

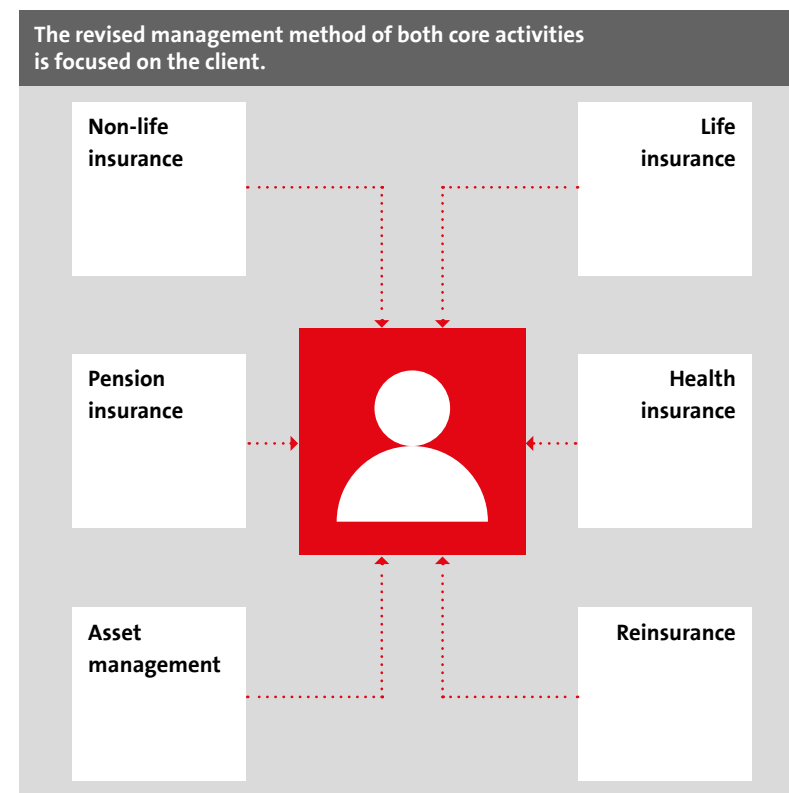
## 11. Development and Sales Activities

- The year 2017 was marked by dynamic development activities in accordance with the strategic guidelines.
- The management method of both core activities, i.e. insurance and asset management, was adapted to the client-focused approach.
- New products were developed, while upgrading the existing ones. Furthermore, the claim settlement and subrogation recovery processes were redesigned.
- Digital platforms for more effective cooperation with partners were launched.
- A life insurance company was established in Macedonia. The Group was the first to offer voluntary pension insurance in Bosnia and Herzegovina.
- In all markets, the Group's range of products and services was not only expanded but also upgraded to include assistance services, in addition to the promotion of alternative sales channels.
- Together with its partners, the Company provided additional benefits to its clients and effectively implemented marketing campaigns by including innovative solutions.

The Group responds to the challenges of social, technological, demographic, economic, political and environmental changes by realising its vision of becoming a modern, innovative and dynamic insurance/financial group, the leader both in Slovenia and the wider region. The activities aimed at realising the Group's five strategic guidelines (see [→ Section 4. Strategy and Plans of the Triglav Group]) are interdisciplinary and carried out by the parent company and through active cooperation of all Group members. This ensures **continued profitable operations and a further increase in the value of the Group**. The Group pursues development-oriented objectives at all four strategic levels (financial performance, clients, processes and organisation, and employees, learning and knowledge), therefore achievements in development are summarised not only in this section but also in other sections such as [→ Risk Management and Section 12. Sustainable Development in the Triglav Group].

### 11.1 Comprehensive client relationships

In the new strategy, the focus on the clients who are at the centre of the Company's operations not only continues but is also further enhanced. Clients perceive Triglav as a coherent, strong brand; keeping this in mind, **the management method of both core activities was adapted thereto by creating six segments** (non-life, life, health and pension insurance, reinsurance and asset management).



It is important to well understand the needs of clients. A new step was taken not only in the development of an operational system for client relationship management but also in the method for measuring client satisfaction and loyalty (Net Promoter Score). This increases the ability to collect and analyse data in real time, which is supported by the increasingly digitised environment, as it will become even more important in the future. Apart from that, the use of rapid indicators and an analysis of potential and existing client profiles were introduced so as to help customise products, services, processes, methods of

work and communication with clients. The Company is aware of the importance of **responsible management of the clients' personal data**, which is why a lot of attention is paid to it (more in [→ *Section 12.5 Responsibility toward clients*]).

