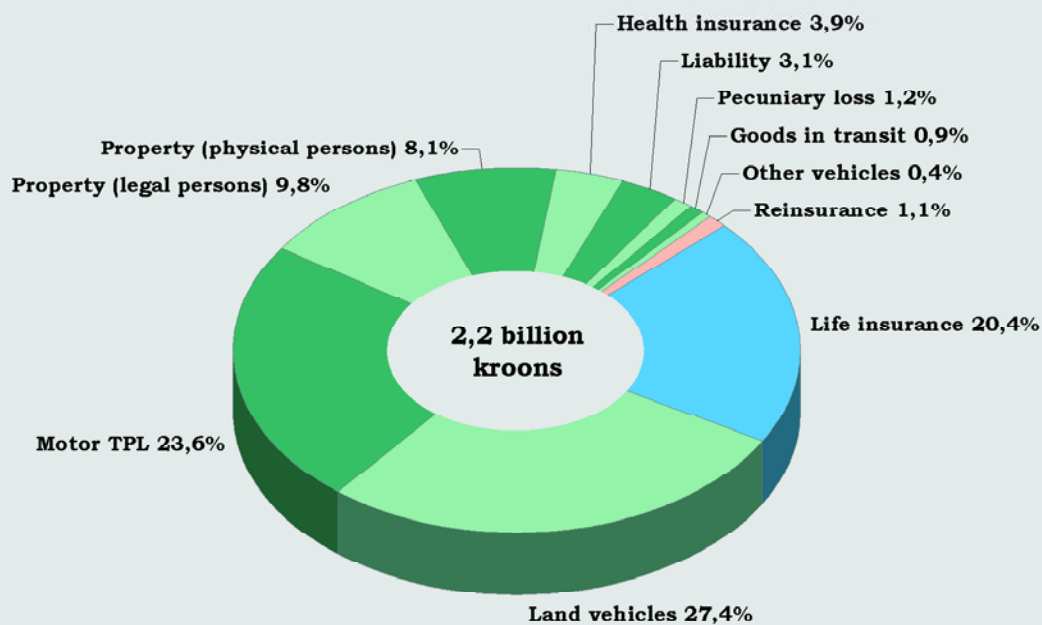


KINDLUSTUSE AASTARAAMAT

INSURANCE YEARBOOK

2002



Finantsinspektsioon

Estonian Financial Supervision Authority

Sakala 4
15030 Tallinn
ESTONIA
Phone: (+372) 668 0500
Fax: (+372) 668 0501

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FOREWORD

Financial Supervision Authority presents in this insurance yearbook an overview of Estonian insurance market and companies in 2002.

The yearbook was prepared by the Department of Analysis and Reporting – Priit Kask (Head of Department, Chief Editor of the Yearbook), Anneli Sibul (Managing Editor of the Yearbook), Anne Pirn, Eret Võsa, Siiri Ollerma and Tauno Kuusk. Assistance and contribution was also provided by Leiu Einberg and Katrin Plaser, employees of the Insurance Division.

The current yearbook gives an overview of the following main topics: insurance market (Anneli Sibul), life insurance (Anne Pirn), non-life insurance (Siiri Ollerma, Tauno Kuusk) and insurance in the Baltic countries (Anneli Sibul).

Tallinn, December 2003

Kaido Tropp

Member of the Management Board
Estonian Financial Supervision Authority

Priit Kask

Head of Department, Analysis and Reporting
Chief Editor of Insurance Yearbook 2002

OVERVIEW OF INSURANCE MARKET

INSURANCE MARKET, 2002

ECONOMY IN 2002¹

In 2002 the growth in the world economy was about 2%. Expectations for an economic revival were not fulfilled, still, also pessimistic prognoses of an economic downturn failed to come true. The main factor jeopardizing the whole world economy in 2002 was the increasing burden of debt, which in case of an interest-rate climb may have an adverse effect on many countries and be fatal for many companies. The world economy was also endangered by major losses of pension funds, which were caused by a catastrophic price collapse of shares and proved to be insuperable to pension funds alone.

In 2002 the development of the Estonian economy continued to be fast in global terms. Pursuant to the data of the Statistical Office of Estonia (SOE), the growth in economy was 10.3% in nominal terms and 6.0% in actual terms.

The development of the Estonian economy was hindered by the global instability; still, the increasing domestic demand based mainly on investments had a favorable effect. The borrowing demand was strong for the whole year due to the drop in loan interests, and the real estate loans continued to prevail among other loans. Also the demand for lease was lively, the main articles for lease being flats and cars. Favorable borrowing terms, an increasing demand for residential and non-residential buildings, and an intensifying road construction caused a significant growth in the construction production. The private household consumption grew faster than expected, enhanced by the fast increase in wages, favorable leasing and borrowing terms and the price deceleration (the consumer price index grew 3.6% if compared with 2001).

INSURANCE MARKET

The role of the insurance sector was still quite moderate in the development of the Estonian economy. In 2002 the Estonian gross domestic product was 108 billion kroons and the average population was 1,3 million people (table 1).

Although the volume of direct gross premiums of insurers constituted only 2.0% of GDP, we can see the growth in the relative importance of the insurance sector in 2002 (figure 1).

In 2002 the insurance market increased 21.4% (the biggest growth in the last five years) in terms of direct gross premiums. Insurers collected gross premiums within the amount of 2,2 billion kroons, 78.5% of which was received from non-life insurance, 20.4% from life insurance and 1.1% from accepted reinsurance business (figure 2).

Direct gross premiums were collected within the amount of 2,2 billion kroons (1,8 bln kroons in 2001, the growth being 21.4%) and claims were paid within the amount of 973,6 million kroons (767,3 m kroons in 2001, the growth being 26.9%). The volume of life gross premiums grew 25.4% and that of non-life gross premiums 20.4% in a year. The structure of direct insurance market was changed by 0,6 percentage points in favor of the life insurance. As a result, 20.6% of the direct insurance market belonged to the life

¹ The summary of developments in economy in 2002 has been drafted on the basis of "The Estonian International Competitiveness", published in 2003 by the Estonian Institute of Economic Research

Table 1. Estonian economy and the insurance market, 1995–2002

	1995	1996	1997	1998	1999	2000	2001	2002
GDP at current prices (million kroons)	40 897	52 423	64 045	73 538	76 327	87 379	97 895	108 024
Change in GDP at constant prices (% of previous year)	4,3	3,9	9,8	4,6	-0,6	7,3	6,5	6,0
Change in consumer prices (CP) (% of previous year)	29,0	23,1	11,2	8,2	3,3	4,0	5,8	3,6
incl. goods (CP-G)	18,0	19,6	8,5	6,2	0,3	3,3	4,9	1,9
services (CP-S)	45,3	27,2	14,2	12,7	9,7	5,4	7,6	6,8
Average population (thousand)	1 437	1 416	1 400	1 386	1 376	1 370	1 364	1 359
Gross premiums (million kroons)	550	824	1 085	1 272	1 417	1 659	1 832	2 189
incl. non-life insurance	505	733	926	1 031	1 127	1 290	1 427	1 719
life insurance	43	64	128	206	216	304	356	446
reinsurance	2	27	31	35	74	65	49	24
Real change in gross premiums (without CP) (% of previous year)	23,5	21,8	18,4	8,3	7,9	12,6	4,4	15,3
Real change in gross premiums (without CP-S) (% of previous year)	9,5	14,3	15,8	4,1	-1,0	12,6	4,0	13,7
Direct gross premiums per capita (kroons)	382	563	753	892	976	1 164	1 307	1 593
incl. non-life insurance	352	518	662	743	819	942	1 046	1 265
life insurance	30	45	91	149	157	222	261	328
Insurance penetration (%)	1,3	1,5	1,6	1,7	1,8	1,8	1,8	2,0
incl. non-life insurance	1,2	1,4	1,4	1,4	1,5	1,5	1,5	1,6
life insurance	0,1	0,1	0,2	0,3	0,3	0,3	0,3	0,4

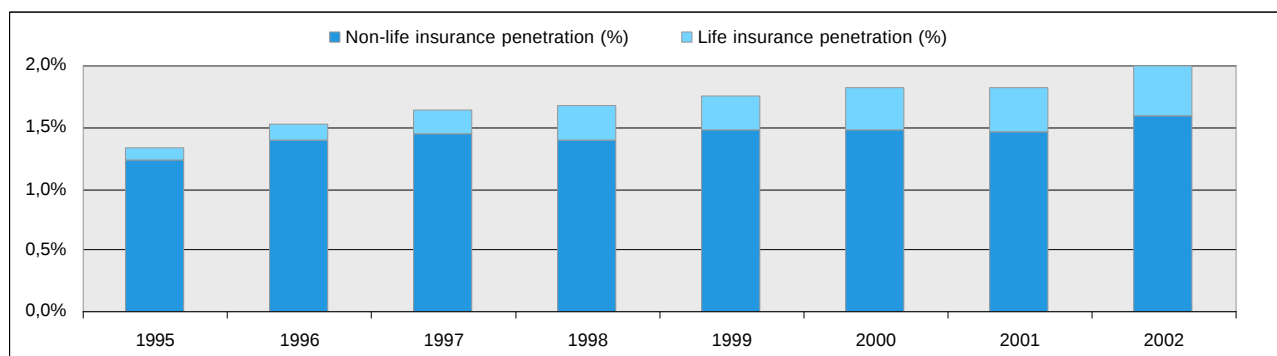


Figure 1. The relative importance of insurers' gross premiums in gross domestic product (GDP), 1995–2002

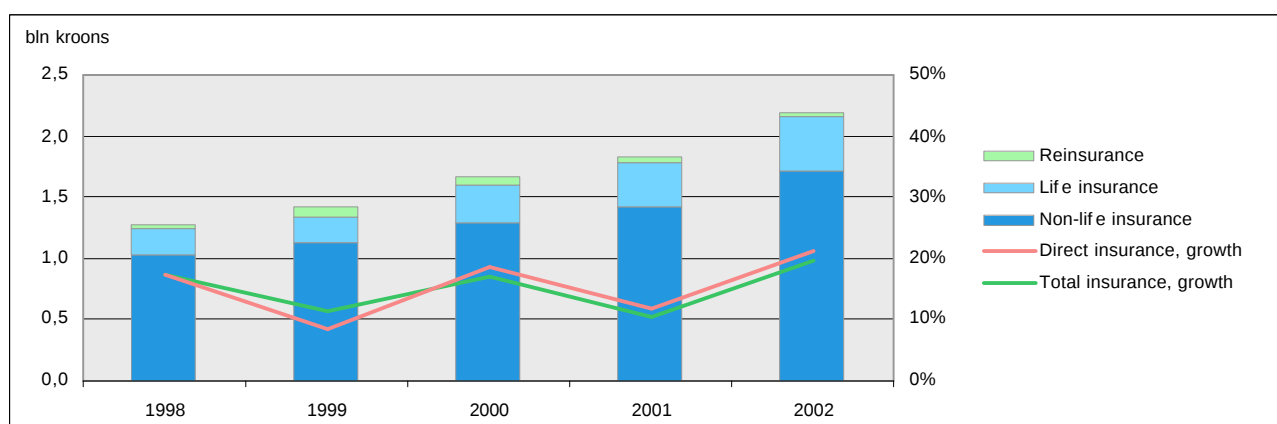


Figure 2. Insurers' gross premiums and the nominal growth in gross premiums, 1998–2002

insurance and 79.4% to the non-life insurance. The premium volume of accepted reinsurance business continued to decline and reached the level of 24,3 million kroons in 2002, thus being two times less than in 2001 (49,1 m kroons).

Premiums from land vehicles insurance made up more than a quarter and those from motor TPL insurance almost another quarter of the volume of gross premiums collected in the Estonian insurance market. Other

insurance classes prevailing in the insurance market were the property insurance and the endowment insurance (figure 3).

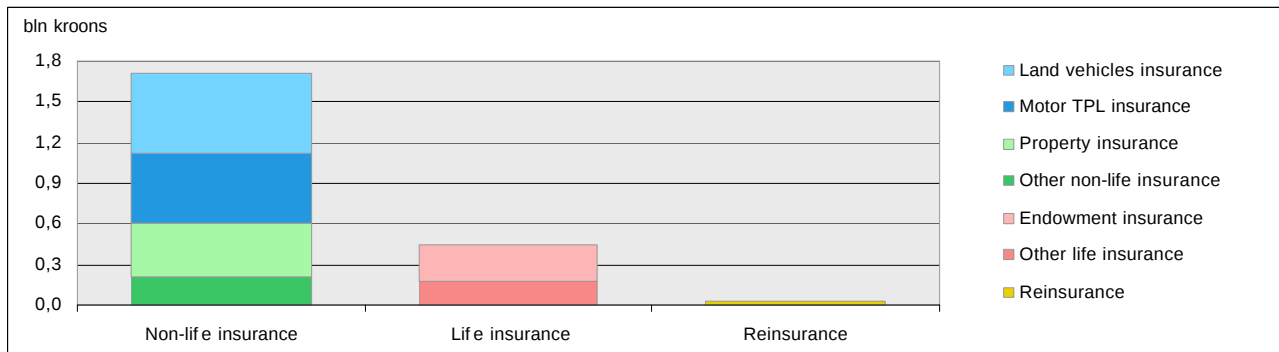


Figure 3. Gross premiums by insurance classes, 2002

Considering also the annual growth in the consumer price index, we can see that the actual growth in direct gross premiums was 17.2%, thus being considerably higher than the actual growth in 2001 (5.7%) and similarly to the nominal growth also the highest growth in the past five years. The actual growth of life premiums was 21.0% and that of non-life premiums 16.2% (figure 4).

