

# ANNUAL REPORT 2009



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Our year

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## ANNUAL REPORT OF LIETUVOS DRAUDIMAS AB FOR THE YEAR ENDED 31 DECEMBER 2009

We would like to call 2009 the year of challenges that we have overcome. This was the year of a downturn for both Lithuania and its business, including our company as well, however Lietuvos Draudimas AB (the Company) has stepped into this year prepared and ready for new economic conditions.

Staying with our priorities – customer orientation, reliability and focus on performance modernization – we have made our operation more effective and have improved supply of insurance products on our customer demand. These measures enabled us to act more effectively under economic downturn conditions and maintain a strong leadership among insurance companies.

In the beginning of 2009, while talking about the future, we have forecasted that with the drop of national gross domestic product (GDP) by 10-15 percent, non-life insurance market is going to decrease by 20-30 percent in 2009. Unfortunately, today we experience our gloomy forecast to become true – GDP has dropped by 15 percent, insurance market – by 25,5 percent.

These insurance market changes were mostly influenced by the downturn of commercial insurance sector. During last year it has dropped by 32,8 percent. Private non-life insurance sector has experienced a lower decrease of 15,5 percent. Property insurance appeared to be the most resistant to the crisis; and motor own damage (MOD) insurance was the one with the biggest drop.

Although naturally such economic downturn results had an effect upon Lietuvos Draudimas financial performance indicators, we have positive results, too. First of all, the crisis has stressed the importance of reliability of business partners. As a favourable trend in 2009 we could also distinguish people's need for financial safety, therefore a wide coverage of insurance risks and additional insurance benefits were the growing factors influencing our customer decisions. Positive change effected human behaviour – people started more attentively read contracts, explore regulations and insurance terms as well as focus on claim handling speed and quality. All this allows forecasting longterm changes in customer behaviour and growing market maturity in the future.

In 2009 Lietuvos Draudimas AB has passed the exam of performance under changing economic conditions. But most importantly we have remained good and reliable insurance partners and consultants to our customers in crisis as in the previous years of enormous growth. We believe that in cooperation we will overcome all challenges of economic downturn and will meet economic growth together with our customers being stronger and with tighter partnership.

## FINANCIAL PERFORMANCE



Lietuvos Draudimas AB maintains its leader's position in the non-life insurance market, however economic situation in the country has had an effect upon its financial results, as to the entire market.

In 2009 Lietuvos Draudimas AB earned LTL 55,6 million net profit or 40 percent more than in 2008 (LTL 39,7 million). Investment activity (bonds, shares and real property controlled) has brought the profit of LTL 35,4 million (in 2008 – the loss of LTL 5,8 million).

During 2009 Lietuvos Draudimas AB premiums written decreased by 32 percent – from LTL 510 million to LTL 349 million. The company controls the largest share – 32,9 percent – of the country's non-life insurance market.

In 2009 Company's customers signed 452 thousand new insurance contracts. In total Lietuvos Draudimas has 0,96 million contracts signed.

Like in the previous years, property insurance has been the fastest growing segment in 2009.

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Lietuvos Draudimas property insurance has grown by 1,7 percent. Personal accident insurance has also shown a slight growth of 1,2 percent.

During last year Lietuvos Draudimas AB compensated losses of LTL 218 million for its customers – this is 14 percent less than in 2008 (LTL 252 million).

## FOCUS ON CUSTOMER NEEDS



Lietuvos Draudimas AB has about 500 thousand private and commercial customers. We believe that its leadership in the insurance market is ensured by the highest customer service quality and additional benefits applied to their insurance products.

In 2009 together with a world-famous consultation company McKinsey & Company we have sustainably implemented Lietuvos Draudimas AB modernization programs, which resulted in reorganization of company structure, development of clearer and faster operation processes and implementation of new technologies.

This has consolidated the precondition for company leadership – our clear customer orientation and focus on their needs. We believe that successful business first of all requires understanding of its customer; then – attracting him to the company, and – most importantly – keeping him with us.

By considering individual customer needs, we have developed different sales channels meeting separate customer needs. Customers wishing to get exhaustive consultations and all required insurance services are welcome in our customer service units. Those who save time have a possibility to call for sales agent and meet him in a convenient to the customer location. And those who are used to dealing by phone or internet can buy insurance by calling 1828 or using our e-commerce web site at [www.ld.lt](http://www.ld.lt).

We also focus our performance on handling customer claims as fast as we can. Customers see fast claims handling as one of our exclusivities. For example, in 2009 the share of claims being handled by phone has increased up to 45 percent, and half of all paid insurance compensations were paid during 1-5 working days.

In addition, in order to improve its service quality, the company in 2009 has introduced a new customer feedback control system. Its purpose – to answer all customer inquiries and claims within no more than 10 days (the period established by Insurance Supervisory Commission is 30 days). But the practice in Lietuvos Draudimas AB has shown that half of customer claims are resolved even faster – during the same day, and other, more complex ones – within 2-10 days.

Lietuvos Draudimas AB has also continued with reconstruction of its customer service units and change works of the brand. Last year all company's units were renovated following new branding requirements. Currently the company has 95 customer service units across Lithuania. Insurance services are also sold and customers consulted by the widest in Lithuania network of insurance intermediaries, brokers as well as other company partners.

## ADDITIONAL CUSTOMER BENEFITS

Being the market leader, Lietuvos Draudimas AB constantly introduces useful innovations, which simplify insurance process and provides customers with additional benefits.

With economic downturn in Lithuania, financial safety became extremely important to both people and business. Due to this, last year while developing new services we have focused primarily on the increase of insurance benefits for our customers.

Lietuvos Draudimas AB has expanded the scope of insurance coverage applied to mandatory

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## INTERNATIONAL CAPITAL OWNED COMPANY

third part liability (MTPL) insurance customers. Additional free of charge insurance against natural forces was applied to their vehicles. Usually such insurance coverage is applied only to the vehicles with MOD insurance.

In addition, the company started organizing auctions for motor vehicles with non-repairable damage after car accidents and helping their owners to get the best price. This additional service is applied free of charge to all MOD insurance customers as well as to those who have experienced car accident due to our company MTPL customer fault.

Last year Lietuvos Draudimas AB has offered assistance to its buildings insurance customers for rebuilding and repairing real estate damages being under insurance coverage. Private and commercial customers having household property or property civil liability insurance were offered an assistance to replace household equipment lost or damaged under insurance coverage.

Considering the changing economic situation, the company has also increased a maximum personal accident insurance lump sum up to LTL 300 thousand.

Lietuvos Draudimas AB has offered its commercial customers a free of charge surveying services. Company surveyors visit customers on site and underwrite individual business risks.

We are sure that such additional benefits for our customers justify and foster the value of financial stability ensured by insurance coverage. We believe that such needs of both private and commercial customers are to grow in the future, therefore additional benefits are going to be more important while choosing the insurance.

Lietuvos Draudimas AB belongs to one of the world's largest insurance groups - RSA. The Company's shares are controlled by Codan Company of this group, which holds 99,9% of shares of Lietuvos Draudimas AB.

In 2009 Lietuvos Draudimas AB authorized capital was LTL 10,5 million. Shareholders' equity of the company amounts to LTL 265,8 million.

RSA Group financial results for 2009 were announced on February 25, 2010.

Taking advantage of the membership in the international group, we complement our local experience with international practice. RSA Group performance and achievements inspire Lietuvos Draudimas AB to improve its performance not only in the area of business organization. The Group focuses on its social responsibility and therefore holds a number of awards in this area, such as „The Good Shopping Guide“, „Investor Relations Society“, „Goldan Sachs“, the first insurer granted „Carbon Trust Standard“ award for group-wide CO2 reduction, „Business in the community“ has included RSA into platinum TOP 25 company rating („Companies that Count“) and the daily „Observer newspaper“ granted the best rating for ethic performance among „FTSE 350“ companies. In 2009 RSA Group has signed an international cooperation agreement with WWF (World Wildlife Foundation). In order to embed RSA social responsibility standards in Lithuania, we also focus on social responsibility with respect towards our employees and community we are working in.

