

# 6. Marketing and development activities of Triglav Group

## 6.1 Marketing and sales activities

### 6.1.1 Non-life insurance

Maximising profitability of operations primarily raises the quality of the portfolio and not necessarily the written premium.

More attention was given to Zavarovalnica Triglav's presence on the internet.

The marketing of non-life insurance stems from the quality of the product range and its competitive advantages, while rebates in 2011 were limited and given selectively. The Company implemented a strategic direction to maximise the profitability of operations, which primarily raises the quality of portfolio, but not necessarily the written premium. The results achieved reflect both trends: the selection and improvement of quality of sales portfolio, and the negative impact on turnover and insurance premium. All of our attention is devoted to customer satisfaction and loyalty. Special offers were designed in order to acquire new policy holders, taking into account that Slovene customers mainly choose rational solutions in insurance.

In the development of the marketing and sales of non-life insurance, more attention was given to the presence of Zavarovalnica Triglav on the Internet. Existing web applications were redesigned and upgraded so that they are unified into the ITBuild software application. Internet sales of accident insurance for children, insurance of travel arrangements and medical travel insurance with assistance for travels abroad were redesigned; the redesign of the motor vehicle insurance sector will be finished in the beginning of 2012.

Furthermore, the modification of cooperation with leasing companies was continued, which was necessary due to numerous changes in the motor vehicle insurance sector, implemented in mid-2010.

#### Key development activities in the sales network

Zavarovalnica Triglav's extensive network of insurance agents and counter services is an important advantage, and many activities are focused on the development of the external sales network. In the internal sales network the grounds for awarding insurance agents were unified, and much attention was devoted to the activities for retaining and obtaining policy holders, as well as improving the portfolio. Information on motives for buying insurance were collected, special sales campaigns were carried out (insurance for an additional car in a family, and new »DOM« home insurance), and the sales of travel, life and supplementary health insurance was promoted. Emphasis was placed on the motivation and qualification of sales persons. For this purpose a contest was organised to reward sales personnel. The following were also successfully implemented and organised:

- system of awarding additional bonuses for the sale of new motor vehicle insurance in counter services;
- a two-day consultation meeting on operating in the current changed realities and other topical issues for heads of personal insurance sales, heads of representative offices and heads of insurance agent teams;
- a »Mystery Shopping« study, including analyses and implementation of measures;
- comprehensive sales training for personnel and individual specialised training seminars (sales training, specialised courses, sales management training).

In the external sales network, unified operational standards for external sales channels were upgraded. The results were carefully monitored, improvements based on the results of three »Mys-

tery Shopping« surveys were implemented, and regional units and headquarters actively worked with contracted points of sale. Simultaneously, Zavarovalnica Triglav:

- introduced additional sales promotion tools for new motor vehicle insurance;
- organised a seminar with training courses for external points of sale coordinators to upgrade their professional and sales skills;
- carried out an educational seminar with employees in some contracted points of sale; and
- obtained new outsourced partners.

The ITB-Underwrite workshop was organised for sales officers, as were an annual seminar for sales officers on current topics on sales and marketing, and meetings of sales staff on underwriting arranged according to business segment. The marketing of accident insurance was transferred from life, health and accident insurance to non-life insurance. Sales activities for sales officers with a focus on the existing portfolio and cross-sales, and acquiring new policy holders were carried out.

Key account management was improved by enhancing the quality of information that formed the basis for making timely and correct decisions. For that purpose regular meetings with the persons responsible for claim settlements and risk underwriting were introduced.

The introduction of amended contracts was continued, allowing for better management of cooperation with insurance brokerage companies (brokers).

#### **Organisation, work processes and authorities**

In 2011 significant attention was again paid to improving sales process organisation and management in regional units. Comprehensive monitoring of operations and coordination of the external sales network were established. The organisation of non-life insurance marketing at the headquarter level was adjusted to market conditions and priority requirements.