Business processes, position and performance were again subject to self-assessment under the **European EFQM excellence model**. The numerical assessment further improved, which confirms the adequate organisation of processes and good results in terms of understanding the importance of balance and effective management of the stakeholders' needs and expectations.

### The omni-channel approach

The competitive advantage of the Company is its **extensive sales network** with appropriately qualified sales teams. To this end, the role of intergenerational cooperation was increased, the training model was upgraded, the motivation, selling power and efficiency of the sales staff were boosted and new IT solutions were implemented.



**The clients' omni-channel approach to the Company's products and services** is being developed in a strategic manner, because clients themselves should be able to choose the method of communication and doing business with the Company. In addition to the traditional channels, the Company strengthens its digital channels such as **online and mobile sale**. The i.triglav web office was regularly expanded with upgraded and new products. Apart from mobile applications, online sale is linked with other digital solutions, such as the online portal, where clients are able to monitor their life and non-life insurance policies. In 2017, the online sale of the parent company included a number of products. In the non-life insurance segment, the Company provided online renewal and taking out of new car insurance, the ordering of green cards and car insurance quotes, taking out of travel and health insurance while travelling abroad, accident insurance for children and adolescents, bicycle and cyclist insurance, insurance for sports activities, insurance for hikers and mountaineers, payment card insurance and dog insurance. In the life insurance segment, clients were able to take out i.fleks unit-linked insurance, whole life insurance and individual supplemental voluntary pension insurance.

Apart from that, other **alternative sales channels** were strengthened, such as the sale **via banks, travel agencies and leasing companies**, which contributed to premium growth in individual markets (see [→ *Gross written premiums from insurance, co-insurance and reinsurance contracts in Section 7.5*] for more details). In addition to sales targets, the focus was on the **acquisition of new and quality contractual partners** and on an appropriate structure of the existing partner network. The IT support for contractual partners was upgraded. Among other things, the **B2B application for selling insurance** via leasing companies and a **new ŽKrog 2 underwriting application** were upgraded.

### Digitalisation of operations

The Company is in the process of establishing an advanced, computerised and innovative business environment. **In the context of the digitisation of business operations, business processes** are being modified while continuing with the gradual introduction of paperless, mobile and simplified operations with clients and business partners. The number of activities to be implemented throughout the strategy period covers all processes, from taking out and processing insurance to claim settlement. They are optimised and upgraded by using digital technology. As the result, the work of the sales staff in the field was made more efficient and the claim settlement process was accelerated in the reporting period. The solutions were developed to simplify the formalities that the clients are required to undergo, thereby making the procedures even more simple and effective. With an even more automated risk assessment and underwriting process, the response



Fresh development ideas were also sought at two hackathons.

time in dealing with separate applications of policyholders was further improved. In trade receivables insurance, an online connection with the policyholders (the B2B application) was established to ensure a higher quality of insurance processing, etc. With the introduction of mobile platforms, the Company increased the effectiveness of cooperation with its business partners, assistance service providers and outsourcers for making repairs.

Special attention is paid to **claim settlement and subrogation recovery**. New technological and process improvements are implemented in support of digitisation and mobile services. At the same time, services for the clients who choose to report a claim using the traditional channels continue to be developed.

- Most functionalities for full digitisation and settlement of most claims solely in electronic form and for full automation of some simple claims and subrogations (straight-through processing) were upgraded.
- A mobile application was developed that enables clients to report a claim, monitor the progress of the claim settlement process and order assistance services.
- Simplified settlement of low-value claims was introduced (also see [→ 12. *Sustainable Development in the Triglav Group*]). The settlement process for electronically reported real property claims lower than EUR 500 is centralised, without an on-site inspection and with rapid communication with the client.
- Subrogation files where debtors are natural persons in insolvency proceedings were centralised, thereby achieving better control, lower costs and easier monitoring of insolvency proceedings.
- The network of contractors was expanded and online correspondence via the Contractor Portal mobile platform was introduced. By redesigning and modernising operational processes, the settlement of claims involving damage to buildings now begins with the help of contractors.
- A **mass claims** monitoring solution was developed. The Company's organisation of work continues to be specially adapted to the settlement of mass claims. In the mass claim reporting process, policyholders' property risk and their personal circumstances are taken into consideration, public calls are published and instructions on what to do in such a situation are issued. Simple property damage claims can be reported by calling the toll-free telephone number 080 555 555, online or via the Triglav Asistenca mobile application.<sup>21</sup>

