



საქართველოს
დაზღვევის სახელმწიფო
გადამხედველობის სამსახური

Georgian Insurance Market

Overview and trends

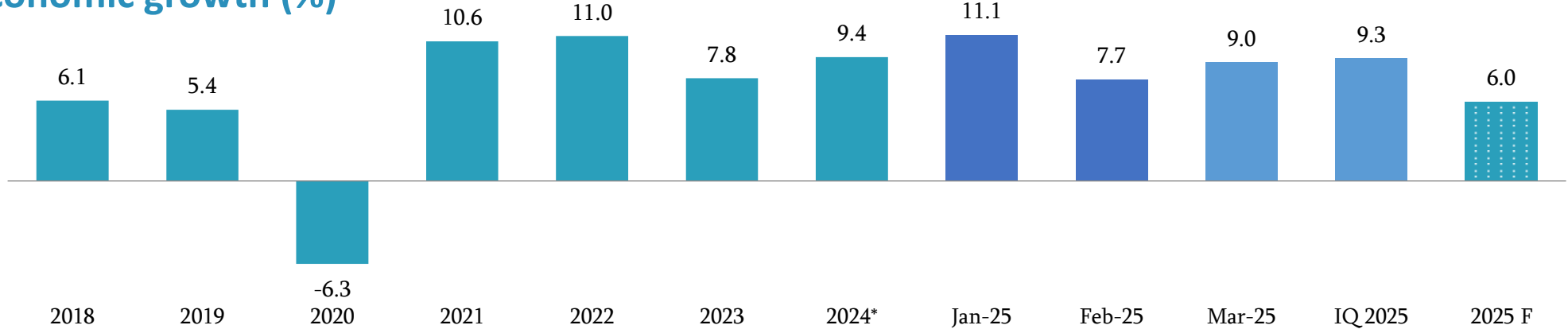
David Onoprishvili
Chairman

Batumi
12.06. 2025

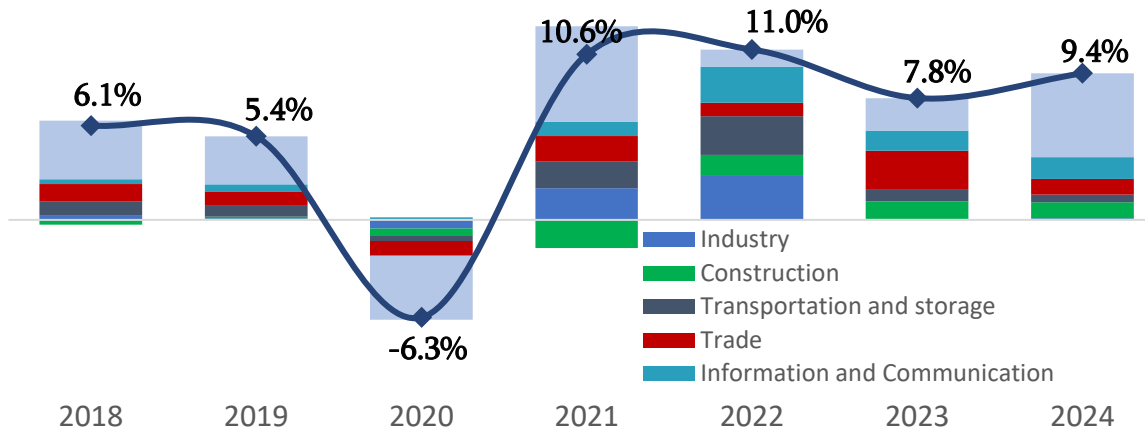


Macroeconomic Indicators

Economic growth (%)



Contribution by sectors



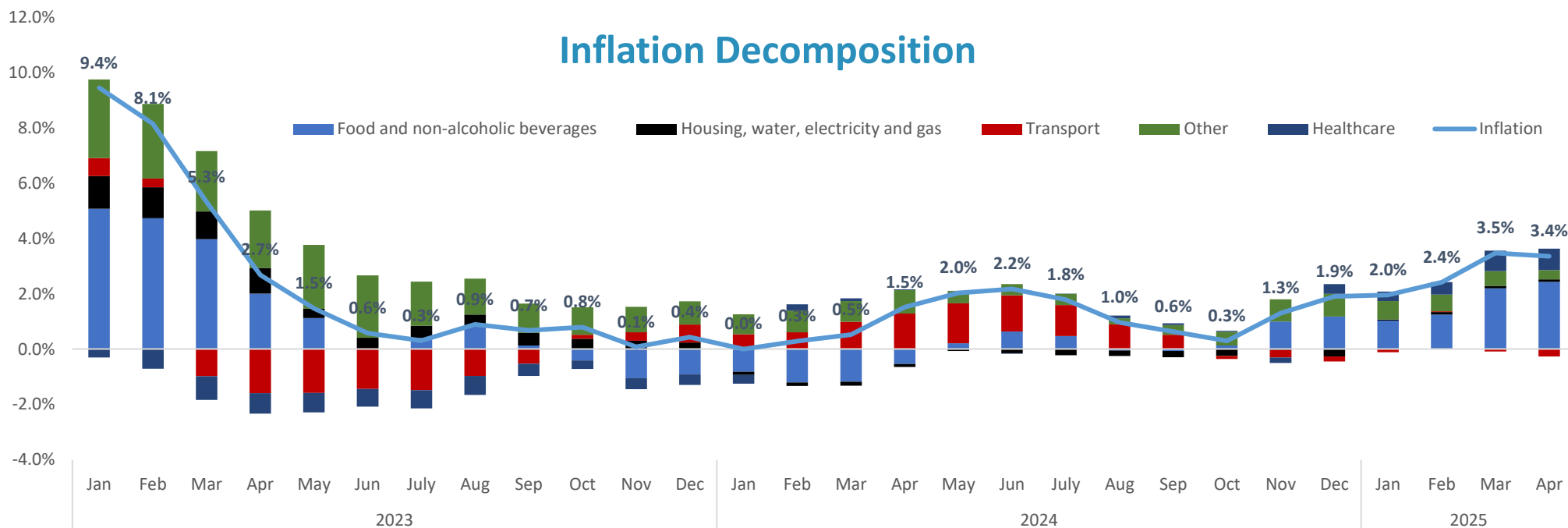
- Economic growth mainly contributed by the real growth in trade, construction, information and communication, transportation and storage and other services, which was also characterized by increased labor productivity.
- The baseline, conservative forecast of economic growth in 2025 amounts to 6%, however it is expected that this projection will increase, reaching 9.3% by the end of the year.

