

## Q4 2018 overview of non-life insurance sector

At the end of 2018 there were seven non-life insurers and six branches of foreign non-life insurers operating in the Estonian market.

Key indicators	Q3 2018	Change	Q4 2018
Volume of insurance premiums	138 mln €	?	140 mln €
Volume of claims	87 mln €	?	77 mln €
Volume of assets of insurance companies	818 mln €	?	834 mln €
Net combined ratio	86,8%	?	86,6%
Profit	16,4 mln €	?	15,6 mln €
Solvency Capital Requirement coverage	202%	?	200,7%

Estonian non-life insurers together with their branches in Latvia and Lithuania took in 567 million euros in insurance premiums in 2018, which was 16% more than in the previous year.

Claims of 315 million euros were submitted in 2018, which was 17% more than in 2017.

The size of the Estonian non-life insurance market, together with branches of foreign insurers, was 384 million euros by the end of 2018, having grown 14% over the year. Branches of foreign insurers had 27% of the Estonian non-life insurance market.

The net combined ratio of non-life insurers, which is the loss ratio together with the expense ratio, fell over the year to 87.9%. The expense ratio fell by more over the year than the loss ratio did. The fall in the combined ratio and the increase in total volume meant that the technical profit of non-life insurance increased. The investment results of non-life insurers are modest given the current interest rate environment.

Non-life insurers earned 55 million euros in profit in 2018.

The capitalisation of the non-life insurance sector fell over the year to 201%. Profitability has been helped by the level of own funds, but the growth in premium volumes has also raised capital requirement rates at the same time. The level of own funds is also reduced by planned dividends, which have increased from year to year. All non-life insurers met the capital requirements.

## **Main development trends and risks**

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- Third party motor insurance moved into profit for the first time in 2018, though a fall in profitability was evident at the end of the year.
  - The biggest profit in the sector continues to come from property insurance. The result of fully comprehensive motor insurance has also improved.

[Quarterly reviews of the non-life insurance sector](#)

Page last edited on 18/06/2019