

# 6. Development and Sales Activities

- New niche insurance, a well-received bonus programme and extensive adjustment of insurance bases and tariffs for retail clients and some industries.
- Product adaptation and design based on the local environment of the Group.
- In Slovenia, modern sales approaches in the internal network, boosting of trust of the external network and alternative sales channels; Bases for gradual strengthening of own sales networks of subsidiaries outside Slovenia.
- New steps in implementing the branding strategy and a first joint marketing campaign of the Triglav Group.
- Client focus accompanied by organisational changes and IT support development.

## 6.1 Development activities<sup>19</sup>

The economic and market conditions in the region stimulate Zavarovalnica Triglav to respond appropriately in non-life insurance development and portfolio maintenance. Development is focused on clients, monitoring and personalised approach. Technological innovations, especially a widespread use of mobile devices and e-business, further increased the need to adapt, which is monitored by using expertise and systemic solutions. As a result, insurance products are often upgraded and their forms expanded.

Economic trends particularly weakened financial markets, the fall in the purchasing power of households and the growing unemployment rate had a negative impact on life insurance portfolio. To the changes in the life insurance segment, Zavarovalnica Triglav responded with a series of measures, such as development of innovative insurance forms, redesign of insurance products and lowering of prices. Greater attention and a wide range of activities were focused on the existing portfolio and its maintenance. Efforts were devoted to responsible marketing based on understanding and accessibility of financial products and claim handling. The business policy in developing insurance markets outside Slovenia is focused on enhancing the sales network so as to present the products to the clients in a more integrated and understandable manner via a personal approach, regardless of their age and education level, while also reaching geographically less accessible areas. The Company strives for policyholders to be well informed of the insurance terms, conditions and coverage. On the Slovene market, this is also achieved by strengthening Zavarovalnica Triglav's web presence.

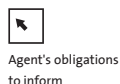
The Insurance Act of the Republic of Slovenia prescribes information on insurance terms and conditions and infor-

mation of policyholders to be provided by the insurance company. This information mainly refers to an insurance contract, general insurance terms, conditions and notices, and information of policyholders upon conclusion and for the duration of an insurance contract. Defined by law are also the obligations of agents in providing information on insurance products and services (more at <https://zakonodaja.com/zakon/zzavar>). Information of policyholders is also prescribed by comparable laws in Croatia, the Czech Republic, Macedonia, and Bosnia and Herzegovina (the Federation of Bosnia and Herzegovina and the Republic of Srpska). In contrast, the Insurance Act in Serbia and Montenegro does not lay down such obligations. There, an insurance contract is regulated in general by the Code of Obligations, which does not include expressly determined obligations of information, as defined in previously mentioned countries.<sup>20</sup>

By maintaining professionalism and fraud risk management, the focus is on simplifying loss adjustment procedures, especially those involving mass loss events. In the mass loss reporting procedures, policyholders' property risk and their current situation are taken into account (public announcements and instructions to policyholders, adapted internal work organisation to achieve easier accessibility of services, mobile applications). In Slovenia, architectural modifications to points of sale began in order to enable easier access to insurance services for people with various disabilities.<sup>21</sup>

### 6.1.1 Non-life insurance

The **i.triglav** online portal brought new development possibilities. Zavarovalnica Triglav is the first insurance company in Slovenia to offer non-life, life and health insurance on a single website. In 2013, the online range of non-life and accident insurance products was upgraded to include



Agent's obligations to inform

Set of development measures

Online offer

<sup>19</sup> GRI G4-DMA, G4-FS13, G4-FS14

<sup>20</sup> GRI G4-PR3

<sup>21</sup> GRI G4-FS13

several niche insurance products for target groups such as hikers, cyclists and skiers (see *Section 6.2.2 Marketing activities*).

Property and interest in property insurance for natural persons (DOM insurance package) was reevaluated and terms and conditions of power industry insurance and raft owner/operator liability insurance for damage caused to third parties were revised. Questionnaires and tariffs for individual insurance products were adjusted.