The Company is strategically oriented to seek **new business methods and opportunities**. This type of a project with a development and innovation component is **the development of a business model for the digital entry of the Triglav Group to the selected markets outside the region**. The development part of the project was completed. It was based on numerous analyses and fresh ideas, some generated at **two hackathons**.

## Product upgrade and development

The Company continued to upgrade the existing products and to develop new, more flexible and understandable products. Increasingly more products are upgraded with **assistance services**, because the Company aims to provide to its clients not only insurance coverage but comprehensive solutions for their needs.

- In property and interest in property insurance, new insurance terms and conditions were developed for personal protection insurance, which covers liability insurance, accident insurance and cyber insurance and which complies with the Insurance Distribution Directive.
- In motor vehicle insurance, motor vehicle liability insurance for mopeds was designed on the basis of the mandatory registration effective from May 2017. Driver's bodily injury insurance (AO plus) was redesigned to include the option of a higher insurance cover. The extended warranty product was adapted to the needs of major car dealers (the warranty on new vehicles is effective after the factory warranty expires, whereas for used vehicles the warranty is extended). In cooperation with Petrol d.d., tyre insurance and assistance services in the case the tyres have been damaged were developed.
- In agricultural insurance, the option was introduced to choose the amount of the deductible for additional insurance of vineyards against the risk of frost based on past claims. In hop insurance, it is possible to reduce the deductible from the sum insured, while insurance may be taken out for already yielding fields in the context of permanent crop insurance.
- In accident insurance, insurance terms and conditions for group accident insurance were revised to provide greater flexibility and to include new medical and insurance developments and trends. In the context of the comprehensive personal protection insurance product, accident insurance covering accidental death, serious injuries, fractures, dislocations, burns and soft tissue injuries was developed. Apart from that, assistance after suffering an injury was added. Through Abanka, accident insurance for the elderly who are Senior account holders began to be sold.
- In health insurance, assistance after suffering an injury was developed for life and non-life insurance, the Specialisti+ (Specialists+) and Operacije (Surgeries) insurance packages were redesigned and additional health insurance Zobje (Teeth) and Specialisti (Specialists) was unified. Moreover, the option to take out long-term insurance Specialisti+ was provided as individual, family and group insurance (for 4 or 10 years), the [triglavzdravje.si](http://triglavzdravje.si) website was redesigned and updated, the mobile application was upgraded to enable the submission of cost reimbursement applications for Zobje and Zobje+ insurance and to take out insurance.





Additional health insurance Zobje (Teeth) and Specialisti (Specialists) was unified.

- In transport insurance, the key insurance products were redesigned, particularly by including the range of insurance covers that reflect the current risks of policyholders.
- In accounts receivable insurance, credit insurance products were upgraded through segmentation of products for low-value loans. The documentation for assessing creditworthiness in traditional consumer and housing loans was simplified. The range of insurance products for loans that banks approve via modern sales channels for their clients and non-clients was expanded. Additional guarantees were added to insurance covering unemployment, death and permanent disability, financial gap insurance and payment card insurance if the insured is a borrower or a lessee.
- In life insurance, the product range continued to be consolidated. The investment strategy “Financial objectives” for Fleks unit-linked life insurance for the elderly was adjusted (in addition to the saving period, it is possible to choose the financial objectives based on the policyholder’s age). Second medical opinion insurance was redesigned (the right to a second opinion no longer depends on the predefined list of illnesses). The range of additional insurance products was expanded to include additional assistance after suffering an injury, which includes the following insurance covers: specialist treatment, major diagnostic procedures and outpatient rehabilitation. Apart from that, higher limits of sums insured for the referral of policyholders to a health check were introduced. Support for taking out supplemental health insurance with ŽKrog 2 was developed.

