



Presented to the June 23, 2021 session (16<sup>th</sup> session)  
of the Board of Trustees of the Insurance Foundation for Servicemen

**DIRECTOR'S REPORT ON THE ACTIVITIES (ACCOMPLISHED WORK)  
OF THE INSURANCE FOUNDATION FOR SERVICEMEN**

*Reporting period: 01.01.2020 - 31.05.2021*

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## Director's Message

The Insurance Foundation for Servicemen (hereinafter referred to as IFS) has tirelessly carried out its mission since its inception, providing sustainable and equal compensation for the families of the fallen and missing servicemen, as well as servicemen who have acquired 1<sup>st</sup> and 2<sup>nd</sup> degree disability as a result of war.

The significance of IFS activities especially increased after the war unleashed by the enemy on September 27<sup>th</sup> 2020, since the war sadly led to unprecedented casualties.

From the very first days of the war we engaged in worldwide fundraising since we assumed that more money would be needed. After all, we were at war... and, unfortunately, our assumptions were correct. In 2020 we received donations of 7.9 billion AMD from about 70 countries around the world and in 2021 about 687 million AMD.

When writing this message, the total compensation provided by IFS was 3,805 cases with 89% of cases resulting from this war. IFS's Bridge Financing ("Kamurj") project has provided compensation for 1,464 cases for severely injured or missing servicemen and their families.

Accountability and transparency have been paramount values since the inception of IFS. That is why we are publishing the 2020 full report and the 2021 report until May 31 included.

Today I would like to express my deep gratitude to all our compatriots who make mandatory employee contributions, to all our supporters who make donations, every individual and all companies who stand with us. I am confident that the existence of IFS is the proof of our nation's great sense of unanimity and responsibility.

I would like to specially thank all the employees of the RA Central Bank who volunteered to support IFS since its inception, as well as employees of the RA Defense Ministry and the local self-government bodies.

A big thank you to all the volunteers who carried out the activities of IFS as well as our newly formed small but powerful team which have settled down to hard work.

I assure you no serviceman or family (beneficiaries) will be left out; we will provide for everyone.

The Insurance Foundation for Servicemen will unceasingly carry out its mission.

Varoujan Avedikian

## Part 1. Main Financial Indices

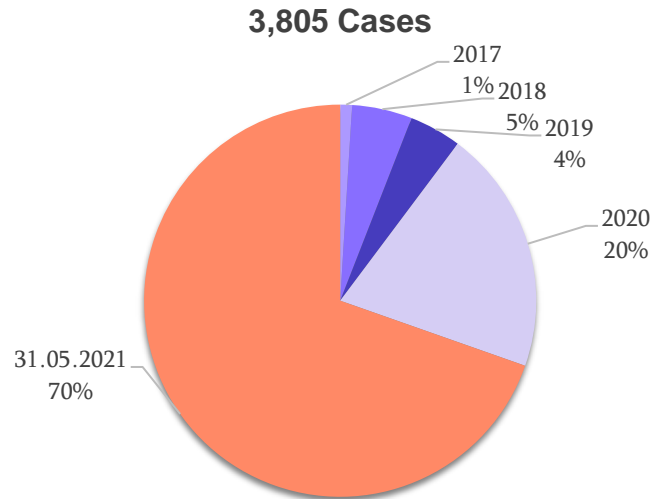
	2020	31.05.2021	Total	Per Cent
<b>Compensation</b>	8,029,924,954	30,445,009,176	38,474,934,130	
<i>Main Beneficiaries</i>	<i>8,029,924,954</i>	<i>28,940,859,176</i>	<i>36,970,784,130</i>	<i>96 %</i>
<i>Bridge Financing ("Kamurj")</i>	-	<i>1,504,150,000</i>	<i>1,504,150,000</i>	<i>4 %</i>
<b>Mandatory employee contributions</b>	9,134,277,754	10,326,131,090	19,460,408,844	
<b>Donations</b>	7,975,856,214	687,310,904	8,663,167,118	
By Bank Transfers	<i>6,266,869,433</i>	<i>431,676,446</i>	<i>6,698,545,879</i>	<i>77 %</i>
Through Website	<i>1,705,753,654</i>	<i>255,634,458</i>	<i>1,961,388,112</i>	<i>23 %</i>
<b>Revenue from Asset Management</b>	2,424,783,000	789,140,540	3,213,923,540	
<b>Mandatory Employee contribution returns</b>	115,672,000	56,530,500	172,202,500	

