

Q2 2019 overview of non-life insurance sector

The non-life insurance companies operating in Estonia together with their branches in Latvia and Lithuania received 148 million euros in insurance premiums in the second quarter of 2019. The insurance premiums received in Estonia grew more slowly than those in Latvia or Lithuania, and the portfolio of Estonian insurance premiums is less than half of the total.

Key indicators	Q1 2019	Change	Q2 2019
Value of insurance premiums	156 million euros	?	148 million euros
Value of claims	88 million euros	?	81 million euros
Value of assets of insurance companies	883 million euros	?	875 million euros
Net combined ratio	91%	?	85,9%
Profit*	16.6 million euros	?	19.2 million euros
Solvency capital requirement coverage ratio	202.1%	?	203.3%

* The profit of the sector is calculated from the public reports of insurance companies, not from supervisory reporting to Finantsinspektsioon.

There were 81 million euros of claims submitted in the second quarter of 2019, which was 6% more than in the second quarter of the previous year.

The size of the Estonian non-life insurance market, together with branches of foreign insurers, was 202 million euros at the end of the first half of 2019. Branches of foreign insurers continued to have a market share of 29% in Estonia.

The combined ratio, which adds the expense ratio and loss ratio of non-life insurers and shows the profitability of insurance activities, fell to 85.9% in the second quarter. Claims have fallen for all the major types of insurance. The improvement in the combined ratio is supported by a steadily declining expense ratio, which was down to 28.8% in the second quarter.

Non-life insurers earned a profit of 19.2 million euros in the second quarter of 2019. Profitability continues to be supported by return on investment, and all the non-life insurers were profitable in the first half of the year.

The capitalisation of the non-life insurance sector increased over the quarter to 203%. All non-life insurers met the capital requirements..

Main development trends and risks

- The non-life insurance sector has seen a moderate improvement in profitability in the past two years, partly because price competition has calmed down a little in motor third-party insurance.

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