

11.

Development and marketing activities

- The redesign of products and assistance services and the way we process loss events were adapted to market needs, which also resulted from the effects of the pandemic.
- Numerous innovations in business digitalisation ensured business continuity and smooth remote business.
- Important changes were introduced to the marketing, sales and after-sales processes.
- A high level of client satisfaction was achieved and user experience was improved with an omni-channel sales approach.
- The i.triglav web platform and the triglav.si and triglav.eu websites were redesigned.
- Our business transformation focused on the even more efficient operation of support functions, which was also achieved through changes in internal organisation.
- The revised minimum business standards were implemented in all key and support areas of Zavarovalnica Triglav's subsidiaries.
- The new system for effective and close cooperation in the management of the Group's assets is now operational.

The Group's development activities are managed in an **interdisciplinary manner** by the parent company, while its overall operations are built on the values of simplicity, responsiveness and responsibility. Both activities, insurance and asset management, are aimed at deepening client relationships and promoting the continued proactive attitude of clients towards risks. In this way, the Group is further realising its commitment to sustainable development, as seen from the references to related content in [Section Sustainable development and ESG aspects](#). With technologically supported solutions, the needs of clients and their understanding of products are monitored and studied, in addition to all phases of development and adaptation of processes and products. As a result, comprehensive solutions are designed that go beyond products, while support and advisory services continue to be expanded. To ensure profitable and safe operations, new ways of doing business are introduced and all development steps are assessed in terms of capital adequacy.

In 2020, in accordance with the plans from the development phase, the largest range of new solutions so far was put into business practice and numerous business processes were upgraded, which had a positive impact on operations in difficult conditions. Client focus and development of related services was fully integrated with the implementation of the second strategic guideline, i.e. developing cooperative and agile organisation and culture. The set objectives were fulfilled by making progress in both areas, with several

objectives even being exceeded. The Company is especially proud of the high satisfaction of its clients and employees, which will also be a challenge in the future.

By responding effectively to the new situation, **the comprehensive digital transformation of the Group's operations was also accelerated**. The even more coordinated operation of sales channels was achieved, new opportunities to make clients aware of the need for insurance were identified and possibilities to adapt insurance to their needs were sought. In the development and implementation of new services and communication and marketing tools, regulatory requirements and directives were taken into account, resulting in higher standards and better protection of clients' interests being incorporated into client operations. As evident from the review of implemented innovations, the aim was to provide clients with easy access to information and data and a better understanding and management of risks by upgrading interfaces and expanding their functionality.

Progress with respect to organisation and client satisfaction is described below. Encouraging trends in the development of an organisational culture, which were seen in 2020, are explained in [Section 4. Strategy and plans](#) and in greater detail in [Section 2.8 Risk Management](#) and in [Section Challenges and opportunities of today](#) and in [12.4.2.1 Sustainable development and ESG aspects at the Triglav Group](#).

11.1 Comprehensive client relationship

The widespread use of digital channels and new communication tools has enabled the Company to carefully monitor the quality of the user experience and client satisfaction. This was made possible by increasing the **scope of interaction points between the Group and clients and the data** provided by clients as a response to the services used.

The findings of client satisfaction measurements and analyses, which were submitted to a wide range of business functions, were included in the improvements of internal processes and services. This particularly applies to the information provided by the Net Promoter Score (NPS) methodology to improve communication and client relationships. **The highest scores ever** were measured since the start of measurements using this method; the scores rose to **above-average** levels. The results of other analyses of measured **client satisfaction** also improved significantly. The tested methodologies are being gradually implemented in other Group members. Special attention is paid to negative experiences and low client scores so as to improve the Company's services, products and processes on their basis. Professional and communication excellence is pursued also in demanding claim settlement procedures where the Company and the client do not see eye to eye.

Help and information continued to be available to clients via toll-free telephone numbers without interruption. Due to increased demand, the scope of operation of both assistance centres was expanded. In the case of major CAT events (which occurred in individual markets in 2020 – weather disasters, an earthquake), the financial risk to clients was taken into account and special forms of organisation of work and claim reporting were activated. 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. For more information read below and refer to [Section 12. Sustainable development and ESG aspects](#).

Public calls and instructions on what steps to take in the event of a pandemic and major CAT events were published on multiple channels in order to inform clients about access to and availability of the Company's services. The extended range of assistance services (*roadside and home assistance, assistance for travelling abroad, for microvehicles and watercraft*) was also available on the toll-free number 080 28 64.

Omni-channel sales approach: the customer chooses the most appropriate channel



Omni-channel sales approach and business digitalisation

The Triglav Group strategy for 2019–2022 is based not only on the introduction of new technologies and modern ways of doing business, but also on using an omni-channel sales approach tailored to each client to the greatest extent so as to provide a more comprehensive user experience.