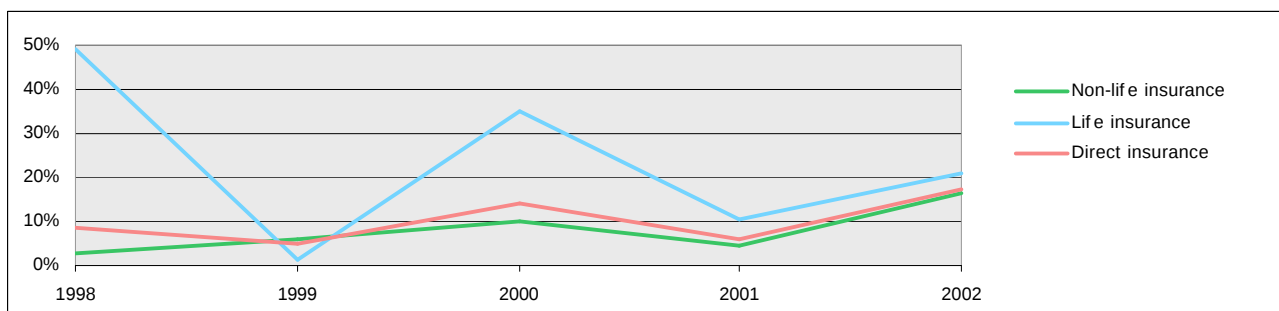


Figure 4. The actual growth of gross premiums, 1998–2002

Over the years the actual growth of gross premiums has been more stable in non-life insurance than in life insurance. The reason for this phenomenon is the slower entrance of new policyholders to the life insurance market due to the long-term nature of life policies, and the subsequently smaller volume of life insurance market at the beginning and the delayed stage of active growth. (The addition of premium volumes being equal in terms of absolute values gives a bigger growth in case of a smaller volume). The growth in life insurance market had been hindered by a major disposition of the market in 1999. The fast growth had been restored due to the cession of insurance portfolios of bankrupt insurers, the performance of more effective supervision over the insurers and the beginning of the active sale of policies with tax benefit in 2000. The sale of life policies has been and will be influenced by the overall economic development, including the growth of net income of people and their positive expectations for the future. The growth of insurance market in 2002 was enhanced by a favorable situation in the loan and lease markets because people often buy a property or car insurance policy in order to get a residence or a car by using a loan or a lease. Also, the interest towards life policies increased due to the necessity to secure the redemption of long-term loans.

In 2002 the volume of direct gross premiums per person was 1,593 kroons in Estonia (1,307 kroons in 2001), thereof 328 kroons were received from life insurance (261 kroons in 2001) and 1,265 kroons from non-life insurance (1,046 kroons in 2001). As the average monthly gross wage in 2002 was 6,144 kroons and the number of employed people was 0,6 million, we see that an average person spent 1% of her/his gross wage to the life insurance and 0.4% to the household insurance.

INSURERS

At the end of 2002 there were seven non-life insurers, five life insurers, and the Estonian Traffic Insurance Foundation as the provider of border insurance and motor TPL reinsurance, writing business in the Estonian insurance market (figure 5).

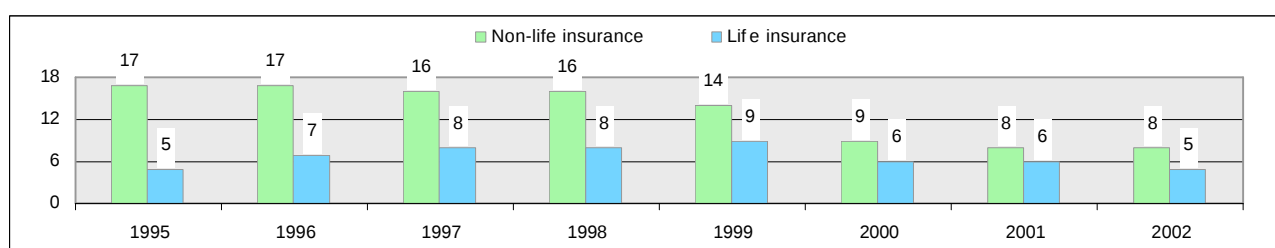


Figure 5. The number of life and non-life insurers (incl. Estonian Traffic Insurance Foundation), 1995—2002

At the beginning of 2002 the non-life insurer AS Sampo Eesti Varakindlustus changed its name to AS If Eesti Kindlustus because of a new owner. In 2002 the life insurer Nordika Elukindlustuse AS and the non-life insurer Nordika Kindlustuse AS with market shares extremely insignificant in 2001, left the market. In 2001 the first one had the market share of 0.5% and the second one 4.1%, calculated on the basis of direct gross premiums. The Nordika Elukindlustuse AS ceded its insurance portfolio to the ERGO Elukindlustuse AS. The Nordika Kindlustuse AS ceded its insurance portfolio to the newcomer in the market - Nordea Kindlustuse Eesti AS.

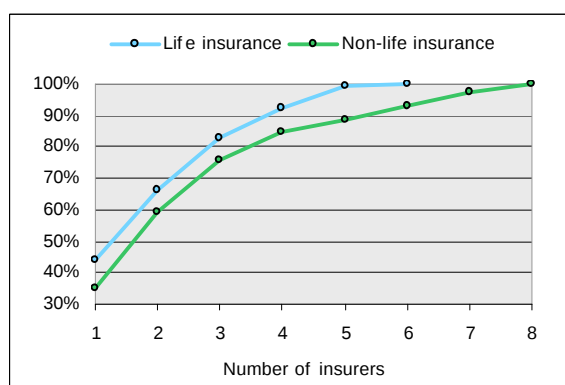


Figure 6. Market concentration, 2002

Thus, we can see that the Estonian insurance market became more stable in 2002, and the redistribution of the market was already a history. In 2002 both in life and non-life insurance more than half of the direct market belonged to the two biggest insurance companies; still, the market concentration was higher in life insurance (figure 6).

The insurance company AS If Eesti Kindlustus led the market in 2002, and its market share made up more than a quarter of direct gross premiums (figure 7). Among non-life insurers there was no significant market redistribution in 2002. The newcomer – Nordea Kindlustuse Eesti AS – maintained the market

share of the Nordika Kindlustuse AS. The life insurer Hansapanga Kindlustuse AS kept its leading position among life insurers despite the drop in its market share in 2002.

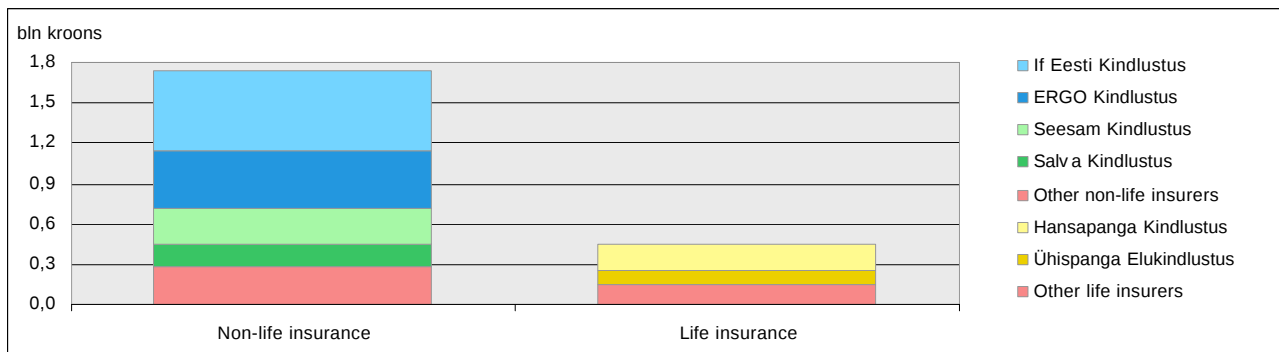


Figure 7. Distribution of insurance market by insurers, based on the volume of gross premiums, 2002

In spite of the lowering number of insurance companies, the asset volume of insurance companies grew due to additional policyholders and the subsequent extension of insurers' business activities. In 2002 the insurers' assets formed 2.5% of GDP (figure 8).

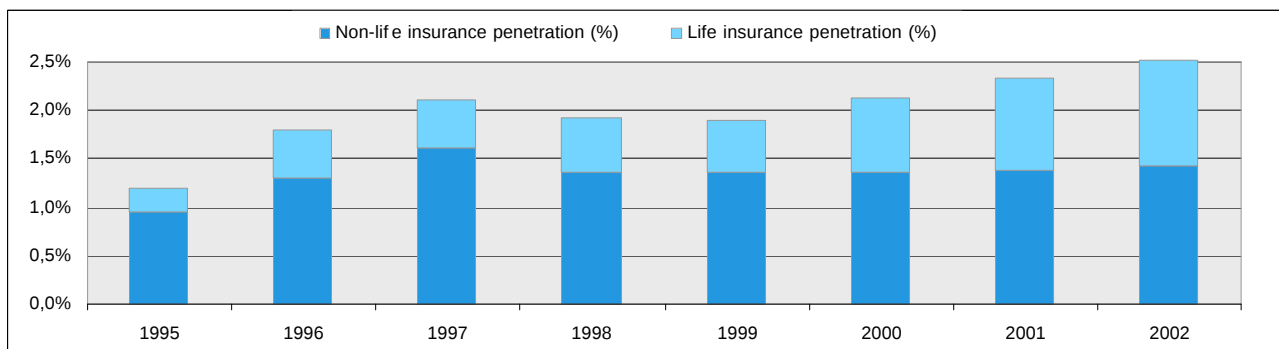


Figure 8. The relative importance of insurers' assets in gross domestic product (GDP)

During the past five years, the assets grew mainly on the account of life insurers. This is also logical considering their youth and the subsequent fast growth in commitments to the clients (figure 9).

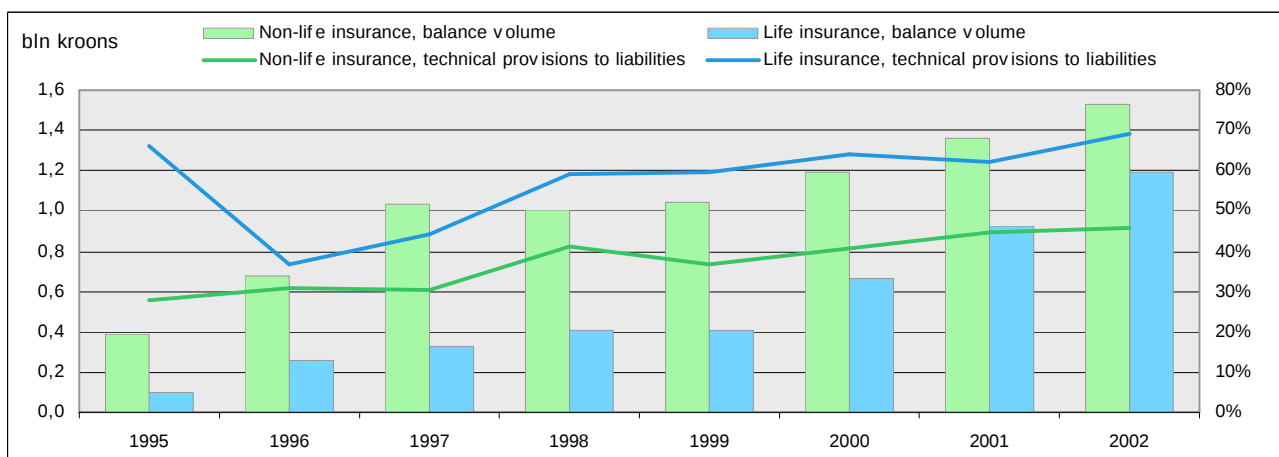


Figure 9. Insurers' consolidated balance volume and the share of technical provisions in the consolidated balance volume, 1995–2002

All insurers writing business at the end of 2002 were following the requirements in respect of insurer's own funds and committed assets, provided by the Insurance Activities Act.

The relative importance of nonresidents in the share capital of Estonian insurers has been growing over the years, thus increasing the influence the nonresidents have on the Estonian insurance market (figure 10).

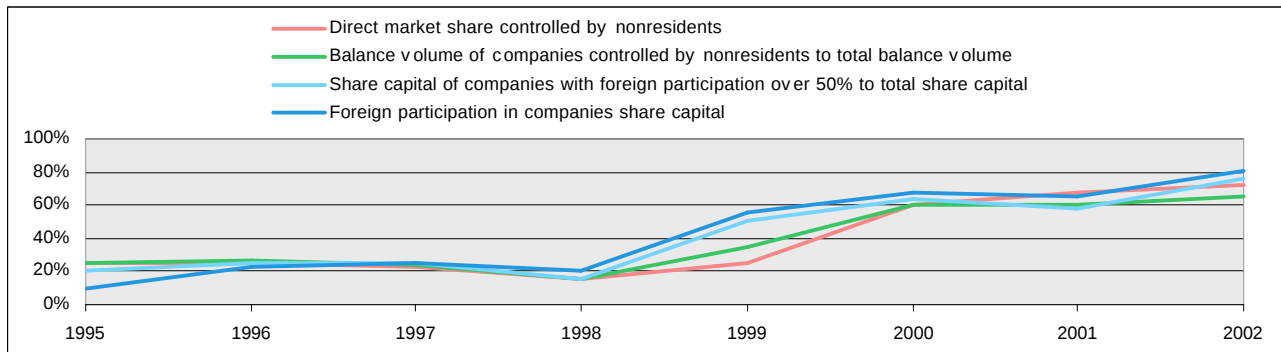


Figure 10. Foreign participation in share capital and the market share controlled by nonresidents, 1995—2002

As two of the insurers controlled by residents left the market in 2002 and an insurer controlled by nonresidents entered the market, the direct foreign participation reached the level of 80.5% of the insurers' share capital at the end of 2002 (64.6% in 2001). Foreign participation formed 91.9% of the non-life insurers' share capital, whereas all of the non-life insurers had foreign shareholders. 53.5% of the life insurers' share capital belonged to nonresidents. The market share directly controlled by foreign owners was 86.4% in non-life insurance and 32.8% in life insurance. The German, Swedish, Danish and Finnish investors had made the biggest investments into Estonian insurance companies in the end of 2002.

Due to the stabilizing insurance market, also net profits of insurance companies have been increasing during the last couple of years (figure 11).