საქართველოს
დაგეგმვის სახელმწიფო
გეგმვა-გეგმვა-გეგმვა სამსახური



Macroeconomic Indicators

Inflation Decomposition



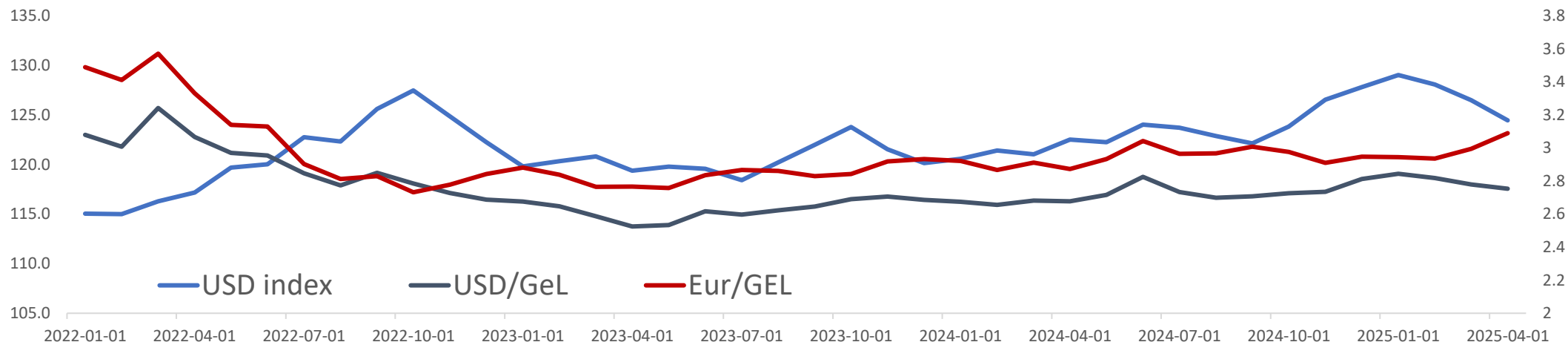
- According to the baseline forecast, inflation is expected to be above the target in 2025 and approach the target in 2026, with the average annual inflation in 2025 closed to 4%.
- In 2024, transport had a positive effect to inflation. Early in the year, prices for food and non-alcoholic beverages declined, but since November, this category has become the largest contributor to inflation.
- Imported inflation is projected to be positive in 2025. Overall inflation is expected to be largely driven by rising prices in food **and healthcare**, while fuel prices are expected to decrease.

საქართველოს
დაგეგმვის სახელმწიფო
გეოგრაფიკული სამსახური



Macroeconomic Indicators

Exchange Rates



- *USD index has weakened since the beginning of 2025. Lari shows appreciation against the U.S. dollar.*
 - *Despite the Global uncertainty and geopolitical tensions that have a negative impact on the exchange rate and its volatility, Lari was stable, with only small fluctuation in February-April.*
 - *Against the backdrop of low inflation compared to major trading partners, the real effective exchange rate has been depreciating since March 2024.*
-
- ***Above-mentioned indicators are main contributors to Insurance market development dynamics from the macroeconomic standpoint.***

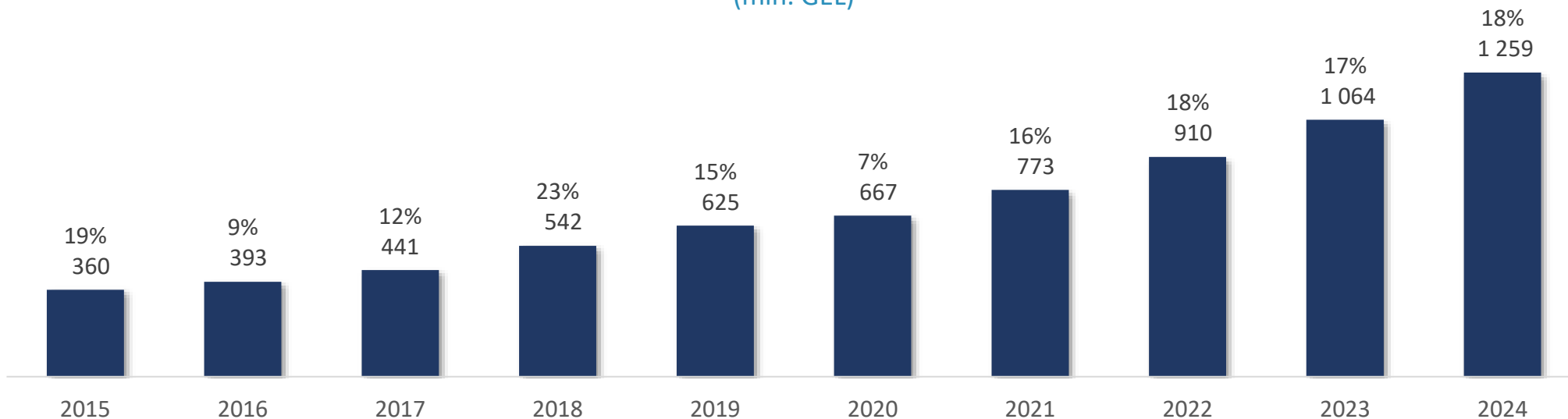
საქართველოს
დაზღვევის სახელმწიფო
გადამხდველობის სამსახური