## BEST PLACE TO WORK

Although Lietuvos Draudimas AB, as the whole business in the country, has been effected by economic downturn, last year we tried to maintain the most favourable conditions for our employees' work and improvement.

In the beginning of 2009, in order to increase operation efficiency, we have closed positions



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oriented towards expansion and those with insufficient workload due to the market slowdown. This has influenced the fact that the number of company's employees has been slightly decreased and equaled to 1293. However, in order to hold to one of the Best Employer's title in Lithuania, we have focused on employee promotion. In addition to standard incentives, Lietuvos Draudimas AB provided its employees with additional pension accumulation, life and health insurance, and personal accident insurance.

Excellent company employees' performance is recognized during the annual RSA Group Platinum Club Awards. This award is devoted to specialists who are excellent performers, exceed expectations and sustainably follow corporate values. Last year even two of our employees were granted Platinum Club Award.

In 2009 an internal company initiative also started with the aim to engage all staff into more active insurance sales process. The Company's employees are fostered to transfer contacts of people or companies requiring insurance services. If the contact is successful, the employee who transferred it receives a financial reward.

In addition to financial measures, the company makes an exceptional focus on employee training and career opportunities. All Lietuvos Draudimas AB specialists have a possibility to participate in different self-development programs identified in one's personal development plan. According to employee development needs, high level training sessions are planned, and the best specialists and leaders get full or partial compensations for studies in higher education institutions (BIM, Vilnius University, ISM and other).

Moreover, the Company has its own training system for its leaders. It allows to improve coaching, leadership, team working and change management knowledge as well as to transfer them to their direct reports. A separate long-term training group is also established for development of the best sales agents working in the regions.

Even during a tough economic period, Lietuvos Draudimas has additionally invested into employee training in 2009, by allocating more than LTL 300 thousand. Employees were trained in sales principles, negotiation and leadership skills, employment law, and leadership during changes, etc.

Lietuvos Draudimas AB has also focused on internal communication and employee engagement in order to create a nice working atmosphere. The company has „The Bank of Ideas“ where proposals placed by employees are regularly implemented. Specialists willingly participate in initiated corporate social initiatives and organize them themselves. In addition, to strengthen its own community, the company organizes corporate events for the employees. Although economic downturn has cut some of the possibilities in this area, last year we had our traditional corporate events, such as recognition event for sales agents, Christmas party, Lietuvos Draudimas bowling tournament, etc.

According to the results of „The Best Employer“ survey carried out by the business daily Verslo žinios, public opinion and market research company TNS Gallup and career portal cv.lt, Lietuvos Draudimas AB was in the TOP 10 and gained the sixth place. We believe that this achievement was the outcome of our sustainably improved HR motivation system.

As a responsible member of society and employer, Lietuvos Draudimas AB contributes to the welfare of residents through development of its business and care for its employees, as well as proactive education of society on insurance and financial matters, participation in support programs and initiation of social projects.

In 2009, for the tenth time in a row, we have organized a road safety campaign „Save me“, which



## OUR SOCIAL RESPONSIBILITY ACTIONS

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engaged almost all municipalities in Lithuania. During the campaign the drivers are asked to save the youngest traffic participants who start a new year in schools. Street crossings marked with special campaign brand near schools also remind about safe speed and carefulness on the road.

Last year's „Save me“ campaign distinguished itself by the fact that due to the tenth anniversary and considering economic situation, the company decided to apply insurance coverage for all schoolchildren on all crossings during the first week of September (as opposed to previously applied rule only on specially marked crossings). In addition, considering an extremely intense traffic in Vilnius, insurance coverage for schoolchildren in the capital was applied during the whole September.

The new Lietuvos Draudimas AB initiative was also aimed at children safety. The company in cooperation with the largest swimming training centres in Vilnius and Kaunas has initiated the lessons of safe behaviour in the water for children and given new swimming inventory as the gifts.

Continuing company initiatives in the area of ecology, the Youth Environmental Initiatives Fund established in cooperation with Vilnius University Faculty of Natural Sciences has granted the first scholarships to the authors of the best scientific works about climate change and its impact on environment.

Lietuvos Draudimas AB spends more than LTL 50 thousand for different social initiatives every year.

As a tradition, corporate social initiatives engage company employees. During „Save me“ campaign a large number of employees were on watch in the morning of September 1 in order for schoolchildren to safely reach their schools. Company specialists also willingly participate in the project „Job shadow“ organized by Lithuanian Junior Achievement where they communicate with schoolchildren and tell them about the job they do.

While actively initiating social projects, we also support implementation of good ideas of other organizations or people. Thus we were engaged into the initiative resulted in erecting the sculpture of a legendary Vytautas Kernagis on the shore of the Curonian Lagoon. We have also insured this sculpture against possible vandalism.

Lietuvos Draudimas AB employees have participated in the initiative „A day without a car“ for the third time. Last year this initiative was supported by 500 company employees who refused to come by car to the office for this particular day.

Lietuvos Draudimas AB also actively supports public education on financial safety issues. To implement these public educative activities, we have appointed public insurance consultant whose main activity is to take care of dissemination of advises for people on increase of financial safety and insurance planning issues.

The company continues its sponsorship commitments: by supporting our national world-known traditions, we are sponsors to Šarūnas Marčiulionis Basketball Academy and „Lietuvos rytas“ basketball team.

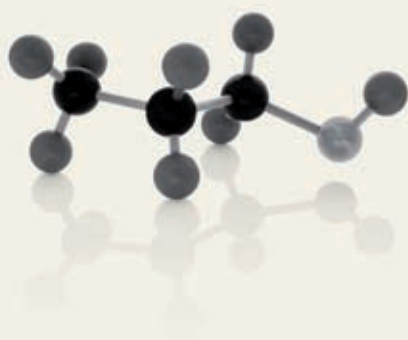
We believe that business leadership obliges us to engage in the growth of public development and welfare, therefore we are going to remain faithful to our social liabilities and to further develop our initiatives in 2010.





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## FOCUS ON BEING A RELIABLE PARTNER TO OUR CUSTOMERS



The year of 2009 wasn't simple for Lithuania, however we are proud for maintaining our solid leadership, introducing innovations in the market and going through a successful reorganization of our processes for performance under slowdown economic conditions. But most of all we are proud of being a reliable partner to our customers – people and companies insured at Lietuvos Draudimas AB.

With earlier accomplished rebranding campaign, we were able to reveal its true values in 2009, as a turning circle and a slogan „Life goes on“ means that difficulties we sometimes bear in life should be overcome, and our duty is to help our customers to do it.

As we consider assurance of reliable insurance coverage for our customers our duty, we are glad that we were able to help a great number of our customers. We hope to be a reliable warranty of their financial safety in 2010, too.

Taking due account of the Rules for Preparation and Submission of Periodic and Additional Information approved by Resolution No. IK-3 of 23 February 2007 of the Securities Commission of the Republic of Lithuania, additional information is provided in the Annex to the Annual Report of Lietuvos Draudimas AB ended 31 December 2009.

Kęstutis Šerpytis  
Chairman of the Board  
Lietuvos Draudimas AB  
15 March 2010

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## MAJOR EVENTS OF THE COMPANY



**January.** AB Lietuvos draudimas started the year 2009 by implementing a new customer feedback management system. From now on the response of the Company's employees in respect of the customer queries and claims will take up to 10 days (The term set by the Insurance Supervisory Commission is 30 days). The practice shows that a half of all customer claims is settled even faster, i.e. on the same day and the more complicated ones are sorted out in 2-10 days.