## Part 2. Compensation Provided

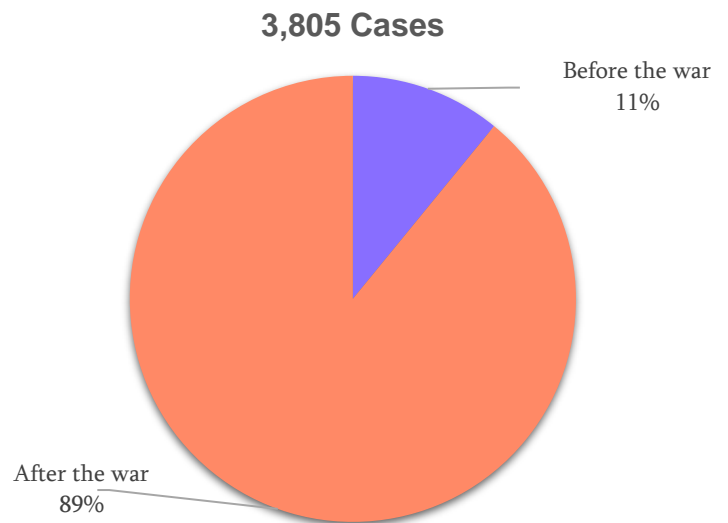
### 2.1 IFS Beneficiaries

Since 2017 IFS has provided compensation for 3,805 cases.

The decisions on compensation for 3,805 cases have been made since 2017 in the following proportion:



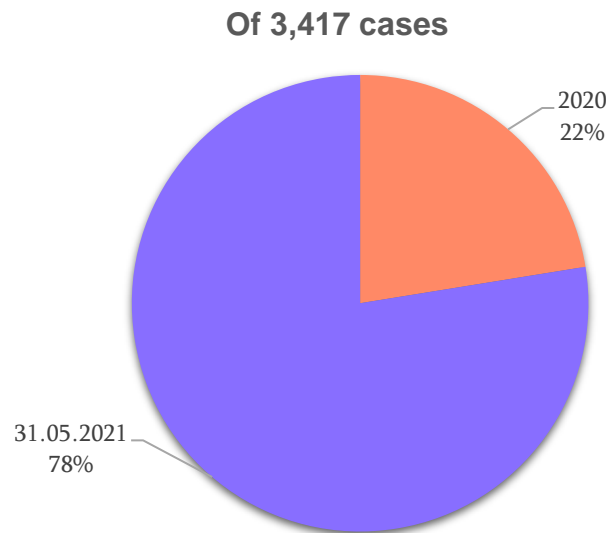
The confirmed 3,805 cases have included cases both before and after the war:



From 2020 to May 31, 2021 decisions have been made to provide compensation for 3,417 cases, of which:

	Total	Officers	Privates and Soldiers	Corporals or Privates	Volunteers
Fallen	<b>3,317</b>	411	1,189	1,448	269
1 <sup>st</sup> group disabled	<b>21</b>	5	8	7	1
2 <sup>nd</sup> group disabled	<b>79</b>	10	35	30	4
<b>Total</b>	<b>3,417</b>	<b>426</b>	<b>1,232</b>	<b>1,485</b>	<b>274</b>

The decisions for 3,417 cases have been made both in 2020 and in 2021:



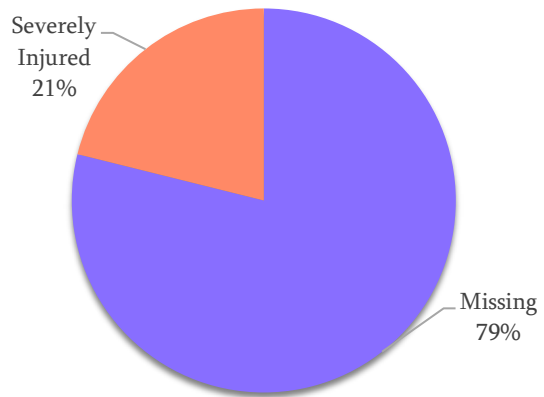
**2.2. Bridge Financing (“Kamurj”)**

Under the Bridge Financing Project compensation is provided to missing servicemen and servicemen who were severely injured. Bridge Financing lasts for 6 months after which the payments are stopped, or the servicemen become main beneficiaries of IFS.

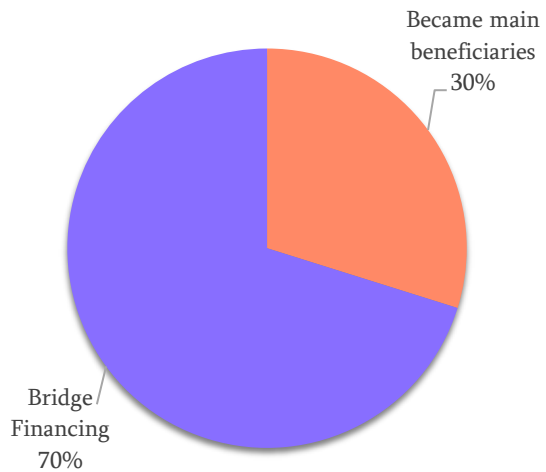
From its inception, compensation was provided for 1,451 cases under the Bridge Financing Project:

