global insurance trends. In this context, the ISSSG maintains active cooperation with leading international organizations and is represented in working and discussion platforms on international level. Particular importance is placed on collaboration with the European Union, where significant progress has been made in adapting and implementing the ‘Solvency II’ framework, an important step in strengthening the sector—partially supported by EU-funded projects.

The ISSSG is continuously expanding its international network through both bilateral and multilateral cooperation. Its organizational activities continues to advance, while the necessary legal and institutional foundations for the future/long-term development of the insurance sector are being established and supervisory approaches and practices of the ISSSG are gradually evolving.

CONCEPTUAL FRAMEWORK

MISSION - Promotion of the steady development of Georgia's insurance industry and institutionalization of a financially stable and transparent insurance system focused on the protection of consumer interests, upholding the principle of integrity and aligning with international best practices.

GOAL - To establish legal and institutional foundations necessary to enhance supervisory activities and implement the standards outlined in EU directives, as defined by the Association Agreement.¹

VALUES AND PRINCIPLES - 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 supervisory activities and decision-making process, 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 responsibility for 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/RIGHTS** - 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.

¹Annex XV-A (Rules Applicable to Financial Services), Chapter B (Insurance), "Association agreement between the European Union and the European Atomic Energy Community and their Member states, of on the one part, and Georgia, of the other part".

STRATEGIC DIRECTIONS

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

PRIORITY DIRECTION 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

PRIORITY DIRECTION I 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

PRIORITY DIRECTION I 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

PRIORITY DIRECTION I 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

²The numbering of priorities is for reference purposes only, as each priority equally contributes to the achievement of the Organization's mission, goals, and objectives.

STRATEGIC PRIORITY I

EFFICIENT MANAGEMENT AND DEVELOPMENT OF THE ORGANIZATION

The implementation of the mission, goals and strategic priorities of the ISSSG requires consistent and efficient action from the organization. Introducing a modern management system enables the optimal allocation of resources in the organization and their engagement in the development process. Modern, flexible organizational management methods and processes significantly reduce bureaucratic barriers and foster conditions for the stable, consistent development of the organization. To further enhance the ISSSG's strategic management system, it is essential to:

OBJECTIVE 1 - Institutionalizing a strategic management cycle, includes the following sub-objectives:

DEVELOPMENT OF MANAGEMENT STRATEGY OF THE ISSSG

This involves creating a conceptual framework essential for effective management of the ISSSG, as well as defining the implementation strategy. Based on this strategy, an action plan for the development of the ISSSG and other manuals/guidelines for organizational management will be elaborated.

REFINING THE DECISION-MAKING SYSTEM - A modern management approach implies delegated authority and employee engagement in the decision-making process. To support this, the ISSSG will establish a decision-making model that enhances communication among employees at strategic, operational, and tactical levels.

ENHANCING THE ORGANIZATIONAL STRUCTURE - The organizational analysis will be conducted for the effective fulfillment of the mission, goals, and objectives of the ISSSG. Based on the findings, a suitable, flexible, and efficient management structure will be designed.

OBJECTIVE 2 - Further developing the human capital management system -The further development of the human capital management system will ensure the effective and rational allocation of organizational resources, as well as the recruitment, development, and retention of appropriately qualified personnel in the right positions at the right time. This approach will enable the organization to maximize the potential of employees and actively engage them in the working process of the organization.

Optimization of the human capital management system requires prioritizing the following processes:

DEVELOPMENT OF A HUMAN RESOURCES MANAGEMENT MANUAL - This manual will outline the human resources management cycle, the objectives of each HR component, and the implementation plans and procedures.

INSTITUTIONALIZATION OF THE ORGANIZATIONAL ANALYSIS PROCESS - This process involves analyzing the organization's mission, goals, and objectives in

relation to its structure and personnel functions. The purpose is to assess how well the organizational structure aligns with its strategic tasks, how effectively strategic vision is integrated into staff roles, and how prepared the current structure and functional profiles are to support the organization's strategic goals. To institutionalize this process, it is essential to develop organizational role descriptions and regularly update existing job descriptions.

