

Market and Benchmark Insight Report for Georgia – 2021

Competitive benefit norms for mid-market employers in Georgia

Introduction

MAI CEE group was founded in Hungary in 1991, and for 30 years, has provided insurance solutions and employee benefits consulting across Eastern Europe, the Commonwealth of Independent States, and the Caucasus region. With steady growth, MAI CEE now provides insurance advice and services to the 29 countries in the region while having a physical presence in 25.

Today, MAI CEE is the leading insurance broker in the region and enjoys strong and long-lasting ties with its associate Partners. The company prides itself on delivering excellent service with the highest levels of integrity to its clients and partners.

It has specialist divisions to assist multinational businesses as brokers with specific expertise in employee benefits, construction and real estate, cyber, marine and logistics, and claims. MAI-CEE's employee benefits consulting services include:

- A separate Employee Benefits Department Personal Manager for each client
- Significant staff experience ranging from three to 20 plus years in employee benefits management
- Effective resolution of all disputed issues during the insurance period, contract follow-up support, and advocacy for clients' interests
- Complimentary review of clients' existing insurance coverage and recommendations to improve financial and medical efficiencies
- Ongoing contract review to maintain quality and ensure client satisfaction

MAI CEE is proud to be an Asintata Partner and hopes this document is of use to you.



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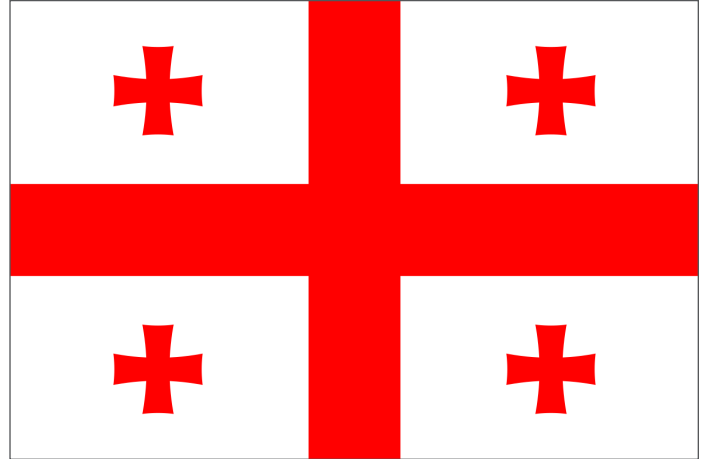
2021 Market and Benchmark Insight

1. Average Monthly Nominal Employee Earnings

In 2021, Georgia's average monthly nominal earnings increased by 4.4% (53.5 GEL) and amounted to 1,256.2 GEL (USD 400).

According to economic activity, the highest monthly earnings are in:

- Financial and insurance activities – GEL 2,448.5 (decreased by 5.7% compared to the same period last year)
- Information and communication – 2 159.8 (increased by 14%)
- Professional, scientific, and technical activities – GEL 1,798.9 (increased by 0.2%)
- Construction – 1 664.5 GEL (decreased by 2.3%)



2. Mandatory Benefits

Benefit	Comments
Accidents and Occupational Diseases in a Working Area	<p>Employers must provide compulsory accident insurance for employees performing hazardous work (granted the status of a high-risk performer).</p> <p>Employees' insurance is an additional benefit offered by an employer that provides increased protection for employees.</p> <p>Georgian law provides the basic requirements and general principles of the preventive measures related to occupational safety, existing and potential hazards, the prevention of accidents and occupational diseases, the training of employees and the provision of information and consultation to such employees, and the equal participation of employees in matters related to occupational safety and health care.</p> <p>Accidents in working areas are classified according to their outcomes and the number of people injured at one time, as follows:</p> <ul style="list-style-type: none"> a) A minor accident – a minor injury as a result of an accident without the loss of working capacity or with the loss of working capacity for not more than three days b) A moderate accident – an injury as a result of an accident with the loss of working capacity from 3 to 40 days c) A serious accident – the development of permanent disability, or serious damage to health, and/or the development of temporary disability for more than 40 calendar days as a result of an accident d) A fatal accident – the death of a person (an employee or other person) as a result of an accident in the workplace or within a year after the accident e) A mass-casualty incident – the injury of three or more people as a result of an accident, including a serious accident or a fatal accident
Holiday Pay (PTO)	<p>Employees must receive a minimum of 24 days of paid time off PTO.</p>



3. Insured Benefits – Design and Typical Costs

This table highlights the most popular insured employee benefits in Kazakhstan and their typical levels of cover.

Benefit	Comment/Cost	Different Covers
Medical Insurance	The most valued benefit by employees. Managed care schemes are the most common. Employees have access to a network of healthcare providers organized by the insurance company by using their respective insurance card/ ID card.	In most cases, employees are covered with a basic package. However, in some contracts, employees can upgrade cover by paying an additional premium and also purchase family cover for spouse and children. An employer can cover a premium package for employees (top management) and their families.
Life & Disability Insurance	Typically, group life insurance schemes include lump sum benefits in death, accidental death, and disability and usually amount to a multiple of each employee's salary.	Not very popular, but when offered, it tops up a health insurance plan with a very limited SI.
Personal Accident	Death and disability coverage due to professional or extra-professional accidents.	Not a popular benefit unless it is mandatory for the industry.

4. Setting Up Policies

4.1 Medical Insurance

- Definition of the plan's design – selection of covers (in-hospital, outpatient, dental, vision, medicines, childbirth, and other secondary supplemental covers), its respective annual limits per person, and eligibility
- A group cover is starting from 20 people and can be tailor-made
- Paperwork
 - Employer must complete and sign a specific form
 - It is enough to fulfill a specific Excel sheet provided by the insurance company with the employees' data (and one of their dependents, if applicable).

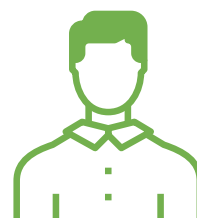
4.2 Life & Disability Insurance

- Definition of the plan's design – selection of covers (death, disability, accidental death, accidental disability), sum insured per person
- Insuring base salary, and not bonuses or other remuneration, is the most common.

- Paperwork
 - Employer must complete and sign a specific form
 - It is enough to fulfill a specific Excel sheet provided by the insurance company with the employees' data (and one of their dependents, if applicable)
 - Insured must indicate beneficiary and sign written consent

4.4 Personal Accident

- Definition of the plan's design – selection of covers (accidental death, accidental disability, treatment expenses, funeral expenses, and other secondary supplemental covers), sum insured per person
- Paperwork
 - Employer must complete and sign a specific form
 - It is enough to fulfill a specific Excel sheet provided by the insurance company with the employees' data (and one of their dependents, if applicable)





5. Adviser Remuneration

MAI CEE bases its costs on client requirements and the time spent providing that service. Commissions payable on insured policies are typical market practices, but MAI CEE is happy to discuss fee or commission options whenever required.

6. MAI CEE Contact



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