Insurance Market Performance

Gross Written Premiums per year

(mln. GEL)



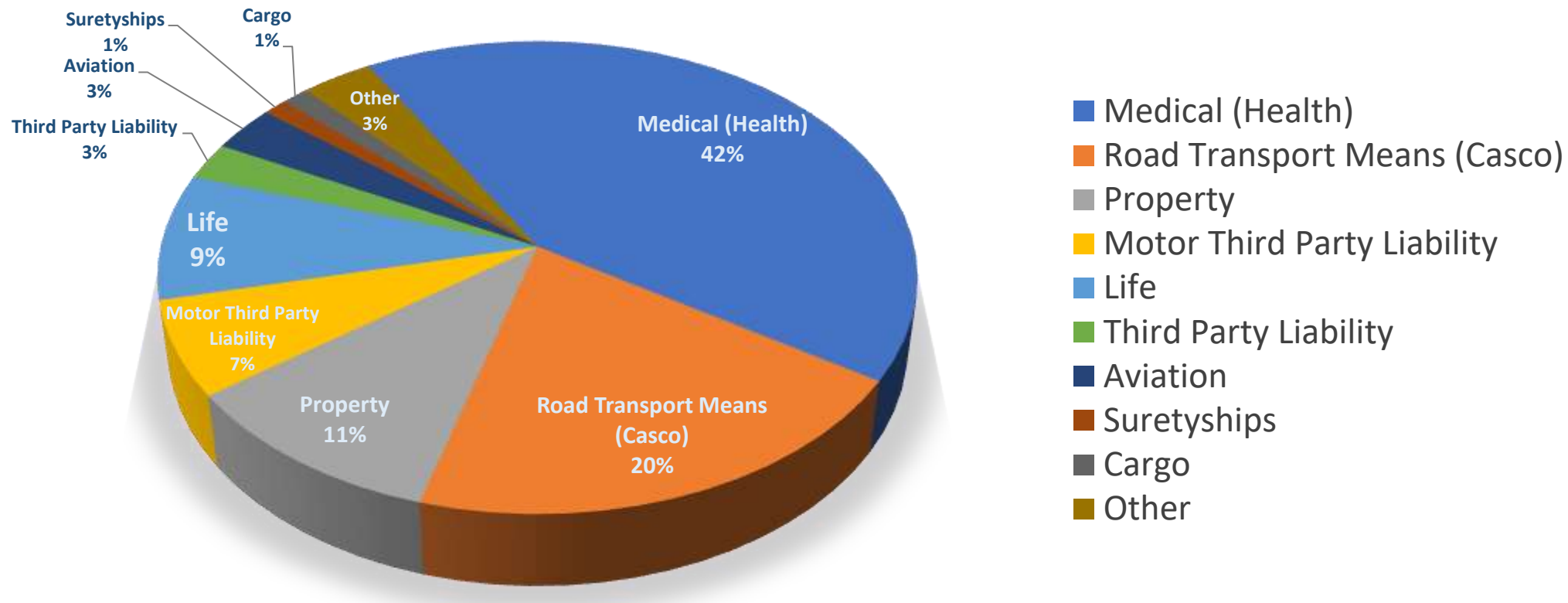
Share in GDP



- Average **growth rate is 15%**, indicating steady development over the passed 10 years
- The industry **tends to double in size every 5 years**, which is a major sign of a developing industry
- 2023 was marked exceeding a **GEL 1 billion** historical benchmark with **17%** growth, **but 2024 accelerated to 18% growth**
- Insurance industry steadily follows and even **surpasses Georgia's strong overall economic growth rate**

საქართველოს
დაზღვევის სახელმწიფო
გადამხდელთა სამსახური

Market Structure



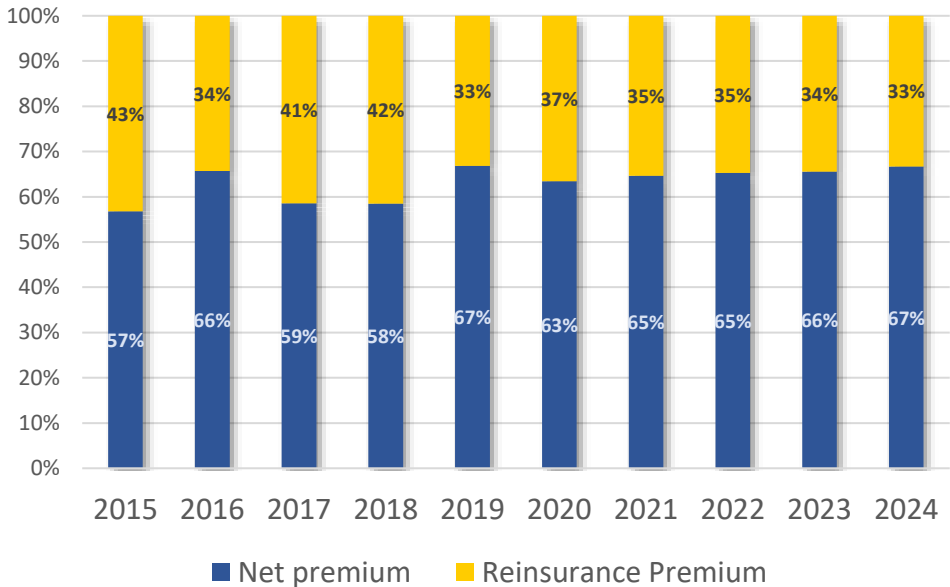
- **Medical** Insurance is still holding a leading position, followed by **Motor**, both of which are among the **most desired** products for customers due to sensitivity to **the frequency of losses**
- **Third Party Liability** Includes Professional Indemnity other GTPL products, not covered by motor, aviation and marine
- **Other** lines mainly include: Travel, Marine and Miscellaneous Financial Loss.