### New forms of partnerships

The Company established new forms of **partnerships**, within which it enters the business ecosystems as an insurance provider that co-creates an integrated offering of various products and services. By using modern technology, particularly smart connected devices, a suitable environment for building partnerships is created; therefore, when seeking and introducing new solutions, the Company **cooperates with startups and accelerators**.

**The multi-year partnership** with the Chamber of Craft and Small Business of Slovenia (OZS), the ABC accelerator, the Finance newspaper in the context of the Entrepreneurship Forums and the Dnevnik newspaper in the context of the Golden Thread and Gazelle was complemented with the new partnership: with Podim (a regional startup ecosystem epicentre, which contributes to the development of the Alpe-Adria region and the Western Balkans) and with CEED (promotion of economic growth through development, integration and mentoring of entrepreneurs).

## 11.2 Activities in the markets of the Triglav Group outside Slovenia

**In Macedonia, a life insurance company was established. Through the co-founded voluntary pension insurance company, Zavarovalnica Triglav was the first to offer these products in Bosnia and Herzegovina.**

At the Group level, numerous activities were implemented throughout the reporting year, with the aim of achieving synergies in various areas, especially at a horizontal level, i.e. between the operating segments of the Group. Foundations are already set. When developing services and processes, solutions and good practices are transferred to the Group members and adapted to the specificities of each market.

The development activities focused on the **health insurance segment**. Triglav, Zdravstvena zavarovalnica was in charge of the development and sale of health insurance in the Triglav Group. The health insurance products were offered on practically all markets of the Group, where the subsidiaries continued to establish the outsourced network of health care providers, recruit new employees, expand their product range and simplify the underwriting procedures.

- In Lovćen Osiguranje, Podgorica, the outpatient treatment product was launched.
- In Triglav Osiguranje, Sarajevo, the cover for the treatment of flu and acute infections of upper respiratory organs was added to the outpatient treatment product.
- In Triglav Osiguruvanje, Skopje, a loyalty programme for the policyholders who have concluded long-term insurance policies was launched.
- In Triglav Osiguranje, Zagreb, the sale of supplemental health insurance products, which began in 2016, continued with great success in the reporting year.

In the **non-life insurance** segment, roadside assistance insurance products were launched on all markets outside Slovenia. Insurance subsidiaries launched or upgraded the real property package insurance modelled according to DOM home insurance, continued the inward reinsurance programme and began to provide fronting for trade receivables insurance. With respect to suretyship insurance, the parent company cooperated with subsidiaries in passive and active fronting. The DRAJV application was launched in Croatia and Serbia.

Several innovative partnerships were established, especially in relation to loyalty programmes, and cross-selling was further strengthened. The remaining activities in the markets of the Group included:

- **Triglav Osiguranje, Zagreb** offered new non-life insurance packages and carried out cross-selling campaigns with an emphasis on the sale of additional covers for bonus protection, legal protection, a replacement vehicle and rejection of motor vehicle registration.

- **Triglav Osiguranje, Belgrade** upgraded its agricultural insurance products and launched the insurance product for the drop in milk production. Moreover, roadside assistance insurance was upgraded.
- **Triglav Osiguranje, Sarajevo** redesigned its motor vehicle insurance products and initiated the activities for the launch of drone insurance.
- **Triglav Osiguruvanje, Skopje** continued to redesign its non-life insurance products and to develop drone insurance.
- **Lovćen Osiguranje** launched financial gap insurance and lease insurance products.
- **Triglav Osiguranje, Banja Luka** carried out the necessary preparations for the launch of roadside assistance insurance.
- **Triglav Osiguranje, Sarajevo, Triglav Osiguranje, Belgrade and Triglav Osiguruvanje, Skopje** participated in the innovative international insurance programme for mobile phones covering a cracked screen, began to sell **earthquake microinsurance** and developed innovative tyre insurance products. Apart from that, they developed extended warranty insurance for well-known car brands and implemented many sales campaigns.

In Bosnia and Herzegovina, Serbia and Montenegro, the development of **life insurance products for the sale in banks** continued, as the banking channel is becoming an increasingly important alternative sales channel in all insurance subsidiaries. The sales staff was carefully chosen in most subsidiaries. Training teams were established in all subsidiaries so as to transfer professional and sales skills within own sales network, which already has and will continue to increase sales staff performance.

