

BUSINESS PLAN
for 2018

Joint-Stock Insurance Company
“ALSKOM”

Tashkent-2017

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1. GENERAL CHARACTERISTICS OF THE JOINT-STOCK COMPANY OF THE INSURANCE COMPANY “ALSKOM”

1. Full and abbreviated name:

Joint Stock Insurance Company “ALSKOM”, JSC IC “ALSKOM” (hereinafter referred to as the Company).

2. Number and date of state registration and the authority that registered the Company as a legal entity: **Ministry of Justice of the Republic of Uzbekistan No. 813 dated September 24, 1996, re-registered on November 18, 1999 (as a legal entity), re-registered to a joint venture dated November 21, 2002 No. 109, re-registration into open joint stock company dated January 15, 2009, re-registration into joint stock company dated July 10, 2014;**

State Inspectorate for Insurance Supervision under the Ministry of Finance of the Republic of Uzbekistan No. 000009 dated October 6, 1998 (as an insurance organization).

3. License of the Ministry of Finance of the Republic of Uzbekistan for the right to carry out insurance activities:

SF Series No. 00211 of December 30, 2015

4. Financial reliability rating:

“UzA + - very high financial reliability”, assigned by the rating agency “SAIPRO”;
“A - high”, assigned by the rating agency “Prime Rating”.

5. Legal address:

Republic of Uzbekistan, 100202, Tashkent, st. Amir Temur, 109.

6. Bank details and address of the bank:

**p / account number 20208000000155291001 in AK "Alokabank", MFO 00401
Republic of Uzbekistan, 100015, Tashkent, st. Amir Temur, 4.**

7. Ownership: **Joint-stock company.**

8. Company Management:

The supreme governing body is the **General Meeting of Shareholders.**

The current guide is **Supervisory Board.**

Executive body - **General Director.**

The controlling bodies are **the Audit Commission, the Corporate Consultant, the Internal Audit Service, the Internal Control Service for Countering the Legalization of Proceeds from Crime, and the Financing of Terrorism.**

9. The size of the authorized fund (capital) - **10 677 554 040 soum.**

2. BASIC (INSURANCE) ACTIVITIES

Development and expansion of insurance activity is the main and priority task of the Company. In this regard, the Company on an ongoing basis takes measures aimed at improving the level of service and expanding the range of services provided by opening new business lines and improving existing insurance services and programs. Based on priorities, the Company in 2018 plans to develop insurance activities in the following areas:

1. Further development and expansion of the insurance services provided to business entities, primarily the country's population. This trend includes the following activities:

- **The implementation of compulsory insurance services.** Compulsory insurance is a social value and is aimed at protecting the interests of the population of the country. To this end, the state pays special attention to the development of this area. To date, in accordance with the adopted laws, such types of compulsory insurance as compulsory insurance of civil liability of vehicle owners, compulsory insurance of civil liability of an employer, compulsory insurance of civil liability for harm to life, health and (or) property of other persons and the surrounding in the event of an accident at a hazardous production facility and compulsory civil liability insurance of the carrier. Along with this, a number of other mandatory types of insurance are implemented in accordance with the decrees of the government of the country. The company is among the leading insurance organizations of Uzbekistan is actively involved in this segment of the insurance market and in 2018 intends to increase its share of participation by expanding sales.

- **Development of insurance relations with the banking sector, credit institutions and leasing companies, through the provision of comprehensive insurance services that provide high-quality insurance protection of their activities.** Consistent liberalization of commercial banks contributes to the introduction of insurance services that meet the requirements of not only the banks themselves, but also their customers, as evidenced by the expansion of the services they provide, such as leasing operations, the introduction of new types of consumer and other forms of loans, etc. d. A branched network of credit institutions and leasing companies, whose number is increasing sharply and their activity in the financial sector is increasing, plays a special role in this direction. To this end, the Company will make maximum efforts to further strengthen close relationships with them. The established and tested mechanism of activity in this direction shows that in 2018 the Company's activities in this sector of the economy will be very significant and will provide a significant share of insurance proceeds in the total insurance portfolio.

- **The development of voluntary medical insurance. Voluntary medical insurance is becoming one of the socially important types of insurance, as it provides monetary compensation for medical expenses due to illness or impairment of health. In this regard, there is an increase in demand for this service.** Since 2013, the Company has begun the active implementation of this service. Over the past period, insurance programs, a list of medical institutions and assistance services were expanded. In 2018, the Company plans to further expand the provision of voluntary health insurance services by using this type of insurance as a “bonus”, which promotes the active implementation of other types of insurance services of the Company.

- **Improving the system of indirect insurance.** This direction will be carried out with the adoption of adequate measures for the implementation of the Company's insurance services through business entities that provide services to the general public, which in turn will fully contribute to improving the variety of services they provide. A similar mechanism has already been successfully implemented by the Company together with the JSC “Uzbekistan pochta” for the sale of insurance policies through a network of post offices.

- **Further development of regional insurance.** The development of the economy of the country's regions, the creation of enterprises and other objects in them with the attraction of

foreign investors and, most importantly, the introduction of new mandatory types of insurance leads to the expansion and strengthening of the Company's activities in the regions. In this regard, in 2018, further optimal expansion of the regional network is envisaged by increasing the number of branches, agent points and sales centers, especially in remote areas and rural areas of the country.

2. Development of insurance relations in the field of infocommunications. This direction includes the implementation of a number of priority tasks identified by the decision of the Board of the State Committee for Communications, Informatization and Telecommunication Technologies of the Republic of Uzbekistan (now the Ministry for the Development of Information Technologies and Communications of the Republic of Uzbekistan) for the development of insurance relations in the field, in particular:

- **Further development of the insurance system of valuable mailings and freight carried with the Republican hub of special communication and JSC “Uzbekistan Pochtasi”.**

- **Ensuring effective insurance protection of expensive and valuable infocommunication facilities that meet the interests of the state,** in particular, the Tashkent TV tower and other expensive facilities of the industry.