საქართველოს
დაზღვევის სახელმწიფო
გადამხადველობის სამსახური



Ceded Reinsurance

Share of ceded reinsurance in gross premiums
(%)



Share of ceded premium by Lines of Business
(%)

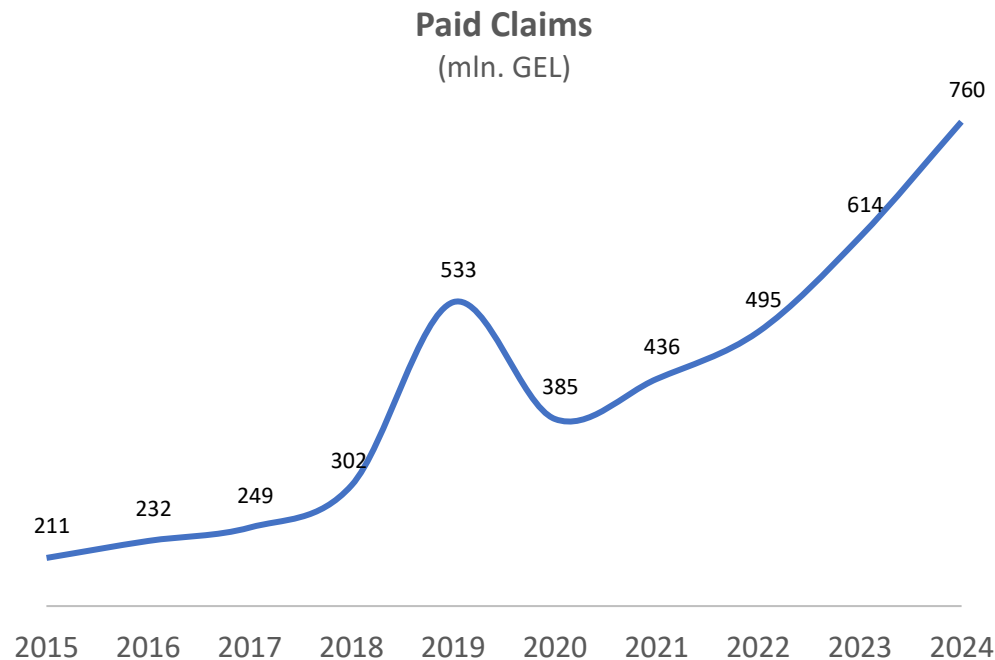
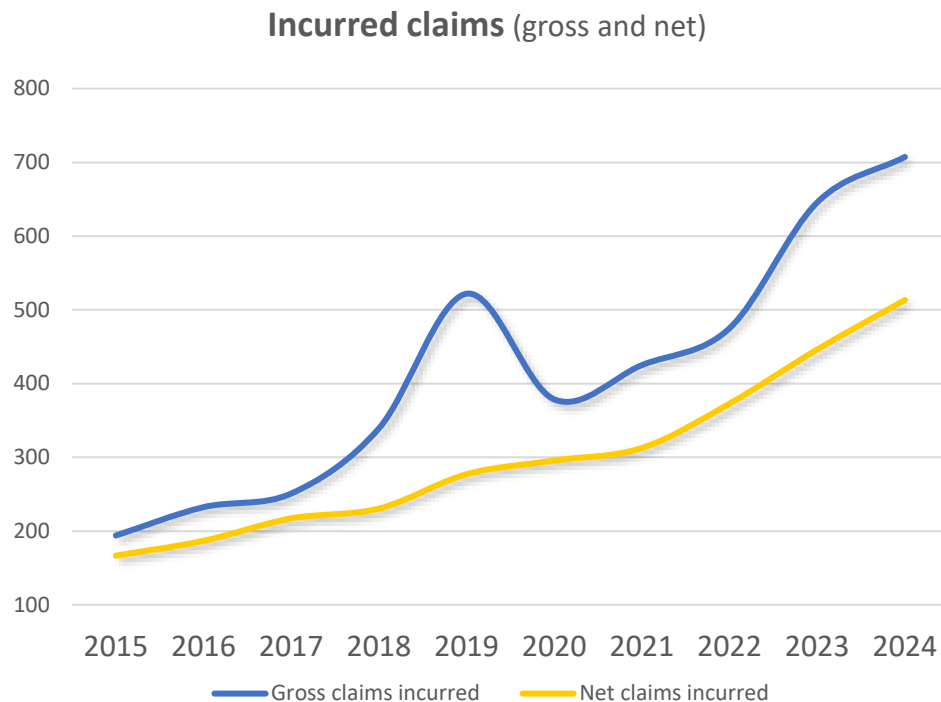
Lines of Business	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Medical (Health)	0%	6%	0%	3%	0%	2%	20%	18%	17%	16%
Road Transport	6%	3%	17%	26%	15%	10%	8%	12%	12%	13%
Property	71%	60%	63%	66%	58%	63%	64%	64%	66%	63%
Motor TPL	12%	7%	16%	10%	8%	3%	4%	5%	4%	4%
Life	19%	17%	20%	13%	12%	13%	13%	14%	20%	18%
Third Party Liability	60%	42%	61%	53%	53%	62%	63%	68%	69%	67%
Aviation	90%	75%	87%	90%	88%	98%	93%	92%	93%	95%
Suretyships	60%	54%	60%	62%	52%	61%	61%	67%	69%	71%
Cargo	29%	28%	29%	33%	34%	33%	30%	31%	37%	40%
Other	16%	21%	16%	17%	21%	32%	35%	29%	27%	22%

- The chart in the left shows the share of ceded premiums in total premiums, but excludes the influence of Health Insurance
- The table on the left indicates on lines with **the least, moderate** and **the most reinsured** lines of business
- The lines with most probable impact per risk and per event are obviously mostly reinsured, which indicates on proper risk management on the market.