### 11.3 Transformed operations of the Triglav Group

Strategic transformation of the Group's operations includes **improvements in management practices and techniques, information and data system and support functions**. In 2017, the **Business Intelligence (BI) Department** was established, which is in charge of the data warehouse, the reporting system and particularly analytical support to business decisions. The multi-annual project of building the **data warehouse** in the parent company was completed but will continue at the Group level. The data warehouse provides daily updated in-house and publicly available information for a better understanding of the operations of the parent company and the connection with the effects of the external environment. The **geographical information system of the parent company** (the GIS application) was upgraded and integrated into the risk underwriting, reinsurance and claim settlement processes.

Project bases were established for **centralised management of information technology and its infrastructure**, with the aim of better exploiting internal synergies in the Group. This involves a set of activities for the creation of a platform for easier digitisation of operations and integration with business partners, the use of data sources in order to optimise the operations and a gradual transfer of most services of the Group members to the centralised IT infrastructure of the parent company. In this context, the key elements of the IT infrastructure were purchased.

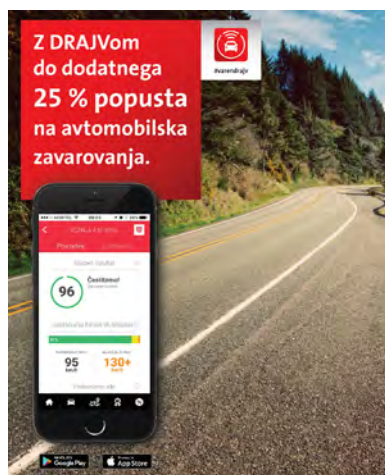
Much attention was devoted to the adaptation to the legal and regulatory requirements (the implementation of the European PRIIP Regulation, updating due to the additional requirements of the GDPR and other European directives relating to insurance, the harmonisation of the internal information system with the redesigned insurance and claims register of the Slovenian Insurance Association). The insurance fraud prevention tool was implemented in three insurance subsidiaries of the Group, and its implementation is underway in another two. The user options in the software for the support of the insurance process in insurance subsidiaries abroad (AdInsure) were upgraded and a centralised setup of the reinsurance module was introduced.

In information and cyber security, additional measures were implemented to facilitate the detection of security incidents through systematic monitoring of IT system users.

### 11.4 Efficient asset management in the Triglav Group

Over the past years, **capital and asset-liability management** tools have been systematically improved. In support of these processes, in 2017 a new information system was set up, while continuing with the **gradual centralisation** of asset management at the Group level.

Furthermore, a **regional platform for investing in alternative investments** (Trigal) was established (see [→ *Section 2.4 for more details*]).



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## 11.5 Development of a modern culture and dedicated staff

For an effective implementation of the Strategy of the Group, it is important to implement the project of renovating the organisational culture within the Group. The common values, rules and methods of operation of all employees have to enable the realisation of the set strategic guidelines. The project is being implemented in several phases. In 2017, the analysis of the situation in Group members was performed and further activities were outlined. In the uniform organisational culture of the Group, creativity, quality before quantity of work, performance of tasks and the development of individuals are much appreciated. Such an organisational culture ensures that employees are satisfied with their work, promotes their personal growth and encourages them to take on new and interesting activities (see [→ *Section 12.4 Sustainable Development*] for further details).

## 11.6 Marketing activities

In addition to numerous existing marketing and sales campaigns, new marketing opportunities were sought through partnerships that bring benefits to policyholders. Customer orientation was supported with the development and use of CRM tools. The most important activities included:

- For the first time, the Vinjeta (Vignette) sales campaign was organised in cooperation with Petrol. More than 120,000 policyholders received free fuel by purchasing a vignette.
- Through marketing and sales promotion activities, the renewal of insurance policies was effectively promoted (the Sprosti čas (Free Time) campaign for cyclist insurance, baggage insurance, travel insurance and insurance of rehabilitation after a traffic accident).
- A comprehensive marketing and sales campaign promoting accident insurance for children and young people (direct marketing by e-mail) was supported with the advanced CRM tool. The share of insurance policies taken out online was increased. Moreover, taking out insurance was also enabled via other sales channels.
- In the context of CRM projects, client databases were unified and consolidated and the activities were implemented to design the Client Card, which has been used since December 2017.