<b>Bridge Financing Project</b>	<b>1,451</b>
<b>Missing servicemen</b>	<b>1,066</b>
<b>Severely injured servicemen</b>	<b>385</b>

From inception of Bridge Financing project Compensation of 1,504,150,000 AMD has been provided:

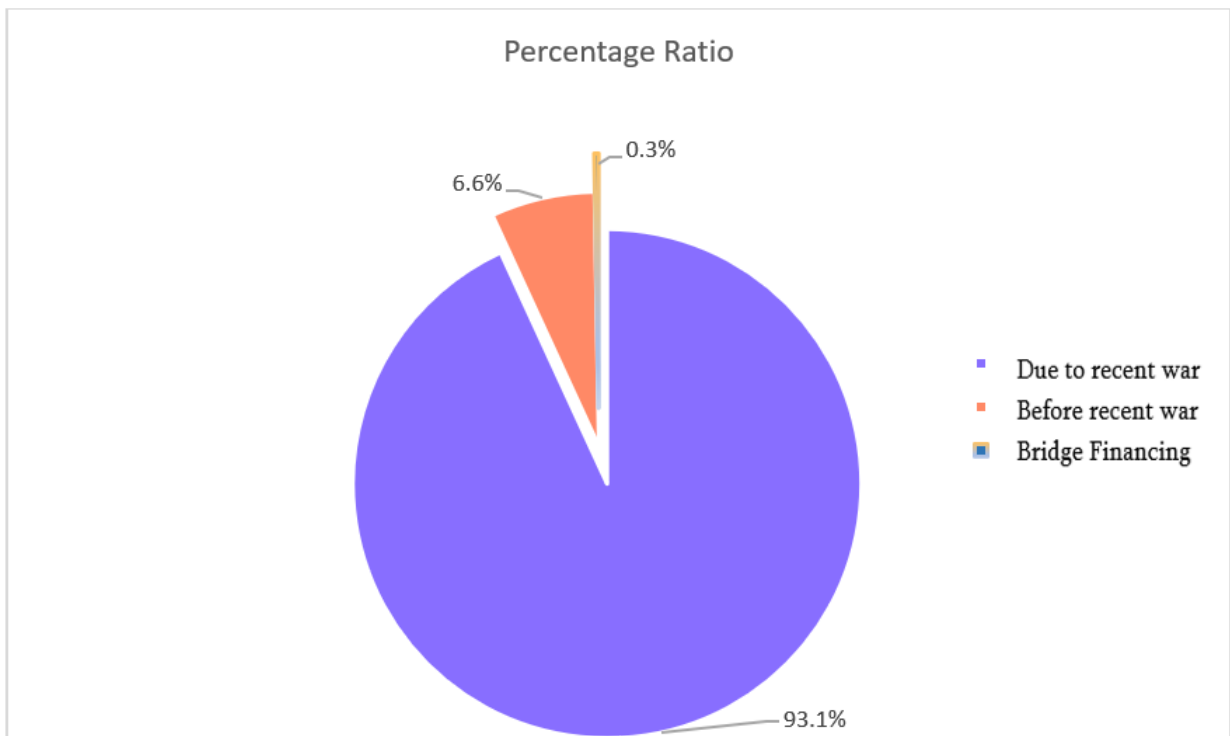


In 433 cases out of 1,451 the servicemen became main beneficiaries of IFS, the rest are serviced under the Bridge Financing Project:



### Part 3. Compensation Liabilities Undertaken by IFS

<i>Remaining liabilities</i>	
Due to recent war	184,940,663,412
Before recent war	13,120,335,193
Bridge Financing	545,500,000
<b>Total</b>	<b>198,606,498,605</b>



## Part 4. Donations

### Ratio of donations by quantity and amount

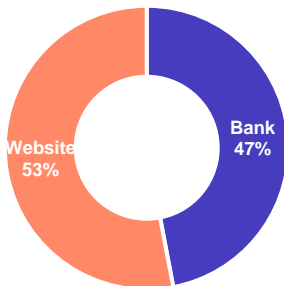
#### Quantity 2020

	Website	Bank	Total
EUR	2,990	119	3,109
USD	7,002	246	7,248
RUB	4,989	44	5,033
AMD	9,119	17,279	26,398
	24,100	17,688	41,788

31.05.2021

	Website	Bank	Total
EUR	96	16	112
USD	97	42	139
RUB	69	0	69
AMD	97	3884	3981
	359	3942	4301