The company compensated the owner of the café "Gandralizdis" for the damages sustained due to a fire, which amounted to 1.6 million litas. The damage compensation was paid off in 5 days.

The compulsory motor insurance policies of Lietuvos Draudimas clients are also currently valid in Russia. There is no need to have an additional insurance while travelling to this country.

**February.** Business clients have been offered a new service for assessing their insurance risks free of charge. A mobile group of Lietuvos Draudimas risk assessors is prepared to provide consultations to every company. Risk assessors aid in identifying the most significant insurable threats and draw up individual financial insurance protection plans.

**April.** Lietuvos draudimas participated in the programme Young Colleague organised by the organisation Lietuvos Junior Achievement for the third time. Last year more than 100 schoolchildren visited the Company. They showed interest in the activities of the Headquarters and Claim Centre in Vilnius, Call Centre in Kaunas and our branches in different cities throughout Lithuania.

Basing on the evaluation of the market growth trends and considering the acquisitions of the shareholders in Eastern Europe and Central Europe the Company reduced its authorised capital. Lietuvos draudimas solvency indicator is 2.6 and it is one of the highest solvency indicators in the Lithuanian non-life insurance market.

In the contest The Most Desirable Employer, which is annually organised by the daily Verslo žinios, Lietuvos Draudimas is among the top 10 desirable employers and takes the 6th place.

**May.** In support of the safety of children in summer the Company initiated the safe behavior in water lessons for the school age children. These lessons were conducted and advices provided by the most noted Lithuanian swimmers, the members of the Lithuanian National Olympics Team: Vytautas Janušaitis, Saulius Binevičius, Rimvydas Šalčius and Edvinas Dautartas. Lietuvos Draudimas provided the assistance to Vilnius and Kaunas swimming centres and presented them with the swimming floats decorated with the Company's logo.

**July.** The Company introduced a novelty – increased the maximum personal accident insurance coverage, which amounted to 300 thousand litas. This is the largest liability coverage for claims arising from severe injuries and death as a consequence of the personal accident.

Lietuvos draudimas started organising the auctions for the vehicles irreparably damaged during the traffic accidents, during which the owners can get the best possible price for the vehicles.

The service is provided free of charge to the drivers who obtained Kasko policies in Lietuvos Draudimas and those, who suffered in the traffic accident through the fault of the Company's clients insured with compulsory insurance.

**August.** Lietuvos Draudimas provided the service free of charge to the clients with building insurance. They are offered to select the insurance benefit and repair the damaged property themselves or leave the worries to Lietuvos Draudimas, which will organise and supervise the property repair and reconstruction works.

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The clients who lost household or electronic equipment in the case of burglaries, fire or other accidents will not have to worry about purchasing the new equipment too. This will be done by Lietuvos Draudimas in cooperation with its partner Topo Centras. All individual and business clients can take advantage of this complementary service.

The insurance experts note that free complementary services and benefits offered to the clients promote better evaluation of the financial security of the insurance protection, and in selecting the insurance the additional benefits will become increasingly important. Therefore in developing new services the aim of the efforts made must be the increase of the insurance benefits to the policyholders.

**September.** The campaign initiated by Lietuvos Draudimas called Protect Me starts in September for the tenth consecutive year. During this campaign the drivers are reminded to protect the children in the streets.

On the occasion of the 10th anniversary of the campaign Lietuvos Draudimas provided personal accident insurance to all children crossing the streets at the pedestrian crossings throughout Lithuania. In Vilnius the children have been provided with the protection throughout all September.

Darius Nedzinskas joined Lietuvos Draudimas team. He started as the Director of the Commercial Sales Department and became the member of the Board of the Directors.

**October.** The Home insurance promotion campaign was successfully implemented. Lietuvos Draudimas initiated a unique survey "Burglars see it the other way". It was the first survey of the kind in Lithuania conducted by the experts of the market research company. It involved the convicts from various prisons.

The survey aided in disclosing the attitudes of the convicts concerning the property protection and theft and the specifics of the home burglaries. This project was recognized as the best in the global public relations contest in Sabre and won the award in the category "The Best Application of the Research for Communication".

Lietuvos Draudimas in cooperation with the Faculty of Natural Sciences of Vilnius University awarded the best climate change researchers. The Youth Environmental Initiatives Fund established by the Company introduced the incentives in order to promote climate change researchers for the performed researches and other scientific activities.

Lietuvos Draudimas insured against vandalism the sculpture of the legendary Lithuanian artist Vytautas Kernagis erected ashore the Curonian Lagoon in Nida.

**November.** The clients of the compulsory motor third party liability insurance were offered a novelty. For the first time in Lithuania they were offered an additional insurance against the damages incurred by natural forces free of charge.

In 2009 45 percent of Lietuvos Draudimas claims were settled by the short number 1828, and a half of all claims were paid off in 1–5 days. The fast payoff of the claims as one of the exceptional features of AB Lietuvos Draudimas is also noticed by the clients. This claim settlement ratio is a widely recognized global standard of the effective claim settlement.

Lietuvos Draudimas is the first insurance company in Lithuania which offered its clients to settle claims by the phone.

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## OVERVIEW OF THE LITHUANIAN NON-LIFE INSURANCE MARKET

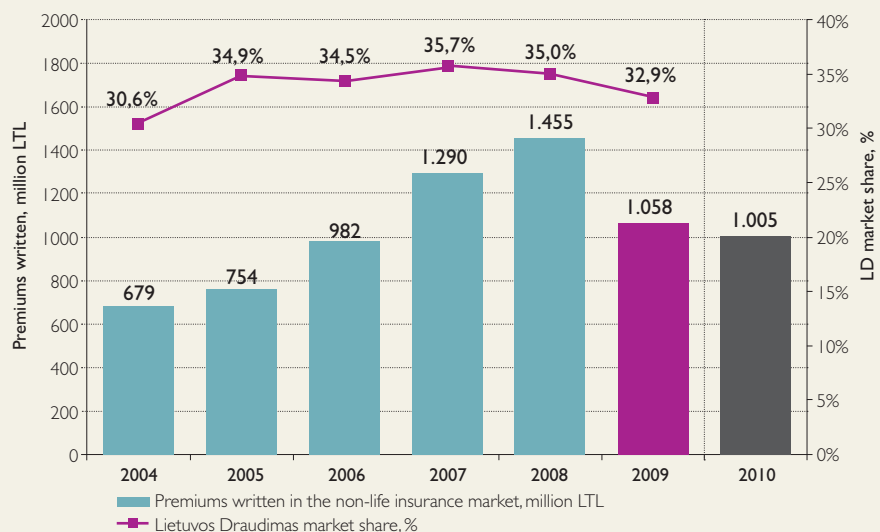
At the end of 2009 there were 8 insurance companies and 8 EU branches operating in the non-life insurance market. In 2009 the reorganisation processes of the companies took place: IF insurance company continued its activities in Lithuania as the branch of the EU insurance companies, BTA commenced the process for the reorganisation into the EU branch, and Swedish capital non-life insurance company Nordica started the association process with the Lithuanian branch of Gjensidige Baltic".

In 2009 AB Lietuvos draudimas remained the absolute market leader with its market share of 32.9%, overtaking its closest competitors in terms of turnover by 2.6 times.

## MARKET DYNAMICS AND FORECAST FOR 2010

In 2009 the insurance market experienced a decline thus reflecting the common situation in the Lithuanian economy and customer dispositions. The non-life insurance market reporting cycle was especially complicated. Although the non-life insurance market in 2008 grew by 13% in 2009 it decreased by 27.3% and reached the turnover of 1.1 billion litas. The forecasts for 2010 indicate that non-life insurance market may decrease by 5%.