All processes and activities were carefully reviewed according to business segment and the managers for these areas were appointed. Processes were also modelled and listed in the register of business processes of Zavarovalnica Triglav.

#### **Marketing communication**

Marketing communication activities were carried out throughout the year. Due to ever more intense competition and the rapid development of the market, the greatest attention was paid to motor vehicle insurance, especially to the benefits for families. A large campaign was devoted to the sales of home insurance (DOM packages). Marketing communication activities for other forms of non-life insurance were carried out in a lesser extent, with carefully chosen target groups and media.

Focusing on individual target groups helped Zavarovalnica Triglav rationalise the use of financial resources at the level of distribution. Most of the resources were used for TV advertising. Focused advertising and presence on the Internet, utilising modern methods of marketing, were continued.

Co-branding events at the points of sale of some business partners were also organised.

#### **Direct marketing**

In 2011 Zavarovalnica Triglav successfully marketed accident insurance for children and young adults, achieving almost a 70% responsiveness of existing clients. Direct marketing addressed the segment of policyholders who travel often or spend their vacation abroad. A special offer for the purchase and contract conclusion for travel insurance on the Internet with an option of purchasing a voucher that can be liquidated upon inception or renewal of motor vehicle insurance was introduced. In the same way, the sale of motor vehicle insurance was promoted.

Key account management was improved by enhancing the quality of information.

Accident insurance for children and young adults achieved almost 70% responsiveness from existing clients.

### The Triglav Group

The focus of our efforts was quality unification of the Group's marketing presence and support processes.

The underwriting programme AdInsure and the comprehensive IT-Build software application for the proper disclosing of assets and liabilities from international insurance programmes (ITB-Reinsure, ITB-Underwrite, ITB-Reinsurance, ITB-Analytics) were introduced. Work instructions for these programmes were issued, as well as the instructions for Triglav Group subsidiaries for sales, claim settlement and accounting, which shall, in parallel with the software support, provide proper registering of these programmes. By concluding general agreements with reinsurers, the Group defined the scope of business co-operation related to international insurance programmes within the Triglav Network. A non-standard line of insurance was marketed in order to increase the volume of business in these programmes.

Work guidelines and guidelines for rewarding insurance agents were prepared and implemented in most of the Triglav Group subsidiaries (except in Triglav Osiguranje, Belgrade and Triglav Osiguranje, Banja Luka).

Starting in 2012, the Company has focused on the implementation of education for heads of sales and heads of sales teams, and released sales manuals. In addition to seminars for heads of sales of non-life insurance in subsidiaries, the Company carried out professional practice and additional training for a group of employees from the Triglav Group subsidiaries.

Non-life insurance products in the European Union were marketed in line with the FOS (Freedom of Services) principle.

### 6.1.2 Life insurance

The life insurance range is being tailored to individual target groups and redesigned.

The continuation of uncertain conditions in the financial markets and particularly in the real economy influenced life insurance sales, as clients were more prudent when purchasing long-term life insurance policies. The life insurance range is therefore being redesigned and tailored to individual target groups.

The redesigned 50 PLUS life insurance is an investment product, in which assets are linked to a guaranteed return fund. The insurance includes supplementary accident insurance in case of accidental death or hospitalisation due to an accident. In co-operation with Ilirika DZU, two tailored life and investment insurance products, FLEKS, have been developed. These two products expanded the range of unit-linked products of Zavarovalnica Triglav.

Supplemental insurance for critical illnesses was redesigned and two new types of coverage were added: Triglav DNA genetic analysis (which provides genetic analysis to the insured person and their family members in case that the insured person gets one of thirteen critical illnesses) and Second Medical Opinion (in case of a diagnosed illness, listed in the Second Medical Opinion brochure, a second medical opinion to the insured person is provided, in collaboration with globally recognised medical institutions). Redesigned supplementary insurance for critical illnesses will be introduced at the beginning of 2012. Due to the recasting of insurance, harmonisation with the ISA Decision on more detailed content of insurance contract provisions, the introduction of new funds by Triglav Skladi, and changes in the fund basket in the Financial Goals strategy, the upgrade of **underwriting documentation** will be finalised in the first quarter of 2012.