#### Percentage ratio



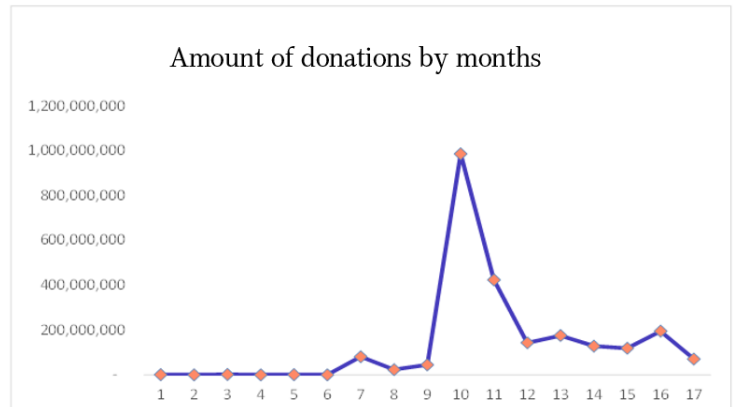
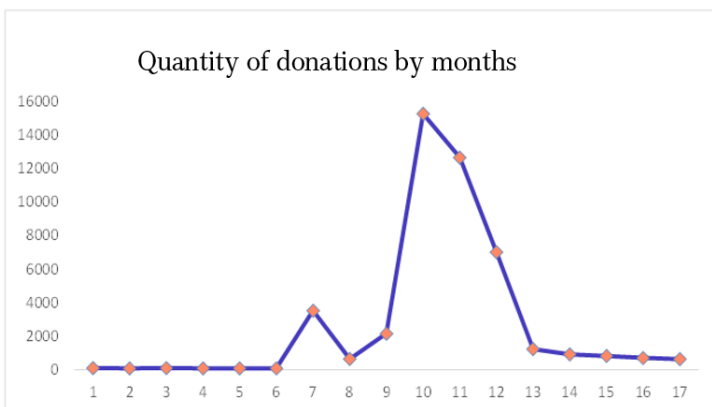
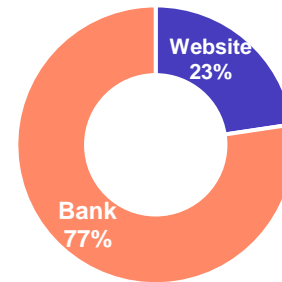
#### Amount 2020

	Website	Bank	Total
EUR	212,450,734	237,040,921	449,491,656
USD	759,287,088	1,640,077,115	2,399,364,203
RUB	468,890,637	274,095,315	742,985,952
AMD	265,125,196	4,118,889,208	4,384,014,404
	1,705,753,655	6,270,102,559	7,975,856,214

31.05.2021

	Website	Bank	Total
EUR	38,675,311	8,197,664	46,872,974
USD	139,132,704	79,700,403	218,833,106
RUB	22,622,003	-	22,622,003
AMD	55,204,441	343,778,380	398,982,821
	255,634,458	431,676,446	687,310,904

#### Percentage ratio





## Donations by months

### Quantity

2020

1	2	3	4	5	6	7	8	9	10	11	12	
100	84	98	83	83	79	3525	640	2154	15264	12659	7019	41788

2021

13	14	15	16	17	
1231	913	823	704	630	4301

### Amount

2020

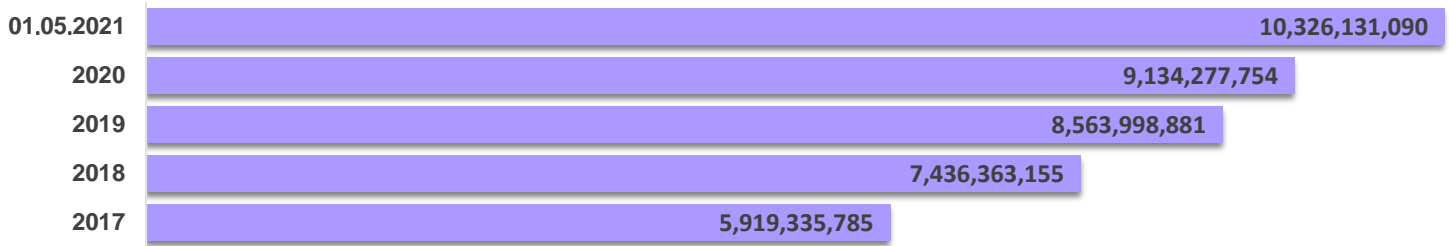
	1	2	3	4	5	6	7	8	9	10	11	12	Total
EUR	-	-	-	-	-	-	11,425	2,020	13,280	518,196	184,809	41,348	771,077
USD	470	130	3,130	140	173	123	191,136	33,003	63,711	1,560,538	1,435,789	167,341	3,455,684
RUB	-	12,700	4,100	-	11,000	4,000	2,038,441	741,980	512,037	63,385,556	22,763,876	24,831,841	114,305,531
AMD	1,247,472	829,300	544,188	639,550	613,333	1,058,024	197,442,566	66,712,967	271,742,598	1,424,401,481	1,008,901,676	27,060,746	3,001,193,900

