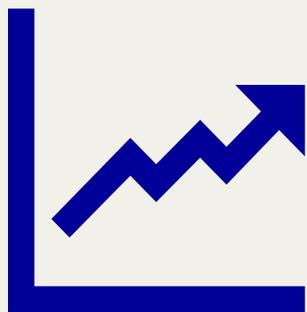


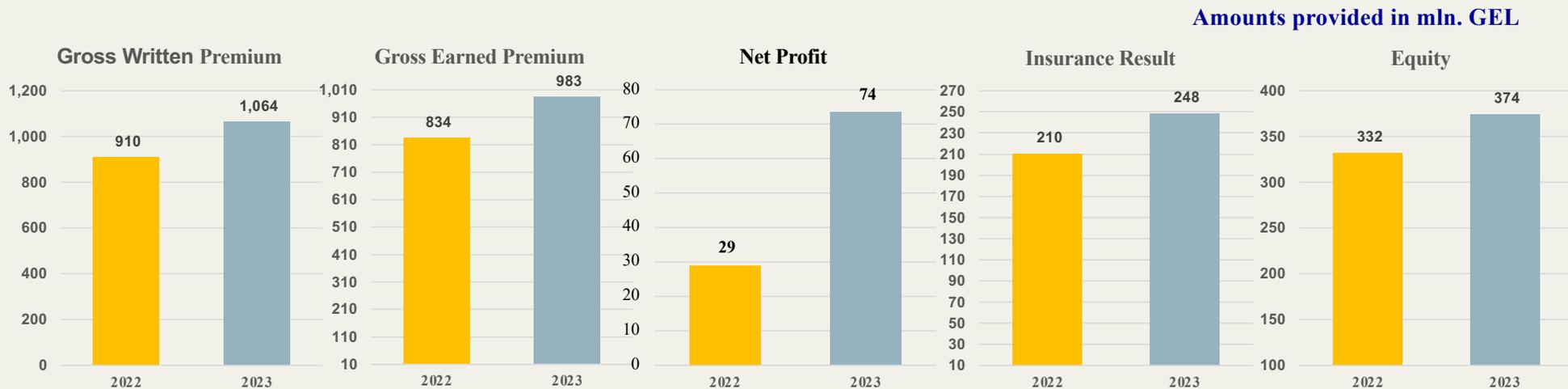
Implementation of IFRS 17 in Georgia



Edward Vakhtangishvili
Insurance State Supervision Service of Georgia

Insurance Industry Performance: Year-on-Year

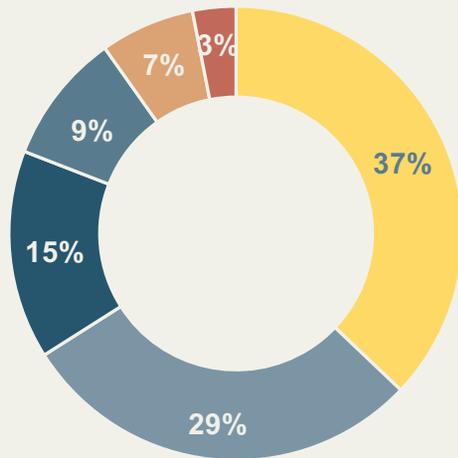
- As of December 31, 2023, a total of 18 insurance undertakings were operating in Georgia. All of them are authorized to operate both in Life and Non-life insurance lines of business.
- The financial performance of the insurance sector exhibited steady growth in 2023 compared to 2022, with notable increase across key indicators.
- During 2023 Gross Written Premium from direct insurance activities amounted 1,064 million (17% increase).
- Gross Earned Premium, as well as Insurance Result increased by 18%. Net Profit surged by 155%, as release in mobility after COVID affected 2022 results.
- Total Equity also increased, by 12.6%.



Insurance Market Structure

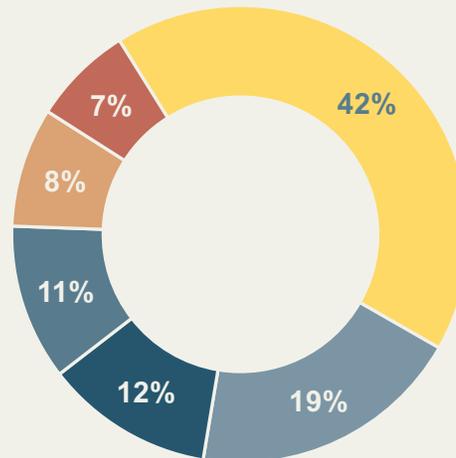
Georgian insurance market is fairly diversified across main lines of business. Nevertheless, health insurance still dominates, capturing nearly half of the market. Life insurance is mainly associated with bancassurance and is considered short-term, with fixed sums insured for death or disability risks. There are no investment-related or long-term life insurance policies available.