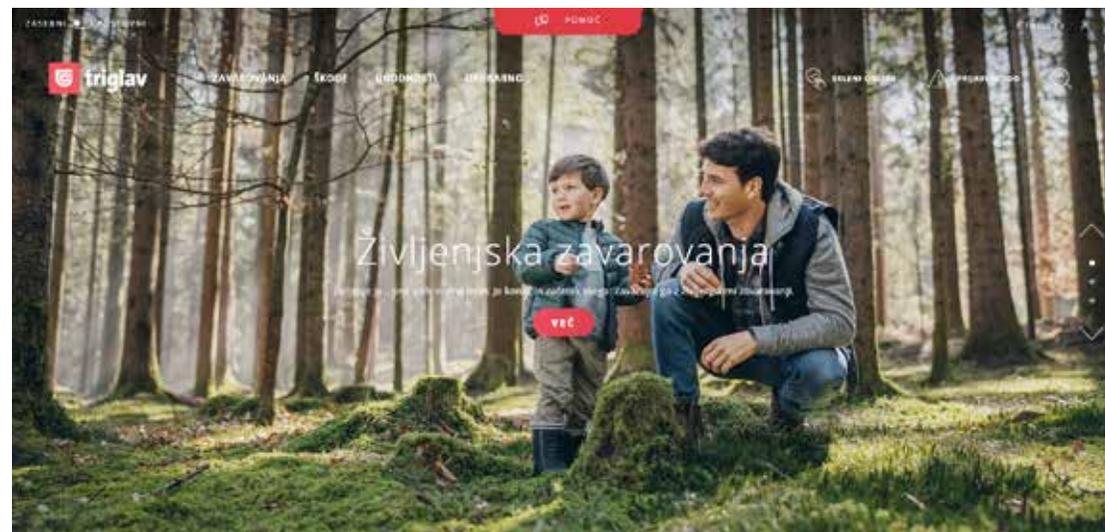
The COVID-19 pandemic has changed the behaviour of clients of practically all ages and has accelerated the introduction of planned innovations. A sudden and extremely extensive shift towards conducting business remotely was seen in the first, spring wave, after which its share remained significantly higher throughout the year than before.

In the insurance business, user experience will be upgraded by setting up a **single entry point**, which is planned to further increase the responsiveness and transparency of claim settlement. Various forms of client communication during the phase of obtaining input information (telephone calls, email, text messages (SMS)) will be merged into a single and improved channel. Preparations for the launch of the new platform were continued.

By enhancing its digital presence and promoting the use of online and mobile platforms, the Company increased performance in several areas. With the expansion of digital solutions, **the processes of taking out and processing insurance and settling claims are being improved, updated and upgraded**. In this way, sales staff perform their work even more efficiently, while procedures for clients are simplified.

Digital sales and communication channels and distribution channels and tools were significantly strengthened. New digital solutions and services that are always available and easy to use include:

- **the redesigned i.triglav web office** for retail clients (design upgrade, adaptive design for mobile devices and additional functionalities: remote signing, video identification, additional security mechanisms, claim reporting, simple and fast notification of clients about their claim settlement procedure and the option of confirming all issued documents);
- **the automated notification of all clients** who have opted to receive information **about reported claims** electronically (to ensure quick responses and notification via selected communication channels);
- **redesigned websites triglav.si and triglav.eu** (design upgrade, adaptive design for mobile devices, upgraded underwriting procedures and new functionalities);
- **the upgraded process of taking out life insurance** (adaptive design for mobile devices, more transparent and simpler), which includes a simplified way of signing documents remotely;
- **the completely redesigned Drajev mobile application** (revamped image, expanded functionalities: display of current speed and speed limit on a given road section and immediate warning of driving errors, the option of automatic recording of journeys, etc. (the visibility of the products and services available online is enhanced by advanced technological services such as Triglav vreme (Triglav Weather) and Vse bo v redu (Everything Will Be Alright) – [see 12.5 in Section Sustainable development and ESG aspects for more information](#));
- **remote inspection of the subject insured** by capturing images for the purposes of taking out insurance or assessing damage (added functionality for capturing and storing images in back office information systems);
- **video identification and verification of the identity of the insured person** (the procedure is primarily intended for taking out life insurance);
- **remote signing** of documents;
- inclusion of a **dynamic questionnaire** on the state of health in underwriting applications for life insurance (by digitalising insurance underwriting, the average time from making an insurance offer to underwriting has been shortened);
- **digitalisation** of printing documents on insurance policies taken out via the bank sales network;
- **IT support** to sales staff when reporting clients' claims;
- **development of the Smart Locator service in assistance insurance for locating the victims** (for easy determination of the exact location of the client in need of help using a smartphone).



The i.triglav web platform and the triglav.si and triglav.eu websites were redesigned.