The new service, i.Triglav web office, is an important novelty in the Slovene insurance market.

An important innovation in 2011 was the new service in the Slovene insurance market, **i.Triglav web office**, which provides access to the concluded insurance contracts for policyholders. For more information on i.Triglav see *section 6.2.2*.

### Marketing communication

The redesigned term life insurance range was marketed in the spring, and was presented in the visited business forums. In the autumn, in a broad marketing communication campaign, the sale of FLEKS, FLEKS FOR YOUNGSTERS and FLEKS FOR ADULTS unit-linked products were promoted. The campaign included advertising in selected media, promotional events in shopping malls and a contest for clients.

The »Safe Path Everywhere« preventive prize contest was successfully organised in schools and kindergartens.

### Direct marketing

In three direct marketing campaigns selected clients were presented the offers for:

- increased coverage for accidental death and the addition of insurance for monthly annuity for disability to the existing traditional life or unit-linked insurance policy;
- additional payments to investment accounts of unit-linked insurance without entry fee; and
- additional payments to the personal accounts of supplementary voluntary pension insurance policy holders.

### Sales network activities

The sales staff was trained to provide quality advice to clients, and heads of sales were trained for the efficient management of sales teams. In addition to that, 2011 was marked by several direct sales campaigns with promotional events and benefits for clients.

### The Triglav Group

The Triglav Group was focused on the transfer of operational standards and good practices in life insurance marketing to its subsidiaries. The commission model within the IT-life project at Triglav osiguranje, Sarajevo, was redesigned, and the Company participated in preparation of the project at Lovćen životna osiguranja. A sales mentoring programme was introduced at Triglav osiguranje, Zagreb, in order to improve the efficiency of sales team management. The Company participates in the development of sales channels in all subsidiaries selling and marketing life insurance.

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## 6.2 Development activities

### 6.2.1 Non-life insurance

The development of non-life insurance is following the needs of the modern insurance market, which is adapting to the changes in professional and natural environment. The development synergies in non-life insurance were built into all three basic business segments, i.e. in the areas of:

- content upgrade of existing insurance products and the development of new products;
- technological and informational improvement of professional and business operation support; and
- the improvement of estimates and valuation of underwritten risks.

Based on the achieved insurance technical results of individual insurance products in previous years and reasonable expectations regarding future trends, an extensive set of existing insurance conditions and tariffs was redesigned and re-evaluated.

Comprehensive content integration was carried out and Zavarovalnica Triglav's non-life insurance segment was linked to all subsidiaries in the Group, making it the pillar of development activities and content unification of risk assessment processes in the entire group.

Non-life insurance became the pillar of development activities and content unification of risk assessment processes in the entire group.

Novelties in the motor vehicle insurance segment were prepared in order to optimise the ratio between the improvement of insurance technical results and lower premium income.

#### Development and redesign of insurance products

New insurance products for **property and interest in property** insurance were developed and existing ones were redesigned:

- new guidelines for determining the correct premium calculation basis for home insurance package for individuals (DOM) were prepared;
- premium tariffs for general liability insurance, business interruption insurance due to fire, packages for property and interest in property insurance, property insurance in the power industry, construction, erection and fire insurance, personal computer insurance, trade show insurance, home contents and leased equipment insurance were modified;
- new terms and conditions for home contents insurance, erection and burglary insurance, glass insurance and travel arrangement cancellation insurance, travel insurance, liability insurance, home assistance, professional liability insurance for health service providers, stock deterioration insurance, package insurance of property and property interests of individuals, and property insurance in the power industry were adopted.

Bases for innovations in the **motor vehicle insurance** segment were prepared in order to optimise the ratio between improvement of insurance technical results and lower premium income; both trends are the result of the redesign of the products in 2010, which were the response to tight market conditions (see also *Section 7.2*).