DEVELOPMENT/IMPROVEMENT OF THE EVALUATION AND PERFORMANCE QUALITY MANAGEMENT SYSTEM

This involves supporting employee development and enable individuals to fully realize their potential. The evaluation process allows for the assessment of an employee's qualifications against core job requirements, helps identify their potential, and highlights professional development needs. Moreover, the evaluation contributes to building a more objective and transparent relationship between supervisors and employees. The quality of work performance is closely tied to employee motivation, which is significantly influenced by the perceived fairness and accuracy of performance evaluations. Evaluation outcomes provide valuable insight into the direction and methods for employee growth. In alignment with the mentioned management strategy and the human resources management manual, the ISSSG intends to improve the current evaluation system.

PROFESSIONAL DEVELOPMENT SUPPORT - This focuses on advancing employees' professional knowledge and skills to ensure high-quality performance in line with their job specifications. Creating a conducive

environment for professional development also serves as a key source of intrinsic motivation for staff. The ISSSG plans to institutionalize a professional development cycle that includes: an annual assessment of training needs, planning and delivery of targeted training programs, post-training analysis to evaluate effectiveness in relation to organizational objectives. Additionally, the ISSSG aims to expand local training opportunities and gradually establish a dedicated training center. This center will support the continuous professional growth of staff and address the shortage of qualified insurance specialists in the labor market by offering training and retraining programs.

CAREER MANAGEMENT - Career management is essential for maintaining an effective human capital cycle. This involves designing career pathways that enable both horizontal and vertical mobility within the organization. The ISSSG intends to identify job groupings (Job Family) and use them as a foundation to analyze and enhance HR processes—including career development.

DEVELOPMENT OF ORGANIZATIONAL CULTURE

Organizational culture and the work environment have a significant impact on performance and results. In line with modern management practices, the ISSSG plans to conduct internal organizational surveys to identify key areas for improvement and potential development opportunities. Fostering a healthy communication climate and encouraging teamwork will be central to developing an organizational culture.

OBJECTIVE 3 - Enhancing administrative activities

A modern management system involves a clearly defined administrative resource management cycle within the Organization, which includes the assessment of existing resources aligned with the Organization's objectives and the development of comprehensive-potentially alternative-resource management plans. To ensure the effective functioning of the administrative operational cycle, the ISSSG is implementing/plans to implement the following:

BUDGETING SYSTEM MANAGEMENT - Within the established financial frameworks, the rational allocation of financial resources to support organizational activities, development of the budget and coordination of its execution.

PROCUREMENT SYSTEM MANAGEMENT - Based on strategic objectives and budget analysis, the ISSSG will develop a procurement plan and ensure its execution in compliance with applicable legal requirements.

MANAGEMENT OF MATERIAL AND TECHNICAL BASE A well-functioning material and technical base, its maintenance and constant updating are important for the smooth operation of the ISSSG. The ISSSG plans to upgrade computer systems and related technologies.

INFRASTRUCTURE DEVELOPMENT - In parallel with the development and expansion of the ISSSG, it becomes necessary to have adequate office space. Given the current and future structure of the ISSSG, it is important to develop alternative plans and explore optimal options

for the expansion, renovation, purchase or construction of the infrastructure.

COORDINATION OF THE IMPLEMENTATION OF THE OCCUPATIONAL SAFETY PLAN - The safety plan developed by the ISSSG in line with the modern management requirements, legislation and organizational needs, necessitates the involvement of qualified personnel and employees, and the meticulous implementation of its components.