2021

	1	2	3	4	5	Total
EUR	23,121	21,200	13,296	9,424	7,063	74,104
USD	128,104	92,091	80,146	66,153	51,506	418,000
RUB	1,101,280	578,632	768,680	486,673	294,368	3,229,633
AMD	85,960,563	62,802,348	62,326,225	150,715,825	37,177,861	398,982,821

## Part 5. Ratio of Main Financial Indices

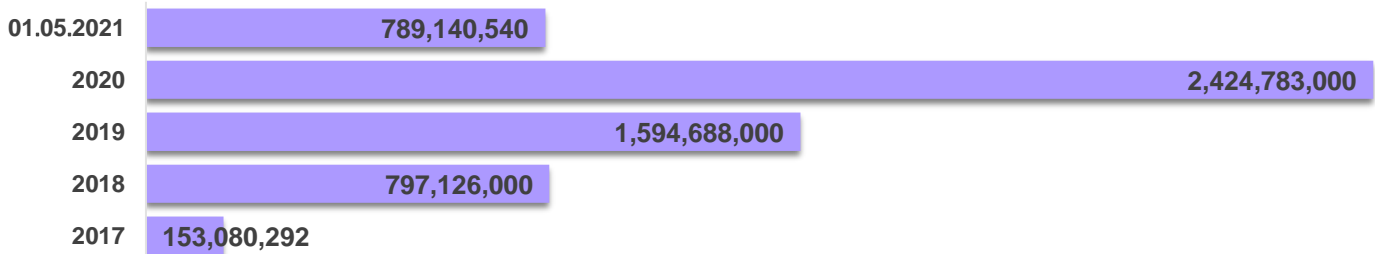
### Mandatory Employee Contributions



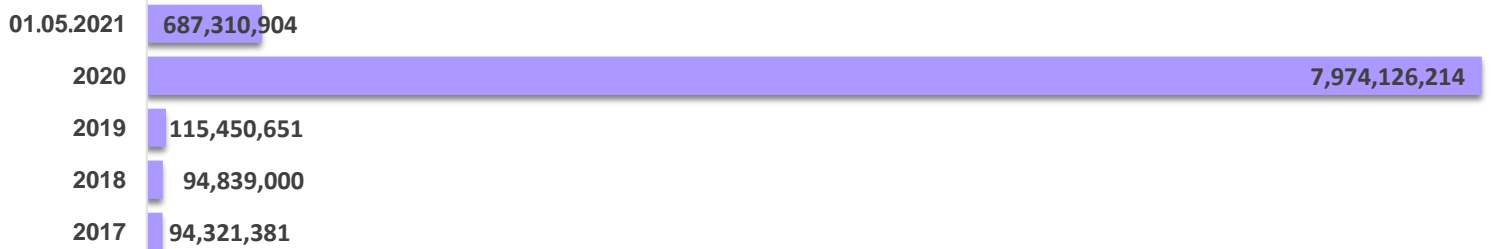
### Compensation



### Asset Management Revenues



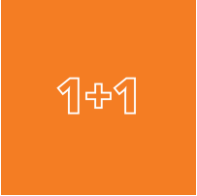


### Donations





## Part 6. Fundraising

### Initiatives

<p>One Million Armenians Challenge</p> 	<p>An important initiative of IFS is the “One Million Armenians” Challenge; under the program we are looking for one million Armenians around the world who will make a 25,000 AMD or 50 USD or 50 EUR monthly donation to IFS.</p> <p>One million seems like a big figure. However, it is not. In order to have one million people who will make regular monthly donations for the wellbeing of the families of the heroes who defended our Homeland, we just need 215 people who will not only donate the amount but in their turn will encourage another 5 people, who will in their turn encourage another 5 people and who will in their turn encourage another 5 people and so forth. These numbers are calculated having in mind 70% probability of failure.</p> <p>More than 1,000 donors have already joined the initiative.</p>
<p>One Million Dram Challenge</p> 	<p>Aiming to mitigate the catastrophic consequences of the war as much as possible as well as realizing the role and the significance of the business community in the economic life of the country, Grant Thornton Armenia has initiated the “One Million Dram” Challenge with the aim of supporting The Insurance Foundation for Servicemen by donating 1,000,000 AMD annually as well as encouraging other companies to do the same.</p> <p>Five companies have joined the initiative.</p>
<p>Let’s Double It</p> 	<p>The aim of the Program “Let’s Double It” is to increase the volume of the donations to IFS and strengthen the link between IFS and the private sector.</p> <p>The program is also a vivid example of corporate social responsibility through which companies can show their attitude to the society and in this case also to our army.</p> <p>Under the program the company matches the amount of mandatory employee contributions paid to IFS by its employees.</p> <p>More than 100 companies have joined the initiative since its inception.</p>