A major innovation was introduced in the life insurance segment: **the digitalised processing of matured life insurance policies**. The process was upgraded with the option of submitting a request for payment related to the maturity, advance, surrender, mathematical provision, transfer of SVPI assets between pension funds and payouts of surrender value. The option of submitting these requests in electronic form remotely was also made available.



Matjaž Horvat, Director of Department, IT – Digital Distribution, Zavarovalnica Triglav

“When the first wave of the epidemic hit, the redesigned i.triglav web office had just been launched and my colleagues in the life insurance segment had introduced video identification. We switched to remote business smoothly. The solutions were upgraded throughout the year.

In a matter of weeks, digital literacy increased greatly, improvement which would have otherwise taken years. IT functions were overloaded, which is understandable, as they are the heart of our operations.”



Tomaž Kodela, Head of Department, IT – Local Client Support, Zavarovalnica Triglav

“The digital landscape is shaped by the strategic use of hardware and the effective deployment of software solutions. My colleagues and I ensure that not only equipment is developed, but that client relationships and responsiveness come first. After that, everything is easier to solve. It was certainly an advantage that we had the necessary equipment in stock. In this way, we were able to immediately fill in any gaps, upgrade solutions, for example in the case of portable equipment used in the agent network or when providing support to employees at working from home.”

Measures to curb the COVID-19 pandemic made it difficult for clients to move around and thus visit a doctor, which is why **as part of the assistance services** in the health insurance segment:

- the number of expert articles published on the online portal was increased and
- **advice by specialists** was provided to clients remotely (by phone, email and text messages and by participating in online conversations).

The Company's vision of reaching a higher degree of business digitalisation is being realised through **the active use of artificial intelligence**, which is considered a development necessity to complement existing activities. In this regard, the project of identifying the status of non-life insurance policies continued to be carried out by using an upgraded model in day-to-day operating processes. At the same time, activities for the introduction of machine learning in car risk analysis were initiated.

Development of the sales network and sales and after-sales services

Sales and after-sales processes changed significantly in 2020. A remote business system was established immediately after the ban on the sale of insurance services with physical contact with clients at the onset of the COVID-19 pandemic. In addition, the existing way of doing business by regular post was upgraded and, as already described, digital sale and conclusion of insurance was strengthened. Good relations with outsourcers and high-quality services were maintained to make it as easy as possible to meet client needs. With the same goal, the stable operation of the call centre and other communication channels and assistance services was maintained.

Sales staff worked hard to lessen the burden of the Group's clients in such difficult circumstances by using **an omni-channel approach**. They educated and advised clients on the transition to remote business, helping them to take out insurance and report claims remotely, while adapting the use of communication channels to client needs. Through the coordinated operation of sales and other competent departments, the Company increased its capacity for the direct and professional handling of client calls and extended the working hours for providing information. Prompt measures were taken to improve business processes in all insurance segments. The Company consolidated its own sales network, which is its most important sales channel, and strengthened its cooperation with the external sales network through various forms of integration.

Sales staff continued to be empowered primarily through training, encouraging their perceptiveness, motivation and engagement. In accordance with the Insurance Distribution Directive (IDD), various training modules were designed and carried out, intended for the management of all sales channels, including the external sales network. Sales staff were encouraged through various motivational incentives, both financial and non-financial. Sales consultations for various professional profiles at several levels were held, while the implementation of training courses was adapted to the manner of working and doing business remotely.

A new information hub was established, **a single portal for taking out non-life, life and health insurance through the bank sales network**, which provides clients with custom-tailored and accessible insurance products. The Company offered new bancassurance services to its partners

and continued to adapt the life insurance product range to the needs of their clients.

The direct elimination of individual types of damage to buildings and objects was upgraded. According to the "report & eliminate" principle, contact with the **client** is established **immediately after reporting a claim** and assistance in claim settlement is provided to them with the help of contractors. From now on, **additional and related concierge services** are available, which go beyond settling a claim and include assistance in providing minor and maintenance works on vehicles and buildings. In this context, two pilot projects were successfully carried out: provision of help in changing a tyre at an affordable price and without waiting, and help with documentation in the event of a traffic accident.

For the sale of **additional health insurance**, the **modular offering concept** was developed and technologically supported, which is an important step towards greater simplicity and better adaptation of products to clients.

With regard to **the development of alternative sales channels**, a new car lease insurance product was designed together with a car sharing platform, thereby entering the short-term insurance market in the field of the sharing economy.

The development of new sales channels on markets outside Slovenia focused on **online sales and the digital upgrade** of cooperation with external sales channels, including banks and companies providing leasing services, selling cars and supplying telecommunication services ([also see Activities on the Triglav Group markets outside Slovenia](#)). The strengthening of sales channels contributed to premium growth in individual markets ([see Section 7.5 Gross written insurance, coinsurance and reinsurance premiums](#)).