In the automobile insurance market, harsh conditions of competition continue to prevail, forcing Zavarovalnica Triglav to adapt and make amendments to insurance terms, conditions and tariffs. Therefore, changes were made to the extra charges payable on car insurance for young drivers and the discount on non-recovery of insurance premium in annual motor vehicle insurance. The numerous adaptations included revision of tariffs for insurance of more expensive vehicles and extended insurance cover for damage caused by vehicles in the performance of work outside traffic. Similar changes were introduced in the transport insurance segment. The general terms and conditions and premium tariffs for carrier liability insurance for cargo transport, comprehensive marine insurance, comprehensive container insurance, cargo insurance and freight forwarder liability insurance were revised.

In agricultural insurance, Zavarovalnica Triglav was the first insurance company in Slovenia to offer crop insurance against the risk of meteorological drought.<sup>22</sup> Most insurance tariffs, terms and conditions were revised (insurance for dogs and other animals, winter crop insurance). In accident insurance, insurance bases for child accident insurance were changed to comply with the Code of Obligations and the provision of the Insurance Supervision Agency stating that life insurance can no longer be concluded for children younger than 14 years.

The decrease in insured sums and inclusion of additional coverage were the reasons to redesign supplemental medical travel insurance for international travel with assistance. Insurance bases for travel arrangement insurance were also changed.

Development of IT support is discussed in *Section 6.4* Without doubt, a redesigned expert authorisation process and successfully completed project of increased risk identification contributed to good business results of Zavarovalnica Triglav.

#### The Triglav Group

Following a comprehensive content integration, Zavarovalnica Triglav's Non-life Insurance Division subsequently linked to all subsidiaries in the Group, becoming the pillar of development activities and content unification of risk assessment processes in the entire Group.

Subsidiary insurance companies gradually migrate to the integrated AdInsure IT support in order to achieve simpler and better quality of insurance risk management as well as to ensure unified criteria and standards of insurance product development and integration (more in *Section 6.4*).

### 6.1.2 Life insurance

In addition to the economic situation, legislative changes had a significant impact on life insurance product development in 2013. Insurance redesign was greatly affected by the implementation of the guidelines of the European Commission on equal treatment of insured persons of both sexes, the Directive on equal insurance premiums for men and women (the EU Directive) and the provision of the Code of Obligations stating that life insurance cannot be concluded for children younger than 14 years (also see *Section 6.1.1*). All dictated the changes made to the insurance bases and tariffs of several life insurance products.

Market approach competitiveness and efficiency were increased by revising the insurance bases for online underwriting of term life insurance – *i.rizično*.

Main projects in 2013 included the development of a new insurance product *Triglav Zaščita* and the redesign of supplemental voluntary pension insurance so as to ensure compliance with the Pension and Disability Insurance Act (ZPIZ-2). Clients are still more prudent when purchasing long-term insurance policies with a savings component. The range of life insurance products was strengthened primarily in the segment that offers protection against unexpected life circumstances. Triglav *Zaščita* life insurance opens a new segment of insurance products, which were not provided thus far. It is intended to provide protection of income of natural persons in the event of total permanent incapacity for work. Moreover, it provides an innovative combination of coverage in the case of death, total permanent incapacity for work and serious conditions due to an accident or illness.

The Act Amending the Pension and Disability Insurance Act (ZPIZ-2) introduced many changes to investment policies and procedures for the inclusion into insurance and the development of new implementation documents (management rules, investment policy statement, risk management plan). In order to implement these changes, in December 2013 requests for the approval of changes to the pension schemes and other documents were submitted to the authorities in charge. In 2014, final implementation of changes is planned.

In line with the Code of Obligations, supplemental insurance for severe illnesses and injuries was redesigned. Apart from that, the entire underwriting documentation was reformulated in accordance with the changes.

#### The Triglav Group

The remaining markets of the Triglav Group also experienced trends that had a negative impact on life insurance sale and portfolio, thus focusing on redesigning and adapting the entire pricing structure of existing insurance. In developing new forms of insurance, the actual needs of individual markets were taken into account, thereby increasing their market potential.

As in the non-life insurance segment, strategic guidelines were implemented, while insurance products and implementation processes for life insurance continued to be



Insurance products on the web

#### Legislative changes



Accident insurance

#### Revised tariff, terms and conditions



Support development



Coordinated development of insurance products

### Transfer of products and processes with market adaptation

transferred to the subsidiaries. Uniform IT support for all subsidiaries offering life insurance products enabled simpler development and transfer of insurance products. Along with the transfer of products, the pricing structure and content of individual products were adapted to special requirements of every market, while some insurance products were completely redesigned.