OBJECTIVE 4 - Strengthening of information and technological capabilities - Modern information systems and software are deeply embedded in all management processes and their maintenance and effective operation directly influence the overall performance of the Organization. In this regard, the ISSSG plans to implement/is implementing the following initiatives:

MANAGEMENT OF INFORMATION AND TECHNOLOGICAL OPERATIONS - The ISSSG systematically manages its IT-related tasks, including the uninterrupted operation of servers and databases, maintenance and administration of local network software, as well as ensuring the reliable functioning of computer hardware and internet connectivity, etc.

EVALUATION AND ADOPTION OF MODERN INFORMATION TECHNOLOGIES AS APPLICABLE

- Continuous evaluation of the effectiveness of emerging technologies with a due consideration of the potential to improve the activities of the ISSSG, in order to improve the organization's performance, where applicable, by implementing innovative management tools and digital solutions.

ENSURING INFORMATION SECURITY - This requires implementing a risk-based approach to information security management system and continuous development, which necessitates conducting comprehensive risk assessment based on a defined methodology and identifying appropriate technological solutions. To institutionalize this process, the ISSSG plans to implement an Information Security Management System (ISMS) aligned with the ISO 27001 standard. This includes the development of system management processes and procedures and internal control mechanisms. Effective implementation of this objective will require strong management support and the mobilization of necessary resources (financial and human). It is important that the Information Security Council remains active, with the goal to maintain information security at the ISSSG, supporting the effective, uninterrupted and smooth functioning of the ISMS, and ensuring its compliance with relevant standards and requirements.

OBJECTIVE 5 - Providing legal support for the activities of the ISSSG

- Continuous development of institutionalized practices of legal support of the activities of the ISSSG, taking into account legislative novelties and international best practices. Active involvement in discussions of legal issues arising between insurers and supervision will continue, as well as legal support of the ISSSG's activities - decision-making related to the management of the Organization within the scope of competence, preparing legal conclusions, recommendations and opinions. In that regard, the key areas are the following:

Further analysis of the functional framework of the Legal Department;

Preparation of relevant legal conclusions and opinions to support the process of fulfilling international obligations.

OBJECTIVE 6 - Improving communication channels - A streamlined internal and external communication cycle of the organization significantly affects the productivity of the ISSSG. To ensure constructive internal communication, it is essential to institutionalize communication formats that foster team members' awareness and active involvement in achieving the ISSSG's goals and objectives.

An effective external communication process supports stakeholder awareness, promotes strengthening of public trust as well as ongoing engagement with industry representatives and consumers. To improve these objectives, the following activities are being implemented and/or planned:

DEVELOPMENT OF THE ORGANIZATION'S COMMUNICATION FRAMEWORK - This is important for improving the Organization's visibility and enhancing public trust as well as for maintaining continuous coordination with stakeholders and consumers.

ESTABLISHMENT OF A PUBLIC RELATIONS TEAM - responsible for defining communication goals and objectives and coordinating their implementation.

COMMUNICATION WITH STAKEHOLDERS - It is important to elaborate a communication plan for stakeholders and using appropriate communication channels aligned with the Organization's strategic goals.

WEBSITE MANAGEMENT - Ongoing maintenance and effective management of the Organization's existing website for supporting continuous interaction with the consumers and public and for promoting a positive institutional image.

LAUNCHING SOCIAL MEDIA NETWORK (FACEBOOK, LINKEDIN) - To inform target audience, and public at large and to raise awareness about the ISSSG's activities; plans are underway to launch and actively manage official social media accounts. These platforms will also serve to share educational and informational content.

STRATEGIC PRIORITY II

FURTHER DEVELOPMENT OF SUPERVISORY ACTIVITIES

The core function of the ISSSG is the supervision of entities operating in the insurance market, including voluntary private pension schemes. This responsibility necessitates the continuous improvement of the supervisory regulatory framework, legislative and institutional foundations, and the development of supervisory processes and procedures aligned with modern international standards and trends. The supervisory process encompasses: the assessment and analysis of the stability, solvency, and financial condition of supervised entities; evaluation of risk management systems; monitoring and streamlined coordination of the financial and insurance operations of these entities. The implementation and monitoring of the legal requirements aimed at preventing money laundering and the financing of terrorism also form an integral part of the supervisory process.