საქართველოს
დაზღვევის სახელმწიფო
გეგმვა-გეგმვის სამსახური



Claims Handling and Settlement

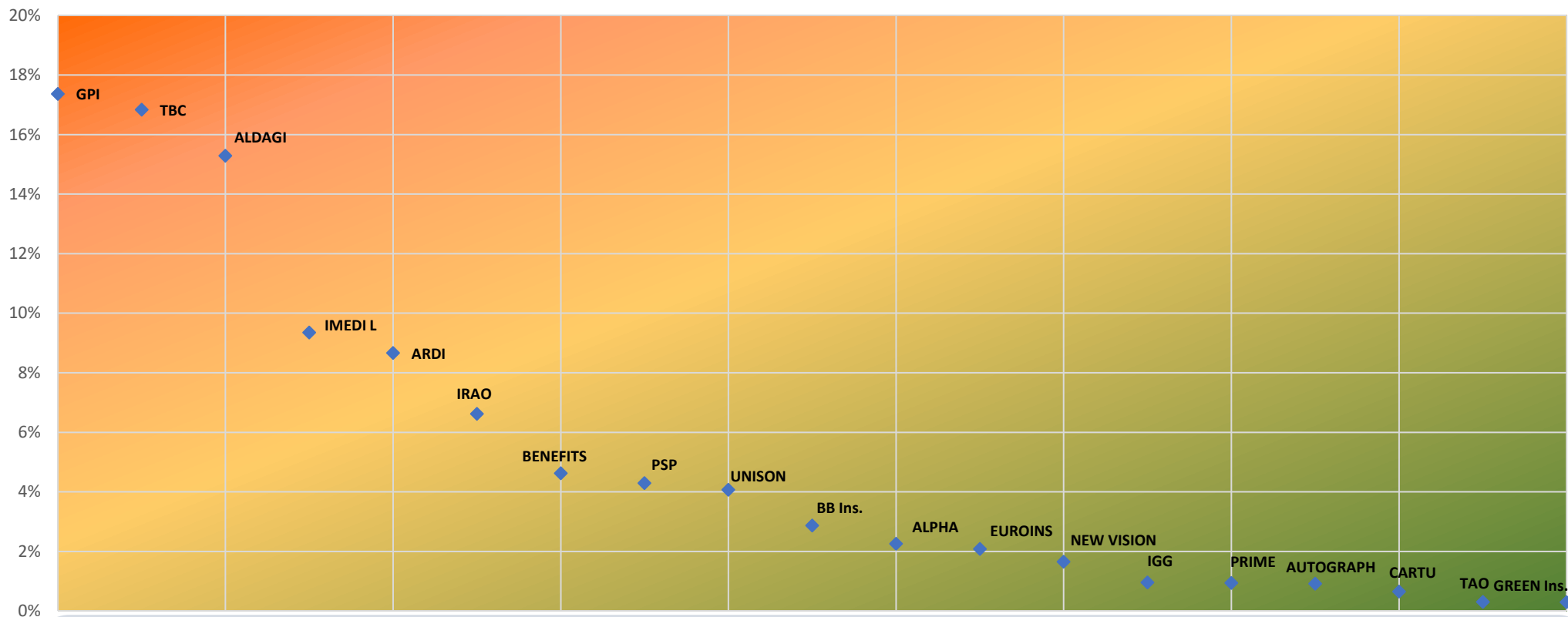


- The effect of reinsurance is shown on the left. While Gross claims tend to have significant fluctuations, reinsurance acts as an efficient instrument by smoothening the Net result
- The chart on the right indicates on the quality of reinsurance, as well as the dynamics of settling the claims. Even the largest incurred claims are paid within a short period of time

საქართველოს
დაზღვევის სახელმწიფო
გადამხდელთა სამსახური



Market Concentration

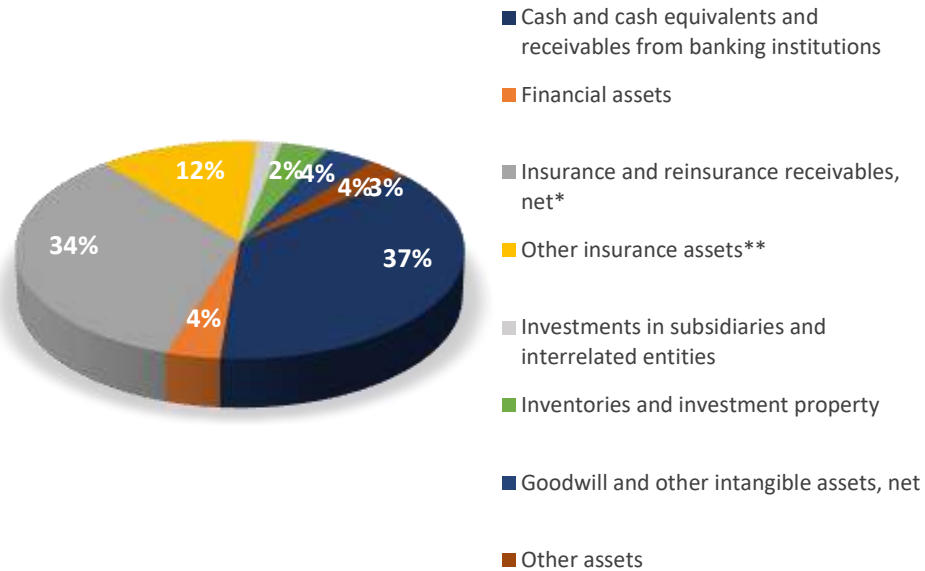


- Market concentration is still moderate, leaving space for improvement
- There is a considerable gap between 3 largest companies and the following 2-3 also significantly large insurers. Further market participants are mainly concentrated in 1.5-4.5% range
- Bank assurance products still hold large portion on the market. ISSSG is working with colleagues on the improvement of this situation

