



INSURANCE STATE
SUPERVISION SERVICE
OF GEORGIA

STRENGTHENING CONSUMER PROTECTION IN THE GEORGIAN INSURANCE MARKET

Insurance State Supervision Service of Georgia

ISSSG



INSURANCE STATE
SUPERVISION SERVICE
OF GEORGIA

FUNCTIONS OF THE INSURANCE STATE SUPERVISION SERVICE OF GEORGIA

Pursue the governmental policy in the field of insurance



Contribute to the financial stability of the insurance market



Protect the consumers rights within the own competence



Secure the efficiency and solvency of insurance organizations



Create the competitive environment, for which purpose the
Supervision Service generalizes insurance business



Establish within the own competence the normative and methodological
base and to control its performance



Develop the drafts of new laws and other projects,
as well as of changes in the existing ones



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CONSUMER PROTECTION RIGHTS IN INSURANCE LEGAL FRAMEWORK

Priority is given to the special legislation regulating,
if it does not impair the rights of the consumer
established by law

Legal framework for the protection of consumer rights in insurance

Insurance law

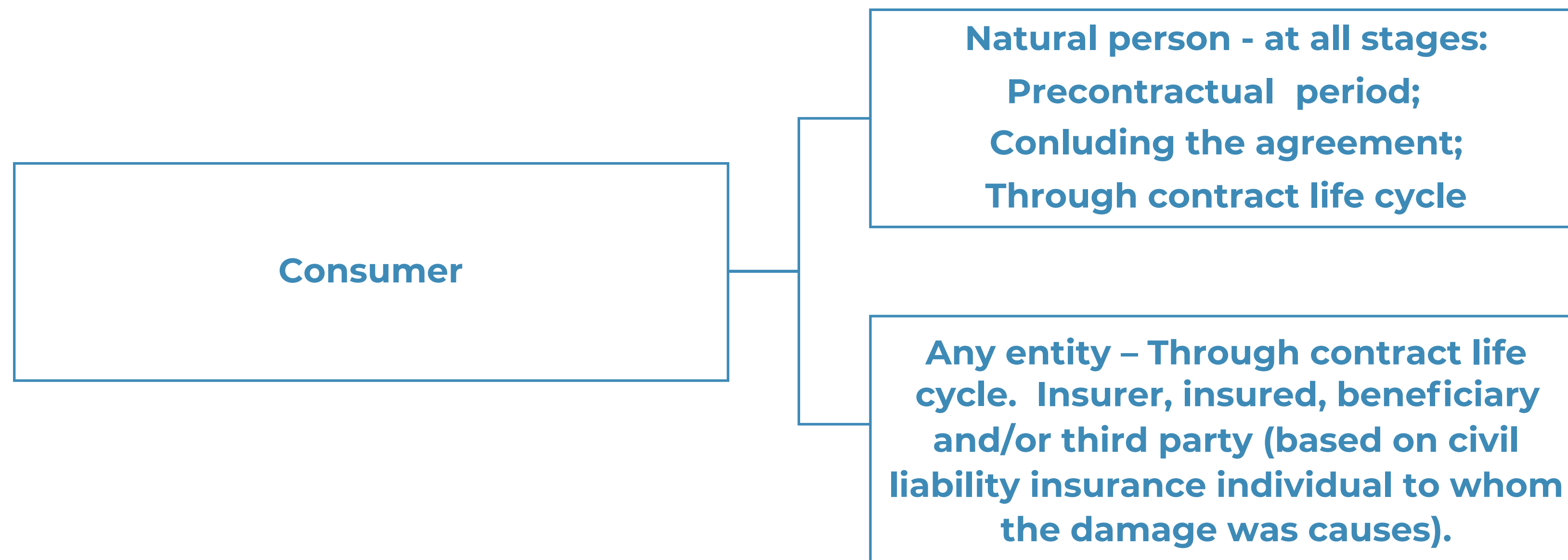
Order №18 of the Head of Insurance State Supervision Service of Georgia April 3, 2017 Tbilisi On Approval of Instructions on the Protection of Consumer Rights by Insurers while Providing Insurance Services

Law of Georgia On the Protection of Consumer Rights

Recommendations



DEFINITION OF CONSUMER UNDER THE INSURANCE LAW





CONSUMER CORE RIGHTS

Consumer Rights in Digital Services

► Right to Receive:

- Detailed, accurate, non-confusing and up-to-date information regarding the insurance product;
 - „Information Document“;
 - „Key Facts Statement“;
 - Insurance contract and all related documents - free of charge;
 - All information concerned with claims settlement.
- In case of full or partial refusal on reimbursement, detailed explanation of the reason and a written justification, on request

Data must be stored on a reliable medium!