To enhance both the effectiveness and efficiency of the ISSSG, the following objectives are planned:

OBJECTIVE 1 - Refining and developing the supervisory policy. The supervisory policy defines the strategic priorities, principles, methodologies and indicators used to evaluate the ISSSG's performance. Currently, the ISSSG applies a compliance-based supervisory policy. However, in line with evolving trends in insurance sector and the obligations under the Association Agreement with the European Union, a gradual transition toward a risk-based supervisory approach will be undertaken and relevant standards will be implemented.

Risk-based supervisory policy increases the ability to timely eliminate deficiencies and mitigates the risks of reputational damage to insurance entities. Risk-based supervisory policy implies the implementation of proactive and prevention-oriented activities (including improving sustainability, environmental, social and governance (ESG) standards) which expands the scope for self-regulation of insurance entities, with the full support of the regulator. Risk-based governance contributes to the further development of the insurance market, creates prerequisites for the sustainable development of the sector and opportunities for attracting investments. It is planned to:

- Establish a dedicated group responsible for developing supervisory policy;
- Develop a draft policy document;
- Ensure the engagement of stakeholders and experts and introduce the document;
- Adopt and approve the document.

OBJECTIVE 2 - Preparing for the implementation of Solvency II standards in supervisory activities.

This process involves a series of sub-objectives aimed at progressively enhancing the supervisory framework in accordance with EU directives:

- Review and analysis of the legislative framework in collaboration with stakeholders;
- Determination of processes, phases, and timelines required for the successful implementation of Solvency II;
- Gradual adoption of the Solvency II framework.

OBJECTIVE 3 - Refining supervisory processes and procedures

- In line with the transition to a risk-based supervisory policy, it is essential to review and refine existing supervisory practices. This includes revisiting the full supervision cycle, improving coordination mechanisms with supervised entities, and enhancing procedural efficiency. It is planned to:

- Analyse the current supervisory practices and standard procedures, identifying strengths and gaps;
- Develop the detailed guidelines/manuals aligned with Solvency II standards for the implementation of remote supervision/on-site inspection processes and procedures;

- Design and execute the supervisory processes and procedures focused on preventive objectives.

OBJECTIVE 4 - Step-by-step automation of supervisory processes

- The evolving nature of the insurance sector and rapid technological advancement necessitate the transformation of supervisory activities. In order to ensure the prudent and reasonable performance of work in an increasingly data-driven environment, it is planned to introduce supervisory technologies (SupTech), with the following priorities:

- Phased implementation of supervisory technologies (SupTech) of reporting and processing components;
- Phased deployment of additional software components to improve supervisory system efficiency.

OBJECTIVE 5 - Reinforcing preventive measures against money laundering and terrorism financing

- The ISSSG is actively working on the development of this direction, for which the following activities are underway and/or planned:

- Ongoing coordination with relevant government agencies within the framework of the National Money Laundering and Terrorism Financing Risk Assessment Report and Action Plan;

- Risk assessment of threats emerged in parallel with the expansion of remote and digital services;
- Updating the supervisory legal and methodological framework based on international requirements and identified risks;
- Strengthening international cooperation, studying and analyzing modern practices and sharing experiences.

OBJECTIVE 6 - Conducting licensing/registration processes - A healthy insurance market significantly depends on the presence of qualified, reliable, institutionally robust, transparent and effective management systems for supervised entities. To this end, the ISSSG ensures:

- Issuance and revocation of licenses for insurance, reinsurance, and voluntary private pension activities;
- Registration and termination of registration of voluntary private pension schemes;
- Registration and termination of registration for intermediary activities in the insurance sector;
- Ongoing supervision of compliance with licensing and registration requirements;
- Evaluating the financial soundness and reputation of acquirers of qualifying holdings in supervised

insurance entities, as required by applicable legislation, and issuing regulatory consent for such transactions.