*Events*

<p>Songs of Gratitude</p>	<p>In USA, at the Thanksgiving Day celebration Armenian-American classical musicians have joined around a challenge for the sake of families of Armenian heroes. Poghosian/Manuelian musical family initiated a virtual concert of classical music Songs of Gratitude in support of IFS. As a result 6,842 US dollars was raised.</p>
<p>Charity Concerts</p>	<p>Armenian State Symphony Orchestra organized 4 charity concerts and as a result around 30 million AMD was donated to IFS.</p>
<p>Charity Wine Exhibition-Sale “Kenats”</p> 	<p>On April 8, 2021 a charity wine exhibition-sale “Kenats” was held at the Congress Hotel. Buying wine in a pleasant environment, the guests made their contribution to IFS’s donation fund. The event was held by the proposal and at the expense of Armenian wine-making companies.</p> <p>The organizers named the event “Kenats” which is a declined form of the word “life” in Old Armenian; by this symbolic word they wanted to pay tribute to all the heroes implying that we have to love our Homeland and help it prosper for the sake of continuing the life (kenats) of our blessed and brave fallen heroes.</p> <p>During the event 4,033,000 AMD was raised, where 2.6 million AMD from the auction, 1,433,000 AMD from the sale of wines, wine tasting and additional donations.</p>
<p>Spring Run</p> 	<p>Under the Spring Run Project more than 600 participants ran in support of IFS. Children of the fallen servicemen – beneficiaries of IFS, participated in the Kids’ Run.</p> <p>The organizational expenses of the event were taken care of by the sponsors.</p> <p>A total of 6,700,000 AMD was donated to IFS. These donations were made at the expense of the registration fees of the participants (3,645,450 AMD), from the savings of the funds provided by the sponsors (2,249,598 AMD) and additional donations (804,952 AMD).</p>

## Part 7. Work with Media

### *Work with mass media*

The media division of IFS has always prepared and spread press releases, announcements connected with the increase in the compensation cases, forthcoming events and initiatives. All Armenian mass media have willingly cooperated with IFS spreading all press releases and covering activities of IFS.

- Press conferences were held.

To watch the video press [here](#).

To watch the video press [here](#).

- Online meetings by the Facebook social network were organized with the Director of IFS.

To watch the video press [here](#).

To watch the video press [here](#).

- IFS has willingly cooperated with mass media answering all the questions from any media outlet or independent journalist. We present below just a few examples from dozens of prepared reports.

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

- IFS has worked with the beneficiaries – getting to know the beneficiary’s story and then, by beneficiary’s consent, IFS has provided the beneficiary’s contacts to the media to make interviews and programs. Some videos are presented below:

To watch the video press [here](#).

To watch the video press [here](#).

- The Director of IFS, its specialists have participated in prime-time TV programs, morning programs. Some videos are presented below:

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

- IFS has carried out certain work with English-speaking audience.

To watch the video press [here](#).

To watch the video press [here](#).

To watch the video press [here](#).

- The Director of IFS has met with the beneficiaries and potential beneficiaries in Artsakh answering all their questions. The meeting was broadcast online on Artsakh TV.

To watch the video press [here](#).




- Video films telling about the beneficiaries have been made by the cooperation between IFS and ONEArmenia.

To watch the video press [here](#) and [here](#).

- As a result of the cooperation between IFS and CIVILNET, “Your 1000+ Drams” series of programs was created.

Watch the series of programs from [here](#).

## Social Media Activity

	<p>IFS Facebook page has 15,097 followers; the number of likes is 14,134. Average post engagement is 7%.</p> <p>Before November 2020 Facebook posts were rare but after the end of the war the volume of IFS's workload multiplied several times.</p> <p>Standing by its motto of transparency, IFS started regularly informing the public about its work - compensation provided, raising beneficiary awareness, funds raised, events; it also started a fundraising campaign in social network.</p>
	<p>IFS launched its Instagram page on November 15, 2020 with the USA being its main audience. The page has 1,095 followers.</p> <p>Average post engagement is 26%.</p>
	<p>IFS's page in LinkedIn was created in December 2020. As of May 31, 2021 it has 261 followers.</p> <p>Average post engagement in this platform is 5-7%.</p>

It is planned to enter other platforms in the future including Telegram, Twitter.

