
Q3 2019 overview of non-life insurance sector

Estonian non-life insurers together with their branches in Latvia and Lithuania took in 447 million euros in insurance premiums in the first nine months of 2019. As some non-life insurers have changed how they record insurance premiums at different times, it is hard to assess growth in the market from premiums. An approximation can be reached by comparing insurance premiums earned, and doing this suggests growth in volumes of 8% over the same period of the previous year.

Claims of 254 million euros were submitted in the first nine months of 2019, which means there was growth of 7%.

The Estonian non-life insurance market was 300 million euros in size in the first nine months of 2019. The market share of foreign branches in the Estonian non-life insurance market has not grown in recent quarters, and they took a little over 28% of all the insurance premiums received.

Key indicators	Q2 2019	Change	Q3 2019
Value of insurance premiums	148 million euros	?	143 million euros
Value of claims submitted	81 million euros	?	85 million euros
Value of assets of insurance companies	875 million euros	?	913 million euros
Net combined ratio	85,9%	?	84%
Profit*	19.2 million	?	24.3 million
Solvency capital requirement coverage ratio	203.3%	?	207.5%

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

The combined ratio of non-life insurers for the nine months was 86.9%, which was down 1.4 percentage points. Both the loss ratio and the expense ratio have fallen. The combined ratio was lower than it was a year earlier for almost all the non-life insurance companies.

The capitalisation of the non-life insurance sector has been climbing steadily upwards, and it stood at 207.5% as at 30 September 2019. All non-life insurers met the capital requirements.

The investment income of the non-life insurers was the largest of

recent years

They earned 60 million euros in profit in the first nine months of 2019, of which 24 million was earned in the third quarter. Unlike in previous years, operating profit was supported substantially in 2019 by profits from investment. All the non-life insurers were profitable in the first nine months of the year.

Main development trends and risks

- The trend in the non-life insurance sector is for tariffs to come down. This particularly affects price-sensitive mass-market products like motor third-party liability insurance and comprehensive vehicle insurance. Statistics for motor third-party insurance in Estonia show the average annual payment to have fallen by 3%. At the same time claims continue to be driven up by growth in the economy and the rise in the average wage.

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