- Assessment of the compliance of management and governing body members of supervised entities—including shareholders and administrators—with the fit and proper requirements established by applicable legislation.
- To enhance the effectiveness of licensing and registration activities, the following activities are underway and/or planned:
- **TO ENHANCE THE EFFECTIVENESS OF LICENSING AND REGISTRATION ACTIVITIES, THE FOLLOWING ACTIVITIES ARE UNDERWAY AND/OR PLANNED:**
- Improvement and development of licensing and registration processes for insurance activities - Processes and procedures shall be streamlined and enhanced, targeted efforts shall be undertaken to implement EU directives.
- Implementation of licensing and registration procedures for voluntary private pension activities - In accordance with the new Law of Georgia “On Voluntary Private Pension”, efforts are underway to bring the operations of existing entities engaged in private pension activities in compliance with the updated legislative framework. This includes the registration of private pension schemes, as well as the elaboration and adoption of secondary legislation and regulations. Supporting the processes for launching the implementation process of Directive (EU) 2016/97 of the European Parliament and the Council of 20 January 2016 on Insurance Distribution (IDD) and ensuring engagement with international partners.

OBJECTIVE 7 - Developing the supervisory legislative framework

- To ensure the effective functioning of the ISSSG, it is essential to continuously review and update the legislative framework as well as to analyze international best practices and develop a framework focused on market requirements and development. In pursuit of this objective, the ISSSG plans to:

- Analyze the existing legislative framework, initiate amendments and develop a new legislative framework as needed;
- Harmonize Georgian insurance legislation with the EU legislation;
- Develop/contribute to the development of regulatory documents in insurance sector, including methodological guidelines/non-binding recommendations.
- In cooperation with international partners, study and analyze global trends, best practices and approaches to insurance supervision/regulation;
- Identify priority mandatory insurance types and initiate processes for their implementation (e.g. life insurance, agricultural insurance, and mandatory third-party liability insurance).

STRATEGIC PRIORITY III

PROMOTION OF CONSUMER PROTECTION AND FINANCIAL EDUCATION

One of the priorities of the ISSSG is the protection of consumer rights. This includes ensuring supervision over enforcement of legal requirements, approximation with the EU standards, developing effective mechanisms for their implementation, and promoting financial literacy. Consistent protection of consumer rights fosters the development of insurance products, enhances competition, and contributes to the overall strength of the insurance sector. Raising consumer awareness about insurance products and their rights in insurance relationships is a prerequisite for the meaningful exercise of those rights. In order to reinforce this priority, the ISSSG is currently implementing and/or planning the following objectives:

OBJECTIVE 1 - Promoting consumer protection -

This objective involves the supervision of processes that safeguard consumer interests. Clearly defined approaches to consumer protection must be integrated into both the legislative and institutional frameworks of the ISSSG. To encourage consumer-centric business practices, it is essential to introduce ongoing monitoring tools. Prioritizing preventive measures in line with global insurance trends is essential. To improve this process, the ISSSG plans to:

- Review and refine the legislative framework;
- Identify and apply modern, flexible supervisory methods that emphasize prevention and consumer rights;
- Develop and institutionalize standard processes and procedures;
- Implement systematic monitoring and statistical analysis function.

OBJECTIVE 2 - Gradually approximating to the EU directives -

In the process of aligning consumer protection practices with the European standards, it is essential to study international best practices and identify priority areas for their gradual implementation. The ISSSG plans to:

- Conduct a detailed analysis of the requirements of the Insurance Distribution Directive (IDD) and support its gradual implementation;
- Ensure that Solvency II implementation efforts are aligned with IDD-related consumer protection provisions;
- Study international best practices in consumer protection within the insurance sector;
- Develop and refine legislative amendments to support alignment with the EU directives and best practices.