- **Cooperating with “O'zbekistonPochtasi” JSC on the further development of the mail-insurance service, by introducing modern methods based on the study of international experience.**

- **The implementation of the insurance mechanism for investment projects attracted to the field.** This direction includes such services of the Company as cargo insurance, equipment insurance in conditions of “with responsibility for all risks”, insurance of construction and installation risks, insurance of risks associated with the implementation of import contracts and implementation of investment projects.

- **Timely provision and supply of new innovative insurance services that meet the requirements of the rapidly growing field of infocommunications.** The company began to introduce “insurance of information risks” in certain subjects of the sphere. In 2018, it is planned to expand the sale of the product among a wide range of consumers.

- **The introduction of insurance services for subscribers of telecom operators and users of Internet providers, in order to stimulate their activities and increase the number of customers.**

- **Providing insurance services aimed at social protection of infocommunications employees, as well as timely coverage of medical and other possible expenses on the occasion of the employee's illness, from accidents during their work activities and business trips abroad.** These include: voluntary medical insurance, insurance of persons traveling abroad, including in the CIS countries.

- **Providing effective insurance protection for mobile operators, by providing insurance services for expensive telecommunications devices and systems, property and vehicles against various risks, as well as employees and their family members against accidents.**

- Based on the above priority activities, in 2018 the Company plans to ensure insurance proceeds in the amount of at least **59.5 billion soums**, which in turn will ensure the revitalization of the Company's financial activities.

3. INVESTMENT ACTIVITIES

The investment policy of the Company is carried out in accordance with the “Regulations on the solvency of insurers and reinsurers”, “Regulations on investment activities of the insurer and reinsurers” and “Regulations on insurance reserves of insurers” approved by the Ministry of Finance of the Republic of Uzbekistan, which establishes requirements for investment activities of insurance companies. Based on this, the planned volume of invested funds in 2018 will be about **10.0 billion soums**. As a result, the total investment portfolio will reach **60.0 billion soums**. Projected revenues in this direction in 2018 amount to about **4.0 billion soums**.

4. FINANCIAL RESULTS

The planned income of the Company in 2018 is in the amount of **46.9 billion soums**, of which the main part in the amount of **43.0 billion soums** will be provided from insurance activities, and the remaining amount of income in the amount of **3.9 billion soums** from investment and other financial activities.

In order to improve the efficiency of the Company's activities, in 2018, an increase in expenses is projected to only **11.7%** compared with the expected result of 2017. Thus, the projected net profit will amount to **2.0 billion soums**.

5. MARKETING AND ADVERTISING

The Company's marketing strategy is based on the implementation of the following tasks:

1. Generating demand for insurance services, which involves influencing potential policyholders in order to increase the existing level of demand to the desired, bringing it as close as possible to the level of supply. This function includes a number of measures such as influence through targeted advertising, differentiation of tariffs for insurance services, a set of measures to conclude insurance contracts, and more. others

2. Satisfying the insurance interests of customers through a high level of insurance services. This function involves the use of significant funds to improve the organization of sales of insurance policies, including through the Internet, improving customer service, maintaining its image, and conducting advertising campaigns.

Based on certain tasks, the planned expenses in 2018 for these purposes will amount to about **600.0 million soums**.

6. DEVELOPMENT OF INSURANCE PRODUCTS

Based on certain priority areas, in 2018, the development and introduction of new types of insurance products and programs, such as:

- comprehensive banking risk insurance;
- insurance of personal documents;
- insurance of state numbers of vehicles;
- insurance costs associated with legal protection;

- insurance of business risks of a joint stock company and the responsibility of the executive body.

Taking into account the requirements and wishes of the Company's customers, in 2018, a number of existing insurance products will be improved.

7. DEVELOPMENT OF MATERIAL AND TECHNICAL BASE

The development and expansion of the Company's activities requires continuous improvement of its material and technical base. For these purposes, in 2018 it is planned to purchase vehicles, office furniture, modern personal computers, copiers, printers, etc. The funds allocated for the implementation of tasks in this direction amount to **3.0 billion soums**.

8. TRAINING OF PERSONNEL

The Company pays special attention to the training and retraining of employees. The main task in this direction is the improvement of qualification and improvement of the knowledge of specialists of the regional divisions of the Company on technology sales services and the provision of post-insurance service. To this end, seminars, trainings and special courses with the participation of foreign and local specialists are held on an ongoing basis.

Every year, the Company's employees are sent to study at the Banking and Finance Academy, as well as to the master's programs at financial and economic universities of the country. The total amount of the costs envisaged for the training and retraining of personnel in 2018 is **100.0 million soums**.

9. SOCIAL PROTECTION

Social protection is an important incentive in improving employee welfare and preserving human resources. The Company pays special attention to the social protection of its employees, in connection with which all the conditions of the Collective Agreement are fulfilled, in particular, payments in the form of material assistance to employees, one-time bonuses, bonuses for National and State holidays are made in a timely manner, stimulation of employees who are particularly active in performance of official duties.

Since September 2017, all regional branches have switched to a self-financing system, in accordance with which branch expenses, including additional salaries of branch employees, are funded by appropriate deductions from the insurance premiums actually received for the reporting month. At the same time, the additional salary of employees of the branch is formed at the expense of savings from the total current expenses of the branch for the reporting month and subsequently distributed among the employees of the regional branch, depending on their labor contribution. The new system is positively evaluated by the Company's employees as a differentiated approach to remuneration depending on the performance of the regional branch.