The activities in **transport insurance** were focused on:

- designing ITB-Underwrite software for the liability insurance of road cargo transporters; the sale of insurance contracts under the new conditions started in November;
- changes of premium tariffs for the liability insurance of aircraft owners;
- changes of terms and conditions for aircraft hull insurance and premium tariffs for aircraft hull insurance;
- terms and conditions for business interruption insurance due to cargo damage, cabotage transport in Italy, Austria, France and Germany, and regulating the reinsurance for cabotage transport in Germany;
- drawing up general terms and conditions of liability insurance for marinas and modification of general terms and conditions for cargo insurance;
- monthly training on transport claim settlements and subrogations; and
- underwriting and assistance in claim settlement for subsidiaries.

The development activities in **agricultural insurance** were focused on:

- establishment of premiums for crop and fruit insurance for individual regions in Slovenia;
- upgrade of the policy authorisation for the conclusion of agricultural insurance contracts in accordance with individual risk underwriting authorities (authorisation code);
- increase of sums insured and premiums for basic insurance of breeding cows;
- upgrading the special terms and conditions for dog insurance;
- drawing up the new special terms and conditions for insurance of winter crops against the risk of extensive autumn rainfall;
- design of a claim handling tool (Cenilka) for crop and fruit insurance;
- continuation of activities in taking stock of methodologies for crop and fruit claim appraisal; and
- assistance in the preparation of terms and conditions for subsidiaries and operational involvement in individual subsidiaries' risk underwriting.

In **accident insurance** two new products, accident insurance for children and young adults and accident insurance for the unemployed, were introduced. Premium tariffs for individual accident insurance, group accident insurance, travellers and tourist insurance, accident insurance for aircraft pilots, flight personnel, passengers and sky divers, compulsory accident insurance for vol-

unteer members of Civil Protection Service and persons involved in other rescue activities were redesigned. Supplementary conditions for accident insurance for flight personnel, sky divers and aircraft pilots and passengers, terms and conditions for group insurance of persons against accident or death due to illness were also upgraded. New clauses for progressive disability insurance were introduced.

A new gap insurance product was developed and launched in **receivables insurance** (financial and trade credit insurance and suretyship insurance). Consumer loans insurance for low-value purchases and the conditions for suretyship insurance were redesigned. Additions to the insurance contracts for consumer and housing loans were prepared due to the altered criteria and in order to improve the transparency of the provisions.

### 6.2.2 Life insurance

Stagnant financial markets and the decline in the unit price of mutual funds affected the life insurance portfolio. The number of reported claims increased significantly. The Company responded to this increase with reinforced insurance development and redesign, heightened attention paid to the existing portfolio and improving clients' awareness of the advantages of insurance.

An important project of migration of the life insurance segment into a uniform information system supporting Zavarovalnica Triglav and the entire Triglav Group, and representing the basis for future development of insurance services was finalised.

As mentioned above, the introduction of the **new web office, iTriglav**, enables clients to monitor and to certain extent manage their life and supplementary insurance policies on the Internet. They may add other investments (shares, bonds, etc.) to the application. The iTriglav web office is free of charge and simple to use, and is an important tool for monitoring portfolios.

Among several new information solutions, the **life cycle** application for provisional calculations should be mentioned. Amongst other functions, this application enables insurance agents to underwrite insurance without underwriting documentation, since it makes printing of all the documents possible.

In 2011 the due date by which the clients could decide to purchase a supplementary old age pension expired. In preparation for the liberation of the supplementary voluntary pension insurance market, new forms of **annuity insurance**, so-called accelerated pension annuities, were developed. It is expected that the amendments to the Personal Income Tax Act will make the annuity insurance market more interesting.

The recast of the **term life insurance** in 2010 spurred its rapid growth. The operation of the underwriting service was adapted accordingly, since the increased sale of term life insurance reflects in the higher volume of risk capital and higher exposure of the Company.