Development of the Non-Life Insurance Market in 2004-2010



In 2009 individuals were more active in protecting their property and health than business clients.

During the last year there was the decline in the commercial insurance types of 35.9% and private insurance types fell by 15.5%.

In 2009 the first quarter was the most optimistic quarter for the non-life insurance market. This was influenced by 15% growth in the volume of the property insurance. The active development of the agricultural insurance had impact on the growth in this insurance type. However this did not last long because there were changes made in the agricultural insurance support for the farmers and at the end of 2009, after the assistance was reduced, the property insurance sector dropped by 34.9%.

During the third quarter of the year the most complicated situation in the non-life insurance market was experienced.

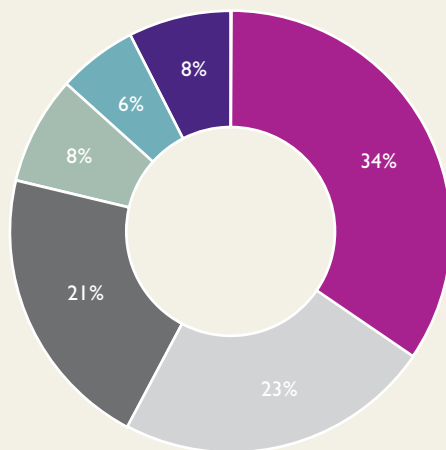
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The announcement of GDP results for the third quarter which indicated that the decline in the Lithuanian economy was not as significant as forecasted, however, did not bring optimistic dispositions in the non-life insurance market and the market continued to shrink.

The year 2009 had the most significant impact on the business insurance sector. The decrease in the sales of new vehicles, declining premiums and the tendency of the companies to assume more risks determined the reduction in the volume of the commercial Kasko insurance up to 47.1%, and the compulsory motor third party liability (MTPL) insurance fell by approximately 31.7%. Basing on the fact that in 2010 the drop in the sales of new vehicles remains considerable the substantial revival of the commercial motor insurance types is not expected.

Basing on the last year's private insurance type trends and their tendencies in the beginning of the year 2010 it is apparent that the volumes of property and personal accident insurance types start increasing step by step. The trends in the private motor (Kasko and MTPL) insurance are similar to the tendencies in the business insurance sector, i.e. the rapid recovery is not expected.

Last year when non-life insurance contributions fell by 27.3% the insurance benefits, on the contrary, increased by 12%. In 2009 the clients received compensations for the loss suffered in the amount of 830 million litas. Traditionally the largest amount of compensations was paid off to the clients in the MTPL insurance group.



- MTPL insurance 364.7 million litas, 34%
- Kasko insurance 245.4 million litas 23%
- Property insurance 22.6 million litas, 21%
- Personal accident insurance 84.0 million litas, 8%
- General third party liability insurance 61.5 million litas, 6%
- Other insurance groups 80.0 million litas, 8%

# How we operate





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## MISSION STATEMENT

We are a reliable insurance partner ensuring safety and freedom of action.

## VISION

Lietuvos Draudimas is everyone's first choice because it is:

- The most modern and effective in the market;
- The most acceptable to the clients;
- The most attractive to employees

## VALUES



### EXCELLENT SERVICE

We stay close to our clients.  
We believe that every person is valuable.  
We look for and find mutually beneficial solutions.  
We strive to achieve the common goal by sharing knowledge and experience.

### FULLY COMPLETED TASKS

We are not afraid to assume obligations and firmly adhere to our promises.  
We admit our mistakes, learn the lessons and never repeat them again.  
We trust and win the trust of the others.

### WISE ACTIONS

We find best solutions based on our knowledge and experience.  
We know well what we are doing and actively seek to learn even more.  
We set ambitious goals and achieve them.

### GREAT IDEAS

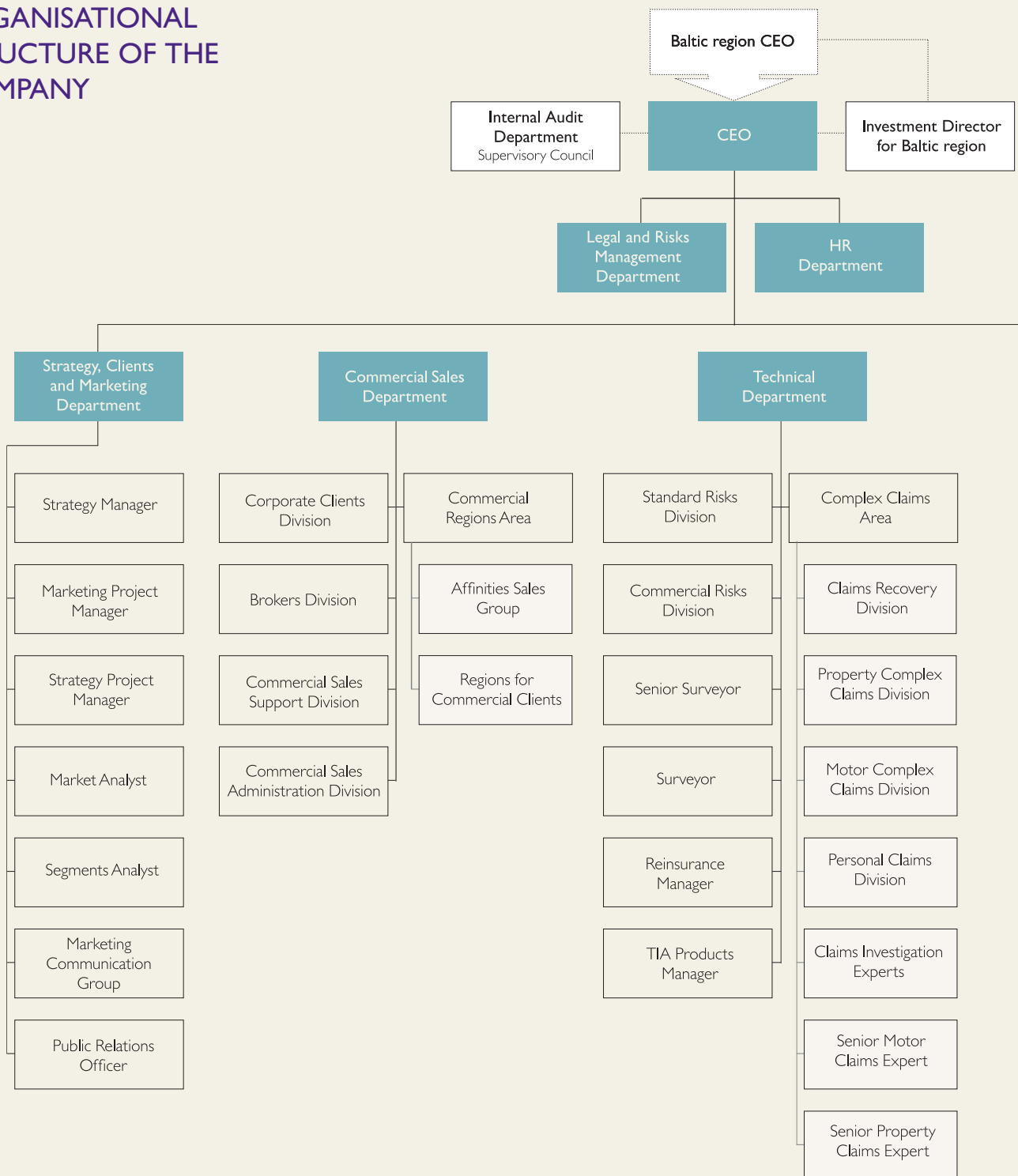
We eagerly embrace novelties - unconventional solutions open new possibilities for us  
We strive to set an example for others