- Right to request change of the agreed remote communication means;
- Receive all documents by via means and in material form, on request.

If the insurance product is offered via artificial intelligence or communication tool for which it is appropriate to provide information in a free form, receive all information in standardized form after-words.

Rigth of withdrawal from remotely concluded insurance contract, without specifying any reason, penalty and/or other tax. Cooling off period:

- 14 days, for non -life insurance contracts
- 30 days, for life insurance contracts.



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CONSUMER CORE RIGHTS

The burden of proof that the consumer was fully informed about the terms of the insurance product, rests with the Insurer

- In case of changes terms of the contract, the consumer must be informed in advance and directly. It is not allowed to introduce the change by publishing it on the website.
- A condition that allows for its ambiguous interpretation will be interpreted in a favour of the consumer.
- Cancellation the obligation of prior notification may be done, if changes are in favour of the consumer.



Consumer Protection and Financial Literacy Division was established in January 2018 under Legal Department and reports directly to the Head of Service

Functions of the Consumer Protection and Financial Literacy Division

Delivering consultations and helping insurance sector to adhere new amendments

- Improved internal code of conducts/policies;
- Pursuing new practical approach;
- Formation of sufficient fundament for further developments.

On-site & Off -site inspections

Handling consumer complaints

- Assisting consumers in seeking fair treatment;
- Reveal breaches of current CP regulations;
- Issuing recommendatory notes

Review monthly reports on the consumer complaints

- More effective instruments to assist consumers
- Preclude inconsistent measures



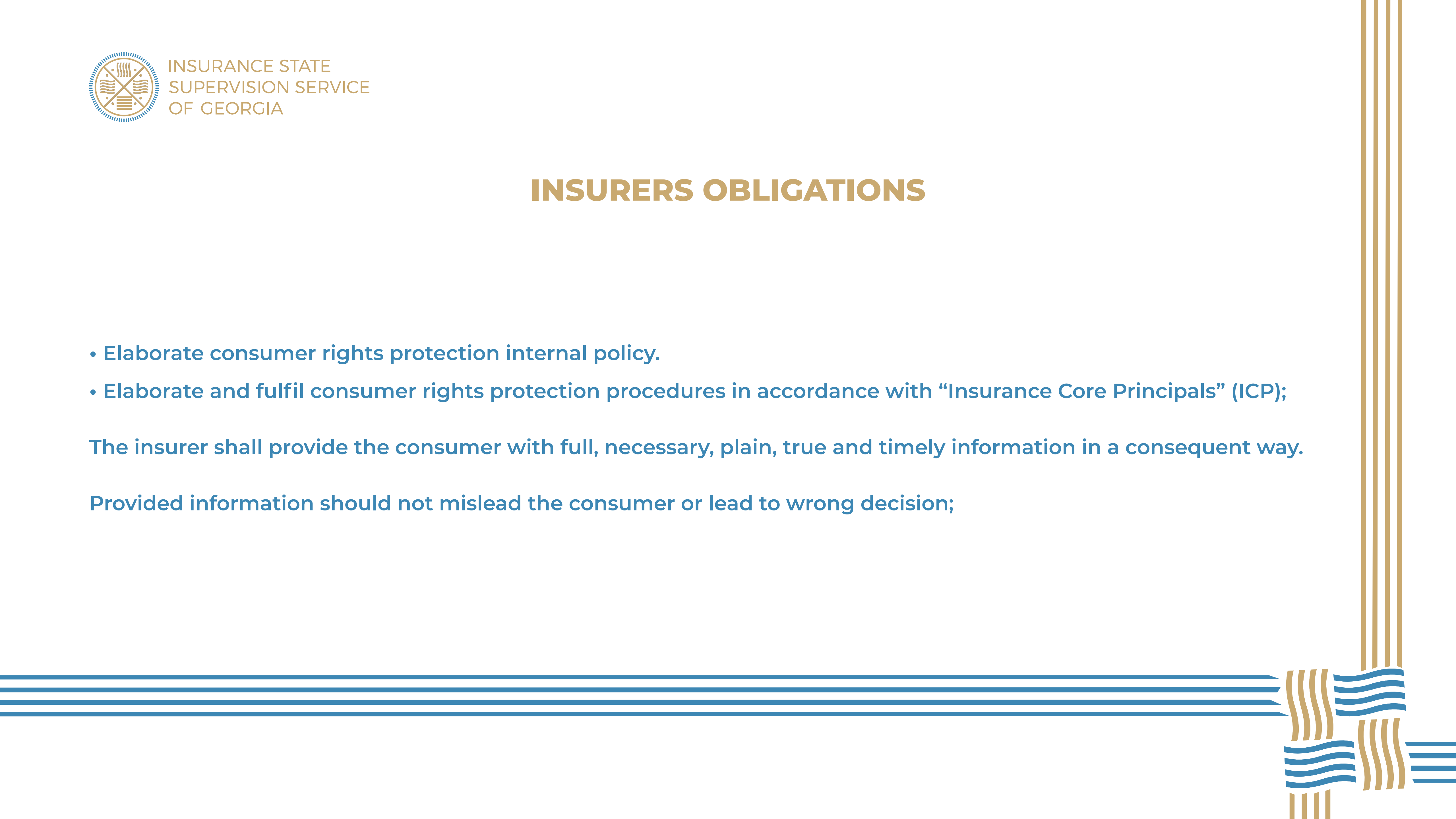
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INSURERS OBLIGATIONS