Armenia



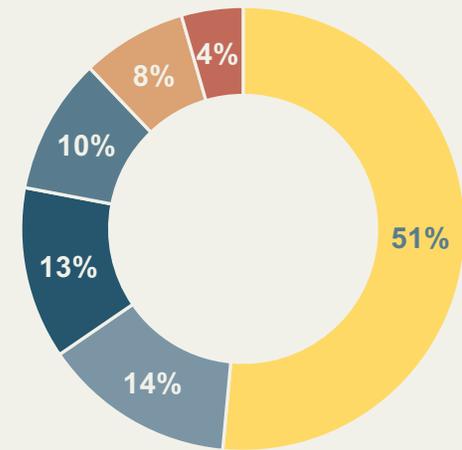
- Compulsory MTPL
- Other
- Motor (Casco)
- Health
- Property
- Accident

Georgia



- Health
- Property
- Life
- Motor (Casco)
- Other
- MTPL

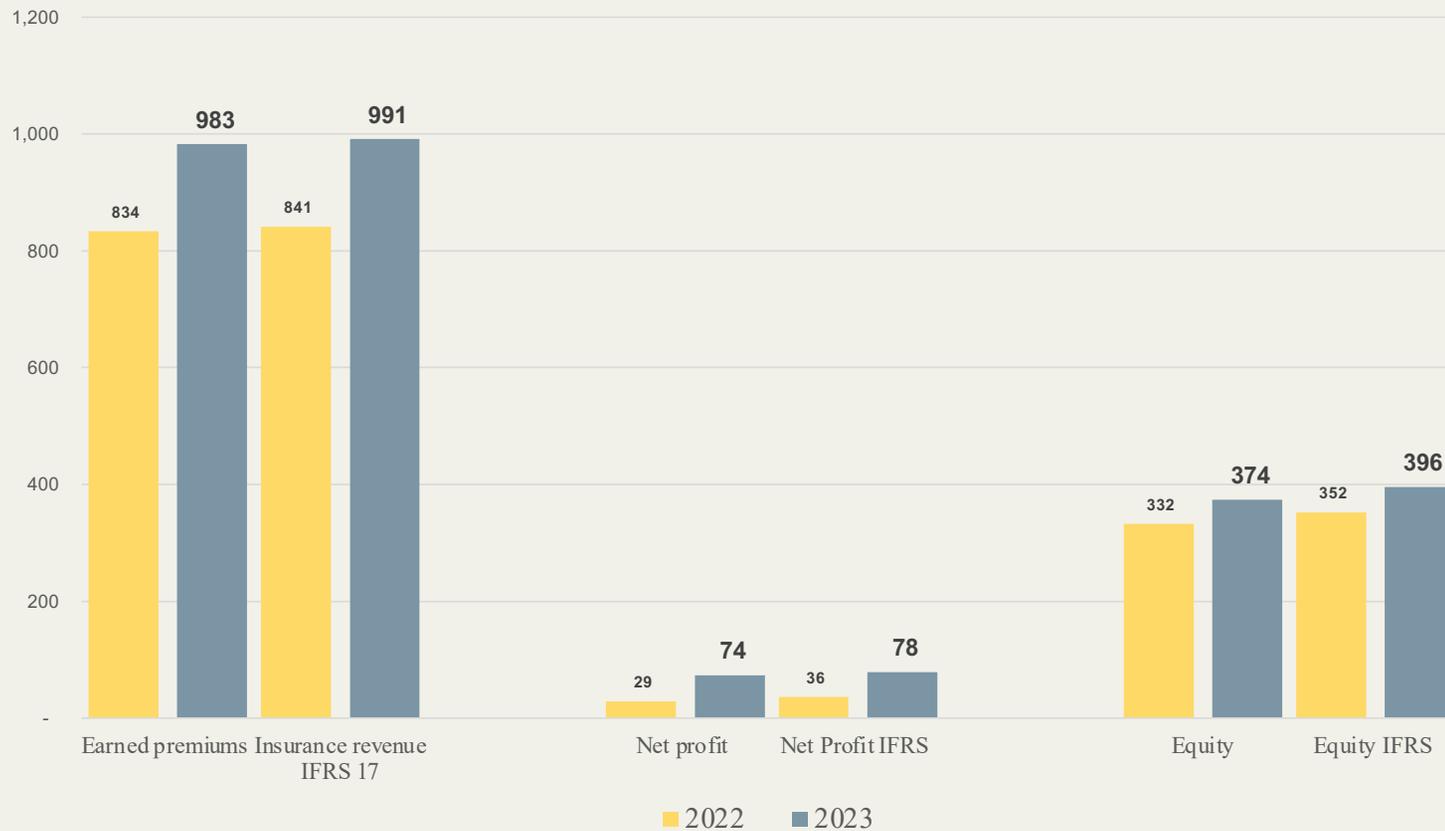
Azerbaijan



- Life Insurance
- Property
- Other
- Compulsory MTPL
- Health
- Motor (Casco)

Supervisory vs IFRS reporting

Amounts provided in mln. GEL



- Reports submitted duly: 7
- Reports delayed: 11*

***Primary reason for delays:**
Challenges with initial due processing of base data for reports prepared according to IFRS17 and IFRS9

IFRS17 implementation activities performed

1

Close cooperation with SARAS on the introduction of the standard (incl. translation of the standards and implementation of reporting templates for reportal.ge)

4

Active work with Ministry of Finance to switch insurers to new taxation system (aka Estonian model)

2

Organized trainings and seminars for the ISSSG staff, insurers and other stakeholders

5

Monitoring due preparation and disclosure of audited annual statements for 2023 and restated 2022

3

Initial communication with the market to reveal the readiness and main challenges

6

New requirement introduced by the Law for the Insurers to have Actuaries with appropriate qualifications

Future actions



**Joint work with
MOESD & NBG on
capital market
development**



**Cooperation with
Ministry of Finance
on Tax incentives
for long-term life
insurance**



**Enhancement of
actuarial profession**



**Building capacity
for introduction of
GMM and VFA
accordingly**



**Upon introduction
of relevant
supervisory KPIs,
implementation of
IFRS 17/9-based
supervisory
reporting**

Stay tuned 😊



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