Gorenjska Banka



Product campaigns were used to promote insurance sale and cooperate with other recognised companies

## Brand management and marketing communications

To maintain and boost brand image, company reputation, loyalty and a two-way relationship with the policyholders, the Company deepens its knowledge about consumers and market conditions. By applying a comprehensive approach to branding at corporate and product levels, brand redesign efforts and implementation of the brand identity within the entire Triglav Group continued. Furthermore, the transition to the monolithic architecture of product groups continued. The Triglav nepremičnine and Triglav Lab brands were registered, while the redesign of the graphic image of the Lovćen Osiguranje is under preparation.

Zavarovalnica Triglav adhered to the Slovenian Code of Advertising Practice. The Market Inspectorate received one complaint against Zavarovalnica Triglav. A proceeding was initiated, as the result of which the Company received a reprimand for communication in the Vinjeta campaign. No proceedings for infringements related to marketing communications were initiated against the subsidiaries.<sup>22</sup>

The Company received many international and domestic awards for its marketing communications including: 2016 Advertiser Award, SEMPL, Sporto, Websi, Arc Award, European Excellence Award, awards from the Finance newspaper, Trusted Brand and Somo Borac (more information in [→ *Section 12.1*]).

## Product campaigns

**Product campaigns** were used to promote insurance sale and cooperate with other recognised companies (see [→ *Section 11.6 Marketing Activities*]). The conclusion of insurance included in the Sprosti čas product was also promoted via the DRAJV application for safer driving and DRAJV challenges. In the joint campaign with Gorenjska Banka, the Company's partner in the Planica Nordic Centre project, the sale of life insurance in connection with housing loans was promoted. In cooperation with Abanka, accident insurance was offered to young people.

**Assistance insurance** (car and home assistance, bicycle and cyclist assistance and medical assistance abroad) was supported with the integrated advertising campaign "First Come, First Assist".

Marketing communication of insurance products is adapted to the target groups and their increased interest in them: travel insurance, agricultural insurance, insurance for motorcyclists, insurance for sports activities, etc. An innovative approach was taken in the campaign promoting accident insurance for children and young people, who were addressed with the new PAZI TO! (WATCH THIS!) brand.

### Corporate campaigns, comprehensive and innovative solutions

Corporate identity was also built through the Mladi upi (Young Hopes) project (see [→ *Section 12.6.2*] for more details) in partnership with the Planica Nordic Centre and the new digital centre Triglav Lab. The mission of Triglav Lab (to be officially opened in early 2018) is to spread the knowledge of digital technologies and learn about innovative digital practices. Within its framework, smart technological solutions and paperless operations will be offered, in addition to supporting the clients to transition to the digital world. Apart from that, Triglav Lab will provide digital advice, hold events, training, workshops and seminars, linking them with sale through content marketing.

In advertising, innovative approaches are taken to build positive client relationships and to acquire new clients. Visitors of the traditional Ski Jumping World Cup in Planica were able to use the new mobile application Triglav Rekord, with which they competed in forecasting the length of ski jumps.

### Verification of effectiveness and market research

With the introduction of key performance indicators (KPIs) and the first media audit conducted in 2015, Zavarovalnica Triglav was one of the first in the Slovene market to start strategic planning of media buying. At the end of 2017, the second media audit on the domestic market began and for the first time on one of the markets outside Slovenia.

Marketing analysis and research on the Company's reputation is an important criterion of its marketing communications. The impact of the undertaken activities on brand image, efficiency and effectiveness of advertising campaigns were also examined in 2017. Zavarovalnica Triglav is still among the top brands in Slovenia. Clients' feelings towards the brand as a whole or by an individual area were measured by using the Net Promoter Score (NPS) method. Furthermore, the shopping habits of policyholders in the motor vehicle insurance segment were monitored by conducting the "All Insurance" research, based on an ongoing monitoring of insurance of individuals.

The analysis of the Slovene insurance industry in 2017 (content and heuristic analysis of websites of the Slovene insurance companies and their social media profiles) provided an insight into the quality of the Company's services and its online approach to the users of its services as well as into comparability within the industry.

The effectiveness and comprehensibility of key advertising campaigns is verified by individual target groups. Among the insurers, the Company continues to rank first most often and achieves good communicativeness.