Product upgrade and development

The development and upgrade of products was adapted to the changed market conditions and **client needs**. The guidelines for designing simple, comprehensive and transparent products and services were followed, while ensuring compliance with the applicable legal and regulatory requirements ([see Section 11.5 for more information](#)). In order to improve underwriting results, the Company regularly analysed individual insurance sub-classes and adjusted insurance bases (i.e. tariffs, terms and conditions, underwriting guidelines).

Product upgrade and development highlights:

- **Property and interest in property insurance:** Personal protection insurance and micromobility insurance products were redesigned and upgraded to cover the risks associated with the use of electric vehicles. The following new products were developed: liability insurance for the clinical trial of medicinal products, extended warranty insurance and insurance for hardware and appliances. Liability insurance for insurance brokerage was redesigned.
- **Motor vehicle insurance:** Insurance bases were adjusted to market conditions. Roadside assistance for goods vehicles with maximum permissible weight over 3.5 tonnes was developed. The range of insurance products for leasing providers and vehicle importers was adapted.
- **Agricultural insurance:** In addition to implementing changes in accordance with the Decree on co-financing of insurance premiums for primary agricultural production and fisheries for 2020, premium rates were revised for individual groups of agricultural crops, perils and existing hazardous areas. Crop insurance against drought risk was redesigned.
- **Accident insurance:** The existing travel insurance product was redesigned and launched onto the market as a new product known as insurance for travelling abroad. Personal protection insurance was upgraded with redesigned accident insurance with post-injury assistance. The new micromobility insurance product was upgraded to include accident insurance and post-injury assistance. In addition, insurance bases of group insurance products for special target groups were revised.
- **Health insurance:** Assistance services and specialist advice to clients were upgraded. A primary health committee was established as a multidisciplinary expert advisory body which will contribute to the introduction of innovations and the digitalisation of the product range.
- **Transport insurance:** Transport insurance products were adjusted to domestic and foreign regulatory changes in transport and freight forwarder activities. New insurance bases for drone insurance were adopted.
- **Accounts receivable insurance:** Insurance bases for financial credit insurance were revised. Unemployment insurance was redesigned to include new insurance guarantees also for groups of clients who borrow based on leasing agreements and instalment sales agreements.
- **Life insurance:** In addition to the life insurance product known as Jesen življenja (Autumn of Life), life insurance with a partial premium refund was designed and offered as a new product in the Slovenian market and which is sold through the banking channel. The whole life insurance product was redesigned and adapted to different target groups and their needs. Supplemental severe illness and injury



insurance or supplemental critical illness insurance of all policyholders was expanded free of charge to include hospital treatment for COVID-19. Due to the merger of two sub-funds with the umbrella fund Triglav vzajemni skladi, the starting points for the entire unit-linked life insurance product portfolio were adapted, taking into account some other mergers of funds offered.

- **Pension insurance:** Pension insurance-related services were consolidated and the product

portfolio of Triglav, pokojninska družba was redesigned. The group voluntary pension insurance was redesigned to provide assets for additional pension, which allows investments in mutual and index/exchange traded funds, where clients can choose an investment strategy under which assets are managed by the insurer.

Development and new forms of partnerships

The Company is forming new partnerships and strengthening existing partnerships in all markets of the Group. Partnerships with banks are being strengthened, whereby emphasis is being placed on cooperation with Nova KBM, Gorenjska Banka and Sberbank, as well as with new insurance agency and brokerage partners. Integration is encouraged especially with regard to the introduction of modern technologies and as part of the expansion of business by entering various business ecosystems. The Company also works with start-ups and business accelerators.

Partnerships with leasing companies and vehicle importers are extremely important and include: Renault – RCI, Porsche, Emil Frey, Summit, Avtotehna VIS, NLB Leasing, SKB Leasing and others. Partnerships in mobility are being established and upgraded with Petrol, Sygic, Eurotax, Nervtech, AMZS and Avant Car. In addition, partnerships are being strengthened in other areas, thus linking insurance with various ecosystems, including companies and platforms such as Avant2go, Giro car sharing, Go2Insure, Big Bang, T2, M-tehnika, Enaa.com, eMundia and MBills. The Company also works with various organisations and media companies, such as the Institute of Sports of the Republic of Slovenia, the Chamber of Craft and Small Business of Slovenia, the Chamber of Commerce and Industry of Slovenia, the Mladinska Knjiga Založba publishing house and the newspapers *Finance* (within forums and conferences for business and other expert communities), *Dnevnik* (in the framework of the Golden Thread and the Gazelles projects) and *Delo*. Furthermore, various pilot collaborations are developed, for example with GenePlanet.

