

Q1 2019 overview of life insurance sector

There were three life insurance companies operating in the Estonian market in the first quarter of 2019, of which two also have branches in Lithuania and Latvia.

Key indicators	Q4 2019	Change	Q1 2019
Volume of insurance premiums	70 mln €	?	63 mln €
Volume of claims	31 mln €	?	32 mln €
Volume of assets of insurance companies	1,07 bln €	?	1,15 bln €
Volume of insurance obligations	765 mln €	?	817 mln €
Costs of net premiums ratio (cumulative)	14,6%	?	13%
Solvency Capital Requirement coverage	157%	?	165%

Estonian life insurers received 63.3 million euros in insurance premiums in the first quarter of 2019, which was 9% less than in the last quarter of 2018. The amount paid out in insurance payments was 7% more than in the first quarter of last year.

Unit-linked life insurance products, equity-linked products and other life insurance continue to account for the largest part of life insurance premiums.

Life insurance companies received claims for payouts of 31.7 million euros in the first quarter. As with premiums, unit-linked life insurance continue to provide the largest share of claims at 16.5 million euros, or more than half of all claims, followed by equity-linked products and medical insurance. There were no changes in the market shares of life insurers by balance sheet volume, as Swedbank Life Insurance SE remained the market leader with 55%, followed by Compensa Life Vienna Insurance Group SE with 29% and AS SEB Elu- ja Pensionikindlustus with 16%.

The assets of life insurance companies grew by 7.5% or 1.07 million euros in the first quarter to 1.015 billion euros, and the assets of all three insurers grew by between 5.4% and 8.3%.

The largest shares of the assets were the 51% in unit-linked life insurance contracts, and the 43% in fixed-income securities. Unit-linked life insurance liabilities made up 45% of all liabilities, while technical provisions accounted for 26%, and statutory surplus for 26%. There were no major changes over the quarter in the structure of assets and liabilities.

The ratio of expenses to net insurance premiums in the first quarter was 1.6 percentage points down on the figure for 2018, but this is a figure that is observed on an annual basis and so no conclusions can be drawn from the data of one quarter.

The coverage of the Solvency Capital Requirement by own funds of life insurers was 165% in the first quarter of 2019. All the life insurance companies met the requirement.

Main development trends

- Low interest rates remain the main risk for the life insurance sector.
- The European Insurance and Occupational Pensions Authority (EIOPA) plans changes to the regulatory environment that may affect the capitalisation of insurers as there will in future be limits on counting profit as equity.

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