### POSITIVE ATTITUDE

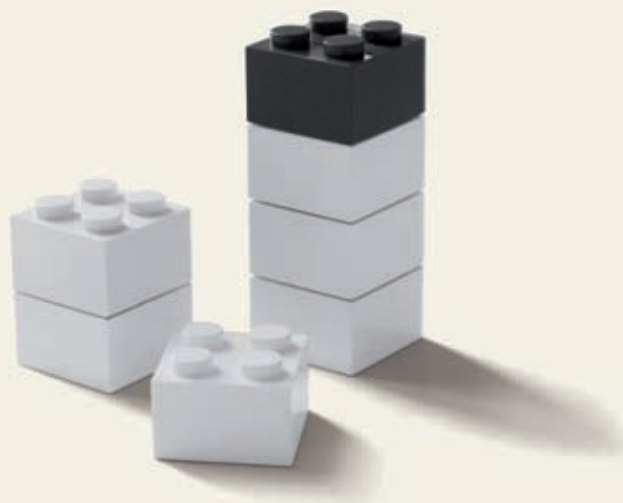
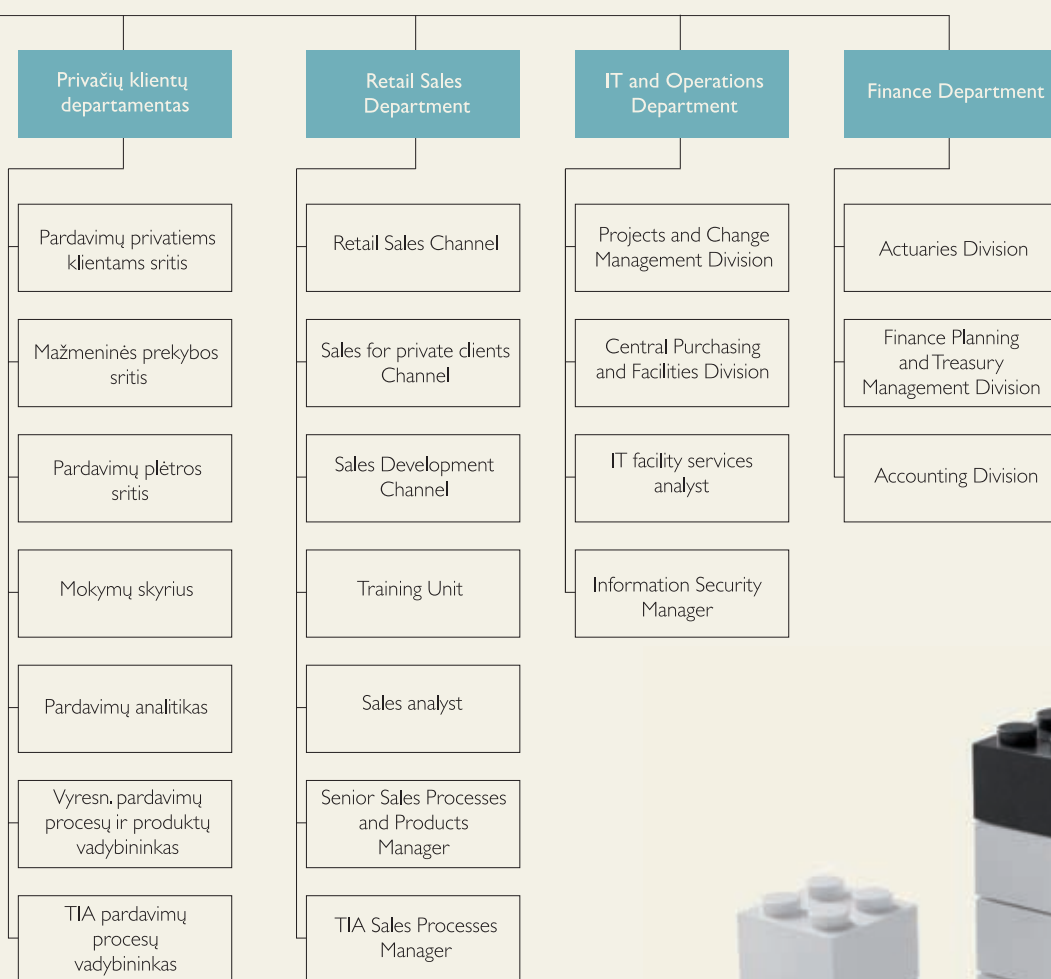
We achieve important victories by winning small daily battles.  
We win because we are strong and not because the others are weak.  
We are happy about our colleagues' victories just as we are with our own achievements.

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## ORGANISATIONAL STRUCTURE OF THE COMPANY



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## SHAREHOLDERS

AB Lietuvos Draudimas is a member of RSA group, which is one of the largest global insurance groups. Its shares are held by the group company Codan, which owns 99.9% of AB Lietuvos Draudimas shares. RSA finished the year 2009 with profits totaling 554 million pounds before taxes and written premiums amounting to 6.737 billion pounds, 4% more than in 2008.

## SUPERVISORY BOARD

**Andrew John Burke**

Chairman of the Supervisory Board, RSA, United Kingdom

**Kaido Kepp**

Codan Forsikring, Estonia

**Helle Meineche**

Codan, Denmark

**Tara Kneafsey**

Balta, Latvia

## BOARD OF DIRECTORS



**Kęstutis Šerpytis**

Chairman of the Board of Directors and Chief Executive Officer,  
AB Lietuvos Draudimas



**Vygantas Reifonas**

Finance Department Director, AB Lietuvos Draudimas



**Julius Kondratas**

Director of Claims and Risk Department, AB Lietuvos Draudimas

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**Aurelija Kazlauskienė**  
Strategy, Client and Marketing Department Director, AB Lietuvos Draudimas



**Daina Daubarė**  
Director of Retail Sales Department, AB Lietuvos Draudimas



**Darius Nedzinskas**  
Director of Commercial Sales Department, AB Lietuvos draudimas



**Artūras Juodeikis**  
Client Service Department Director, AB Lietuvos Draudimas



**Virginija Mikutaitė**  
Human Resources Department Director, AB Lietuvos Draudimas

## MAIN PARTNERS AND CLIENTS



### MAJOR INSURANCE BROKERS

One of the most important success factors of AB Lietuvos Draudimas activities is smooth cooperation with its partners - insurance brokers and intermediaries.

UADBB Altas  
UADBB AON Lietuva  
UADBB Arlina  
UADBB Balto link  
UADBB CITO draudimas  
UADBB Colemont Insurance Broker  
UADBB Draudimo pasaulis  
UADBB Drausma  
UADBB Drauvelita  
UADBB Esame Kartu

UADBB Jūsų spurtas  
UADBB Legator  
UADBB Lisandra  
UADBB MAI Lietuva  
UADBB Marsh Lietuva  
UADBB NNSA  
UADBB Noxale  
UADBB RDD  
UADBB Rizikos cesija  
UADBB Swedbank Insurance Broker

### MAIN CLIENTS

Achema Group  
Agrokoncernas Group  
UAB ALD Automotive  
UAB Alkesta  
AB Baltijos Laivų Statykla  
BLRT Group  
DNB NORD Group  
UAB G4S Lietuva  
Hermis Capital Group  
Kaunas Heat and Power Plant  
KRS Group  
Linas Agro Group  
Litagra Group  
Lukoil Group  
MG Baltic Group  
Modus Group  
UAB Palink

Rimi Group  
Rokiškio Sūris Group  
RST Group  
Rubicon Group  
UAB Sanitex  
SBA Group  
SEB Group  
Sostena Group  
UAB Swedbank Autoparko Valdymas  
Swedbank Group  
Šiaurės Vilkas Group  
TEO Group  
Vičiūnai Group  
Vilniaus Energija Group  
ŽIA Valda Group

## SERVICES

### SERVICES FOR BUSINESS CLIENTS

#### Corporate property insurance services

- Insurance for property of companies and organisations
- Property all risks insurance
- Machinery breakdown insurance
- Electronic and computer equipment all risks insurance

#### Corporate motor insurance services

- Compulsory MTPL insurance
- Motor insurance (Kasko)
- Rolling stock insurance

#### Insurance services for employees and guests of companies

- Personal accident insurance.
- Complex travel insurance
- Medical expenses insurance for foreigners in Lithuania



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#### Corporate operations insurance services

- General third party liability insurance
- General professional third party liability insurance
- Business interruption insurance
- Passenger group insurance against accidents
- Vessel hull and third party liability of vessel owner insurance
- Contractor's third party liability compulsory insurance
- Employer's third party liability insurance
- Architect's third party liability compulsory insurance
- Carrier's third party (CMR) and freight forwarder's liability insurance
- Cargo insurance
- Construction and erection all risks insurance.