The response to the financial crisis included the redesign of **50 PLUS life insurance and the introduction of Ilirika life insurance** and **Ilirika Dynamic FLEKS unit-linked insurance**, described in *Section 6.1.2*.

Due to an increase in sums paid out on the maturity (**maturity bonus**) of endow, a special maturity offer, focused on the comprehensive management of loyal costumers and the special bonuses for these costumers upon taking out a new insurance policy were continued.

#### The Triglav Group

The implementation of a common information system for life insurance and the introduction of new modern products in individual subsidiaries were continued. The project of implementation of an information system for life insurance in the Bosnia and Herzegovina subsidiary was successfully

The Company responded to the increase in reported claims with reinforced development, insurance redesign and proper attention given to the existing portfolio.

The migration of the life insurance segment into a uniform information system was finalised.

finalised. Along with the upgrade of the entire range of life insurance products and the introduction of new products, the subsidiary achieved an important competitive edge. The migration of insurance into a uniform information system was finished, which enables the faster transfer of new products, the introduction of new standards and good practices as well as easier risk management. In Croatia annuity insurance was redesigned, the range of supplementary insurance was extended, and the range of investment strategies was expanded according to the so-called financial goals strategy. The range of life insurance in our subsidiary in Montenegro was also upgraded.

### 6.3 Investments in property and equipment in 2011

In 2011, the Triglav Group invested EUR 6.3 million in property, plant and equipment, EUR 5.3 million in investment property and EUR 7.4 million in intangible assets. Investments in intangible fixed assets include investments in software and property rights.

### 6.4 Organisation of the Triglav Group in 2011

In line with the Triglav Group strategy, the activities within the scope of business process redesign project were continued. The emphasis was put on establishing a business process and change management system, the redesign of the internal document management system and the establishment of a central back office, in accordance with the IT redesign.

With the implementation of this project, the Group set new organisational, process and IT requirements and realised its strategic directions, including:

- to adapt the organisational structure to the mission, vision and strategic goals, as well as to changed processes and technologies;
- to divide tasks between the head office and branch offices and define their competences and authorities;
- to build a new, unified organisation with job descriptions in line with the needs of individual processes and the macro-organisation of Zavarovalnica Triglav; and
- to implement the reorganisation of operations with a focus on support functions.

The comprehensive changes are being introduced gradually and systematically. The aim of redesigning business processes is to streamline operations and to improve the cost efficiency, performance and standardisation as well as effectiveness of business process implementation.

Most attention was paid to:

- the establishment and implementation of a unified system of responsibilities, competences and authorities;
- the establishment and implementation of the business process management system;
- the efforts for a continuous adaptation of the organisational structure and job classification to be in line with the procedural and IT changes which were finalized with the reorganisation of individual departments;
- the introduction of a business process model representing the plan for carrying out activities, documents, decisions, operators and use of IT support in line with the business process modelling methodology;
- the establishment of a register of core and back-office operational processes per segment;
- the establishment and implementation of change management system and methodology, and the ADKAR tool;
- the redesign of the management and introduction of a new application for the management of acts and internal documents of Zavarovalnica Triglav;
- the establishment of a transparent system for process and internal document ownership and administration according to segment;

- drawing up suggestions for criteria and modelling the recognised future processes within the back office support;
- building infrastructure for e-safekeeping and acquiring the decision by the Archives of the Republic of Slovenia on adequacy of the Company's internal document »Internal rules of Zavarovalnica Triglav for management of documentary material in electronic form«;
- continuing the process activities towards paperless operation (the beginning of the introduction of e-pen in the sale of non-life insurance, the preparation for the introduction of insurance documentation digitalisation);
- the incorporation of personal and non-life insurance technology in IT and other projects (IT Life, IT Build).

Projects were designed to enable active participation of the Company in the changes of organisational structure and job classification in individual subsidiary insurance companies. Organisational restructuring was finalised in the subsidiaries Triglav Osiguruvanje, Skopje, Lovćen Osiguranje, Podgorica and Triglav Osiguranje, Belgrade.