In line with the Triglav Group's policy, new products and services were adapted to the needs of individual markets. In Bosnia and Herzegovina, collective life insurance for borrowers with a uniform premium rate and supplemental insurance in the event of unemployment or sick leave longer than 42 days were introduced, in addition to one-off term life insurance with a low premium price.

In Serbia, support was provided for surrender processing.

In Croatia, a new member of the EU, the entire range of life insurance products was brought into compliance with the requirements of the European directive on equal treatment of both sexes. The existing supplemental accident insurance was included among the rest of life insurance products. Supplemental child accident insurance and supplemental insurance for severe illnesses and injuries were introduced. The pricing structure of mixed life insurance was adapted. Apart from that, the transfer of i.triglav on-line portal was initiated.

### Beginning of i.triglav transfer

In Montenegro, the pricing structure of mixed life insurance was adjusted with insurance for critical illnesses and supplemental insurance for severe illnesses and injuries was introduced.

### Focus on contractual partners

## 6.2 Sales and marketing activities

By reorganising sales departments, the existing focus on insurance classes shifted to clients or sales channel types, emphasising the importance of sale and sales results regardless of insurance class.

Due to non-compliance with the law and regulations on the safe use of insurance services and products, no monetary fines were imposed.<sup>23</sup>

### 6.2.1 Key development activities in the internal and external sales network

Strategic guidelines were taken into account in the direct development of sales channels, focusing on sales network development and improving client satisfaction and loyalty. Triglav's extensive internal sales network along with the primary channel for informing the clients of the wide selection of high quality products and services remain the key comparative advantage. This is especially important for Slovenia, which is known for its diverse geographical profile with numerous small settlements. Moreover, many activities are focused on external sales network and on the development of new sales channels and modern sales approaches.<sup>24</sup>

#### In the internal sales network:

- the Triglav Komplet bonus programme for the existing and new clients was successfully launched;

- new standardised Rules on Agent Network Organisation and Remuneration of Insurance Agents and Team Heads were implemented, representing an important step towards a more effective sales network;
- the professional knowledge and sales skills of the sales personnel and sales managers were improved through various professional training courses and seminars (training courses on launching new products, a two-day seminar on current sales and marketing topics for retail insurance sales managers, heads of branches and agent teams, training for promising insurance agents, sales training courses for co-workers at own points of sales, an annual two-day seminar for sales officers on products and sales);
- the sales staff was trained and motivated to provide quality advice to clients, and heads of sales were trained for the efficient management of sales teams;
- sales participation and support at regional units was strengthened;
- the introduction of modern sales tools accelerated in order to ensure more efficient insurance underwriting and cost-effective operations;
- the sales staff was intensively included in the introduction of a new underwriting application;
- target sales promotion campaigns were carried out.

The external sales network was reorganised and the External Channel Sales Department was established. Work with external points of sale was standardised, the quality of services raised and responsiveness in handling the issues of external points of sales increased. Greater focus is placed on contractual partners. In addition to internal standardisation of procedures, the main goals of the new department are as follows:<sup>25</sup>

- management centralisation,
- equalising the sales channels,
- seeking new marketing opportunities to increase the portfolio,
- introduction of sales promotion campaigns.

The above-mentioned activities already helped to form partnerships and to strengthen the trust of external contractual partners. The end result is improved sales results of contracted points of sale.

The new software tool allows daily sales result monitoring, while also providing the option of on-going and prompt implementation of corrective actions.

#### Development of the sales network of subsidiaries abroad

Fundamental activity areas for internal network development:

- *Systematic training of the sales staff and heads of agent sales teams* in order to upgrade their professional and sales skills. Training of heads of sales teams, who are of key significance for the sales network development and efficiency, began in 2013 by holding introductory training workshops and, at some places, carrying out field training (coaching in Croatia).
- *Formation of agent sales teams* in the companies that do not have them yet.