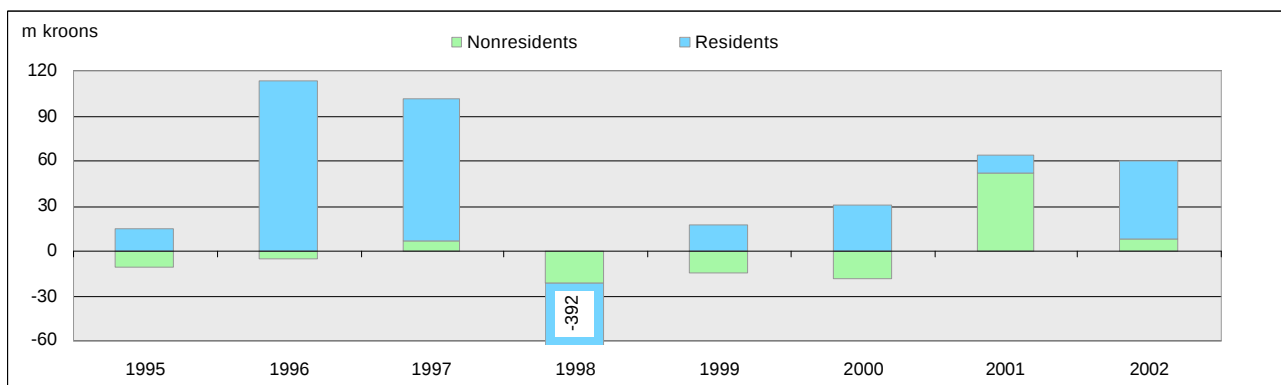


Figure 11. Insurers' net profits from insurance business, 1995—2002

In general terms, profits from non-life insurance sector have been bigger than those from life insurance sector. This is also logical considering the leading role of the non-life sector in the Estonian insurance market. Still, net profits have also been varying considerably from company to company. Losses from the acceptance of insurance portfolios of companies leaving the market in 2002 diminished considerably the profits of insurance companies controlled by nonresidents. Also losses of insurance companies from the

motor TPL insurance business (technical loss of the motor TPL insurance was 16 million kroons) diminished the profits of insurance sector in 2002.

Financial measures illustrating the business - the Profit Margin, the Return on Equity and the Return on Assets - have been improving due to the more stable situation in the insurance market and the increase in profits (figure 12).

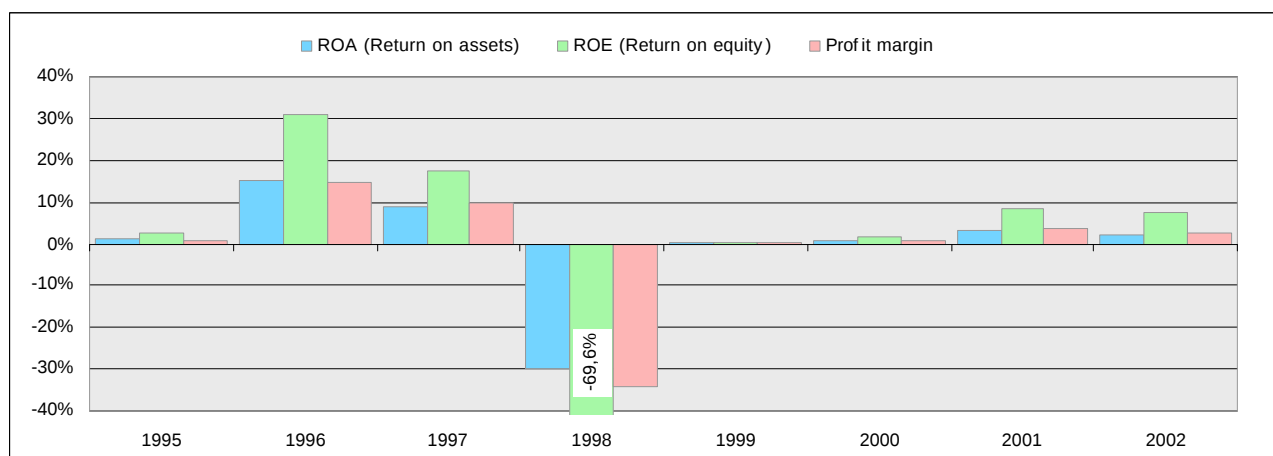


Figure 12. Financial measures of insurance companies, 1995—2002

In 2002 these financial measures shown above were less sound than in 2001. In reality this decline illustrated the loss of 61,3 million kroons of the new insurer that accepted the insurance portfolio of the insurer leaving the market in 2002. The respective measures of other insurance companies were actually sounder than in 2001.

Insurers employed 1,579 people at the end of 2002, which made 0.2% of the employed population and 0.3% of the population engaged in the private sector. The role of insurers in the formation of employment rate has remained unchanged in the past five years. In case of employees of insurance companies one must distinguish between office and sales personnel (figure 13).

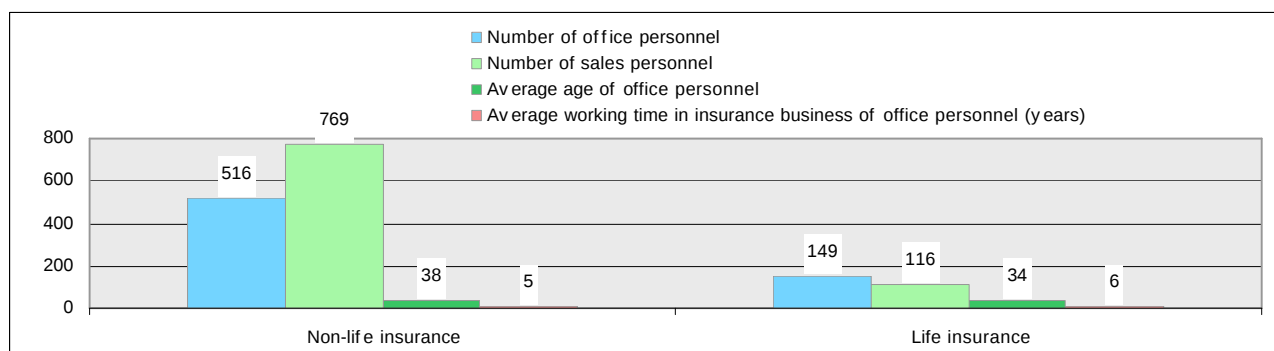


Figure 13. The number of office and sales personnel of insurance companies, 2002

Actually, the number of people working for insurance companies by selling insurance policies was considerably bigger. At the end of 2002 there were 850 people entered into the file of life insurance agents (422 life insurance agents at the end of 2001).

INSURANCE BROKERS

Insurance mediation is being regulated in Estonia since 1 August 2001. At the end of 2002 there were 14 insurance brokers and 121 representatives of insurance brokers registered. In 2002 two insurance brokers terminated their insurance mediation activities. Insurers collected 22% of their gross premiums through insurance brokers. 27.1% of non-life gross premiums and 2.4% of life gross premiums were collected through insurance brokers. Thus, the brokers were more active in the non-life insurance market. The land vehicles insurance was the most mediated insurance class, considering the volume of gross premiums. When considering the relative importance of mediation in the volume of gross premiums of a single insurance class, we can see that it was the highest in the general liability insurance (brokers mediated 54.1% of premiums of this insurance class) (figure 14).

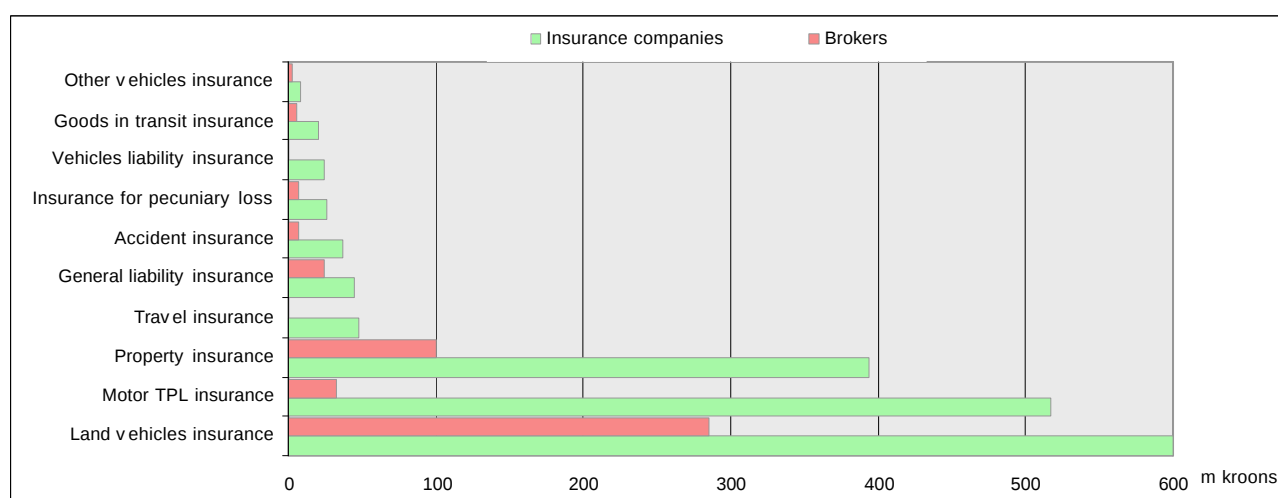


Figure 14. Non-life gross premiums mediated by insurance brokers, 2002

The annuity insurance was the most mediated life insurance class; still, the volume of mediated premiums constituted only 9.8% of annuity gross premiums collected by life insurers (figure 15).

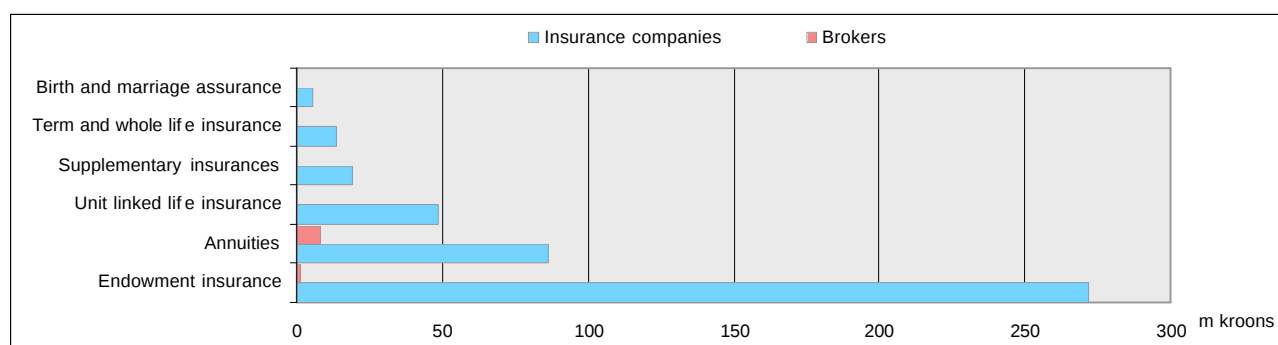


Figure 15. Life gross premiums mediated by insurance brokers, 2002

Besides mediating insurance policies of Estonian insurance companies, the brokers mediated policies of foreign insurance companies. The share of foreign insurance companies was 49.1% of the premium volume mediated by brokers. Premiums for mediated foreign policies formed 18.1% of mediated non-life gross premiums; in life insurance this rate was 39.8% (figure 16).

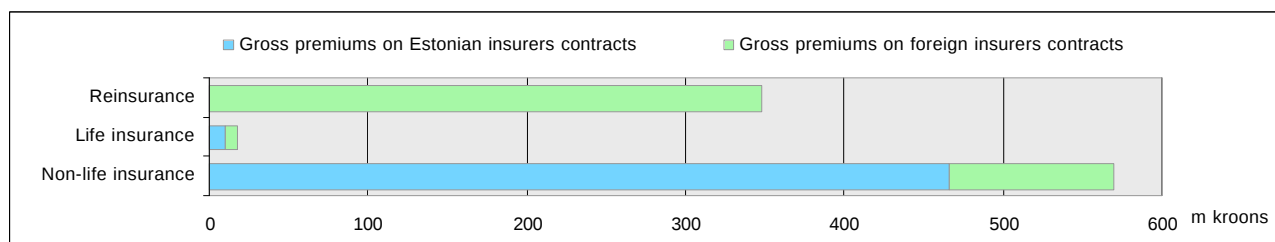


Figure 16. Gross premiums for mediated policies of Estonian and foreign insurance companies, 2002

LIFE INSURANCE

LIFE INSURANCE, 2002

LIFE INSURANCE MARKET

Economic environment

In 2002 the life insurance market grew 25.3% in terms of premium income and the consumer price index of the year was 3.6%. The respective figures of the previous year were 17.1% and 5.8% (figure 17). The premium volume of life insurance grew slower than expected, the main cause being the launch of the II pension pillar hindering the increase in the premium volume of the III pension pillar in the life insurance market.

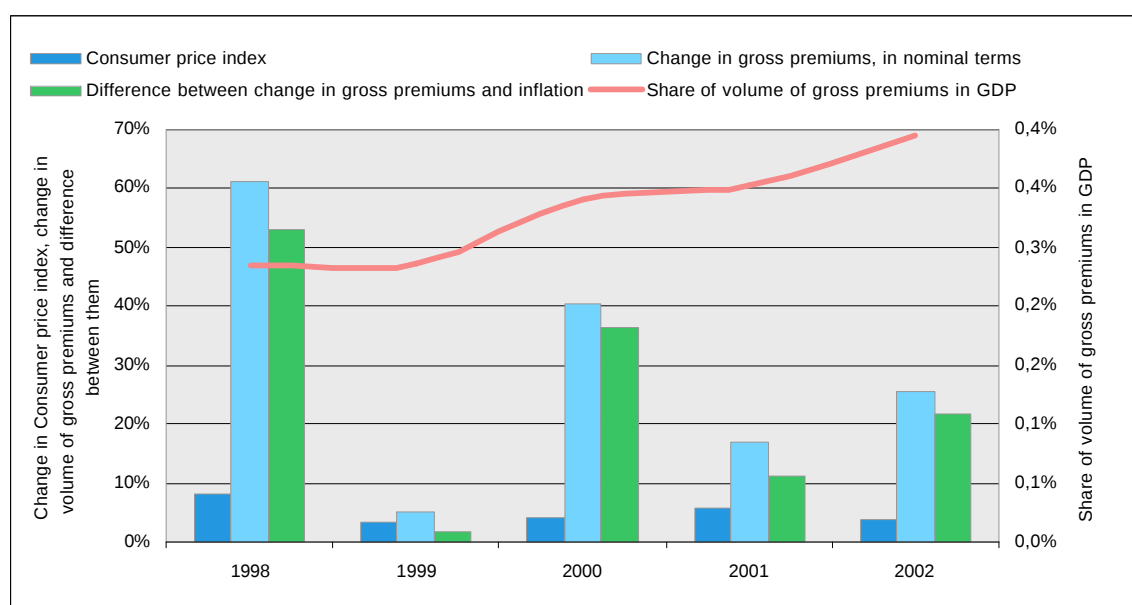


Figure 17. Growth in life insurance market (based on the volume of gross premiums) versus the inflation, 1998—2002

The average gross wage per an employed person was 73,728 kroons in 2002, and the average annual life insurance premium was 1,932.6 kroons. Thus, the average cost of life insurance for an insured person was 2.6% of the gross wage in 2002. In 2001 the average gross wage was 66,120 kroons (the increase being 14.09%), the average annual life insurance premium was 1,643.7 kroons (the increase being 17.6%), and the average cost of life insurance for an insured person was 2.0% (an increase of 0.6 percentage points) (figure 18).