## 6.5 ISO 9001 quality management system in the Triglav Group

Zavarovalnica Triglav acquired certification for the ISO 9001 international quality management standard in 2000. An annual external audit of the standard is conducted by leading auditors of the certification body SIQ, the Slovenian Institute for Quality and Metrology. Within the Triglav Group, two other companies are certified to ISO 9001 standards: the insurance company Lovćen Osiguranje, Podgorica since 2001, and Triglav Zdravstvena zavarovalnica since 2009.

Throughout 2011, the Company conducted a series of well-established activities allowing process owners to control the efficiency of the processes by applying a set of process performance indicators that are also coordinated with risk management indicators and key performance indicators. Results by departments are regularly discussed by the Management Board, which is also responsible for adopting proposed measures for improvement.

Zavarovalnica Triglav is continuing with the introduction of the information security management system according to the ISO 27001 standard and finalising the implementation of the business continuity system. The idea is to integrate these two standards with the certified quality management system according to ISO 9001 into a single process management system.

## 6.6 Development of IT support

Zavarovalnica Triglav is continuing with the upgrade of the entire information system. In order to ensure the efficient functioning of our insurance processes and the development of applications to support new or redesigned insurance products and services, appropriate IT solutions have been designed to accompany the re-engineering of Zavarovalnica Triglav's business processes.

- **Non-life insurance IT system:** A number of improvements have been made, including the integration of different segments of IT support and the automation of information exchange with external stakeholders. In the business partners segment, activities have been undertaken to improve data quality and the IT department has continued with the development of new functionalities for monitoring the insurance technical results of each individual partner. IT support has been established for the underwriting of new insurance products, the authorisation system has been upgraded, and first steps have been made towards the use of electronic signatures for insurance documents. A comprehensive overhaul of the recovery process for insurance premiums has been conducted, and new software is being developed to support

The integration of different segments of IT support and the automation of information exchange with external stakeholders were performed.



The most important results include the definition of the necessary data sources and the provision of part of the data for the »Prevention and Detection of Fraud« project.

credit and debit card transactions and to establish the necessary conditions for the introduction of the Single Euro Payment Area (SEPA). The department has continued with the upgrade of the IT system supporting non-life insurance. The development of software for claims and subrogation has been completed; accident insurance has been transferred from the personal insurance IT system. Development has started on a new application for the conclusion of contracts »off line«, control and processing software is being developed and a new IT system is being introduced to support reinsurance.

- **Personal insurance IT system:** The migration of the entire life insurance portfolio into the IT-LIFE system has been carried out for both Zavarovalnica Triglav and Triglav Osiguranje, Zagreb. At the same time, adaptations were made to the IT system for sub-ledger records, payment transactions and the system for calculating insurance agent fees for transferred products. After the migration in Slovenia and Croatia was finalised, the Company also carried out the migration of the entire life insurance portfolio from so-called legacy ISOZ into the IT-LIFE system for Triglav Osiguranje, Sarajevo. IT support for all types of life insurance products is now being implemented within the new system.

Among other things, IT support has been developed for new products, for the booking of payments by credit cards and for processing and preparing print-out lists for credit and debit card transactions in personal insurance.

The Life Circle IT application has been upgraded to facilitate the preparation of offers for the internal and external sales network.

On the iTriglav portal site, IT support has been made available for reviewing payments per insurance policy and for reviewing the policy account balance for personal insurance. Provisional calculations have also been made available to enable users to follow the profitability of their insurance policies and other investments (pension insurance) by reviewing movement in assets. Users can now access insurance-related forms and applications via the web site. Furthermore, the portal site also features IT support to facilitate the monitoring of investments: in addition to reviewing information on and actively managing their insurance policies, this application also allows users to create records and follow other investments.

IT support has been established for annuity insurance and certain new types of additional insurance have been added to unit-linked life insurance and FLEKS unit-linked insurance for Triglav Osiguranje, Zagreb.