- Elaborate consumer rights protection internal policy.
- Elaborate and fulfil consumer rights protection procedures in accordance with “Insurance Core Principals” (ICP);

The insurer shall provide the consumer with full, necessary, plain, true and timely information in a consequent way.

Provided information should not mislead the consumer or lead to wrong decision;





HANDLING AND REPORTING CONSUMER COMPLAINTS

According to ISSSG bylaw the insurers are obliged to have:

- Complaints handling procedures;
- A special structural, independent unit responsible for handling consumer complaints

Insurers should submit The Service monthly report about consumer complaints

Benefits :

- Monitor operational conduct
- Help consumers settle complaints more effectively

Insurers must settle the complaint within 30 days.

The insurer may set a shorter period for processing the claim

Outcome of the complaint examination shall include reasonable justification and if possible, proposal on complaint regulation



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Too Much information kills information!

**Requirements For Mandatory Insurance And “SIMPLE” Products
Have Been Simplified**

Providing „Information Document“ and „Key Facts Statement“ is not mandatory



CONSUMER COMPLAINTS

Consumer dissatisfactions are mainly related to:

- Refusals to insurance reimbursements
- The amount of reimbursements

Most of the Consumer complains refers to:

- Health Insurance
- Motor/Car Insurance

Consumer Complaints in Service is increasing every year.

In 2020, due to the Covid pandemic Service allowed to receive complaint in electronic form which increased receiving consumer complaints



MARKET CONDUCT

Service

- ❑ Identifies Challenges
- ❑ Generalizes specific topics
- ❑ Issues recommendations on best practices
- ❑ Launches new regulations

2024-2025

Minimum
requirements for
Travel Insurance

Recommendation - “On consumer awareness regarding refusal to issue insurance compensation on the grounds of gross negligence in case of damage”

Additions for strengthening Consumer protection

- Additional informing about ongoing payments, debts and consequences;
- Providing timely information via durable means



MINIMUM REQUIREMENTS FOR TRAVEL INSURANCE

- Minimum limits and sub-limits for emergency medical services;
- The design of the insurance policy, which must include all sub-limits

If the total limit of travel insurance is less than 30,000 (thirty thousand) Euros/US Dollars:

- The limit for urgent outpatient services - set at no less than 10% of the total limit, but not less than 1,000 (one thousand) Euros/USD **(in past most often the limit was within 1,000);**
- Emergency surgical services must be equal to the total limit (insured amount) **(in past daily limits were set: 150 and 400);**

If the total limit of travel insurance is equal to or exceeds 30,000 (thirty thousand) euros/US dollars

- The limit for urgent outpatient services – set at no less than 5,000 (five thousand) euros/US dollars **(in past mostly the limit was 1,000 – 2,000 euros/dollars);**
- The limit for emergency hospital services/care - set at no less than 30,000 (thirty thousand) euros/US dollars **(in past a daily limit was set, up to 150-1,000; mostly 400 euros/US dollars);**

Hospital cases started within the insurance period must be reimbursed fully (regardless the end date);
If the cost of medical services is calculated on a daily basis, reimbursement should cover at least 15 days after the insurance period.