The satisfaction of participants and communication effectiveness of organised events (e.g. Triglav Run) are monitored more frequently. The fourth consecutive evaluation of the sponsorship in Planica included the measuring of visibility and performance assessment as well as segmentation.

A mix of marketing activities is carried out at all key events (Ski Jumping World Cup in Planica, Biathlon World Cup in Pokljuka, car fairs, ATP tennis tournament in Umag) and some minor events.

## 11.7 Investments in real property and equipment

The Triglav Group invested EUR 9.3 million in property, plant and equipment, EUR 3.5 million in investment property and EUR 9.8 million in intangible assets (software and property rights).

**Zavarovalnica Triglav invested** EUR 4.7 million in **property, plant and equipment**, whilst investment property amounted to EUR 640 thousand. Investments in intangible fixed assets (software and property rights) totalled EUR 7.8 million.

**Growth in total real property owned by the Group** is the result of investments in these real properties so as to improve the use of available capacity, functionality and energy efficiency. There were only a few new acquisitions, the largest being the purchase of land near the business complex at Dunajska cesta 20 and 22 in Ljubljana, thereby becoming the owner of all land plots at that location and increasing its development potential. Investment property was renovated most often in order to make the best use of the existing capacity and ensure compliance with state-of-the-art technological, functional and energy efficiency requirements. In the coming strategy period, several major comprehensive renovation projects of existing real properties at long-term strategic locations are planned. Moreover, small-scale retrofitting of commercial buildings of the Company's regional units are planned so as to improve their functionality and safety and to lower energy and utility costs.

In addition, these measures were designed to improve the use of own real property as well as to **reduce leasing of real properties** not owned by the Group and consequently rental and utility costs. Several relocations of employees to own real properties were carried out in 2017. Where possible, the lease or sale of redundant property will continue.

The Group will try to make the best use of the positive developments in the real property market in order to **improve its real property portfolio**. Thus, non-strategic investment properties of lower value were sold for EUR 1.2 million, because they did not meet the expected profitability. The activities to optimise the portfolio will continue. Furthermore, in some projects, property development activities will continue to be carried out, for which it is estimated that they would have a positive impact on the value of real property (large land plots and individual underused real estate complexes owned by the Group members). Good performance results will be further increased by making prudent investments in real property, including purchasing and selling, thereby improving the structure of the real property portfolio intended for investment and own activity.

**Essential major investments** and adaptations of business premises followed energy efficiency principles and those for improving workplace equipment to ensure health and safety at work. Over 5,800 m<sup>2</sup> of business premises were developed and renovated, i.e. 30 projects, which mainly relate to the business complex at Dunajska cesta 20 and 22 (for own use and investment).

Major maintenance will be continued so as to provide for a safe work environment for employees and clients alike, which is presented in [[→ Section 12.7 Environmental aspects \(Protection of the environment in work processes\)](#)].

## 11.8 Adjustment to the regulatory changes

All regulatory changes are included in the Company's business operations. Key activities in 2017 included:

- the implementation of the General Data Protection Regulation (GDPR);
- preparations for the implementation of the requirements of the European Insurance Distribution Directive (IDD) and the legislation on the prevention of money laundering and terrorism financing;
- preparation of the bases for the implementation of the European Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs) as of 1 January 2018. As of this date, key information documents (KID) will be used in the sale of investment-linked life insurance and life insurance with a savings component, the purpose of which is to provide clients with key information about a product.

All development activities comply with the applicable legal provisions and regulatory frameworks. In the Republic of Slovenia, the Insurance Act (ZZavar-1) prescribes to insurance companies the information on insurance terms and conditions they are obliged to disclose to policyholders. This information refers to insurance contracts whose content has to be disclosed to policyholders in full (including general insurance terms and conditions) and to the information to be disclosed to policyholders upon contract conclusion and during the course of its term, as set out in the ZZavar-1 (see <https://zakonodaja.com/zakon/zzavar-1>). Similarly, the Pension and Disability Insurance Act in Slovenia regulates supplemental voluntary pension insurance. Information to be sent to policyholders is also stipulated by the corresponding laws in Croatia, Macedonia, Bosnia and Herzegovina (the Federation of Bosnia and Herzegovina and the Republic of Srpska), Montenegro and Serbia.<sup>23</sup>