The number of Estonian population was 1,361,242 people at the end of 2002; thereof 59.6% (810,911 people) were the labour force. The number of employed people was 575,747, i.e. 71.4% of the labour force. The number of main policies in force in the life insurance market was 128,161 and that of supplementary insurance policies 102,640 at the end of 2002 (figure 19). Still, the actual level of insured population was lower as any one insurer can have several life insurance policies.

The volume of savings in banks was 20,6 billion kroons at the end of 2002. The amount of technical provisions or commitments to policyholders was 814,6 million kroons. Thus, the rate of technical provisions to savings was 3.9%. Savings increased 12.5% and technical provisions 47.6% in a year (figure 20).

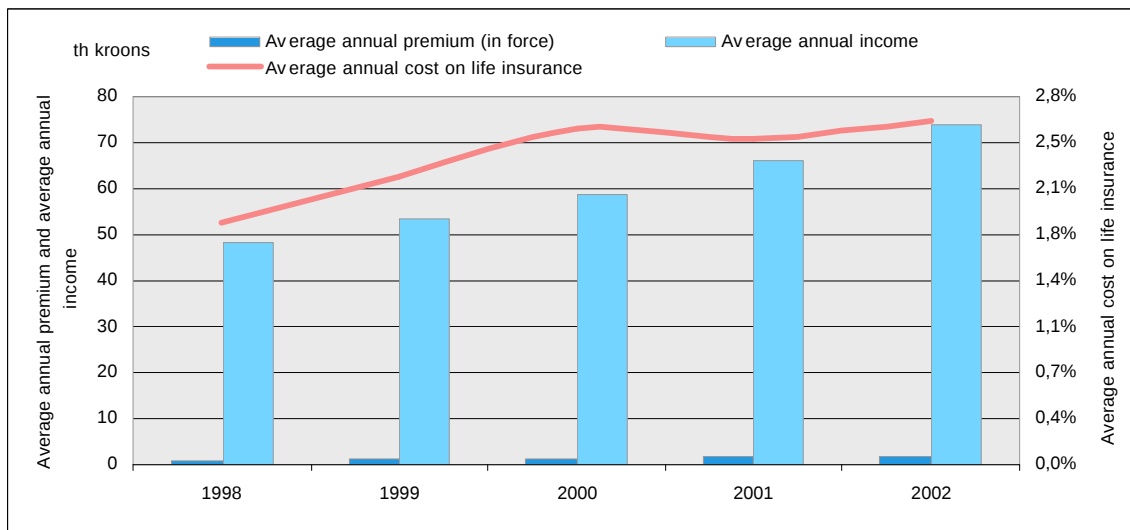


Figure 18. Average gross wage versus the average premium of life insurance contracts in force (31 December), 1998–2002

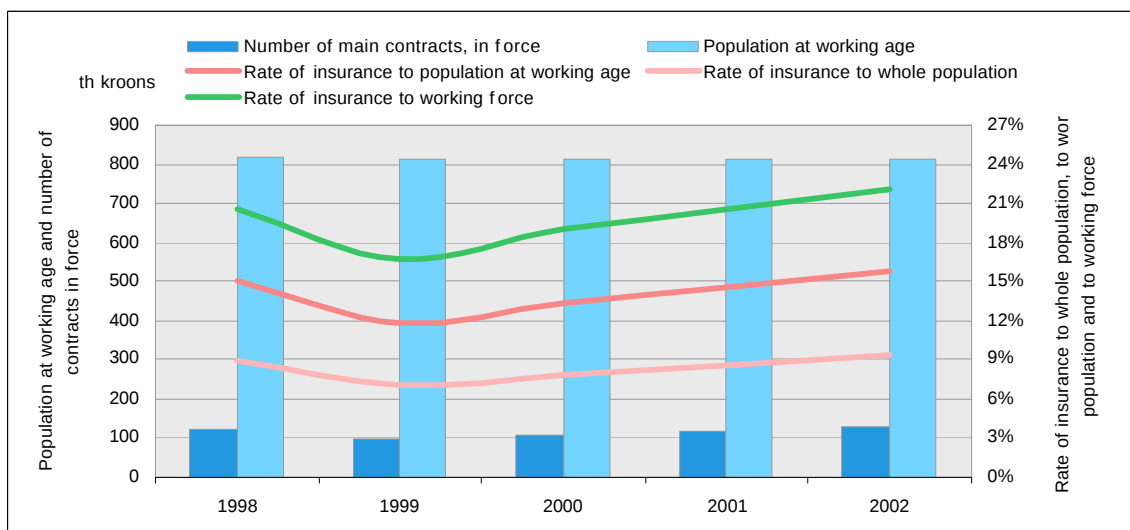


Figure 19. Rate of insurance to whole population, labour force and employed population, 31 December 1998–2002

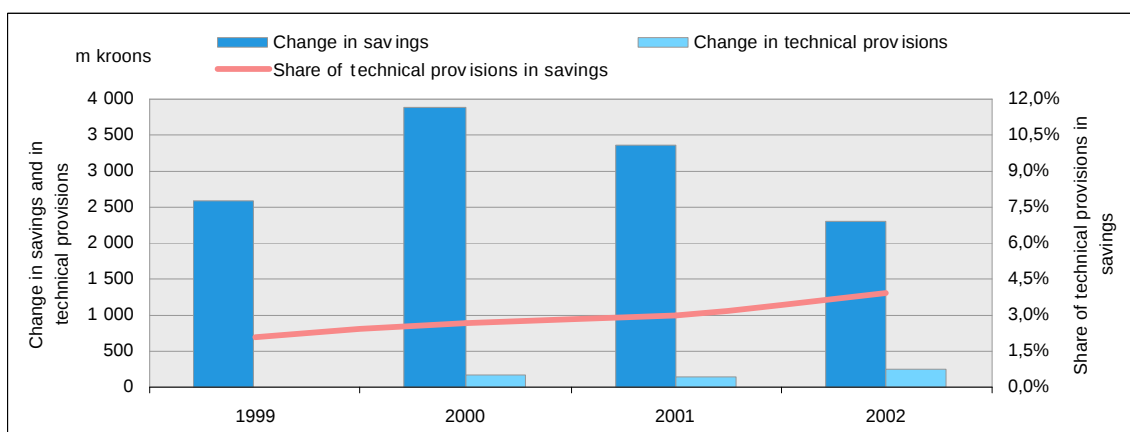


Figure 20. Growth in savings and technical provisions. Rate of technical provisions to savings, 1999–2002

Owners

In 2002 the life insurer Nordika Elukindlustuse AS terminated its activities in the market and its insurance portfolio was transferred to the ERGO Elukindlustuse AS in July 2002. 46.6% of the direct ownership of life insurance companies belonged to Estonian, 35.6% to Finnish and 17.9% to German citizens. Foreigners controlled 90.3% of the direct Estonian ownership (figure 21).

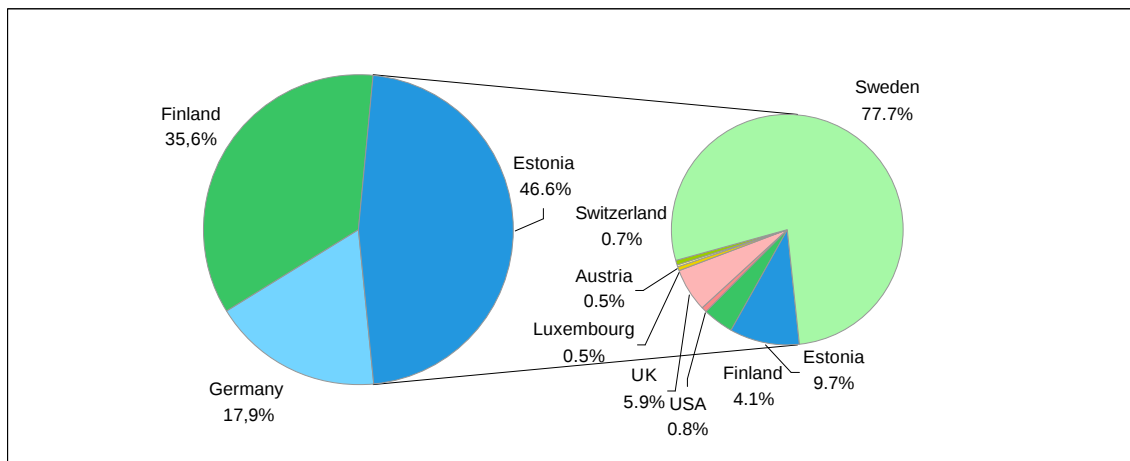


Figure 21. Direct and indirect ownership of life insurers, 31 December 2002

Market developments

The life insurance market constituted 20.6% of the total insurance market, based on the volume of gross premiums. The share of the life insurance market in the total insurance market remained almost to the same level as in the previous year (20.0% in 2001) (figure 22).

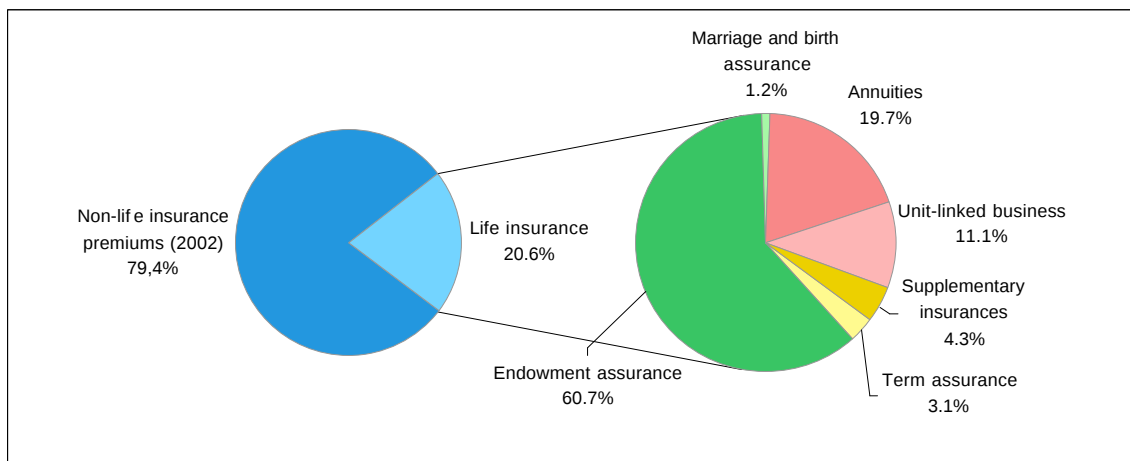


Figure 22. Distribution of insurance market and distribution of life insurance market, 2002

Life insurers collected gross premiums within the amount of 446,0 million kroons in 2002 (the increase being 25.3%). Considering the change in the consumer price index, the increase in gross premiums was 21.0% in actual terms (figure 23).

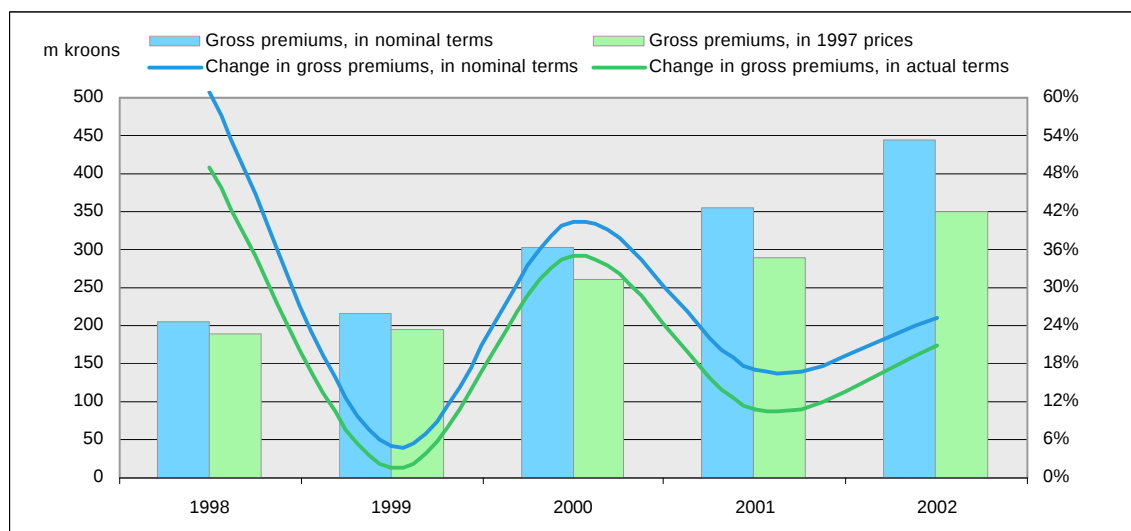


Figure 23. Volume of gross premiums and the change in volume of gross premiums in nominal and actual terms, 1998–2002

The share of gross premiums from new business in the total volume of gross premiums was 25.5% in 2002 (24.4% in 2001).

The increase in the number of main policies in force and in the total number of policies in force was more or less equal - 8.6% and 8.8%, respectively. Still, when the total number of supplementary insurance policies increased 4.2% if compared to 2001, the number of new supplementary insurance policies decreased 6.2%. The number of new main policies formed 17.6% of the total number of main policies in force (17.6% also in 2001).

The total volume of benefits was 61,2 million kroons in 2002, the annual increase being 12.3%.

