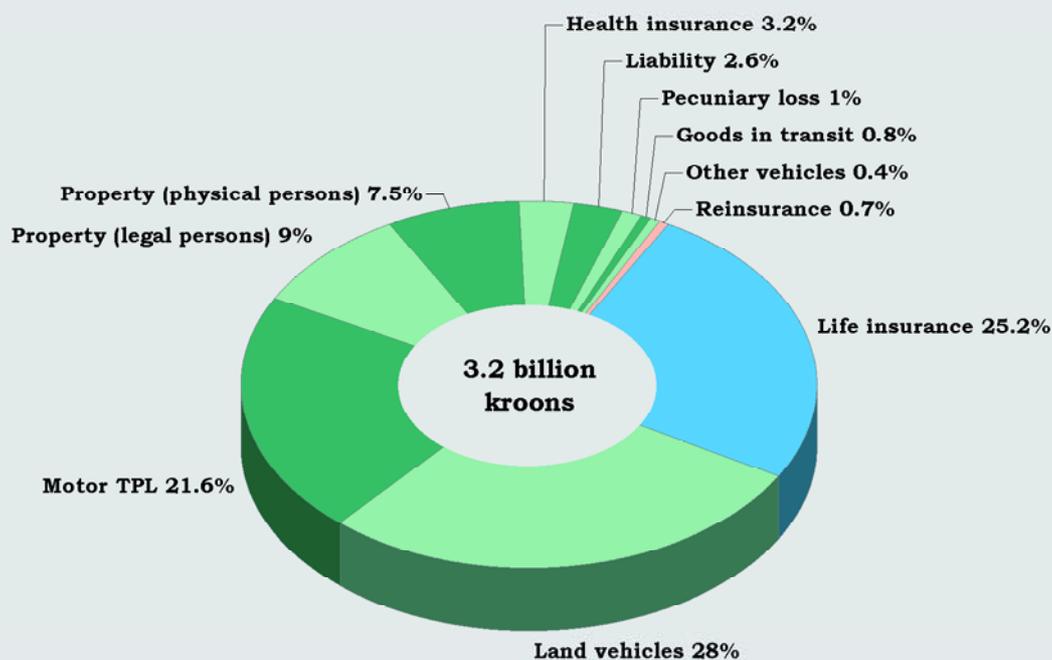


# KINDLUSTUSE AASTARAAMAT INSURANCE YEARBOOK

2004



**Finantsinspektsioon**

**Estonian Financial Supervision Authority**





# ESTONIAN FINANCIAL SUPERVISION AUTHORITY

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# INTRODUCTION

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**Dear Reader,**

The Insurance Yearbook 2004 is the thirteenth annual survey of the Estonian insurance market.

In 2004, the insurance market evidenced continuing rapid growth, triggered largely by the sale of so-called loan insurance products. The sale of unit-linked life insurance products boomed. Besides the fast growth of market, the year 2004 is characterized by the considerably better profitability of the whole insurance sector and especially the non-life sector as compared to previous years.

Estonia's accession to the European Union on 1 May 2004 had and will have effect on our insurance market, including on the supervisory activities of the Financial Supervision Authority and on the insurance business of our insurers. We have to stress more on international collaboration in future and participate in drafting common pan-European supervisory standards. One of the obligations triggered by the accession has been the transposition of European Union insurance legislation into the Estonian legislation. In 2004, *Riigikogu* adopted the new *Insurance Activities Act*, which became effective on 1 January 2005.

Estonia experienced first cross-border service providers and the first branch in 2004 due to the opening of insurance market. Still, the possibility to underwrite insurance business in the whole European Union market proves to be a new challenge also for Estonian insurance undertakings and a great possibility for them to extend the circle of policyholders.

**Andres Kurgpõld**

Member of the Management Board

In Tallinn, June 2005

## OVERVIEW OF INSURANCE MARKET

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# INSURANCE MARKET, 2004

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## ECONOMY IN 2004<sup>1</sup>

Global economic activity decelerated in 2004 and that meant continuously favourable interest rate environment for the Estonian economy. Estonia's corporate and household loans' interest rates fell on the lowest level in 15 years — the average interest rate on long-term non-financial sector loans was 4.6% at the end of the year, approximately 1 percentage point less than at the beginning of the year.

Estonian economic growth remained fairly strong due to higher exports and reached 6.2% in real terms in 2004, change in consumer prices was 3%. The growth rate of goods exports picked up, facilitated by increasing external demand and recovering competitiveness as well as larger IT subcontracting. In 2004, earnings improved in transit trade and also in other areas of the services sector. The contribution of travel services and tourism to economic growth increased significantly. In the positive light of joining the EU companies also have optimistic expectations of future growth. Relatively high sales figures and profits of 2004 provide a good starting point for these outlooks. In 2004, the growth in corporations' profitability remained approximately at the level of 2003. Real estate and other business service companies had on average better results in 2004, as well as in 2003.

According to preliminary estimates, the ratio of domestic saving to GDP recovered slightly in 2004. The ratio recovered due to the private sector — first and foremost to household consumption that decelerated. As domestic saving exceeded the year-ago level, the growing investment demand was not as detrimental to external balance as in 2003 and the need for external funding even contracted slightly. However, in international comparison, the level of investment remained high and that of domestic saving low. Current account deficit stood at 12.6% of GDP. The share of net foreign direct investment declined slightly and therefore borrowing increased. Estonia's gross external debt was 84% of GDP and net external debt (assets less liabilities) was 19% of GDP in the end of 2004.

Despite growing inflation expectations in the second half-year of 2004, household confidence remained high. Positive labour market developments and improved savings contributed to that as well. Accession to the European Union accelerates economic convergence and will definitely have a positive long-term impact on households' income growth. However, there is still a short-term risk that current consumption decisions overestimate future income growth potential.

## INSURANCE MARKET

The Estonia's gross domestic product was 139 billion kroons and the average population totaled 1.3 million people in 2004 (Table 1). Insurers' direct gross premiums constituted 2.3% of GDP and this is the sign of continuing growth (Figure 1).

In 2004, the phase of rapid growth of the insurance market continued, the increase being 20.4%. Insurers' gross premiums totaled 3.2 billion kroons; 74.1% thereof were premiums from non-life insurance, 25.2% from life insurance and 0.7% from accepted reinsurance business (Figure 2).

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<sup>1</sup> The summary of developments in economy in 2004 has been drafted on the basis of "Eesti Pank Annual Report 2004" and "Eesti Pank, Financial Stability Review, May 2005"

Table 1. Estonian economy and the insurance market, 2000–2004

|   | 2000   | 2001    | 2002    | 2003    | 2004    |
|---|--------|---------|---------|---------|---------|
| GDP at current prices (million kroons)                | 92 717 | 104 338 | 116 869 | 125 832 | 139 150 |
| Change in GDP at constant prices (% of previous year) | 7.8    | 6.4     | 7.2     | 5.1     | 6.2     |
| Change in consumer prices (CP) (% of previous year)   | 4.0    | 5.8     | 3.6     | 1.3     | 3.0     |
| incl. goods (CP-G)                                    | 3.3    | 4.9     | 1.9     | -0.2    | 2.9     |
| services (CP-S)                                       | 5.4    | 7.6     | 6.8     | 4.3     | 3.3     |
| Average population (thousand)                         | 1 370  | 1 364   | 1 359   | 1 354   | 1 349   |
| Gross premiums (GP) (million kroons)                  | 1 659  | 1 832   | 2 189   | 2 650   | 3 195   |
| incl. non-life insurance                              | 1 290  | 1 427   | 1 719   | 2 056   | 2 366   |
| life insurance  | 304    | 356     | 446     | 580     | 806     |
| reinsurance   | 65     | 49      | 24      | 14      | 22      |
| Real change in GP (without CP) (% of previous year)   | 12.6   | 4.4     | 15.3    | 19.5    | 17.1    |
| Real change in GP (without CP-S) (% of previous year) | 12.6   | 4.0     | 13.7    | 16.8    | 16.5    |
| Direct gross premiums per capita (kroons)             | 1 164  | 1 307   | 1 593   | 1 947   | 2 352   |
| incl. non-life insurance                              | 942    | 1 046   | 1 265   | 1 519   | 1 754   |
| life insurance  | 222    | 261     | 328     | 428     | 598     |
| Insurance penetration (%)                             | 1.7    | 1.7     | 1.9     | 2.1     | 2.3     |
| incl. non-life insurance                              | 1.4    | 1.4     | 1.5     | 1.6     | 1.7     |
| life insurance  | 0.3    | 0.3     | 0.4     | 0.5     | 0.6     |

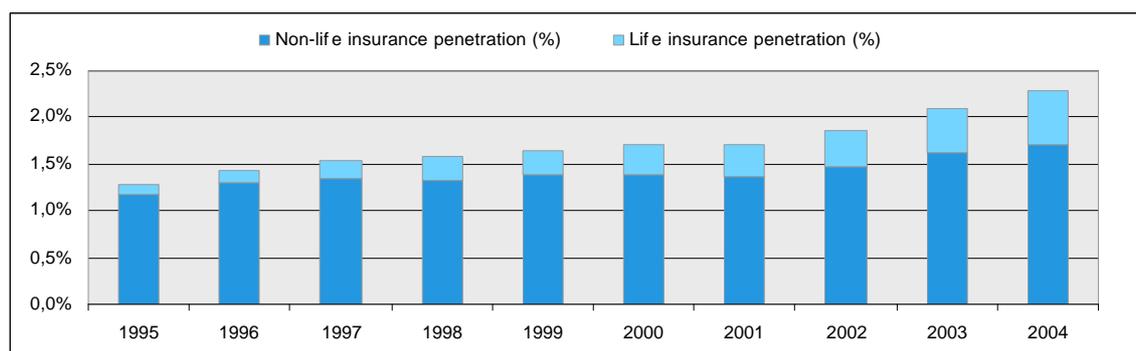


Figure 1. The relative importance of insurers' gross premiums in gross domestic product (GDP), 1995–2004

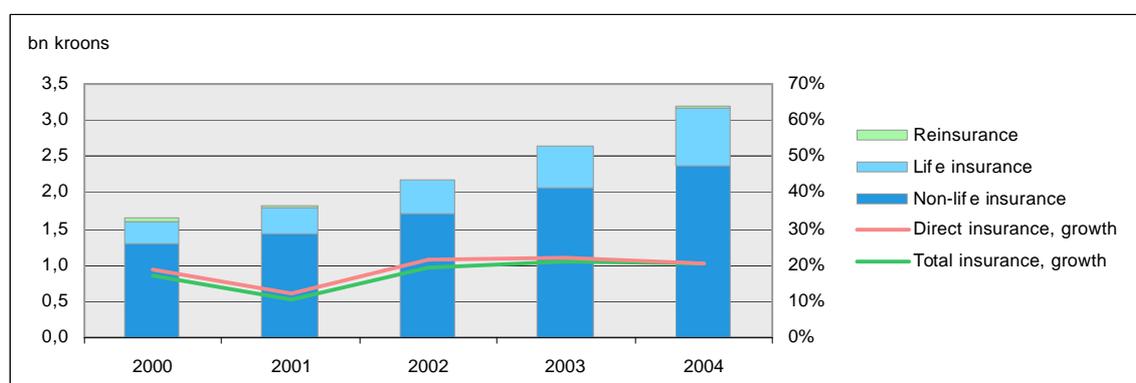


Figure 2. Insurers' gross premiums and the nominal growth in gross premiums, 2000–2004

Direct gross premiums amounted to 3.2 billion kroons (2.6 bn kroons in 2003, the growth being 20.4%) and claims paid 1.3 billion kroons (1.1 bn kroons in 2003, the growth being 16.2%). The volume of life gross premiums indicated an annual growth of 39.1% and that of non-life gross premiums 15.1%. Direct insurance market structure changed by 3.4 percentage points in favour of life insurance. As a result, 25.4%

of the direct insurance market was captured by life insurance and 74.6% by non-life insurance. In 2004 the premium volume of accepted reinsurance business increased by a half, up to 22.4 million kroons.

Land vehicles insurance premiums made up more than a quarter and motor TPL insurance premiums almost another quarter of total gross premiums collected in Estonian insurance market. Also, property insurance and endowment insurance stayed popular in the market (Figure 3).

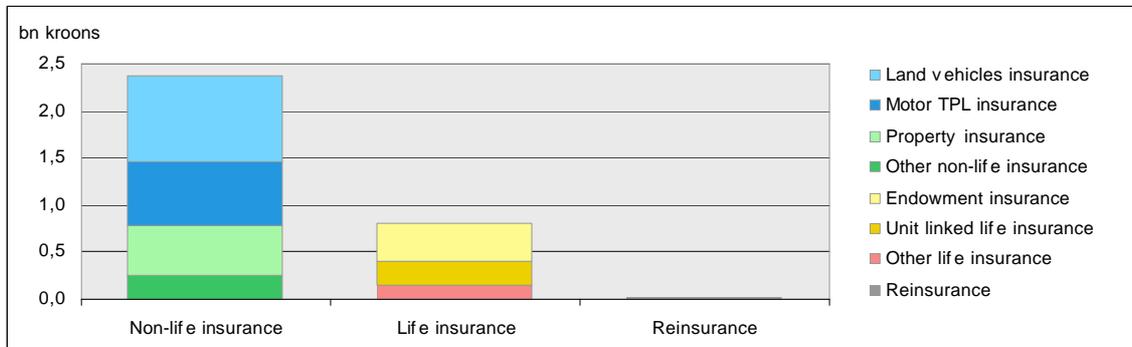


Figure 3. Gross premiums by insurance classes, 2004

Considering the annual growth in consumer price index, the annual actual growth of direct gross premiums was 16.9%, thus being lower than the respective figure in 2003 (20.2%). In 2004, the actual growth of life premiums was 35% and that of non-life premiums 11.7% (Figure 4).

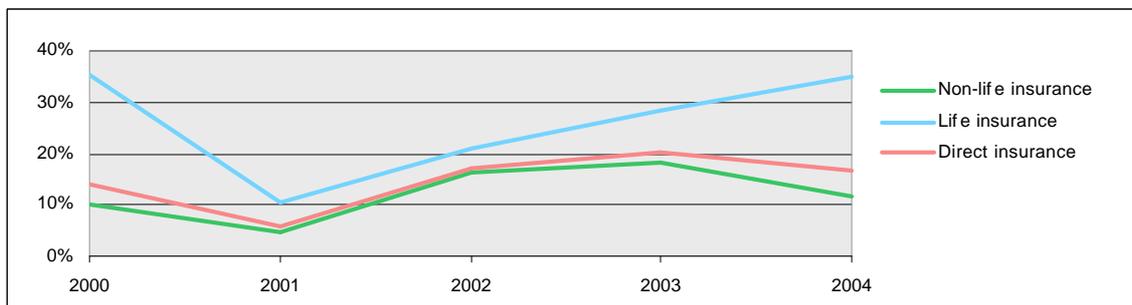


Figure 4. The actual growth of gross premiums, 2000–2004

Despite the deceleration, the growth of insurance market was quick in 2004. In last two years the growth was backed rather by life insurance, especially due to fast growing popularity of unit-linked investment insurance products. As before, the growth of insurance market was enhanced by activeness of loan and lease markets: people often buy a property or motor insurance policy when acquiring a dwelling or a car financed by a loan/lease arrangement. The need to ensure the repayment of long-term loans also promoted the continuing interest in life insurance policies.

In 2004, the direct gross premium volume per person amounted to 2,352 kroons in Estonia (1,947 kroons in 2003), 598 kroons in life insurance (428 kroons in 2003) and 1,754 kroons in non-life insurance (1,519 kroons in 2003). Average monthly gross wages and salaries were 7,287 kroons and the number of employed people 0.6 million in 2004, thus an average person spent 1.5% of his/her gross wage or salary on life insurance (1.2% in 2003) and 0.5% on household insurance (0.4% in 2003).

## INSURERS

In 2004, there were seven non-life insurance companies, five life insurance companies, and the Estonian Traffic Insurance Fund<sup>2</sup> as the provider of border insurance and motor TPL reinsurance, writing business in Estonian insurance market (Figure 5).

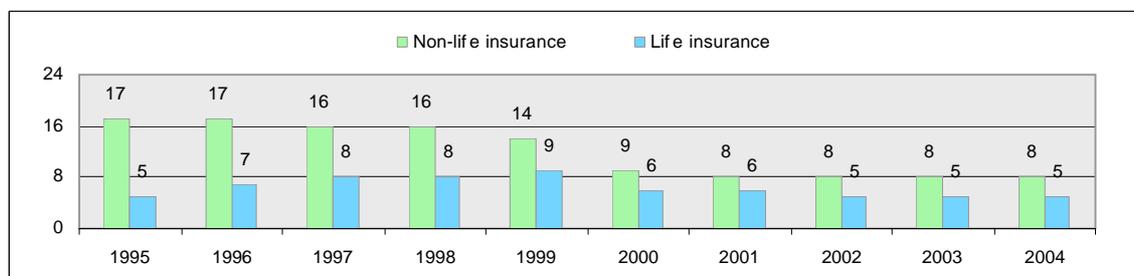


Figure 5. The number of life and non-life insurers (incl. Estonian Traffic Insurance Fund), 1995–2004

One of the non-life insurers, Zürich Kindlustuse Eesti AS, who had not offered new policies since 2003, concluded its insurance activities and transferred its insurance portfolio to AS If Eesti Kindlustus at the end of 2004. 2004 also meant dissolution of the public Estonian Traffic Insurance Foundation whose assets and liabilities went over to its legal successor, a private non-profit organization Estonian Traffic Insurance Fund.

On 1 May 2004 the Estonian insurance market opened to other European Union member states. There were 82 cross-border non-life insurance providers and 12 life insurance providers registered as of 31 December 2004. One Finnish non-life insurance company informed EFSA about the intention to establish a branch in Estonia. The biggest Estonian non-life insurance company informed EFSA about plans to start cross-border activities in Latvia and Lithuania. AS Hansa Elukindlustus made arrangements in order to start cross-border activities in Latvia.

In 2004, the two biggest insurance companies captured more than a half of both life and non-life direct insurance markets based on Estonian insurance companies' gross premiums; still, the market concentration was higher in life insurance (Figure 6). Market concentration increased in life insurance up to 71.7% and in non-life insurance up to 67.1% during the year.

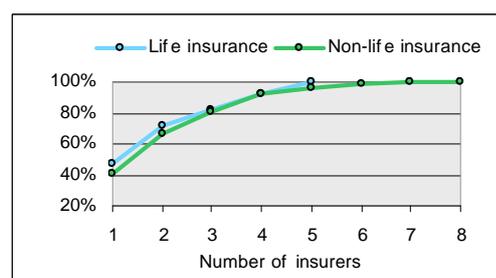


Figure 6. Market concentration, 2004

Insurance company AS If Eesti Kindlustus continuously dominated the market in 2004, and its market share by direct gross premiums grew to 30.7% (Figure 7). Also, remarkable market position belonged to ERGO Kindlustuse AS and AS Hansa Elukindlustus in 2004.

<sup>2</sup> Guarantee fund of motor TPL insurance

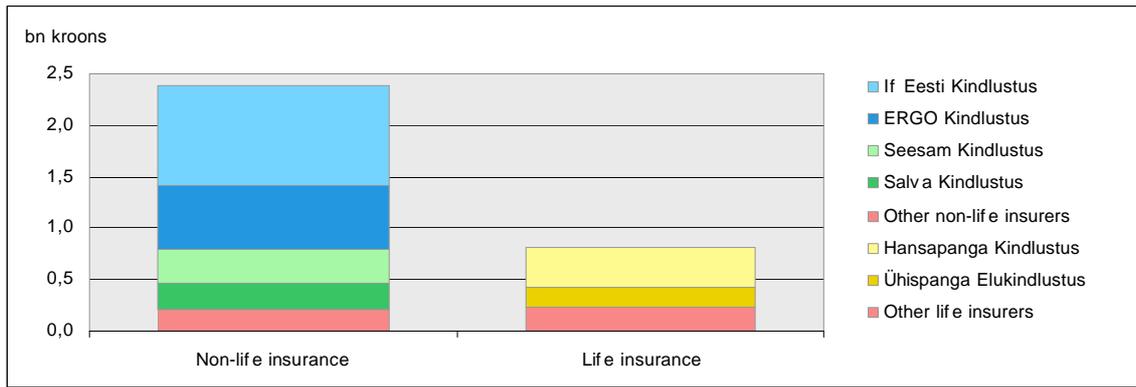


Figure 7. Distribution of insurance market by insurers, based on the volume of gross premiums, 2004

Rapid growth of insurance market, especially the life insurance market, had an effect on increment of assets' volume of insurance companies. The insurers' assets percentage in GDP increased from 2.8% in 2003 to 3.4% in 2004 (Figure 8).

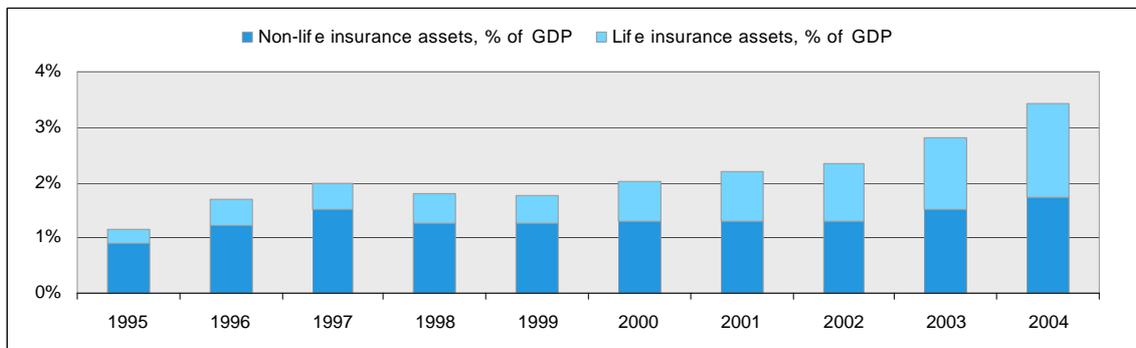


Figure 8. The relative importance of insurers' assets in gross domestic product (GDP), 1995–2004

The reason for the growth of assets' volume of life insurers is also the relative youth of life insurers and the subsequent fast growth in their technical provisions (Figure 9).

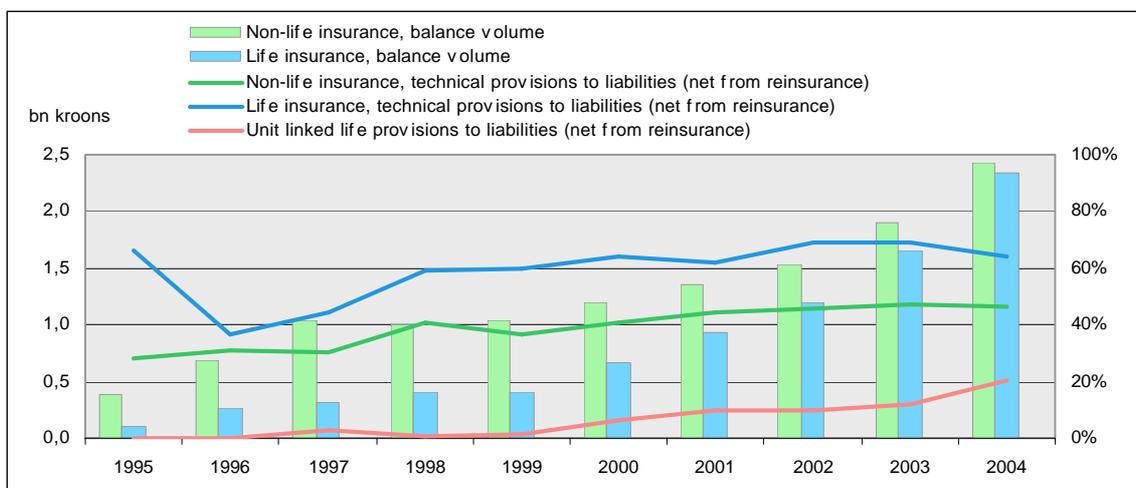


Figure 9. Insurers' consolidated balance volume and the share of technical provisions (net from reinsurance) in the consolidated balance, 1995–2004

At the end of 2004, investment volume of life insurers constituted 76.1% and that of non-life insurers 87.9% of the balance sheet total. The amount of investments of unit-linked life insurance was 0.5 billion kroons (0.2 billion kroons as of 31 December 2003) and the percentage increased up to 20.5% of life insurers' balance sheet volume (11.8% at the end of 2003). As far as own funds and committed assets are concerned, all insurers were in compliance with requirements of the Insurance Activities Act in 2004.

Direct involvement of non-residents in share capital indicated no major changes during the year, being 79.3% at the end of year. The market share directly controlled by foreign owners was 70.7%, being 85.4% in non-life insurance and 28.3% in life insurance (Figure 10). German and Finnish investors made the biggest investments into Estonian insurance companies by the end of 2004.

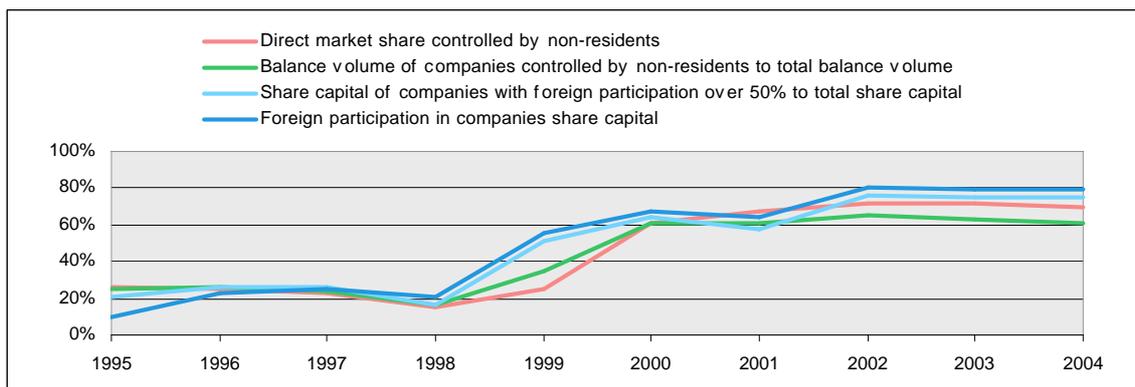


Figure 10. Foreign participation in share capital and the market share controlled by non-residents, 1995—2004

In 2004, there were several changes in the ownership of insurance companies: Pohjola Grupp plc (Finland) increased its holding in Seesam Rahvusvaheline Kindlustuse AS from 50.5% to 100%, Sampo Life Insurance Company Ltd (Finland) acquired AS Sampo Elukindlustus, and Amber Trust S.C.A (Luxembourg) acquired a 45%-holding in Salva Kindlustuse AS. In November 2004, the owners of Nordicum Kindlustuse Eesti AS announced that they will not underwrite new business since the company's parent undertaking Tryg Forsikring AS (Denmark) has a new strategy with a focus to provide direct insurance in Nordic countries. In December, the owners of Nordicum Kindlustuse Eesti AS notified that they will continue their insurance activities due to the agreement to transfer the company's assets to QBE International (Investments) PTY Ltd (Australia).

Several Estonian insurance companies belong to international financial groups. For the purpose to increase the competitiveness on the European Union financial market that opened since 1st May, the groups made rearrangements that affected also the Estonian insurance companies (for example ERGO group formed a united management board for its Baltic insurance companies, in life insurance market the trend of tightening cooperation between banks and insurance companies continued etc.).

With the stabilization of insurance market net profits of insurance companies increased (Figure 11). Compared to previous years, the year 2004 was extra profitable for insurance sector. Twofold aggregate profit compared to 2003 was obtained by non-life insurance companies on the support of recovered indicators of loss ratio, expense ratio and combined ratio.

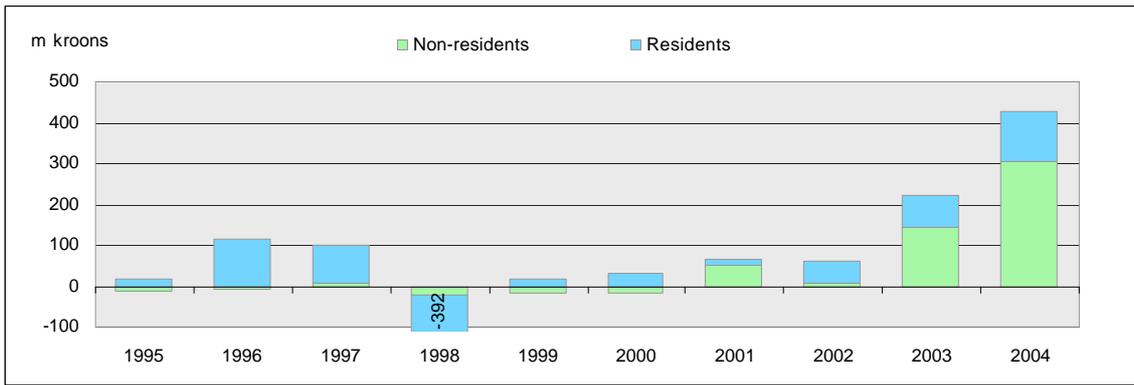


Figure 11. Insurers' net profits from insurance business, 1995–2004

In 2004, the life insurers' audited net profit amounted to 113.9 million kroons and that of non-life insurers 332.3 million kroons. One life insurer paid dividends on its profit carried forward for the total of 41.5 million kroons.

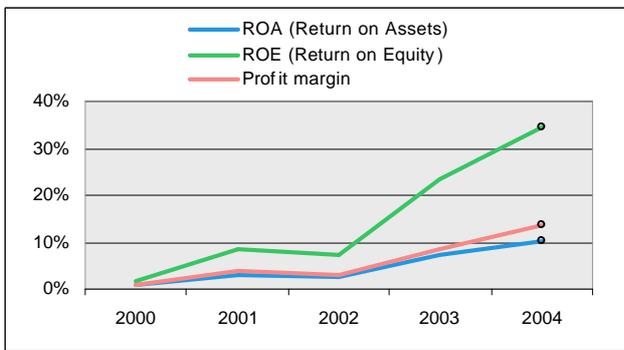


Figure 12. Financial indicators of insurance sector, 2000–2004

Financial indicators illustrating the business — the Profit Margin (net profit to gross premiums), the Return on Equity (net profit to average equity amount during the year) and the Return on Assets (net profit to average assets amount during the year) — improved due to the considerable increase in insurers' profits in 2004 (Figure 12). For insurance sector companies the Profit Margin was 13.6%, the Return on Equity was 34.5% and the Return on Assets 10.3%.

Insurers employed 1,444 people at the end of 2004, constituting 0.2% of the employed population and 0.3% of the population engaged in private sector. Insurers' role in the formation of employment rate has remained unchanged in the past five years. The number of insurers' personnel includes both office and sales personnel (Figure 13).

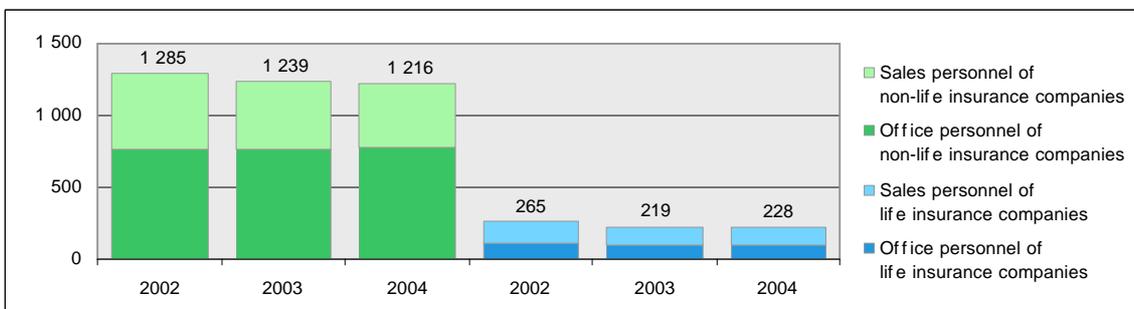
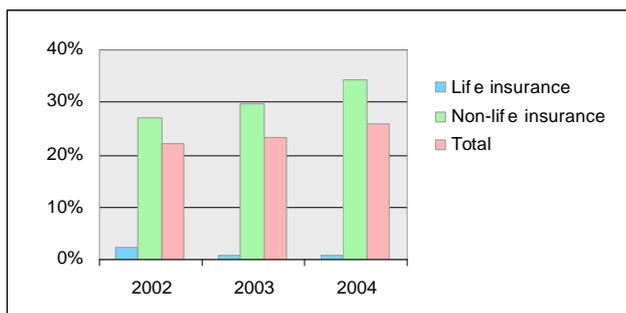


Figure 13. The number of office and sales personnel of insurance companies, 31 December 2002–2004

In addition to sales personnel, also agents (or representatives of insurance companies) and brokers participate in the insurance products' selling process by mediating the purchase-sales insurance transactions.

## INSURANCE BROKERS

Insurance mediation is being regulated in Estonia since 1 August 2001. There were 14 insurance brokers<sup>3</sup> and 130 representatives of insurance brokers registered at the end of 2003. In 2004, two insurance brokers commenced their insurance mediation business.



Insurers collected 25.8% of their gross premiums through insurance brokers (23.4% in 2003). 34.4% of non-life gross premiums (29.7% in 2003) and 0.6% of life gross premiums (1% in 2003) were collected through insurance brokers (Figure 14). Thus, the brokers played a more active role in non-life insurance market.

Figure 14. The share of premiums on insurance contracts mediated by brokers in gross premiums collected by Estonian insurance companies, 2002–2004

Land vehicles insurance was the most mediated insurance class, considering the volume of gross premiums. Relative importance of mediation in the volume of gross premiums of a single insurance class was the highest in the general liability insurance — 58.3%. In insurance classes dominating in the insurance market the relative importance was considerable in land vehicles insurance (54.6%) and property insurance (36.1%), (Figure 15).

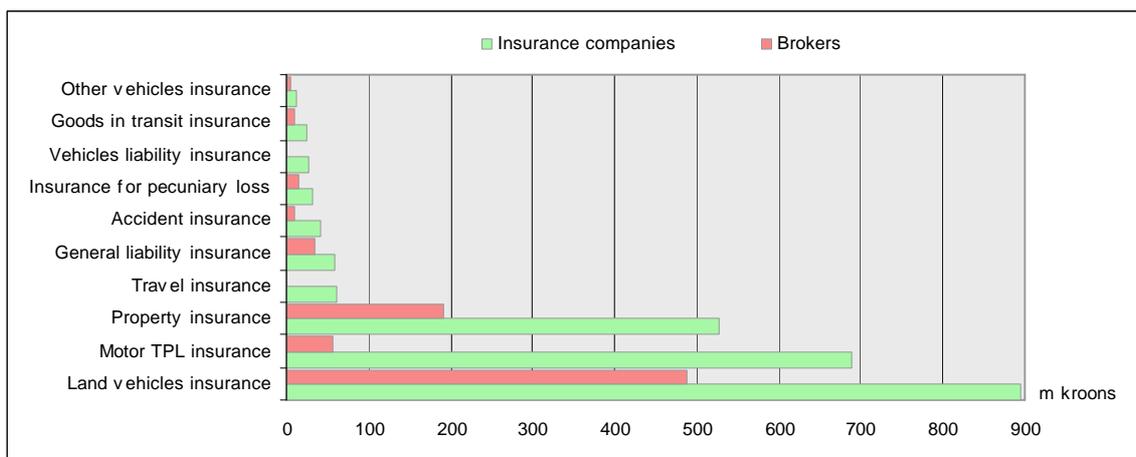


Figure 15. Estonian insurance companies' non-life insurance gross premiums mediated by insurance brokers, 2004

<sup>3</sup> Fifteenth insurance broker is in liquidation.

Annuity insurance was the most mediated life insurance class; still, the volume of mediated premiums constituted only 1.1% of annuity gross premiums collected by life insurers (Figure 16).

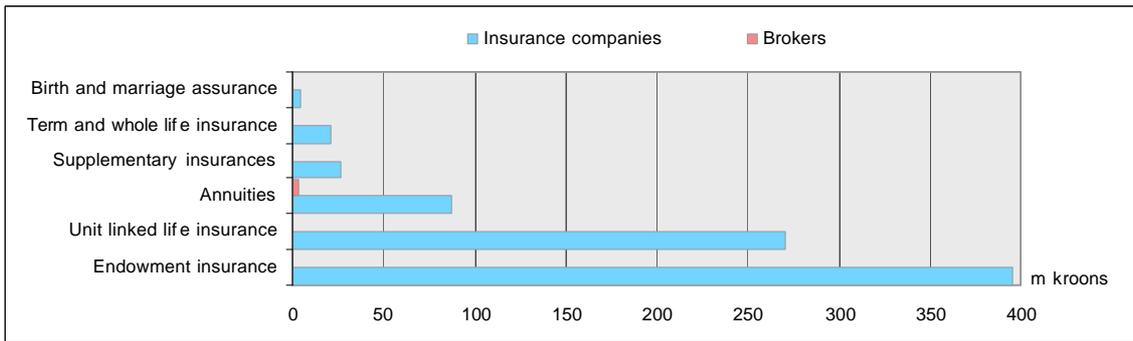


Figure 16. Estonian insurance companies' life insurance gross premiums mediated by insurance brokers, 2004

Besides mediating insurance policies of Estonian insurance companies, the brokers mediated also policies of foreign insurers. The share of foreign insurance companies was 41.4% of premium volume mediated by brokers. Premiums for mediated foreign policies formed 13.3% of mediated non-life gross premiums; in life insurance this rate was 63.4% i.e. more than a half formed premiums for mediated foreign policies (Figure 17).

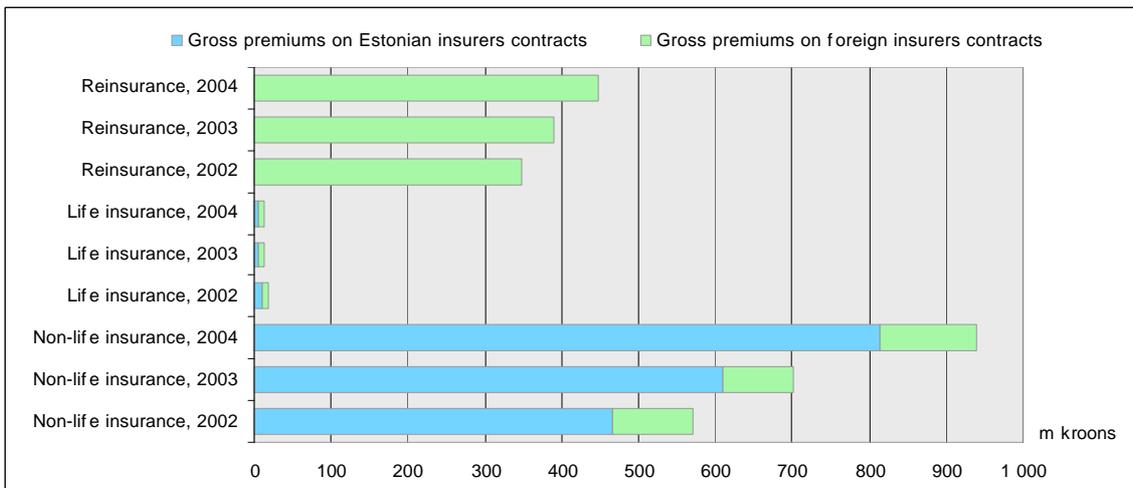


Figure 17. Gross premiums for policies mediated by Estonian insurance brokers, 2002–2004

## LIFE INSURANCE

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# LIFE INSURANCE, 2004

## LIFE INSURANCE MARKET

### Developments in life insurance market

2004 was a successful and good year for life insurers, supported by the general economic environment.

Financial Supervision Authority can affect the developments in insurance market by introducing new guidelines that can help to protect the interests of policyholders. It is a good practice to follow the guidelines of Financial Supervision Authority, and besides Estonian insurers also the cross-border service providers, branches and insurers from third countries have to follow them. The first guideline for life insurers *Unit-Linked Life Insurance Policies: Components, Underlying Assets and Disclosure for Policyholder* came into force on 1 April 2004. The purpose of this guideline is to set minimum requirements for unit-linked contracts in order to ensure uniform understanding and provision of the respective product by life insurers. This guideline provides the minimum set of information to be disclosed to policyholders in respect of committed assets of a unit-linked contract.

The developments in life insurance market are generally observed and measured by premium volume. Activities of life insurers can equally be characterized by new business as the measure of insurer's ability to provide the service, by business results as the measure of insurer's efficiency, by decrease in lapse rate as the measure of policyholders' satisfaction.

In 2004, the life insurance market increased by 39.1% compared to 2003 premium volume, this rate being 9.1% bigger than in 2003. The rapid growth in gross premium volume was due to effective sale of unit-linked products. There were 155,822 main contract in force at the end of the year, this being 11% more than at the end of 2003 and the biggest in last four years. In addition, life insurers ended the year 2004 with the total profit of 96.7 million kroons, which is 55% higher than the profit in 2003.

In 2004, the market concentration in terms of all relevant figures continued. The winners were AS Hansa Elukindlustus and AS Ühispanga Elukindlustus, whose owners are the two major banks in Estonia (Figure 18).

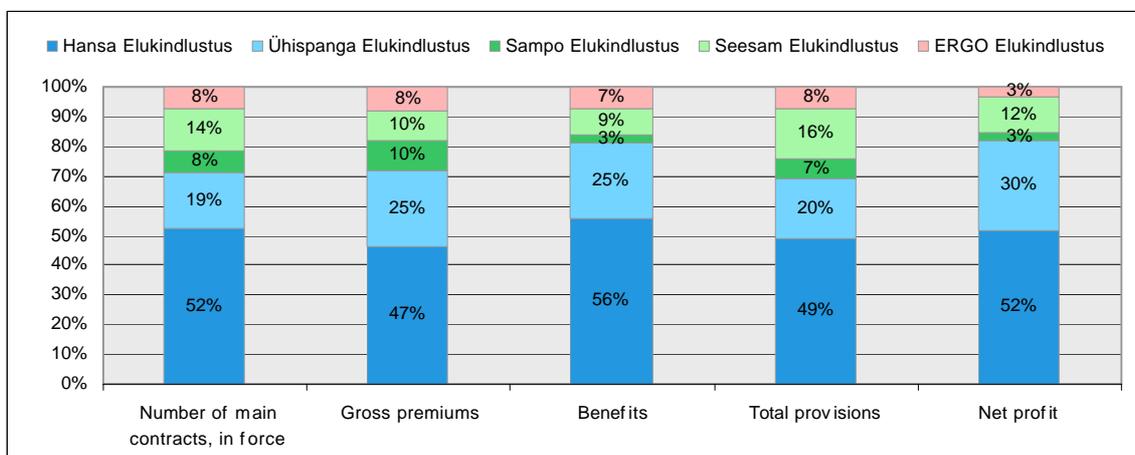


Figure 18. Concentration of life insurance market by contracts in force, gross premiums, benefits, technical provisions and net profit, 31 December 2004

## **Gross premiums**

In 2004, gross premiums of life insurers totaled 806.4 million kroons (increase of 39.1%), incl. gross premiums from main contracts 780 million kroons and gross premiums from supplementary contracts 26 million kroons.

In 2004, 33.5% of life insurance premiums were received from new business (in 2003, 30.6%) and 42.1% from contracts with tax benefit (in 2003, 53%). The increase in the volume of gross premiums from new business was due to premiums received from new unit-linked life insurance. Reinsurance has a minor impact in life insurance because of the nature of risks taken by life insurers. The total of ceded premiums has ranged from 2.7% to 2% of gross premium volume (in 2004, 2.2%) in the last five years.

Gross premium volume exceeded the sum of benefits (112 millions kroons), operating expenses (99.1 million kroons) and investment expenses (13 million kroons) by 72.2%. In 2003, this figure was 68.8% (Figure 19). 2004 volume of outgo mentioned above increased less than the gross premium volume due to the decrease in expenses.

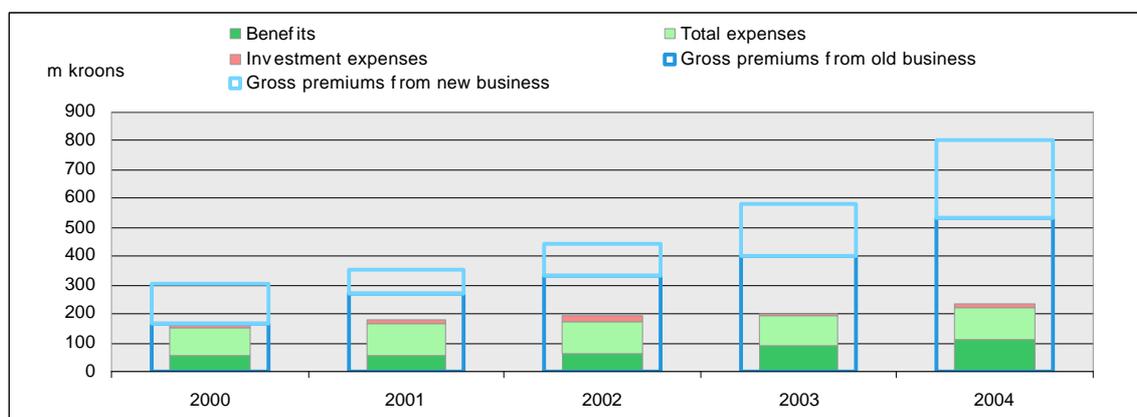


Figure 19. Life insurers' benefits, operating expenses, investment expenses and gross premiums form old and new business, 2000—2004

## **Insurance classes and premiums**

In 2004, life insurance products were mainly changed in technical terms. The guideline of Financial Supervision Authority sets the minimum guaranteed sum assured in case of death for unit-linked contracts. The guaranteed sum assured must never be lower than 102% of the value of committed assets.

Life insurers prefer to sell so-called products with limited guarantees, for example products where the guaranteed interest rate is set only for a limited period, products with undetermined bonus rate or products where the investment risk lies with policyholders. The products of insurers associated with banks become more similar to other financial products. They offer composite financial services in the sale process, which gives the best opportunity to consider client's needs and interests.

The rapid increase in the volume of gross premiums from unit-linked life insurance increased also the share of this insurance class in total gross premiums. In 2004, the first place was still taken by endowment assurance with 49.1% (in 2003, 64%), followed by unit-linked life insurance with 33.6% (in 2003, 14%),

and annuities with 10.8% (in 2003, 14%). Thus the total premium volume from these three classes constituted 93.6% of the total volume of life insurance gross premiums (Figure 20).

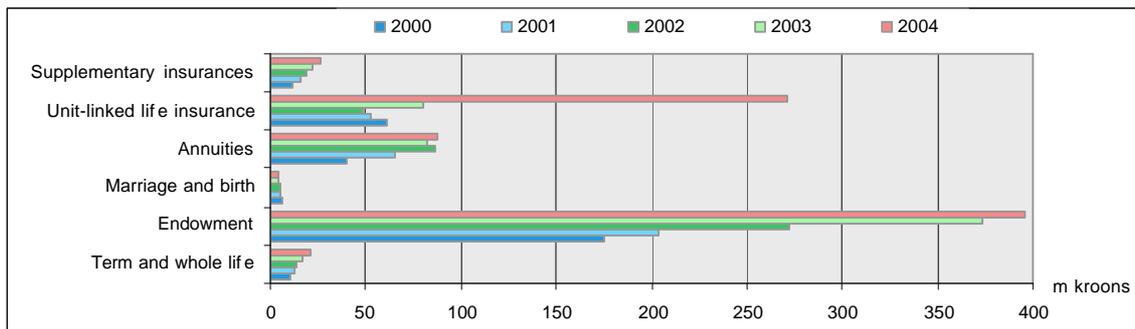


Figure 20. Gross premiums by insurance classes, 2000—2004

In 2004, the first place based on the total volume of gross premiums from new business was taken by unit-linked life insurance, being 73% (in 2003, 30%), (Figure 21). The main driving force behind the success of unit-linked life insurance was the future tax benefit after holding the contract for 12 years. The volume of gross premiums from new endowment and annuity business was 24% of the total volume of gross premiums from all new business (in 2003, 66%).

The increase in the volume of gross premiums from new unit-linked life insurance affected strongly the decrease in the share of gross premiums from new business with tax benefit. In 2004, the share of premiums from new business with tax benefit in total premiums from new business was only 18% (in 2003, 46%).