#### Small business insurance programme

- Building and property insurance
- Stock and equipment insurance
- Electronics insurance
- Business interruption insurance
- General third party liability insurance
- Employer's third party liability insurance.

#### SERVICES FOR INDIVIDUALS

##### Motor insurance services

- Compulsory motor third party liability (MTPL) insurance
- Motor insurance (Kasko)
- Comprehensive motor insurance (Kasko + compulsory MTPL insurance).

##### Home insurance services

- Home insurance.

##### Accident insurance

- Personal accident insurance.

##### Travel insurance

- Complex travel insurance
- Medical expenses and repatriation insurance
- Luggage and personal belongings insurance
- Third party liability insurance
- Insurance against accidents during travel
- Unexpected travel expenses insurance

##### Farming insurance, livestock insurance

- Farmer's property insurance.
- Livestock insurance.



## INVESTMENT POLICY



The investment activities of 2009 m. AB Lietuvos Draudimas in 2009 can be evaluated as very successful. At the end of the year, the value of the Company's investment portfolio was 526.4 million litas. The value of the portfolio decreased due to the reduction of the authorised capital.

The profit earned from investments in securities totalled 43.7 million litas, and this is the best result over the history of the Company. However, at the end of the year, after the revaluation of the managed real estate, its value decreased by 8.3 million litas and the total result from investment activities turned out to be 35.4 million litas. In 2008, the Company suffered the loss of 6 million litas from investment activities and it totalled 20.1 million litas in 2007.

The year 2009 was a turning point in financial markets when the economic situation started to be assessed more favourably after the difficult year of crisis 2008 and were favourable for investment activities. The decline in the values of most risky classes of assets came to an end and started recovering, although did not reach the pre-crisis level of the prices. However, the Company's investment activities fully covered the losses suffered in 2008 and yielded significantly higher profit than in a normal year. It has been achieved due to the Company's consistent and conservative investment policy and timely tactical decisions.

Seeking to ensure safety of entrusted funds, the Company invests the major portion of the portfolio into highly rated government debts securities. Although these investments are not distinguished for high profits, they guarantee the required liquidity and reliability of the portfolio.

Investments into real estate account for a minor part of the investment portfolio – only 6.6 per cent of its value. These are premises and structures used in the Company's everyday operations. These long-term investments are aimed at better efficiency of the Company's core activities and protect against potential inflation in a long-term perspective.

Other investments include bank deposits and units of foreign investment funds, which account for a minor part of the portfolio. Such portfolio structure allows the Company to achieve the balance of its main objectives – to ensure both the safety of entrusted funds and the necessary investment income.

Through communication with its shareholders, AB Lietuvos Draudimas improves risk management procedures, control mechanisms, implements new mechanisms of investment management.

## REINSURANCE POLICY

### Reinsurance companies are as follows:

Swiss Re (Switzerland, Standard & Poor's, rating A+);  
 Gen Re (USA / Germany, AA+);  
 Hannover Re (Germany, AA-);  
 Munich Re (Germany, AA-);  
 Everest Re (Bermudas, A+);  
 Scor (France, A);  
 Sirius International (Sweden, A-).

Implementing its reinsurance policy, AB Lietuvos Draudimas seeks to ensure the stability and reliability of the Company's activities as well as to reduce fluctuations of losses that may be caused by isolated major events or damage claims that are catastrophic in nature.

The Company's reinsurance programme is implemented by concluding obligatory (automatic) and facultative reinsurance contracts. AB Lietuvos Draudimas draws up reinsurance programmes on the basis of its own practice and multi-year experience of its shareholders. The Company ensures the reinsurance cover by participating in the reinsurance programmes of RSA, one of

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the largest insurance groups worldwide, RSA Central & Eastern Europe and Baltic Regions and the insurance company Codan.

When reinsurance programmes were planned in 2009, the main objective of AB Lietuvos Draudimas was to select reinsurers whose financial capacity and prospects would be in line with the amount of the provided reinsurance cover. Increased instability in global financial markets in the recent years had a negative effect on results and ratings of reinsurance companies; therefore, exceptional attention is paid to constant and regular monitoring of the reinsurers' financial condition, particularly trends in its development.

Due account is taken of more frequent occurrence of losses caused by natural forces in Lithuania, the increase in the number of natural disasters and events of a catastrophic nature both in Europe and worldwide, growing risk concentration, and risk changes related to the application of new laws and legal practice. In addition, the Company seeks to maintain and improve its situation on the market, efficiency indices and service flexibility. All principles of the reinsurance policy and reinsurance programmes of AB Lietuvos Draudimas as well as the maximum level of assumed risk according to each insurance class are formalised, regularly revised and approved by the Company's top management structures – the Supervisory Board and the Board of Directors.

Cooperation of AB Lietuvos Draudimas with reinsurance companies and reinsurance brokers is based on the principles of efficiency, professionalism, reliability, stability and durability. Selecting reinsurers for certain insurance classes, the Company complies with the standards set by the Insurance Supervisory Commission of the Republic of Lithuania and the global insurance group RSA applicable to the evaluation of reinsurers' financial capacity. Compliance with stricter requirements is particularly emphasised in reinsurance of long-term and major risks. AB Lietuvos Draudimas seeks to conclude reinsurance contracts so that all the parties are satisfied with the results of cooperation in the long term.

AB Lietuvos Draudimas is also engaged in reinsurance of risks of international companies by representing the insurance company RSA and its partners in Lithuania.

## NOVELTIES FOR CLIENTS



Our motto "Life does not stand still" drives us to create and improve all the time. We are proud offering new services to our clients every year, adding value and improving our communication with the clients. Quite many novelties were introduced in 2009 as well.

One of them is in the maximum amount of insurance against accidents, which is the highest offered in the meantime in Lithuania. The amount of insurance against major injuries and death from accidents amounts to 300,000 litas now.

There are several news for building and property insurance clients. From now on, the clients with building insurance can entrust all property reconstruction issues to AB Lietuvos Draudimas. The Company will arrange and take care of the repair and reconstruction works of the property. Those with property or property civil liability insurance no longer have to take care of the acquisition of new domestic appliances and electrotechnical equipment – the equipment lost as a result of thefts, fires or other accidents will be replaced by new by AB Lietuvos Draudimas together with its technical experts from Topo Centras.

The clients of Kasko insurance and those whose vehicles suffer in accidents through the fault of our clients get free-of-charge assistance from the Company in selling fully damaged cars beyond repairs in auctions and getting the best price for such cars.

A free-of-charge service offered to business clients – mobile risk assessors. The specialists who are ready to come to any company will not only identify most significant risks of businessmen,

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but will also advise what types of insurance to choose, how to save, what risks and under what conditions to insure first and will draw up individual insurance cover plans.