Operating expenses decreased 1.5% in 2002 and the total volume of operating expenses was 104,6 million kroons; investment expenses increased 40.1% in 2002 and the total volume of investment expenses was 26,7 million kroons. The total income of life insurers exceeded the expenses by 56.8% in 2002 (figure 24).

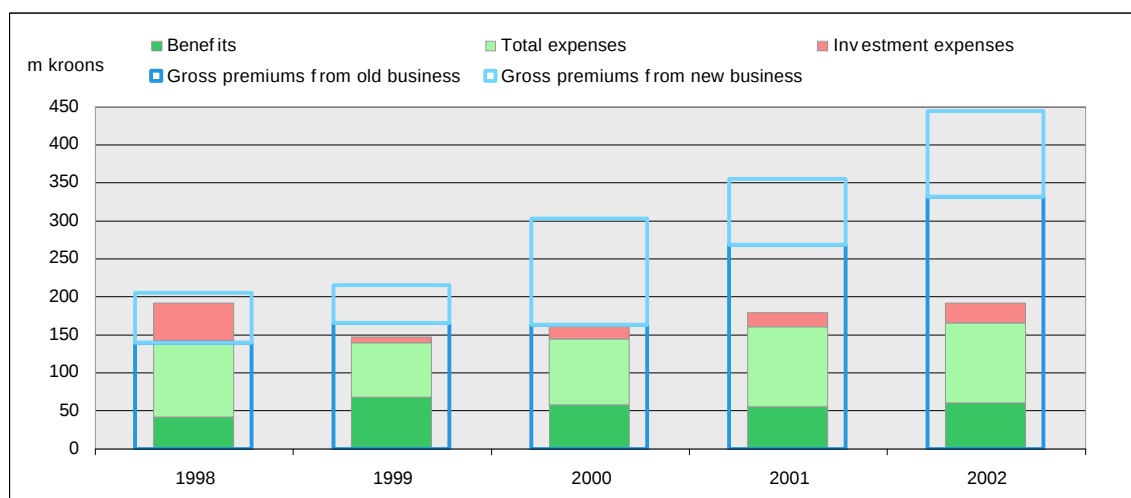


Figure 24. Volume of benefits, operating expenses, investment expenses, gross premiums from new and old business, 1998–2002

Due to the nature of life insurance risks, the share of reinsurance is very small in the life insurance market. The share of premiums ceded in the total volume of gross premiums has been between 2.2% and 2.7% in the past five years (2.2% in 2002).

Market concentration

The two biggest life insurers – Hansapanga Kindlustuse AS and AS Ühispanga Elukindlustus – were continuously prevailing in the life insurance market in 2002. Their share was 66.2% on the basis of gross premiums, 75.4% on the basis of benefits paid, and 82.6% on the basis of technical provisions (figure 25).

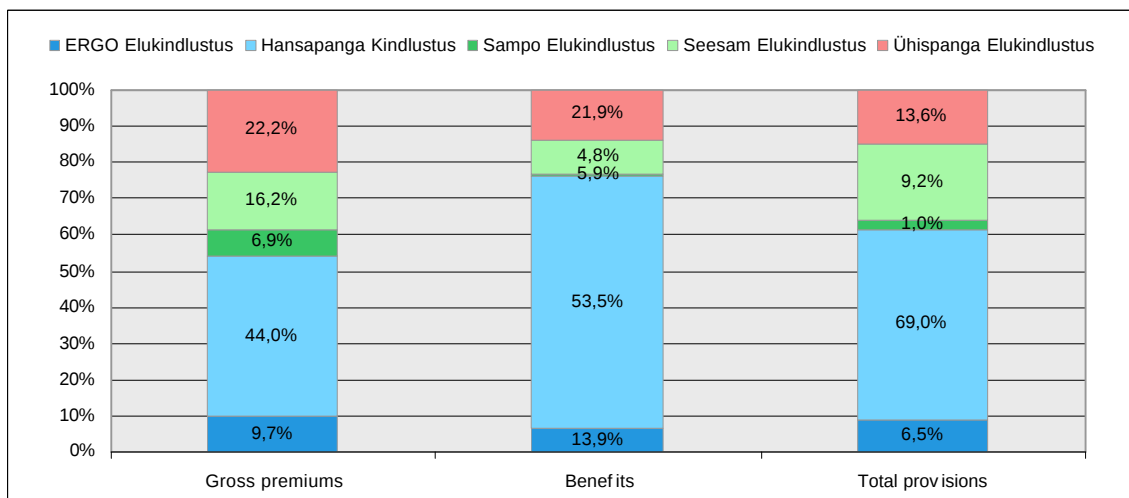


Figure 25. Concentration of life insurers according to gross premiums, benefits and technical provisions (31 December), 2002

Market shares of insurance classes

Life insurance products sold in the market in 2002 were – term assurance, endowment assurance, annuities, unit-linked business and several types of supplementary insurances. There was the possibility to buy endowment assurance, annuity or unit-linked policies also with tax benefit, meaning that the policyholder would be refunded 26% of premiums paid for saving purposes in a year. The tax benefit is valid only if the first payout (first payment of annuity) will be made after the age of 55 of policyholder.

There were no new products in the life insurance market in 2002, but the products being already in the market were modified. The enforcement of the Law of Obligations Act required some changes to be made in insurance conditions and provided new requirement to the information that life insurers have to disclose to policyholders.

The distribution of gross premiums between different classes of insurance had no major changes in 2002 – 61.0% of the market was the endowment assurance, 19.5 were the annuities and 11.0% was the unit-linked business, thus constituting 91.5% of the total life insurance market. In 2001 the volume of gross premiums in these three major classes was 321,6 million kroons, constituting 90.4% of the total volume of gross premiums (figure 26).

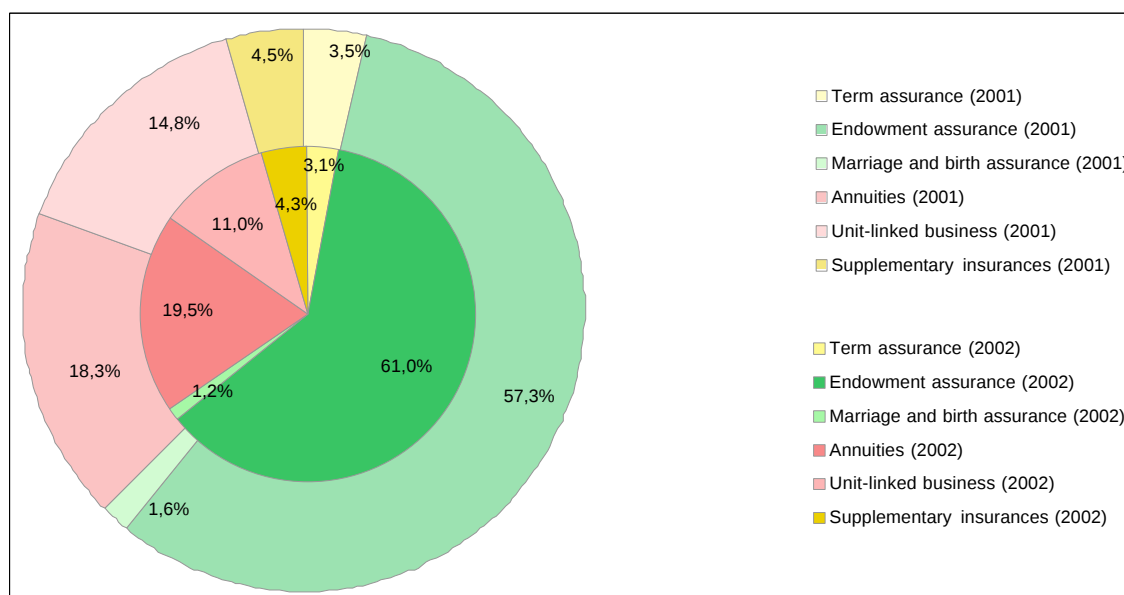


Figure 26. Distribution of insurance portfolio according to gross premiums, 2001—2002

The volume of gross premiums from new business was 113,8 million kroons, the annual increase being 30.9%. Gross premiums from new endowment assurance policies and annuities were 75.7% of the total volume of gross premiums from new business (figure 27). In 2001, the two biggest insurance classes were the endowment assurance and the unit-linked business, and premiums from these classes formed 73.5% of the total volume of gross premiums from new business.

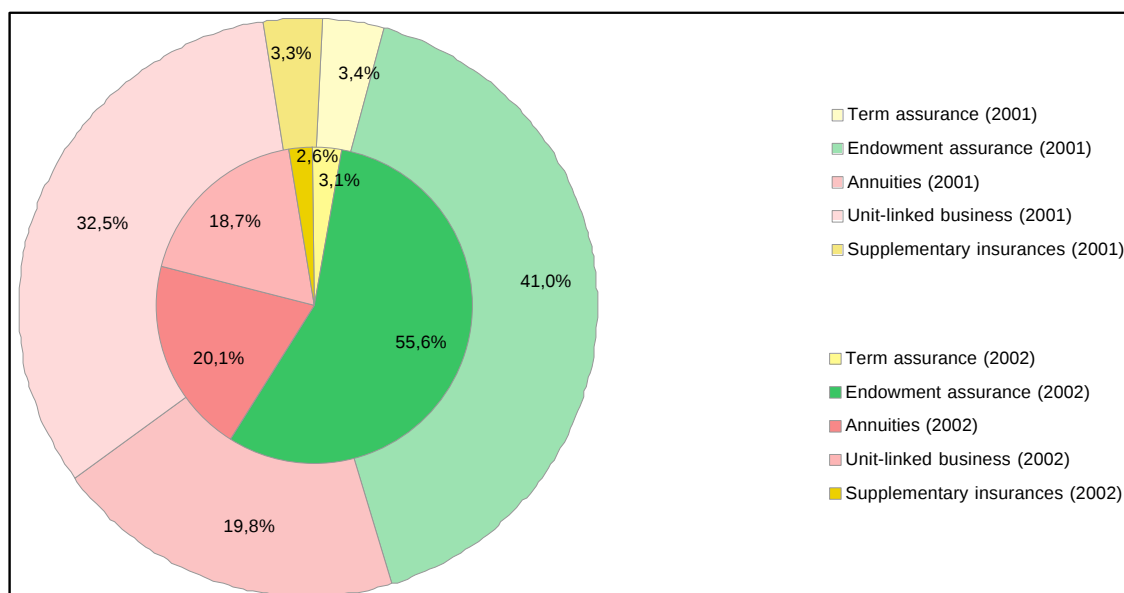


Figure 27. Distribution of insurance portfolio according to gross premiums from new business by classes of insurance, 2001—2002

The volume of gross premiums from policies with tax benefit was 52.9% of the total volume of gross premiums (46.8% in 2001) and 57.9% of the total volume of gross premiums from the three biggest insurance classes (51.7% in 2001) (figure 28).

The volume of gross premiums from new policies with tax benefit was 56.7% of the total volume of gross premiums from new business (54.8% in 2001) and 14.5% of the total volume of gross premiums (13.4% in 2001).

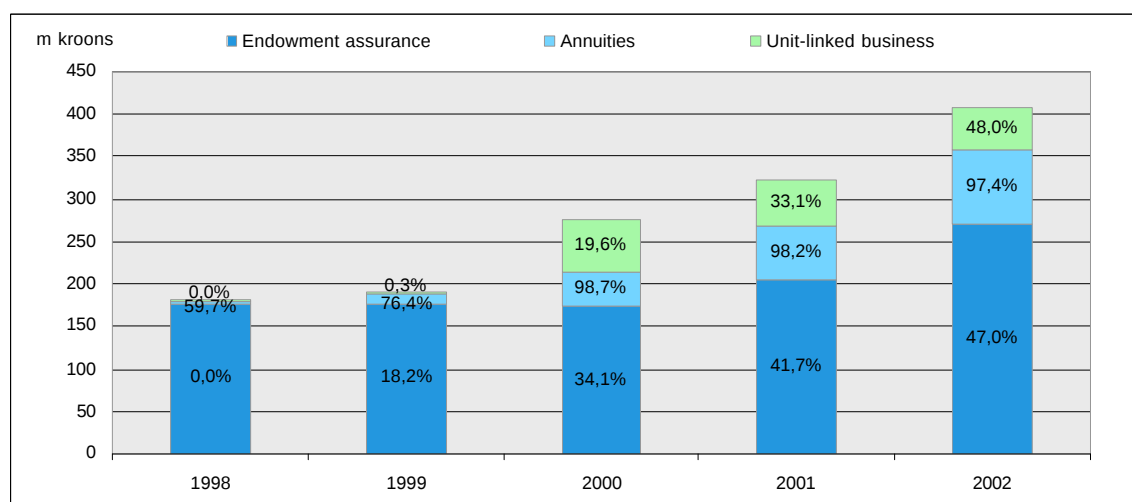


Figure 28. Total volume of gross premiums of endowment assurance, annuities and unit-linked business, and share of gross premiums with tax benefit in total volume of gross premiums in these classes of insurance, 1998—2002

The total volume of benefits was 61,1 million kroons in 2002 and the biggest share thereof constituted benefits for the endowment assurance. It was followed by unit-linked business and annuities; the volume of benefits from these classes formed 87.8% of the total volume of benefits.

The constant decrease in the volume of gross premiums and increase in benefits indicates that marriage and birth assurance is a decreasing class of insurance. Actually, the sale of its policies has been terminated and the portfolio is consisting only of old business (figure 29).