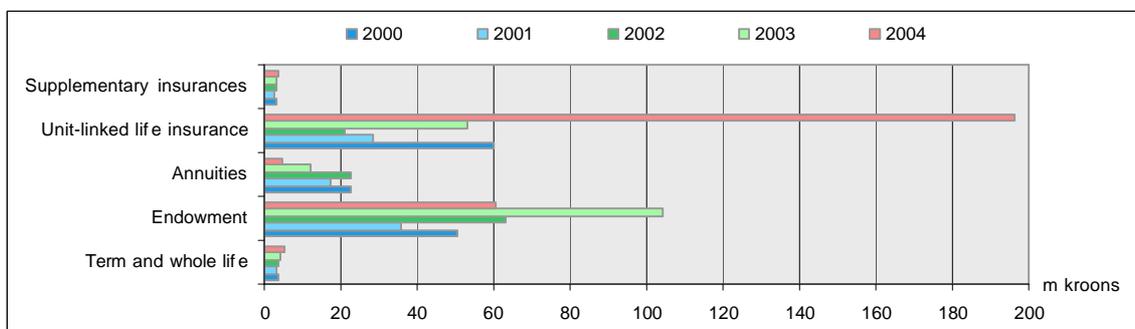


Figure 21. Volume of gross premiums from new business by insurance classes, 2000—2004

Products of endowment assurance, annuities and unit-linked life insurance can be bought with tax benefit, i.e. the state will pay back a part of income tax on premiums paid in a calendar year for collecting the funds for retirement, if the first regular payment (annuity payment) is made after the 55th birthday and if these payments are perpetual. The premiums from policies with tax benefit decreased in 2004, constituting 42% of the total volume of gross premiums (in 2003, 53%).

### **Number of insurance contracts and premiums**

At the end of 2004, there were 155,822 main contracts in force, which is 9.9% more than a year before. Together with supplementary insurance contracts, there were 267,618 contract in force, whereas

the total number of supplementary insurance contracts increased by 8.5%. It is possible to buy a supplementary insurance contract only together with the main contract, but the respective period does not depend on the period of the main contract.

The discrepancy between the increase of premium volume and that of the number of contracts was bigger than last year due to the increase in the share of gross premiums from unit-linked life insurance.

At the end of 2004, the share of new main contracts in the total number of main contracts was 17.3% (the share of premiums from new business in the total volume of gross premiums was 34%) and there were 4.2% more new contracts in force than a year before (Figure 22).

The biggest increase in the number of insurance contracts was in unit-linked life insurance (increase of 95.5%) and in term and whole life assurance (increase of 35.4%). The number of new contracts as well as the decreasing trend in lapse rate affects the increase in the number of main contracts.

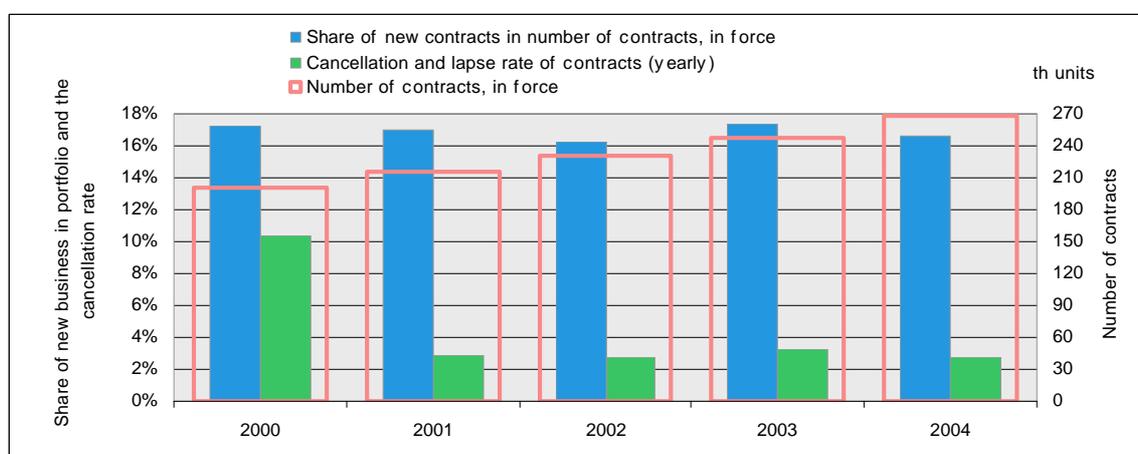


Figure 22. Share of new business in the total number of insurance contracts (31 December), number of insurance contracts (31 December) and average cancellation and lapse rate, 2000–2004

The nature of a specific class determines the composition of premiums and contracts' number. E.g., unit-linked life insurance is characterized by a relatively big share of premiums in gross premiums vis-à-vis to the share of its contracts in the total number of contracts; in term and whole life assurance this is vice versa (Figure 23).

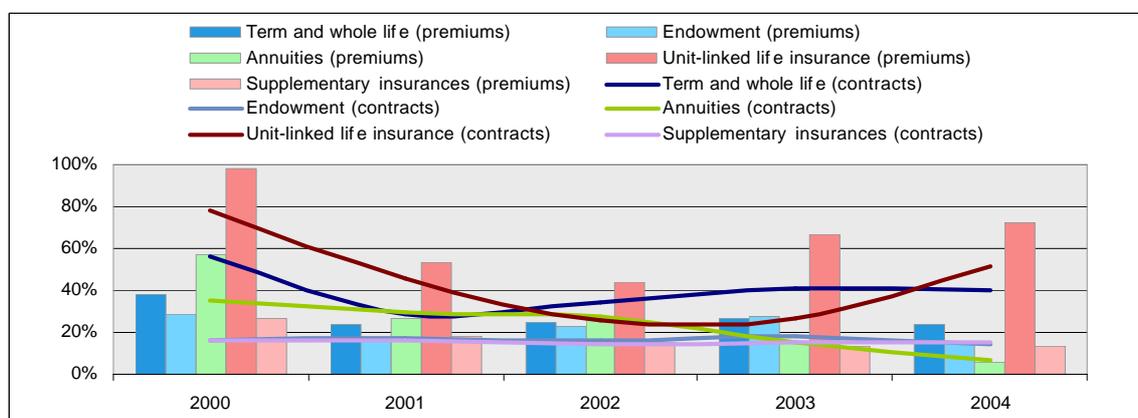


Figure 23. Share of new business in the total number of insurance contracts, share of premiums from new business in the total volume of gross premiums by insurance classes, 2000–2004

Average annual premium from a main contract (excluding unit-linked life insurance) was 3,583 kroons, which was 2% less than in 2003, and average premium per a unit-linked contract was 43 thousand kroons (for a new contract — 72 thousand kroons).

### **Benefits, lapses and cancellations**

In 2004, the number of reported claims was 10,891 (occurrence of insured event, maturity of policy, cancellation or lapse) and that of paid claims was 10,473 (in 2003 – 10,964 and 10,864 respectively). Within the number of claims paid in 2004 there were claims that had been reported before 2004, and the number of claims reported in 2004 includes the claims that have to be paid out in 2005 or later. 43.3% of total paid claims were surrenders, i.e. contracts cancelled or lapsed before maturity.

There were 4,090 main contracts cancelled or lapsed in 2004 and the cancellation and lapse rate was 2.4%. The rate has been decreasing from year to year. In 2004, five new contracts were sold per one cancelled or lapsed contract on an average (the same in 2003). The cancellation and lapse rate is the highest in the first year of insurance policy (Figure 24).

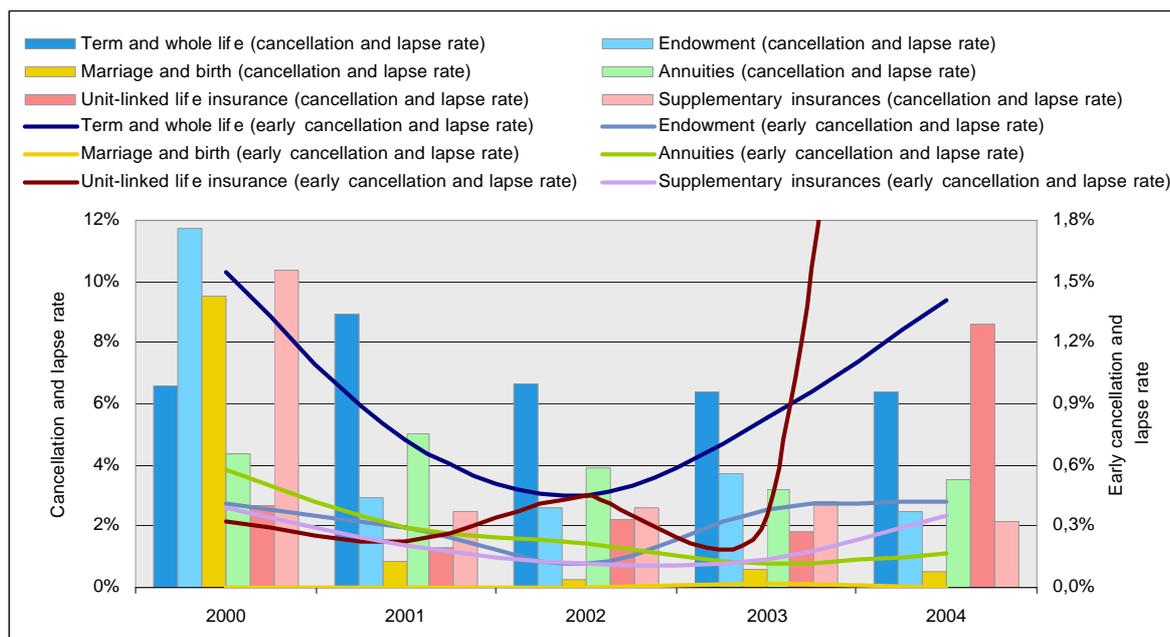
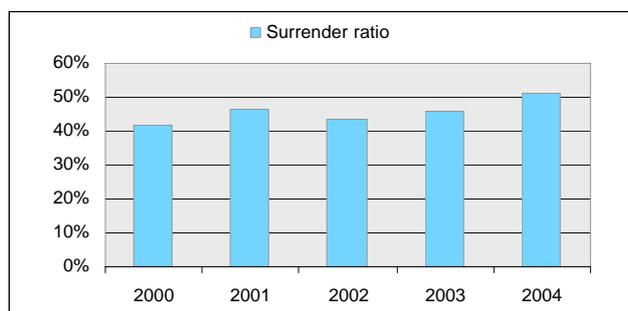


Figure 24. Cancellation and lapse rate and early cancellation and lapse rate, 2000–2004

Early cancellation and lapse rate was 1.1% in 2004 (in 2003, 0.5%). The increase in the rate was caused by the higher cancellation and lapse rate in unit-linked life insurance.

Unit-linked contracts affect also the distribution of benefits. As the premiums in this insurance class are usually higher than in other classes, also the benefits are higher. In 2004, benefits totaled 112 million kroons, incl. 57.3 million kroons for surrenders, i.e. for cancellation and lapses. Surrender ratio shows the share of benefits that is used for covering the liabilities caused by the cancellation and lapse.

Surrender ratio depends on the class and age of contracts. In terms of surrenders, the first place in benefits was taken by unit-linked life insurance and endowment assurance.



In 2004, the surrender ratio was 51% (Figure 25).

Excluding the unit-linked life insurance, the surrender ratio has been 37% for the last three consecutive years.

Figure 25. Surrender ratio, 2000—2004

### Life insurers' expenses

In 2004, the life insurers' business was more cost-effective than in the previous year. The volume of operating expenses decreased by 1.7% compared to 2003 (in 2003, 0.3%); concurrently, the volume of gross premiums increased by 39.1% and thus the share of operating expenses in the total gross premiums decreased to 13% (in 2003, 19%).

Expense ratio varied greatly and the ratio of smaller life insurers was above the market average (Figure 26).

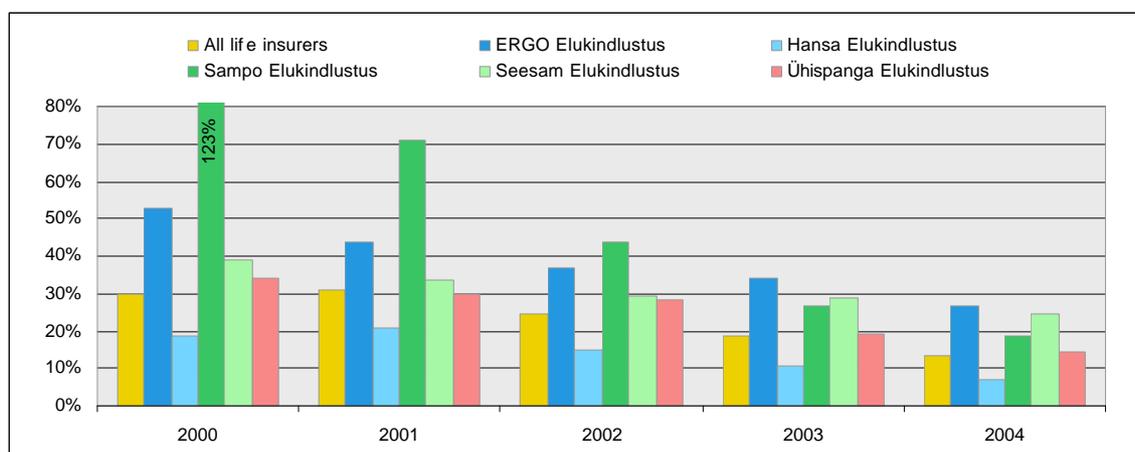
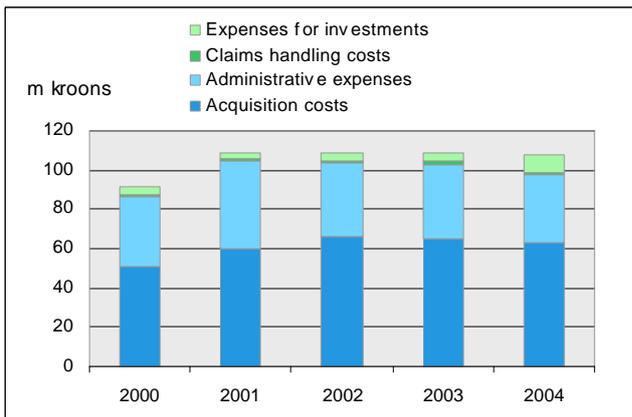


Figure 26. Ratio of operating expenses to gross premiums by life insurers, 2000—2004

Operating expenses of life insurers were 107.4 million kroons in 2004, of which 59% were acquisition costs, 32% were administrative expenses, 1% were claims handling expenses and 8% were investment expenses.

There were no big changes in the composition of expenses (Figure 27). In operating expenses, acquisition costs and administrative expenses decreased and investment expenses and claims handling expenses increased.



The increase in the last two expense classes had no significant effect on the result of life insurance business, as the share of these expenses in total volume of expenses is not very big. Investment expenses increased because the volume of investments increased and thus also investment activities rallied.

Figure 27. Operating expenses of life insurers by expense classes, 2000–2004

Acquisitions costs per new policy were 1,424 kroons, which is 6.1% less than in 2003. Administrative expenses per policy in force were 129 kroons, which is 17% less than in 2003. Operating expenses per insured were 400 kroons, which is 9% less than in 2003 (Figure 28).

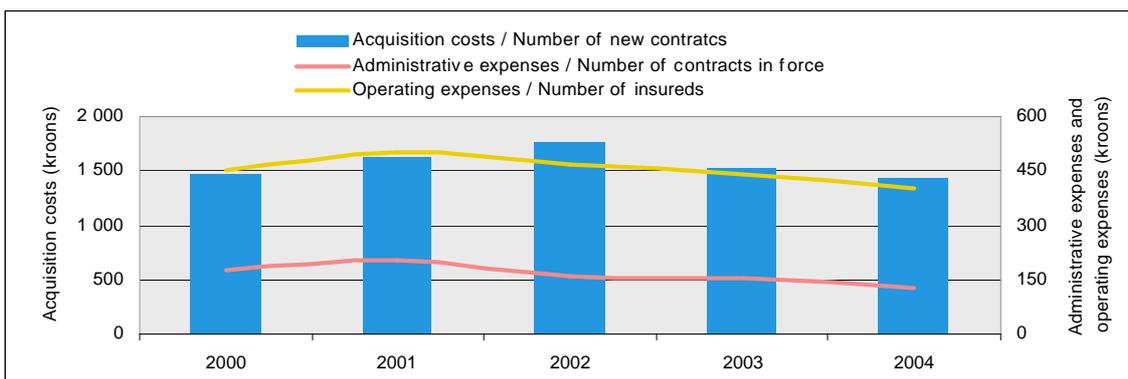


Figure 28. Acquisition costs per new policy, administrative expenses per policy in force and operating expenses per insured, 2000–2004

### **Technical provisions**

Liabilities from insurance contracts, i.e. technical provisions totaled 1.5 billion kroons at the end of 2004, of which life insurance provisions formed 96.9%, outstanding claim provisions 1.9% and provisions for bonuses 1.2%. The increase in technical provisions was 30.1% compared to 2003.

The stability of life insurance market has guaranteed the steady increasing trend of life insurance provisions.

The technical provisions of life insurers increase as long as the portfolio of life insurers' contracts consists mainly of contracts still collecting. In 2004, technical provisions formed 64.2%, provisions for unit-linked contracts 20.5% and owners' equity 14.1% of the total balance sheet volume (Figure 29).

At the end of the year, the volume of technical provisions was 4.5 times higher than that of owners' equity.

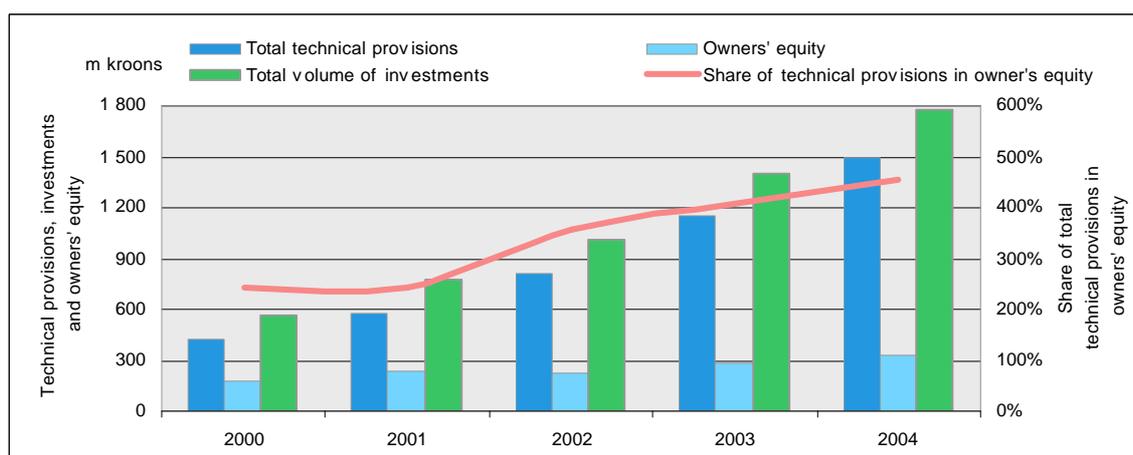


Figure 29. Technical provisions, owners' equity, investments and ratio of technical provisions to owners' equity, 31 December 2000—2004

As technical provisions increase, the share of owners' equity in liabilities decreases. The owners' equity increases mainly due to the profit of life insurers.

### **Investments**

At the end of 2004, investments of life insurers totaled 1.8 billion kroons, being 76.1% of the total balance sheet volume. The growth of investments was slower than that of technical provisions, and it was 27.6% compared to investments of 2003.

Technical provisions formed 84% of investments (in 2003, 82%), but not all investments are suitable for covering technical provisions, i.e. for being classified as committed assets. Article 77 of the Insurance Activities Act provides requirements for such assets and Article 78 sets reservations for investing them. Technical provisions formed 85% of investments that were suitable for being classified as committed assets.

Life insurers had no problems with liquidity in 2004 when considering the volume of benefits, amount of outstanding claims provisions and nature of assets. Liabilities from life insurance contracts are covered with so-called long-term investments (i.e. where the financial instrument is disposed no sooner than after a year from the purchase) for four to seven years. The duration of investments does not match with the duration of long-term liabilities. In general, life insurers' investment activities are characterized by constant reallocation of investments because of difficulties in finding suitable investments (especially in terms of duration). Also, insurers hope to earn higher investment yield by reallocating the investments.

The general structure of investments was similar for all life insurers. Life insurers' risk appetite increased due to the increase in investment volume, and the share of investments in floating rate securities (shares and other holdings) grew as the share of deposits fell. Due to the nature of technical provisions, the first place (61.1%) was taken by bonds and other fixed rate securities, followed by shares and other securities (22.6%) and deposits with credit institutions (12.5%), (Figure 30).

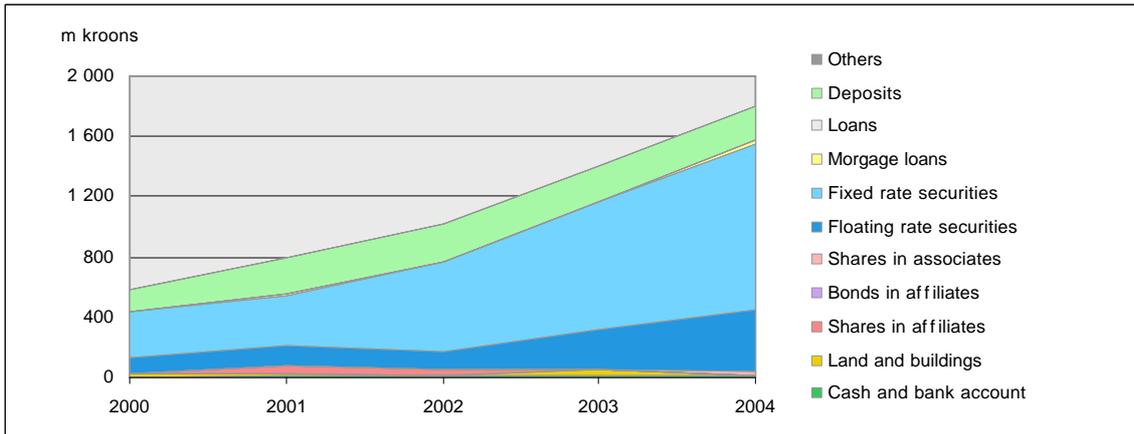
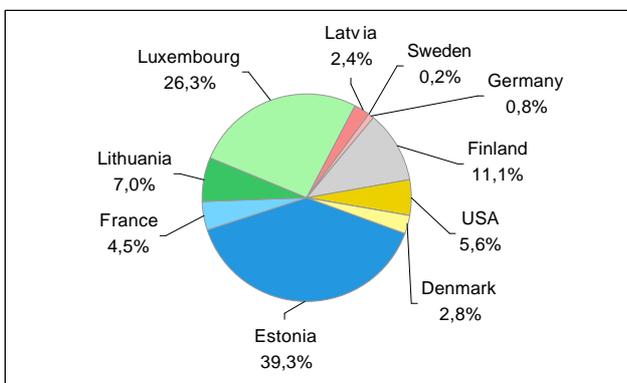


Figure 30. Structure of assets (investments and cash and bank account), 31 December 2000–2004



Investments are mainly based in Europe. The share of floating rate securities issued in Estonia decreased. More than one third of floating rate securities was issued in Estonia (39.3%, in 2003 this was 57%); these were followed by securities issued in Luxembourg (26.3%) and in Finland (11.1%), (Figure 31).

Figure 31. Floating rate securities by jurisdictions, 31 December 2004

The volume of fixed rate securities (incl. bonds) was in 2004 bigger than the volume of investments to other securities and therefore also more jurisdictions are presented in these investments. The share of fixed rate securities issued in Estonia decreased. 13.6% of fixed rate securities were issued in Estonia; these were followed by securities issued in the Netherlands (8.3%) and in Denmark (6.5%), (Figure 32).

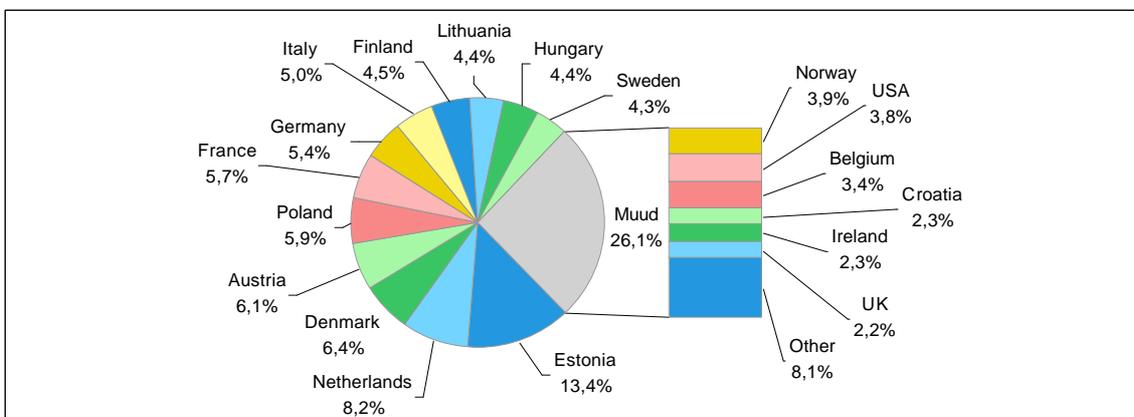
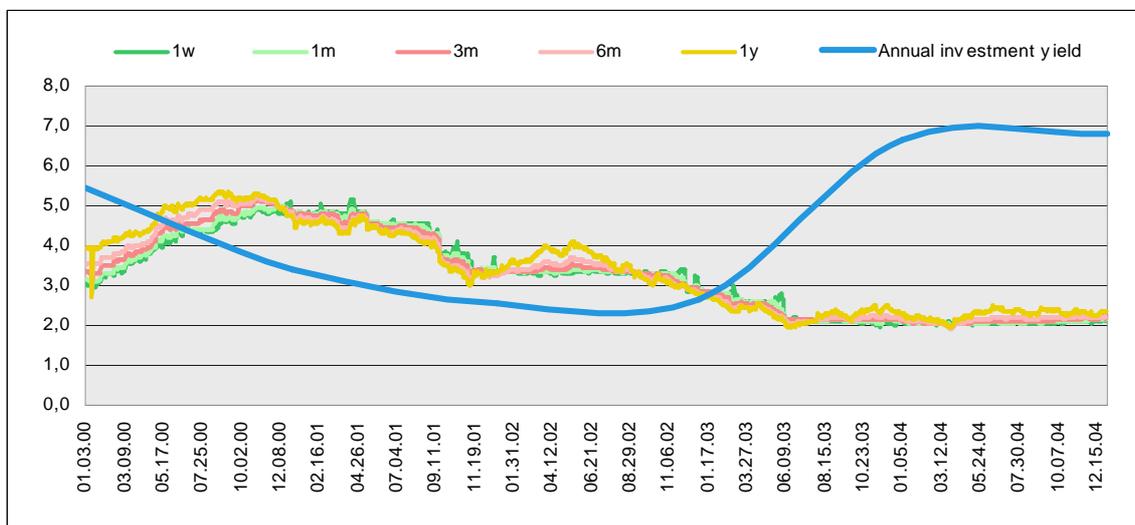


Figure 32. Fixed rate securities by jurisdiction, 31 December 2004

Year 2004 was an extremely successful year for life insurers in investment business; the investment income exceeded the expenses 9 times (in 2003, 10 times). The average investment yield was 6.6%, exceeding thus the average guaranteed technical interest rate and being also higher than EURIBOR (Figure 33).



Figures 33. Investment yield and EURIBOR, 2000–2004

### **Owners' equity, business result**

At the end of 2004, owners' equity of life insurers totaled 331.9 million kroons, the increase being 17.1% in a year. The owners' equity increased due to profit and increase in reserves.

Technical profit of life insurers was 114.3 million kroons, thus exceeding 1.5 times the 2003 profit. All life insurers ended the year 2004 with net profit and the total net profit was 96.7 million kroons (in 2003, 62 million kroons). The profitability grew as a result of decrease in operating expenses and due to investment income. As a result of increase in net profit, also the profitability of owners' equity increased to 29% (in 2003, 22%), (Figure 34).

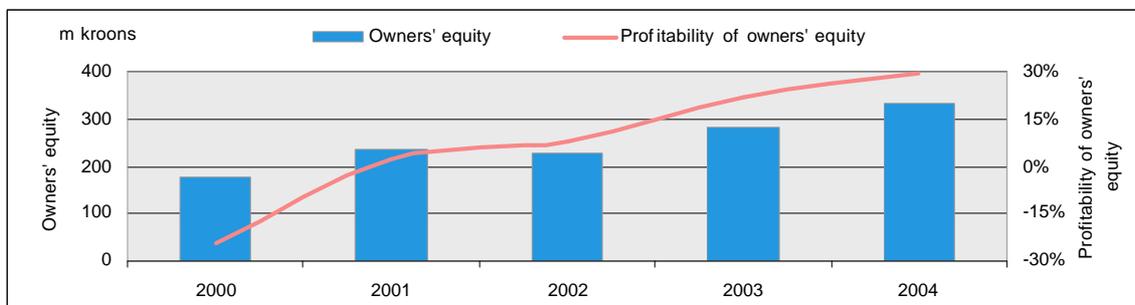


Figure 34. Owners' equity and profitability of owners' equity, 31 December 2000–2004

At the end of 2004, the Solvency Margin was 87.7 million kroons and own funds exceeded the Solvency Margin 2.4 times (Figure 35).

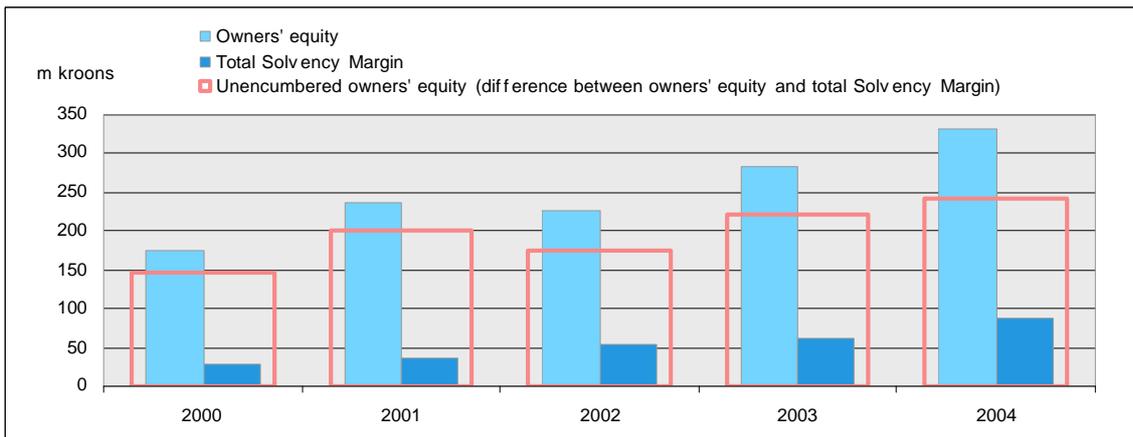


Figure 35. Owners' equity, Solvency Margin and unencumbered owners' equity, 31 December 2000—2004

Comparing the investments into floating rate securities (22.6% of investments) and investments into fixed rate securities (60.2% of investments) with unencumbered owners' equity, we can find allowable fall in value of these investments that does not affect the life insurers' solvency margin. Due to increase of floating rate securities in total investments, the fall in the value of these securities can also affect the solvency requirements of life insurers since 2003, i.e. the life insurer can be affected by the fall in the value of floating rate securities (Figure 36).

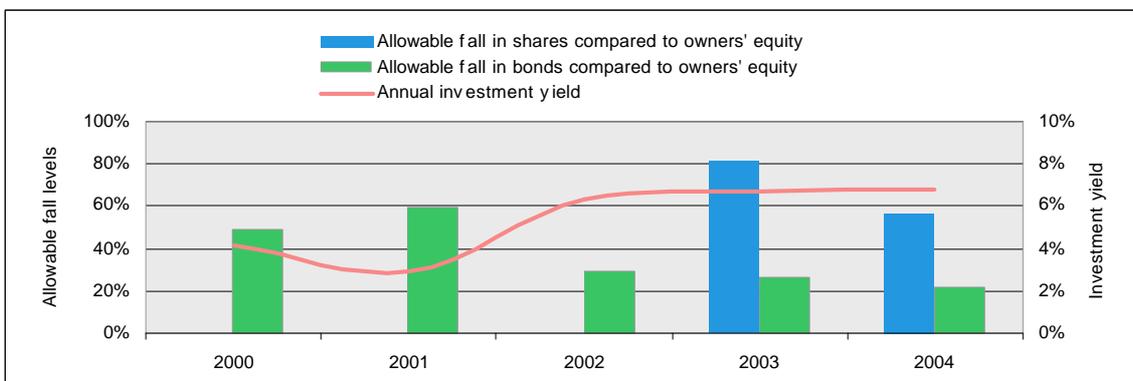


Figure 36. Allowable fall in the value of floating (shares) and fixed rate (bonds) securities based on unencumbered owners' funds, investment yield, 2000—2004

At the end of 2004, the fall in the value of floating rate securities by 60% would have affected the solvency of life insurers.

The ratio of acquisition costs to owners' equity shows the volume of funds necessary for the insurer for underwriting new business (seeing this as the investment in the future). In the last few years, this ratio has decreased as a result of decrease in acquisition costs and increase in owners' equity.

Profit Margin is determined as a ratio of net profit to gross premium volume and this ratio shows the efficiency of inflow (premiums). In the last few years the insurance business has become more efficient for insurers (Figure 37).

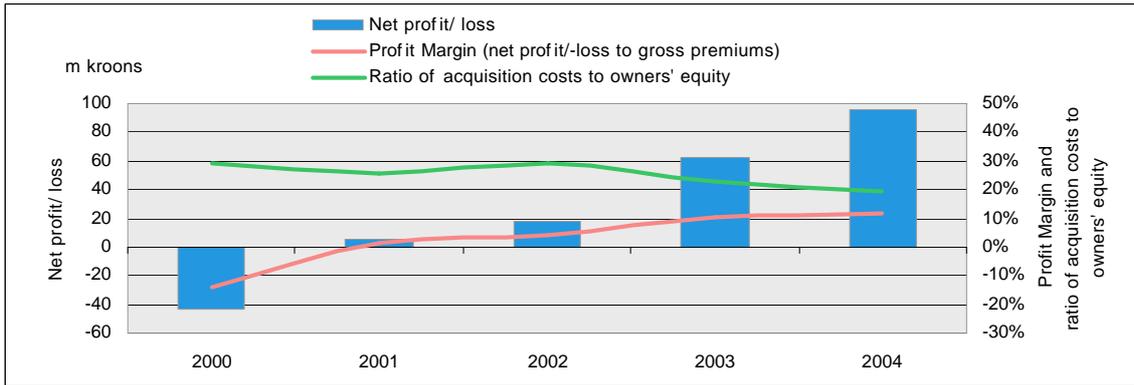


Figure 37. Net profit, Profit Margin and ratio of acquisition costs to owners' equity, 2000—2004

## PORTFOLIO OF LIFE INSURANCE CONTRACTS

### Average life insurance contract

An average insurance policy in the portfolio of life insurance contracts presents a very general picture of policy because the values of different components (premium, sum assured, insurance period and other figures) vary greatly among insurance classes. The difference arises due to different objectives when underwriting the policy or different insured risks.

Insured risk determines the sum assured and the amount of premium. Therefore, the average sum assured in endowment assurance was 73,093 kroons and the average annual premium 3,795 kroons, but in term and whole life assurance the respective figures were 210,854 kroons and 1,385 kroons in 2004. Besides the risk covered by term and whole life assurance, the endowment assurance covers also the survival component, which in general is more expensive.

An average new policy differs from an old policy by its sum assured and the amount of premium. In general, new policies have bigger risk coverage and thus also their premiums are higher (Figure 38, Figure 39).

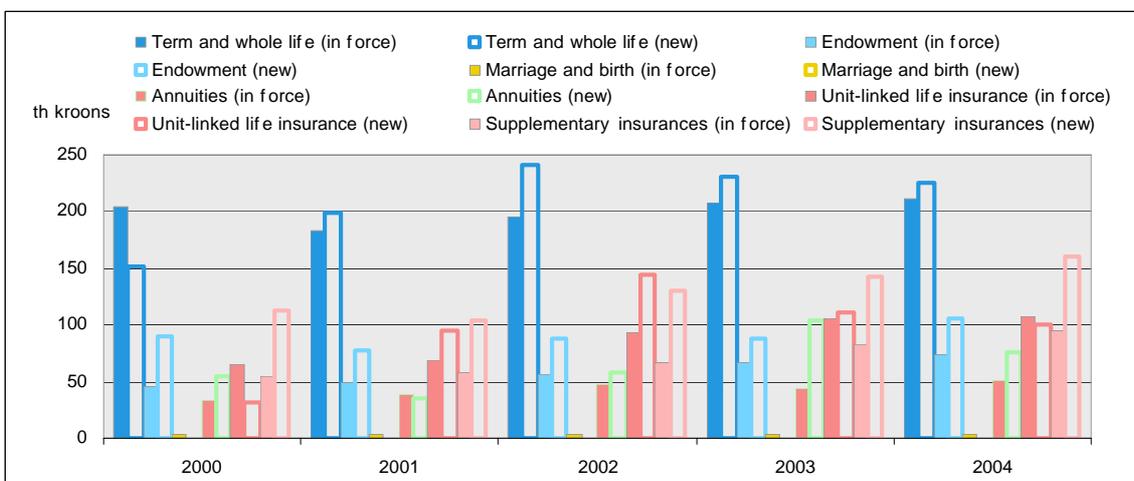


Figure 38. Average sum assured for in force and new policies by insurance classes, 2000—2004

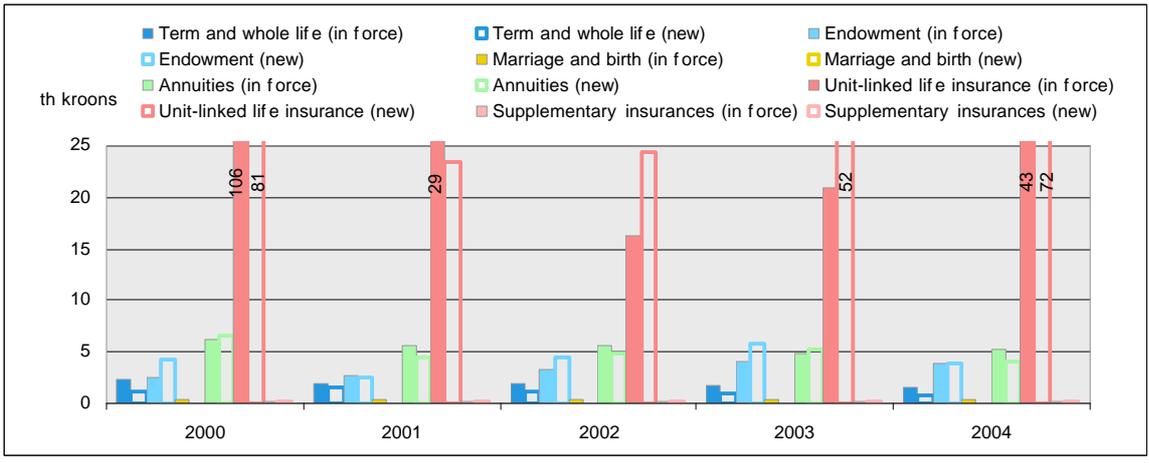


Figure 39. Average premium of in force and new policies by insurance classes, 2000—2004

At the end of 2004, the average age of an insured when concluding the contract was approximately 35 years and the average insurance period was 11 years. The average age is higher in annuities and lower in term and whole life assurance because of the nature of these classes (Figure 40, Figure 41).

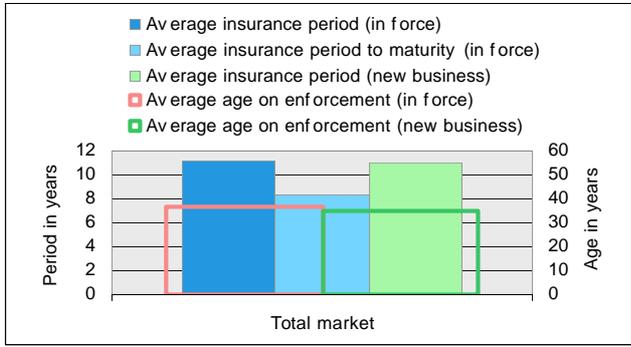


Figure 40. Average insurance period and age on conclusion of contract, 2004

People buy insurance policies mainly when they are between the ages of 27 and 40. In case of endowment assurance, there is also endowment assurance for children where the average age of an insured on conclusion of contract is 10 years lower than in other insurance classes, and we can also see a hump between the ages of 0 and 16, which is characteristic to endowment assurance (Figure 41).

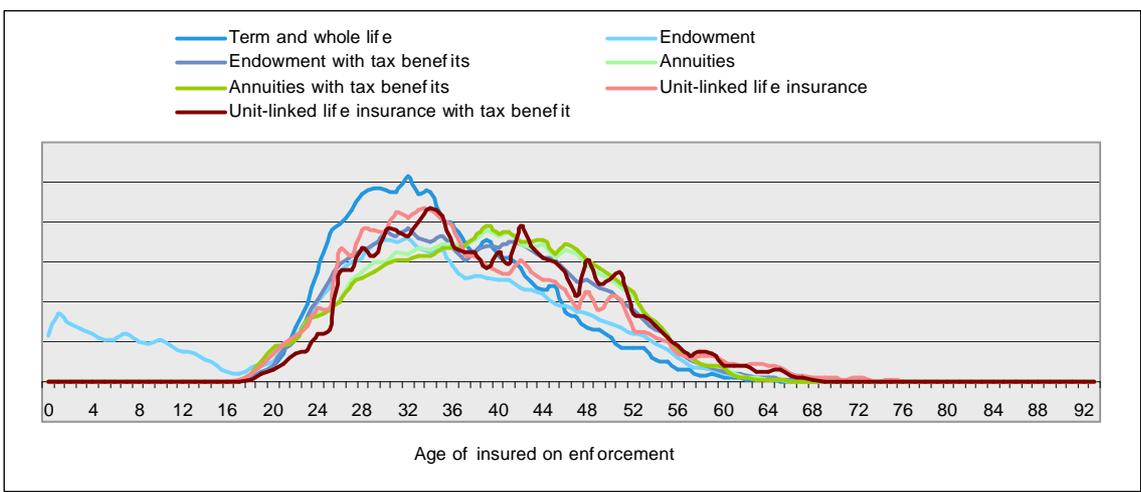


Figure 41. Distribution of age of insured at enforcement by insurance classes, 2004

Unlike the distribution of age, the distribution of period at enforcement is much more dispersed, i.e. it varies considerably within an insurance class, and the only exception being unit-linked policies where the tax benefit is possible only if the insurance period is equal to or over 12 years. In case of term and whole life assurance there are two bigger humps — for 5 and 10 years of insurance period and two smaller humps for 15 and 20 years of insurance period. As term and whole life assurance policies are frequently written together with a loan contract, the period of term and whole life assurance tends to be related to the period of loan contract. In endowment assurance there are also two distinguishable humps due to the endowment assurance for children (Figure 42).