Faster, more effective and more convenient communication with clients for the specialists of AB Lietuvos Draudimas is facilitated by a new client response management system, which was implemented at the beginning of 2009. This innovation enables to give feedback to queries and claims of clients within 10 days (the time-limit set by the Insurance Supervision Commission is 30 days). However, it is obvious even now that half of the clients' claims are settled even faster – on that same day, while more complicated are resolved within 2-10 days.





Our Contribution to the Society

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## SOCIAL RESPONSIBILITY OF AB LIETUVOS DRAUDIMAS



### WHAT DOES CORPORATE SOCIAL RESPONSIBILITY MEAN?

The objective of the Global Compact is to encourage companies to act responsibly, without damage to the environment, society and other businesses and, though common efforts with the UN, governmental authorities and NGOs, to take part in the solution of social and environmental issues, contribute to the development of the society and to economic growth.

Corporate social responsibility is the principle when companies take into account the needs of the society through their socially responsible behaviour in all their activities that have impact on consumers, employees, shareholders, communities and the environment (Ministry of Social Security and Labour of the Republic of Lithuania).

### CORPORATE SOCIAL RESPONSIBILITY POLICY OF RSA GROUP

„RSA and its Group companies worldwide are committed to seriously manage the impact of their business on the environment, people and communities. It means that the behaviour of both individuals and the whole company is responsible and ethical.

Being a major insurer of commercial, industrial and personal risks, generating commercial benefits, RSA Group and its member companies contribute to the creation of added value to the society. RSA accounts for its business and environmental responsibility since 1999.

AB Lietuvos Draudimas became a member of the Global Compact initiative in 2008, therefore, its social responsibility report is made for the first time. Irrespective of this, the Company regularly communicates information to its shareholders on different social responsibility policies pursued by the Company.

Business responsibility is a process through which the Company integrates environmental and social issues into its business operation and interactions with its stakeholders.

The approach of RSA Group and AB Lietuvos Draudimas, as a member of the Group, to business responsibility is based on business principles and its brand, which underlie all actions and interactions with the stakeholders. These actions are supported by the following major policies:

- environmental,
- community interaction,
- human rights.

### The Group focuses on three strategic topics:

environmental and climate change, security and social cohesion.

## APPRECIATIONS, AWARDS, PARTICIPATION IN PUBLIC INITIATIVES

In 2009, the Company was among the top ten most desirable employers in Lithuania, ranked 6th. The list of Most Desirable Employers after public surveys is published by Verslo Žinios, public opinion and market research company TNS Gallup and career portal cv.lt.

AB Lietuvos Draudimas is a long-term member of the Lithuanian Insurers Association. It is a non profit organisation uniting insurance companies, taking active part in the development of common insurance policy and promoting a positive image of the insurance industry in the society.

Since 2007, together with the leaders of the banking and telecommunications markets, the Company organises "Geras Aptarnavimas.lt" ("GoodService.lt"). AB Lietuvos Draudimas set up the Service Quality Association and become its true member. The Association takes care of the development of service quality standards for shared clients, sets assessment criteria and implements common standards.



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Since 2008, AB Lietuvos Draudimas is a member of the National Responsible Business Network.

### SOCIAL RESPONSIBILITY HUMAN RIGHTS, RESPONSIBILITY ON THE MARKET AND TO THE SOCIETY

RSA Group and all its member companies adhere to the accepted policy of human rights protection, aimed at minimising the risk of potential infringements of the international human rights standards by RSA individually or together with its business partners and suppliers.

It aims at protecting business by setting forth a system of principles of fundamental human rights, which RSA follows in its activities.

Special emphasis is placed on the following areas:

- Procurement services, when important offers for contracts with third parties, business partners, suppliers and their supply chains are considered and performed. Priority should be attributed for the application of the principles to the existing suppliers, taking into consideration the actual and potential risk for human rights and also in resale. It is impossible to assess each individual supplier and the entire supply chain.
- Services dealing with business partners (commercial lines, joint ventures, etc.) in order to ensure that partners will adhere to the same principles in their business operations and in their supply chains in the course of implementation.

### SUPPORT AND CHARITY



#### COMMUNITY AND CHARITY POLICY

Being a responsible company means participation in joint activities with stakeholder groups for the sake of our communities. Our community programme is aimed at promoting return, helping the deprived and ensuring support for local communities of the clients and employees.

Priority areas of focus by RSA, all associated with insurance, are as follows:

- safety,
- social inclusion (e.g., education, youth, financial integration, etc.),
- environment.

Strategic directions of support:

The safety of children, environmental protection, projects of scientific progress, traffic safety and your programmes, as well as sports. The contribution for support and charity in 2009 totalled 416,000 litas.

#### SAFETY OF CHILDREN

Each year AB Lietuvos Draudimas organises two social campaigns to ensure the safety of children – **Swimming School** and **Protect Me**.

The objective of the campaign **Swimming School** is to ensure the safety of children in water bodies during summer holidays.

The purpose of the campaign **Protect Me** is to ensure the safety of children on the road after their return to school after summer holidays. In 2009, this initiative celebrated its 10th anniversary. It involves all employees of the Company who watch road crossing points on the 1st of September and help children to reach schools safely.

## AB LIETUVOS DRAUDIMAS SUPPORTS



### COMMUNITY CARE

In 2009, AB Lietuvos Draudimas, in co-operation with the Prison Department under the Ministry of Justice of the Republic of Lithuania, delivered invaluable information to residents on the issues of home security – a survey of the persons serving their sentences for thefts “Burglars see it the other way” was carried out.

AB Lietuvos Draudimas encourages the principles of volunteering among its employees. In co-operation with Red Cross, a group of the Company's volunteers was formed to undergo the training on **First Aid** in 2009.

Furthermore, in co-operation with Red Cross during the Christmas period, employees of the Company volunteered collecting necessary clothing and products of hygiene for lonely elderly people.

### NATIONAL PROJECTS

#### “Young Colleague “

Together with the organisation Lietuvos Junior Achievement, the project Young Colleague for the education of schoolchildren has been initiated and is supported since 2007 to promote active and business-minded society.

In 2009, more than 100 schoolchildren and their teachers participating in the programme Lietuvos Junior Achievement visited the branches of AB Lietuvos Draudimas throughout the entire Lithuania and familiarized themselves with the business model of the Company.

### SPONSORSHIP FOR SPORTS

#### Basketball Club Lietuvos Rytas

AB Lietuvos Draudimas supports Lithuanian values and spreading of the fame of the country's name worldwide. AB Lietuvos Draudimas is a sponsor of one of the strongest clubs of the country Lietuvos Rytas since 2001. 300,000 litas were granted to this club in 2009.

#### Basketball Academy of Šarūnas Marčiulionis

AB Lietuvos Draudimas supports the development of the young generation of basketball players. Since 1995, the Company co-operates with one of the strongest basketball schools in the country – the Basketball Academy of Šarūnas Marčiulionis. One of the teams of the Academy's students is named after Lietuvos Draudimas since 2005.

### SUPPORT AND CHARITY INDICATORS

In 2009, the sponsorship of AB Lietuvos Draudimas amounted to 415,962 litas.

## SOCIAL RESPONSIBILITY. LABOUR RELATIONSHIPS



AB Lietuvos Draudimas aims to be the first choice for everybody. This is our aspiration also in terms of the criterion "most attractive to employees" – we are concerned about the wellbeing of our employees. We are proud about our strong, motivated and professional team of employees. We appreciate, promote the development of and the taking of new initiatives by each employee.