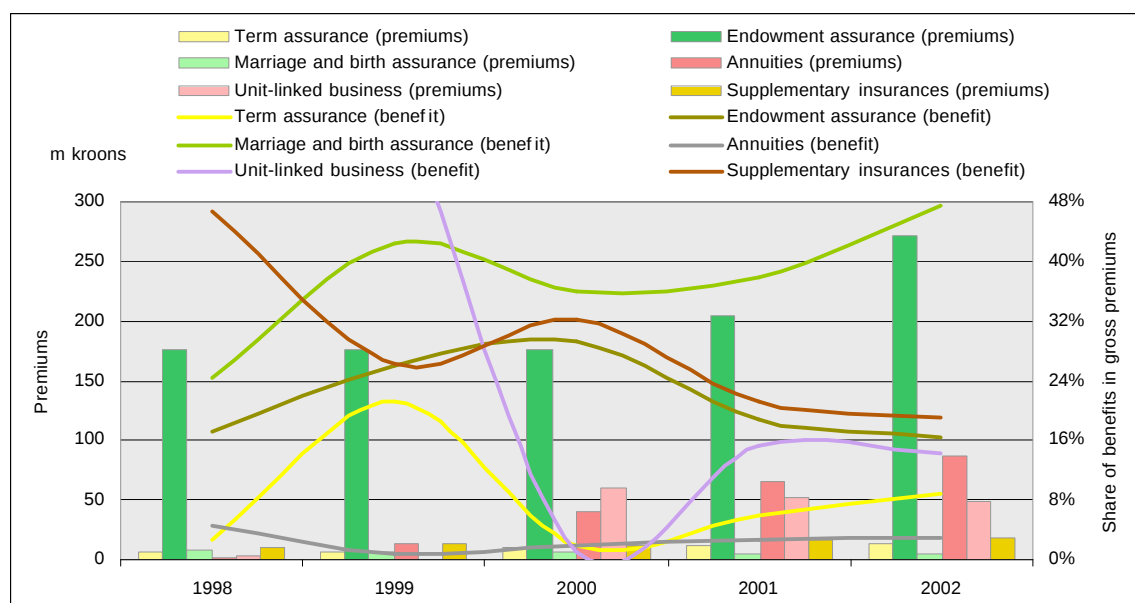


Figure 29. Gross premiums and benefits paid by classes of insurance, 1998—2002

The volume of technical provisions of life insurers was 803,1 million kroons at the end of 2002, thereof the provision for endowment assurance was 73.5% and the provision for annuities 22.2%.

Number of policies, benefits and withdrawals

The 8.6% increase in the number of policies was mainly caused by the increase in the number of policies of annuities (the increase of 31.7%), term assurance (the increase of 24.8%) and unit-linked business (the increase of 25.9%). The biggest share of new business in the total number of policies was in term assurance (34.1% in 2002, 45.5% in 2001), which depends on the increase in the volume of private loans (figure 30).

The share of new policies with tax benefit in the total number of new policies was 57.8% (55.8% in 2001).

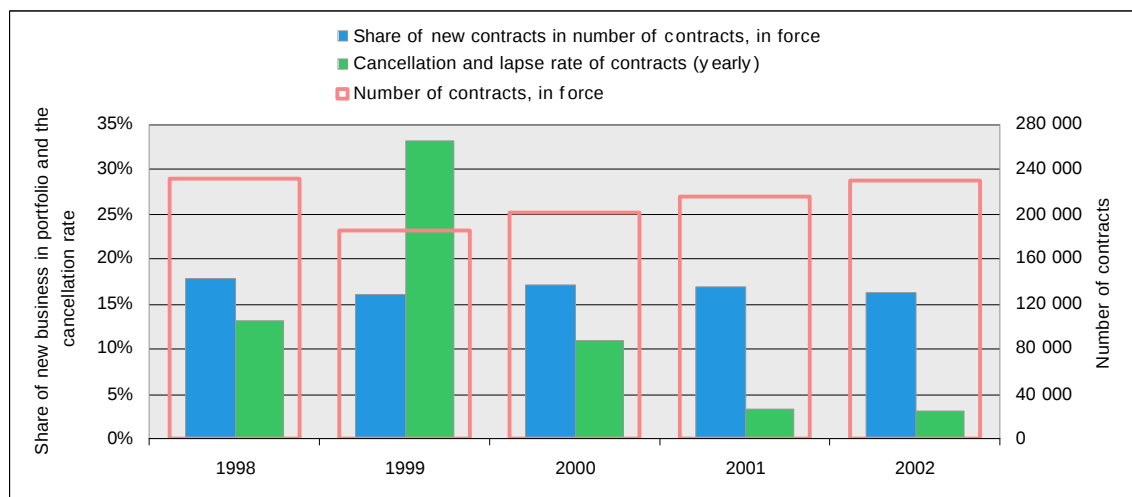


Figure 30. Share of new policies in number of policies in force (31 December), cancellation and lapse rate of policies and number of policies in force (31 December), 1998—2002

In 2002 in total 4,112 policies were cancelled or lapsed (4,966 in 2001). The ratio of new policies to cancelled and lapsed policies has also improved, as the volume of new policies exceeded that of cancelled and lapsed policies 9,1 times in 2002 (7,4 times in 2001) (figure 33).

The distribution of insurance classes has varied considerably over the years, both in the number of policies and in the volume of gross premiums. Due to the favourable legislative environment, the unit-linked business is a rapidly growing class of insurance and the popularity of that product is increasing (the share of gross premiums from new business to the total of gross premiums from that class of insurance was 43.5%). The characteristic differentiating the unit-linked business from traditional products is the difference between the number of policies and the volume of gross premiums – the share of new policies in the total number of policies was only 2%, but the share of gross premiums from new business in the total of gross premiums was 19.2% (figure 31).

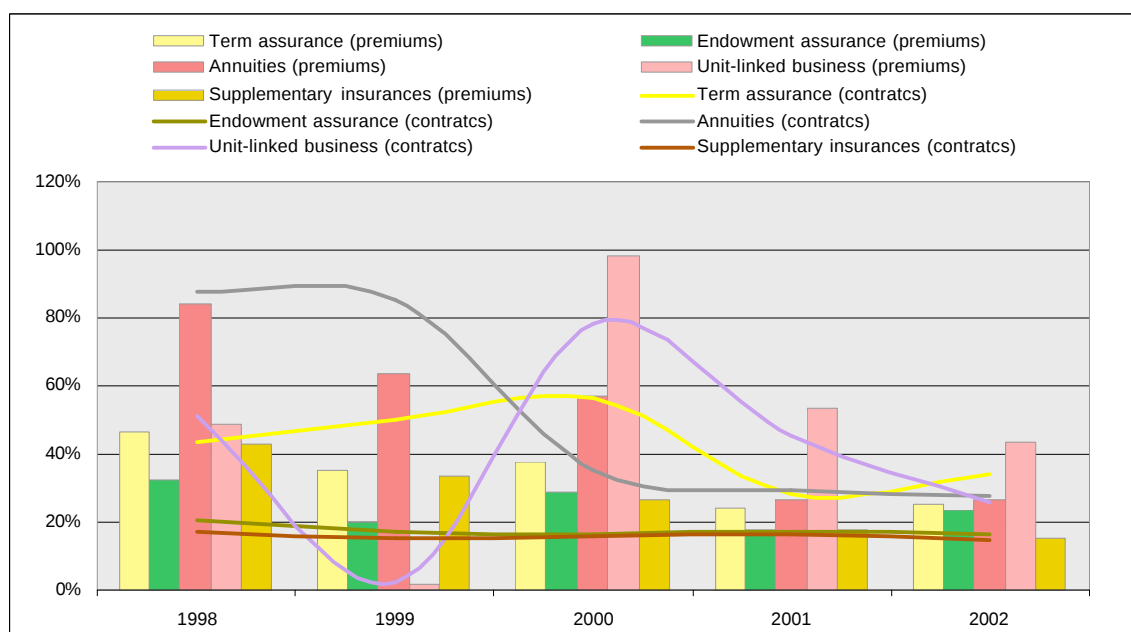


Figure 31. Share of new policies in average annual portfolio of policies and gross premiums from new business in total volume of gross premiums by classes of insurance, 1998—2002

There were 10,523 claims reported in 2002 (occurrence of insured event, maturity of policy, cancellation or lapse), and the number of claims paid was 10,217. In 2001 these figures were 10,946 and 10,719, respectively (figure 32). The number of reported claims was 8.3% of the average annual insurance portfolio in 2002 (9.5% in 2001).

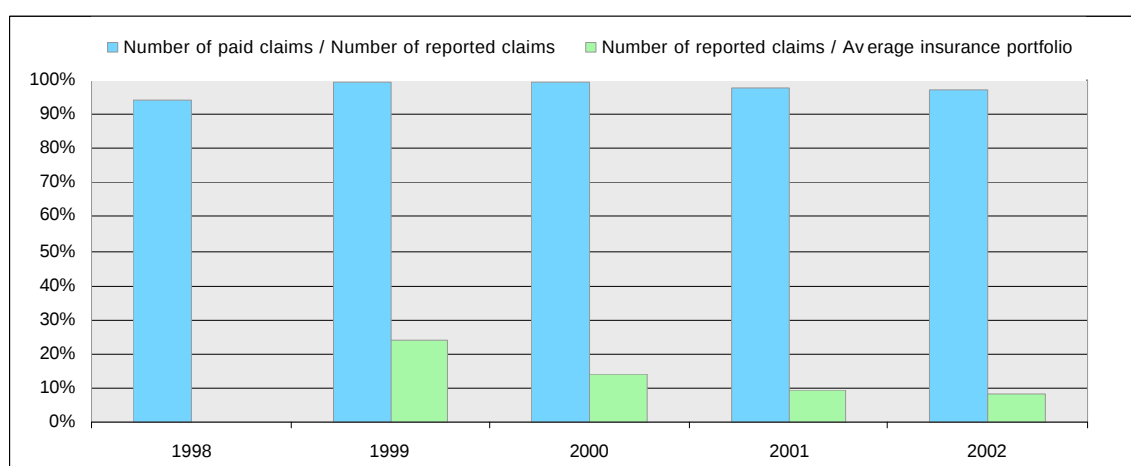


Figure 32. Ratio of paid claims to reported claims and reported claims to average annual insurance portfolio, 1998—2002

There were in total 4,112 cancelled and lapsed insurance policies in 2002, whereas the highest cancellation and lapse rate was in the term assurance – 6.7% -, and the lowest in the marriage and birth assurance – 0.3% (figure 34). The lapse and cancellation rate was the highest in the first year of an insurance policy (figure 33). The early cancellation and lapse rate (i.e. cancellation and lapse of policies which technical provision is negative and the surrender value is zero) was 0.2% in 2002 (0.5% in 2001).

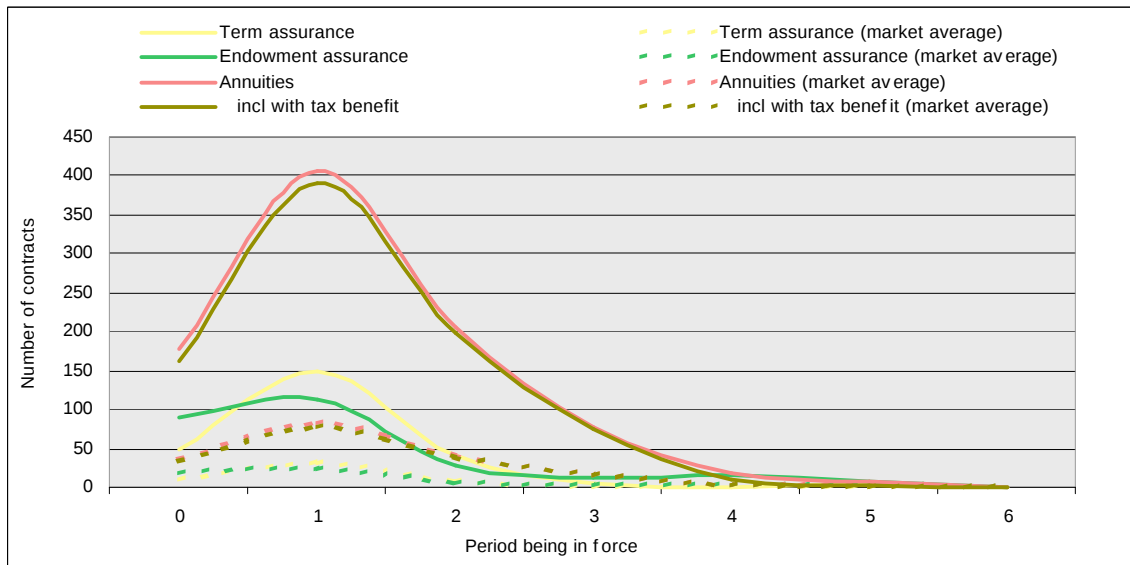


Figure 33. Distribution of cancellation and lapse according to period being in force, 2002

Since 2000 when the life insurance market became more stable due to the improving economic and legislative environment, the cancellation and lapse rate has improved steadily (figure 34).

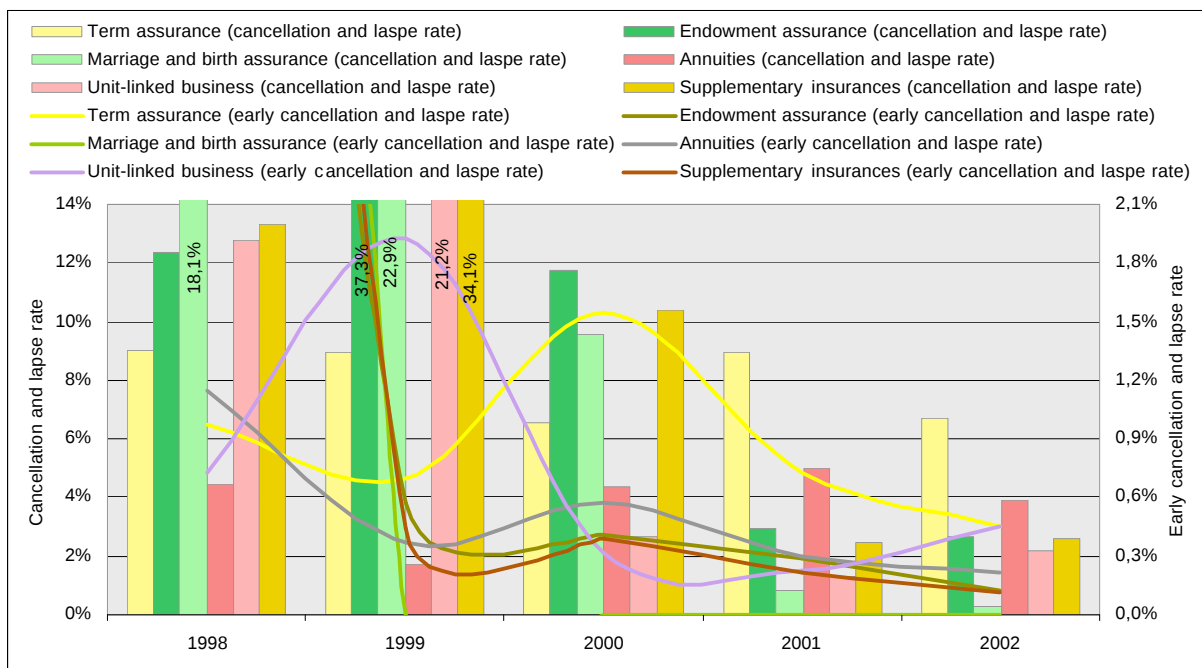


Figure 34. Cancellation and lapse rate and early cancellation and lapse rate, 1998–2002

The surrender ratio (share of surrenders in benefits) shows, how large is the share of benefits that is used to cover the liabilities related to the cancellation and lapse. The surrender ratio was 43.3% in 2002 (46.5% in 2001) (figure 35). The surrender ratio has decreased as the volume of surrenders and therefore also the liabilities related to surrender have increased, but the volume of benefits has increased (12.3%).