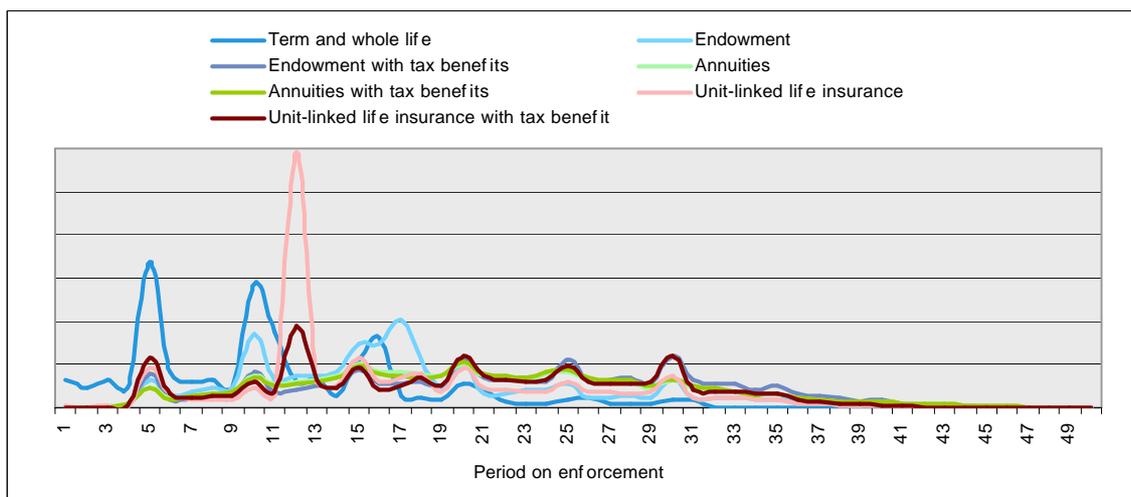
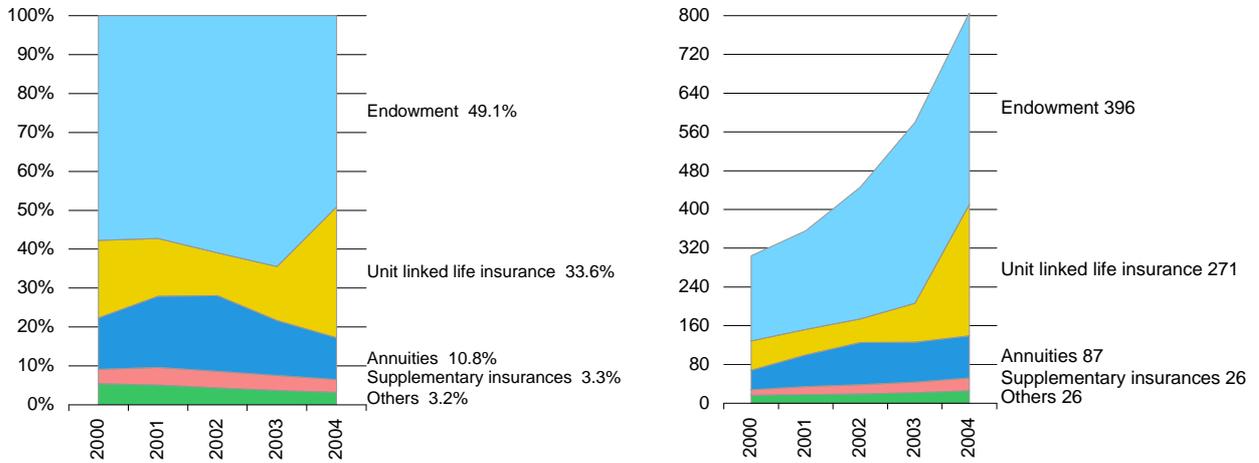


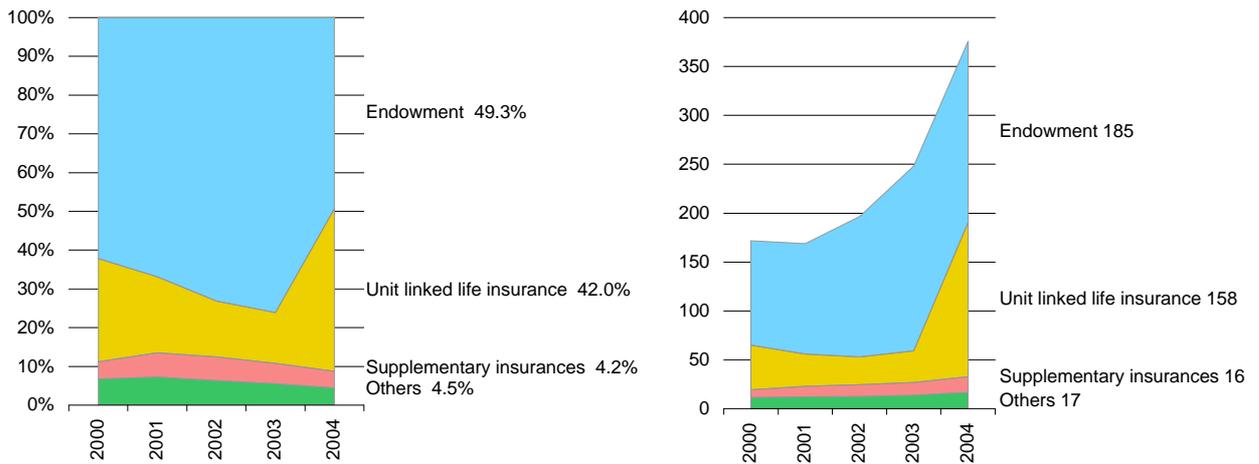
Figure 42. Distribution of period on enforcement by insurance classes, 2004

# Insurance portfolio structure of life insurers (1)

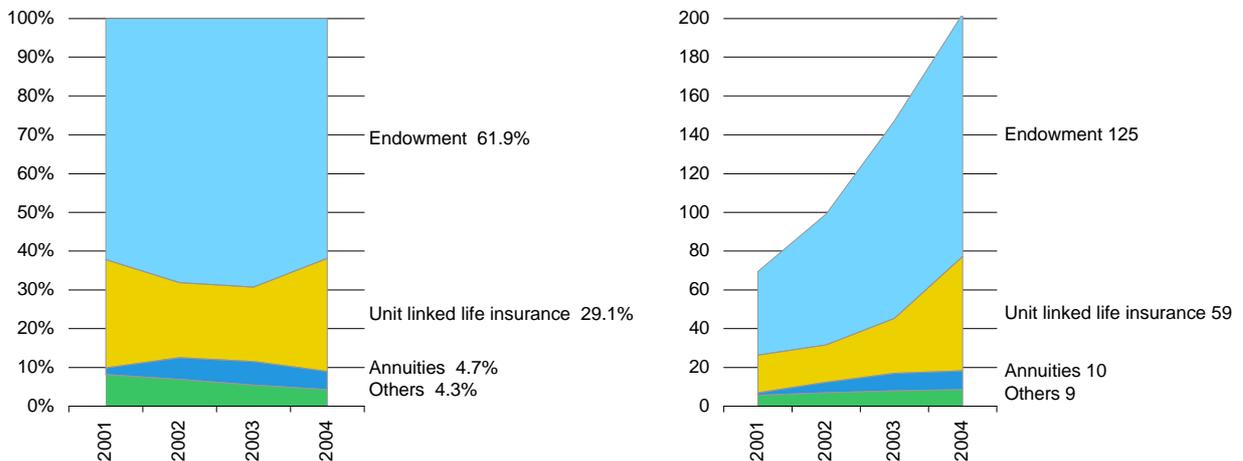
## Total gross premiums of life insurers (806 million kroons)



## AS Hansa Elukindlustus (376 million kroons)

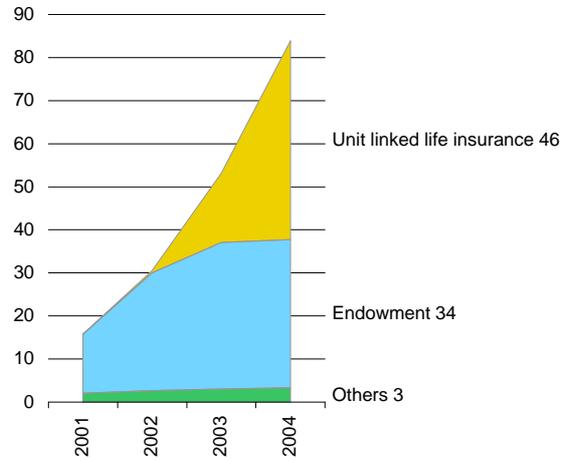
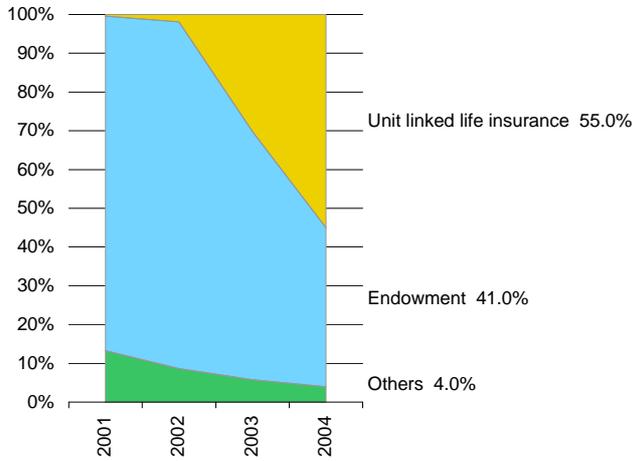


## AS Ühispanga Elukindlustus (202 million kroons)

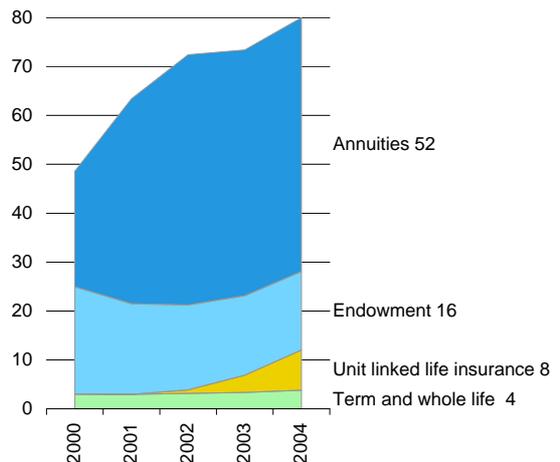
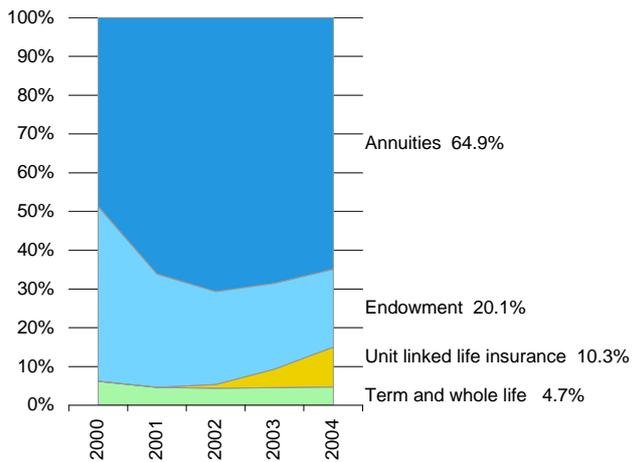


## Insurance portfolio structure of life insurers (2)

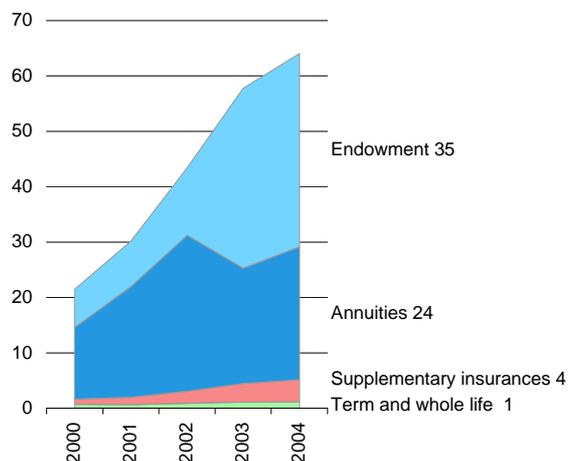
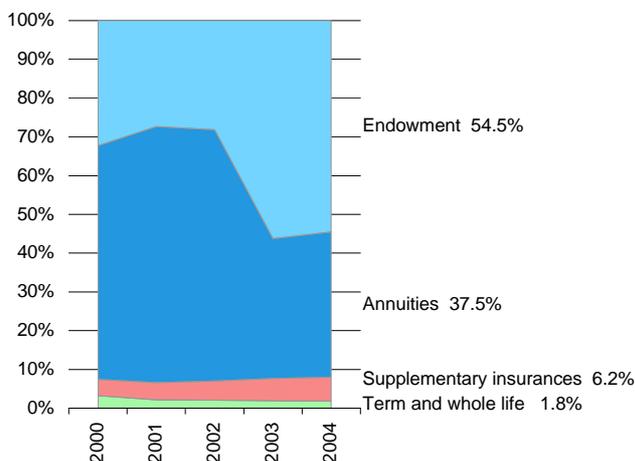
### AS Sampo Elukindlustus (84 million kroons)



### Seesam Elukindlustuse AS (80 million kroons)

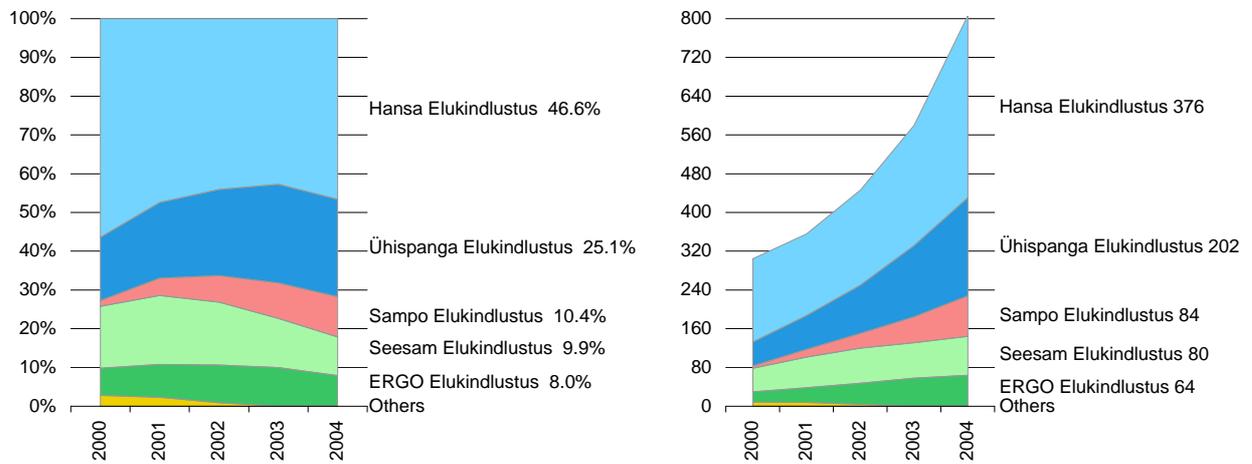


### ERGO Elukindlustuse AS (64 million kroons)

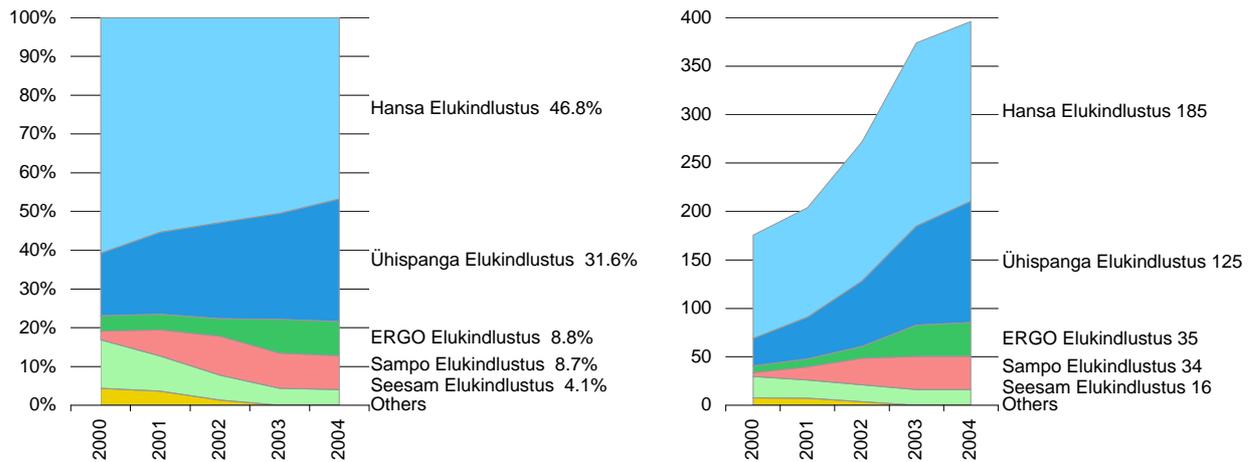


# Market shares of insurers by classes of life insurance (1)

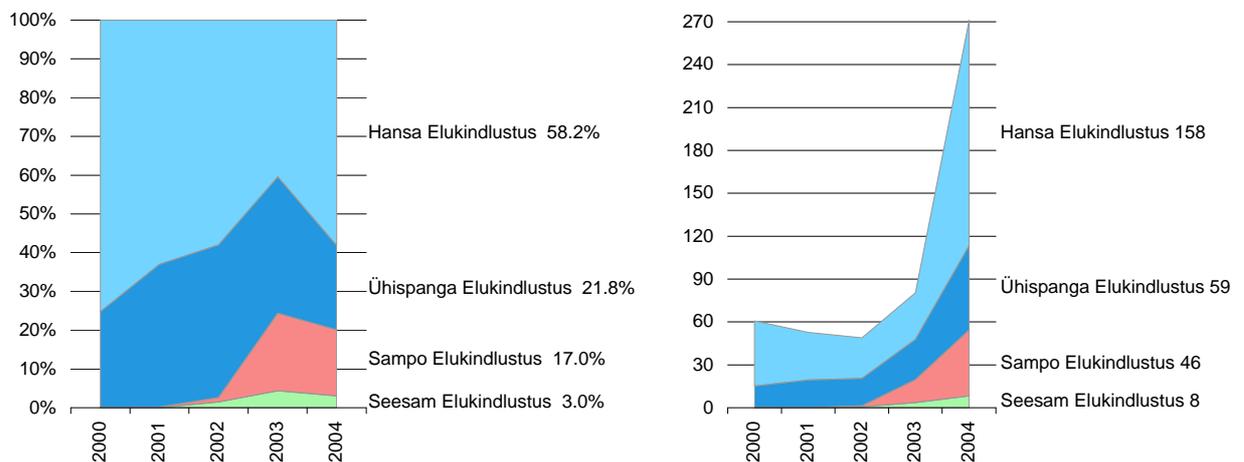
## Total gross premiums of life insurance lines (806 million kroons)



## Endowment insurance (396 million kroons)

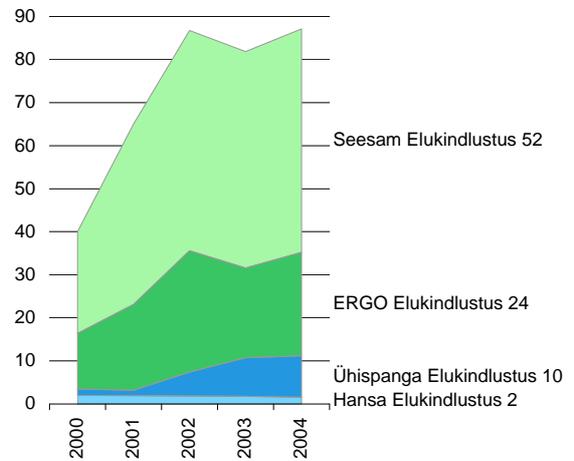
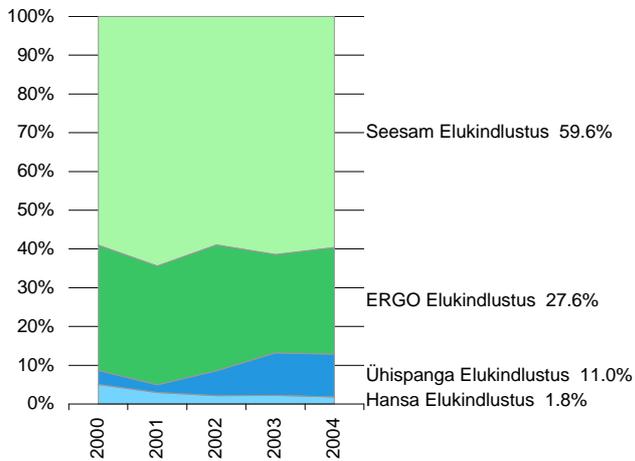


## Unit linked life insurance (271 million kroons)

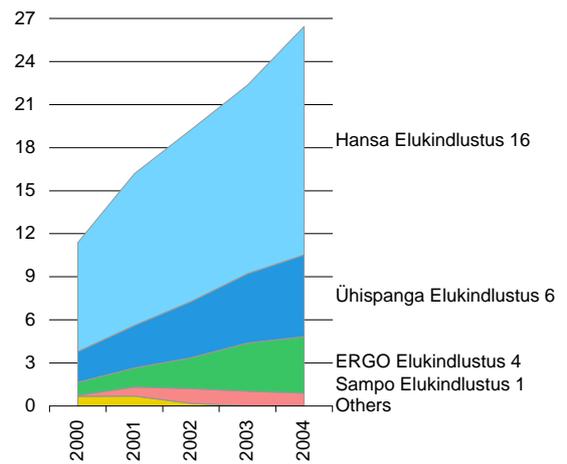
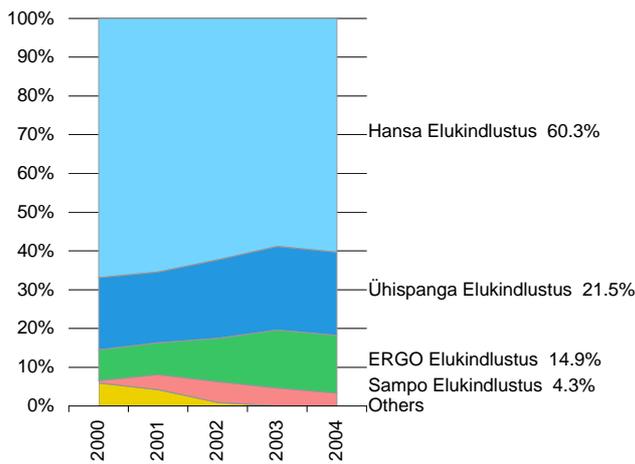


## Market shares of insurers by classes of life insurance (2)

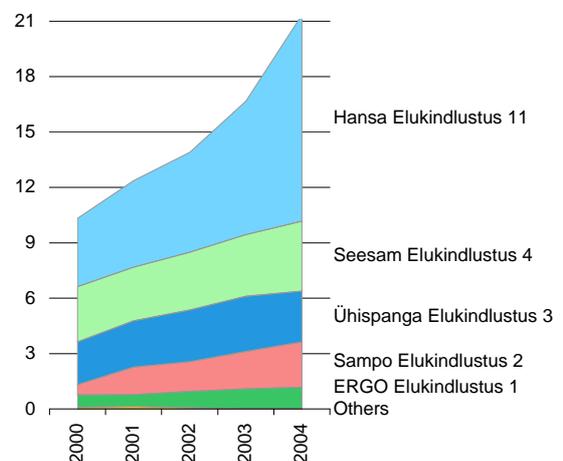
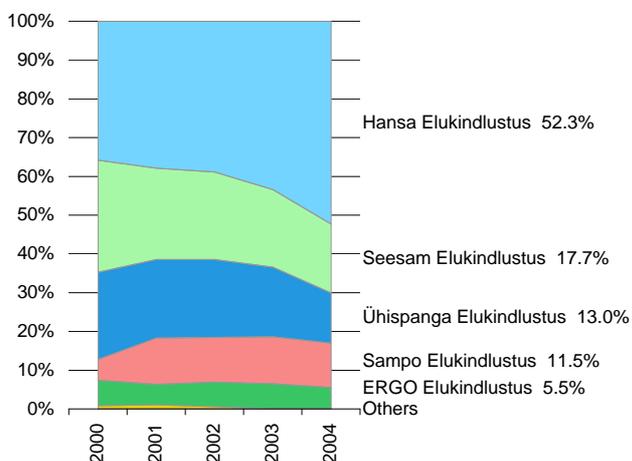
### Annuities (87 million kroons)



### Supplementary insurances (26 million kroons)

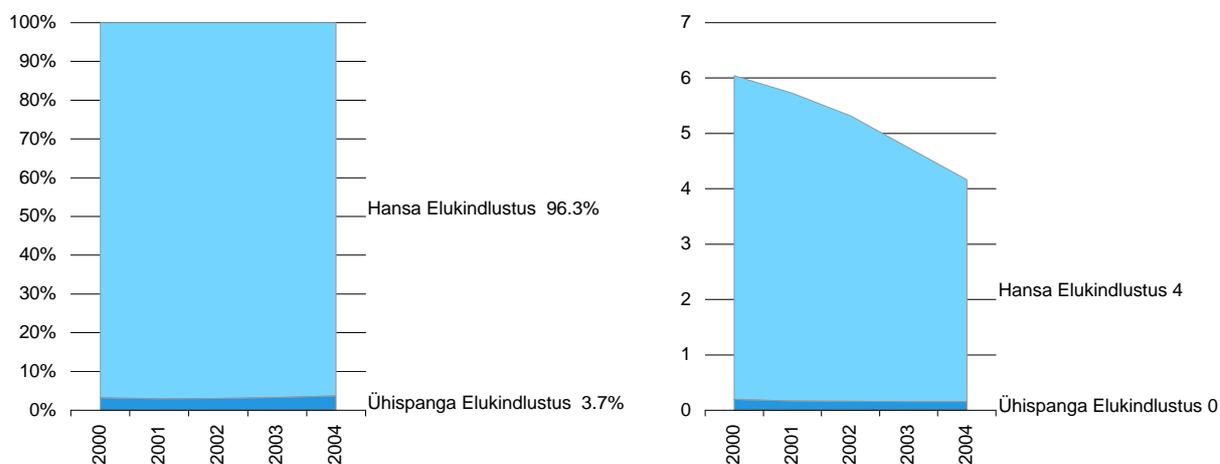


### Term and whole life assurance (21 million kroons)



## Market shares of insurers by classes of life insurance (3)

### Birth and marriage assurance (4 million kroons)

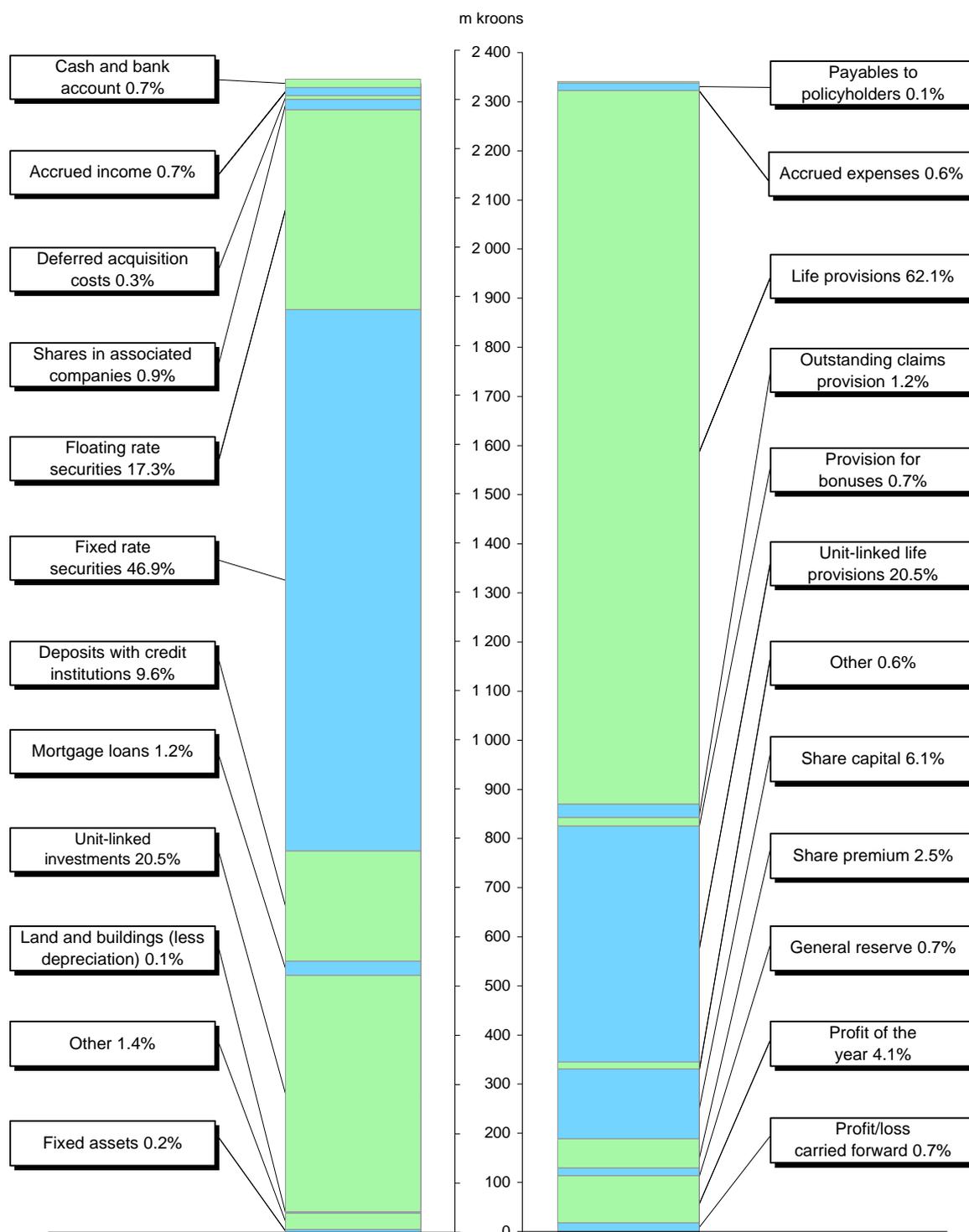


## Ratios of life insurers, 2004

|   | ERGO<br>Elukindlustus | Hansa<br>Elukindlustus | Sampo<br>Elukindlustus | Seesam<br>Elukindlustus | Ühispanga<br>Elukindlustus | TOTAL  |
|---|-----------------------|------------------------|------------------------|-------------------------|----------------------------|--------|
| Gross premiums to owners' equity                          | 186.5%                | 326.1%                 | 271.4%                 | 106.5%                  | 269.4%                     | 243.7% |
| Operating expenses to gross premiums                      | 26.2%                 | 6.0%                   | 17.7%                  | 22.6%                   | 13.3%                      | 12.3%  |
| Operating expenses to annual average technical provisions | 10.7%                 | 5.6%                   | 4.6%                   | 10.0%                   | 10.3%                      | 11.9%  |
| Investments profitability of life insurers                | 3.8%                  | 7.4%                   | 9.3%                   | 8.4%                    | 8.7%                       | 7.6%   |
| Surrender ratio   | 45.2%                 | 40.3%                  | 84.4%                  | 40.2%                   | 76.1%                      | 51.1%  |

# Structure of assets and liabilities of life insurers, 31 December 2004

(Balance volume — 2.3 billion kroons)

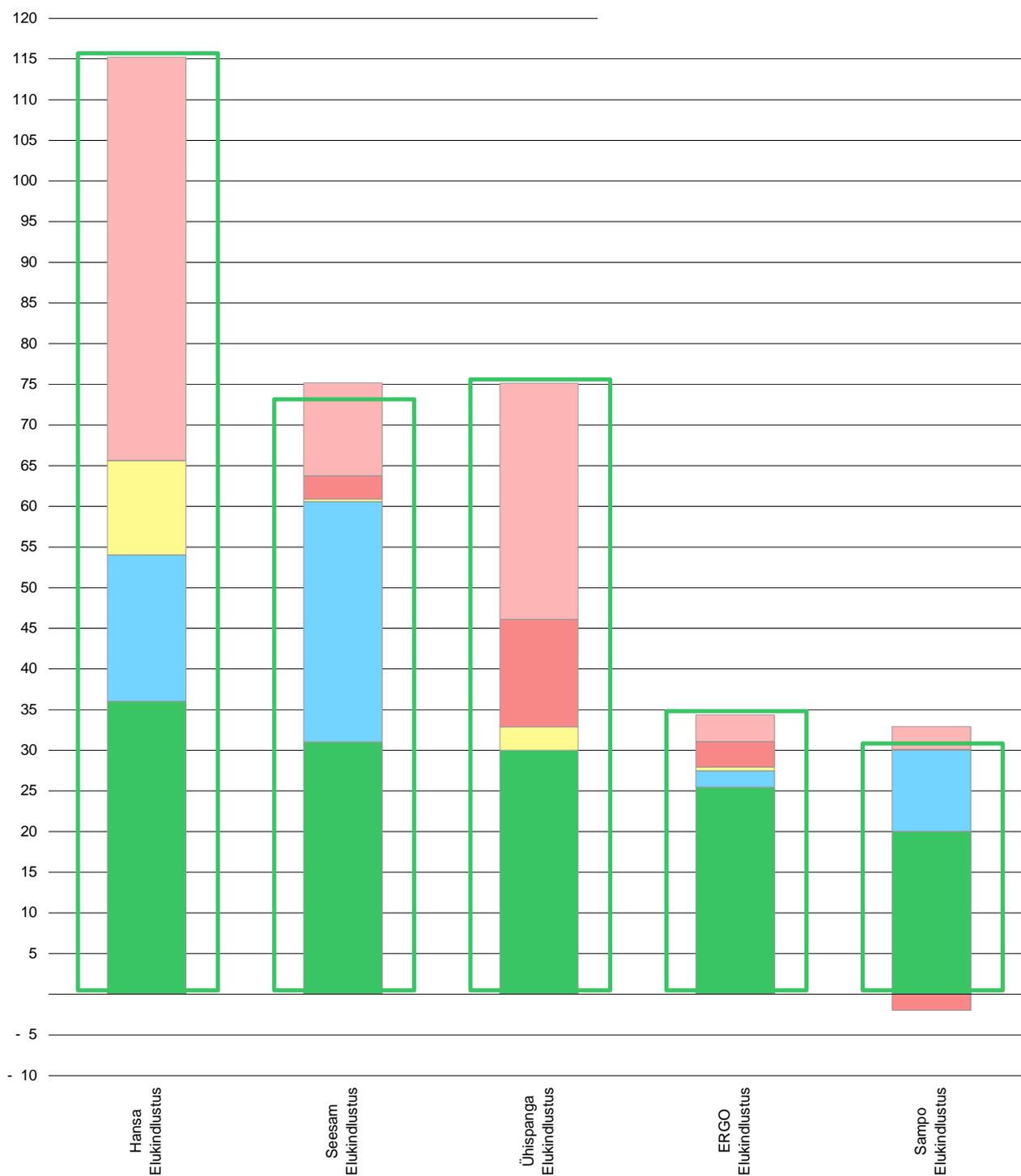


## Components of owners' equity in life insurance, 31 December 2004 (million kroons)

- Profit/loss of the year
- Profit/loss carried forward
- General reserve
- Share premium
- Paid-in share capital less treasury shares
- Owners' equity less intangible assets

Owners' equity less unpaid capital  
and intangible assets (kroons)

|                         |             |
|-------------------------|-------------|
| Hansa Elukindlustus     | 115 245 590 |
| Seesam Elukindlustus    | 72 695 410  |
| Ühispanga Elukindlustus | 75 141 087  |
| ERGO Elukindlustus      | 34 358 278  |
| Sampo Elukindlustus     | 30 373 596  |



## NON-LIFE INSURANCE

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# NON-LIFE INSURANCE, 2004

## NON-LIFE INSURANCE MARKET

### Market developments

At the end of 2004, six insurance companies<sup>1</sup> were writing non-life insurance business and the Estonian Traffic Insurance Fund (ETIF) was writing border insurance and motor TPL reinsurance business in the Estonian market. As a whole, the non-life insurance sector comprised 74.6% of Estonian insurance market, thus the share decreasing by 3.4% in a year due to the rapid growth of life insurance.

Non-life gross premiums totaled 2.4 billion kroons (in 2003, 2.1 billion kroons). The increase in premiums slowed down to 15.1% (in 2003, 19.7%). The 2004 loss payments totaled 1.2 billion kroons (in 2003, 1 billion kroons), the increase being 15.1% (in 2003, 12.1%).

The two insurance classes prevailing in the non-life market were again motor third party liability insurance and land vehicles insurance. Their shares in gross premiums showed no significant changes (combined share being 66.9%). The 2004 market share of land vehicles insurance was 37.8% of gross premiums and that of motor third party liability insurance 29.1%. The third major insurance class was again property insurance, the share being 22.3% of gross premiums. The shares of other insurance classes remained below 3% (Figure 43).

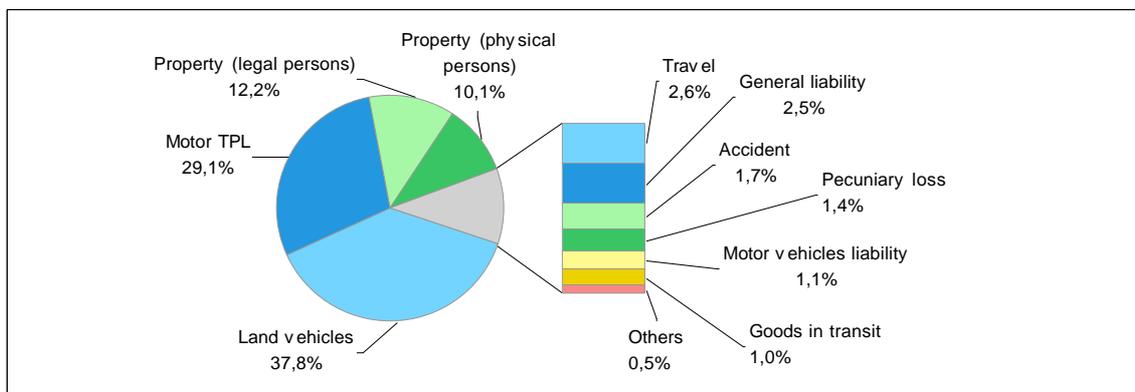


Figure 43. Market shares of non-life insurance classes, 2004

The overall proportion of non-life insurance classes remained stable also in 2004, the biggest changes being the growth of the share of land vehicles insurance by 1.4% and the drop in the share of motor third party liability insurance by 1%. The shares of other insurance classes remained virtually the same as in 2003. The growth in gross premiums of all three major insurance classes slowed down in 2004, whereas the biggest slowdown was experienced by motor third party insurance, which gross premiums increased 11.2% (in 2003, 20%). The slowdown in land vehicles insurance was smaller, the increase being 19.6% (in 2003, 24.6%). Property insurance maintained the previous pace, the increase being 15.7% (in 2003, 16.1%). Developments in the last two insurance classes were supported by the so-called loan insurance.

Although the 2004 volume of gross premiums grew as fast as the loss payments' volume, the respective figures vary greatly among insurance classes. Of major insurance classes, the volume of loss payments

<sup>1</sup> Excluding Zürich Kindlustuse Eesti AS

increased faster than that of gross premiums only in motor third party insurance — gross premiums increased 11.2%, whereas loss payments increased 21.7%. Gross premiums experienced faster growth than loss payments in land vehicles insurance and property insurance. The significantly faster growth of loss payments compared to gross premiums increased the 2004 gross payout ratio of motor third party liability insurance to 65.4% (in 2003, 59.8%), (Figure 44). Major increase of gross payout ratios of goods in transit insurance and miscellaneous financial loss insurance had no significant effect on summary figures of non-life insurance market for their shares in gross premiums were 1% and 1.4%, respectively. The total payout ratio of all insurance classes remained virtually on the same level as in 2003 — 49.7%.

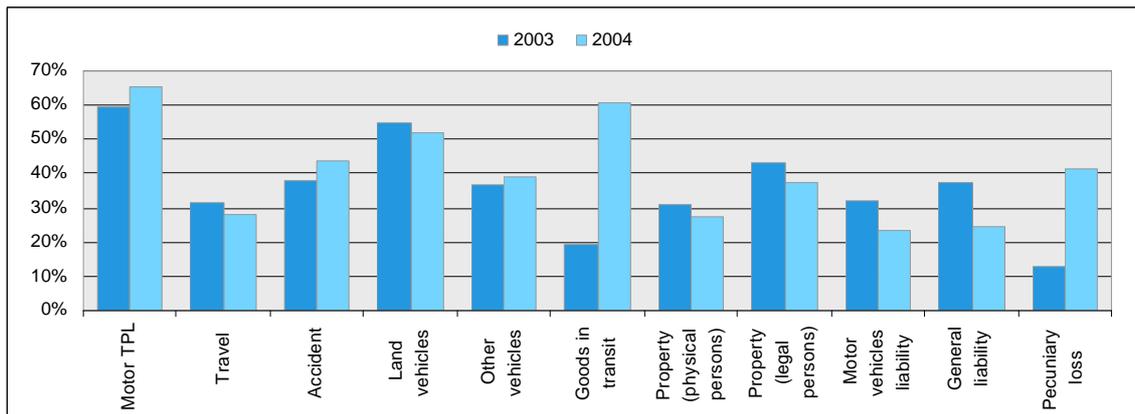


Figure 44. Gross payout ratio by non-life insurance classes, 2003—2004

The share of the Estonian Traffic Insurance Fund in direct gross premiums and loss payments was extremely small, 1.1% and 0.2% respectively. Therefore also the gross payout ratio of non-life insurers (excluding the Estonian Traffic Insurance Fund) remained on the 2003 level (in 2004, 50.2%; in 2003, 50.3%).

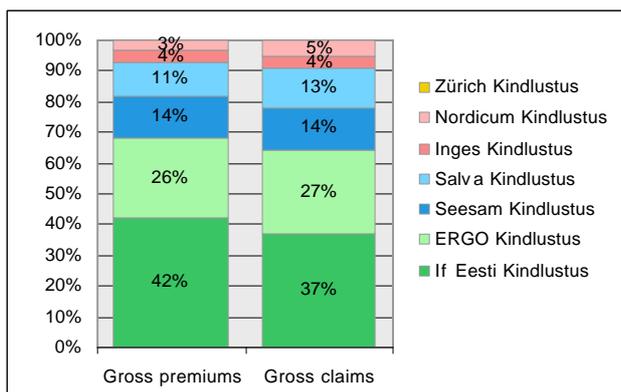


Figure 45. Market shares of non-life insurance companies, 2004

In 2004, the relatively high concentration of premium income in insurance market increased even more. The two biggest insurers writing business in the market (ERGO Kindlustuse AS and AS If Eesti Kindlustus) acquired 67.8% of the total premium income collected by non-life insurers. Total market share of the two biggest companies increased by 2.5% during the year (Figure 45).

AS If Eesti Kindlustus, the market leader among non-life insurers<sup>2</sup>, reinforced its market position to 41.2% of 2004 gross premiums (in 2003, 37.1%). Market shares of other insurers either fell or remained on the same level. AS If Eesti Kindlustus was followed by ERGO Kindlustuse AS (25.9%),

<sup>2</sup> Including Estonian Traffic Insurance Fund

Seesam Rahvusvaheline Kindlustuse AS (14.1%) and Salva Kindlustuse AS (10.7%). Market shares of other non-life insurers and the Estonian Traffic Insurance Fund remained between 1%-4%.

### Reinsurance

In 2004, non-life insurance premiums ceded amounted to 629.6 million kroons (in 2003, 684.6 m kroons), the annual decrease being 8.7%.

Reinsurers' loss ratio decreased significantly in 2004 (41.6% in 2004 and 62.4% in 2003), first of all caused by negative result in property insurance of legal persons (-5.7% in 2004 and 84.6% in 2003). Negative result of loss ratio is caused presumably by claims (also included in outstanding claims provision) related to events from previous periods where, as appeared in the claims handling process, there was no obligation to pay the indemnity in 2004. In addition, the reinsurers' loss ratio decreased in property insurance of physical persons (14.1% in 2004 and 30.5% in 2003) and motor TPL insurance (66.5% in 2004 and 75.7% in 2003).

In 2004, non-life reinsurance premiums captured the share of 26.7% of the total non-life premium income (Figure 46). The proportion of ceded premiums fell by 7% in comparison to 2003.

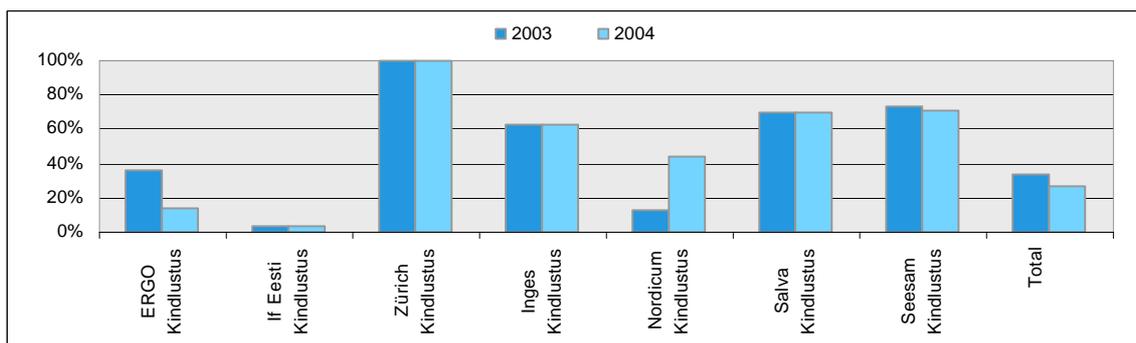


Figure 46. Reinsurance share in gross premiums by non-life insurance companies, 2003–2004

In 2004, the share of ceded premiums fell in most insurance classes. The rate of cession increased only in goods in transit insurance by 43%. Among major insurance classes, the rate of cession was the highest in property insurance of legal persons (35.1%), despite its annual decrease of almost 10 per cent (Figure 47). As to smaller insurance classes, the rate of cession was the highest in pecuniary loss insurance (50%).

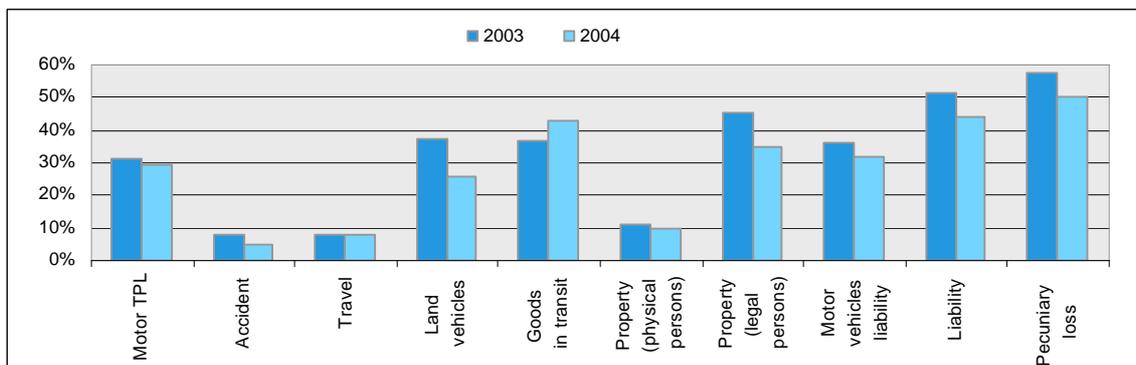


Figure 47. Reinsurance share in gross premiums by non-life insurance classes, 2003–2004

## ASSETS, LIABILITIES AND TECHNICAL PARAMETERS

### Assets and liabilities

The balance sheet volume of non-life insurers totaled 2.4 billion kroons at the end of 2004. Investments and cash and bank accounts amounted to 2.2 billion kroons, i.e. 91% of balance sheet volume. Investments and cash and bank accounts increased 32.2%, the increase being bigger than the growth in technical provisions.

Technical provisions (net of reinsurance) constituted 51% of investments and cash and bank accounts (in 2003, 54%). Article 77 of the Insurance Activities Act provides reservations to the investment of committed assets. In 2004, committed assets of non-life insurers outbalanced technical provisions by 11%.

The overall asset structure varies among insurers. Smaller insurers hold significant part of their assets in term deposits and cash and bank accounts. Major insurers invest mainly into fixed rate securities.

The share of fixed rate securities grew 57%. The share of term deposits remained on the same level, though their volume increased 37%). The share of floating rate securities decreased 8% (Figure 48).

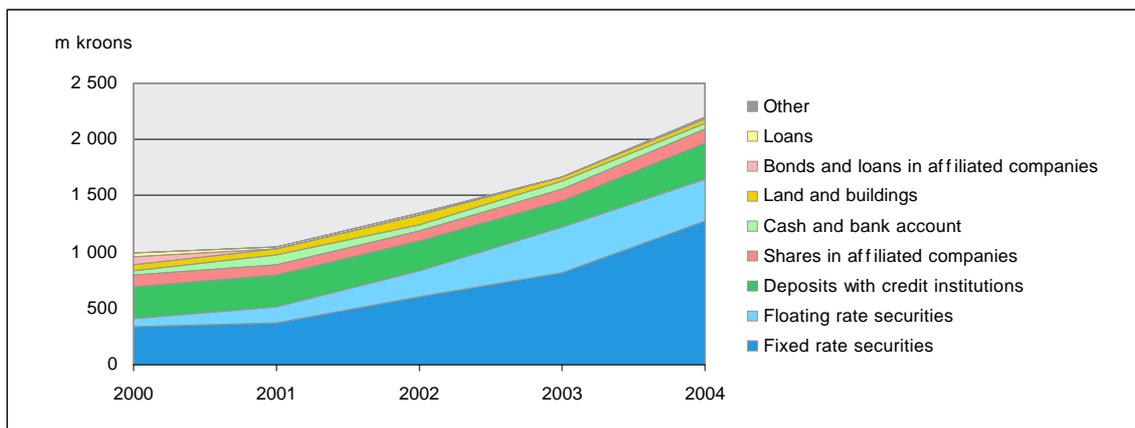
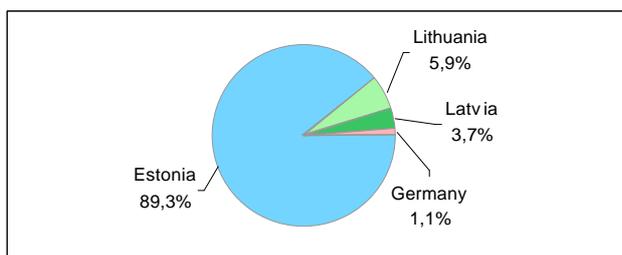


Figure 48. Assets (investments and cash and bank account) structure, 31 December 2000—2004



Investments are mainly based in Europe.

At the end of 2004, shares and other floating rate securities formed 17.1% of investments, whereas 89.3% thereof were issued in Estonia (Figure 49).

Figure 49. Floating rate financial instruments by countries, 31 December 2004

The volume of fixed rate securities outbalances the volumes of other financial instruments and therefore also more jurisdictions are presented in these investments. At the end of 2004, fixed rate securities constituted 58.1% of investments. 13.7% of fixed rate securities were securities issued in Estonia; these were followed by securities issued in Germany (12.8%) and in Finland (10.7%), (Figure 50).

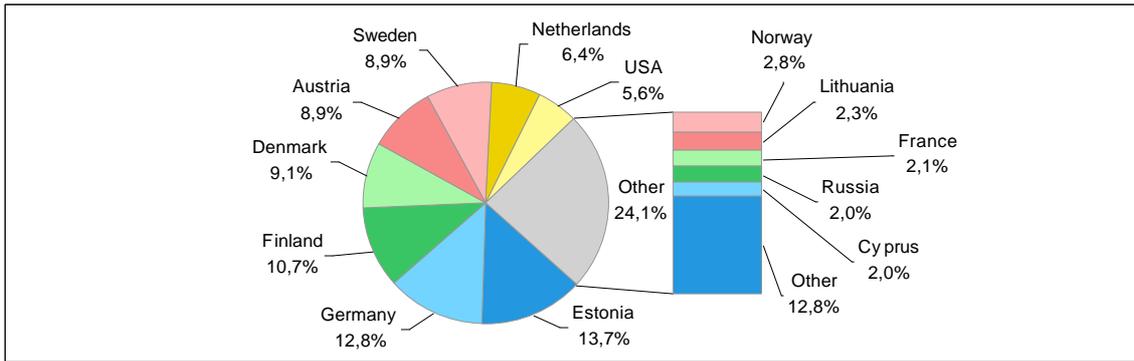


Figure 50. Fixed rate financial instruments by countries, 31 December 2004

The average investment yield was 3.7%, exceeding thus the rate of EURIBOR (Figure 51) and remaining virtually on the 2003 level (3.8%). Investment incomes outbalanced investment expenses 3.6 times (in 2003, 3.3 times).