In terms of supporting subsidiaries abroad, most activities were carried out in the companies Triglav Osiguranje, Zagreb and Triglav Osiguranje, Belgrade.

- **IT support systems:** The most important results include the definition of the necessary data sources and the provision of part of the data for the »Prevention and Detection of Fraud« project. The IT department has played an active part in choosing the data warehouse solution and has carried out further activities in the field of the preparation and transfer of data on non-life insurance into the structures of the data warehouse. Furthermore, the department was involved in the introduction of the IT solution for planning sales of non-life insurance. New OLAP cubes have been prepared for monitoring sales per sales channel and for the separate monitoring of key buyers. Several new internet applications for underwriting have been submitted for testing. In the framework of the PSUNT project, a new Lotus Notes application entitled »Internal Acts« has been developed to facilitate the management of internal documents in Zavarovalnica Triglav. The department also participated in the upgrade of the accounting information system to Navision 2009.
- **IT system support:** The IT department has started upgrading the core infrastructure for creating backup copies in the primary and secondary location. Due to business requirements and larger volume of operations of Zavarovalnica Triglav, some existing communication links were upgraded and some new ones established. The IT Department has provided appropriate environments for the testing and running of upgraded software applications for non-life and

personal insurance as well as for support systems and for the data warehouse, the financial statement consolidation and the planning of sales projects.

- **IT user support:** In addition to providing efficient support to internal and external users, the IT solution, Remedy Help Desk, has been successfully upgraded with an »Asset« module that facilitates the management of the computer equipment register.
- **IT support for the Triglav Group:** The second successive implementation of targeted IT support for non-life insurance was successfully completed in Triglav Osiguranje, Belgrade in July 2011, and in Triglav Osiguranje, Banja Luka at the end of 2011. In June 2011, the implementation project was launched in Triglav Osiguranje, Skopje and it is expected to finish in April 2012. In the framework of the »AdInsure Group« programme, several education and training courses were organised for the international group, consisting of experts on insurance products and IT specialists who are involved in the insurance product unification and design in the Triglav Group.

### Security support and IT compliance

The concept of IT management within the Triglav Group has been upgraded. All the necessary preparations were made for a uniform planning and reporting process in the IT sector of all subsidiary insurance companies.

In terms of IT security, the IT department has continued with the gradual transfer of provisions of newly adopted internal acts from the field of IT security into the business processes of Zavarovalnica Triglav, and is in the process of preparing and adopting new internal acts.

In order to establish a uniform information security management system in the Triglav Group, internal acts are gradually being transferred from Zavarovalnica Triglav to subsidiary insurance companies (to Triglav Osiguranje, Belgrade, to Triglav Osiguranje, Zagreb and to Triglav Osiguranje, Skopje).

As part of the project of establishing a business continuity system (BCS), the IT department conducted the necessary activities for the preparation of business continuity plans for the key business processes of Zavarovalnica Triglav. The conditions for the introduction of a business continuity system are also starting to be established in Triglav Osiguranje, Zagreb.

### Plans for 2012

The IT department will continue with:

- the upgrade of application support for non-life insurance;
- the Data Warehouse project;
- the Planning of Sales project, whose completion is planned before the end of the year;
- the Prevention and Detection of Fraud project, in which completion is also planned before the end of the year;
- the overhaul of the portal site, which will include the overhaul of the Triglav Group web appearance and the introduction of an application supporting the underwriting of non-life and life insurance via the internet.

Further activities will include:

- the promotion of the transfer of knowledge and technology to subsidiary insurance companies by introducing standardised application solutions;
- an upgrade of the information security management system of Zavarovalnica Triglav;
- the completion of the establishment of the business continuity system in Zavarovalnica Triglav;
- the performance of a security check for all public web sites of Zavarovalnica Triglav.

The Sales Planning and Prevention and Detection of Fraud projects will be completed.