<sup>23</sup> GRI G4-PR9

<sup>24</sup> GRI G4-FS13

<sup>25</sup> GRI G4-13

- *Upgrade and redesign of salary systems for sales staff remuneration* based on sales results (also through good practice exchange within the Group).
- *Sales administration* was successfully launched in 2013 in all companies. Sales administrators actively monitor the sale and participate in sales activities of individual companies. In addition, posted workers in individual companies take part in the sales activities, establishing a link with subsidiary management.
- Sales administration is also performed through *reporting* of subsidiaries. In 2013, weekly monitoring of agents' sales activities began, while monitoring of sales results by sales channel and branch was carried out on a monthly basis. In 2014, systematic monitoring of agents' productivity and cost-effectiveness measurement will begin.

#### Access to insurance services for people with various disabilities<sup>26</sup>

Within the framework of the project »The Disabled-Friendly Zavarovalnica Triglav« and in cooperation with an external provider, an independent analysis of service accessibility for persons with various disabilities was conducted (movement-, visually or hearing-impaired persons). Most elderly people also face similar difficulties. The analysis results showed that 65% of Triglav's branches in Slovenia enable completely independent access to points of sales to movement-impaired persons in a wheelchair. Those without automatic doors provide all other conditions for independent access (no architectural barriers from the street to the sales counter) for movement-impaired persons, and special signs for access and bells for assistance in opening doors are being installed.

A brochure containing information on working with clients with disabilities was published so as to provide assistance to the sales staff and employees at claim centres. Zavarovalnica Triglav strives for its website to be in compliance with at least the requirements of the AA standard WCAG 2.0 for visually impaired persons.

All points of sales were equipped with magnifying glasses for visually impaired persons, while head offices of all regional units across Slovenia were equipped with FM devices enabling easier communication with hearing-impaired persons. Information on which own points of sale enable independent access to persons with various disabilities is available on the website [www.triglav.si](http://www.triglav.si).

## 6.2.2 Marketing activities

### Online operations

Selling insurance online is becoming increasingly more important as clients are more and more inclined to online shopping. Such an offer is also being expanded by competitors. The potential of this sales channel is enormous.

At the 2013 year-end, Zavarovalnica Triglav provided online renewal and underwriting of new automobile insurance and the ordering of green cards, underwriting travel insurance, health insurance while travelling abroad, accident insurance for children and adolescents, bicycle and cyclist

insurance, insurance for sports activities, and insurance for hikers and mountaineers. Among the life insurance products, term life insurance, FLEKS investment insurance and supplemental voluntary pension insurance can be purchased online.

### Other alternative sales channels

#### Direct marketing:

- For several years, Zavarovalnica Triglav has successfully marketed accident insurance for children and young adults, achieving a very high response rate among policyholders also in 2013.
- A special discount offer for the online purchase and contract conclusion of travel insurance was launched, whilst the segment of policyholders who often travel or spend their holidays abroad was addressed with direct marketing.
- During the campaign »The only automobile insurance that rewards you with Pika bonus points«, the policyholders who took out automobile insurance were informed of this one-time special offer.
- The policyholders who took out automobile insurance at contracted points of sale were invited to help design the Triglav Komplet package.
- Supplemental voluntary pension insurance (SVPI) policyholders were offered to make additional payments to their existing insurance policy.

### Sales promotions

In Slovenia, the year 2013 was marked by numerous successful sales promotion campaigns for various products and services, tailored to target groups and/or user segments. Much attention was paid to web presence.

At the 2012 year-end, a new bonus programme Triglav Komplet was introduced that combines all the insurance policies of a family in a simple and transparent way. Loyal clients are offered attractive bonuses with the inclusion of several policyholders and insurance policies, as this way family members receive a higher combined discount upon the renewal of existing or taking out new insurance policies. The service was very well received because a year later, i.e. as at 31 December 2013, over 457 thousand policyholders were included in the Triglav Komplet.

Since spring 2013, a new client service line – Triglav medical assistance – has been available to Company's policyholders in the event of an accident or illness abroad, providing the services in Slovene. In switching to a new client service line provider, the insured sums were adjusted for urgent medical treatment cases and transport costs to a medical facility and to the home country, depending on the purpose of travelling, activities and characteristics of the country of travel.

As the main sponsor and official insurer of the European Basketball Championship – EuroBasket 2013, Zavarovalnica Triglav carried out a high-profile sales campaign during the Championship, offering new policyholders of automobile insurance or non-life insurance a 25% EuroBasket discount.