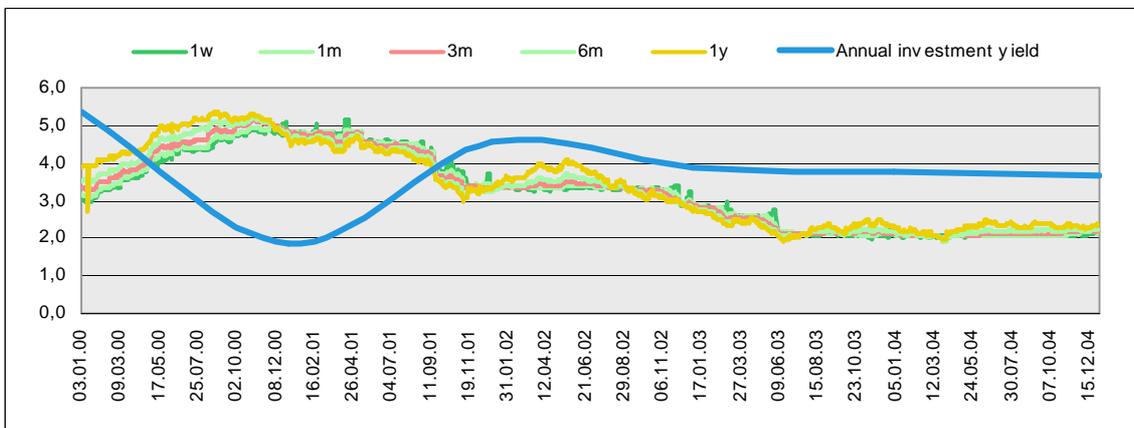


Figure 51. Investments profit and EURIBOR, 2000—2004

### Technical result

Technical profit of non-life insurers amounted to 267.6 million kroons in 2004. Two trends continued — seasonality in quarterly loss ratios and the growth of profitability in 2004 compared to previous years. While the profitability was mainly caused by the situation where fixed expenses stayed stable when the premium volume increased, the significant growth in 2004 was caused by low loss ratio. The decrease of loss ratio was influenced by good results in motor vehicle insurance and property insurance.

In 2004, the gross loss ratio decreased by 10 per cent to 53.2% (in 2003, 63.2%). However, the net loss ratio decreased less but still significantly by 5.7% (58% in 2004 and 63.7% in 2003). Due to the decrease in bigger losses, the reinsurers' loss ratio fell by 20% to the all-time result of 41.6% in 2004. The loss ratio in motor TPL insurance improved also in 2004 (79.8% in net terms and 80.7% in 2003). Decrease in combined ratio to 83.2%, which reflects the profitability of non-life insurance companies, was supported by fell in expense ratio (in net terms 25.2% in 2004 and 26.8% in 2003).

Total profit of non-life insurers, including the result from investment activities, amounted to 332.5 million kroons. In 2004, five non-life insurers earned both technical and net profit.

Owners' equity of non-life insurers amounted to 1 107.5 million kroons at the end of 2004, the growth being 44.6% compared to 2003. Due to the increase of technical profit, also the profitability of owners' equity (return on equity) rose to 30% (in 2003, 21%).

### **Loss development**

Growth in prudence was the feature characterizing the calculation of outstanding claims provision in 2004. The total gross outstanding claims provision of non-life insurers was 932 million kroons at the beginning of 2004. Re-evaluation performed at the end of 2004 proved this sum to be decreased to the level of 86% of the initially calculated amount. Thus, the initially calculated amount had been over-estimated by 131 million kroons. The respective figures for 2003 had been 94% and 45 million kroons in gross terms. The total net outstanding claims provision had also been over-estimated by 77.5 million kroons, and decreased to the level of 84% of the initially calculated amount (Table 2).

*Table 2. Development of the outstanding claims provision by insurance classes (percent of the initial assessment from the beginning of 2004)*

|  |       | Motor<br>TPL | Land<br>vechicles | Property<br>(legal<br>persons) | Property<br>(physical<br>persons) | Liability | TOTAL |
|--|-------|--------------|-------------------|--------------------------------|-----------------------------------|-----------|-------|
| Estimation of<br>outstanding claims<br>provision<br>at the end of 2004 | GROSS | 90%          | 81%               | 81%                            | 81%                               | 106%      | 86%   |
|  | NET   | 84%          | 84%               | 90%                            | 83%                               | 89%       | 84%   |

In most insurance classes (except liability insurance) the re-evaluation of outstanding claims provision downwards is similar. In addition, there is no difference between gross and net results. Variance in liability insurance is caused by individual large IBNR losses, which are typical for this class of insurance.

### **Solvency**

At the end of 2004, all non-life insurers were in compliance with requirements in respect of the volume of own funds (Solvency Margin). The total of insurers' required Solvency Margin (excl. Zürich Kindlustuse Eesti AS) was 324.1 million kroons. The available Solvency Margin (own funds) exceeded the required Solvency Margin 2.2 times, thus amounting to 714.5 million kroons (2.2 times in 2003).

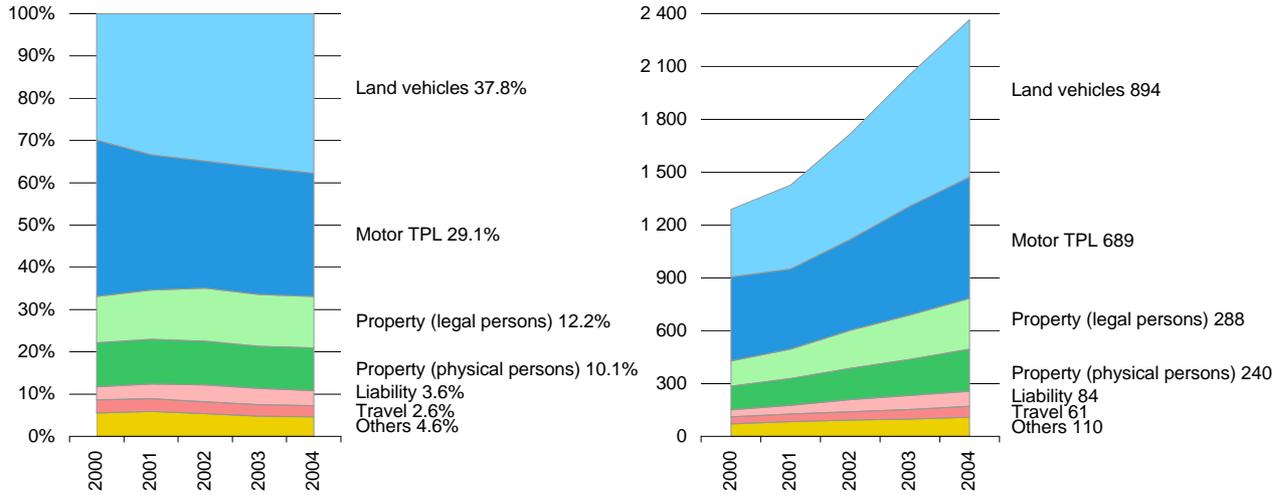
### **Technical provisions**

Non-life insurers' technical provision totaled 1.6 billion kroons at the end of 2004 (reinsurers' share being 466.1 m kroons); thereof the provision for unearned premiums comprised 641.3 million kroons (reinsurers' share being 116.9 m kroons) and the outstanding claims provision 955.9 million kroons (reinsurers' share being 349.2 m kroons).

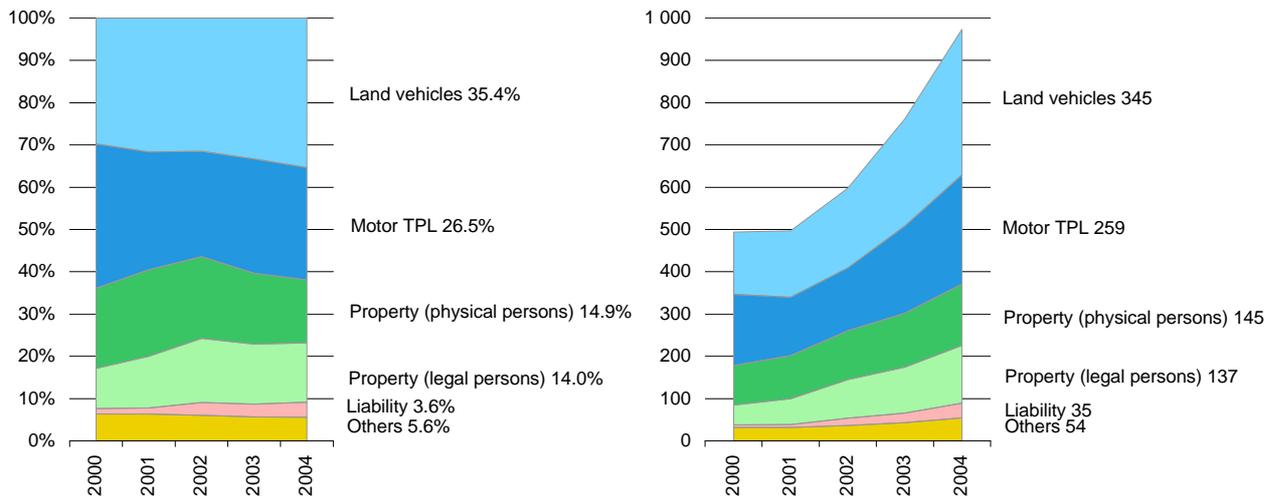
The total of committed assets (1.1 billion kroons in net from reinsurance) was 1.2 billion kroons at the end of 2004, thus the coverage of technical provisions was 111.4%.

# Insurance portfolio structure of non-life insurers (1)\*

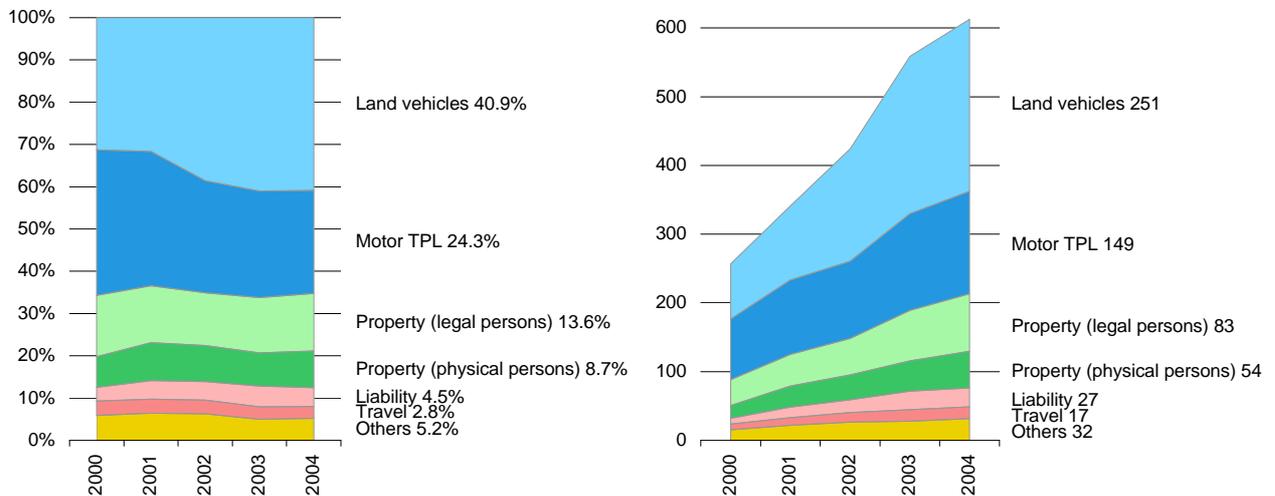
## Total gross premiums of non-life insurers (2.4 billion kroons)



## AS If Eesti Kindlustus (974 million kroons)



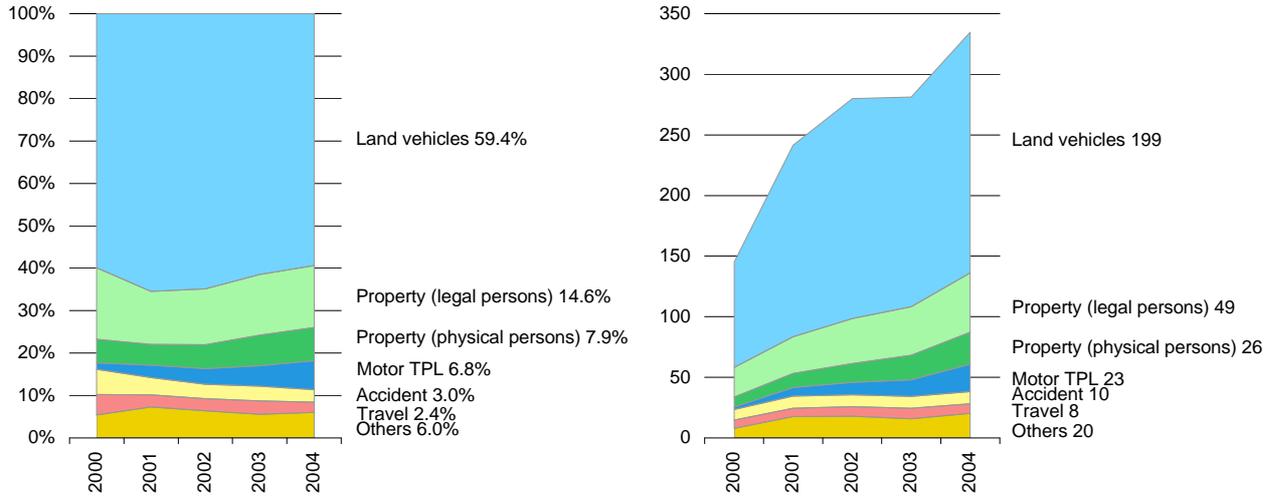
## ERGO Kindlustuse AS (613 million kroons)



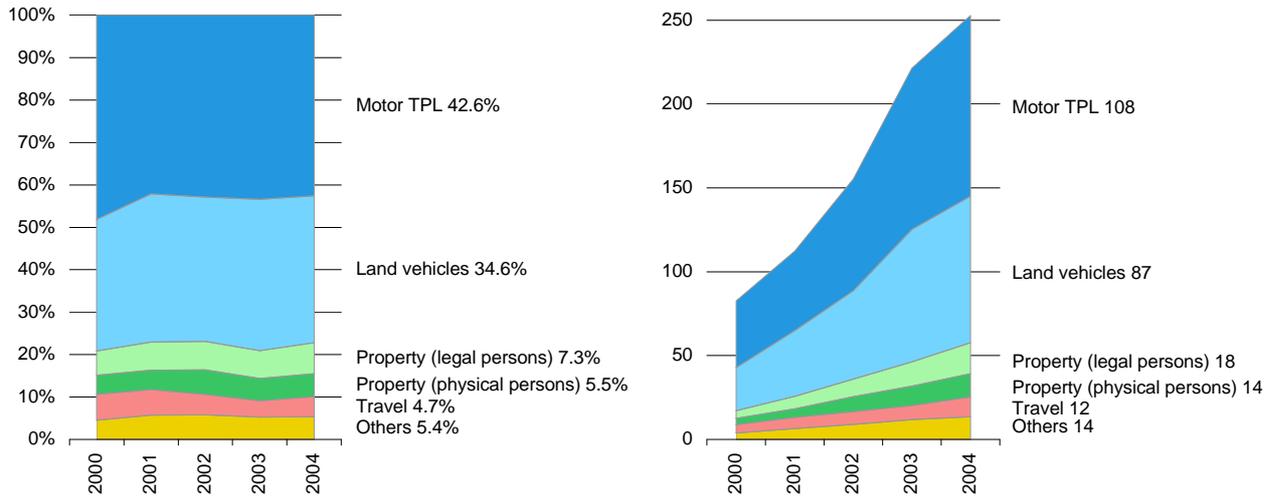
\* Only direct insurance

## Insurance portfolio structure of non-life insurers (2)\*

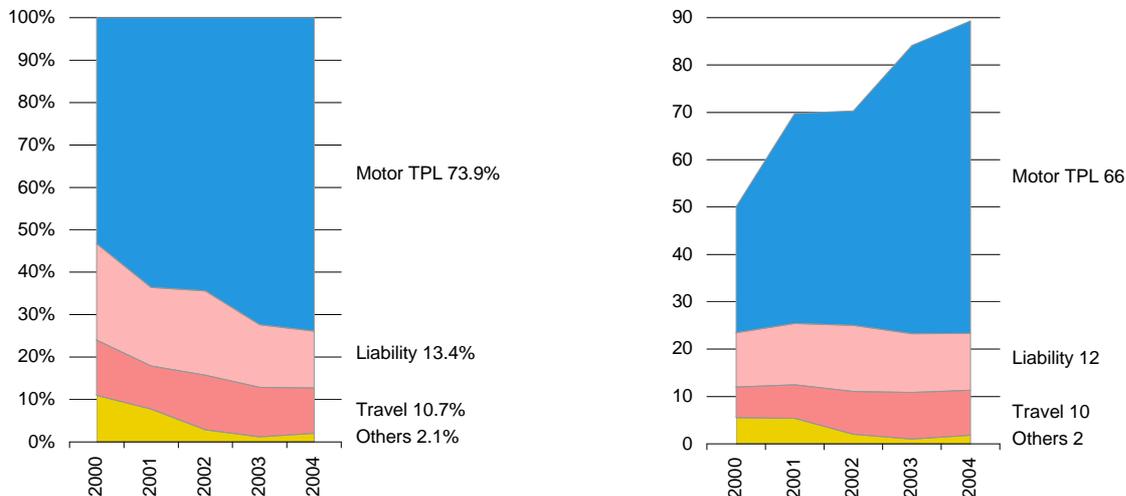
### Seesam Rahvusvaheline Kindlustuse AS (335 million kroons)



### Salva Kindlustuse AS (253 million kroons)



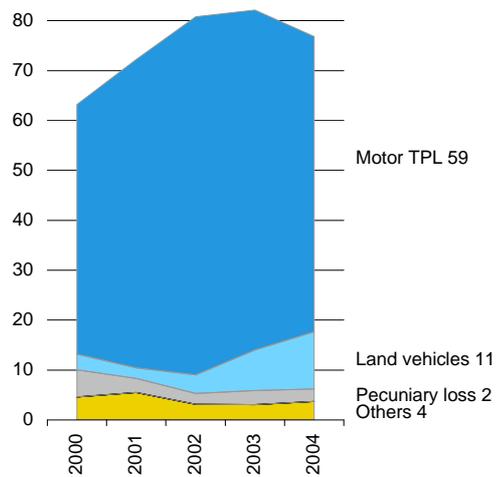
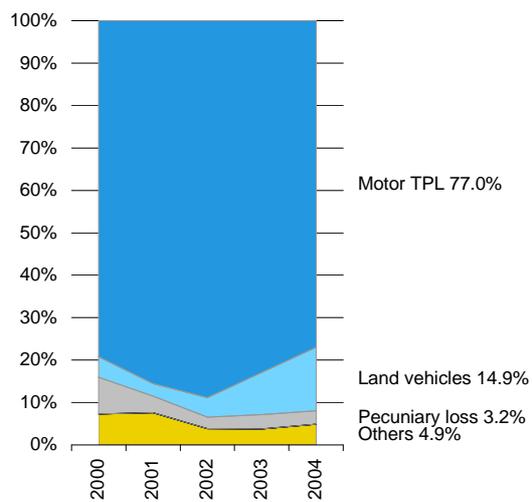
### AS Inges Kindlustus (89 million kroons)



\* Only direct insurance

# Insurance portfolio structure of non-life insurers (3)\*

## Nordicum Kindlustuse Eesti AS\*\* (77 million kroons)

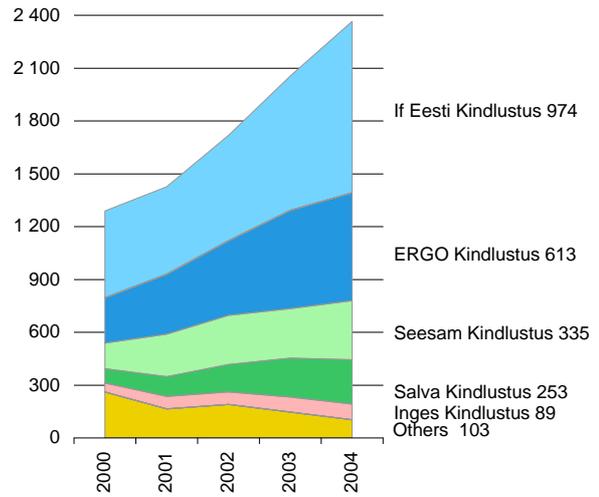
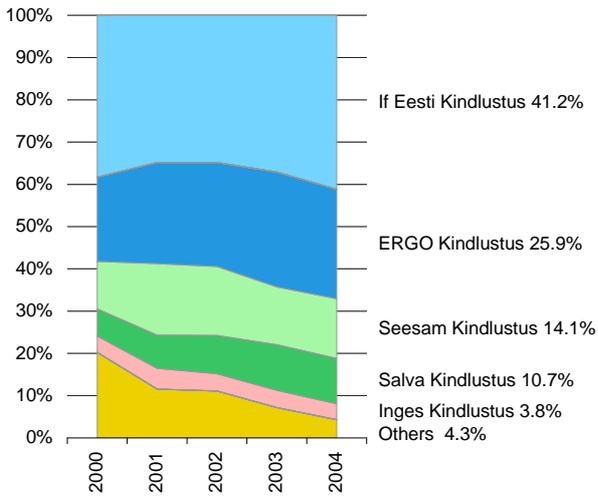


\* Only direct insurance

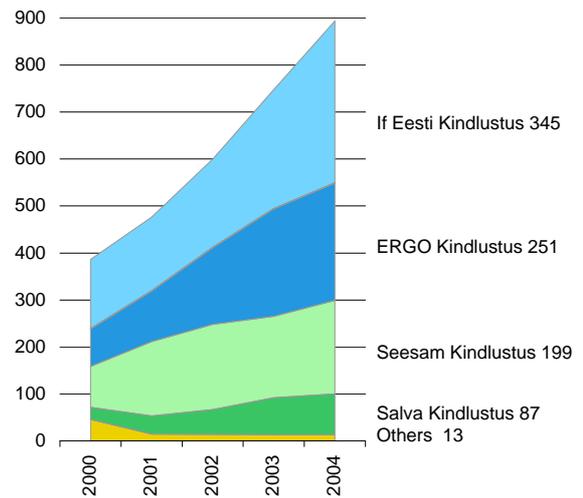
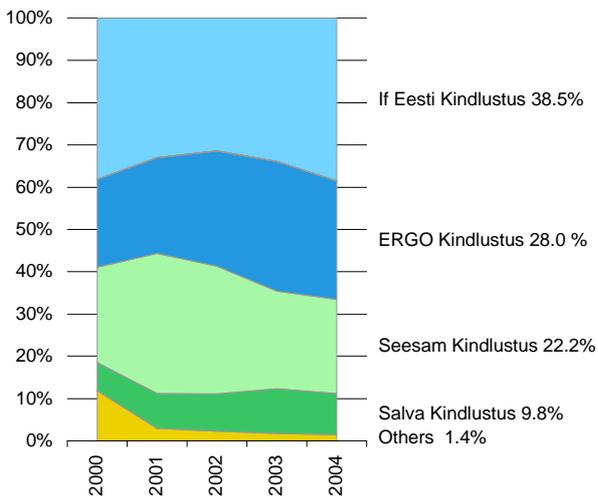
\*\* Until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordicum Kindlustus Eesti AS)

# Market shares of insurers by classes of non-life insurance (1)

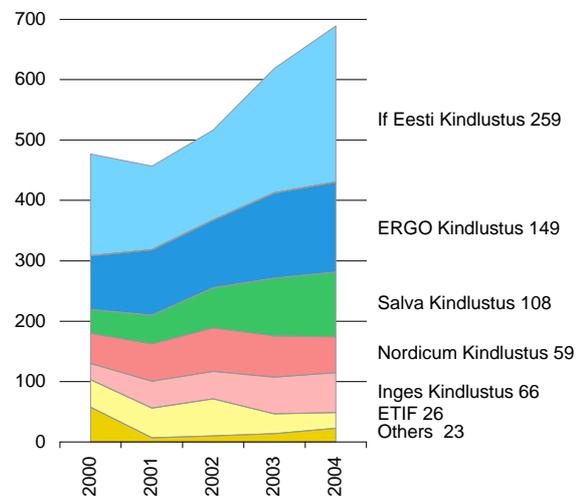
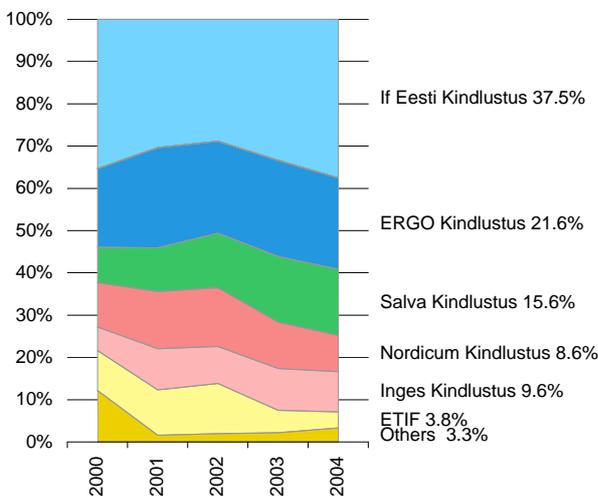
## Total gross premiums of non-life insurance classes\* (2.4 billion kroons)



## Land vehicles insurance (894 million kroons)



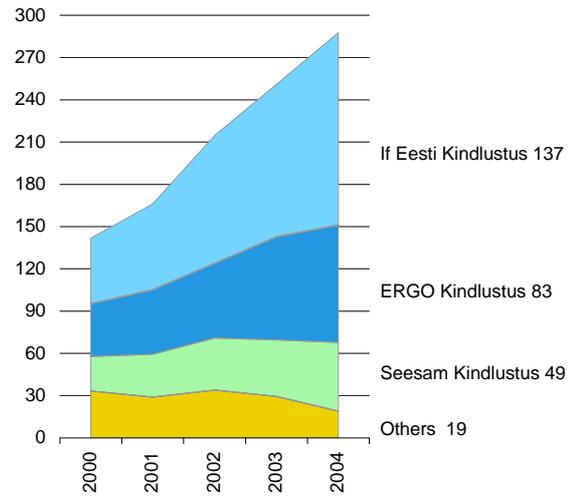
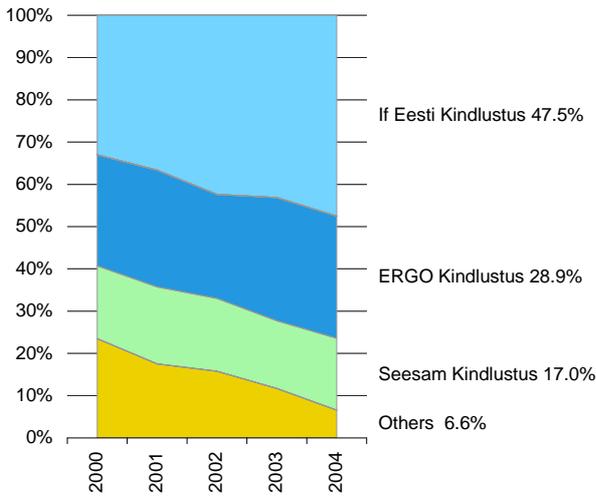
## Motor TPL insurance (689 million kroons)



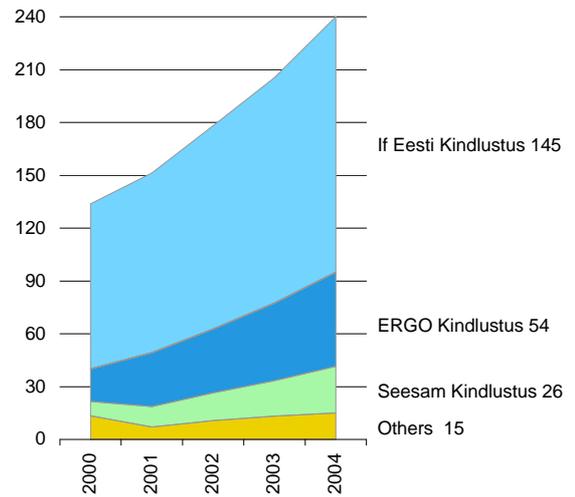
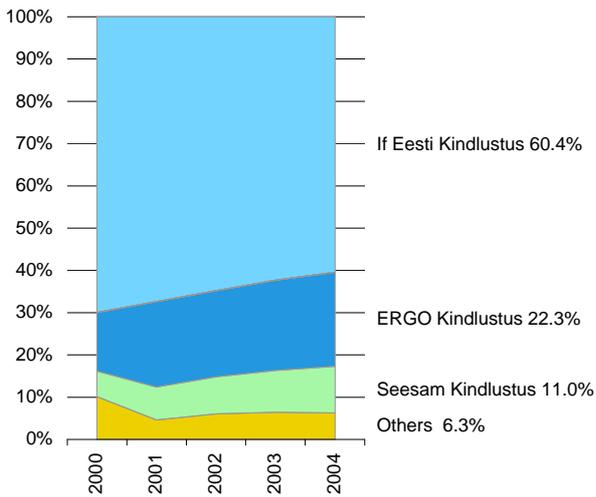
\* Only direct insurance

# Market shares of insurers by classes of non-life insurance (2)

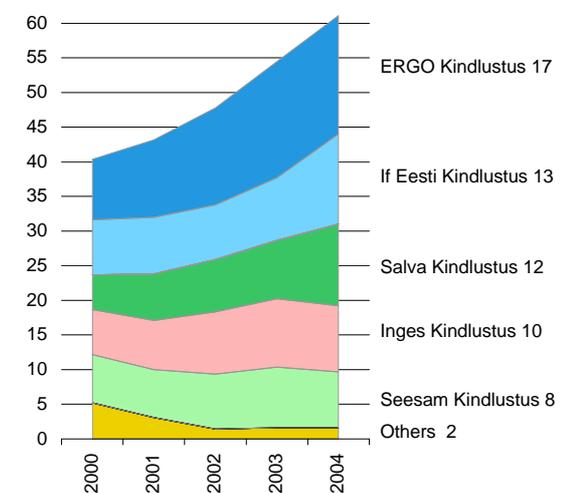
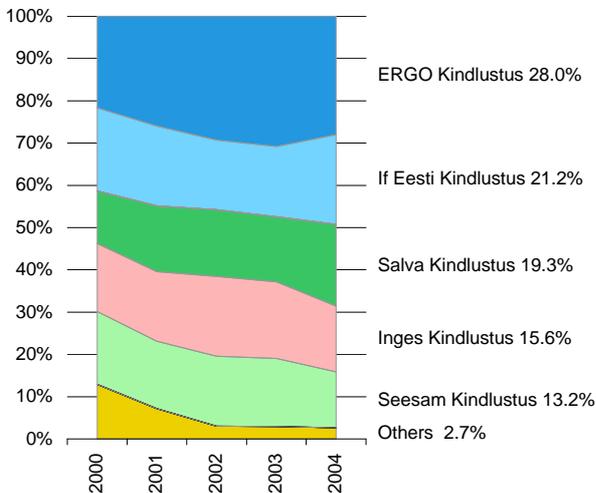
## Property insurance (legal persons) (288 million kroons)



## Property insurance (physical persons) (240 million kroons)

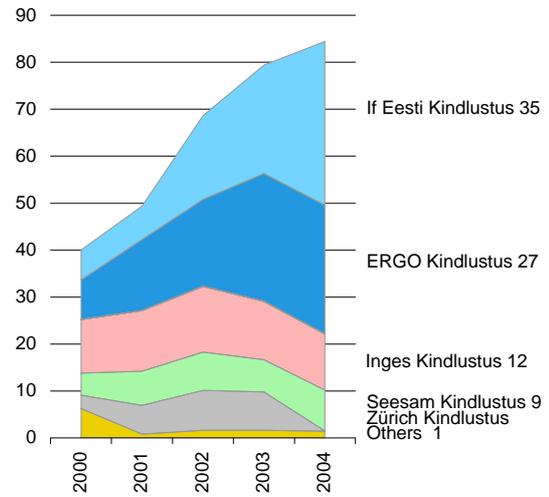
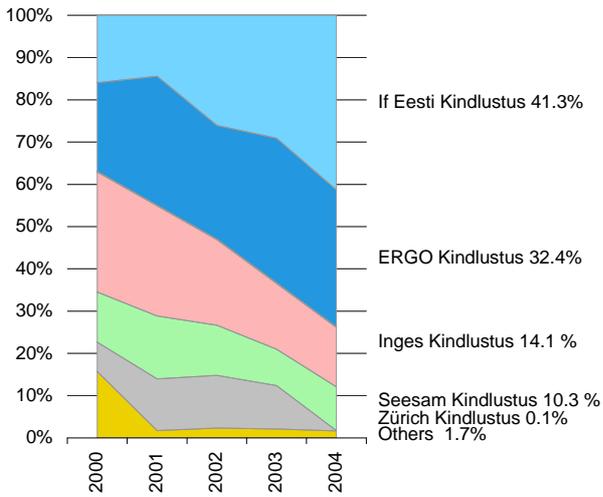


## Travel insurance (61 million kroons)

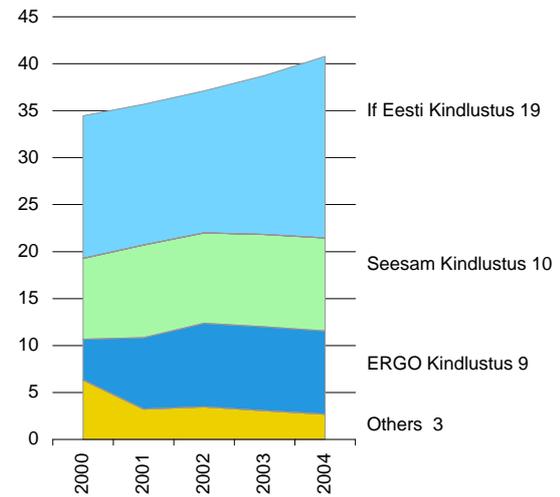
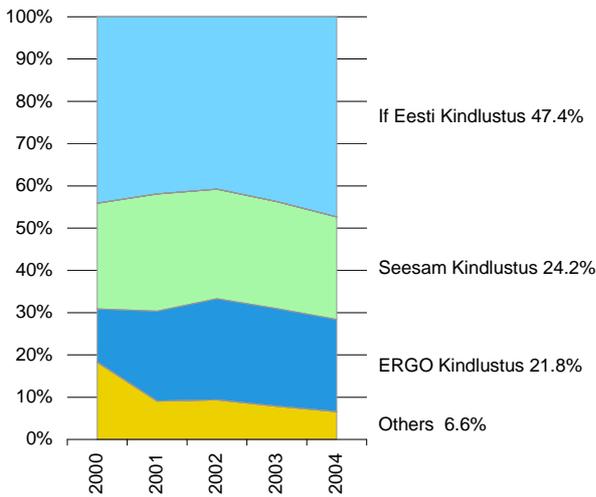


# Market shares of insurers by classes of non-life insurance (3)

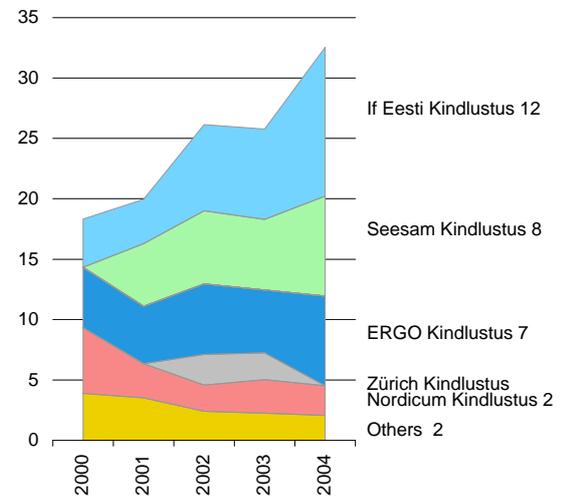
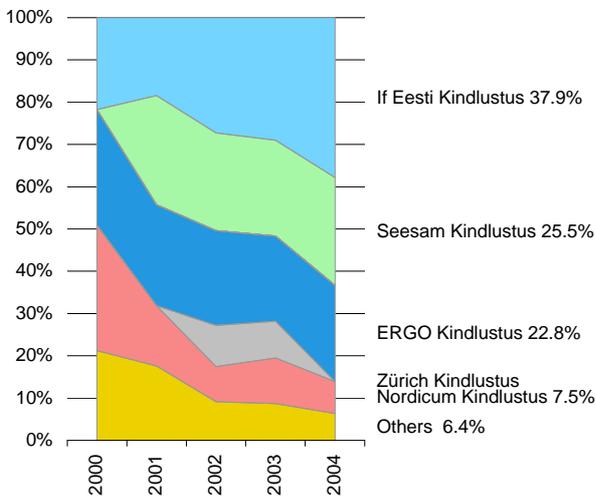
## Liability insurance (84 million kroons)



## Accident insurance (41 million kroons)

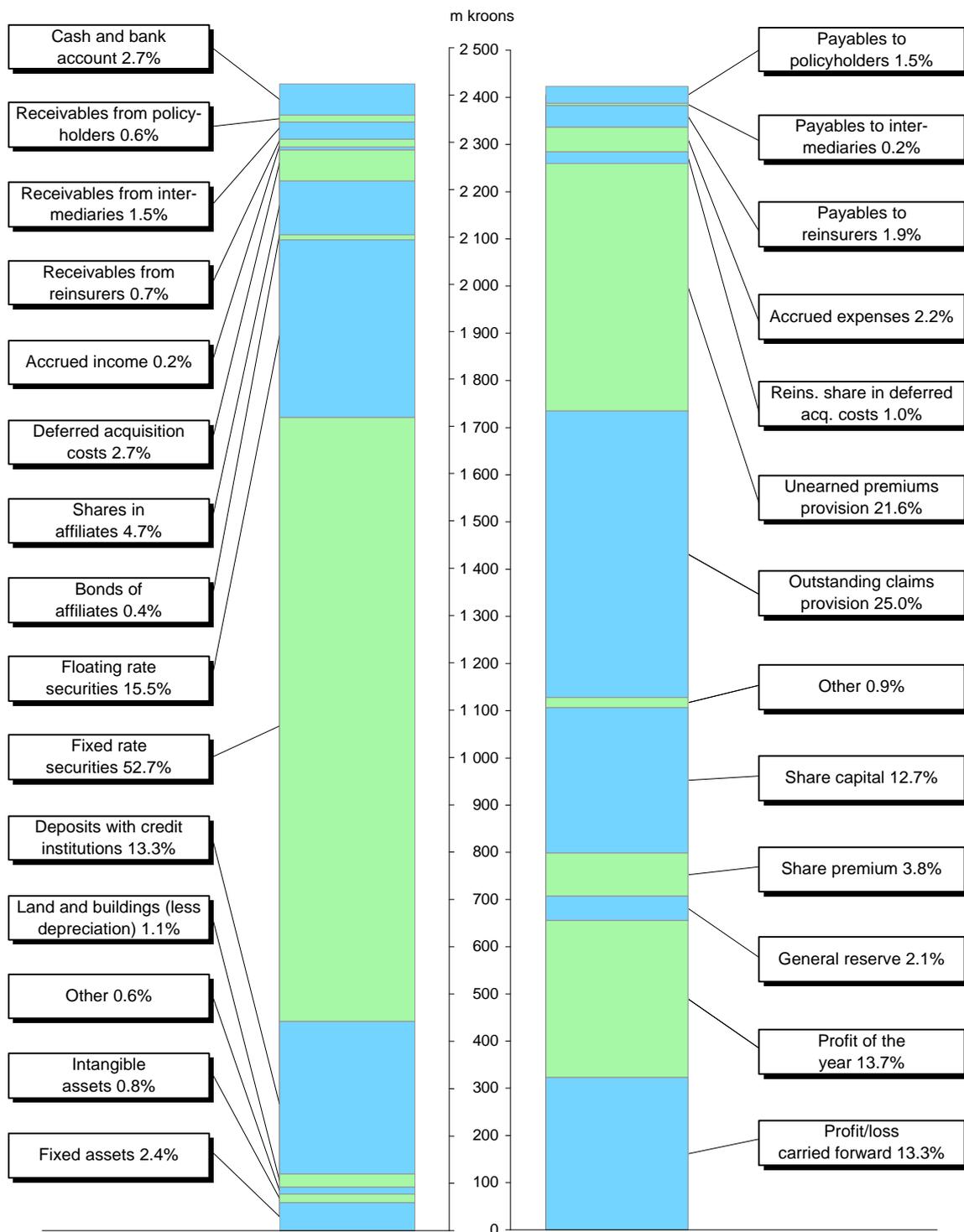


## Insurance for pecuniary loss (33 million kroons)

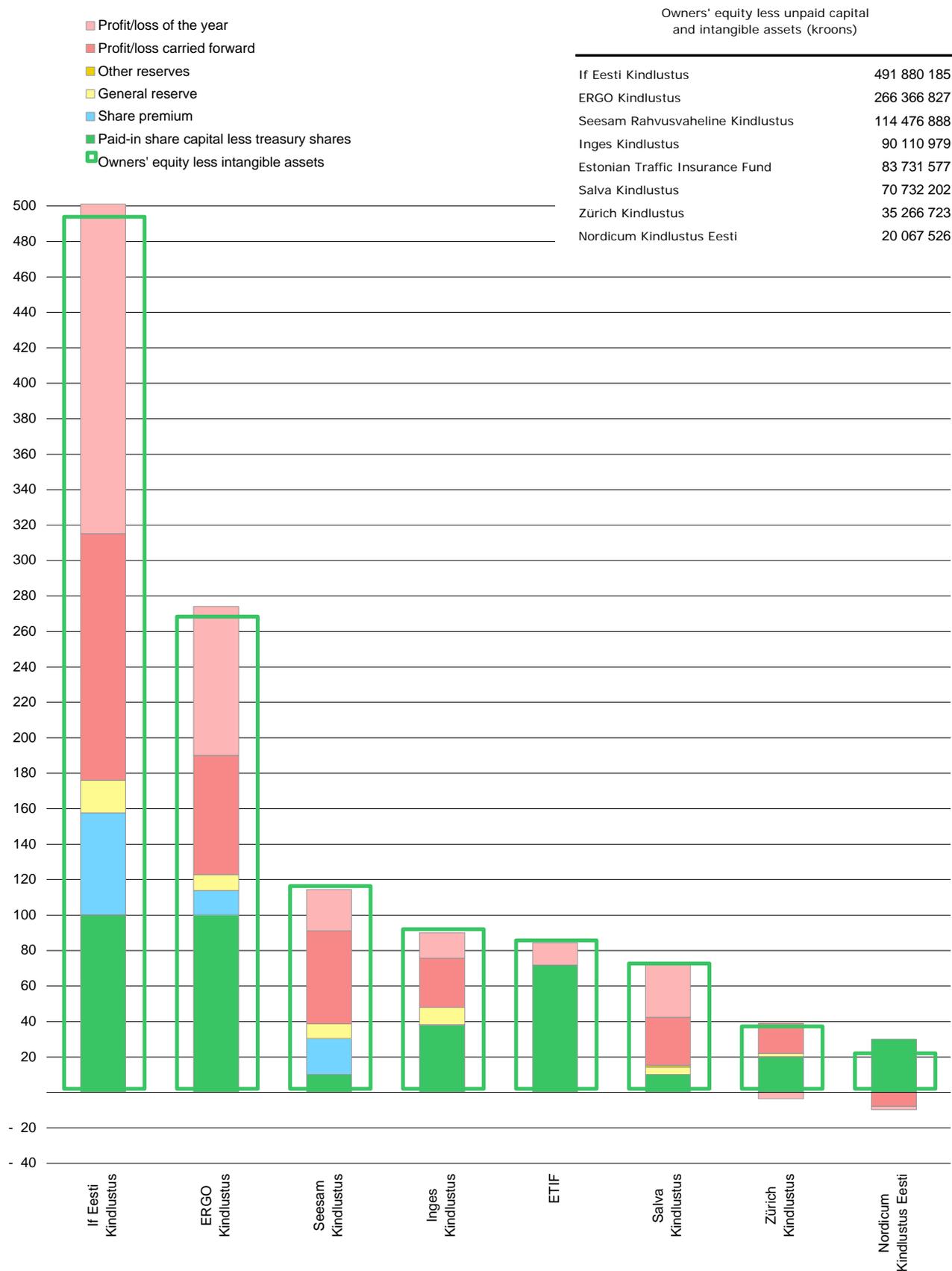


## Structure of assets and liabilities of non-life insurance companies, 31 December 2004

(Balance volume — 2.4 billion kroons)



## Components of owners' equity in non-life insurance, 31 December 2004 (million kroons)



## COMMENTS TO RATIOS OF NON-LIFE INSURANCE

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In all ratios the premiums have been decreased by mandatory transfers to Estonian Traffic Insurance Fund (2,4%<sup>1</sup> of motor TPL premiums, included in "Other technical charges" in profit/loss account) since these transfers do not participate directly in indemnification of losses arising from contracts concluded by insurers concerned.

Changes in other technical provisions have been added to denominator due to their essence - changes in unexpired risk provisions (URP).

The expense ratios include adjustments for deferred acquisition costs (DAC) in nominator, which enables to present the combined ratios of companies. Expense ratios not adjusted by DAC are accompanied by note "(not adjusted by change in DAC and UPP)".

Ratios of claims paid to premiums written are given just for reference, since they affect liquidity only and can not be used for overall judgement of a company.

OCP and UPP stand for outstanding claims provision (incl. changes in motor TPL pension provision) and unearned premiums provision, respectively.

None of the following diagrams has been made with the intention to be interpreted as a ranking list of any kind since the initial data may depend on different factors in different companies, which therefore, makes any ratios sometimes incomparable to a certain extent.