The range of partner authorised veterinary clinics for small animals is growing with the aim of improving the quality of insurance and healthcare services in this field. The Company acquired the observer status in the Alpine Drought Observatory (ADO) project, which is managed by the EURAC Institute from Bolzano. This cooperation allows the Company access to an online database for the Alpine region, where it can monitor point and satellite drought indicators, participate in international workshops in six Alpine countries and workshops with stakeholders from Slovenia (the Slovenian Environment Agency, the Maribor Institute of Agriculture and Forestry, the Iskra Institute and others). The Company began to actively participate in the project group under the auspices of the Ministry of Agriculture, Forestry and Food established to upgrade the financial risk management system in agriculture, forestry and beekeeping due to natural disasters.

Activities on Triglav Group markets outside Slovenia

Development activities in markets outside Slovenia were largely adapted to the conditions of the COVID-19 pandemic, thus the focus was on business transformation and digitalisation.

Numerous innovations implemented in insurance subsidiaries enabled **remote business**, including the online payment of obligations. Legal bases were provided for the transfer of remote business solutions, thus providing both electronic and remote signing.

The redesign of insurance products, expansion of assistance services and handling of claims were adapted to market needs and to the restricted physical contact for health safety reasons. Several changes were made to claim settlement: clients were redirected to use digital communication channels, a new, faster and more cost-effective way of conducting car damage inspections was implemented, cooperation with body shops was expanded and a comprehensive client service was designed that includes all necessary steps – from damage reporting and appraisal to vehicle repair.

The Company was very active in achieving synergies between various business segments of the Group, especially between the key segments of the two core activities. Best practices and solutions were transferred to subsidiaries by tailoring them to the specifics of each market. In addition to assessing the market potential of products, some products were fully redesigned and technologically upgraded.

Sales focused on **simplifying the sales process for clients**, empowering own sales network and establishing **new sales channels and partnerships**. **The range of assistance services was expanded**, with special attention devoted to increasing the quality of their provision.

Seven key aspects of development activities during the COVID-19 pandemic outside Slovenia

1. Measures to protect the health of employees and clients

2. Introduction of remote business

3. Changed claim settlement

4. Simplified sales process for clients

5. Product upgrade and technological adaptation

6. Expanded range of assistance services

7. New sales channels and partnerships

Highlights of insurance business development in individual markets of the Group.

- **In Croatia**, several insurance products were redesigned: animal insurance, insurance for small and medium-sized enterprises (SMEs), additional cover for the treatment of COVID-19 was added to some insurance products, and additional bicycle assistance and liability for cyclists and owners of other mobile vehicles were introduced. The own sales network and cooperation with banks and car dealerships were strengthened. A call centre was set up to help clients and client satisfaction began to be monitored according to the NPS methodology.
- **In Serbia**, travel insurance was redesigned and upgraded to include additional cover for the treatment of COVID-19. Home insurance was adapted to market needs. The redesign of insurance for small and medium-sized enterprises (SMEs) is nearly complete. Cooperation with telecommunication service providers and agents selling health insurance was strengthened, while cooperation with companies providing leasing services and car dealerships was upgraded. In the life insurance segment, a new partnership was entered into with a company selling children's clothing and cosmetics.
- Triglav Osiguranje, Sarajevo and Triglav Osiguranje, Banja Luka launched redesigned whole life insurance onto the **Bosnia and Herzegovina** market, offered more competitive terms and conditions for travel insurance, motor vehicle liability insurance and home insurance, as well as launched new cyber risk insurance and assistance services for goods vehicles. The own sales network was strengthened, synergies were achieved with the subsidiary Autocentar BH and cooperation with banks was expanded, including the

establishment of a business portal (B2B) and the expansion of the product range (card insurance, etc.).

- **In North Macedonia**, Triglav Osiguranje, Skopje launched the following new products: pet insurance, unit-linked life insurance and health insurance that includes the cover for surgeries abroad. The own sales network and the banking channel for selling life insurance were strengthened and an interface for doing business with selected banks and car dealerships was established. In addition, the medical assistance centre was upgraded.
- **In Montenegro**, where Lovćen Osiguranje, Podgorica and Lovćen životna osiguranje, Podgorica operate, the health insurance for foreign nationals was redesigned, the network of healthcare providers was expanded and group life insurance was upgraded. The own sales network and the call centre for life insurance were strengthened. Partnership with a telecommunication company was upgraded and a business portal (B2B) was established.
- A great deal of attention was paid to entering into partnerships with banks. New partnerships were thus established in **Montenegro, Croatia, North Macedonia, and Bosnia and Herzegovina**.

In the asset management segment, bases for the establishment of two open-end mutual funds for the market of **Bosnia and Herzegovina** were developed, expanding the range of unit-linked life insurance products. In **Croatia**, in order to increase business performance, the management of funds which were sold exclusively in this market and which were under the supervision of the Croatian regulator was transferred to Intercapital Asset Management by entering into an agreement. The Group is present in this market through

Triglav Skladi mutual funds, which are sold in the framework of unit-linked life insurance, thus building the basis for the further expansion of this activity in South-East Europe, where regulatory frameworks and market needs are gradually evolving.