OBJECTIVE 3 - Supporting the “National Consumer Protection Strategy” - To promote consistent consumer protection standards in Georgia, aligned with the EU standards, the ISSSG will support the implementation of “National Consumer Protection Strategy” and pursue the objectives outlined in the strategy. Planned activities include:

- Undertaking necessary measures to fulfill the objectives outlined in the strategy;
- Promoting public awareness initiatives specified in the consumer protection document;
- Monitoring the progress of strategy implementation and submitting reports.

OBJECTIVE 4 - Raising awareness on insurance issues is a vital component of consumer protection as an informed consumer gradually builds a financially literate society. Awareness of consumers helps to set realistic expectations and improves an access to exercising consumer rights. In order to make informed choices , it is essential for consumers to possess knowledge of insurance products and services. The ISSSG is committed to enhancing consumer awareness in the field of insurance, recognizing that this is a continuous process requiring regular activities. To this end, the following activities are underway and/or planned:

- Segmentation of target audiences and identification of diverse communication channels;
- Identifying, preparing, and promoting the dissemination of materials supporting financial literacy in insurance field;
- Institutionalization of the annual “Insurance Week” dedicated to raising awareness;
- Close cooperation with educational institutions;
- Promoting alternative dispute resolution mechanisms;
- Supporting the development of micro-insurance products.

OBJECTIVE 5 - Supporting the National Strategy for Financial Education - A Steering Committee is responsible for the execution of the National Strategy for Financial Education. As a member of this Committee, the ISSSG participates in Committee meetings, proposes initiatives, and contributes to the development and implementation of the Strategy’s three-year action plans. Planned activities include:

- Supporting the annual activities outlined in the National Strategy for Financial Education;
- Developing and distributing educational and informational materials targeted at vulnerable groups identified in the strategy;
- Promoting financial inclusion initiatives.

STRATEGIC PRIORITY IV

FACILITATING THE DEVELOPMENT OF THE INSURANCE SECTOR AND ENHANCING COOPERATION

Effective communication with stakeholders and partners, both nationally and internationally, is a strategic priority of the ISSSG. This priority fosters the development of insurance industry and contributes positively to the country's broader economic and social development. By promoting healthy competition and encouraging fair, transparent practices in the insurance industry, the ISSSG facilitates the gradual cultivation of a modern insurance culture and helps build public trust in insurance products.

The further advancement of the ISSSG and the insurance supervisory sector more broadly also relies heavily on the international cooperation and the quality of coordination in bilateral and multilateral formats. In this regard, the ISSSG is actively working to broaden and strengthen international collaboration. To support these goals, the following objectives are currently being implemented and/or planned:

OBJECTIVE 1 - Supporting healthy competition -

The ISSSG supports fostering a dynamic, effective, stable and consumer-oriented insurance environment. To encourage healthy competition, the ISSSG, in close cooperation with the National Competition Agency of Georgia, plans to implement the following initiatives:

- Incorporate market-stabilizing mechanisms into the development and execution of the insurance supervisory policy to reduce risks and promote the availability of diverse, fairly priced insurance products and services;
- Identify key issues by conducting statistical analysis of consumer dissatisfaction cases, support market research on consumer behavior, and integrate findings into the activities of the ISSSG.

OBJECTIVE 2 - Enhancing cooperation at the national level -

Communication with stakeholders requires the establishment and institutionalization of effective coordination formats, therefore, in order to ensure continuous and result-oriented cooperation with stakeholders, the ISSSG plans to:

- Define a methodology for coordination with stakeholders - prioritize and group partners, define coordination objectives and establish appropriate cooperation format(s);
- Develop a stakeholder cooperation plan tailored to the specifics of each issue, elaborate joint plans and facilitate their implementation process.