The following ratios are used:

$$\text{Gross loss ratio} = \frac{\text{total claims paid} + \text{change in OCP}}{\text{gross premiums} + \text{change in UPP} + \text{change in URP}}$$

$$\text{Gross expense ratio} = \frac{\text{acquisition costs} + \text{administrative expenses} + \text{change in DAC}}{\text{gross premiums} + \text{change in UPP} + \text{change in URP}}$$

$$\text{Gross combined ratio} = \text{gross loss ratio} + \text{gross expense ratio}$$

Reinsurers' loss ratio =

$$= \frac{\text{reinsurers' share in claims paid} + \text{change in reinsurers' OCP}}{\text{ceded premiums} + \text{reinsurers' share in UPP} + \text{reinsurers' share of URP}}$$

$$\text{Reinsurers' expense ratio} = \frac{\text{commissions from reinsurers} + \text{change in reinsurers' share of DAC}}{\text{premiums ceded} + \text{change in reinsurers' UPP} + \text{change in reinsurers' URP}}$$

---

<sup>1</sup> In 2004

Reinsurers' combined ratio = reinsurers' loss ratio + reinsurers' expense ratio

$$\text{Net loss ratio} = \frac{\text{net claims paid} + \text{net change in OCP}}{\text{net premiums} + \text{net change in UPP} + \text{net change in URP}}$$

$$\text{Net expense ratio} = \frac{\text{operating expenses}}{\text{net premiums} + \text{net change in UPP} + \text{net change in URP}}$$

Net combined ratio = net loss ratio + net expense ratio

$$\text{Gross payout ratio} = \frac{\text{claims paid (indemnities} + \text{claim handling expenses} - \text{subrogation and salvage)}}{\text{gross premiums}}$$

$$\text{Net payout ratio} = \frac{\text{net claims paid}}{\text{net premiums}}$$

$$\text{Reinsurers' payout ratio} = \frac{\text{reinsurers' share in claims paid}}{\text{ceded premiums}}$$

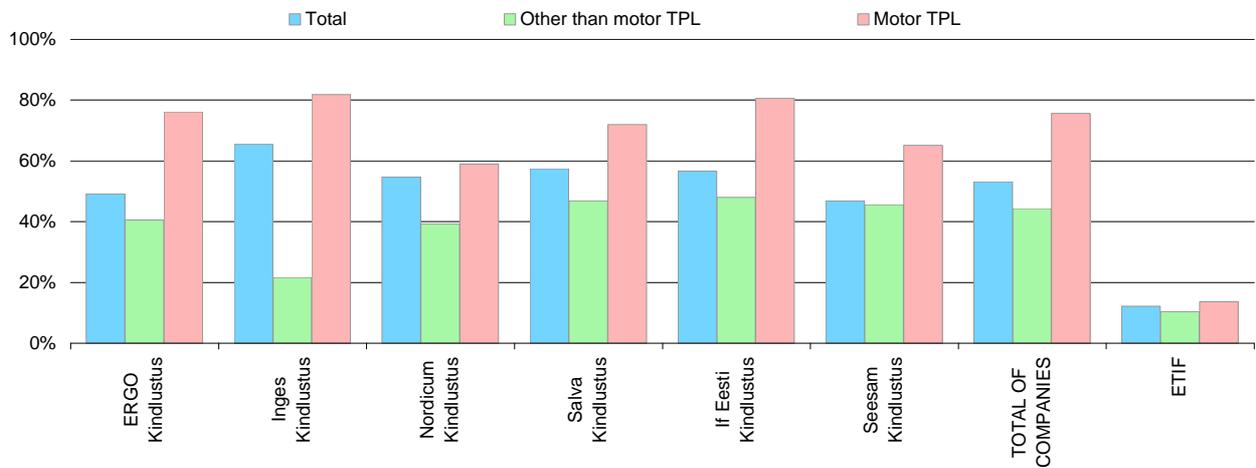
$$\text{Gross expense ratio (not adjusted by changes in DAC and UPP)} = \frac{\text{operating expenses} + \text{administrative expenses}}{\text{gross premiums}}$$

$$\begin{aligned} \text{Net expense ratio (not adjusted by changes in DAC and UPP)} &= \\ &= \frac{\text{operating expenses} + \text{administrative expenses} - \text{reinsurance commissions}}{\text{net premiums written}} \end{aligned}$$

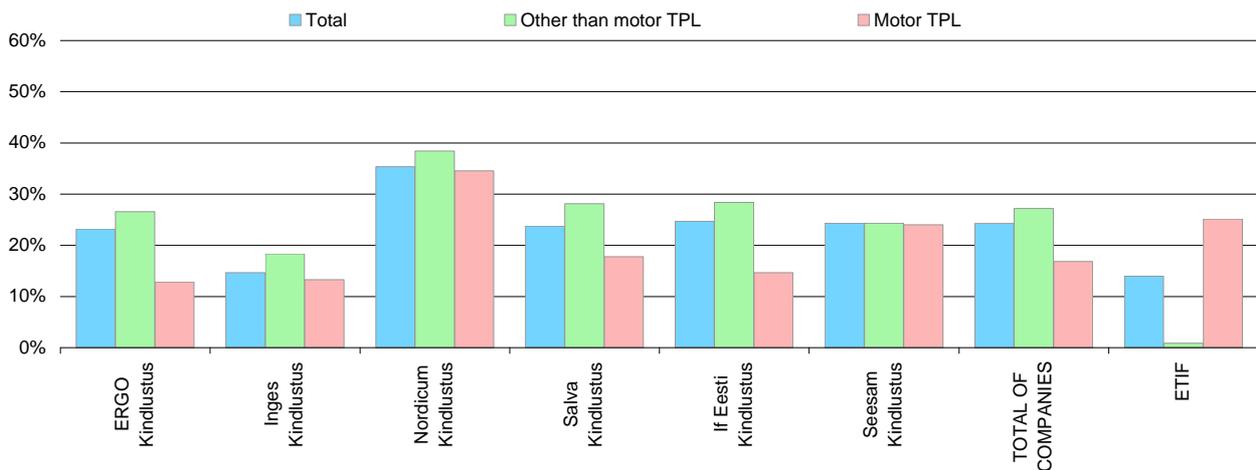
$$\text{Reinsurers' expense ratio (not adjusted by changes in DAC and UPP)} = \frac{\text{reinsurance commissions}}{\text{premiums ceded}}$$

# Main ratios of non-life insurers, 2004 (1)

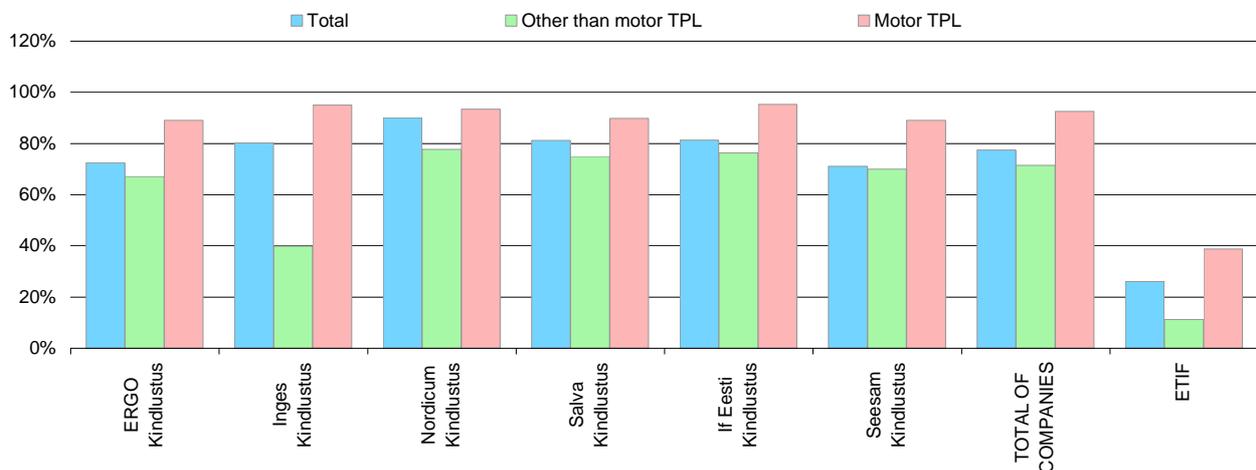
## Gross loss ratio



## Gross expense ratio

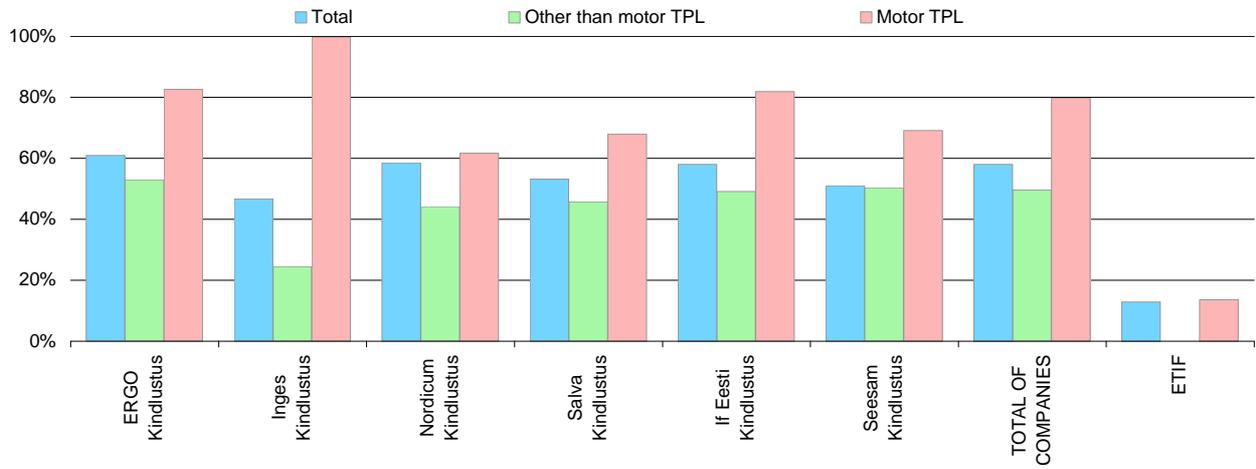


## Gross combined ratio

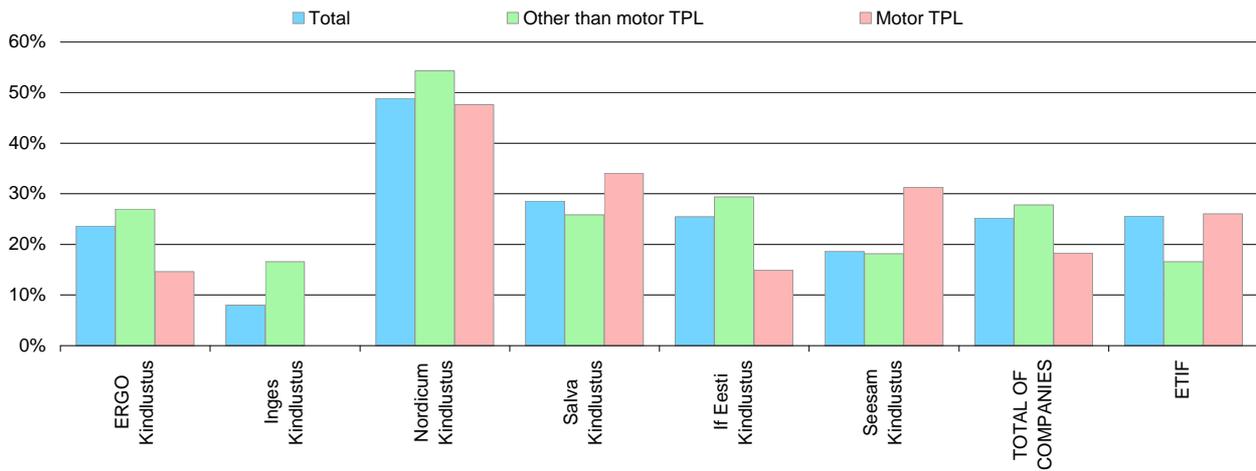


## Main ratios of non-life insurers, 2004 (2)

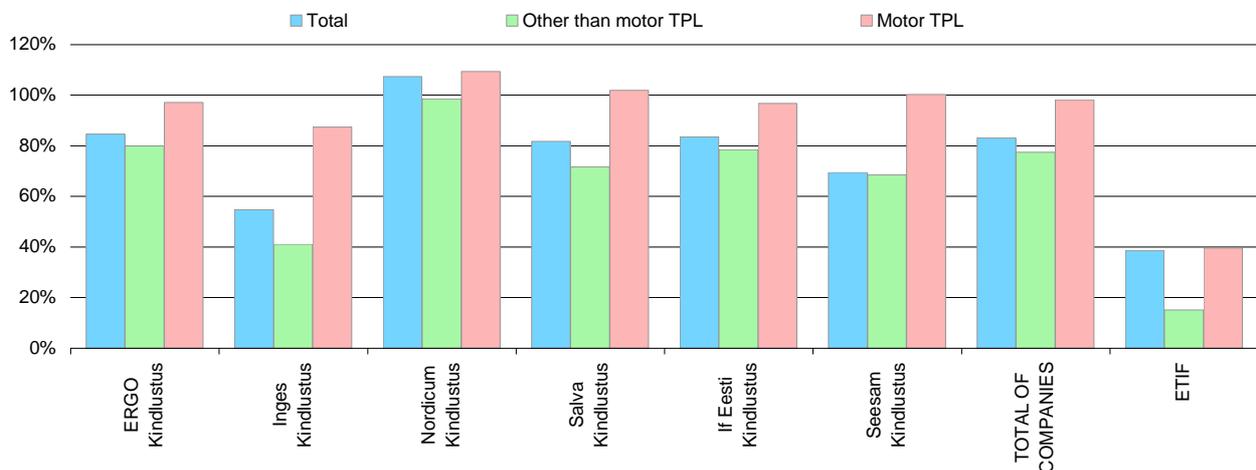
### Net loss ratio



### Net expense ratio

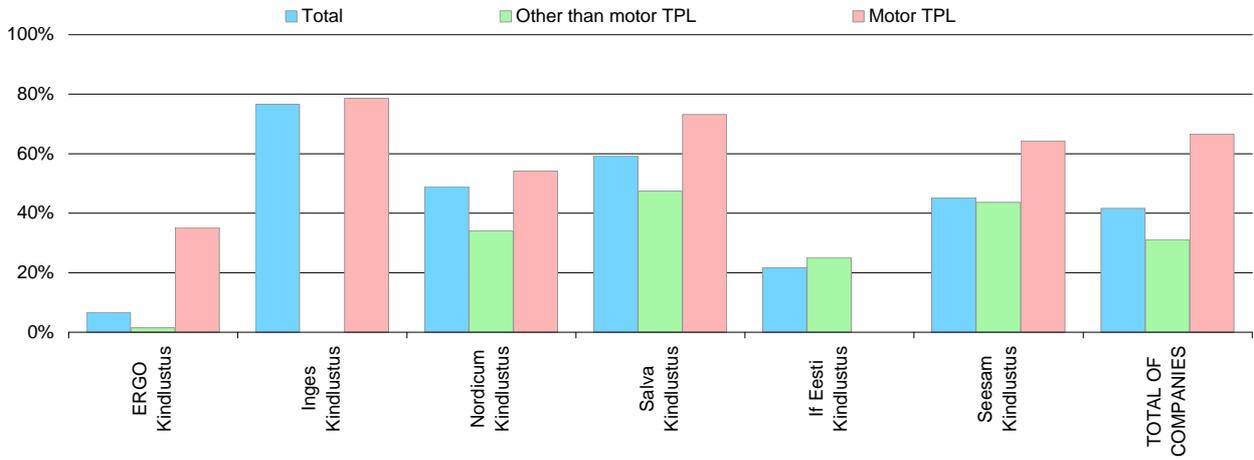


### Net combined ratio

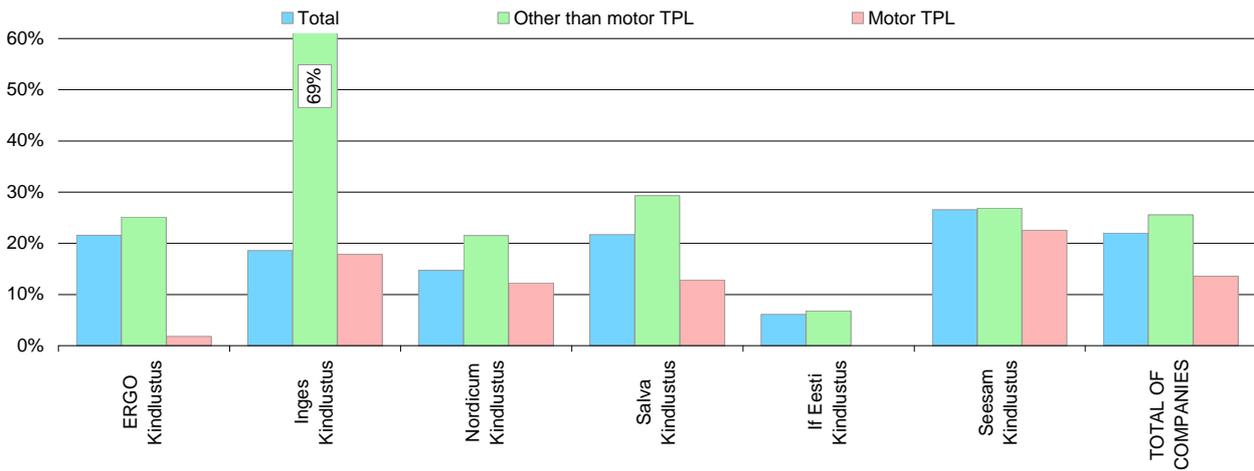


# Main ratios of non-life insurers, 2004 (3)

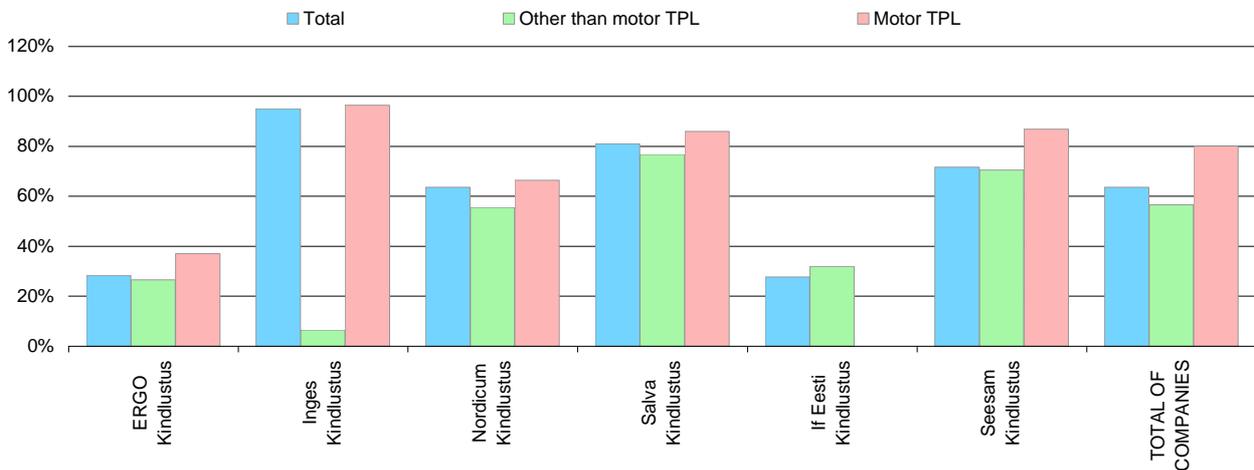
## Reinsurers' loss ratio



## Reinsurers' expense ratio

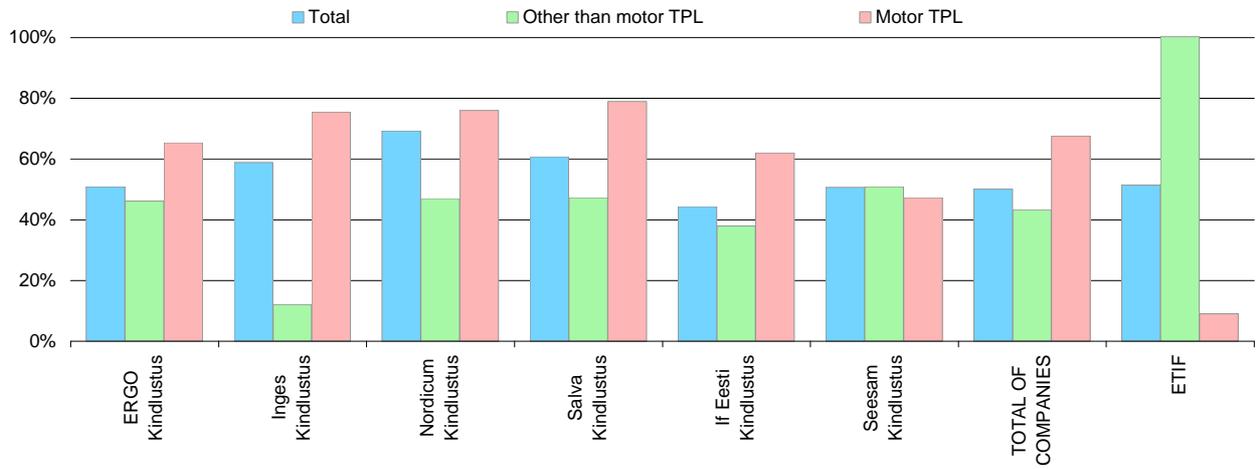


## Reinsurers' combined ratio

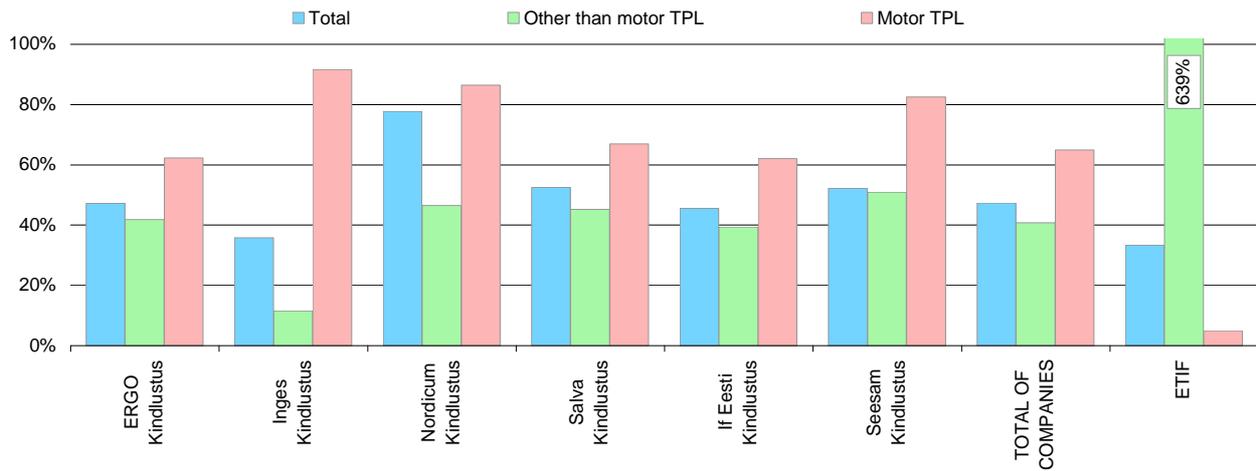


## Main ratios of non-life insurers, 2004 (4)

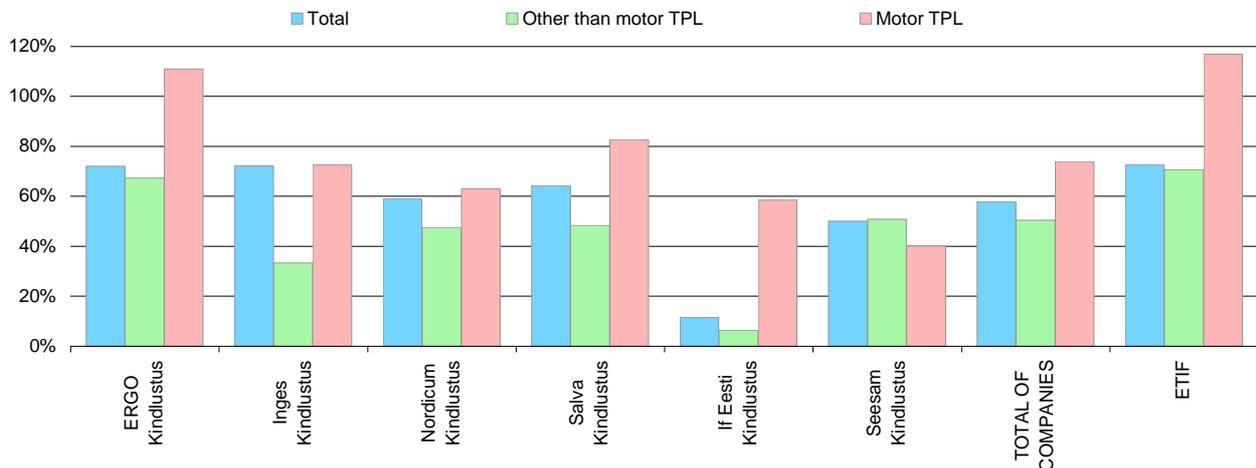
### Gross payout ratio



### Net payout ratio

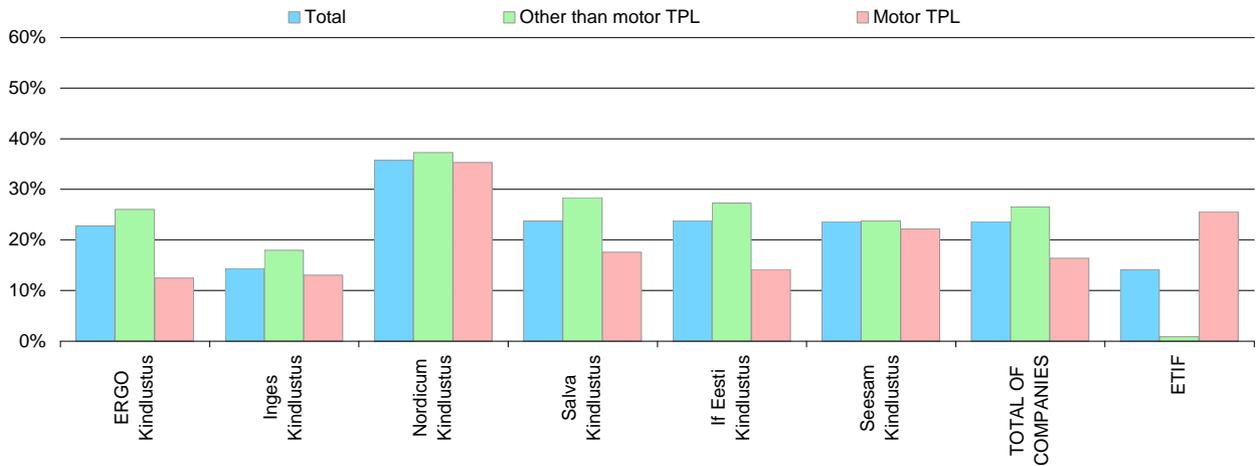


### Reinsurers' payout ratio

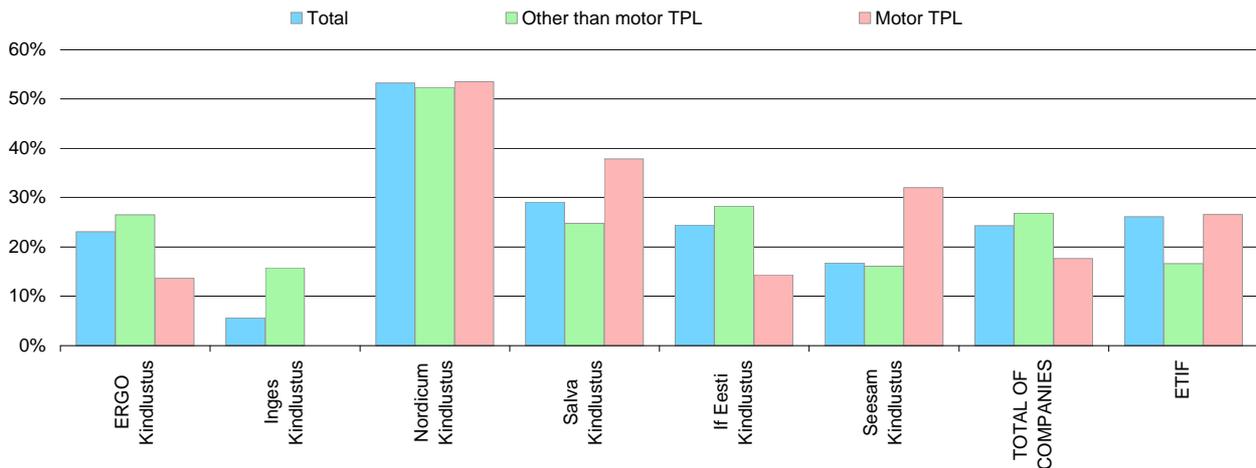


## Main ratios of non-life insurers, 2004 (5)

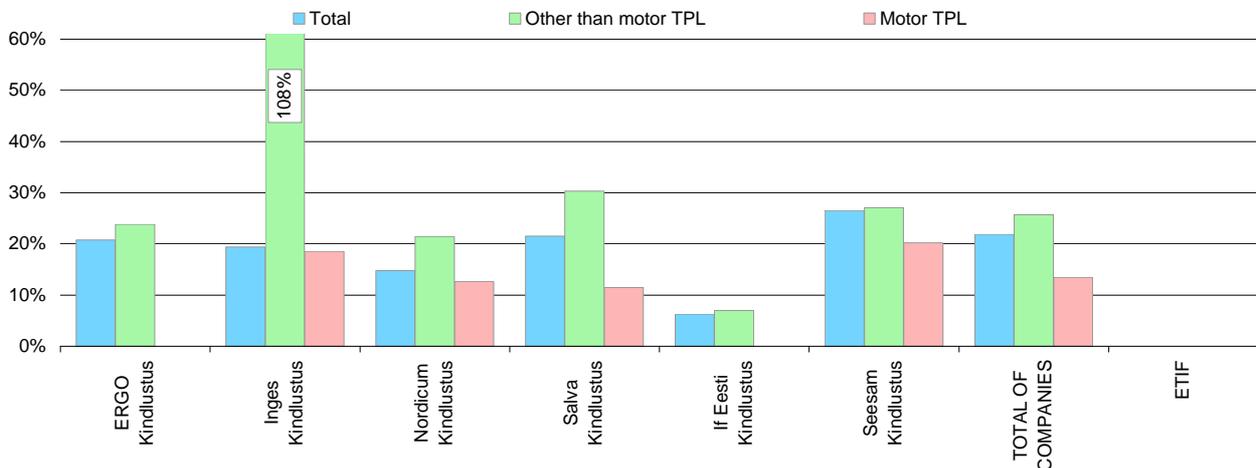
### Gross expense ratio (not adjusted by change in DAC and UPP)



### Net expense ratio (not adjusted by change in DAC and UPP)

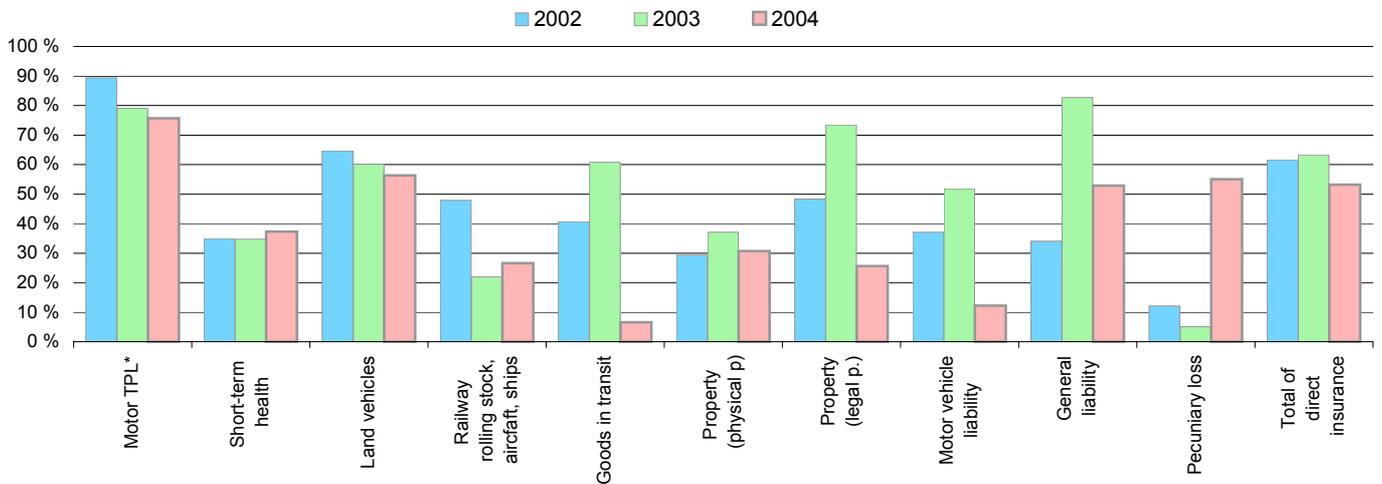


### Reinsurers' expense ratio (not adjusted by change in DAC and UPP)

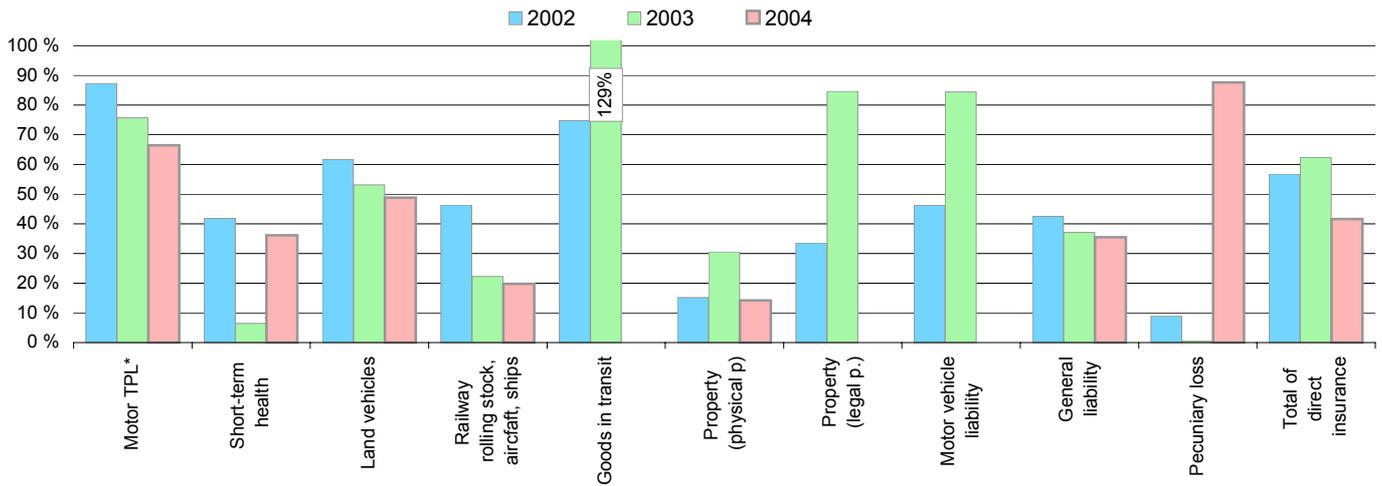


# Loss ratios of classes of business, 2002–2004

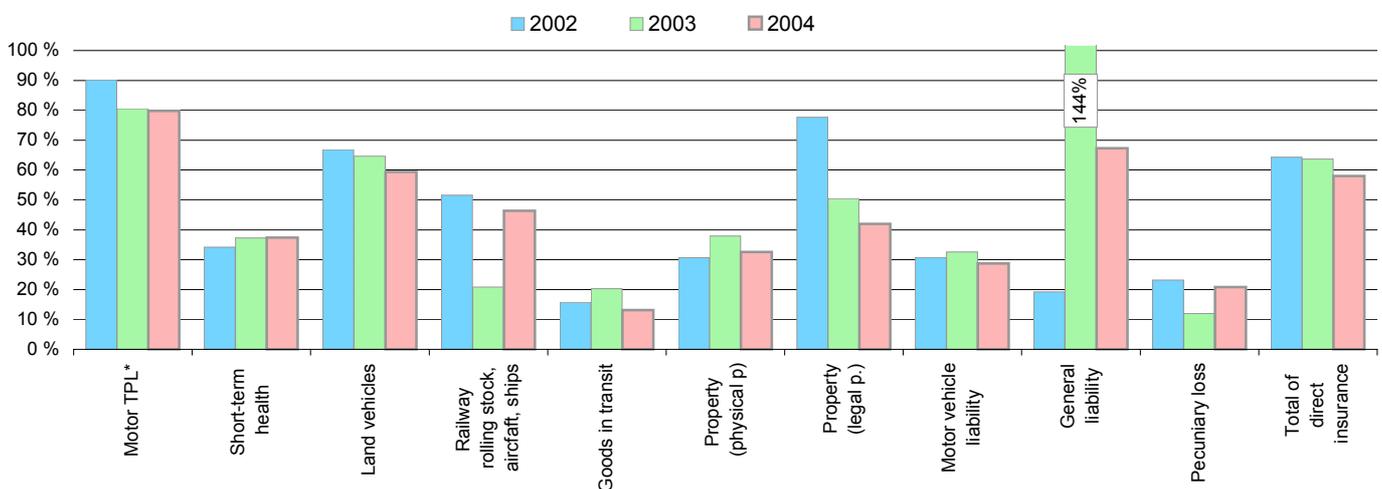
## Gross loss ratio



## Reinsurance loss ratio



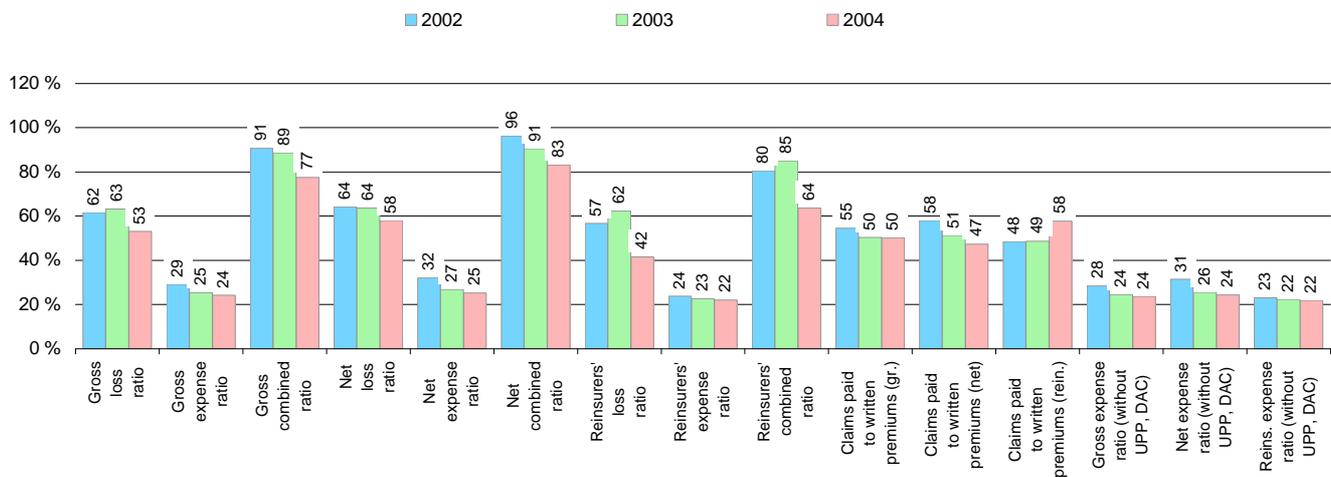
## Net loss ratio



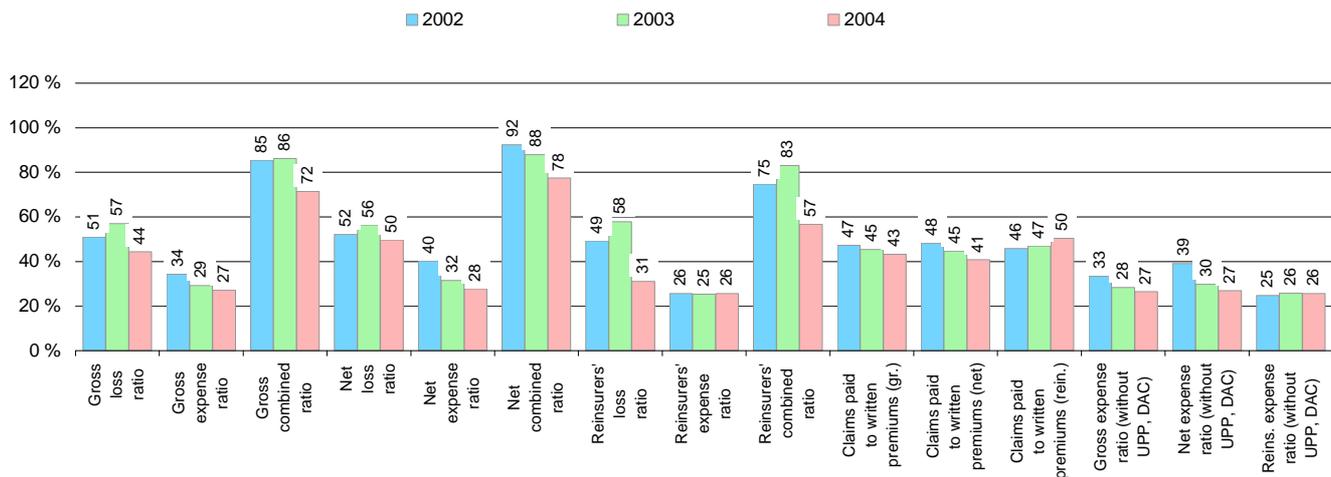
\* does not include data of Estonian Traffic Insurance Fund (ETIF)

# Non-life insurance ratios, 2002—2004\*

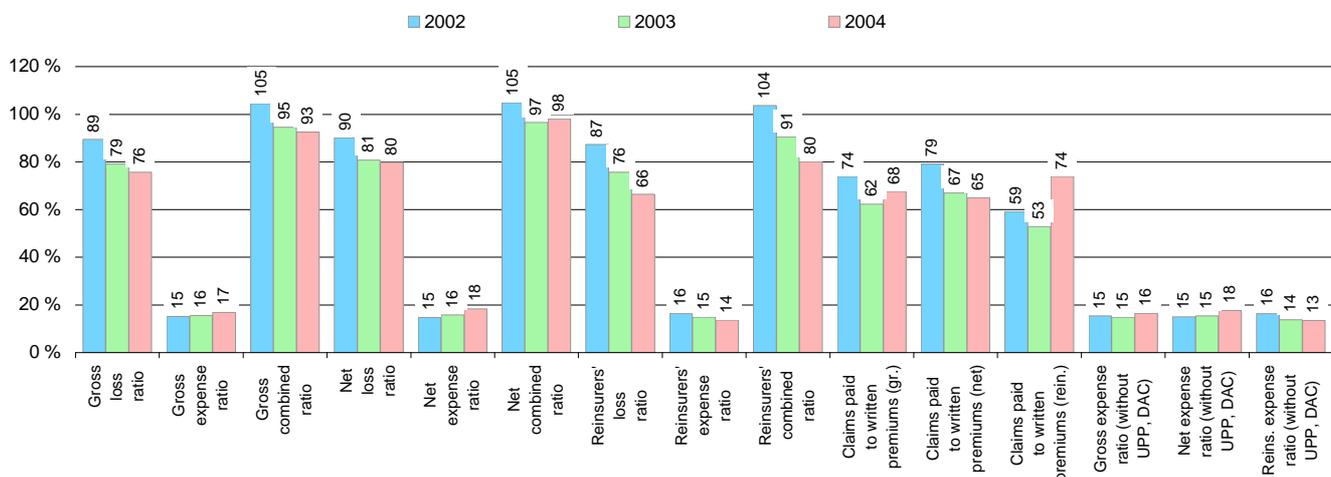
## Total



## Other than motor TPL



## Motor TPL



\* The ratios do not include data of Estonian Traffic Insurance Fund (ETIF)

## MOTOR THIRD PARTY LIABILITY INSURANCE, 2004

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The motor TPL insurance has been in force in Estonia as a compulsory class of insurance since 1 July 1993.

Six insurance companies wrote the motor TPL insurance in 2004. In addition, the Estonian Traffic Insurance Fund (ETIF) acted as the sole insurer in border insurance, the Estonian National Bureau in an international motor TPL insurance business and also the guarantee fund. ETIF's functions included also the general guidance of motor TPL insurance in Estonia, the indemnification of motor accident damages caused by illegally uninsured vehicles, and acting as the reinsurer in motor TPL insurance.

The total volume of motor TPL premiums in 2004 was 689 million kroons (in 2003, 619.6 m kroons). There were 405,461 annual policies (i.e. policies of different lengths are annualized) sold for vehicles registered in Estonia in 2004. According to data from state registers, there were 667,000 vehicles subject to motor TPL insurance.

The difference (1.4 times; compared highest and lowest average cost by companies) between average cost for client of an annualized domestic policy (i.e. excluding border insurance) wasn't caused to such a degree by difference between tariffs rather than structure of insurance portfolio. It should be noted that this depends on the average duration of policies and the predominant types of vehicles.

Motor TPL insurance cover in all member states in single premium basis came into force after joining the EU in 1 May 2004. Due to this the companies raised tariffs. The tariff of cars increased therefore about 10%, for lorries about 2 times and for trucks about 3 times due to the relatively high importance previously in Green Card for these classes (Table 2). In addition, since 2004 non-life insurers can change their motor TPL insurance tariffs without coordinating this with the Financial Supervision Authority, which enables to react more flexible to changes.

Table 2. Cost of daily insurance cover in domestic insurance by classes of vehicle (kroons), 2000—2004

|      | Buses | Motorcycles | Cars | Trucks | Lorries | Vans | TOTAL |
|------|-------|-------------|------|--------|---------|------|-------|
| 2000 | 5.67  | 0.32        | 3.20 | 7.19   | 3.40    | 3.58 | 2.98  |
| 2001 | 4.41  | 0.84        | 2.93 | 8.17   | 4.43    | 3.85 | 2.83  |
| 2002 | 5.20  | 1.19        | 3.43 | 7.55   | 4.66    | 4.19 | 3.24  |
| 2003 | 6.05  | 1.38        | 3.94 | 10.08  | 5.68    | 4.41 | 3.72  |
| 2004 | 10.25 | 1.89        | 4.31 | 29.75  | 9.66    | 5.16 | 4.49  |

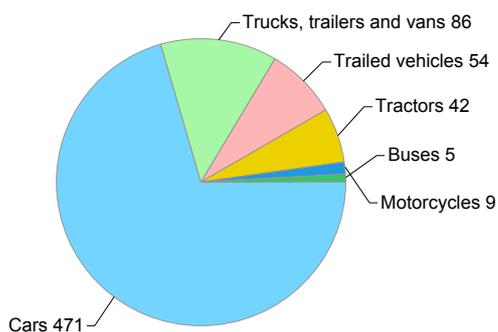
Companies adjusted their tariffs adequately and in correlation with the expansion of cover, since the total profit of motor TPL insurance was 8.1 million kroons in 2004.

The total volume of technical provision in motor TPL insurance was 631 million kroons at the end of 2004 (reinsurers' share being 210.2 m kroons), thereof the unearned premiums comprised 184.7 million kroons (reinsurers' share being 44.4 m kroons), the outstanding claims provision 446.3 million kroons (reinsurers' share being 165.8 m kroons), thereof motor TPL insurance pension provisions 55.3 million kroons (reinsurers' share being 23.8 m kroons).