## Part 8. Development and Independence

Since the time of its inception (2017) the proper functioning of IFS was ensured by the employees of the Central Bank of the Republic of Armenia on a volunteer basis. IFS did not have its own working team, separate area or infrastructure.

The recent war highlighted the need for IFS's independence with necessary measures urgently taken: a new specialized team was formed, an independent and professional board was set up, a new working office was provided and the setting up of all required infrastructures started.

### *New Team*

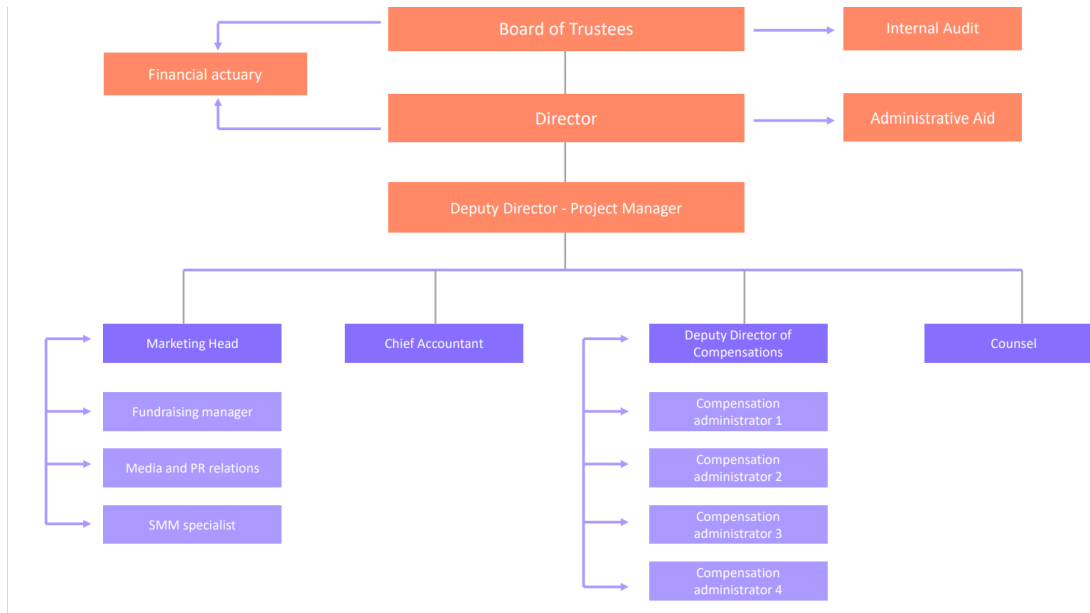
IFS has a new team which presently consists of 15 employees.

Former positions have been overall retained, however considering the new direction of IFS development as well as the challenges of the last war, a completely new marketing and fundraising division was created in IFS. Due to the active work of the employees of this division, the primary principle of the activity of IFS – accountability, was more emphasized. IFS also has a new fundraising and donor relations manager who takes various measures on donation collection, establishing and preserving relations with the donors which are more than important today.

A new compensation team was also formed whose daily hard work made possible the servicing of a large number of cases in a short period of time.

The team in full force has started to work in 2021 and is working with high enthusiasm and great workload trying to solve every single problem IFS faces.

The structure of the team is presented below:



### *New Board of Trustees*

In the stage of gaining independence of great significance is the newly formed Board of Trustees of IFS.

In December 2020 a change was made in the law regulating IFS activity according to which the terms of the members of the incumbent Board of Trustees of IFS nominated until July 1, 2020 were terminated, and the Central Bank appointed five new members of the board.

The appointed new members are:

- Irina Seylanyan
- Adam Kablanian
- Joseph Simonian
- Anahit Adamyan
- Davit Akopyan.

The newly appointed members of the Board of Trustees are the best in the professional fields, have considerable experience of work in different foundations which is especially appreciated by IFS. The latter not only perform their functions as members of IFS's supreme governing body (on a voluntary basis), but also share their valuable experience and knowledge with IFS's working team, assist in raising awareness of IFS activities and in fundraising processes around the world.

To learn about the autobiographies of the members of the Board of Trustees you can follow [this link](#).

### *Outsourcing*



## ***1. Human Resource Management***

In the stage of forming a new team, it was important to have a human resource management specialist. The working team organized:

- job description of the employees of IFS;
- compilation and distribution of staff selection announcements;
- employee selection and interviews;
- team-building for an already established team.

## ***2. Accounting***

With the sharp increase in the number of compensations, the frequency of payments and the need for accounting have increased. Currently an accounting team works under the supervision of the chief accountant of IFS.

The accounting team does the day-to-day work of providing compensation and also organizes the process of returning mandatory employee contributions paid in 2020.

## ***3. Information Technologies and Security***

IFS's IT infrastructure services were also delegated, the IT team carries out the maintenance of internal systems, strict control of IT security.