Activities in other markets

The Company is entering into partnerships as an insurance provider that co-creates a full range of various products and services. Its international operations and opportunities for expansion include **partnerships with foreign insurance brokerage and agency companies**; these allow the Company to conduct business without its direct presence and own sales network in the target area. The Company's international operations were expanded in 2020 in line with the planned geographical diversification of its operations. In EU Member States, the existing models for the conduct of insurance business were expanded and upgraded and new partnerships were formed.

At the year-end, cross-border insurance services were provided in more than fifteen Member States of EU. Long-term partnerships were expanded from Greece and Italy to the Norwegian and Dutch insurance markets, in addition to completing preparations for entering into the Polish market, where insurance products and services will begin to be provided in the first half of 2021. Activities and the range of products and services were expanded in the European and North American **reinsurance markets**. Eurasia, ION, Sogaz, Swiss Re Corporate Solutions and Fidelidade Portuga are among the **new reinsurance partners**.

11.2 Business transformation of the Triglav Group

The strategic transformation of the Group's operations is based on:

- improvements in management practices and techniques,
- updating the information and data system and
- developing even more efficient support functions.

Changes in internal organisation took place in all Group members. The new **Digitalisation, Business Process and Technology Division** is dedicated to coordinated strategic digital transformation, encompassing all business functions. The primary task of the newly established specialised **Bancassurance Department** is to manage relationships with the bank network, assist the staff at banks and introduce innovations. Important steps in organisation and operation were taken in the processes aimed at developing client relationships and improving user experience.

The human resource information systems were upgraded for working from home and the online tool MS Teams was introduced, which enabled employees to communicate and cooperate remotely. A modern human resource information system continued to be implemented in subsidiaries and an intranet was set up at the Group level.

Several operational committees were established to continually improve IT support management. They operate within the framework of the IT Strategic Management Committee, the highest management level focused on the operation of quality, cost-effective and time-efficient IT services. The aim of the strategic starting points for the development of IT systems within the Group is to improve system integration and

increase flexibility and response to market needs. Pilot projects for the implementation of standardised sales tools and systems at the Group level were concluded.

The information infrastructure was further **centralised**. Secondary data centres are already centralised in most Group members. In Skopje, the centralisation of the primary data centre was concluded, which will continue in the remaining subsidiaries. Security tools for information security were expanded. The Group follows the development of business information systems that introduce products available as online services, which is why information tools based on Microsoft cloud technologies for the Office 365 platform are being introduced, and that enable the transfer and connectivity of products with the systems of its business partners.

Uniform information support **improved the standardisation of accounting processes** at the Group level. Preparations were underway to implement remote inspection of the subject insured and other digital solutions in subsidiaries. In order to improve the corporate governance system, **the reporting and analytical system** was further upgraded to collect key information on the operations of both individual members and the Group in one place. At the same time, the role of centralised data was increased and the conditions for decision-making in subsidiaries were improved.

The transformation of business processes in the acquiring company Triglav Skladi allowed the Company to monitor the integration of Alta Skladi and the merger of the sub-funds of the Alta umbrella fund with the sub-funds of the umbrella fund *Triglav vzajemni skladi*, thus unifying the management processes based on **the single service platform** for the efficient management of client needs. The merger also changed the

organisation of the acquiring company and the organisational culture, as well as increased joint staff potential, knowledge and experiences. [See 11.3 for more information.](#)

In addition to implementing the revised minimum business standards in all key and support areas within the Group, the desired organisational culture was established at the Group level. [See Section 12. Sustainable development and ESG aspects at the Triglav Group](#), especially [12.4](#) and [12.5](#), for further information.

11.3 Efficient asset management in the Triglav Group

Efficient asset management at the Group was again reflected in **increasing the value of assets** managed in financial and pension (guarantee) funds and discretionary mandate assets ([see Section 7.11 for further information](#)). The aforementioned merger of Alta Skladi with Triglav Skladi also contributed to that increase. With this merger, management processes were upgraded and management knowledge and experience were integrated at the Group level, as a **system for the effective exchange of opinions and in-depth cooperation in asset management** was established. Joint investment forums make it possible to obtain and exchange the views of various experts from different fields. Furthermore, the Group strengthened cooperation in the unit-linked life insurance and investment advice segments, specifically with regard to investment strategies used and pension insurance management.

Process centralisation in the Group's **asset management continued** in order to improve the quality of assets and cost-effectiveness. Processes will also be upgraded based on good practices in sustainable asset management.

The upgraded asset liability management process is used to monitor the risk-adjusted return of individual business segments in order to achieve the optimal use of available capital.

As one of the leading managers in the Slovenian market, Triglav Skladi introduced **innovations in its offering of mutual funds** in 2020.