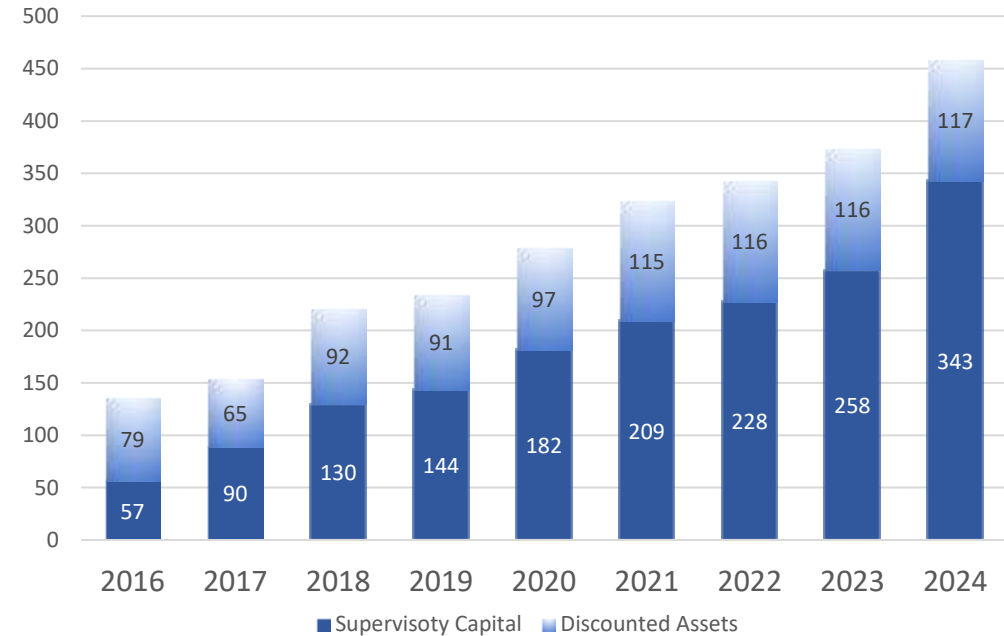


Financial Resilience

Structure of Assets



Share of Supervisory Capital in Total Equity of Insurers (mln. GEL)



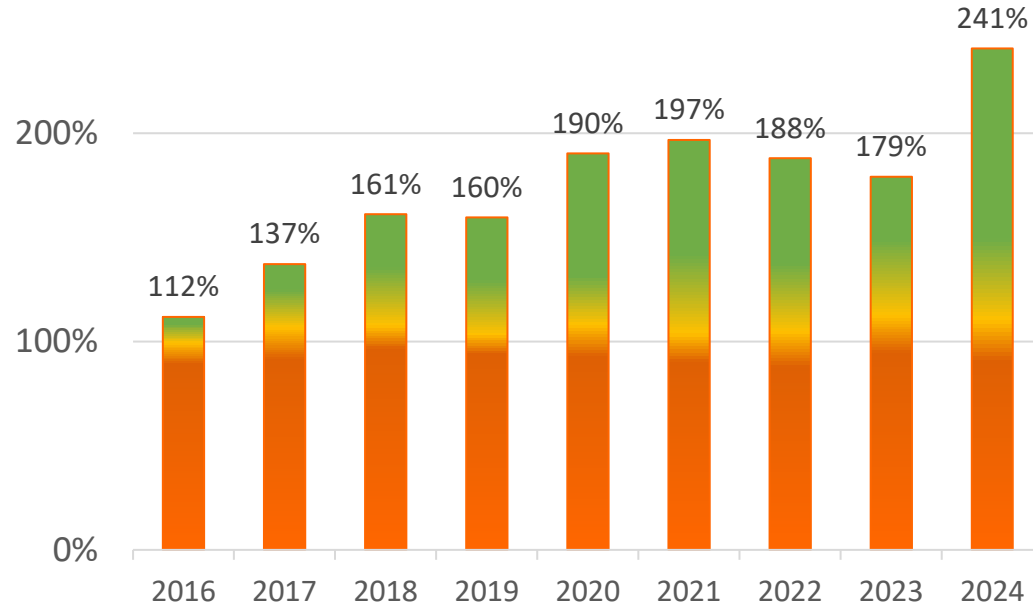
- *Insurance and Reinsurance receivables are provided net of amounts discounted as bad debts, whereas **Other Insurance Assets mainly consist of Reinsurer's Share in Technical Provisions(Reserves)
- The structure of assets is one of the first indicators of high liquidity of insurers
- The Equity of insurers has also improved in 2024, where discounted components fall far behind liquid assets