Disability-Friendly  
Zavarovalnica Triglav



Outlets accessible to  
people with disabilities

## Unifying regional presence

In cooperation with Mercator retail chain, two campaigns were organised for automobile insurance policyholders. In October they were rewarded with bonuses on their Mercator Pika card (customer loyalty card), while towards the end of 2013 a special price for the purchase of vignette at the points of sale of Mercator, the largest retail chain in Slovenia, was offered during the two-month sales campaign.

In addition, Zavarovalnica Triglav launched new niche products for athletes, professional and recreational, were launched in the Slovene market. In spring 2013, bicycle and cyclist insurance was offered, followed by insurance for hikers and mountaineers and insurance for sports activities.<sup>27</sup>

Focus was on marketing of redesigned insurance and positioning of new non-life and life insurance products presented in *Sections 6.1.1* and *6.1.2*. A new life insurance product Triglav Zaščita for the protection of income of natural persons in the event of total permanent incapacity for work was widely accepted, which is why it was offered to all policyholders before the end of year.



Redesigned and new insurance products

### Sales in subsidiaries abroad

Sales development in insurance subsidiaries outside Slovenia is conducted in a coordinated manner, by transferring good practices and standardising sales processes, with an aim to turn the sales into a competitive advantage of the Group. Sales challenges and tasks were identified, analysed and started to be resolved.

- The sales processes and the sales staff are mainly focused on marketing of automobile liability insurance (compulsory insurance). Lower demand for other insurance services may be attributed to the lack of insurance tradition, but the market habits and needs are gradually changing, to which market-based approaches are adapted.
- The development possibilities for the internal sales network of most subsidiaries lie in organisation, sales management and development of sales skills. The external sales network is active in the automobile insurance segment, which is why its development possibilities also open up in other insurance areas. Alternative sales channels such as online sales and dial-up services are unutilised. The subsidiary in the Czech Republic has no retail sales network.

The main goals of subsidiaries are as follows:

- development of an internal sales network (see *Section 6.2.1*), increased productivity of the sales staff and balancing their structure;
- greater role of marketing to provide efficient guidance and sales support.



Internal sales network

### 6.2.3 Brand management and marketing communications

Brand redesign efforts and implementation of the Triglav brand identity within the Triglav Group were continued at corporate and product levels using integrated management. An integrated brand management system is an integral part

of strategic brand management. Product advertising was aimed at sales support in all insurance classes, while corporate advertising focused on promoting the reputation and consolidating the Triglav brand.

Consolidation of the Triglav Group's market position and the visibility of the Triglav brand in the region was continued by unifying its digital presence. First, names of certain insurance subsidiaries have to be coordinated, followed by the implementation of a uniform visual identity. In 2013, several subsidiaries in Slovenia were renamed and the uniform corporate identity was expanded (Triglav, Zdravstvena zavarovalnica, TRI-PRO and other companies). The insurance company Lovćen Osiguranje, Podgorica was the last of the subsidiaries outside Slovenia to make the first step to a unified branding strategy. It assumed the corporate identity and the signature »a member of the Triglav Group«.

Brand reputation was maintained and built via corporate communications. Numerous events were organised for the internal and external publics in order to implement the Company's corporate social responsibility goals, maintain partner relations and attract new business partners. By using new communication techniques and channels, the brand with the longest tradition in the Slovene market is given a modern touch. A viral marketing campaign, supported with public relations activities all year round, contributed to the efforts put into the insurance fraud prevention, pointing out their adverse effects and the nature of criminal offences. The perception analysis before and after the campaign showed that the campaign had a positive impact on changing the perception of target external and internal publics. In 2013, two viral campaigns were launched.

The situation on all Triglav Group markets demands greater focus of product advertising for all insurance classes. The whole campaign »Life Is a Game« for life insurance in Slovenia, in which top athletes sponsored by Zavarovalnica Triglav participated, had a strong corporate charge. As part of the campaign, the Youth Is the Safety of Our Future project for the development of sports and artistic talents was carried out and scholarships were awarded to many young people. With strong media support, the project was implemented within the framework of the TV show »Slovenia's Got Talent« produced by PRO PLUS – POP TV.