- **Triglav Tehnologija**: a dynamic sector fund for investors who believe in the long-term potential of technology and the technology sector. The technology sector is the most profitable of the sectors in the last decade and has a high development potential.
- **Triglav Aktivni**: a fund that dynamically adjusts the composition of its portfolio to market fluctuations. The first mutual fund in Slovenia to use advanced quantitative methods designed to assess volatility and optimise portfolio composition. A capital protection mechanism was developed at this fund to protect against a more than 20% drop in the value of a fund unit relative to the highest value achieved in the last year.
- **Triglav Preudarni**: it is intended for investors who wish to increase their assets more prudently in a zero interest rate environment, without taking high investment risks and maintaining the real value of invested assets.
- **Triglav Zeleni**: it is aimed at modern equity investors who believe in sustainable development. [See Section 12.5 Responsibility towards clients for more information.](#)

Investing in alternative investments (Triglav) **was further developed** to expand the range of investment classes managed for both our own portfolios and our clients' portfolios.

The operations and activities of the pension company in **North Macedonia**, established in 2019, were strengthened.



11.4 Marketing activities

Clients in all markets were encouraged to use digital communication channels. Special attention was paid to monitoring changes in client behaviour, the consistency of an omnichannel marketing approach and ensuring the reach and clarity of key messages to clients, which was crucial during the COVID-19 pandemic and contributed to effective remote business. In doing so, analytical methods were used for in-depth knowledge and the monitoring of client behaviour and needs, as well as checking the effectiveness of the Group's activities. Client relationship management (CRM) was further supported with modern CRM tools, while the realisation of premium and costs related to direct marketing were supported with the Microsoft Dynamic 365 Marketing information solution.

Client relationships were also strengthened through online talks with renowned experts in various fields who advised clients remotely, thus confirming the advantages of new technologies and approaches at the Triglav Lab digital centre.

Brand management and marketing communication

Brand strength is increased through efficient and coordinated branding at the corporate and product levels. In 2020, as part of brand management, the corporate visual identity used in digital media was redesigned and the use of language in marketing communication was unified. The main logo was upgraded with a symbol to mark the Company's 120th anniversary, which also reflects its clients' trust and the stability of its business. In the pension insurance segment, the Triglav Pokojnine brand was launched to unify the marketing approach.



In the design and implementation of marketing campaigns, the Company complied with the Slovenian Code of Advertising Practices. No proceedings for infringements related to marketing communication were instituted against Zavarovalnica Triglav and its subsidiaries in the reporting year.¹⁹ In one case, the Company complied with the call of the Agency for Communication Networks and Services of the Republic of Slovenia (AKOS) and stopped broadcasting a television advertisement due to the proceedings initiated against the actor in the advertisement.

For achievements in marketing communication, the Company received many international and domestic awards, such as WEBSI 2020 and Trusted Brand 2020, awards at the Slovenian Advertising Festival (SOF) and annual report awards IADA, ARC and Gold Quill ([see Section 12.1 for further information](#)).

Assessment of effectiveness and market research

Understanding clients' needs and their attitude towards insurance products played an even greater role in the extraordinary situation due to the COVID-19 pandemic. To this end, a study on the impact of the pandemic on consumer behaviour was conducted in Slovenia, Croatia and Serbia to obtain key information on remote business. The Company checked changes in the attitude towards taking out insurance remotely and individual tools and changes in the purchasing process.

Media audits are carried out in the Slovenian market every two years; the first media audit

outside the domestic market was conducted in Montenegro. The effectiveness of marketing communication campaigns and events is checked by measuring KPIs (Key Performance Indicators). The Company regularly assesses not only the effects of its activities on brand reputation, but also the efficiency and effectiveness of advertising campaigns by using both the traditional computer-assisted web interviewing (CAWI) method and newer methods, such as electroencephalography (EEG) and eye tracking.

The results show that Zavarovalnica Triglav continues to be one of the most reputable brands in the Slovenian market. It ranks among the top six brands in terms of reputation in markets outside Slovenia, which is quite an achievement. The Group members are recognised as reputable companies with a distinctive, transparent style of communication with their clients, a comprehensive range of insurance products and effective claim settlement.

Product campaigns

In the non-life insurance segment, the sale of insurance products adapted to the modern way of life and mobility was promoted. The Company communicated with its clients throughout the year and participated in the international online conference *City as a Lab* on new forms of mobility.

In the life insurance segment in Slovenia, the focus was on empowering sales staff, promoting sales and financial literacy of clients in partnership with Nova KBM, Abanka and Gorenjska banka. The new product *Jesen življenja* (Autumn of Life) for the elderly was launched. A comprehensive media strategy was designed to promote the visibility of life insurance products and attract new clients. Market research was carried out to identify guidelines for the development of life insurance.



The Triglav Skladi mobile application for easy payments and transfers among funds.