OBJECTIVE 3 - Enhancing international cooperation

Recognizing the critical importance of international cooperation, the ISSSG is committed to expanding its network of partners and fostering dynamic relationships with them. In order to make effective use of both bilateral and multilateral cooperation formats for strengthening the capabilities of Georgia's insurance sector, the following activities are underway and/or planned:

- **Sustaining close partnerships with international organizations** - The ISSSG continues to share best practices and maintain/strengthen close ties with leading international partners, including the European Union (EU), the World Bank (WB), and the Asian Development Bank (ADB). The cooperation will continue with important international organizations such as the International Association of Insurance Supervisors (IAIS), the IAIS's Assessment and Implementation Committee (IAC), the International Organisation of Pension Supervisors (IOPS), and the Eastern European Risk Insurance Association (EERIA). Collaboration will also continue with "XPRIMM" - a media agency specialized in insurance/reinsurance, insurance mediation and voluntary private pension issues;
- **Identifying and exploring feasibility of new partnerships;**

- **Signing Memorandum of Understanding** with insurance supervisory authorities of partner countries;
- **For the implementation of the Solvency II Directive** the ISSSG is currently defining preparatory activities - identifying short-, medium-, and long-term goals and objectives. Where necessary, it will coordinate with international experts, engage strategic partners and donors to facilitate the effective implementation of the framework;
- **Active participation in processing questionnaires and surveys received from partner international organizations;**
- **Participation in the IAIS online self-assessment tool** - It is important to assess the observance of the Insurance Core Principles (ICPs) and gradual alignment of Georgia's insurance system/legislation with the given requirements.

OBJECTIVE 4 - Continuous analysis of international best practices

The ongoing development of both the ISSSG and Georgia's insurance sector requires a continuous examination and adequate assessment of global trends, developments and practices taking into consideration the specific context of the country. To ensure that the legislative and institutional frameworks remain aligned with modern international standards, the ISSSG plans to undertake the following activities:

- Analyze international best practices and evaluate opportunities for their effective adaptation;
- Promote staff participation in international trainings, conferences, and professional dialogue platforms. The ISSSG will continue cooperation with various international organizations, including the staff participation in the annual online training course jointly organized by the International Association of Insurance Supervisors and the Financial Stability Institute (FSI); with the Access to Insurance Initiative (A2ii - the organization was established by the initiative of IAIS and focuses on inclusive insurance and standard-setting in the insurance sector); in the training program "International Fellows Online Program" of the National Association of Insurance Commissioners (NAIC). The ISSSG will also explore new formats to further support the professional development of the employees.

OBJECTIVE 5 - Deepening coordination with donors

The ISSSG plays an increasingly significant role in the development of Georgia's insurance system and, more broadly, in contributing to the country's economic growth. The continued support of donor organizations is crucial to sustaining this process. Building on successful past collaborations, the ISSSG is currently implementing and/or planning the following activities:

- Conducting needs assessment of the ISSSG to identify areas where donor support can be effectively mobilized;
- Preparing project proposals considering both the ISSSG's needs analysis and capacities of the donors; the joint development of project requirements, timelines, and implementation plans.
- Continuing and deepening cooperation with the existing donor organizations such as the World Bank (WB), Asian Development Bank (ADB), and the United States Agency for International Development (USAID), leveraging various assistance instruments of the EU (TAIEX TWINNING).
- Assessing current partnerships and reviewing the outcomes of previously implemented projects. This includes incorporating recommendations from both local and international experts to inform future planning and actions.

To ensure the effective implementation of this strategic priority, it is essential to strengthen the ISSSG's international relations. This involves appropriate structural development, recruitment of qualified professionals, and their active involvement in delivering the ISSSG's international agenda.



CONCLUSION

The implementation of the goals, strategic priorities, and corresponding objectives set forth in this document will position the ISSSG to advance to a new phase of development.

The action plan, developed on the basis of the ISSSG's strategy document, will be reviewed annually. A performance/operational report will be prepared and updated as necessary in line with the Organization's evolving priorities.



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