### SURVEY ON THE INVOLVEMENT OF EMPLOYEES INTO WORK

Despite the changes that took place in the Company in 2009 and the cost-saving approach taken as a result of the economic downturn, the results of the survey on the involvement of employees into work showed that a very high work involvement score of the employees of AB Lietuvos Draudimas remains almost unchanged (4.15 in 2009; 4.17 in 2008). It is one of the highest work involvement scores not only in RSA Group (the aggregated score of the Group is 3.99); it is close to the 25 per cent of the companies of the world that have the most work involved 1173 employees (4.15).

Moreover, the employees of AB Lietuvos Draudimas give 4.41 points (out of 5) to the statement "I am proud working in our Company" and the statement "I would recommend my Company as a very good employer" was scored 4.19 (out of 5) by the employees. The Survey of 2009 covered 94 per cent of the employees, from top managers to insurance consultants.

### COLLECTIVE AGREEMENT

- The Company has a Collective Agreement, which is effective and, when necessary, updated. The Agreement defines the relationships of the employees and the employer. The Collective Agreement of AB Lietuvos Draudimas provides for additional social benefits for its employees, additional paid leave that are not regulated by the Labour Code of the Republic of Lithuania. It also defines dismissal from work, changes of remuneration and other important principles.
- There is an active Trade Union is consulted in a dialogue on the issues most relevant for the employees; employee and employee relationships are regulated by the Collective Agreement.

### REMUNERATION AND INCENTIVE SYSTEM

The Company has developed a clear and well-structured remuneration and incentive system, based on the implementation of annual targets and on compliance to jointly agreed corporate behaviours.

With reference to the job appraisal system of RSA and the experience of the international consultative company HAY, an Employee Benefit Scheme depending on the position held by employees has been developed. Each employee can find information about the benefits he/she is entitled to in a specially published booklet.

### TRAINING

The Company seeks continuous development, the acquisition of new knowledge and skills by its employees. Training programmes are developed and implemented taking into account the Company's priorities and the needs of development of employees. Leader development programmes are also implemented in order to discover and nurture new talents, managers of various areas from among the employees. The Company places special emphasis on the upbringing of the young generation.

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The employees are encouraged to share their ideas in the "Bank of Ideas" and each employee plans and discusses his/her career with the relevant managers; personal employee plans are drawn up.

- Even in the times of the downturn, AB Lietuvos Draudimas made additional investments into the training of its employees, allocating more than 500,000 litas for these purposes. Employees received training on the art of sales, negotiating and management skills, labour law, leadership during changes, etc.
- Membership in RSA Group has given an opportunity to the Company's employees to take part in international training programmes Fast Track, Graduates and Leadership Development Program. More than 150,000 litas into these international trainings only was invested by AB Lietuvos Draudimas.
- The Company also made investments into its future leaders and partly contributed to their higher education studies by allocating 50,000 litas.
- Five participants of the programme LD Talents became new managers of certain units after the changes implemented in 2009.
- The system of educating management was developed, encouraging employees to seek ambitious results.
- The Leadership Promotion Programme is ongoing for the fourth year. For the promotion of leadership, employees are encouraged to plan their career; employee and career plans are drawn up. With a view to ensuring replacement for the existing managers, the employees with the highest potential are united in the leadership development programme LD Talents.

#### HEALTH CARE, INSURANCE

Based on the best performance, incentives to the Company's employees are offered through health, health care or other insurances.

- Health insurance (5,700 litas annually) is granted to the Company's employees with the most outstanding and the best performance results. In the meantime, about 120 employees benefit from health insurance in the Company.
- All employees of AB Lietuvos Draudimas have a 24-hour cover against accidents.
- All willing employees can get a free of charge vaccination against the flue in September-October.
- Discounts for medical services in the institutions of partners of the Company.

All taxes from the benefits subject to taxes have been paid and employees do not incur any additional tax burden as a result of such benefits.

#### SPORTS, LEISURE

- Annual festivals are organized for employees: Meeting of Consultants, Winter Festival, Bowling Tournament, motivational events.
- The basketball team is active in the tournament Insurers' Cup.

Mobile phones and calls, a car, fuel cards, allowances, additional leave are granted according to the position level, as expressly regulated.

Each employee can choose a flexible schedule of working hours: to start working from 7–9 a.m. and finish work at 4–8 p.m. It is convenient not only for employees, but also contributes to energy saving and environmental protection – the chosen time of travel to work helps to avoid and does not contribute to traffic jams in the city.

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The value of additional benefits received by one employee of the Company in 2009 is approximately 2,100 litas.

Over the recent years, the Company has allocated about 3 million litas for extra benefits for its employees.

### FIGHT AGAINST DISCRIMINATION, VIOLENCE AND ABUSE AT WORK

The Company ensures the highest standards of equal opportunities and sexual abuse prevention. This policy has been approved in accordance with the standards of the RSA Group, communicated to all employees and adhered strictly.

### SOCIAL RESPONSIBILITY. ENVIRONMENTAL PROTECTION. SUSTAINABLE USE OF RESOURCES

The impact of AB Lietuvos Draudimas on the environment is insignificant, because the core activity of the Company is insurance services. Major sources of impact on the environment: emissions from corporate vehicles, use of heat and electricity in the Company's premises, waste (mostly paper) generation in the operational processes.

- AB Lietuvos Draudimas, being a socially responsible company, takes care of the environment and invests into resource saving and environmentally friendly technologies.
- There is also an internet security system in place, protecting employees from unsolicited mail and potential viruses.

The Company is a member of the international organization Forge Group that unites companies of the finance sector. It aims at contributing actively to the minimization and elimination of negative environmental impact and hazards. Saving resources and protecting the environment in its activities, AB Lietuvos Draudimas follows 9 fundamental principles according to the methodology of Forge Group, covering priority of electronic communication and electronic archiving over hard copy communication and archiving, assessment of the necessity of business travel, while choosing contacts by conference communication, travelling to work by bicycles, energy saving, paper processing, reduction of the amount of waste.

AB Lietuvos Draudimas adheres to the RSA Group's policy Think Green and seeks to become an environmentally friendly company.

The volume of waste over 2009, compared to the year 2008, decreased by 20 per cent.

**Over 2009, AB Lietuvos Draudimas cut down on the consumption of electricity by 7 per cent, heating – 11 per cent, paper – 10 per cent, gas for heating needs – 21 per cent, fuel – 8 per cent.**

Consumption of electricity in 2009: 3,170,000 kWh  
Consumption of water in 2009: 9,158 m<sup>3</sup> (cubic metres)  
Consumption of gas in 2009: 33 t m<sup>3</sup> (cubic metres)  
Heating in 2009: 2069 (MWh)  
Waste: 91.5 t; 5 t of paper processed  
Consumption of paper: 36.5 t

2010 forecast. No increase of costs.



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## SUPPORT FOR ENVIRONMENTAL PROJECTS:

- At the end of 2008, AB Lietuvos Draudimas, together with the Faculty of Nature Sciences of Vilnius University, set up the Youth Environmental Initiatives Fund, which awards grants for authors of the best scientific research on climate change and its environmental impact.
- In 2009, RSA Group became a partner of World Wildlife Foundation, thus, AB Lietuvos Draudimas, together with RSA Group, is going to contribute to research into the risks of climate change, in particular in the Baltic region, over the next three years.

SOCIAL RESPONSIBILITY.  
ANTI-CORRUPTION  
MEASURES.

All member companies of RSA Group adhere to a strict anti-corruption policy.

The companies of RSA Group are committed to fight bribery and corruption in accordance with the most rigid ethical and legal standards of the countries where they operate.

Any attempts to bribe must be reported by members of the Group to representatives of local law enforcement institutions and to the corporate management.

The rules and guidance on how and when RSA companies can give and accept gifts and other services without infringing anti-corruption laws are available on the intranet of the Group.