საქართველოს
დაზღვევის სახელმწიფო
გეგმვა-გეგმვის სამსახური

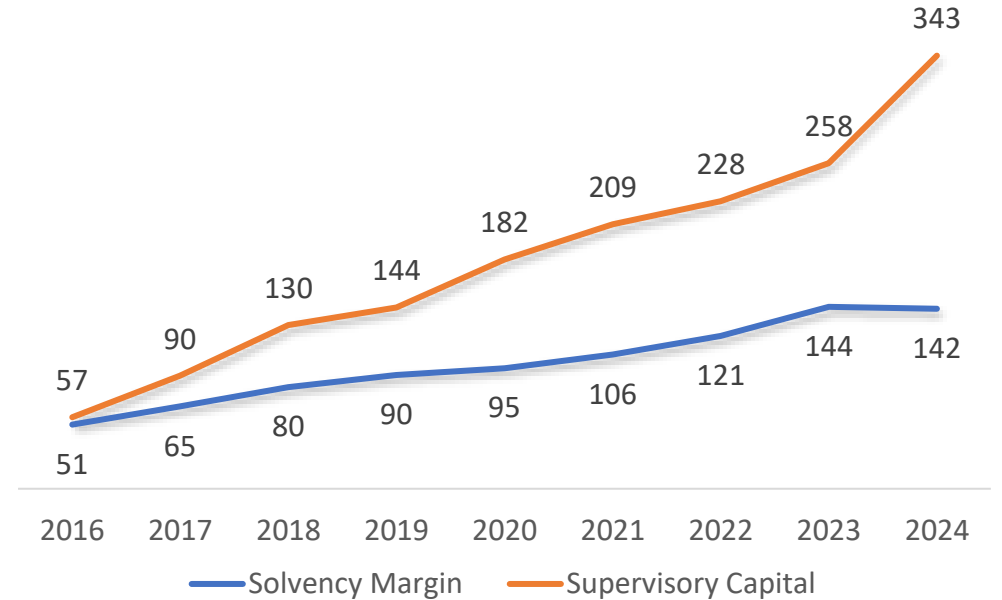


Financial Resilience

Supervisory Capital to Solvency Margin Ratio by years



Supervisory Capital and Solvency Margin Dynamics
(mln. GEL)

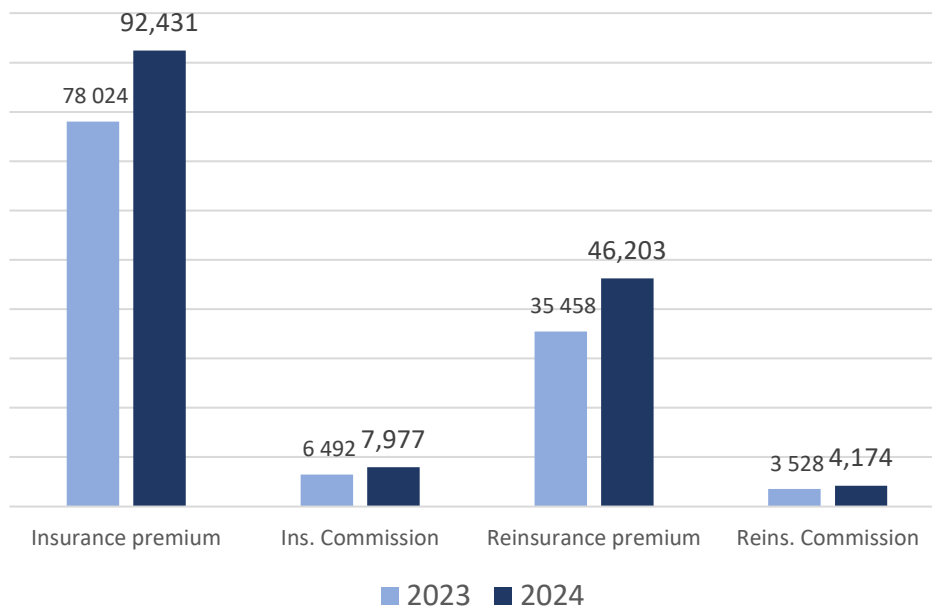


- Increasing capital requirements had a certain influence on the solvency ratio since 2021 due to growth premiums and claims, causing increase in Solvency Margin, together with increasing minimum capital requirements. But insurers managed to adopt
- One new insurer was established in 2024 and acquired major part of the portfolio from another insurance company, this was the largest deal on the market, reaching up to GEL 25 million.
- Introduction of favorable taxation model, which supports reinvestment of profits without being taxed, also played a significant role in growing market capitalization.

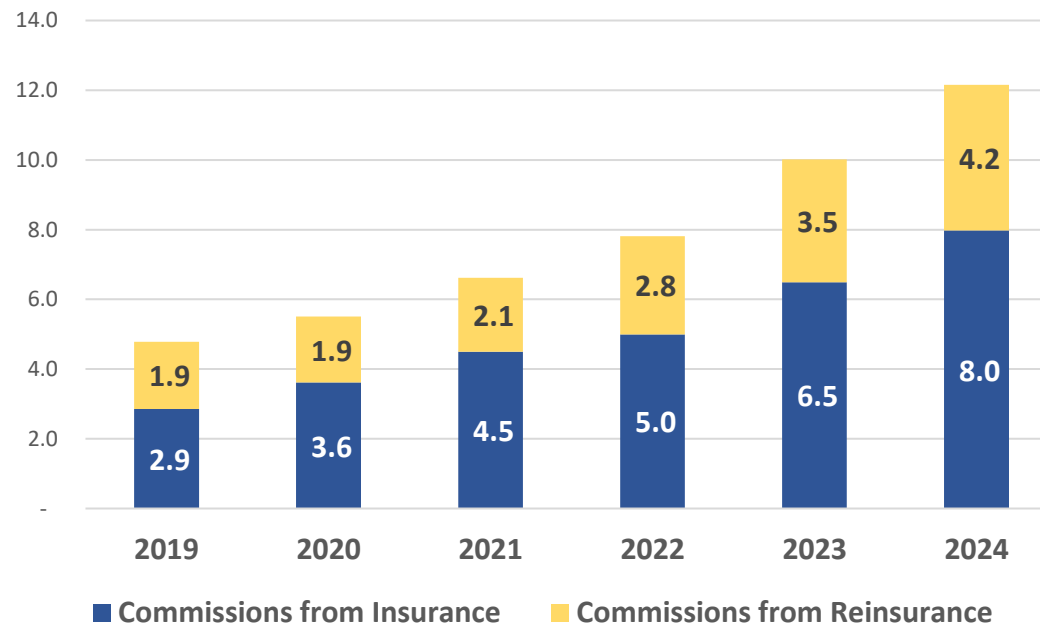


Insurance Brokers

Insurance and reinsurance brokerage
(GEL.000)



Revenues from brokerage by years
(mln. GEL)



- Brokers remain active players on the market with steady growth
- Participation in insurance contracts is significantly higher in absolute figures, compared to reinsurance arrangements. Nevertheless, percentage from total amounts per insurance/reinsurance contracts indicates that around 7% is brokers' involvement in insurance operations and around 12% in ceded reinsurance