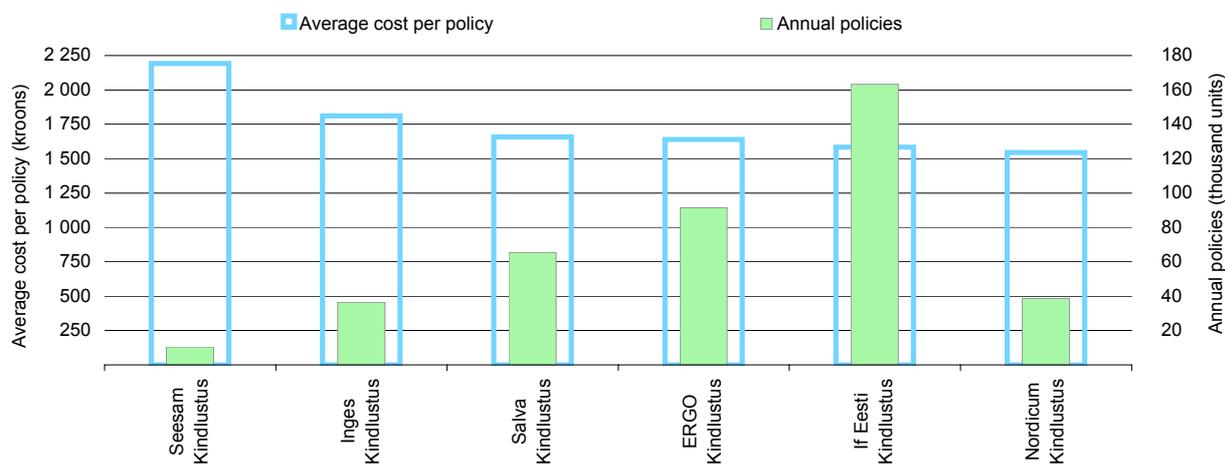
## Insurance market and its breakdown, 2000–2004

|  | Motor-cycles | Cars    | Trucks, trailers and vans | Tractors | Trailed vehicles | Buses | TOTAL   |
|--|--------------|---------|---------------------------|----------|------------------|-------|---------|
| Number of vehicles (31 December, thousand units) |              |         |                           |          |                  |       |         |
| 2000   | 7            | 464     | 82                        | 51       | 52               | 6     | 662     |
| 2001   | 7            | 407     | 81                        | 52       | 52               | 6     | 605     |
| 2002   | 7            | 401     | 80                        | 40       | 49               | 5     | 582     |
| 2003   | 8            | 434     | 83                        | 41       | 52               | 5     | 623     |
| 2004   | 9            | 471     | 86                        | 42       | 54               | 5     | 667     |
| Annual policies (units)                          |              |         |                           |          |                  |       |         |
| 2000   | 1 417        | 238 607 | 39 279                    | 10 140   | 21 496           | 3 223 | 314 162 |
| 2001   | 1 381        | 267 492 | 40 339                    | 11 376   | 23 829           | 3 592 | 348 009 |
| 2002   | 1 717        | 276 366 | 43 723                    | 13 362   | 28 302           | 3 478 | 366 948 |
| 2003   | 1 876        | 290 705 | 46 240                    | 14 086   | 31 616           | 3 418 | 387 941 |
| 2004   | 2 217        | 307 606 | 45 318                    | 15 136   | 31 786           | 3 398 | 405 461 |
| Percentage of insurance (%)                      |              |         |                           |          |                  |       |         |
| 2000   | 20           | 51      | 48                        | 20       | 41               | 54    | 47      |
| 2001   | 20           | 66      | 50                        | 22       | 46               | 60    | 58      |
| 2002   | 25           | 69      | 55                        | 33       | 58               | 70    | 63      |
| 2003   | 23           | 67      | 56                        | 34       | 61               | 68    | 62      |
| 2004   | 25           | 65      | 53                        | 36       | 59               | 68    | 61      |

### The structure of insured vehicles, 2004



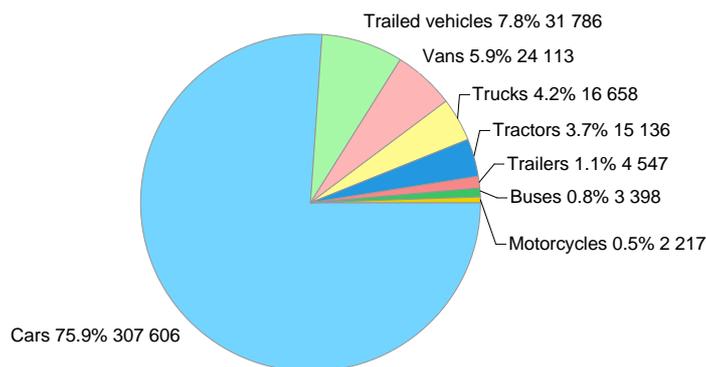
### Number of domestic annual policies concluded and their average cost, 2004



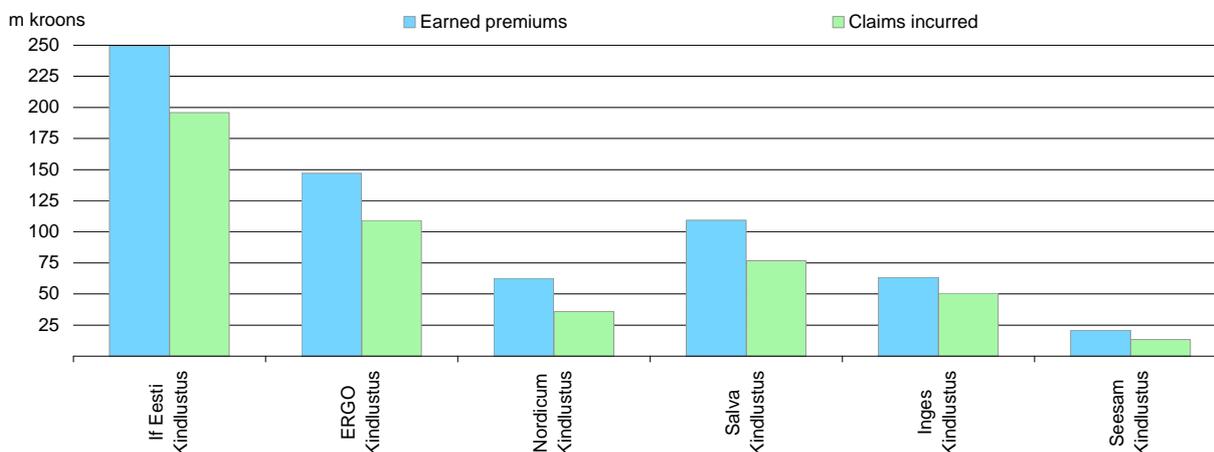
## The structure of insured vehicles by the duration of policy in domestic insurance industry, 2004

| Type of vehicle  | Duration of policy |             |                         |                          |                         | TOTAL |
|------------------|--------------------|-------------|-------------------------|--------------------------|-------------------------|-------|
|                  | Up to 5 days       | 6 - 15 days | from 16 days to 1 month | from 1 month to 3 months | from 3 months to 1 year |       |
| Buses            | 0%                 | 0%          | 0.0%                    | 0.2%                     | 0.5%                    | 0.8%  |
| Trailed vehicles | 0%                 | 0%          | 0.2%                    | 0.4%                     | 3.8%                    | 4.7%  |
| Motorcycles      | 0%                 | 0%          | 0%                      | 0.2%                     | 0.4%                    | 0.6%  |
| Cars             | 1.2%               | 3.1%        | 9.2%                    | 30.1%                    | 37.3%                   | 81.0% |
| Tractors         | 0%                 | 0%          | 0%                      | 0.1%                     | 1.6%                    | 1.8%  |
| Trailers         | 0%                 | 0%          | 0.2%                    | 0.4%                     | 0.4%                    | 1.1%  |
| Trucks           | 0.3%               | 0.4%        | 0.6%                    | 1.6%                     | 2.6%                    | 5.6%  |
| Vans             | 0%                 | 0.1%        | 0.4%                    | 1.4%                     | 2.6%                    | 4.5%  |
| TOTAL            | 1.8%               | 3.9%        | 10.8%                   | 34.3%                    | 49.2%                   | 100%  |

## Number and structure of annual policies in domestic insurance by type of vehicles, 2004 (Total — 405 461 annual policies)



## Earned premiums and claims incurred of motor TPL insurance by insurance companies, 2004



Earned premiums = motor TPL gross premiums - 2,4% to Estonian Traffic Insurance Foundation - change in unearned premiums provision  
 Claims incurred = claims paid + change in outstanding claims provision + change in other tech. provisions

## Policies, premiums and claims paid of motor TPL insurance per insurer, 2004

|   | ERGO<br>Kindlustus | Inges<br>Kindlustus | Nordicum<br>Kindlustus<br>Eesti | Salva<br>Kindlustus | If Eesti<br>Kindlustus | Seesam<br>Rahvus-<br>vaheline<br>Kindlustus | TOTAL<br>insurance<br>companies | Estonian<br>Traffic<br>Insurance<br>Fund | TOTAL   |
|---|--------------------|---------------------|---------------------------------|---------------------|------------------------|---|---------------------------------|--|---------|
| Structure of premiums by policy types:                      |                    |                     |                                 |                     |                        |   |                                 |  |         |
| TOTAL   | 22%                | 10%                 | 9%                              | 17%                 | 38%                    | 3%  | 99%                             | 1%                                       | 100%    |
| - Domestic insurance  | 21%                | 10%                 | 9%                              | 16%                 | 37%                    | 3%  | 96%                             |  | 96%     |
| - International policies (Green Card)                       | 1%                 | 0%                  | 0%                              | 1%                  | 1%                     | 0%  | 3%                              |  | 3%      |
| - Border insurance  |                    |                     |                                 |                     |                        |   |                                 | 1%                                       | 1%      |
| Gross premiums (thousand kroons)                            | 149 075            | 66 010              | 59 138                          | 107 683             | 258 503                | 22 789                                      | 663 198                         | 25 874                                   | 689 072 |
| Reinsurers' share in gross premiums (thousand kroons)       | 9 463              | 56 106              | 26 301                          | 82 481              | 3 465                  | 18 954                                      | 196 771                         | 943                                      | 197 714 |
| Structure of paid indemnities:                              |                    |                     |                                 |                     |                        |   |                                 |  |         |
| TOTAL   | 21%                | 11%                 | 10%                             | 18%                 | 36%                    | 2%  | 98%                             | 2%                                       | 100%    |
| - Personal loss   | 1%                 | 1%                  | 1%                              | 4%                  | 3%                     | 0%  | 10%                             | 0%                                       | 10%     |
| incl medical expenses                                       | 1%                 | 1%                  | 1%                              | 1%                  | 2%                     | 0%  | 6%                              | 0%                                       | 6%      |
| temporary disability  | 0%                 | 0%                  | 0%                              | 0%                  | 1%                     | 0%  | 1%                              | 0%                                       | 1%      |
| permanent disability  | 0%                 | 0%                  | 0%                              | 3%                  | 0%                     | 0%  | 3%                              | 0%                                       | 3%      |
| funeral expenses  | 0%                 | 0%                  | 0%                              | 0%                  | 0%                     |   | 0%                              | 0%                                       | 0%      |
| other   | 0%                 | 0%                  | 0%                              | 0%                  | 0%                     | 0%  | 0%                              | 0%                                       | 0%      |
| - Property loss   | 20%                | 10%                 | 9%                              | 14%                 | 33%                    | 2%  | 88%                             | 2%                                       | 90%     |
| incl vehicles   | 19%                | 9%                  | 9%                              | 13%                 | 32%                    | 2%  | 84%                             | 1%                                       | 85%     |
| personal articles   | 0%                 | 0%                  | 0%                              | 0%                  | 0%                     | 0%  | 0%                              | 0%                                       | 0%      |
| road, road constructions                                    | 0%                 | 1%                  | 0%                              | 0%                  | 0%                     | 0%  | 1%                              | 1%                                       | 2%      |
| cargo   | 0%                 | 0%                  | 0%                              | 0%                  | 0%                     | 0%  | 0%                              | 0%                                       | 0%      |
| other   | 1%                 | 0%                  | 0%                              | 1%                  | 1%                     | 0%  | 3%                              | 0%                                       | 3%      |
| legal assistance and expertise                              | 0%                 | 0%                  | 0%                              | 0%                  | 0%                     | 0%  | 0%                              | 0%                                       | 0%      |
| Claims paid (thousand kroons)                               | 97 450             | 49 812              | 44 949                          | 85 025              | 160 436                | 10 782                                      | 448 455                         | 2 346                                    | 450 803 |
| (claims paid = indemnities + handling costs - subrogations) |                    |                     |                                 |                     |                        |   |                                 |  |         |
| - Paid indemnities  | 91 359             | 49 464              | 45 794                          | 76 227              | 161 271                | 9 922                                       | 434 036                         | 4 803                                    | 438 838 |
| - Handling costs  | 14 549             | 2 688               | 3 298                           | 11 854              | 10 988                 | 1 104                                       | 44 481                          | 2 695                                    | 47 175  |
| - Subrogations  | 8 458              | 2 340               | 4 142                           | 3 055               | 11 823                 | 244   | 30 061                          | 5 151                                    | 35 212  |
| Reinsurers' share in paid claims (thousand kroons)          | 10 502             | 40 740              | 16 574                          | 68 149              | 2 027                  | 7 616                                       | 145 609                         | 1 103                                    | 146 712 |

## BASIC TABLES

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## Balance sheet of insurance companies, 31 December 2004

(kroons)

| <b>ASSETS</b>                          | <b>NON-LIFE</b>      | <b>LIFE</b>          | <b>TOTAL</b>         |
|--|----------------------|----------------------|----------------------|
| Cash and bank account                  | 65 898 082           | 17 189 595           | 83 087 677           |
| Receivables                            | 70 738 306           | 27 496 469           | 98 234 775           |
| Direct insurance                       | 51 391 681           | 3 553 925            | 54 945 606           |
| Policyholders                          | 15 157 713           | 3 553 925            | 18 711 638           |
| Intermediaries                         | 35 904 092           |                      | 35 904 092           |
| Other                                  | 329 876              |                      | 329 876              |
| Reinsurance                            | 16 713 838           | 5 966 986            | 22 680 824           |
| Other receivables                      | 2 632 787            | 17 975 558           | 20 608 344           |
| Unpaid share capital                   |                      |                      |                      |
| Accrued income, prepayments            | 78 570 958           | 25 433 200           | 104 004 158          |
| Accrued income                         | 5 777 206            | 16 414 021           | 22 191 228           |
| Deferred acquisition costs             | 66 053 011           | 7 548 317            | 73 601 328           |
| Other prepaid expenses                 | 6 740 740            | 1 470 862            | 8 211 602            |
| Investments                            | 2 131 117 322        | 1 782 105 421        | 3 913 222 743        |
| Land and buildings                     | 27 701 754           | 2 264 213            | 29 965 967           |
| Affiliated companies                   | 124 202 233          | 389 112              | 124 591 345          |
| Shares                                 | 113 466 196          | 256 386              | 113 722 582          |
| Bonds, loans                           | 10 736 038           | 132 726              | 10 868 764           |
| Investments in associated companies    |                      | 21 052 928           | 21 052 928           |
| Shares                                 |                      | 21 052 928           | 21 052 928           |
| Bonds, loans                           |                      |                      |                      |
| Other financial investments            | 1 979 213 334        | 1 758 399 168        | 3 737 612 502        |
| Shares and other securities            | 375 054 929          | 405 729 047          | 780 783 975          |
| Bonds, fixed interest securities       | 1 276 806 879        | 1 099 150 843        | 2 375 957 722        |
| Mortgage loans                         | 2 310 223            | 28 586 431           | 30 896 654           |
| Other loans                            | 2 272 064            | 336 176              | 2 608 240            |
| Deposits with credit institutions      | 322 560 418          | 224 007 313          | 546 567 731          |
| Other                                  | 208 821              | 589 358              | 798 179              |
| Unit-linked life ins. investments      |                      | 480 395 675          | 480 395 675          |
| Intangible assets                      | 18 566 169           | 3 042 548            | 21 608 717           |
| Fixed assets                           | 58 605 764           | 5 457 399            | 64 063 163           |
| <b>TOTAL ASSETS</b>                    | <b>2 423 496 602</b> | <b>2 341 120 307</b> | <b>4 764 616 909</b> |
| <b>LIABILITIES</b>                     |                      |                      |                      |
| Payables                               | 107 568 860          | 11 576 478           | 119 145 337          |
| Direct insurance                       | 42 047 071           | 6 651 330            | 48 698 401           |
| Policyholders                          | 36 190 640           | 3 452 873            | 39 643 513           |
| Intermediaries                         | 4 961 536            | 3 198 457            | 8 159 993            |
| Other                                  | 894 895              |                      | 894 895              |
| Reinsurance                            | 45 823 826           | 2 341 663            | 48 165 489           |
| Other payables                         | 19 697 963           | 2 583 485            | 22 281 447           |
| Accrued expenses, prepayments          | 77 345 562           | 14 811 178           | 92 156 740           |
| Accrued expenses                       | 52 235 334           | 14 792 909           | 67 028 243           |
| Deferred acq. costs, reinsurers' share | 24 958 879           |                      | 24 958 879           |
| Other prepaid income                   | 151 349              | 18 269               | 169 618              |
| Technical provisions                   | 1 131 114 681        | 1 503 481 961        | 2 634 596 642        |
| Unearned premiums provisions (net)     | 524 444 094          |                      | 524 444 094          |
| (Reinsurers' share)                    | 116 868 681          |                      | 116 868 681          |
| Life provisions (net)                  |                      | 1 452 785 047        | 1 452 785 047        |
| (Reinsurers' share)                    |                      | 295 474              | 295 474              |
| Outstanding claims provisions (net)    | 606 670 587          | 27 365 175           | 634 035 762          |
| (Reinsurers' share)                    | 349 211 548          | 1 116 946            | 350 328 494          |
| Provision for bonuses (net)            |                      | 17 291 323           | 17 291 323           |
| Other technical provisions (net)       |                      | 6 040 416            | 6 040 416            |
| (Reinsurers' share)                    |                      |                      |                      |
| Unit-linked life ins. provisions (net) |                      | 480 394 182          | 480 394 182          |
| (Reinsurers' share)                    |                      | 1 492                | 1 492                |
| Owners' equity                         | 1 107 467 499        | 330 856 509          | 1 438 324 008        |
| Share capital                          | 308 001 160          | 142 460 000          | 450 461 160          |
| Share premium                          | 91 688 632           | 59 552 509           | 151 241 141          |
| General reserve                        | 51 689 791           | 15 309 599           | 66 999 390           |
| Other reserves                         | 1 008 085            |                      | 1 008 085            |
| Profit/loss carried forward            | 322 614 000          | 17 241 775           | 339 855 775          |
| Profit/loss of the year                | 332 471 081          | 96 292 626           | 428 763 707          |
| Treasury shares (-)                    | - 5 250              |                      | - 5 250              |
| <b>TOTAL LIABILITIES</b>               | <b>2 423 496 602</b> | <b>2 341 120 307</b> | <b>4 764 616 909</b> |

**Balance sheets of life insurers, 31 December 2004**  
(kroons)

| <b>ASSETS</b>                          | ERGO<br>Elukindlustus | Hansa<br>Elukindlustus | Sampo<br>Elukindlustus | Seesam<br>Elukindlustus | Ühispanga<br>Elukindlustus | Total of<br>life insurers |
|--|-----------------------|------------------------|------------------------|-------------------------|----------------------------|---------------------------|
| Cash and bank account                  | 986 616               | 12 245 397             | 315 123                | 1 488 375               | 2 154 084                  | 17 189 595                |
| Receivables                            | 2 184 810             | 2 525 769              | 118 302                | 18 174 995              | 4 492 593                  | 27 496 469                |
| Direct insurance                       | 2 184 810             |                        | 81 989                 |                         | 1 287 126                  | 3 553 925                 |
| Policyholders                          | 2 184 810             |                        | 81 989                 |                         | 1 287 126                  | 3 553 925                 |
| Intermediaries                         |                       |                        |                        |                         |                            |                           |
| Reinsurance                            |                       | 2 522 364              |                        | 258 410                 | 3 186 212                  | 5 966 986                 |
| Other receivables                      |                       | 3 405                  | 36 313                 | 17 916 585              | 19 255                     | 17 975 558                |
| Accrued income, prepayments            | 4 385 373             | 16 632 596             | 1 454 569              | 277 463                 | 2 683 199                  | 25 433 200                |
| Accrued income                         | 962 463               | 14 139 207             | 1 289 526              | 17 078                  | 5 747                      | 16 414 021                |
| Deferred acquisition costs             | 3 324 202             | 1 965 260              |                        |                         | 2 258 855                  | 7 548 317                 |
| Other prepaid expenses                 | 98 708                | 528 129                | 165 043                | 260 385                 | 418 597                    | 1 470 862                 |
| Investments                            | 180 350 278           | 782 318 541            | 106 154 970            | 367 077 902             | 346 203 730                | 1 782 105 421             |
| Land and buildings                     | 2 264 213             |                        |                        |                         |                            | 2 264 213                 |
| Affiliated companies                   | 389 112               |                        |                        |                         |                            | 389 112                   |
| Shares                                 | 256 386               |                        |                        |                         |                            | 256 386                   |
| Bonds, loans                           | 132 726               |                        |                        |                         |                            | 132 726                   |
| Investments in associated companies    |                       |                        |                        | 21 052 928              |                            | 21 052 928                |
| Shares                                 |                       |                        |                        | 21 052 928              |                            | 21 052 928                |
| Bonds, loans                           |                       |                        |                        |                         |                            |                           |
| Other financial investments            | 177 696 953           | 782 318 541            | 106 154 970            | 346 024 974             | 346 203 730                | 1 758 399 168             |
| Shares and other securities            | 7 770 012             | 174 387 053            | 32 466 317             | 87 594 097              | 103 511 568                | 405 729 047               |
| Bonds, fixed interest securities       | 161 681 367           | 384 845 057            | 64 223 653             | 246 297 962             | 242 102 804                | 1 099 150 843             |
| Mortgage loans                         |                       | 28 586 431             |                        |                         |                            | 28 586 431                |
| Other loans                            | 336 176               |                        |                        |                         |                            | 336 176                   |
| Deposits with credit institutions      | 7 909 398             | 194 500 000            | 9 465 000              | 12 132 915              |                            | 224 007 313               |
| Other                                  |                       |                        |                        |                         | 589 358                    | 589 358                   |
| Unit-linked life ins. investments      |                       | 281 128 178            | 61 478 995             | 8 976 152               | 128 812 350                | 480 395 675               |
| Intangible assets                      |                       |                        | 562 269                | 2 480 279               |                            | 3 042 548                 |
| Fixed assets                           | 2 797 571             | 647 651                | 170 197                | 184 766                 | 1 657 214                  | 5 457 399                 |
| <b>TOTAL ASSETS</b>                    | <b>190 704 648</b>    | <b>1 095 498 132</b>   | <b>170 254 425</b>     | <b>398 659 932</b>      | <b>486 003 170</b>         | <b>2 341 120 307</b>      |
| <b>LIABILITIES</b>                     |                       |                        |                        |                         |                            |                           |
| Payables                               | 2 534 731             | 3 840 582              | 843 458                | 768 021                 | 3 589 686                  | 11 576 478                |
| Direct insurance                       | 2 297 273             | 1 278 315              | 495 458                | 383 542                 | 2 196 742                  | 6 651 330                 |
| Policyholders                          | 1 960 168             | 108 934                | 362 390                |                         | 1 021 381                  | 3 452 873                 |
| Intermediaries                         | 337 105               | 1 169 381              | 133 068                | 383 542                 | 1 175 361                  | 3 198 457                 |
| Other                                  |                       |                        |                        |                         |                            |                           |
| Reinsurance                            | 79 047                | 1 914 616              | 348 000                |                         |                            | 2 341 663                 |
| Other payables                         | 158 411               | 647 651                |                        | 384 479                 | 1 392 944                  | 2 583 485                 |
| Accrued expenses, prepayments          | 2 447 716             | 3 275 423              | 2 282 215              | 1 620 725               | 5 185 099                  | 14 811 178                |
| Accrued expenses                       | 2 447 716             | 3 257 154              | 2 282 215              | 1 620 725               | 5 185 099                  | 14 792 909                |
| Deferred acq. costs, reinsurers' share |                       |                        |                        |                         |                            |                           |
| Other prepaid income                   |                       | 18 269                 |                        |                         |                            | 18 269                    |
| Technical provisions                   | 151 363 923           | 692 008 359            | 74 713 892             | 312 120 838             | 273 274 949                | 1 503 481 961             |
| Life provisions (net)                  | 148 564 003           | 653 192 503            | 74 001 173             | 311 170 698             | 265 856 670                | 1 452 785 047             |
| (Reinsurers' share)                    | 207 444               |                        |                        | 88 030                  |                            | 295 474                   |
| Outstanding claims provisions (net)    | 1 586 335             | 23 032 959             | 102 462                | 950 140                 | 1 693 279                  | 27 365 175                |
| (Reinsurers' share)                    |                       | 268 412                |                        | 4 034                   | 844 500                    | 1 116 946                 |
| Provision for bonuses (net)            | 1 213 585             | 9 742 481              | 610 257                |                         | 5 725 000                  | 17 291 323                |
| (Reinsurer's share)                    |                       |                        |                        |                         |                            |                           |
| Other technical provisions (net)       |                       | 6 040 416              |                        |                         |                            | 6 040 416                 |
| (Reinsurers' share)                    |                       |                        |                        |                         |                            |                           |
| Unit-linked life ins. provisions (net) |                       | 281 128 178            | 61 478 995             | 8 974 659               | 128 812 350                | 480 394 182               |
| (Reinsurers' share)                    |                       |                        |                        | 1 492                   |                            | 1 492                     |
| Subordinated loans                     |                       |                        |                        |                         |                            |                           |
| Owners' equity                         | 34 358 278            | 115 245 590            | 30 935 865             | 75 175 689              | 75 141 087                 | 330 856 509               |
| Share capital                          | 25 460 000            | 36 000 000             | 20 000 000             | 31 000 000              | 30 000 000                 | 142 460 000               |
| Share premium                          | 2 003 370             | 18 000 000             | 10 000 000             | 29 549 139              |                            | 59 552 509                |
| General reserve                        | 462 149               | 11 600 000             | 80 071                 | 316 785                 | 2 850 594                  | 15 309 599                |
| Profit/loss carried forward            | 3 115 255             | 27 119                 | - 1 993 661            | 2 851 066               | 13 241 996                 | 17 241 775                |
| Profit/loss of the year                | 3 317 504             | 49 618 471             | 2 849 455              | 11 458 699              | 29 048 497                 | 96 292 626                |
| <b>TOTAL LIABILITIES</b>               | <b>190 704 648</b>    | <b>1 095 498 132</b>   | <b>170 254 425</b>     | <b>398 659 932</b>      | <b>486 003 170</b>         | <b>2 341 120 307</b>      |

## Balance sheets of non-life insurers, 31 December 2004 (1)

(kroons)

| <b>ASSETS</b>                             | ERGO<br>Kindlustus | If Eesti<br>Kindlustus | Inges<br>Kindlustus | Nordicum<br>Kindlustus Eesti | Salva<br>Kindlustus |
|---|--------------------|------------------------|---------------------|------------------------------|---------------------|
| Cash and bank account                     | 2 386 748          | 6 302 648              | 10 749 638          | 4 453 088                    | 10 139 638          |
| Receivables                               | 17 470 917         | 15 708 751             | 9 604 705           | 2 237 146                    | 13 488 757          |
| Direct insurance                          | 14 191 905         | 11 375 681             | 3 327 432           | 1 930 390                    | 10 870 757          |
| Policyholders                             | 7 291 986          | 645 337                | 822 407             | 755 322                      | 3 556 740           |
| Intermediaries                            | 6 758 892          | 10 730 344             | 2 505 025           | 1 158 806                    | 7 141 430           |
| Other                                     | 141 027            |                        |                     | 16 262                       | 172 587             |
| Reinsurance                               | 2 602 218          | 3 775 604              | 5 954 551           | 26 398                       | 2 617 000           |
| Other receivables                         | 676 794            | 557 466                | 322 722             | 280 358                      | 1 000               |
| Unpaid share capital                      |                    |                        |                     |                              |                     |
| Accrued income, prepayments               | 24 079 406         | 32 588 271             | 2 229 605           | 2 739 292                    | 9 132 221           |
| Accrued income                            | 2 627 404          | 515 870                | 404 081             | 1 003 662                    | 118 046             |
| Deferred acquisition costs                | 19 101 990         | 29 449 697             | 1 609 525           | 1 472 110                    | 8 263 372           |
| Other prepaid expenses                    | 2 350 012          | 2 622 703              | 215 999             | 263 520                      | 750 803             |
| Investments                               | 590 395 598        | 1 109 255 361          | 93 313 247          | 51 962 228                   | 113 593 069         |
| Land and buildings                        | 24 325 464         |                        |                     |                              |                     |
| Affiliated companies                      |                    | 91 292 281             |                     |                              | 32 909 952          |
| Shares                                    |                    | 86 556 244             |                     |                              | 26 909 952          |
| Bonds, loans                              |                    | 4 736 038              |                     |                              | 6 000 000           |
| Other financial investments               | 566 070 134        | 1 017 963 079          | 93 313 247          | 51 962 228                   | 80 683 117          |
| Shares and other securities               | 12 961 681         | 231 774 072            | 12 769 773          |                              | 67 308 414          |
| Bonds, fixed interest securities          | 488 387 738        | 707 854 610            | 3 080 860           |                              | 2 013 131           |
| Mortgage loans                            | 163 223            |                        |                     |                              | 2 147 000           |
| Other loans                               | 57 492             |                        |                     |                              | 2 214 572           |
| Deposits with credit institutions         | 64 500 000         | 78 125 576             | 77 462 614          | 51 962 228                   | 7 000 000           |
| Other                                     |                    | 208 821                |                     |                              |                     |
| Intangible assets                         | 7 724 974          | 9 206 106              |                     |                              | 1 635 089           |
| Fixed assets                              | 33 622 393         | 12 843 073             | 4 219 784           | 268 662                      | 799 065             |
| <b>TOTAL ASSETS</b>                       | <b>675 680 036</b> | <b>1 185 904 211</b>   | <b>120 116 979</b>  | <b>61 660 416</b>            | <b>148 787 839</b>  |
| <b>LIABILITIES</b>                        |                    |                        |                     |                              |                     |
| Payables                                  | 24 441 291         | 30 371 465             | 7 066 562           | 4 028 696                    | 20 039 579          |
| Direct insurance                          | 13 969 006         | 16 569 643             | 1 929 634           | 1 858 861                    | 5 529 187           |
| Policyholders                             | 10 798 330         | 15 674 772             | 1 793 600           | 1 781 687                    | 4 974 614           |
| Intermediaries                            | 2 846 685          | 690 031                | 19 182              | 40 547                       | 341 988             |
| Other                                     | 323 991            | 204 840                | 116 852             | 36 627                       | 212 585             |
| Reinsurance                               | 8 011 477          | 6 083 984              | 1 412 735           | 1 044 741                    | 11 832 746          |
| Other payables                            | 2 460 808          | 7 717 838              | 3 724 193           | 1 125 094                    | 2 677 646           |
| Accrued expenses, prepayments             | 18 656 951         | 20 496 880             | 4 072 332           | 4 231 542                    | 14 851 437          |
| Accrued expenses                          | 17 004 901         | 20 351 252             | 2 080 654           | 3 098 228                    | 4 827 957           |
| Deferred acq. costs, reinsurers' share    | 1 652 050          | 145 628                | 1 991 678           | 981 965                      | 10 023 480          |
| Other prepaid income                      |                    |                        |                     | 151 349                      |                     |
| Technical provisions                      | 358 489 993        | 633 949 575            | 18 867 106          | 33 332 652                   | 41 529 532          |
| Unearned premiums provisions (net)        | 174 342 625        | 289 931 379            | 5 750 583           | 8 605 331                    | 20 814 078          |
| (Reinsurers' share)                       | 7 018 904          | 2 515 816              | 10 273 497          | 6 253 706                    | 48 654 828          |
| Outstanding claims provisions (net)       | 184 147 368        | 344 018 196            | 13 116 523          | 24 727 321                   | 20 715 454          |
| (Reinsurers' share)                       | 109 654 315        | 61 694 548             | 40 332 643          | 29 311 520                   | 56 969 387          |
| Other technical provisions (net)          |                    |                        |                     |                              |                     |
| (Reinsurers' share)                       |                    |                        |                     |                              |                     |
| Owners' equity                            | 274 091 801        | 501 086 291            | 90 110 979          | 20 067 526                   | 72 367 291          |
| Share capital                             | 100 000 160        | 100 000 000            | 38 000 000          | 30 001 000                   | 10 000 000          |
| Share premium                             | 13 721 195         | 57 559 617             | 25 333              |                              |                     |
| General reserve                           | 9 030 882          | 18 361 209             | 9 870 606           |                              | 4 185 041           |
| Other reserves                            |                    |                        |                     |                              | 1 008 085           |
| Profit/loss carried forward               | 67 196 595         | 139 155 747            | 27 653 866          | - 7 856 598                  | 27 032 694          |
| Profit/loss of the year                   | 84 148 219         | 186 009 718            | 14 561 174          | - 2 076 876                  | 30 141 471          |
| Treasury shares (-)                       | - 5 250            |                        |                     |                              |                     |
| Balance of owner's equity not transferred |                    |                        |                     |                              |                     |
| <b>TOTAL LIABILITIES</b>                  | <b>675 680 036</b> | <b>1 185 904 211</b>   | <b>120 116 979</b>  | <b>61 660 416</b>            | <b>148 787 839</b>  |

**Balance sheets of non-life insurers, 31 December 2004 (2)**  
(kroons)

| <b>ASSETS</b>                             | Seesam<br>Kindlustus | Zürich<br>Kindlustus Eesti | Total of non-<br>life insurers | Estonian Traffic<br>Insurance Fund |
|---|----------------------|----------------------------|--------------------------------|------------------------------------|
| Cash and bank account                     | 22 421 515           | 9 444 807                  | 65 898 082                     | 509 960                            |
| Receivables                               | 12 214 548           | 13 482                     | 70 738 306                     | 6 177 830                          |
| Direct insurance                          | 9 695 516            |                            | 51 391 681                     | 806 818                            |
| Policyholders                             | 2 085 921            |                            | 15 157 713                     |                                    |
| Intermediaries                            | 7 609 595            |                            | 35 904 092                     | 806 818                            |
| Other                                     |                      |                            | 329 876                        |                                    |
| Reinsurance                               | 1 724 585            | 13 482                     | 16 713 838                     | 4 099 236                          |
| Other receivables                         | 794 447              |                            | 2 632 787                      | 4 926                              |
| Unpaid share capital                      |                      |                            |                                | 1 266 850                          |
| Accrued income, prepayments               | 7 759 168            | 42 995                     | 78 570 958                     | 1 333 906                          |
| Accrued income                            | 1 065 148            | 42 995                     | 5 777 206                      | 1 292 142                          |
| Deferred acquisition costs                | 6 156 317            |                            | 66 053 011                     |                                    |
| Other prepaid expenses                    | 537 703              |                            | 6 740 740                      | 41 764                             |
| Investments                               | 145 191 301          | 27 406 518                 | 2 131 117 322                  | 183 323 595                        |
| Land and buildings                        | 3 376 290            |                            | 27 701 754                     |                                    |
| Affiliated companies                      |                      |                            | 124 202 233                    |                                    |
| Shares                                    |                      |                            | 113 466 196                    |                                    |
| Bonds, loans                              |                      |                            | 10 736 038                     |                                    |
| Other financial investments               | 141 815 011          | 27 406 518                 | 1 979 213 334                  | 183 323 595                        |
| Shares and other securities               | 30 584 471           | 19 656 518                 | 375 054 929                    | 16 196 102                         |
| Bonds, fixed interest securities          | 75 470 540           |                            | 1 276 806 879                  |                                    |
| Mortgage loans                            |                      |                            | 2 310 223                      |                                    |
| Other loans                               |                      |                            | 2 272 064                      |                                    |
| Deposits with credit institutions         | 35 760 000           | 7 750 000                  | 322 560 418                    | 167 127 493                        |
| Other                                     |                      |                            | 208 821                        |                                    |
| Intangible assets                         |                      |                            | 18 566 169                     | 531 764                            |
| Fixed assets                              | 6 609 787            | 243 000                    | 58 605 764                     | 432 499                            |
| <b>TOTAL ASSETS</b>                       | <b>194 196 319</b>   | <b>37 150 802</b>          | <b>2 423 496 602</b>           | <b>192 309 554</b>                 |
| <b>LIABILITIES</b>                        |                      |                            |                                |                                    |
| Payables                                  | 21 589 172           | 32 095                     | 107 568 860                    | 3 114 494                          |
| Direct insurance                          | 2 158 645            | 32 095                     | 42 047 071                     | 42 711                             |
| Policyholders                             | 1 140 300            | 27 337                     | 36 190 640                     |                                    |
| Intermediaries                            | 1 018 345            | 4 758                      | 4 961 536                      | 42 711                             |
| Other                                     |                      |                            | 894 895                        |                                    |
| Reinsurance                               | 17 438 143           |                            | 45 823 826                     | 2 659 577                          |
| Other payables                            | 1 992 384            |                            | 19 697 963                     | 412 206                            |
| Accrued expenses, prepayments             | 13 184 436           | 1 851 984                  | 77 345 562                     | 3 148 188                          |
| Accrued expenses                          | 3 020 358            | 1 851 984                  | 52 235 334                     | 3 148 188                          |
| Deferred acq. costs, reinsurers' share    | 10 164 078           |                            | 24 958 879                     |                                    |
| Other prepaid income                      |                      |                            | 151 349                        |                                    |
| Technical provisions                      | 44 945 823           |                            | 1 131 114 681                  | 103 783 531                        |
| Unearned premiums provisions (net)        | 25 000 098           |                            | 524 444 094                    | 112 293                            |
| (Reinsurers' share)                       | 42 151 930           |                            | 116 868 681                    |                                    |
| Outstanding claims provisions (net)       | 19 945 725           |                            | 606 670 587                    | 103 671 238                        |
| (Reinsurers' share)                       | 51 249 135           |                            | 349 211 548                    | 37 816 214                         |
| Other technical provisions (net)          |                      |                            |                                |                                    |
| (Reinsurers' share)                       |                      |                            |                                |                                    |
| Owners' equity                            | 114 476 888          | 35 266 723                 | 1 107 467 499                  | 82 263 341                         |
| Share capital                             | 10 000 000           | 20 000 000                 | 308 001 160                    | 71 734 930                         |
| Share premium                             | 20 324 472           | 58 015                     | 91 688 632                     |                                    |
| General reserve                           | 8 310 959            | 1 931 094                  | 51 689 791                     |                                    |
| Other reserves                            |                      |                            | 1 008 085                      |                                    |
| Profit/loss carried forward               | 52 425 788           | 17 005 908                 | 322 614 000                    |                                    |
| Profit/loss of the year                   | 23 415 669           | - 3 728 294                | 332 471 081                    | 12 528 411                         |
| Treasury shares (-)                       |                      |                            | - 5 250                        |                                    |
| Balance of owner's equity not transferred |                      |                            |                                | - 2 000 000                        |
| <b>TOTAL LIABILITIES</b>                  | <b>194 196 319</b>   | <b>37 150 802</b>          | <b>2 423 496 602</b>           | <b>192 309 554</b>                 |

## Profit/loss account of non-life insurers, 2004 (1)

(kroons)

|   | ERGO<br>Kindlustus | If Eesti<br>Kindlustus | Inges<br>Kindlustus | Nordicum<br>Kindlustus Eesti | Salva<br>Kindlustus |
|---|--------------------|------------------------|---------------------|------------------------------|---------------------|
| (A1) Gross premiums <sup>1</sup>                    | 616 401 390        | 980 319 761            | 90 942 244          | 78 260 106                   | 255 449 008         |
| (A2) Ceded premiums                                 | 87 834 523         | 35 084 146             | 56 647 734          | 34 925 145                   | 177 363 376         |
| (A) Net premiums (A1-A2)                            | 528 566 867        | 945 235 616            | 34 294 510          | 43 334 961                   | 78 085 632          |
| (B1) Change in UPP (incr. -)                        | -21 238 602        | -57 490 699            | -4 592 385          | 1 095 165                    | - 558 497           |
| (B2) Change in reinsurers' UPP (incr. -)            | -40 098 092        | 452 984                | 3 359 224           | 4 124 423                    | - 96 340            |
| (B) Net change in UPP (B1+B2; incr.-)               | -61 336 694        | -57 037 715            | -1 233 161          | 5 219 588                    | - 654 837           |
| (C) Earned net premiums (A+B)                       | 467 230 173        | 888 197 901            | 33 061 349          | 48 554 549                   | 77 430 795          |
| (D) Other technical income                          | 60 635             | 2 586                  |                     | 1 984                        | 353 161             |
| (E1) Indemnities                                    | 307 693 306        | 430 326 667            | 52 190 057          | 54 243 841                   | 136 019 195         |
| (E2) Claim handling expenses                        | 26 563 005         | 26 682 528             | 2 782 136           | 3 906 139                    | 22 697 466          |
| (E3) Subrogations                                   | -22 715 546        | -25 074 056            | -2 339 617          | -4 898 156                   | -4 982 826          |
| (E4) Reinsurers' share in claims paid               | 63 304 605         | 4 042 269              | 40 920 439          | 20 672 336                   | 114 110 092         |
| (E) Net claims paid (E1+E2+E3-E4)                   | 248 236 160        | 427 892 870            | 11 712 137          | 32 579 488                   | 39 623 743          |
| (F1) Change in OCP (incr. -) <sup>2</sup>           | 20 589 784         | -87 179 096            | -2 852 206          | 10 630 921                   | 8 724 830           |
| (F2) Change in reinsurer's OCP (incr. +)            | -54 824 198        | 3 448 437              | - 121 434           | -5 607 583                   | -8 848 430          |
| (F) Net change in OCP (F1+F2; incr.-)               | -34 234 414        | -83 730 659            | -2 973 640          | 5 023 338                    | - 123 600           |
| (G) Net claims incurred (E-F)                       | 282 470 574        | 511 623 529            | 14 685 777          | 27 556 150                   | 39 747 343          |
| (H) Change in other tech. prov. (incr.-)            |                    |                        |                     |                              |                     |
| (I1) Acquisition costs                              | 114 213 317        | 195 634 657            | 9 445 447           | 14 991 248                   | 47 497 806          |
| (I2) Change in deferred acquisition costs (incr. +) | 2 000 441          | 5 517 251              | 401 849             | - 55 791                     | 230 087             |
| (I3) Administrative expenses                        | 25 207 219         | 36 503 121             | 3 379 853           | 12 501 884                   | 12 696 926          |
| (I4) Reinsurance commissions, profit participation  | 18 238 885         | 2 204 008              | 10 982 051          | 5 173 238                    | 38 214 776          |
| (I5) Reinsurers' share in def. acq. costs (incr.-)  | 9 387 517          | - 85 821               | -1 084 343          | - 643 715                    | 353 704             |
| (I) Net operating expenses (I1-I2+I3-I4-I5)         | 109 793 693        | 224 502 340            | 2 525 743           | 23 019 400                   | 21 396 165          |
| (J) Other technical charges                         | 3 663 561          | 6 411 018              | 1 625 667           | 1 729 393                    | 2 764 926           |
| (K) Profit/loss from portfolios accepted            |                    |                        |                     |                              |                     |
| (L) TECHN. RESULT (C+D-G+H-I-J+K)                   | 71 362 980         | 145 663 599            | 14 224 162          | -3 748 410                   | 13 875 522          |
| (M1) Income from affil. and associated companies    |                    | 4 197 899              |                     |                              | 9 941 220           |
| (M2) Income from land and buildings                 | 248 064            |                        |                     |                              |                     |
| (M3) Income from other investments                  | 12 500 057         | 26 000 069             | 1 586 032           | 1 744 852                    | 502 319             |
| (M4) Change in investments' value                   | 1 805 807          | 23 339 775             | 604 084             |                              | 4 088 758           |
| (M5) Profit from investment disposal                | 1 663 891          | 3 217 259              | 13 199              |                              | 277 245             |
| (M) Investment income (M1+...+M5)                   | 16 217 819         | 56 755 002             | 2 203 315           | 1 744 852                    | 14 809 542          |
| (N1) Managing expenses                              | 2 163 677          | 2 361 879              |                     |                              | 698 402             |
| (N2) Expenses from affil. and associated companies: |                    |                        |                     |                              |                     |
| (N3) Change in investments' value                   | 120 564            | 8 760 481              | 361 298             | - 10 172                     | 427 624             |
| (N4) Loss from investment disposal                  | 9 561              | 1 067 775              |                     |                              |                     |
| (N) Investment expenses (N1+...+N4)                 | 2 293 802          | 12 190 134             | 361 298             | - 10 172                     | 1 126 026           |
| (O) Net investment income (M-N)                     | 13 924 017         | 44 564 868             | 1 842 017           | 1 755 024                    | 13 683 516          |
| (P) Net other income                                | -1 138 778         | -4 218 749             | -1 505 005          | - 83 490                     | 2 582 433           |
| (Q) NET PROFIT/LOSS (L+O+P)                         | 84 148 219         | 186 009 719            | 14 561 174          | -2 076 876                   | 30 141 471          |

### Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

<sup>1</sup> Gross premiums of non-life companies are not off-set against mandatory transfers to ETIF (2,4% of motor TPL premiums); the expense is included in "Other technical charges" (J)

<sup>2</sup> Includes change in motor TPL pension provision (included in "Change in other technical provisions" until 2003)

## Profit/loss account of non-life insurers, 2004 (2)

(kroons)

|   | Seesam<br>Kindlustus | Zürich<br>Kindlustus Eesti | Total of non-<br>life insurers | Estonian Traffic<br>Insurance Fund |
|---|----------------------|----------------------------|--------------------------------|------------------------------------|
| (A1) Gross premiums <sup>1</sup>                    | 335 349 041          | 51 019                     | 2 356 772 569                  | 31 002 206                         |
| (A2) Ceded premiums                                 | 237 673 616          | 51 019                     | 629 579 559                    | 22 217 828                         |
| (A) Net premiums (A1-A2)                            | 97 675 425           |                            | 1 727 193 011                  | 8 784 378                          |
| (B1) Change in UPP (incr. -)                        | -4 523 788           | 1 367 317                  | -85 941 489                    | 514 487                            |
| (B2) Change in reinsurers' UPP (incr. -)            | 651 211              | -1 363 247                 | -32 969 837                    |                                    |
| (B) Net change in UPP (B1+B2; incr.-)               | -3 872 577           | 4 070                      | -118 911 326                   | 514 487                            |
| (C) Earned net premiums (A+B)                       | 93 802 848           | 4 070                      | 1 608 281 685                  | 9 298 865                          |
| (D) Other technical income                          | 67 765               | 42 767                     | 528 898                        | 17 315 174                         |
| (E1) Indemnities                                    | 166 758 388          | 1 915 396                  | 1149 146 850                   | 27 123 427                         |
| (E2) Claim handling expenses                        | 9 028 004            | 111 641                    | 91 770 919                     | 2 997 009                          |
| (E3) Subrogations                                   | -6 103 579           | - 103 680                  | -66 217 460                    | -5 261 079                         |
| (E4) Reinsurers' share in claims paid               | 118 953 549          | 1 808 832                  | 363 812 122                    | 16 145 464                         |
| (E) Net claims paid (E1+E2+E3-E4)                   | 50 729 264           | 114 525                    | 810 888 187                    | 8 713 893                          |
| (F1) Change in OCP (incr. -) <sup>2</sup>           | 15 077 849           | 10 979 297                 | -24 028 621                    | 18 920 063                         |
| (F2) Change in reinsurer's OCP (incr. +)            | -11 882 457          | -10 295 359                | -88 131 024                    | -13 645 543                        |
| (F) Net change in OCP (F1+F2; incr.-)               | 3 195 392            | 683 938                    | -112 159 645                   | 5 274 520                          |
| (G) Net claims incurred (E-F)                       | 47 533 872           | - 569 413                  | 923 047 833                    | 3 439 373                          |
| (H) Change in other tech. prov. (incr.-)            |                      |                            |                                |                                    |
| (I1) Acquisition costs                              | 54 568 811           | - 25 352                   | 436 325 934                    | 903 080                            |
| (I2) Change in deferred acquisition costs (incr. +) | -1 000 167           | - 118 705                  | 6 974 965                      |                                    |
| (I3) Administrative expenses                        | 24 737 550           | 2 869 337                  | 117 895 890                    | 5 918 609                          |
| (I4) Reinsurance commissions, profit participation  | 63 037 276           | - 137 417                  | 137 712 817                    |                                    |
| (I5) Reinsurers' share in def. acq. costs (incr.-)  | - 77 960             | 323 045                    | 8 172 427                      |                                    |
| (I) Net operating expenses (I1-I2+I3-I4-I5)         | 17 347 212           | 2 777 062                  | 401 361 615                    | 6 821 689                          |
| (J) Other technical charges                         | 581 867              | 5 992                      | 16 782 424                     | 7 034 274                          |
| (K) Profit/loss from portfolios accepted            |                      |                            |                                |                                    |
| (L) TECHN. RESULT (C+D-G+H-I-J+K)                   | 28 407 662           | -2 166 804                 | 267 618 711                    | 9 318 703                          |
| (M1) Income from affil. and associated companies    |                      |                            | 14 139 119                     |                                    |
| (M2) Income from land and buildings                 | 146 400              |                            | 394 464                        |                                    |
| (M3) Income from other investments                  | 3 609 596            | 1 023 195                  | 46 966 120                     | 4 050 145                          |
| (M4) Change in investments' value                   | 2 214 555            | 285 407                    | 32 338 386                     | 132 733                            |
| (M5) Profit from investment disposal                | 264 620              | 74 068                     | 5 510 282                      |                                    |
| (M) Investment income (M1+...+M5)                   | 6 235 171            | 1 382 670                  | 99 348 371                     | 4 182 878                          |
| (N1) Managing expenses                              | 617 442              | 3 498                      | 5 844 898                      | 7 383                              |
| (N2) Expenses from affil. and associated companies  |                      |                            |                                |                                    |
| (N3) Change in investments' value                   | 10 939 485           | 274 845                    | 20 874 125                     |                                    |
| (N4) Loss from investment disposal                  | 119 628              |                            | 1 196 964                      |                                    |
| (N) Investment expenses (N1+...+N4)                 | 11 676 555           | 278 343                    | 27 915 986                     | 7 383                              |
| (O) Net investment income (M-N)                     | -5 441 384           | 1 104 327                  | 71 432 385                     | 4 175 495                          |
| (P) Net other income                                | 449 391              | -2 665 817                 | -6 580 015                     | - 965 787                          |
| (Q) NET PROFIT/LOSS (L+O+P)                         | 23 415 669           | -3 728 294                 | 332 471 081                    | 12 528 411                         |

### Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

<sup>1</sup> Gross premiums of non-life companies are not off-set against mandatory transfers to ETIF (2,4% of motor TPL premiums); the expense is included in "Other technical charges" (J)

<sup>2</sup> Includes change in motor TPL pension provision (included in "Change in other technical provisions" until 2003)