The simple loss ratio (ratio of benefits to the volume of gross premiums) shows the ratio of income related to premiums to the benefits paid. As a general trend this ratio will increase constantly for some time, but is

still very low because the insurance portfolio is relatively young. In 2002 this ratio decreased 13.7% (15.3% in 2001), which was mainly caused by the slower increase in benefits (12.3%) if compared to the growth in the volume of gross premiums (25.3%) (figure 35).

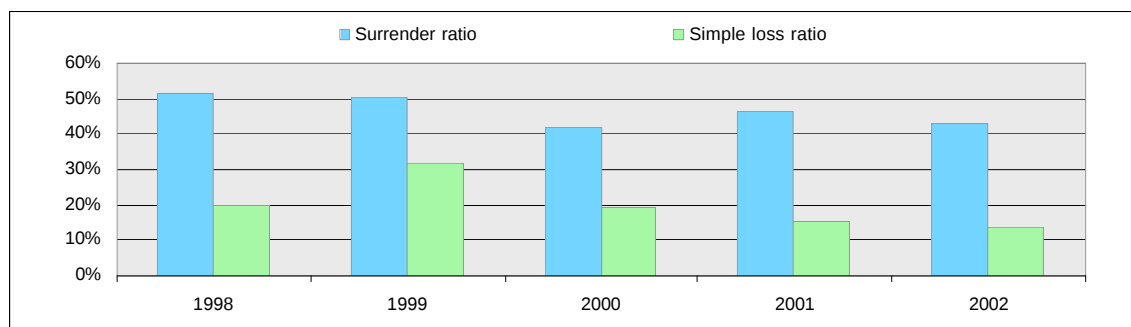


Figure 35. Surrender ratio and simple loss ratio, 1998—2002

Expenses of life insurers

As the life insurance market as a whole increased in 2002 and the volume of operating expenses decreased 1.5%, the ratio of operating expenses to gross premium also dropped to the level of 23.4% (29.8% in 2001) (figure 36).

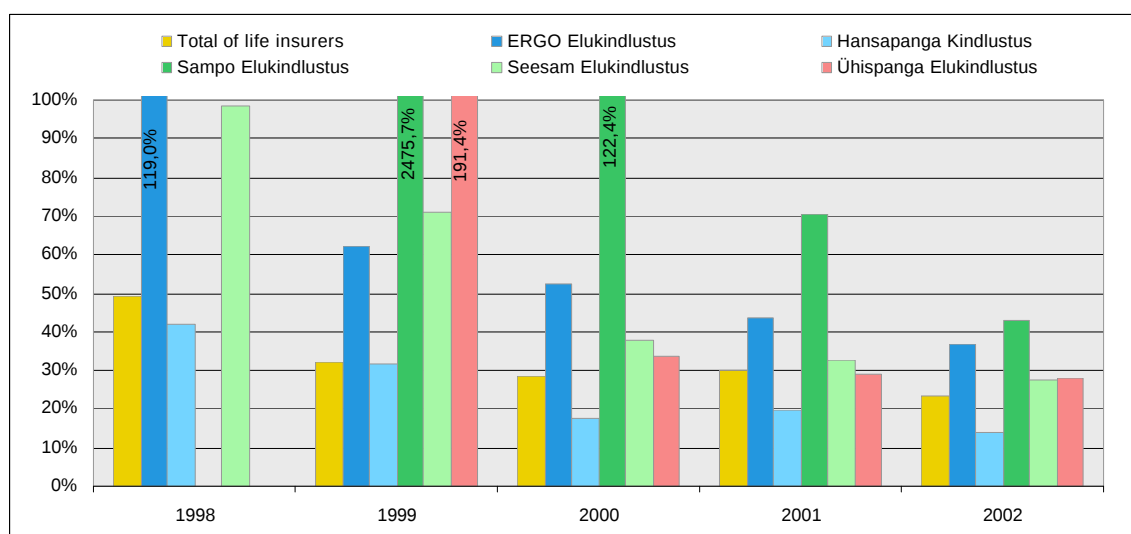


Figure 36. Ratio of operating expenses to gross premiums by life insurers, 1998—2002

The volume of operating expenses of life insurers was 104,6 million kroons in 2002, thereof 63.1% were acquisition costs, 35.7% administrative expenses and 1.1% claims handling costs. The volume of investment expenses was 26,7 million kroons in 2002, thus the increase being 40.1% if compared to the previous year.

The volume of acquisition costs, considering the major increase in gross premiums, increased only by 9.8%. Administrative costs decreased 16.1% and claims handling costs 21.4%; investment expenses grew 40.1%.

Thus, the decrease in operating expenses was mainly due to the decrease in administrative expenses (figure 37).

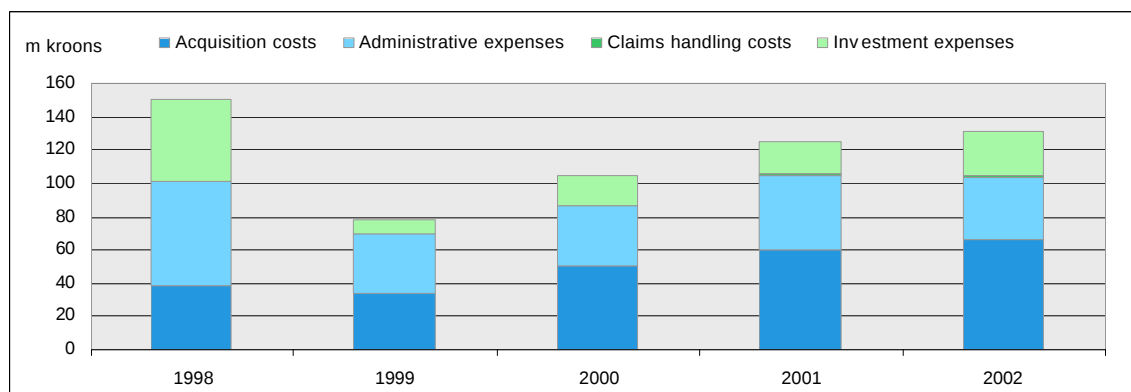


Figure 37. Operating expenses by classes of expenses, 1998—2002

The acquisition cost per policy was 1,757.9 kroons in 2002. This figure increased during the year 7.3% (1,637.6 kroons in 2001). As the volume of administrative expenses has decreased and the number of policies in force increased, the administrative expense per policy decreased 21.2% reaching the level of 161.9 kroons per policy (205.7 kroons in 2001). Operating expenses per insured were 451.6 kroons in 2002, the decrease being 7.6% in a year (488.6 kroons in 2001) (figure 38).

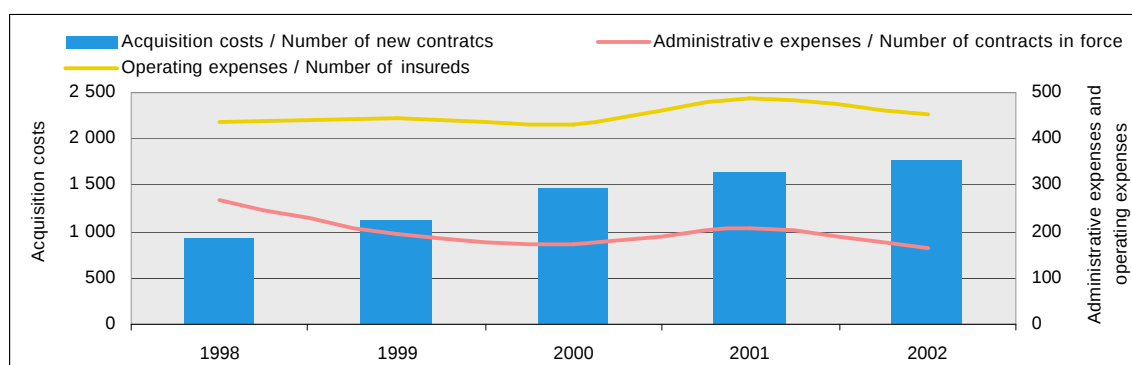


Figure 38. Acquisition cost per policy, administrative expenses per policy in force and operating expenses per insured, 1998—2002

The ratio of acquisition costs to gross premiums from new business was 58.0% in 2002 (69.2% in 2001), the main reason for the drop being the increase of 30.9% in the volume of gross premiums and that of only 9.8% in the acquisition cost. The ratio of administrative expenses to gross premiums was 8.4% in 2002 (12.5% in 2001), the main reason for the drop being the decrease of 16.1% in administrative expenses and the increase of 25.3% in gross premiums. The volume of claims handling expenses formed 2.0% of benefits paid in 2002 (2.8% in 2001). The volume of claims handling costs decreased 21.4%, though the volume of benefits paid increased 12.3% (figure 39).

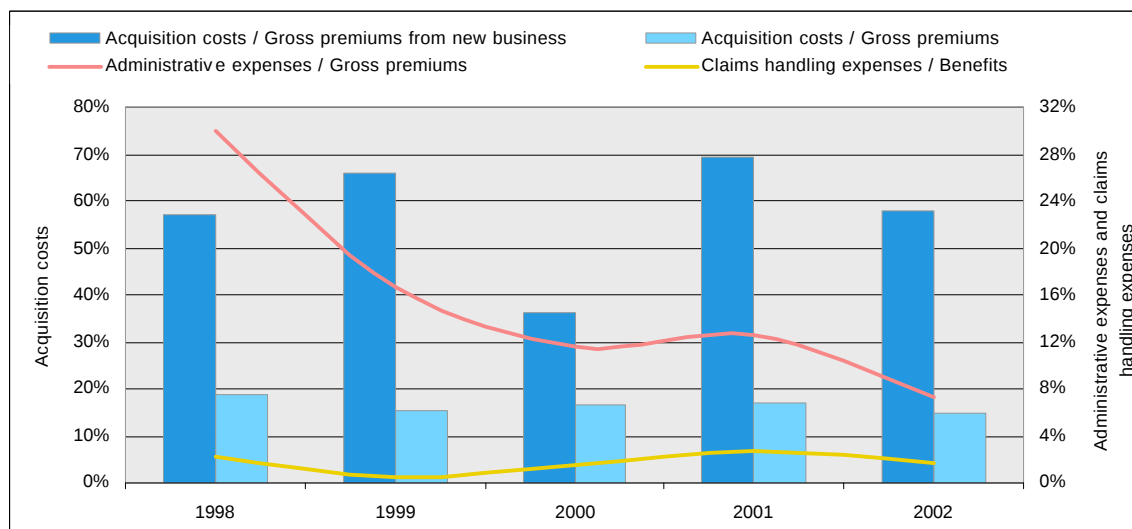


Figure 39. Ratio of acquisition costs to gross premiums from new business, administrative expenses to gross premiums and claims handling costs to benefits paid, 1998—2002

Technical provisions

The amount of technical provisions was 814,6 million kroons at the end of 2002, of which 98.6% was the life insurance provision (together with the unearned premiums provision), 0.8% (6,3 million kroons) the outstanding claims provision and 0.6% (5,2 million kroons) the provision for bonuses. The growth in the amount of technical provisions was 47.6%, whereas the life insurance provision increased 47.6%, the outstanding claims provision increased 701.0% and the provision for bonuses decreased 57.2% (figure 40).

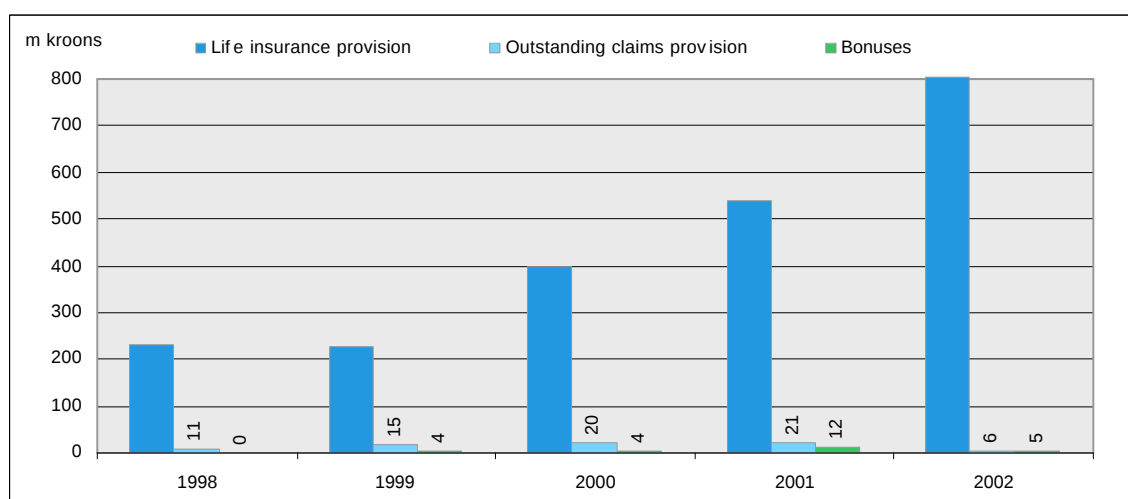


Figure 40. Life insurance provision (31 December), outstanding claims provision (31 December) and bonuses, 2002

The ratio of provision for bonuses (bonuses declared in 2002) to life insurance provision was 0.6 (figure 41).