## ***4. Hotline***

As the number of beneficiaries increased, so did the number of inquiries to IFS. It was no longer possible to answer citizen's questions via e-mails and social networks, so IFS's hotline was set up under the phone number 012 55 10 55.

A number of trainings were organized for the hotline operators to get acquainted with the internal procedures of IFS, after which the operators together with the overloaded staff of IFS answer the citizen's questions on a 24/7 basis.

Statistics:

- Number of calls: **11,291**
- Number of operators: **5-7**
- Average call time: **00:02:21- 00:03:00 minutes**
- Efficiency of answered calls: **90%**

## ***Setting up and Developing Software Solutions***

### ***1. Compensation Software***

Due to the fast and professional work of IFS's employees, a compensation software was developed in a short period of time without which it would be impossible to service the current volume of cases.

The software allows for:

- Receipt of compensation cases from law enforcement agencies;
- Case entry and registration;

- Creation of payment lists;
- Document workflow.

Work is currently underway to improve the software solution.

## ***2. Foundation Website Development***

The sharp increase in IFS work and number of beneficiaries put forward new requirements on the basis of which a number of amendments were made to the website, in particular:

- An opportunity to upload large amounts of compensation in one step was added to the website management platform (before that each compensation was entered manually);
- In the provided compensation section, a possibility was added of searching for beneficiaries by the serviceman's name and surname, status (fallen, 1<sup>st</sup> group disabled, 2<sup>nd</sup> group disabled), date of publication;
- In the field of provided compensation, the field of the bank telephone was added;
- The opportunity was created to export the databases of all donors who have donated through the website;
- A submenu for the Bridge Financing Project beneficiaries has been created in the compensation menu;
- A platform for verifying the status of donors' e-mail addresses was developed;
- "In Honor" donation certificate was replaced by a thematic certificate in the run-up to the Armenian Genocide memorial day;
- The online application for the return of mandatory employee contributions was activated;
- A video library was created;
- Electronic communications with donors were also amended, for instance, a subscription deactivation date was added.

## ***Office and Technical Equipment***

In order for IFS's new team to get to work as soon as possible, the following actions were taken in a short time period:

- Office rent and renovation works;
- Providing technical equipment;
- Acquisition of property;
- Software solution development;
- A number of actions aimed at ensuring information security.

## ***Part 9. Legislative Amendments***

At the initiative of IFS, a number of legislative acts and by-laws were amended to expand the number of IFS beneficiaries and simplify the process of receiving compensation, including the reduction of the required documents, the increase of the efficiency of the cooperation between IFS and state agencies including but not limited to:

### **Beneficiary Expansion:**

- The cases of damages caused to the lives or health of the servicemen as a result of the enemy's offensive action were also included in the scope of compensation cases;
- The Bridge Financing Project "Kamurj" started which provides 6 months of financial assistance from the funds of IFS and the funds transferred to IFS by the Government to the severely injured or mutilated servicemen as a result of the 2020 war as well as to the families of missing servicemen.

**Simplification of Beneficiary Procedures:**

- Due to military actions, the terms of recognizing the servicemen as missing and deceased reduced setting as 3 months and 1 year, respectively, instead of the previous 6 months and 2 years (amendment in the RA Civil Code);
- Due to the hostilities, the process of receiving compensation was simplified allowing IFS beneficiaries to apply for compensation to the bodies closer to them in terms of territory, such as territorial administration and local self-government bodies.
- A simpler procedure for substantiating the fact of volunteering was established for the compensation of volunteers and their family members.

**Improving Work with Government Structures:**

- Since April 1 2021, IFS has ensured the exchange of information between relevant bodies and IFS and the introduction and implementation of a program to ensure the formation of an electronic case about a serviceman.
- The identification of the person on the basis of the data of the state population register was ensured, eliminating the need to submit certain documents, clarifying the cases when no additional information (documents) are required to determine the beneficiary.

**Internal Regulations were Drawn up:**

- Procurement regulations;
- Regulation on conducting audits of IFS's activities by one of the top 10 internationally recognized auditing organizations (through a closed procurement process);
- Code of conduct and ethics regulations for employees.

**Other Regulations:**

- Mandatory employee contributions were raised due to the sharp increase in the number of IFS's beneficiaries as a result of the 2020 war. The 1,000 AMD paid by everyone was raised to 1,500-15,000 AMD depending on income.
- The idea of having an independent, specialized, apolitical Board of Trustees was defined for IFS, on the basis of which members of the relevant board were appointed. The order of appointment of the Board of Trustees was also changed: from now on the members of the new Board will be elected by the previous Board.
- Financing was provided for 2021 by the Central Bank of the Republic of Armenia to cover the administrative and operational expenses of IFS.