## Profit/loss account of motor TPL insurance, 2004

(kroons)

|   | ERGO<br>Kindlustus | If Eesti<br>Kindlustus | Inges<br>Kindlustus | Nordicum<br>Kindlustus Eesti | Salva<br>Kindlustus | Seesam<br>Kindlustus | Total of non-<br>life insurers | Estonian Traffic<br>Insurance Fund |
|---|--------------------|------------------------|---------------------|------------------------------|---------------------|----------------------|--------------------------------|------------------------------------|
| (A1) Gross premiums <sup>1</sup>                    | 152 739 008        | 264 907 302            | 67 635 560          | 60 589 878                   | 110 331 933         | 23 350 307           | 679 553 988                    | 8 559 066                          |
| (A2) Ceded premiums                                 | 9 463 745          | 3 464 745              | 56 105 938          | 26 300 895                   | 82 481 154          | 18 954 285           | 196 770 762                    | 943 026                            |
| (A) Net premiums (A1-A2)                            | 143 275 263        | 261 442 557            | 11 529 622          | 34 288 983                   | 27 850 779          | 4 396 022            | 482 783 226                    | 7 616 040                          |
| (B1) Change in UPP (incr. -)                        | -5 671 328         | -15 307 084            | -4 222 672          | 1 964 416                    | -1 070 105          | -2 457 994           | -26 764 767                    | 514 487                            |
| (B2) Change in reinsurers' UPP (incr. -)            | -10 022 103        |                        | 3 589 271           | 3 641 717                    | 802 577             | 1 922 540            | - 65 998                       |                                    |
| (B) Net change in UPP (B1+B2; incr.-)               | -15 693 431        | -15 307 084            | - 633 401           | 5 606 133                    | - 267 528           | - 535 454            | -26 830 765                    | 514 487                            |
| (C) Earned net premiums (A+B)                       | 127 581 832        | 246 135 473            | 10 896 221          | 39 895 116                   | 27 583 251          | 3 860 568            | 455 952 461                    | 8 130 527                          |
| (D) Other technical income                          | 57 472             |                        |                     |                              | 43 817              |                      | 101 289                        | 17 315 174                         |
| (E1) Indemnities                                    | 91 358 938         | 161 270 597            | 49 463 801          | 45 794 074                   | 76 226 676          | 9 921 969            | 434 036 055                    | 4 803 009                          |
| (E2) Claim handling expenses                        | 14 548 814         | 10 988 125             | 2 688 058           | 3 298 170                    | 11 852 774          | 1 103 625            | 44 479 566                     | 2 694 761                          |
| (E3) Subrogations                                   | -8 457 951         | -11 822 768            | -2 339 617          | -4 141 774                   | -3 054 652          | - 243 746            | -30 060 508                    | -5 151 326                         |
| (E4) Reinsurers' share in claims paid               | 10 502 704         | 2 027 497              | 40 739 708          | 16 573 744                   | 68 149 135          | 7 615 919            | 145 608 707                    | 1 102 987                          |
| (E) Net claims paid (E1+E2+E3-E4)                   | 86 947 097         | 158 408 457            | 9 072 534           | 28 376 726                   | 16 875 663          | 3 165 929            | 302 846 406                    | 1 243 457                          |
| (F1) Change in OCP (incr. -) <sup>2</sup>           | -11 752 221        | -35 501 277            | - 720 970           | 8 937 974                    | 8 277 852           | -2 451 423           | -33 210 065                    | -1 261 153                         |
| (F2) Change in reinsurer's OCP (incr. +)            | -3 637 170         | -2 359 204             | 539 240             | -4 288 884                   | -8 348 198          | 3 337 655            | -14 756 561                    | - 952 481                          |
| (F) Net change in OCP (F1+F2; incr.-)               | -15 389 391        | -37 860 481            | - 181 730           | 4 649 090                    | - 70 346            | 886 232              | -47 966 626                    | -2 213 634                         |
| (G) Net claims incurred (E-F)                       | 102 336 488        | 196 268 938            | 9 254 264           | 23 727 636                   | 16 946 009          | 2 279 697            | 350 813 032                    | 3 457 091                          |
| (H) Change in other tech. prov. (incr.-)            |                    |                        |                     |                              |                     |                      |                                |                                    |
| (I1) Acquisition costs                              | 14 817 168         | 29 849 015             | 6 663 929           | 11 217 225                   | 14 979 519          | 2 935 034            | 80 461 890                     | 899 180                            |
| (I2) Change in deferred acquisition costs (incr. +) | 144 829            | 984 820                | 425 750             | - 186 744                    | 23 322              | 183 073              | 1 575 050                      |                                    |
| (I3) Administrative expenses                        | 3 784 223          | 6 838 093              | 1 976 609           | 9 691 658                    | 4 004 266           | 2 124 031            | 28 418 880                     | 5 728 474                          |
| (I4) Reinsurance commissions, profit participation  | - 455 948          |                        | 10 399 234          | 3 324 980                    | 9 444 487           | 3 829 540            | 26 542 293                     |                                    |
| (I5) Reinsurers' share in def. acq. costs (incr.-)  | 810 014            |                        | -1 032 203          | - 546 257                    | 1 028 544           | 14 816               | 274 914                        |                                    |
| (I) Net operating expenses (I1-I2+I3-I4-I5)         | 18 102 496         | 35 702 288             | -1 152 243          | 18 316 904                   | 8 487 432           | 1 031 636            | 80 488 513                     | 6 627 654                          |
| (J) Other technical charges                         | 3 663 561          | 6 404 457              | 1 625 667           | 1 712 614                    | 2 709 332           | 565 384              | 16 681 015                     | 7 034 273                          |
| (K) TECHN. RESULT (C+D-G+H-I-J)                     | 3 536 759          | 7 759 790              | 1 168 533           | -3 862 038                   | - 515 705           | - 16 149             | 8 071 190                      | 8 326 683                          |

### Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

<sup>1</sup> Gross premiums of non-life companies are not off-set against mandatory transfers to ETIF (2,4% of motor TPL premiums); the expense is included in "Other technical charges" (J)

<sup>2</sup> Includes change in motor TPL pension provision (included in "Change in other technical provisions" until 2003)

**Profit/loss account of non-life business excluding motor TPL, 2004**  
(kroons)

|   | ERGO<br>Kindlustus | If Eesti<br>Kindlustus | Inges<br>Kindlustus | Nordicum<br>Kindlustus Eesti | Salva<br>Kindlustus | Seesam<br>Kindlustus | Zürich<br>Kindlustus | Total of non-<br>life insurers | Estonian Traffic<br>Insurance Fund |
|---|--------------------|------------------------|---------------------|------------------------------|---------------------|----------------------|----------------------|--------------------------------|------------------------------------|
| (A1) Gross premiums                                 | 463 662 382        | 715 412 459            | 23 306 684          | 17 670 228                   | 145 117 075         | 311 998 734          | 51 019               | 1 677 218 581                  | 22 443 140                         |
| (A2) Ceded premiums                                 | 78 370 778         | 31 619 401             | 541 796             | 8 624 250                    | 94 882 222          | 218 719 331          | 51 019               | 432 808 797                    | 21 274 802                         |
| (A) Net premiums (A1-A2)                            | 385 291 604        | 683 793 059            | 22 764 888          | 9 045 978                    | 50 234 853          | 93 279 403           |                      | 1244 409 785                   | 1 168 338                          |
| (B1) Change in UPP (incr. -)                        | -15 567 274        | -42 183 615            | - 369 713           | - 869 251                    | 511 608             | -2 065 794           | 1 367 317            | -59 176 722                    |                                    |
| (B2) Change in reinsurers' UPP (incr. -)            | -30 075 989        | 452 984                | - 230 047           | 482 706                      | - 898 917           | -1 271 329           | -1 363 247           | -32 903 839                    |                                    |
| (B) Net change in UPP (B1+B2; incr.-)               | -45 643 263        | -41 730 631            | - 599 760           | - 386 545                    | - 387 309           | -3 337 123           | 4 070                | -92 080 561                    |                                    |
| (C) Earned net premiums (A+B)                       | 339 648 341        | 642 062 428            | 22 165 128          | 8 659 433                    | 49 847 544          | 89 942 280           | 4 070                | 1152 329 224                   | 1 168 338                          |
| (D) Other technical income                          | 3 163              | 2 586                  |                     | 1 984                        | 309 344             | 67 765               | 42 767               | 427 609                        |                                    |
| (E1) Indemnities                                    | 216 334 368        | 269 056 070            | 2 726 256           | 8 449 767                    | 59 792 519          | 156 836 419          | 1 915 396            | 715 110 795                    | 22 320 418                         |
| (E2) Claim handling expenses                        | 12 014 191         | 15 694 403             | 94 078              | 607 969                      | 10 844 692          | 7 924 379            | 111 641              | 47 291 353                     | 302 248                            |
| (E3) Subrogations                                   | -14 257 595        | -13 251 288            |                     | - 756 382                    | -1 928 174          | -5 859 833           | - 103 680            | -36 156 952                    | - 109 753                          |
| (E4) Reinsurers' share in claims paid               | 52 801 901         | 2 014 772              | 180 731             | 4 098 592                    | 45 960 957          | 111 337 630          | 1 808 832            | 218 203 415                    | 15 042 477                         |
| (E) Net claims paid (E1+E2+E3-E4)                   | 161 289 063        | 269 484 413            | 2 639 603           | 4 202 762                    | 22 748 080          | 47 563 335           | 114 525              | 508 041 781                    | 7 470 436                          |
| (F1) Change in OCP (incr. -)                        | 32 342 005         | -51 677 819            | -2 131 236          | 1 692 947                    | 446 978             | 17 529 272           | 10 979 297           | 9 181 444                      | 20 181 216                         |
| (F2) Change in reinsurer's OCP (incr. +)            | -51 187 028        | 5 807 641              | - 660 674           | -1 318 699                   | - 500 233           | -15 220 112          | -10 295 359          | -73 374 464                    | -12 693 062                        |
| (F) Net change in OCP (F1+F2; incr.-)               | -18 845 023        | -45 870 178            | -2 791 910          | 374 248                      | - 53 255            | 2 309 160            | 683 938              | -64 193 019                    | 7 488 154                          |
| (G) Net claims incurred (E-F)                       | 180 134 086        | 315 354 591            | 5 431 513           | 3 828 514                    | 22 801 335          | 45 254 175           | - 569 413            | 572 234 801                    | - 17 718                           |
| (H) Change in other tech. prov. (incr.-)            |                    |                        |                     |                              |                     |                      |                      |                                |                                    |
| (I1) Acquisition costs                              | 99 396 149         | 165 785 642            | 2 781 518           | 3 774 023                    | 32 518 287          | 51 633 777           | - 25 352             | 355 864 044                    | 3 900                              |
| (I2) Change in deferred acquisition costs (incr. +) | 1 855 612          | 4 532 431              | - 23 901            | 130 953                      | 206 765             | -1 183 240           | - 118 705            | 5 399 915                      |                                    |
| (I3) Administrative expenses                        | 21 422 996         | 29 665 028             | 1 403 244           | 2 810 226                    | 8 692 660           | 22 613 519           | 2 869 337            | 89 477 010                     | 190 135                            |
| (I4) Reinsurance commissions, profit participation  | 18 694 833         | 2 204 008              | 582 817             | 1 848 258                    | 28 770 289          | 59 207 736           | - 137 417            | 111 170 524                    |                                    |
| (I5) Reinsurers' share in def. acq. costs (incr.-)  | 8 577 503          | - 85 821               | - 52 140            | - 97 458                     | - 674 840           | - 92 776             | 323 045              | 7 897 513                      |                                    |
| (I) Net operating expenses (I1-I2+I3-I4-I5)         | 91 691 197         | 188 800 052            | 3 677 986           | 4 702 496                    | 12 908 733          | 16 315 576           | 2 777 062            | 320 873 102                    | 194 035                            |
| (J) Other technical charges                         |                    | 6 561                  |                     | 16 779                       | 55 594              | 16 483               | 5 992                | 101 409                        |                                    |
| (K) Profit/loss from portfolios accepted            |                    |                        |                     |                              |                     |                      |                      |                                |                                    |
| (L) TECHN. RESULT (C+D-G+H-I-J+K)                   | 67 826 221         | 137 903 809            | 13 055 629          | 113 628                      | 14 391 226          | 28 423 811           | -2 166 804           | 259 547 521                    | 992 021                            |

*Abbreviations:*

*UPP - Unearned premiums provision*

*OCP - Outstanding claims provision*

## Profit/loss account of life insurers, 2004

(kroons)

|  | ERGO<br>Elukindlustus | Hansa<br>Elukindlustus | Sampo<br>Elukindlustus | Seesam<br>Elukindlustus | Uhispanga<br>Elukindlustus | Total of<br>life insurers |
|--|-----------------------|------------------------|------------------------|-------------------------|----------------------------|---------------------------|
| (A1) Gross premiums                                | 64 073 757            | 375 835 561            | 83 950 484             | 80 026 351              | 202 417 154                | 806 303 307               |
| (A2) Ceded premiums                                | 1 334 043             | 6 893 589              | 1 432 421              | 3 709 868               | 4 447 073                  | 17 816 994                |
| (A) Net premiums written (A1-A2)                   | 62 739 714            | 368 941 972            | 82 518 063             | 76 316 483              | 197 970 081                | 788 486 313               |
| (B1) Investm. income from affil. and assoc. co     | 80 963                |                        |                        | 1 400 508               |                            | 1 481 471                 |
| (B2) Income from land and buildings                | 249 607               |                        |                        |                         |                            | 249 607                   |
| (B3) Income from other investments                 | 3 832 513             | 29 695 589             | 2 720 601              | 13 316 561              | 9 619 222                  | 59 184 486                |
| (B4) Change in investments' value                  | 326 953               | 18 821 954             | 3 125 660              | 10 417 223              | 15 022 584                 | 47 714 374                |
| (B5) Profit from investment disposal               | 1 554 700             | 4 582 976              | 2 610 521              | 3 322 862               | 385 989                    | 12 457 048                |
| (B) Investment income (B1+...+B5)                  | 6 044 736             | 53 100 519             | 8 456 782              | 28 457 154              | 25 027 796                 | 121 086 987               |
| (C1) Managing expenses                             | 271 216               | 3 189 314              | 849 422                | 1 671 302               | 2 334 319                  | 8 315 573                 |
| (C2) Investm. expenses from affil. and assoc. co   | 378 673               |                        |                        | 1 827 372               |                            | 2 206 045                 |
| (C3) Change in investm. value                      | 55 493                |                        | 920 684                | 233 811                 |                            | 1 209 988                 |
| (C4) Loss from investment disposal                 | 9 040                 |                        | 212 090                | 764 566                 | 277 527                    | 1 263 223                 |
| (C) Investment expenses (C1+...+C4)                | 714 422               | 3 189 314              | 1 982 196              | 4 497 051               | 2 611 846                  | 12 994 829                |
| (D) Net investment income (B-C)                    | 5 330 314             | 49 911 205             | 6 474 586              | 23 960 103              | 22 415 950                 | 108 092 158               |
| (E) Unrealized gains/losses from inv.              |                       | 34 422 774             | 2 943 234              | 618 242                 | 15 225 997                 | 53 210 247                |
| (F1) Sums insured                                  | 4 280 075             | 36 769 172             | 467 004                | 5 629 487               | 6 471 212                  | 53 616 950                |
| (F2) Surrenders                                    | 3 626 214             | 25 212 272             | 3 027 759              | 3 898 735               | 21 490 910                 | 57 255 890                |
| (F2) Claim handling expenses                       | 121 700               | 517 199                | 91 698                 | 162 817                 | 265 701                    | 1 159 115                 |
| (F3) Reinsurers' share in claims paid              | 623 453               | 217 784                | 169 316                | 240 000                 | 246 423                    | 1 496 976                 |
| (F) Net claims paid (F1+F2+F3-F4)                  | 7 404 536             | 62 280 859             | 3 417 145              | 9 451 039               | 27 981 400                 | 110 534 979               |
| (G1) Change in OCP (incr. -)                       | 426 790               | -2 671 823             | 1 572                  | -147 997                | -1 782 555                 | -4 174 013                |
| (G2) Change in reinsurers' OCP (incr. +)           | -909 978              | -113 559               | -24 116                | -1 176                  | 844 500                    | -204 329                  |
| (G) Net change in OCP (G1+G2; incr.-)              | -483 188              | -2 785 382             | -22 544                | -149 173                | -938 055                   | -4 378 342                |
| (H) Net claims incurred (F-G)                      | 7 887 724             | 65 066 241             | 3 439 689              | 9 600 212               | 28 919 455                 | 114 913 321               |
| (I1) Change in LP (incr. -)                        | -37 788 160           | -113 875 789           | -25 661 107            | -59 283 563             | -89 203 113                | -325 811 732              |
| (I2) Change in reinsurers' LP (incr. +)            | 46 836                |                        |                        | -309 723                |                            | -262 887                  |
| (I) Net change in LP (I1+I2; incr.-)               | -37 741 324           | -113 875 789           | -25 661 107            | -59 593 286             | -89 203 113                | -326 074 619              |
| (J) Bonuses  | 1 213 585             | 9 742 481              | 290 286                |                         | 5 725 000                  | 16 971 352                |
| (J) Net change in other tech. prov. (incr. -)      |                       | -180 041 703           | -45 442 587            | -5 581 598              | -57 601 025                | -288 666 913              |
| (L1) Acquisition costs                             | 10 215 894            | 13 373 167             | 8 389 530              | 11 436 508              | 20 022 689                 | 63 437 788                |
| (L2) Change in deferred acq. costs (incr.+)        | -1 513 668            | -178 864               |                        |                         | -663 757                   | -2 356 289                |
| (L3) Administrative expenses                       | 6 472 345             | 8 474 496              | 6 378 955              | 6 486 660               | 6 720 905                  | 34 533 361                |
| (L4) Reinsurance commissions, profit participation | 694 017               | 2 954 160              | 702 301                | 563 291                 | 3 091 469                  | 8 005 238                 |
| (L5) Reinsurers' share in def. acq. costs (incr.-) |                       |                        |                        |                         |                            |                           |
| (L) Net operating expenses (L1-L2+L3-L4-L5)        | 17 507 890            | 19 072 367             | 14 066 184             | 17 359 877              | 24 315 882                 | 92 322 200                |
| (M) Net other technical income                     |                       |                        |                        | -27 335                 | -4 196                     | -31 531                   |
| (N) Profit/loss from portfolios accepted           |                       |                        |                        | 3 136 464               |                            | 3 136 464                 |
| (O) TECHN. RESULT (A+D+E-H+I+J+K-L+M-N)            | 3 719 505             | 65 477 370             | 3 036 030              | 11 868 984              | 29 843 357                 | 113 945 246               |
| (P) Net other income                               | -402 001              | -15 858 899            | -186 575               | -410 285                | -794 859                   | -17 652 619               |
| (Q) NET PROFIT/LOSS (O+P)                          | 3 317 504             | 49 618 471             | 2 849 455              | 11 458 699              | 29 048 497                 | 96 292 626                |

### Abbreviations:

LP - Life insurance provisions

OCP - Outstanding claims provision

## Insurance premiums and claims, 2000—2004

|                                   | LIFE<br>INSURANCE | Changes<br>compared to<br>previous year | NON-LIFE<br>INSURANCE | Changes<br>compared to<br>previous year | TOTAL OF<br>DIRECT<br>INSURANCE | Changes<br>compared to<br>previous year | REINSURANCE | Changes<br>compared to<br>previous year | TOTAL     | Changes<br>compared to<br>previous year |
|-----------------------------------|-------------------|---|-----------------------|---|---------------------------------|---|-------------|---|-----------|---|
| Gross premiums (thousand kroons)  |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 304 325           | 40.6%                                   | 1 289 686             | 14.5%                                   | 1 594 011                       | 18.7%                                   | 64 798      | -12.7%                                  | 1 658 809 | 17.1%                                   |
| 2001                              | 355 900           | 16.9%                                   | 1 427 197             | 10.7%                                   | 1 783 097                       | 11.9%                                   | 49 145      | -24.2%                                  | 1 832 242 | 10.5%                                   |
| 2002                              | 446 044           | 25.3%                                   | 1 718 337             | 20.4%                                   | 2 164 381                       | 21.4%                                   | 24 278      | -50.6%                                  | 2 188 659 | 19.5%                                   |
| 2003                              | 579 765           | 30.0%                                   | 2 055 958             | 19.6%                                   | 2 635 723                       | 21.8%                                   | 13 801      | -43.2%                                  | 2 649 524 | 21.1%                                   |
| 2004                              | 806 303           | 39.1%                                   | 2 366 290             | 15.1%                                   | 3 172 593                       | 20.4%                                   | 22 443      | 62.6%                                   | 3 195 036 | 20.6%                                   |
| Reinsurance (thousand kroons)     |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 8 123             | 36.3%                                   | 387 741               | 9.6%                                    | 395 864                         | 10.0%                                   | 6 371       | 41.5%                                   | 402 235   | 10.4%                                   |
| 2001                              | 7 749             | -4.6%                                   | 472 904               | 22.0%                                   | 480 653                         | 21.4%                                   | 7 736       | 21.4%                                   | 488 389   | 21.4%                                   |
| 2002                              | 9 666             | 24.7%                                   | 595 315               | 25.9%                                   | 604 981                         | 25.9%                                   | 15 863      | 2.1 times                               | 620 844   | 27.1%                                   |
| 2003                              | 11 742            | 21.5%                                   | 685 530               | 15.2%                                   | 697 272                         | 15.3%                                   | 11 787      | -25.7%                                  | 709 059   | 14.2%                                   |
| 2004                              | 17 817            | 51.7%                                   | 630 523               | -8.0%                                   | 648 340                         | -7.0%                                   | 21 275      | 80.5%                                   | 669 615   | -5.6%                                   |
| Net premiums (thousand kroons)    |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 296 202           | 40.7%                                   | 901 945               | 16.8%                                   | 1 198 147                       | 21.9%                                   | 58 427      | -16.2%                                  | 1 256 574 | 19.4%                                   |
| 2001                              | 348 151           | 17.5%                                   | 954 293               | 5.8%                                    | 1 302 444                       | 8.7%                                    | 41 409      | -29.1%                                  | 1 343 853 | 6.9%                                    |
| 2002                              | 436 378           | 25.3%                                   | 1 123 022             | 17.7%                                   | 1 559 400                       | 19.7%                                   | 8 415       | -79.7%                                  | 1 567 815 | 16.7%                                   |
| 2003                              | 568 023           | 30.2%                                   | 1 370 428             | 22.0%                                   | 1 938 451                       | 24.3%                                   | 2 014       | -76.1%                                  | 1 940 465 | 23.8%                                   |
| 2004                              | 788 486           | 38.8%                                   | 1 735 767             | 26.7%                                   | 2 524 253                       | 30.2%                                   | 1 168       | -42.0%                                  | 2 525 421 | 30.1%                                   |
| Claims reported (in units)        |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 14 661            | -47.3%                                  | 44 979                | 6.7%                                    |                                 |   | 2 872       | 1.0%                                    |           |   |
| 2001                              | 10 946            | -25.3%                                  | 53 550                | 19.1%                                   |                                 |   | 2 440       | -15.0%                                  |           |   |
| 2002                              | 10 523            | -3.9%                                   | 61 179                | 14.2%                                   |                                 |   | 1 151       | -52.8%                                  |           |   |
| 2003                              | 10 964            | 4.2%                                    | 64 206                | 4.9%                                    |                                 |   | 267         | -76.8%                                  |           |   |
| 2004                              | 10 891            | -0.7%                                   | 67 423                | 5.0%                                    |                                 |   | 135         | -49.4%                                  |           |   |
| Claims settled (in units)         |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 14 537            | -46.9%                                  | 42 886                | 13.0%                                   |                                 |   | 2 858       | 1.0%                                    |           |   |
| 2001                              | 10 719            | -26.3%                                  | 46 890                | 9.3%                                    |                                 |   | 2 436       | -14.8%                                  |           |   |
| 2002                              | 10 217            | -4.7%                                   | 55 772                | 18.9%                                   |                                 |   | 996         | -59.1%                                  |           |   |
| 2003                              | 10 864            | 6.3%                                    | 61 878                | 10.9%                                   |                                 |   | 245         | -75.4%                                  |           |   |
| 2004                              | 10 473            | -3.6%                                   | 64 449                | 4.2%                                    |                                 |   | 128         | -47.8%                                  |           |   |
| Claims paid (thousand kroons)     |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 58 415            | -14.9%                                  | 616 950               | 6.2%                                    | 675 365                         | 4.0%                                    | 32 753      | -4.6%                                   | 708 118   | 3.6%                                    |
| 2001                              | 54 483            | -6.7%                                   | 712 842               | 15.5%                                   | 767 325                         | 13.6%                                   | 30 004      | -8.4%                                   | 797 329   | 12.6%                                   |
| 2002                              | 61 195            | 12.3%                                   | 912 436               | 28.0%                                   | 973 631                         | 26.9%                                   | 20 443      | -31.9%                                  | 994 074   | 24.7%                                   |
| 2003                              | 86 674            | 41.6%                                   | 1 023 034             | 12.1%                                   | 1 109 708                       | 14.0%                                   | 11 816      | -42.2%                                  | 1 121 524 | 12.8%                                   |
| 2004                              | 112 032           | 29.3%                                   | 1 177 047             | 15.1%                                   | 1 289 079                       | 16.2%                                   | 22 513      | 90.5%                                   | 1 311 592 | 16.9%                                   |
| Reinsurance (thousand kroons)     |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 860               | -65.5%                                  | 193 312               | 12.1%                                   | 194 172                         | 11.0%                                   | -154        |   | 194 018   | 10.9%                                   |
| 2001                              | 186               | -78.4%                                  | 231 178               | 19.6%                                   | 231 364                         | 19.2%                                   |             |   | 231 364   | 19.2%                                   |
| 2002                              | 1 049             | 5.6 times                               | 288 873               | 25.0%                                   | 289 922                         | 25.3%                                   | 1 252       |   | 291 174   | 25.9%                                   |
| 2003                              | 642               | -38.8%                                  | 332 678               | 15.2%                                   | 333 320                         | 15.0%                                   |             |   | 333 320   | 14.5%                                   |
| 2004                              | 1 497             | 2.3 times                               | 364 915               | 9.7%                                    | 366 412                         | 9.9%                                    | 16 695      |   | 383 107   | 14.9%                                   |
| Net claims paid (thousand kroons) |                   |   |                       |   |                                 |   |             |   |           |   |
| 2000                              | 57 555            | -12.9%                                  | 423 638               | 3.8%                                    | 481 193                         | 1.5%                                    | 32 907      | -4.1%                                   | 514 100   | 1.1%                                    |
| 2001                              | 54 297            | -5.7%                                   | 481 664               | 13.7%                                   | 535 961                         | 11.4%                                   | 30 004      | -8.8%                                   | 565 965   | 10.1%                                   |
| 2002                              | 60 146            | 10.8%                                   | 623 563               | 29.5%                                   | 683 709                         | 27.6%                                   | 19 191      | -36.0%                                  | 702 900   | 24.2%                                   |
| 2003                              | 86 032            | 43.0%                                   | 690 356               | 10.7%                                   | 776 388                         | 13.6%                                   | 11 816      | -38.4%                                  | 788 204   | 12.1%                                   |
| 2004                              | 110 535           | 28.5%                                   | 812 132               | 17.6%                                   | 922 667                         | 18.8%                                   | 5 818       | -50.8%                                  | 928 485   | 17.8%                                   |

## Life insurance policies, premiums and claims by insurers, 2000–2004 (1)

|   | AB<br>Elukindlustus | ERGO<br>Elukindlustus | Hansa<br>Elukindlustus <sup>1</sup> | Nordika<br>Elukindlustus | Sampo<br>Elukindlustus | Seesam<br>Elukindlustus | Uhispanga<br>Elukindlustus | TOTAL OF<br>COMPANIES |
|---|---------------------|-----------------------|-------------------------------------|--------------------------|------------------------|-------------------------|----------------------------|-----------------------|
| Policies in force (in units), 31 December |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | -                   | 4 114                 | 72 554                              | 3 878                    | 1 941                  | 16 202                  | 9 269                      | 107 958               |
| 2001                                      | -                   | 4 950                 | 74 228                              | 3 667                    | 4 328                  | 18 247                  | 12 622                     | 118 042               |
| 2002                                      | -                   | 9 959                 | 74 251                              | -                        | 7 207                  | 18 737                  | 18 007                     | 128 161               |
| 2003                                      | -                   | 11 094                | 77 156                              | -                        | 9 547                  | 19 524                  | 23 488                     | 140 809               |
| 2004                                      | -                   | 11 926                | 81 425                              | -                        | 12 168                 | 21 247                  | 29 054                     | 155 820               |
| Sums insured (thousand kroons)            |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | -                   | 798 827               | 6 338 323                           | 601 228                  | 241 778                | 624 065                 | 1 646 643                  | 10 250 864            |
| 2001                                      | -                   | 1 066 713             | 6 176 962                           | 786 378                  | 638 773                | 638 822                 | 2 315 217                  | 11 622 865            |
| 2002                                      | -                   | 2 015 074             | 7 767 877                           | -                        | 860 179                | 701 180                 | 3 177 921                  | 14 522 231            |
| 2003                                      | -                   | 2 883 936             | 10 151 731                          | -                        | 999 721                | 871 182                 | 3 950 103                  | 18 856 673            |
| 2004                                      | -                   | 2 369 530             | 13 745 318                          | -                        | 1 209 526              | 1 109 387               | 4 878 306                  | 23 312 067            |
| New policies (in units)                   |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | -                   | 1 663                 | 7 674                               | 1 116                    | 2 096                  | 13 251                  | 8 764                      | 34 564                |
| 2001                                      | -                   | 1 467                 | 9 216                               | 395                      | 2 814                  | 3 170                   | 4 460                      | 21 522                |
| 2002                                      | -                   | 3 084                 | 9 154                               | ...                      | 3 444                  | 1 591                   | 6 697                      | 23 970                |
| 2003                                      | -                   | 3 854                 | 11 898                              | -                        | 3 259                  | 1 840                   | 6 449                      | 27 300                |
| 2004                                      | -                   | 2 441                 | 13 163                              | -                        | 3 885                  | 2 845                   | 6 802                      | 29 136                |
| Gross premiums (thousand kroons)          |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | 469                 | 21 444                | 171 669                             | 8 020                    | 4 549                  | 48 583                  | 49 591                     | 304 325               |
| 2001                                      | -                   | 30 162                | 168 837                             | 8 211                    | 15 801                 | 63 399                  | 69 490                     | 355 900               |
| 2002                                      | -                   | 43 431                | 196 476                             | 3 907                    | 30 561                 | 72 429                  | 99 240                     | 446 044               |
| 2003                                      | -                   | 57 762                | 248 089                             | -                        | 53 136                 | 73 433                  | 147 345                    | 579 765               |
| 2004                                      | -                   | 64 074                | 375 836                             | -                        | 83 950                 | 80 026                  | 202 417                    | 806 303               |
| Reinsurance (thousand kroons)             |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | -                   | 881                   | 3 578                               | 149                      | 91                     | 1 640                   | 1 784                      | 8 123                 |
| 2001                                      | -                   | 766                   | 2 681                               | 143                      | 424                    | 1 351                   | 2 384                      | 7 749                 |
| 2002                                      | -                   | 977                   | 3 274                               | 71                       | 1 045                  | 1 435                   | 2 864                      | 9 666                 |
| 2003                                      | -                   | 1 056                 | 4 584                               | -                        | 1 236                  | 1 071                   | 3 795                      | 11 742                |
| 2004                                      | -                   | 1 334                 | 6 894                               | -                        | 1 432                  | 3 710                   | 4 447                      | 17 817                |
| Net premiums (thousand kroons)            |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | 469                 | 20 563                | 168 091                             | 7 871                    | 4 458                  | 46 943                  | 47 807                     | 296 202               |
| 2001                                      | -                   | 29 396                | 166 156                             | 8 068                    | 15 377                 | 62 048                  | 67 106                     | 348 151               |
| 2002                                      | -                   | 42 454                | 193 202                             | 3 836                    | 29 516                 | 70 994                  | 96 376                     | 436 378               |
| 2003                                      | -                   | 56 706                | 243 505                             | -                        | 51 900                 | 72 362                  | 143 550                    | 568 023               |
| 2004                                      | -                   | 62 740                | 368 942                             | -                        | 82 518                 | 76 316                  | 197 970                    | 788 486               |
| Claims reported (in units)                |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | -                   | 292                   | 12 549                              | 289                      | 2                      | 1 047                   | 482                        | 14 661                |
| 2001                                      | -                   | 281                   | 8 669                               | 481                      | 59                     | 634                     | 822                        | 10 946                |
| 2002                                      | -                   | 671                   | 8 351                               | ...                      | 148                    | 704                     | 649                        | 10 523                |
| 2003                                      | -                   | 1 075                 | 8 030                               | -                        | 242                    | 797                     | 820                        | 10 964                |
| 2004                                      | -                   | 1 249                 | 7 290                               | -                        | 421                    | 923                     | 1 008                      | 10 891                |
| of which surrenders (in units)            |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                      | -                   | 227                   | 5 830                               | 214                      | -                      | 812                     | 287                        | 7 370                 |
| 2001                                      | -                   | 163                   | 3 703                               | 373                      | 26                     | 421                     | 590                        | 5 276                 |
| 2002                                      | -                   | 384                   | 3 207                               | ...                      | 88                     | 438                     | 327                        | 4 444                 |
| 2003                                      | -                   | 596                   | 3 319                               | -                        | 179                    | 465                     | 430                        | 4 989                 |
| 2004                                      | -                   | 515                   | 2 993                               | -                        | 367                    | 476                     | 521                        | 4 872                 |

... N/A

<sup>1</sup> Hansapanga Kindlustuse AS was altered to AS Hansa Elukindlustus on 6 February 2004

## Life insurance policies, premiums and claims by insurers, 2000–2004 (2)

|   | AB<br>Elukindlustus | ERGO<br>Elukindlustus | Hansa<br>Elukindlustus <sup>1</sup> | Nordika<br>Elukindlustus | Sampo<br>Elukindlustus | Seesam<br>Elukindlustus | Ühispanga<br>Elukindlustus | TOTAL OF<br>COMPANIES |
|---|---------------------|-----------------------|-------------------------------------|--------------------------|------------------------|-------------------------|----------------------------|-----------------------|
| Claims settled (in units)               |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   | 271                   | 12 460                              | 315                      |                        | 1 034                   | 457                        | 14 537                |
| 2001                                    | -                   | 221                   | 8 669                               | 499                      | 39                     | 643                     | 648                        | 10 719                |
| 2002                                    | -                   | 644                   | 8 035                               | ...                      | 132                    | 695                     | 711                        | 10 217                |
| 2003                                    | -                   | 1 082                 | 7 577                               | -                        | 219                    | 789                     | 1 197                      | 10 864                |
| 2004                                    | -                   | 1 255                 | 6 865                               | -                        | 398                    | 870                     | 1 085                      | 10 473                |
| of which surrenders (in units)          |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   | 207                   | 5 811                               | 217                      |                        | 808                     | 270                        | 7 313                 |
| 2001                                    | -                   | 133                   | 3 703                               | 376                      | 20                     | 425                     | 309                        | 4 966                 |
| 2002                                    | -                   | 358                   | 2 898                               | ...                      | 90                     | 438                     | 328                        | 4 112                 |
| 2003                                    | -                   | 595                   | 2 892                               | -                        | 179                    | 465                     | 695                        | 4 826                 |
| 2004                                    | -                   | 521                   | 2 589                               | -                        | 367                    | 476                     | 578                        | 4 531                 |
| Claims paid (thousand kroons)           |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   | 1 196                 | 49 499                              | 885                      |                        | 3 199                   | 3 636                      | 58 415                |
| 2001                                    | -                   | 1 785                 | 37 843                              | 1 409                    | 322                    | 4 044                   | 9 080                      | 54 483                |
| 2002                                    | -                   | 3 976                 | 42 240                              | 434                      | 587                    | 5 633                   | 8 325                      | 61 195                |
| 2003                                    | -                   | 6 380                 | 56 108                              | -                        | 1 090                  | 7 838                   | 15 258                     | 86 674                |
| 2004                                    | -                   | 8 028                 | 62 499                              | -                        | 3 586                  | 9 691                   | 28 228                     | 112 032               |
| of which sums insured (thousand kroons) |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   | 397                   | 29 004                              | 365                      |                        | 1 554                   | 1 798                      | 33 118                |
| 2001                                    | -                   | 721                   | 21 210                              | 256                      | 121                    | 1 864                   | 3 439                      | 27 611                |
| 2002                                    | -                   | 1 453                 | 24 053                              | ...                      | 221                    | 3 158                   | 4 187                      | 33 072                |
| 2003                                    | -                   | 2 636                 | 34 444                              | ...                      | 178                    | 3 879                   | 4 702                      | 45 839                |
| 2004                                    | -                   | 4 280                 | 36 769                              | ...                      | 467                    | 5 630                   | 6 471                      | 53 617                |
| surrenders (thousand kroons)            |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   | 799                   | 20 148                              | 477                      |                        | 1 556                   | 1 380                      | 24 360                |
| 2001                                    | -                   | 1 012                 | 16 211                              | 1 106                    | 32                     | 1 926                   | 5 069                      | 25 356                |
| 2002                                    | -                   | 2 448                 | 17 572                              | ...                      | 286                    | 2 195                   | 3 996                      | 26 497                |
| 2003                                    | -                   | 3 644                 | 21 237                              | -                        | 832                    | 3 734                   | 10 319                     | 39 766                |
| 2004                                    | -                   | 3 626                 | 25 212                              | -                        | 3 028                  | 3 899                   | 21 491                     | 57 256                |
| Reinsurance (thousand kroons)           |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   |                       | 306                                 | 29                       |                        | 100                     | 425                        | 860                   |
| 2001                                    | -                   |                       | 55                                  | 3                        |                        |                         | 128                        | 186                   |
| 2002                                    | -                   |                       | 320                                 |                          |                        | 150                     | 579                        | 1 049                 |
| 2003                                    | -                   | 158                   | 74                                  | -                        | 11                     |                         | 399                        | 642                   |
| 2004                                    | -                   | 624                   | 218                                 | -                        | 169                    | 240                     | 246                        | 1 497                 |
| Net claims paid (thousand kroons)       |                     |                       |                                     |                          |                        |                         |                            |                       |
| 2000                                    | -                   | 1 196                 | 49 193                              | 856                      |                        | 3 099                   | 3 211                      | 57 555                |
| 2001                                    | -                   | 1 785                 | 37 788                              | 1 406                    | 322                    | 4 044                   | 8 952                      | 54 297                |
| 2002                                    | -                   | 3 976                 | 41 920                              | 434                      | 587                    | 5 483                   | 7 746                      | 60 146                |
| 2003                                    | -                   | 6 222                 | 56 034                              | -                        | 1 079                  | 7 838                   | 14 859                     | 86 032                |
| 2004                                    | -                   | 7 404                 | 62 281                              | -                        | 3 417                  | 9 451                   | 27 982                     | 110 535               |

... N/A

<sup>1</sup> Hansapanga Kindlustuse AS was altered to AS Hansa Elukindlustus on 6 February 2004

## Life insurance policies, premiums and claims by classes of business, 2000–2004 (1)

|   | Term and whole life assurance | Endowment insurance | Annuities | Birth and marriage assurance | Unit linked life insurance | TOTAL OF BASIC INSURANCE | Supplementary insurances | TOTAL WITH SUPPLEMENTARY INSURANCES | Incl. insurances with tax benefit |
|---|-------------------------------|---------------------|-----------|------------------------------|----------------------------|--------------------------|--------------------------|-------------------------------------|-----------------------------------|
| Policies in force (in units), 31 December |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 5 897                         | 73 778              | 9 951     | 17 391                       | 941                        | 107 958                  | 93 512                   | 201 470                             | 24 430                            |
| 2001                                      | 6 618                         | 79 672              | 13 156    | 15 936                       | 2 660                      | 118 042                  | 98 481                   | 216 523                             | 34 883                            |
| 2002                                      | 8 258                         | 85 005              | 17 323    | 14 226                       | 3 349                      | 128 161                  | 102 640                  | 230 801                             | 46 732                            |
| 2003                                      | 11 385                        | 96 467              | 16 077    | 12 577                       | 4 303                      | 140 809                  | 105 918                  | 246 727                             | 58 317                            |
| 2004                                      | 15 413                        | 104 350             | 16 644    | 11 003                       | 8 410                      | 155 820                  | 111 798                  | 267 618                             | 68 469                            |
| Sums insured (thousand kroons)            |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 1 209 264                     | 3 414 167           | 332 681   | 50 113                       | 61 189                     | 5 067 414                | 5 183 450                | 10 250 864                          | 2 123 489                         |
| 2001                                      | 1 207 636                     | 3 986 990           | 499 685   | 50 801                       | 182 424                    | 5 927 536                | 5 695 329                | 11 622 865                          | 2 658 894                         |
| 2002                                      | 1 621 002                     | 4 799 650           | 812 450   | 48 894                       | 313 594                    | 7 595 590                | 6 926 641                | 14 522 231                          | 3 685 700                         |
| 2003                                      | 2 355 347                     | 6 501 562           | 721 559   | 45 947                       | 454 053                    | 10 078 468               | 8 778 205                | 18 856 673                          | 4 935 758                         |
| 2004                                      | 3 249 886                     | 7 627 229           | 835 428   | 42 666                       | 908 243                    | 12 663 452               | 10 648 615               | 23 312 067                          | 6 244 133                         |
| New policies (in units)                   |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 3 957                         | 22 327              | 7 248     | 137                          | 895                        | 34 564                   | 15 438                   | 52 969                              | 15 036                            |
| 2001                                      | 2 001                         | 14 322              | 3 958     |                              | 1 241                      | 21 522                   | 16 659                   | 38 181                              | 11 976                            |
| 2002                                      | 3 016                         | 14 801              | 5 249     |                              | 904                        | 23 970                   | 15 546                   | 39 516                              | 13 963                            |
| 2003                                      | 5 140                         | 18 528              | 2 436     |                              | 1 196                      | 27 300                   | 17 215                   | 44 515                              | 13 762                            |
| 2004                                      | 6 745                         | 16 200              | 1 322     |                              | 4 869                      | 29 136                   | 19 255                   | 48 391                              | 12 764                            |
| Gross premiums (thousand kroons)          |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 10 331                        | 175 676             | 40 035    | 6 045                        | 60 845                     | 292 932                  | 11 393                   | 304 325                             | 111 281                           |
| 2001                                      | 12 372                        | 203 923             | 65 048    | 5 723                        | 52 648                     | 339 714                  | 16 186                   | 355 900                             | 166 385                           |
| 2002                                      | 13 907                        | 271 932             | 86 768    | 5 318                        | 48 860                     | 426 785                  | 19 259                   | 446 044                             | 235 723                           |
| 2003                                      | 16 683                        | 373 808             | 81 854    | 4 737                        | 80 325                     | 557 407                  | 22 358                   | 579 765                             | 307 528                           |
| 2004                                      | 21 348                        | 396 017             | 87 135    | 4 163                        | 271 190                    | 779 853                  | 26 450                   | 806 303                             | 339 265                           |
| Reinsurance (thousand kroons)             |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 3 017                         | 3 108               |           | 3                            | 1                          | 6 129                    | 1 994                    | 8 123                               | 404                               |
| 2001                                      | 2 643                         | 3 034               |           | 4                            | 12                         | 5 693                    | 2 056                    | 7 749                               | 841                               |
| 2002                                      | 3 410                         | 4 432               | 5         | 1                            | 33                         | 7 881                    | 1 785                    | 9 666                               | 2 626                             |
| 2003                                      | 3 412                         | 5 707               | 10        | 1                            | 27                         | 9 157                    | 2 585                    | 11 742                              | 3 188                             |
| 2004                                      | 6 685                         | 7 361               | 8         | 1                            | 828                        | 14 883                   | 2 934                    | 17 817                              | 4 995                             |
| Net premiums (thousand kroons)            |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 7 314                         | 172 568             | 40 035    | 6 042                        | 60 844                     | 286 803                  | 9 399                    | 296 202                             | 110 877                           |
| 2001                                      | 9 729                         | 200 889             | 65 048    | 5 719                        | 52 636                     | 334 021                  | 14 130                   | 348 151                             | 165 544                           |
| 2002                                      | 10 497                        | 267 500             | 86 763    | 5 317                        | 48 827                     | 418 904                  | 17 474                   | 436 378                             | 233 097                           |
| 2003                                      | 13 271                        | 368 101             | 81 844    | 4 736                        | 80 298                     | 548 250                  | 19 773                   | 568 023                             | 304 340                           |
| 2004                                      | 14 663                        | 388 656             | 87 127    | 4 162                        | 270 362                    | 764 970                  | 23 516                   | 788 486                             | 334 270                           |
| Claims reported (in units)                |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 140                           | 10 752              | 255       | 1 866                        | 37                         | 13 050                   | 1 611                    | 14 661                              | 506                               |
| 2001                                      | 188                           | 7 589               | 361       | 1 073                        | 113                        | 9 324                    | 1 622                    | 10 946                              | 893                               |
| 2002                                      | 332                           | 6 926               | 452       | 1 059                        | 171                        | 8 940                    | 1 583                    | 10 523                              | 976                               |
| 2003                                      | 529                           | 7 172               | 546       | 895                          | 182                        | 9 324                    | 1 640                    | 10 964                              | 1 398                             |
| 2004                                      | 510                           | 6 772               | 805       | 754                          | 226                        | 9 067                    | 1 824                    | 10 891                              | 1 925                             |
| of which surrenders (in units)            |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                      | 125                           | 5 755               | 181       | 1 279                        | 30                         | 7 370                    |                          | 7 370                               | 478                               |
| 2001                                      | 172                           | 3 838               | 272       | 886                          | 108                        | 5 276                    |                          | 5 276                               | 802                               |
| 2002                                      | 310                           | 2 810               | 312       | 850                          | 162                        | 4 444                    |                          | 4 444                               | 820                               |
| 2003                                      | 511                           | 3 282               | 279       | 749                          | 165                        | 4 986                    | 3                        | 4 989                               | 1 087                             |
| 2004                                      | 483                           | 3 202               | 387       | 574                          | 216                        | 4 862                    | 10                       | 4 872                               | 1 473                             |

## Life insurance policies, premiums and claims by classes of business, 2000–2004 (2)

|   | Term and whole life assurance | Endowment insurance | Annuities | Birth and marriage assurance | Unit linked life insurance | TOTAL OF BASIC INSURANCE | Supplementary insurances | TOTAL WITH SUPPLEMENTARY INSURANCES | Incl. insurances with tax benefit |
|---|-------------------------------|---------------------|-----------|------------------------------|----------------------------|--------------------------|--------------------------|-------------------------------------|-----------------------------------|
| Claims settled (in units)               |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    | 130                           | 10 659              | 252       | 1 866                        | 34                         | 12 941                   | 1 596                    | 14 537                              | 494                               |
| 2001                                    | 184                           | 7 399               | 356       | 1 064                        | 139                        | 9 142                    | 1 577                    | 10 719                              | 715                               |
| 2002                                    | 188                           | 6 772               | 459       | 1 056                        | 215                        | 8 690                    | 1 527                    | 10 217                              | 913                               |
| 2003                                    | 266                           | 7 342               | 545       | 911                          | 239                        | 9 303                    | 1 561                    | 10 864                              | 1 419                             |
| 2004                                    | 223                           | 6 748               | 795       | 754                          | 273                        | 8 793                    | 1 680                    | 10 473                              | 1 881                             |
| of which surrenders (in units)          |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    | 118                           | 5 709               | 179       | 1 279                        | 28                         | 7 313                    |                          | 7 313                               | 471                               |
| 2001                                    | 172                           | 3 540               | 254       | 877                          | 123                        | 4 966                    |                          | 4 966                               | 639                               |
| 2002                                    | 162                           | 2 603               | 295       | 847                          | 205                        | 4 112                    |                          | 4 112                               | 730                               |
| 2003                                    | 245                           | 3 307               | 281       | 765                          | 225                        | 4 823                    | 3                        | 4 826                               | 1 094                             |
| 2004                                    | 195                           | 3 103               | 386       | 574                          | 263                        | 4 521                    | 10                       | 4 531                               | 1 423                             |
| Claims paid (thousand kroons)           |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    | 202                           | 51 000              | 723       | 2 165                        | 662                        | 54 752                   | 3 663                    | 58 415                              | 2 130                             |
| 2001                                    | 721                           | 38 370              | 1 735     | 2 158                        | 8 083                      | 51 067                   | 3 416                    | 54 483                              | 6 735                             |
| 2002                                    | 1 238                         | 44 145              | 2 602     | 2 531                        | 6 988                      | 57 504                   | 3 691                    | 61 195                              | 7 390                             |
| 2003                                    | 1 317                         | 61 848              | 3 761     | 2 888                        | 12 843                     | 82 657                   | 4 017                    | 86 674                              | 12 692                            |
| 2004                                    | 2 150                         | 70 457              | 5 113     | 3 476                        | 25 262                     | 106 458                  | 5 574                    | 112 032                             | 17 625                            |
| of which sums insured (thousand kroons) |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    | 175                           | 28 915              | 252       | 421                          | 206                        | 29 969                   | 3 149                    | 33 118                              | 638                               |
| 2001                                    | 463                           | 22 911              | 676       | 154                          | 297                        | 24 501                   | 3 110                    | 27 611                              | 1 820                             |
| 2002                                    | 1 017                         | 27 271              | 908       | 168                          | 197                        | 29 561                   | 3 511                    | 33 072                              | 2 556                             |
| 2003                                    | 995                           | 39 165              | 1 332     | 203                          | 285                        | 41 980                   | 3 859                    | 45 839                              | 4 386                             |
| 2004                                    | 1 798                         | 43 836              | 1 945     | 459                          | 290                        | 48 328                   | 5 289                    | 53 617                              | 5 984                             |
| surrenders (thousand kroons)            |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    | 21                            | 21 686              | 458       | 1 739                        | 456                        | 24 360                   |                          | 24 360                              | 1 430                             |
| 2001                                    | 249                           | 14 590              | 944       | 1 981                        | 7 592                      | 25 356                   |                          | 25 356                              | 4 632                             |
| 2002                                    | 200                           | 15 712              | 1 570     | 2 325                        | 6 690                      | 26 497                   |                          | 26 497                              | 4 636                             |
| 2003                                    | 301                           | 22 027              | 2 352     | 2 662                        | 12 411                     | 39 753                   | 13                       | 39 766                              | 8 108                             |
| 2004                                    | 293                           | 26 025              | 3 099     | 3 014                        | 24 796                     | 57 227                   | 29                       | 57 256                              | 11 410                            |
| Reinsurance (thousand kroons)           |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    |                               | 391                 |           |                              |                            | 391                      | 469                      | 860                                 |                                   |
| 2001                                    |                               | 174                 |           |                              |                            | 174                      | 12                       | 186                                 | 97                                |
| 2002                                    | 70                            | 779                 |           |                              |                            | 849                      | 200                      | 1 049                               | 191                               |
| 2003                                    | 98                            | 436                 |           |                              |                            | 534                      | 108                      | 642                                 | 251                               |
| 2004                                    | 240                           | 627                 |           |                              |                            | 867                      | 630                      | 1 497                               | 361                               |
| Net claims paid (thousand kroons)       |                               |                     |           |                              |                            |                          |                          |                                     |                                   |
| 2000                                    | 202                           | 50 609              | 723       | 2 165                        | 662                        | 54 361                   | 3 194                    | 57 555                              | 2 130                             |
| 2001                                    | 721                           | 38 196              | 1 735     | 2 158                        | 8 083                      | 50 893                   | 3 404                    | 54 297                              | 6 638                             |
| 2002                                    | 1 168                         | 43 366              | 2 602     | 2 531                        | 6 988                      | 56 655                   | 3 491                    | 60 146                              | 7 199                             |
| 2003                                    | 1 219                         | 61 412              | 3 761     | 2 888                        | 12 843                     | 82 123                   | 3 909                    | 86 032                              | 12 441                            |
| 2004                                    | 1 910                         | 69 830              | 5 113     | 3 476                        | 25 262                     | 105 591                  | 4 944                    | 110 535                             | 17 264                            |