One of the biggest advertising campaigns in the history of Triglav was organised during the biggest sports event in Slovenia, the European basketball championship – EuroBasket, with the participation of national teams of all the countries in which the Triglav Group operates. The campaign, in tune with the marketing activities in the sales network was corporate in the initial phase, for the first time in all markets of the Group. Until the beginning of the championship, the campaign was intensified by numerous events and activities. At the headquarters of the parent company in Ljubljana, an exhibition of basketball jerseys of all teams was opened to the public a day before the championship. After the championship ended, the jerseys were sold at a charity auction held by the Zavarovalnica Triglav's institute Vse bo v redu (Everything will be alright) in order to help fund the training of basketball players with disabilities for the paralympic basketball championship.

<sup>27</sup> GRI G4-FS7

The Company monitored the impact of all these activities on brand reputation and the efficiency and effectiveness of advertising campaigns. According to ad recall in the category of insurers, Zavarovalnica Triglav occupied the first place most often, while among all observed ads it ranked between the fourth and the seventh place.

The same is true for the campaign that was designed to raise awareness on the dangers of insurance fraud, which also increases the prices of insurance products. Checking the perception of the target external public showed a significant shift in insurance fraud identification. An analysis conducted after the campaign ended showed that 30% of the respondents identified all eight actions indicated in the survey (intentional infliction of harm, a completely fictional event, reported claims for events not covered by insurance, taking out insurance after the damage already occurred, suppressing information when concluding an insurance contract and in the claim for damages, indicating greater value in the claim for damages and overstating the extent of damage incurred), while only 26% of the respondents did so a year and a half ago.<sup>28</sup>

Zavarovalnica Triglav adhered to the Slovenian Code of Advertising Practice. In 2013, no proceedings for infringements related to marketing communications were initiated against Zavarovalnica Triglav and its subsidiaries.<sup>29</sup>

The strategic orientation of marketing communications was confirmed by the title »Advertiser of the Year« awarded for the first time to Zavarovalnica Triglav at the Slovene Advertising Festival (SOF) for its convincing, original and very consistent application of various marketing mix elements in accordance with the corporate brand identity and the highest professional standards.

#### 6.2.4 Investment in real property and equipment<sup>30</sup>

In 2013, the Triglav Group invested EUR 9.8 million in property, plant and equipment, EUR 2.6 million in investment property and EUR 10.2 million in intangible assets. Investments in intangible fixed assets include investments in software and property rights.

### 6.3 Organisation of the Triglav Group

In line with the strategy, activities continued within the scope of business process redesign project in order to streamline operations, improve cost efficiency and to standardise and increase the effectiveness of business process implementation. The year 2013 was marked by major organisational and process changes. The organisational structure and post classification were coordinated with strategic guidelines and new or adapted IT processes and requirements.

Greater organizational and process changes resulted in client focus and internal operational and development coordination. On 1 March 2013, until then divided life and non-life insurance sales were joined into the unified

Insurance Sales Functional Area, which also includes previously organisationally independent regional units. The new functional area is managed by an executive director, whereas prior to the integration the regional units were directly subordinated to the Management Board. The role of the Client Contact Unit (CCU) was amended and clearly defined, and online operations and telephone sales were added.

The business process management system was divided into two subsystems:

- business process redesign system (implementation of major process changes) and
- business process management system (implementation of minor process changes and improvements).

Administrators and owners of key and identified business processes were specified. A new application was developed and implemented (the Business Process Register) so as to provide a comprehensive overview of their personal responsibility in process management for all business functions of Zavarovalnica Triglav (at strategic, tactical and operational levels). The manner of monitoring and assessment of computerisation level of individual processes was determined.

In redesign, the process approach is systematically applied. A process modelling methodology was set up, a business process model and process measurement methodology were introduced and the basis for determining process indicators was specified. Using the selected indicators, effectiveness and efficiency will be checked and processes improved. A good starting point is provided by an overview of the effects of implemented reorganisations and process changes by individual business function of Zavarovalnica Triglav for the 2006–2013 period, prepared by the Organisation, Business Processes and Technologies Functional Areas and process owners. Furthermore, a new process documentation system was set up and the implementation of change management system using the ADKAR methodology and tool was continued.