საქართველოს
დაზღვევის სახელმწიფო
გადამხდველობის სამსახური



Introduction to the insurance supervisory system

Since 2013 – ISSSG is an independent authority accountable to the Government

Since 2018 – ISSSG is financed by a supervisory fee from insurance industry

ISSSG has a supervisory Board with an advisory power of 7 members (4 from Government - Ministers of Finance, Economy and Sustainable Development, Health and Social Affairs and Environmental Protection and Agriculture; 1 from Parliament - chairman of the budget and finance committee, 2 experts nominated by the Prime Minister)

ISSSG led by the Chairman appointed by the Government for 5 years after nominated by the Board

Supervised undertakings:

- Insurance undertakings - 19 (all are composite insurers)
- Insurance brokers - 24
- Private pension schemes - 3

Supervision includes submission/withdrawal of authorization, financial stability and solvency oversight, consumer protection, AML/CTF monitoring, liquidation/winding-up proceedings, etc.

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

საქართველოს
დაზღვევის სახელმწიფო
გეგმვა-მართვის სამსახური



ISSSG development strategy 2025-2029

In December 2024, the Development Strategy of the Insurance State Supervision Service of Georgia was approved for 2025-2029.

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.

Values and principles

- Integrity
- Transparency
- Reliability and accountability
- Equality
- Teamwork
- Continuous development
- Protection of consumer interests

საქართველოს
დაზღვევის სახელმწიფო
გეგმვა-გეგმვის სამსახური



Strategic priorities

Strategic priority I Efficient management and development of the Organization	Strategic priority II Further development of supervisory activities
Strategic priority III Promotion of consumer protection and financial education	Strategic priority IV Support for the development of the insurance industry and enhancing cooperation



International relations

- IAIS (International Association of Insurance Supervisors) member since 1999
- Chairman of the ISSSG is a member of:
 - IAC (Implementation and Assessment Committee of the IAIS) – since 2019
 - ExCo (Executive Committee of the IAIS) – since December 2024
- IOPS (International organization of pension supervisors) – member since 2019
- EIOPA (as a non-EU member state, ISSSG is engaged in various conferences)
- EERIA (Eastern European Risk and Insurance Association) member since 2022

The ISSSG has a close bilateral cooperation with Austrian and Slovenian Supervisory authorities.

ISSSG hosted – Central, East Europe and Transcaucasia (CEET) region annual conference in 2023 within IAIS.

ISSSG will host CESEE ISI (Central Eastern and South Eastern European Insurance Supervision Initiative) meeting in October 2025.

საქართველოს
დაზღვევის სახელმწიფო
გადამხდელთა სამსახური



Cooperation with international organizations

Asian Development Bank – in 2024 in partnership with the Ministry of Economy and Sustainable Development of Georgia, ADB experts provided technical assistance in drafting all the relevant by-laws envisaged by new Law of Georgia “on Voluntary Private Pensions”.

World Bank – in 2025 will provide another expert assistance in drafting relevant reporting templates to insure proper implementation of the Law of Georgia “on Voluntary Private Pensions”.

Within the EU-funded project “Economic governance and fiscal accountability” (2019-2022) WB provided technical assistance and the its experts prepared reports about opportunities for development of some insurance products in Georgia (Agroinsurance, Motor Third Party Liability Insurance (MTPL), Medical Malpractice Liability Insurance (MMLI), Builders and Architects Liability Insurance (BALI) and Life Insurance.

Within the EU-funded TWINNING project “Capacity Building of the ISSSG”, (2019-2022), with partnership of the Directorate-General for Insurance and Pension Funds (DGSFP) of the Ministry of Economic Affairs and Digital Transformation of the Kingdom of Spain, was elaborated a draft Law ensuring harmonization with the Solvency II Directive. Currently, the special working group established by ISSSG Chairman is finalizing its work on the mentioned draft Law which was translated into Georgian to insure its overall compatibility to the legal framework of Georgia.

საქართველოს
დაზღვევის სახელმწიფო
გეგმვის დეპარტამენტის სამსახური



Consumer protection

Consumer Protection and Financial Education Division
Established in January 2018 under Legal Department
Direct structural unit under the Head of Service

Functions of the Consumer Protection and Financial Education Division

- Delivering consultations and helping insurance sector to adhere new amendments
- On-site & Off -site inspections
- Getting monthly report from insurers related to the consumer complaints
- Handling consumer complaints

საქართველოს
დაზღვევის სახელმწიფო
გადამხდველობის სამსახური



Minimum Requirements for Travel Insurance

ISSSG conducted market research on Travel Insurance in 2023

Due to research and in accordance with EIOPA Warning 2019, the ISSSG set minimum requirements to the Travel Insurance Policy:

Insured sum - over 30,000 Euros/US Dollars:

- Outpatient services – no less than 5,000 (five thousand) Euros/US dollars
(before 1,000 – 2,000 euros/dollars);
- Hospital services – no less 30,000 (thirty thousand) Euros/US Dollars
(before - Daily limit 150-1,000; mostly 400 Euros/US Dollars)

Insured sum - less than 30,000 Euros/US Dollars:

- Outpatient services - 10% of the total limit, but not less 1,000 (one thousand) Euros/USD
(before - within 1,000);
- Hospital services equals Insured Sum
(before - 150-400)

საქართველოს
დაზღვევის სახელმწიფო
გადამხდელთა სამსახური



Minimum Requirements for Travel Insurance

Minimum limits for
Outpatient and
Hospital services

All sub-limits should
be presented in
Insurance Policy
Design

Insurance cases started
within the insurance
period (regardless of end
date) must be reimbursed
fully

When the expenses of medical
service is calculated on a daily
basis, reimbursement should
cover at least 15 days after
insurance period.



საქართველოს
დაავადების სახელმწიფო
ზედახედველობის სამსახური

**Thank you for your
attention!**