## Non-life insurance premiums and claims by insurers, 2000–2004 (1)\*

|                                   | ERGO<br>Kindlustus | If Eesti<br>Kindlustus | Inges<br>Kindlustus | Leks<br>Kindlustus | Nordicum<br>Kindlustus<br>Eesti <sup>1</sup> | Nordika<br>Kindlustus |
|-----------------------------------|--------------------|------------------------|---------------------|--------------------|--|-----------------------|
| Gross premiums (thousand kroons)  |                    |                        |                     |                    |  |                       |
| 2000                              | 257 055            | 494 045                | 50 115              | 118 522            | -  | 63 202                |
| 2001                              | 341 146            | 497 267                | 69 775              | -                  | -  | 72 235                |
| 2002                              | 424 107            | 597 869                | 70 314              | -                  | 80 805                                       | -                     |
| 2003                              | 558 995            | 762 003                | 84 039              | -                  | 82 138                                       | -                     |
| 2004                              | 612 738            | 973 915                | 89 316              | -                  | 76 808                                       | -                     |
| Reinsurance (thousand kroons)     |                    |                        |                     |                    |  |                       |
| 2000                              | 74 987             | 90 149                 | 24 227              | 26 734             | -  | 7 474                 |
| 2001                              | 102 518            | 50 396                 | 40 832              | -                  | -  | 10 621                |
| 2002                              | 133 140            | 51 684                 | 45 569              | -                  | 7 789  | -                     |
| 2003                              | 200 259            | 26 240                 | 53 911              | -                  | 10 988                                       | -                     |
| 2004                              | 87 835             | 35 084                 | 56 648              | -                  | 34 925                                       | -                     |
| Net premiums (thousand kroons)    |                    |                        |                     |                    |  |                       |
| 2000                              | 182 068            | 403 896                | 25 888              | 91 788             | -  | 55 728                |
| 2001                              | 238 628            | 446 871                | 28 943              | -                  | -  | 61 614                |
| 2002                              | 290 967            | 546 185                | 24 745              | -                  | 73 016                                       | -                     |
| 2003                              | 358 736            | 735 763                | 30 128              | -                  | 71 150                                       | -                     |
| 2004                              | 524 903            | 938 831                | 32 668              | -                  | 41 883                                       | -                     |
| Claims reported (in units)        |                    |                        |                     |                    |  |                       |
| 2000                              | 9 867              | 17 576                 | 1 059               | 4 256              | -  | 2 438                 |
| 2001                              | 15 055             | 18 794                 | 2 440               | -                  | -  | 2 840                 |
| 2002                              | 16 130             | 19 731                 | 2 720               | -                  | 4 132  | -                     |
| 2003                              | 19 495             | 21 413                 | 3 297               | -                  | 3 207  | -                     |
| 2004                              | 18 477             | 26 438                 | 3 274               | -                  | 2 937  | -                     |
| Claims settled (in units)         |                    |                        |                     |                    |  |                       |
| 2000                              | 8 348              | 17 795                 | 578                 | 4 301              | -  | 2 426                 |
| 2001                              | 12 185             | 16 740                 | 2 306               | -                  | -  | 2 781                 |
| 2002                              | 14 237             | 19 183                 | 2 429               | -                  | 4 516  | -                     |
| 2003                              | 16 787             | 21 945                 | 3 373               | -                  | 3 817  | -                     |
| 2004                              | 15 906             | 27 158                 | 3 109               | -                  | 2 938  | -                     |
| Claims paid (thousand kroons)     |                    |                        |                     |                    |  |                       |
| 2000                              | 134 267            | 240 649                | 14 111              | 53 634             | -  | 32 105                |
| 2001                              | 188 097            | 251 128                | 33 297              | -                  | -  | 41 120                |
| 2002                              | 225 405            | 304 367                | 38 016              | -                  | 72 985                                       | -                     |
| 2003                              | 302 656            | 352 213                | 49 954              | -                  | 57 837                                       | -                     |
| 2004                              | 311 541            | 431 935                | 52 633              | -                  | 53 252                                       | -                     |
| Reinsurance (thousand kroons)     |                    |                        |                     |                    |  |                       |
| 2000                              | 38 110             | 60 976                 | 10 122              | 11 785             | -  | 10 953                |
| 2001                              | 45 081             | 31 006                 | 26 293              | -                  | -  | 6 720                 |
| 2002                              | 56 042             | 11 167                 | 29 925              | -                  | 5 611  | -                     |
| 2003                              | 96 631             | 12 279                 | 38 470              | -                  | 4 603  | -                     |
| 2004                              | 63 305             | 4 042                  | 40 920              | -                  | 20 672                                       | -                     |
| Net claims paid (thousand kroons) |                    |                        |                     |                    |  |                       |
| 2000                              | 96 157             | 179 673                | 3 989               | 41 849             | -  | 21 152                |
| 2001                              | 143 016            | 220 122                | 7 004               | -                  | -  | 34 400                |
| 2002                              | 169 363            | 293 200                | 8 091               | -                  | 67 374                                       | -                     |
| 2003                              | 206 025            | 339 934                | 11 484              | -                  | 53 234                                       | -                     |
| 2004                              | 248 236            | 427 893                | 11 713              | -                  | 32 580                                       | -                     |

\* Only direct insurance

<sup>1</sup> Nordea Kindlustuse Eesti AS was altered to Nordicum Kindlustuse Eesti AS on 16 January 2004

- Data of Estonian Traffic Insurance Fund include the membership fee (extractions) from companies, and this fee is not included in the data of companies; Membership fee was 2.4% in 2004

## Non-life insurance premiums and claims by insurers, 2000—2004 (2)\*

|                                   | Salva<br>Kindlustus | Seesam<br>Rahvusvaheline<br>Kindlustus | Zürich<br>Kindlustus<br>Eesti | TOTAL OF<br>COMPANIES | Estonian Traffic<br>Insurance<br>Fund | TOTAL     |
|-----------------------------------|---------------------|--|-------------------------------|-----------------------|---------------------------------------|-----------|
| Gross premiums (thousand kroons)  |                     |  |                               |                       |                                       |           |
| 2000                              | 82 561              | 145 144                                | 33 784                        | 1 244 428             | 45 258                                | 1 289 686 |
| 2001                              | 112 302             | 241 494                                | 43 814                        | 1 378 033             | 49 164                                | 1 427 197 |
| 2002                              | 155 383             | 280 034                                | 48 579                        | 1 657 091             | 61 246                                | 1 718 337 |
| 2003                              | 221 311             | 281 254                                | 32 377                        | 2 022 117             | 33 841                                | 2 055 958 |
| 2004                              | 252 800             | 334 788                                | 51                            | 2 340 416             | 25 874                                | 2 366 290 |
| Reinsurance (thousand kroons)     |                     |  |                               |                       |                                       |           |
| 2000                              | 48 938              | 90 877                                 | 24 286                        | 387 672               | 69                                    | 387 741   |
| 2001                              | 68 033              | 161 305                                | 39 124                        | 472 829               | 75                                    | 472 904   |
| 2002                              | 110 289             | 198 967                                | 47 472                        | 594 910               | 405                                   | 595 315   |
| 2003                              | 156 239             | 204 641                                | 32 279                        | 684 557               | 973                                   | 685 530   |
| 2004                              | 177 363             | 237 674                                | 51                            | 629 580               | 943                                   | 630 523   |
| Net premiums (thousand kroons)    |                     |  |                               |                       |                                       |           |
| 2000                              | 33 623              | 54 267                                 | 9 498                         | 856 756               | 45 189                                | 901 945   |
| 2001                              | 44 269              | 80 189                                 | 4 690                         | 905 204               | 49 089                                | 954 293   |
| 2002                              | 45 094              | 81 067                                 | 1 107                         | 1 062 181             | 60 841                                | 1 123 022 |
| 2003                              | 65 072              | 76 613                                 | 98                            | 1 337 560             | 32 868                                | 1 370 428 |
| 2004                              | 75 437              | 97 114                                 |                               | 1 710 836             | 24 931                                | 1 735 767 |
| Claims reported (in units)        |                     |  |                               |                       |                                       |           |
| 2000                              | 2 962               | 4 765                                  | 556                           | 43 479                | 1 500                                 | 44 979    |
| 2001                              | 4 061               | 8 130                                  | 640                           | 51 960                | 1 590                                 | 53 550    |
| 2002                              | 7 389               | 9 650                                  | 431                           | 60 183                | 996                                   | 61 179    |
| 2003                              | 6 995               | 8 754                                  | 301                           | 63 462                | 744                                   | 64 206    |
| 2004                              | 8 190               | 7 460                                  | 19                            | 66 795                | 628                                   | 67 423    |
| Claims settled (in units)         |                     |  |                               |                       |                                       |           |
| 2000                              | 2 509               | 4 205                                  | 391                           | 40 553                | 2 333                                 | 42 886    |
| 2001                              | 3 409               | 7 685                                  | 495                           | 45 601                | 1 289                                 | 46 890    |
| 2002                              | 4 911               | 9 264                                  | 417                           | 54 957                | 815                                   | 55 772    |
| 2003                              | 6 279               | 8 753                                  | 291                           | 61 245                | 633                                   | 61 878    |
| 2004                              | 7 507               | 7 295                                  | 40                            | 63 953                | 496                                   | 64 449    |
| Claims paid (thousand kroons)     |                     |  |                               |                       |                                       |           |
| 2000                              | 40 539              | 57 018                                 | 7 380                         | 579 703               | 37 247                                | 616 950   |
| 2001                              | 55 793              | 116 699                                | 9 556                         | 695 690               | 17 152                                | 712 842   |
| 2002                              | 91 747              | 156 725                                | 15 017                        | 904 262               | 8 174                                 | 912 436   |
| 2003                              | 108 026             | 139 845                                | 7 211                         | 1 017 742             | 5 292                                 | 1 023 034 |
| 2004                              | 153 734             | 169 683                                | 1 923                         | 1 174 701             | 2 346                                 | 1 177 047 |
| Reinsurance (thousand kroons)     |                     |  |                               |                       |                                       |           |
| 2000                              | 24 842              | 30 711                                 | 5 464                         | 192 963               | 349                                   | 193 312   |
| 2001                              | 35 477              | 79 109                                 | 6 966                         | 230 652               | 526                                   | 231 178   |
| 2002                              | 62 305              | 109 820                                | 13 723                        | 288 593               | 280                                   | 288 873   |
| 2003                              | 76 752              | 97 046                                 | 6 897                         | 332 678               |                                       | 332 678   |
| 2004                              | 114 110             | 118 954                                | 1 809                         | 363 812               | 1 103                                 | 364 915   |
| Net claims paid (thousand kroons) |                     |  |                               |                       |                                       |           |
| 2000                              | 15 697              | 26 307                                 | 1 916                         | 386 740               | 36 898                                | 423 638   |
| 2001                              | 20 316              | 37 590                                 | 2 590                         | 465 038               | 16 626                                | 481 664   |
| 2002                              | 29 442              | 46 905                                 | 1 294                         | 615 669               | 7 894                                 | 623 563   |
| 2003                              | 31 274              | 42 799                                 | 314                           | 685 064               | 5 292                                 | 690 356   |
| 2004                              | 39 624              | 50 729                                 | 114                           | 810 889               | 1 243                                 | 812 132   |

\* Only direct insurance

- Data of Estonian Traffic Insurance Fund include the membership fee (extractions) from companies, and this fee is not included in the data of companies;

Membership fee was 2.4% in 2004

## Non-life insurance premiums and claims by classes of business, 2000–2004 (1)\*

|                                   | Motor TPL insurance | Short-term health insurance |                    |                  | Land vehicles insurance (KASKO) | Railway rolling stock insurance | Aircraft insurance | Insurance for ships | Goods in transit insurance | Property insurance |                  |         |
|-----------------------------------|---------------------|-----------------------------|--------------------|------------------|---------------------------------|---------------------------------|--------------------|---------------------|----------------------------|--------------------|------------------|---------|
|                                   |                     | Accident insurance          | Sickness insurance | Travel insurance |                                 |                                 |                    |                     |                            | Legal persons      | Physical persons | Total   |
| Gross premiums (thousand kroons)  |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 476 978             | 34 480                      |                    | 40 375           | 385 773                         | 823                             | 86                 | 3 018               | 14 211                     | 141 926            | 133 694          | 275 620 |
| 2001                              | 456 616             | 35 675                      |                    | 43 187           | 476 606                         | 2 852                           | 161                | 4 429               | 21 069                     | 166 042            | 151 280          | 317 322 |
| 2002                              | 516 556             | 37 105                      |                    | 47 755           | 600 138                         | 3 766                           | 57                 | 4 836               | 20 257                     | 214 795            | 178 252          | 393 047 |
| 2003                              | 619 648             | 38 744                      |                    | 54 436           | 747 724                         | 6 356                           | 230                | 4 428               | 22 935                     | 251 132            | 205 301          | 456 433 |
| 2004                              | 689 072             | 40 783                      |                    | 61 104           | 894 115                         | 7 925                           |                    | 4 624               | 23 762                     | 287 858            | 240 041          | 527 899 |
| Reinsurance (thousand kroons)     |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 63 484              | 2 410                       |                    | 6 249            | 186 602                         | 811                             | 59                 | 1 932               | 5 532                      | 84 536             | 10 396           | 94 932  |
| 2001                              | 90 631              | 3 082                       |                    | 5 965            | 213 076                         | 2 733                           | 40                 | 2 921               | 10 223                     | 94 543             | 13 833           | 108 376 |
| 2002                              | 118 072             | 3 341                       |                    | 5 735            | 256 728                         | 3 087                           | 55                 | 2 956               | 8 411                      | 121 304            | 16 473           | 137 777 |
| 2003                              | 195 035             | 2 992                       |                    | 4 483            | 277 507                         | 5 232                           | 223                | 2 998               | 8 367                      | 114 517            | 22 148           | 136 665 |
| 2004                              | 197 714             | 2 030                       |                    | 4 677            | 230 977                         | 6 319                           |                    | 3 123               | 10 206                     | 100 926            | 24 201           | 125 127 |
| Net premiums (thousand kroons)    |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 413 494             | 32 070                      |                    | 34 126           | 199 171                         | 12                              | 27                 | 1 086               | 8 679                      | 57 390             | 123 298          | 180 688 |
| 2001                              | 365 985             | 32 593                      |                    | 37 222           | 263 530                         | 119                             | 121                | 1 508               | 10 846                     | 71 499             | 137 447          | 208 946 |
| 2002                              | 398 484             | 33 764                      |                    | 42 020           | 343 410                         | 679                             | 2                  | 1 880               | 11 846                     | 93 491             | 161 779          | 255 270 |
| 2003                              | 424 613             | 35 752                      |                    | 49 953           | 470 217                         | 1 124                           | 7                  | 1 430               | 14 568                     | 136 615            | 183 153          | 319 768 |
| 2004                              | 491 358             | 38 753                      |                    | 56 427           | 663 138                         | 1 606                           |                    | 1 501               | 13 556                     | 186 932            | 215 840          | 402 772 |
| Claims reported (in units)        |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 19 280              | 3 575                       |                    | 1 716            | 16 142                          |                                 |                    | 11                  | 169                        | 1 984              | 1 848            | 3 832   |
| 2001                              | 21 504              | 3 770                       |                    | 1 889            | 21 155                          |                                 |                    | 29                  | 261                        | 2 582              | 2 053            | 4 635   |
| 2002                              | 25 594              | 4 116                       |                    | 2 395            | 24 031                          |                                 | 1                  | 28                  | 99                         | 2 353              | 2 206            | 4 559   |
| 2003                              | 25 207              | 3 599                       |                    | 2 653            | 27 712                          |                                 |                    | 29                  | 72                         | 2 153              | 2 341            | 4 494   |
| 2004                              | 28 075              | 3 596                       |                    | 3 139            | 27 873                          |                                 |                    | 19                  | 50                         | 1 984              | 2 274            | 4 258   |
| Claims settled (in units)         |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 18 721              | 3 331                       |                    | 1 572            | 15 402                          |                                 |                    | 13                  | 143                        | 1 727              | 1 734            | 3 461   |
| 2001                              | 19 556              | 3 188                       |                    | 1 628            | 18 070                          |                                 | 1                  | 27                  | 225                        | 2 124              | 1 892            | 4 016   |
| 2002                              | 23 100              | 3 674                       |                    | 2 051            | 22 510                          |                                 | 1                  | 30                  | 71                         | 2 028              | 2 131            | 4 159   |
| 2003                              | 25 438              | 3 372                       |                    | 2 563            | 26 267                          |                                 |                    | 24                  | 44                         | 1 749              | 2 171            | 3 920   |
| 2004                              | 27 634              | 3 299                       |                    | 2 905            | 26 502                          |                                 | 3                  | 15                  | 38                         | 1 653              | 2 173            | 3 826   |
| Claims paid (thousand kroons)     |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 244 963             | 14 236                      |                    | 9 214            | 209 635                         |                                 |                    | 2 011               | 2 409                      | 69 930             | 33 503           | 103 433 |
| 2001                              | 263 975             | 15 961                      |                    | 11 037           | 276 972                         |                                 | 382                | 2 856               | 3 454                      | 77 980             | 41 769           | 119 749 |
| 2002                              | 344 953             | 16 942                      |                    | 11 386           | 370 496                         | 1 035                           |                    | 2 270               | 7 081                      | 99 396             | 42 577           | 141 973 |
| 2003                              | 370 413             | 14 615                      |                    | 17 177           | 409 033                         | -49                             |                    | 4 105               | 4 359                      | 108 557            | 63 714           | 172 271 |
| 2004                              | 450 802             | 17 825                      |                    | 17 125           | 463 563                         | 427                             |                    | 4 463               | 14 459                     | 108 158            | 66 409           | 174 567 |
| Reinsurance (thousand kroons)     |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 31 999              | 1 225                       |                    | 2 047            | 99 329                          |                                 |                    | 997                 | 602                        | 38 623             | 4 797            | 43 420  |
| 2001                              | 49 439              | 1 046                       |                    | 1 507            | 129 197                         |                                 |                    | 1 651               | 1 288                      | 35 420             | 6 481            | 41 901  |
| 2002                              | 69 914              | 780                         |                    | 1 261            | 158 665                         | 962                             |                    | 1 295               | 5 286                      | 40 245             | 3 294            | 43 539  |
| 2003                              | 102 633             | 939                         |                    | 1 394            | 147 572                         |                                 |                    | 2 630               | 2 708                      | 53 514             | 3 696            | 57 210  |
| 2004                              | 146 712             | 1 722                       |                    | 591              | 132 784                         | 419                             |                    | 2 824               | 10 666                     | 43 621             | 4 570            | 48 191  |
| Net claims paid (thousand kroons) |                     |                             |                    |                  |                                 |                                 |                    |                     |                            |                    |                  |         |
| 2000                              | 212 964             | 13 011                      |                    | 7 167            | 110 306                         |                                 |                    | 1 014               | 1 807                      | 31 307             | 28 706           | 60 013  |
| 2001                              | 214 536             | 14 915                      |                    | 9 530            | 147 775                         |                                 | 382                | 1 205               | 2 166                      | 42 560             | 35 288           | 77 848  |
| 2002                              | 275 039             | 16 162                      |                    | 10 125           | 211 831                         | 73                              |                    | 975                 | 1 795                      | 59 151             | 39 283           | 98 434  |
| 2003                              | 267 780             | 13 676                      |                    | 15 783           | 261 461                         | -49                             |                    | 1 475               | 1 651                      | 55 043             | 60 018           | 115 061 |
| 2004                              | 304 090             | 16 103                      |                    | 16 534           | 330 779                         | 8                               |                    | 1 639               | 3 793                      | 64 537             | 61 839           | 126 376 |

\* Only direct insurance

## Non-life insurance premiums and claims by classes of business, 2000–2004 (2)\*

|                                   | Motor vehicle liability insurance | Aircraft liability insurance | Liability insurance for ships | General liability insurance   |                            |                                  |                             |                   | Insurance for pecuniary loss |                      |                                | TOTAL     |
|-----------------------------------|-----------------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------------|-----------------------------|-------------------|------------------------------|----------------------|--------------------------------|-----------|
|                                   |                                   |                              |                               | Employers liability insurance | Public liability insurance | Professional liability insurance |                             | Product liability | Credit insurance             | Suretyship insurance | Misc. financial loss insurance |           |
|                                   |                                   |                              |                               |                               |                            | Total                            | incl. obligatory insurances |                   |                              |                      |                                |           |
| Gross premiums (thousand kroons)  |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 19 832                            | 122                          | 38                            | 6 016                         | 9 335                      | 4 277                            | 1 366                       | 384               | 375                          | 14 403               | 3 540                          | 1 289 686 |
| 2001                              | 21 933                            | 262                          | 63                            | 6 370                         | 14 974                     | 5 579                            | 2 317                       | 154               | 375                          | 11 264               | 8 306                          | 1 427 197 |
| 2002                              | 23 986                            | 323                          | 193                           | 6 034                         | 20 112                     | 17 579                           | 2 743                       | 453               |                              | 10 531               | 15 609                         | 1 718 337 |
| 2003                              | 24 542                            | 614                          | 321                           | 2 191                         | 23 815                     | 11 847                           | 3 588                       | 15 900            |                              | 10 358               | 15 436                         | 2 055 958 |
| 2004                              | 25 622                            |                              | 299                           | 3 049                         | 18 344                     | 11 682                           | 4 066                       | 25 455            | 219                          | 8 684                | 23 652                         | 2 366 290 |
| Reinsurance (thousand kroons)     |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 9 801                             | 109                          |                               | 1 406                         | 4 044                      | 2 686                            | 610                         | 328               | 375                          | 5 484                | 1 497                          | 387 741   |
| 2001                              | 8 866                             | 248                          | 13                            | 1 780                         | 9 459                      | 3 050                            | 1 134                       | 91                | 375                          | 5 395                | 6 580                          | 472 904   |
| 2002                              | 10 005                            | 305                          | 82                            | 703                           | 15 413                     | 12 425                           | 1 232                       | 119               |                              | 5 767                | 14 334                         | 595 315   |
| 2003                              | 8 839                             | 593                          | 232                           |                               | 16 922                     | 5 096                            | 1 836                       | 5 469             |                              | 6 308                | 8 569                          | 685 530   |
| 2004                              | 8 198                             |                              | 229                           | 107                           | 7 749                      | 5 542                            | 2 098                       | 12 254            |                              | 4 446                | 11 825                         | 630 523   |
| Net premiums (thousand kroons)    |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 10 031                            | 13                           | 38                            | 4 610                         | 5 291                      | 1 591                            | 756                         | 56                |                              | 8 919                | 2 043                          | 901 945   |
| 2001                              | 13 067                            | 14                           | 50                            | 4 590                         | 5 515                      | 2 529                            | 1 183                       | 63                |                              | 5 869                | 1 726                          | 954 293   |
| 2002                              | 13 981                            | 18                           | 111                           | 5 331                         | 4 699                      | 5 154                            | 1 511                       | 334               |                              | 4 764                | 1 275                          | 1 123 022 |
| 2003                              | 15 703                            | 21                           | 89                            | 2 191                         | 6 893                      | 6 751                            | 1 752                       | 10 431            |                              | 4 050                | 6 867                          | 1 370 428 |
| 2004                              | 17 424                            |                              | 70                            | 2 942                         | 10 595                     | 6 140                            | 1 968                       | 13 201            | 219                          | 4 238                | 11 827                         | 1 735 767 |
| Claims reported (in units)        |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 154                               |                              |                               | 25                            | 39                         | 16                               | 9                           |                   | 3                            | 14                   | 3                              | 44 979    |
| 2001                              | 196                               |                              |                               | 27                            | 41                         | 25                               | 15                          |                   |                              | 17                   | 1                              | 53 550    |
| 2002                              | 213                               |                              |                               | 8                             | 80                         | 43                               | 10                          | 1                 |                              | 6                    | 5                              | 61 179    |
| 2003                              | 261                               |                              |                               | 30                            | 79                         | 48                               | 13                          | 7                 |                              | 12                   | 3                              | 64 206    |
| 2004                              | 215                               |                              |                               | 40                            | 91                         | 45                               | 14                          | 3                 |                              | 16                   | 1                              | 67 423    |
| Claims settled (in units)         |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 131                               |                              |                               | 29                            | 44                         | 14                               | 5                           |                   | 2                            | 21                   | 2                              | 42 886    |
| 2001                              | 95                                |                              |                               | 18                            | 33                         | 10                               | 1                           |                   | 1                            | 17                   | 5                              | 46 890    |
| 2002                              | 80                                |                              |                               | 7                             | 54                         | 23                               |                             | 1                 |                              | 7                    | 4                              | 55 772    |
| 2003                              | 160                               |                              |                               | 21                            | 38                         | 7                                | 1                           | 9                 |                              | 13                   | 2                              | 61 878    |
| 2004                              | 129                               |                              |                               | 15                            | 42                         | 12                               | 1                           | 9                 |                              | 17                   | 3                              | 64 449    |
| Claims paid (thousand kroons)     |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 5 229                             |                              |                               | 756                           | 6 658                      | 1 100                            | 121                         |                   | 1 196                        | 13 906               | 2 204                          | 616 950   |
| 2001                              | 5 596                             |                              |                               | 2 404                         | 1 520                      | 927                              | 304                         |                   | 747                          | 6 975                | 287                            | 712 842   |
| 2002                              | 4 286                             |                              |                               | 48                            | 1 283                      | 3 336                            | 1 473                       | 17                |                              | 4 980                | 2 350                          | 912 436   |
| 2003                              | 7 829                             |                              |                               | 1 103                         | 8 727                      | 2 073                            | 1 801                       | 8 033             |                              | 1 957                | 1 388                          | 1 023 034 |
| 2004                              | 5 930                             |                              |                               | 290                           | 8 846                      | 1 664                            | 1 066                       | 3 634             |                              | 1 165                | 12 287                         | 1 177 047 |
| Reinsurance (thousand kroons)     |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 2 579                             |                              |                               | 308                           | 3 727                      | 665                              | 77                          |                   | 1 195                        | 3 806                | 1 413                          | 193 312   |
| 2001                              | 2 757                             |                              |                               | 15                            | 594                        | 430                              | 152                         |                   | 747                          | 537                  | 69                             | 231 178   |
| 2002                              | 2 360                             |                              |                               |                               | 490                        | 2 113                            | 789                         |                   |                              | 196                  | 2 012                          | 288 873   |
| 2003                              | 4 291                             |                              |                               |                               | 6 960                      | 1 336                            | 1 252                       | 4 877             |                              | -21                  | 149                            | 332 678   |
| 2004                              | 2 536                             |                              |                               |                               | 6 947                      | 827                              | 686                         |                   |                              | 278                  | 10 418                         | 364 915   |
| Net claims paid (thousand kroons) |                                   |                              |                               |                               |                            |                                  |                             |                   |                              |                      |                                |           |
| 2000                              | 2 650                             |                              |                               | 448                           | 2 931                      | 435                              | 44                          |                   | 1                            | 10 100               | 791                            | 423 638   |
| 2001                              | 2 839                             |                              |                               | 2 389                         | 926                        | 497                              | 152                         |                   |                              | 6 438                | 218                            | 481 664   |
| 2002                              | 1 926                             |                              |                               | 48                            | 793                        | 1 223                            | 684                         | 17                |                              | 4 784                | 338                            | 623 563   |
| 2003                              | 3 538                             |                              |                               | 1 103                         | 1 767                      | 737                              | 549                         | 3 156             |                              | 1 978                | 1 239                          | 690 356   |
| 2004                              | 3 394                             |                              |                               | 290                           | 1 899                      | 837                              | 380                         | 3 634             |                              | 887                  | 1 869                          | 812 132   |

\* Only direct insurance



## Insurance Institutions, 31 December 2004

### Estonian Financial Supervision Authority

#### Supervisory Board

**Chairman:** Mr Taavi Veskimägi  
**Members:** Mr Vahur Kraft  
 Mr Matti Klaar  
 Mr Ruut Mägi  
 Mr Andres Sutt  
 Mr Veiko Tali

#### Management Board

**Chairman:** Mr Andres Trink  
**Members:** Mr Kaido Tropp  
 Mr Kilvar Kessler  
 Ms Angelika Koha  
 Mr Andres Kurgpõld

**Estonian Traffic Insurance Fund (ETIF)**  
 General Director Mr Mart Jesse

#### Non-life insurance companies:

1. **ERGO Kindlustuse AS**  
Ms Olga Reznik
2. **AS If Eesti Kindlustus**  
Mr Olavi Laido
3. **AS Inges Kindlustus**  
Mr Voldemar Vaino
4. **Nordicum Kindlustuse Eesti AS**  
Mr Mikko Sakari Saario

5. **Salva Kindlustuse AS**  
Mr Tiit Pahapill
6. **Seesam Rahvusvaheline Kindlustuse AS**  
Mr Margus Luuh
7. **Zürich Kindlustuse Eesti AS (in dissolution)**  
Mr Aivar Vähi

#### Life insurance companies:

1. **ERGO Elukindlustuse AS**  
Ms Olga Reznik
2. **AS Hansa Elukindlustus**  
Mr Paavo Põld
3. **AS Sampo Elukindlustus**  
Mr Imre Madisson
4. **Seesam Elukindlustuse AS**  
Mr Erki Kilu
5. **AS Ühispanga Elukindlustus**  
Mr Indrek Holst

**Estonian Insurance Brokers Association**  
 Chairman of the Board  
 Mr Ain Habicht

**Association of Estonian Insurers**  
 Chairman of the Board  
 Mr Indrek Holst  
 Managing Director Ms Malle Aleksius

**Estonian Actuarial Society**  
 Chairman of the Board  
 Mr Tarmo Koll

#### Insurance brokers:

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. <b>OÜ Aadel Kindlustusmaaklerid</b><br/>Ms Rea Tänav</li> <li>2. <b>OÜ ABC Kindlustusmaaklerid</b><br/>Mr Harri Kahl</li> <li>3. <b>OÜ ADVICE S.E. Kindlustusmaakler</b><br/>Mr Ain Niineste</li> <li>4. <b>AS Aon Eesti Kindlustusmaakler</b><br/>Mr Ülo Kallas</li> <li>5. <b>Balti Kindlustusmaakleri OÜ</b><br/>Mr Kaido Tõnisson</li> <li>6. <b>CMR Kindlustusmaakler OÜ</b><br/>Mr Renee Mahl</li> <li>7. <b>AS E-Kindlustus Kindlustusmaakler</b><br/>Mr Risto Rossar</li> <li>8. <b>Heath Lambert Baltic Kindlustusmaakler AS</b><br/>Mr Heiki Nurmeots</li> </ol> | <ol style="list-style-type: none"> <li>9. <b>AS In Bro &amp; Partners Kindlustusmaakler</b><br/>Mr Tõnu Nael</li> <li>10. <b>OÜ MAI Estonia IBP Kindlustusmaakler (on liquidation)</b><br/>Mr Raul Suup (Chairman of Liquidation Commission)</li> <li>11. <b>Majesteedi Elukindlustusmaakleri OÜ</b><br/>Mr Raul Siimut</li> <li>12. <b>OÜ Marks ja Partnerid Kindlustusmaaklerid</b><br/>Mr Jaan Marks</li> <li>13. <b>Marsh Kindlustusmaakler AS</b><br/>Mr Valdeko Allik</li> <li>14. <b>Vagneri Kindlustusmaakler AS</b><br/>Mr Roman Illarionov</li> <li>15. <b>AS Vandeni Kindlustusmaaklerid</b><br/>Mr Raul Källo</li> </ol> |
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## **ESTONIAN INSURANCE COMPANIES, 2004 (listed by foundation date)**

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### **AS IF EESTI KINDLUSTUS** ..... (non-life insurance)

Address: ..... Pronksi 19 Tallinn  
Comments: ..... formed in 2000 when pursuant to the merger agreement, Sampo Kindlustuse AS and Eesti Varakindlustuse AS merged with AS Sampo Eesti Varakindlustus<sup>1</sup>  
Owner: ..... If P&C Insurance Company Ltd, Finland (100%)  
Auditor: ..... AS PricewaterhouseCoopers  
Management board: Chairman ..... Olavi Laido  
Members ..... Mihkel Uibopuu  
Katrín Rasmann  
Andres Sooniste  
Supervisory board: Chairman ..... Hannu Taavi Kokkonen  
Members ..... Tom Melbye Eide  
Åke Ricard Wennerklint  
Gunnar Rogstad  
Ivar Martinsen  
Licenses: F-2/0016, 22.01.2003 .....reinsurance (surplus, quota-share, excess of loss)  
non-life insurance (motor TPL, accident, land vehicles, motor vehicle liability, fire and natural forces, other property, ships, general liability, goods in transit, misc. financial loss, credit, suretyship, railway rolling stock, liability for ships)  
F14-2/1475, 12.08.2004 .....non-life insurance (sickness, legal expenses)

### **ERGO KINDLUSTUSE AS** ..... (non-life insurance)

Address: ..... A. Lauteri 5 Tallinn  
Comments: ..... founded in 1990  
Owners: ..... ERGO International AG, Germany (99.4%)  
minor shareholder (0.6%)  
Auditor: ..... AS KPMG Estonia  
Management board: Chairman ..... Olga Reznik  
Members ..... Georg Männik  
Kaido Kepp  
Maris Lukins  
Ivars Prieditis  
Valdas Cicenas  
Saulius Jokubaitis  
Darius Kremensas  
Supervisory board: Chairman ..... Kestutis Bagdonavicius  
Members ..... Siegmär Karl Theodor Krüger  
Klaus Allerdissen  
Aivars Bertulis  
Achim Naumann  
Savelijs Semjonovs  
Thomas Robert Schütze  
License: RM-1467, 17.05.2001 .....non-life insurance (accident, sickness, land vehicles, aircrafts, ships, fire and natural forces, other property, goods in transit, motor vehicle liability, general liability, motor TPL insurance, suretyship, aircraft liability)

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<sup>1</sup> Previously RAS Eesti Kindlustus, founded in 1940 and privatized in 1996

## **SEESAM RAHVUSVAHELINE KINDLUSTUSE AS** ..... (non-life insurance)

Address: ..... Vambola 6 Tallinn  
Comments: ..... founded in 1991  
Owners: ..... Pohjola Group Plc, Finland (100%)  
Auditor: ..... AS PricewaterhouseCoopers  
Management board: Chairman ..... Margus Luih  
Member ..... Andri Püvi  
Supervisory board: Chairman ..... Tomi Yli-Kyyny  
Members ..... Toomas Abner  
Hannu Linnoinen  
Licenses: RM-1006, 07.11.1996 ..... non-life insurance (accident, fire and natural forces, other property, goods in transit, land vehicles, misc. financial loss)  
RM-1047, 30.01.1997 ..... non-life insurance (general liability)  
RM-1164, 10.12.1997 ..... non-life insurance (ships, liability for ships)  
RM-1404, 24.04.2000 ..... motor TPL insurance  
Nr 40-9, 01.09.2004 ..... non-life insurance (railway rolling stock)

## **AS INGES KINDLUSTUS** ..... (non-life insurance)

Address: ..... Raua 35 Tallinn  
Comments: ..... founded in 1992  
Owners: ..... UNIX-V Ltd (35%)  
Ingossur B.V., Netherlands (25%)  
ASO Ingosstrahh, Russia (20%)  
physical persons (20%)  
Auditor: ..... AS KPMG Estonia  
Director: ..... Voldemar Vaino  
Supervisory board: Chairman ..... Margus Metsma  
Members ..... Aleksej Kolesnikov  
Inge Veso  
Licenses: RM-1015, 28.11.1996 ..... non-life insurance (accident, sickness, goods in transit, land vehicles, ships, fire and natural forces, other property, general liability, liability for ships)  
RM-1016-L, 28.11.1996 ..... motor TPL insurance  
RM-1017, 28.11.1996 ..... non-life insurance (land vehicles liability)  
RM-1093, 30.04.1997 ..... non-life insurance (suretyship)

## **SALVA KINDLUSTUSE AS** ..... (non-life insurance)

Address: ..... Pärnu mnt 16 Tallinn  
Comments: ..... founded in 1993  
Owners: ..... ING LUXEMBOURG S.A (45%)  
Tiit Pahapill (45%)  
minor shareholders (10%)  
Auditor: ..... AS KPMG Estonia  
Management board: Chairman ..... Tiit Pahapill  
Members ..... Irja Elias  
Urmas Kivirüüt  
Andres Lõhmus  
Supervisory board: Chairman ..... Leho Siimsen  
Members ..... Peep Kütt  
Anu Uritam  
Marje Hansar  
Indrek Kasela  
Kustaa Äimä  
Licenses: RM-297-L, 06.04.1993 ..... motor TPL insurance  
RM-298, 06.04.1993 ..... non-life insurance (goods in transit)  
RM-536, 01.12.1993 ..... non-life insurance (fire and natural forces, land vehicles, accident, other property, general liability)  
RM-788, 27.01.1995 ..... non-life insurance (motor vehicles liability)  
RM-1104, 15.05.1997 ..... non-life insurance (ships, liability for ships)  
RM-1137, 02.10.1997 ..... non-life insurance (aircrafts, aircraft liability)  
RM-1163, 10.12.1997 ..... non-life insurance (suretyship)  
RM-1441, 26.01.2001 ..... non-life insurance (railway rolling stock)



## **AS ÜHISPANGA ELUKINDLUSTUS** ..... (life insurance)

Address: ..... Tornimäe 2 Tallinn  
Comments: ..... founded in 1998  
AS Ühispanga Elukindlustus was altered to AS SEB Ühispanga Elukindlustus on 4 April 2005  
Owner: ..... SEB Eesti Ühispank (100%)  
Auditor: ..... AS PricewaterhouseCoopers  
Management board: Chairman ..... Indrek Holst  
Members ..... Jaanus Sibul  
Aira Tammemäe  
Supervisory board: Chairman ..... Ain Hanschmidt  
Members ..... Lembit Kitter  
Ülo Suurkask  
Ain Rasva  
Rein Rätsep  
Licenses: RM-1255, 21.12.1998 .....life insurance (term and whole life assurance)  
RM-1256, 21.12.1998 .....life insurance (endowment)  
RM-1257, 21.12.1998 .....life insurance (annuities)  
RM-1258, 21.12.1998 .....life insurance (supplementary insurances)  
RM-1259, 21.12.1998 .....life insurance (annuities with tax benefit)  
RM-1430, 20.11.2000 .....life insurance (unit linked life insurance)

## **AS SAMPO ELUKINDLUSTUS** ..... (life insurance)

Address: ..... Narva mnt 11 Tallinn  
Comments: ..... founded in 1999  
Owner: ..... Sampo Life Insurance Company Ltd, Finland (100%)  
Auditor: ..... Ernst & Young Baltic AS  
Management board: Chairman ..... Imre Madison  
Members ..... Airi Viiart  
Terje Otstavel  
Supervisory board: Chairman ..... Minna Kaarina Kohmo  
Members ..... Timo Pursiala  
Margus Žuravljov  
Licenses: RM-1314, 29.04.1999 .....life insurance (term and whole life assurance, endowment, annuities)  
RM-1388, 10.01.2000 .....life insurance (annuities with tax benefit)  
RM-1420, 10.08.2000 .....life insurance (supplementary insurances)  
RM-1476, 09.07.2001 .....life insurance (unit linked life insurance)

## **NORDICUM KINDLUSTUSE EESTI AS** ..... (non-life insurance)

Address: ..... Liivalaia 13/15 Tallinn  
Comments: ..... founded in 2001  
Nordicum Kindlustuse Eesti AS was altered to QBE Kindlustuse Eesti AS on 20 April 2005  
Owners: ..... Tryg Forsikring Ltd, Denmark (100%)  
Auditor: ..... AS KPMG Estonia  
Management board: Members ..... Mikko Sakari Saario  
Ilona Kuber  
Supervisory board: Chairman ..... Peter Falkenham  
Members ..... Kaupo Luhaäär  
Kalle Pedak  
License: F2-/0003, 13.02.2002 .....non-life insurance (accident (incl injury to passengers), land vehicles,  
goods in transit, fire and natural forces, other property,  
motor TPL insurance, general liability, suretyship)

## MAJOR EVENTS, 2004

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- 16.01 ..... The name of Nordea Kindlustuse Eesti AS was changed to Nordicum Kindlustuse Eesti AS. Since 20 April 2005 the new name is QBE Kindlustuse Eesti AS.
- 19.01 ..... The Financial Supervision Authority deleted the OÜ MAI Estonia IBP Kindlustusmaakler from the register of insurance intermediaries.
- 06.02 ..... The name of Hansapanga Kindlustuse AS was changed to AS Hansa Elukindlustus.
- 18.02 ..... The Financial Supervision Authority entered the Aadel Kindlustusmaaklerid OÜ to the register of insurance intermediaries as the insurance broker.
- 18.02 ..... *Riigikogu* adopted the *Motor Third Party Liability Insurance Act* and the *Insurance Activities Act Amendment Act* (became effective on 25 March and partly upon the accession of Estonia to the European Union).
- 01.04 ..... The Financial Supervision Authority Guideline *Unit linked life assurance policies - components, underlying assets and disclosure to policyholders* became effective.
- 18.04 ..... Minister of Finance Regulation No 43 *The Amendment of the Minister of Finance Regulation No 75 of 9 August 2000 'Preparation and Submission of Insurer's Financial Statements, Interim Reports and Consolidated Account'* and No 44 *The Amendment of the Minister of Finance Regulation No 116 of 18 December 2001 'Procedures and Terms for Submission of Life Insurer's Actuarial'* (adopted on 1 April 2004).
- 21.04 ..... The Financial Supervision Authority authorized the Sampo OY (Finland) to acquire the qualifying holding in AS If Eesti Kindlustus.
- 26.04 ..... The participation of Pohjola Grupp Plc (Finland) in the Seesam Rahvusvaheline Kindlustuse AS grew from 50.5% to 100%.
- 01.05 ..... Estonia accessed to the European Union and amendments triggered by the accession became effective in Insurance legislation (licensing, establishment of branch and provision of cross-border service).
- 12.05 ..... The Financial Supervision Authority authorized the Sampo Life Insurance Company Ltd (Finland) to acquire 100% of the AS Sampo Elukindlustus.
- 26.05 ..... The Financial Supervision Authority approved the Charter of the non-profit association Estonian Traffic Insurance Fund (ETIF). ETIF was founded on 20 May 2004 and entered in the commercial register on 29 June 2004. This private ETIF is the legal successor of the public law Estonian Traffic Insurance Foundation.
- 09.06 ..... The Financial Supervision Authority authorized the Amber Trust S.C.A. (Luxembourg) to acquire 45% of the Salva Kindlustuse AS.
- 11.08 ..... The Financial Supervision Authority granted the supplementary license to the AS If Eesti Kindlustus for underwriting sickness insurance and legal expenses insurance.

- 01.09 ..... The Financial Supervision Authority granted the supplementary license to the Seesam Rahvusvahelise Kindlustuse AS for underwriting railway rolling stock insurance.
- 16.09 ..... The Financial Supervision Authority approved the agreement for the transfer of assets, rights and commitments concluded between the public law Estonian Traffic Insurance Foundation and the non-profit association Estonian Traffic Insurance Fund.
- 16.09 ..... The Financial Supervision Authority entered the CMR Kindlustusmaakler OÜ to the register of insurance intermediaries as the insurance broker.
- 29.09 ..... The Financial Supervision Authority approved the Guideline *Unit-Linked Life Insurance Policies: Components, Underlying Assets and Disclosure for Policyholder*. The Guideline became effective for contracts, which are concluded and in force as of 1 April 2005.
- 29.09 ..... The Financial Supervision Authority authorized the Marsh Kindlustusmaakler AS to provide cross-border insurance mediation services in the Republic of Latvia.
- 29.09 ..... The Financial Supervision Authority approved the acquisition of qualifying holding by the Seesam Elukindlustuse AS in AS LHV Varahaldus and the acquisition of qualifying holding by the AS LHV Varahaldus in the AS Seesam Varahaldus.
- 20.10 ..... The Financial Supervision Authority authorized the Marsh Kindlustusmaakler AS to provide cross-border insurance mediation services in the Republic of Lithuania.
- 20.10 ..... The Financial Supervision Authority authorized the AS If Eesti Kindlustus to provide the following cross-border non-life insurance services in the Republics of Lithuania and Latvia: land vehicles insurance, fire and natural forces insurance, other property insurance.
- 04.11 ..... The Financial Supervision Authority acknowledged the establishment of the Estonian branch of the Finnish non-life insurer Fennia Mutual Insurance Company.
- 17.11 ..... The Financial Supervision Authority authorized the dissolution of the public law Estonian Traffic Insurance Foundation.
- 30.11 ..... Nordicum Kindlustuse Eesti AS stopped underwriting new business. Pursuant to the new strategy of insurer's parent company, the insurer will focus on underwriting direct insurance in Northern countries and the insurance business in Estonia will therefore be limited.
- 08.12 ..... *Riigikogu* adopted the new *Insurance Activities Act*. It became effective on 1 January 2005.
- 10.12 ..... The Financial Supervision Authority published the booklet *Non-Life Insurance* in order to provide information for policyholders.
- 17.12 ..... Nordicum Kindlustuse Eesti AS notified of the continuation of insurance business and of starting to underwrite new business and renew existing insurance contracts, for the QBE Insurance Group (Australia) signed the contract with Tryg Forsikring AS (Denmark) for the acquisition of the Nordicum Kindlustuse Eesti AS.
- 22.12 ..... The license of Zürich Kindlustuse Eesti AS ended. The Financial Supervision Authority approved the contract for transferring the insurance portfolio that was concluded between the insurer and the AS If Eesti Kindlustus on 9 December 2004. The Financial Supervision Authority authorized the voluntary dissolution of Zürich Kindlustuse Eesti AS on 26 January 2005.