A new internal document and circular management concept was implemented and the new integrated application Circulars was introduced. The purpose of the redesigned application Internal Documents is to further improve the standardised documenting and electronic archiving of internal documents.

E-business was systematically expanded:

- compliance of internal rules with actual procedures of e-safekeeping was verified;
- the range of documents kept in e-safekeeping was expanded;
- implementation of insurance documentation digitalisation began and electronic signature using e-pen was introduced for all key non-life insurance sales channels;
- management of competences and authorisations was upgraded with e-issue of authorisations, improving process efficiency in terms of both costs and time.

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Support of process and organisational improvements and client management

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Raising awareness on the dangers of insurance fraud

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<sup>28</sup> GRI G4-SO4

<sup>29</sup> GRI G4-PR7, G4-15

<sup>30</sup> GRI G4-13



IT support development

## 6.4 Development of the IT support

Besides smooth performance of regular computer-supported operational processes and support for achieving strategic business objectives, the main development activities of the IT Functional Area also focused on process and organisational improvements and client management.

**At process and organisational levels Zavarovalnica Triglav** continued to redesign the non-life insurance IT system, set up the data warehouse, design the client relationship management system and build the bases for achieving compliance with *Solvency II* requirements. The project redesign programme is almost in its final phase. Thus, the data warehouse is already a source of information for monitoring of operations and decision-making in some segments. New technological possibilities are considered in the development of new products, enabling the use of alternative sales channels and taking into account the changed client habits (online sales, life insurance policy monitoring portal, support for cooperation with tourist agencies and banks).

To make the work of employees easier, applications for mobile phones and tablets were developed, which are used by a wide range of co-workers, from agents and appraisers to members of the Management Board (authorisation of exceptional discounts, crop appraisal, reports containing data on monthly premium, claims and expenses). The previously described amendments to the legislation or other regulations demanded adjustment of parts of life and non-life insurance IT systems (SVPI, agricultural insurance, e-enforcement).

Activities for standardising the IT support for non-life reinsurance were continued. The application module for *Solvency II* reporting was launched.

**Client management support** was ensured by adding new functions for a more comprehensive overview of policyholders, setting up a bonus system and introducing a client loyalty programme.

New products and adapted existing products for attracting new clients and expanding the insurance of existing policyholders were supported by IT solutions for **various sales channels**. Appropriate solutions enabled changes to internal procedures such as increasing the volume of paperless operations or changes to internal rules (charging of fees to agents, redesign of e-archive use).

In 2013, most IT infrastructure was not subject to major changes. An exception to this was the network equipment segment, which was mainly replaced upon the introduction of IP-telephony, including a simultaneous increase in data transfer speed at some locations. Due to the growing use of mobile devices, a software solution was implemented for safe access to Triglav's IT system via mobile devices.

For **secure information management**, new documents were drawn up and activities within the information security management system (ISMS) were defined in greater detail.

Within the Triglav Group, the AdInsure software was introduced in the subsidiary Triglav Pojišt'ovna, Brno. For the needs of insurance subsidiaries Triglav Osiguranje, Zagreb and Triglav Osiguranje, Sarajevo, some life insurance products were adapted. Moreover, for Triglav Osiguranje, Zagreb, the software solution for accessing own life insurance policies and checking the balance of investment funds for investment life insurance was adapted. IT support was provided for all changes occurred as a result of Croatia becoming a member of the European Union (see *Section 6.1.2 The Triglav Group*). In the insurance segment of the Triglav Group, IT internal control assessment was performed, internal control improvement measures were implemented and mechanisms for continuous operation of IT were prepared.

### Plans for 2014

#### **Zavarovalnica Triglav:**

- conclusion of redesigning the non-life insurance IT system;
- finalisation of setting up the data warehouse;
- development of the client relationship management system (CRM);
- development of new mobile applications in non-life and life insurance segments.

#### **The Triglav Group:**

- concluded implementation of standard software support for non-life insurance (AdInsure) in Triglav Pojišt'ovna, Brno in the beginning of 2014;
- implementation of AdInsure in Triglav Zdravstvena Zavarovalnica;
- upgrade of AdInsure functions with respect to the requirements of insurance subsidiaries;
- implementation of standard software support for accounting (Navision) and introduction of software support for ISMS and business continuity in the Triglav Group's insurance subsidiaries.