¹⁹ GRI GS 417-2, 417-3, SASB: FN-IN-270a.1, FN-AC-270a.2

In partnership with the specialised retail network Big Bang, redesigned Kasko (Full Cover) and Zaščita Plus (Protection Plus) insurance products were launched, which were also offered at Big Bang's points of sale.

In addition to promoting interest in agricultural insurance, insurance for motorcyclists and tractor operators, Pazi name! (Watch Out for Me!) accident insurance and supplemental voluntary pension insurance, the marketing approach for travel insurance was adapted to specific target groups.

In the health insurance segment, the Triglav zdravje brand was strengthened through the marketing communication of additional health insurance. The new website zdravstveninasvet.triglavzdravje.si with health-related topics was launched. Furthermore, the *Pazi nase* magazine was digitised and published on the website of the same name, themed electronic news was regularly published and the visibility of digital consultations with doctors was promoted.

Due to the increased volume of remote business, the entrepreneurs' interest in cyber insurance was strengthened. Other insurance products intended for corporate clients were also presented as part of various professional consultations and partnerships.

In asset management, the Triglav Skladi mobile application was launched and promoted for digital and secure business, which allows easy payments and transfers between funds.

The aim of the "I Invest in What I Believe" campaign was to monitor **the introduction of new funds** (Triglav Preudarni, Triglav Aktivni, Triglav Zeleni, Triglav Tehnologija) and target different segments of potential investors.

Corporate identity building

Triglav Lab, the technological centre and training ground of the Group's digital business, is an important communication tool for the visibility of the brand as a provider of innovative and advanced solutions. It promotes the Company's visibility also in areas such as preventive action, financial literacy and cooperation with athletes. Visitors to Triglav Lab are able to experience rescue operations after an earthquake and traffic accident, test their safe driving skills on the DRAJV simulator (young drivers can complete a safe driving course) and virtually ski jump from Planica. A total of 80 events, training courses, workshops, seminars and video recording sessions to promote insurance literacy, risk awareness, presentation of products and services were held in 2020, which were attended by over 2,000 participants in person or virtually.

For the fifth consecutive year, the Company co-created a **financial literacy** project in partnership with the team from the Moje finance magazine and with the support of the Vse bo v redu (Everything Will Be Alright) online portal, which was also launched in Serbia in 2020. Professional training events focused on the importance of life and health insurance. Young target groups learned about asset management using modern communication channels and approaches.

The corporate identity is also strengthened through Zavarovalnica Triglav's Mladi upi project and events; see [Section 12. Sustainable development and ESG aspects at the Triglav Group for more information](#) about the latter and financial literacy.



In 2020, Triglav Lab hosted over 2,000 participants in various workshops, trainings and seminars.

11.5 Adjustment to regulatory changes

Compliance with legal and regulatory changes is already being built into the planning of development activities, which also applies to marketing. Due to the greatly increased volume of digital forms of communication, in 2020 the Company actively strived to co-create good practice in personal data protection and privacy in electronic communication and to ensure a safe and healthy business environment for both employees and clients. For more information see [Section Sustainable development and ESG aspects](#), particularly [12.5](#), where compliance is also discussed.

Financial reporting continued to be adjusted to new international standards (IFRS 9, IFRS 16 and IFRS 17), in addition to implementing amended legal requirements in money laundering and terrorist financing prevention, pension and disability insurance, and laws governing insurance, the financial instruments market and integrity and corruption prevention.

The bases for liability insurance for the trial of medicinal products were revised and harmonised with the relevant EU regulation. Personal protection insurance was upgraded. The new Micromobility product was designed to comply with the expected changes in road transport legislation, which will regulate the field of special means of transport. The bases for liability insurance for insurance brokerage were adapted based on the relevant Commission Delegated Regulation and ESMA (European Securities and Markets Agency) guidelines for testing the impact of the situation in exceptional cases on the liquidity of open-end investment funds and alternative investment

funds. The Company began to adjust to regulations on sustainable business practices and to promote sustainable investment and long-term cooperation with shareholders.

Client due diligence procedures were upgraded to take into account US economic sanctions and restrictions on doing business with individuals, government organisations and legal entities with significant ties to the institutions and leaders of countries contrary to US government geopolitical interests (especially the Office of Foreign Assets Control – OFAC). EIOPA guidelines were integrated into the transfer of the implementation of important processes to external cloud service providers and into the Company's approach to the review of supervisory policies and product management. The Company also responded to EIOPA's call to take an active approach to mitigating the effects of the COVID-19 pandemic. In addition, the Company began to adapt to the regulation on sustainability-related disclosures in the financial services sector and monitored changes in tax legislation.

Furthermore, the Company implemented regulatory changes (the amended Personal Income Tax Act (ZDoh-2V)) in life insurance-related business processes (the new tax rate on life insurance income, taxation of amounts attributed to profit sharing in accordance with insurance terms and conditions and amounts that the insurer could pay to the account of the policyholder's policy).