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## [Q1 2021 overview of the non-life insurance sector](#)

Estonian non-life insurers received 133 million euros insurance premiums in the first quarter. This is the same amount as a year earlier, but premiums had not yet been reduced by the Covid-19 pandemic in the first months of last year. Claims totalled 77 million euros in the first quarter. This was a little higher, as expected, because of the winter conditions at the start of the year. The expenses of non-life insurers remained the same at 33 million euros.

<b>Key indicators</b>
Value of insurance premiums
Value of claims submitted
Value of assets of insurance companies
Net combined ratio
Profit *
Solvency capital requirement coverage ratio

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

The supply of non-life insurance services in the Baltic states is tightly interwoven across all three markets. Estonian non-life insurers receive more than half of their premiums from Latvia and Lithuania, and the insurance premiums received from Estonia by branches of insurers with their head office in Latvia and Lithuania are around 37% of the Estonian non-life insurance market. Baltic non-life insurance companies received over 1.4 billion euros in insurance premiums in 2020. The Lithuanian market is the largest of the three at 664 million euros, followed by the Estonian market at 383 million euros and the Latvian market at 378 million. The amount received in premiums was reduced in all three countries by the pandemic. The two largest insurance providers, VIG Group (Compensa, BTA) and Lietuvos Draudimas/PZU, between them hold more than half of the Baltic non-life insurance market. They are followed by the Estonian non-life insurers ERGO insurance, If P&C Insurance and Swedbank P&C Insurance.

The size of the Estonian non-life insurance market, which includes insurance premiums received by Estonian branches of foreign non-life insurers, was 98 million euros in the first quarter, which was 1.5% smaller than in the first quarter of 2020. The volume of the market was smaller in the first months of 2021 than a year earlier, but from March the amounts received as insurance premiums in

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Estonia were larger than in the same months of 2020.

Non-life insurance companies earned profit of 4 million euros in the first quarter of 2021. The result was reduced because of income tax of 9 million euros paid on dividends, which were larger than usual. Coverage of the capital requirements was 201% at the end of the first quarter.

## **Main development trends and risks**

- Volumes are recovering at non-life insurers. Growth in the economy, better figures for Covid-19, increased sales of new cars and increasing sales in the real estate market all suggest that the non-life insurance market should also grow in 2021.

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

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