ADDITION TO INFORMING FORM

The insurer is obliged to timely inform the insured via durable means:

- Current insurance premium Payment;
- In case of the occurrence any debt;
- Consequences of overdue payments;
- Consequences and financial obligation to the insurer in case of termination of the insurance contract

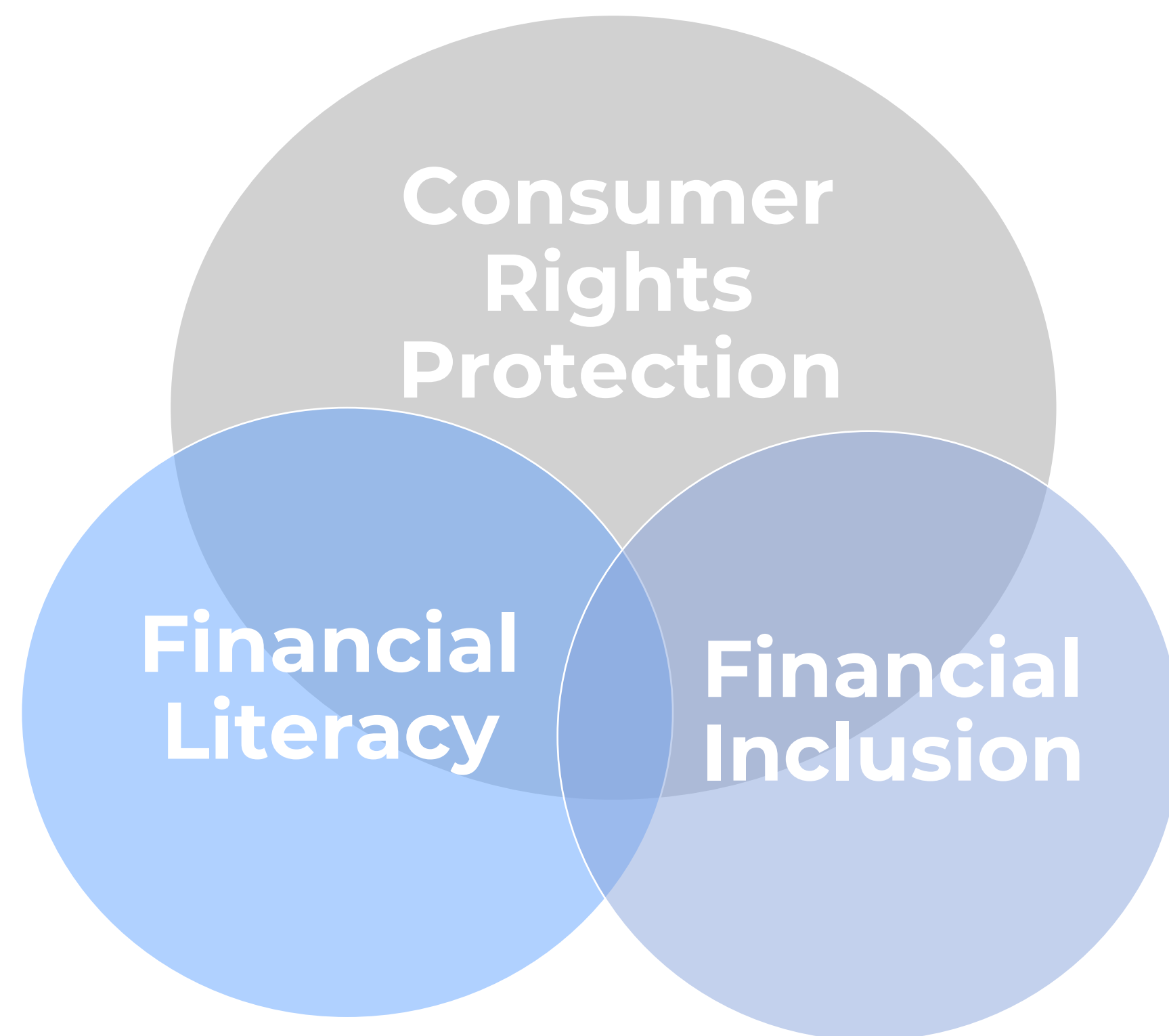


GAPS

Product Oversight and Governance (POG)



FINANCIAL EDUCATION



The ISSSG is member of the National Strategy for Financial Education since 2020

The ISSSG is member of the National strategy for the Consumer Protection since - 2024



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THANK YOU
FOR YOUR ATTENTION!