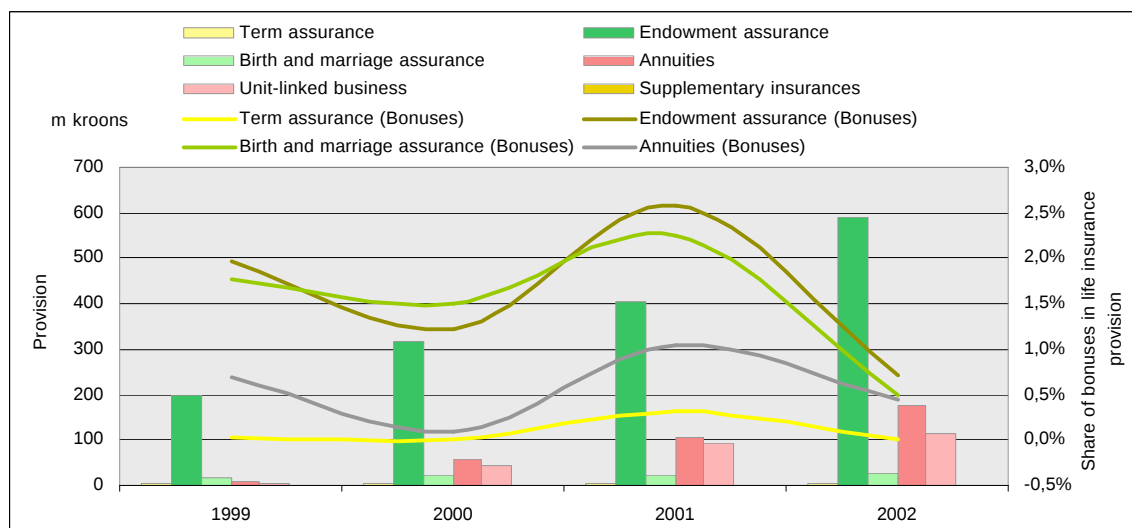


Figure 41. Life insurance provisions of life insurers (31 December) and bonuses declared as the percentage of life insurance provision, 1999–2002

The total balance sheet volume of life insurers was 1,2 billion kroons at the end of 2002, thereof 68.4% were the technical provisions (61.2% in 2001), 9.0% the provisions for unit-linked business (10.0% in 2001) and 19.1% the owners' equity (25.6% in 2001). The total volume of investments of life insurers was 1,0 billion kroons and the volume of investments for unit-linked business 113,2 million kroons, i.e. 85.2% and 9.5% of total balance sheet volume, respectively (figures 42 and 43).

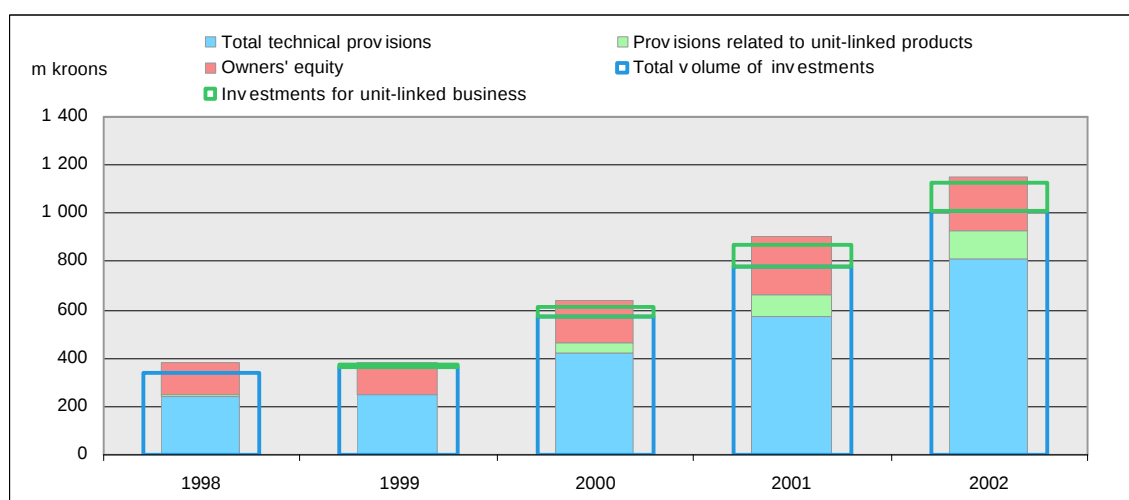


Figure 42. Technical provisions, provisions for unit-linked business, owners' equity, volume of investments and investments for unit-linked business of life insurers, 31 December 1998–2002

The total volume of committed assets (assets that have to cover technical provisions) was 823,9 million kroons at the end of 2002, thus the coverage level of technical provisions was 101.9%. Investments into listed debt securities formed the biggest share of committed assets (52.5%); they were followed by time deposits (30.4%) and equities and shares of investment funds (6.6%) (figure 44).

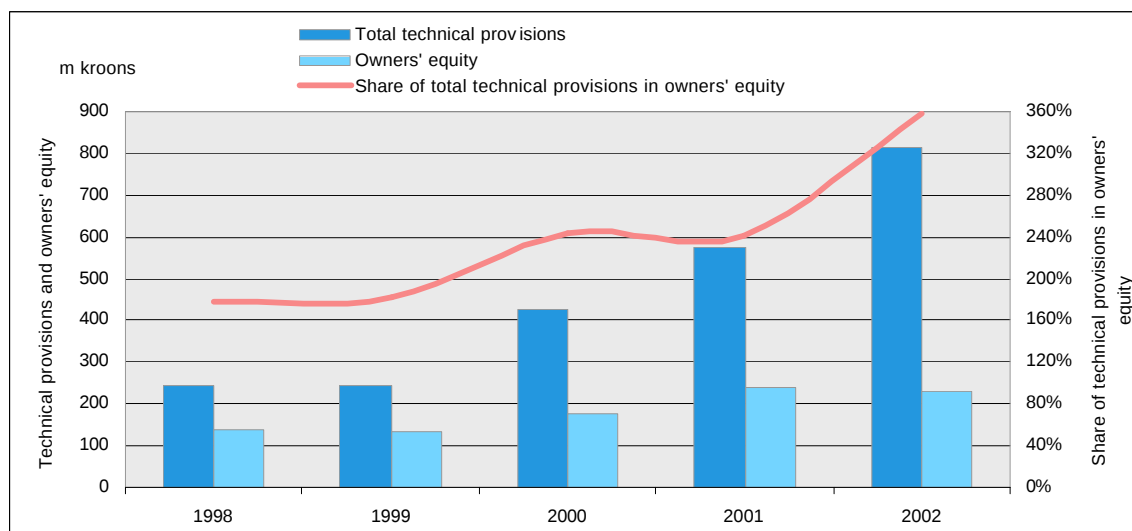


Figure 43. Technical provisions, owners' equity and the share of technical provisions in owners' equity of life insurers, 31 December 1998—2002

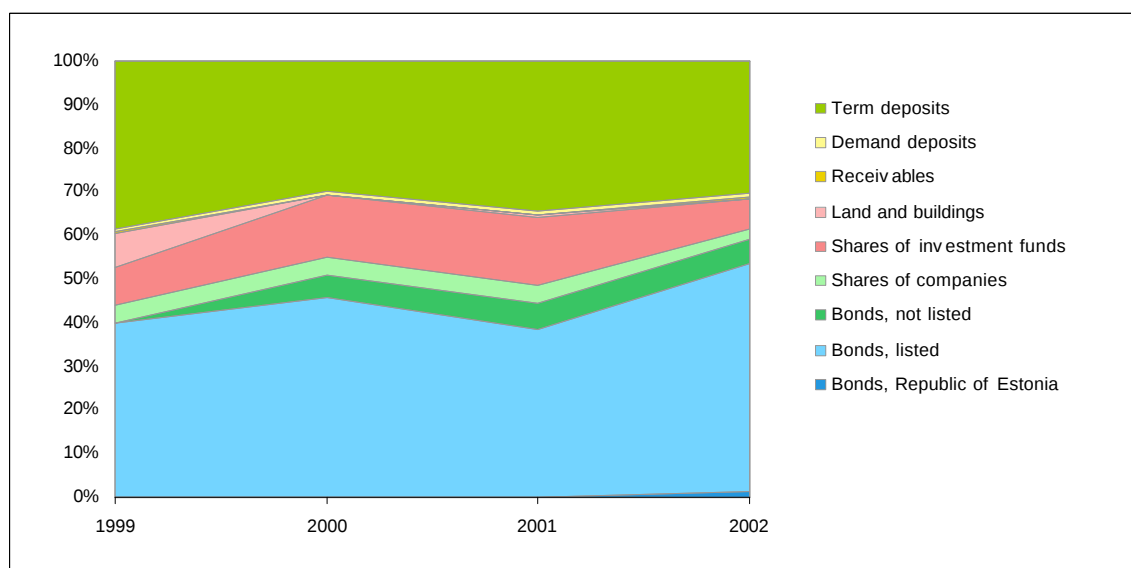


Figure 44. The structure of committed assets, 31 December 1999—2002

Investments of life insurers

The total investment volume of life insurers was 1,0 billion kroons at the end of 2002, thereof 59.4% were investments in debt securities and other fixed-interest securities (43.2% in 2001), 24.7% were investments in deposits with credit institutions (30.9% in 2001) and 11.2% were investments in shares and other securities (17.8% in 2001). The relative importance of fixed-interest securities in the structure of investments increased (figure 45).

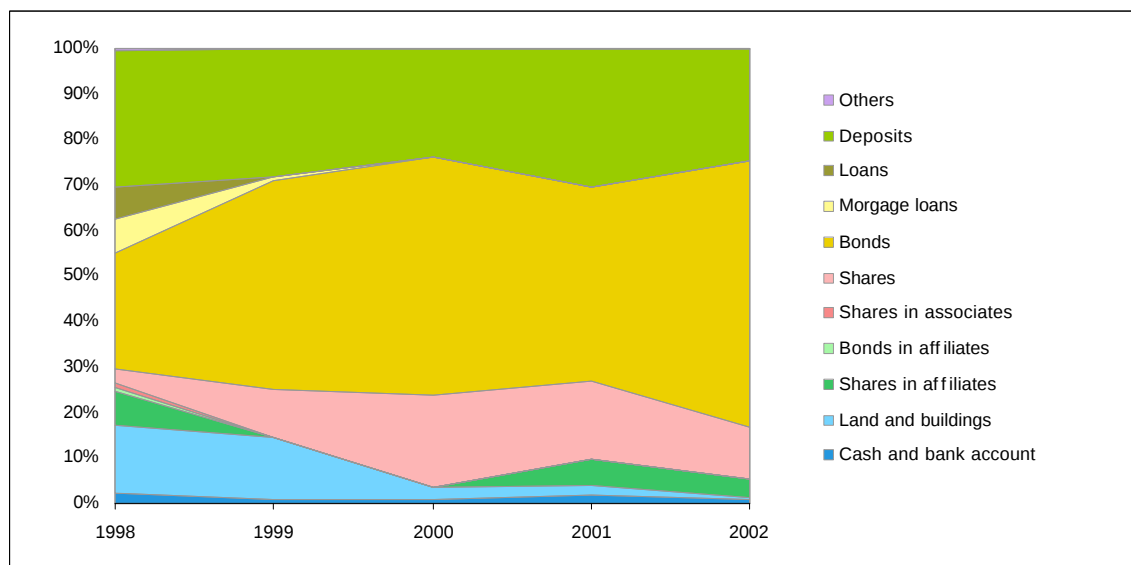


Figure 45. The structure of investment portfolio, 31 December 1998—2002

Investments made into variable-interest securities issued in Estonia formed the biggest share in this investment class (63.0%); the second and the third place were taken by securities traded in securities' markets of Luxembourg (19.4%) and Finland (8.7%) (figure 46).

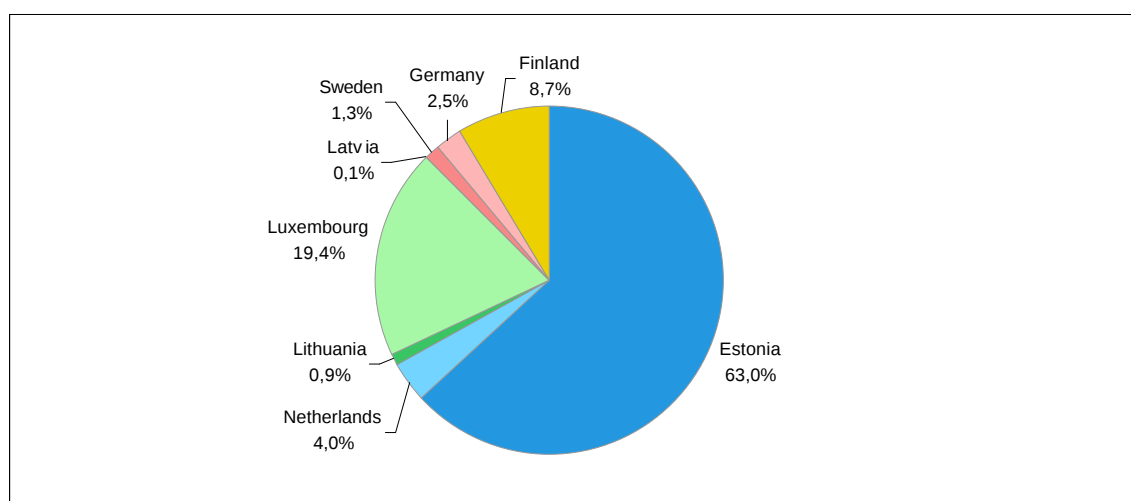


Figure 46. Investments in shares, 31 December 2002

Investments made into fixed-interest securities issued in Estonia formed the biggest share in this investment class (29.0%); the second and the third place were taken by securities issued in Germany (10.4%) and Sweden (9.0) (figure 47).

The total volume of investments was 1,0 billion kroons at the end of 2002, investments expenses were 26,7 million kroons and investment income 53,8 million kroons. Thus, the investment profit was 2.7% in 2002, which was lower than EURIBOR for different time periods (in 2002 the investment profit was 2.5%) (figure 48). The increase in profitability was partly due to the increase in the share of bonds in the total volume of investments, accompanied by the decrease in the share of equities.

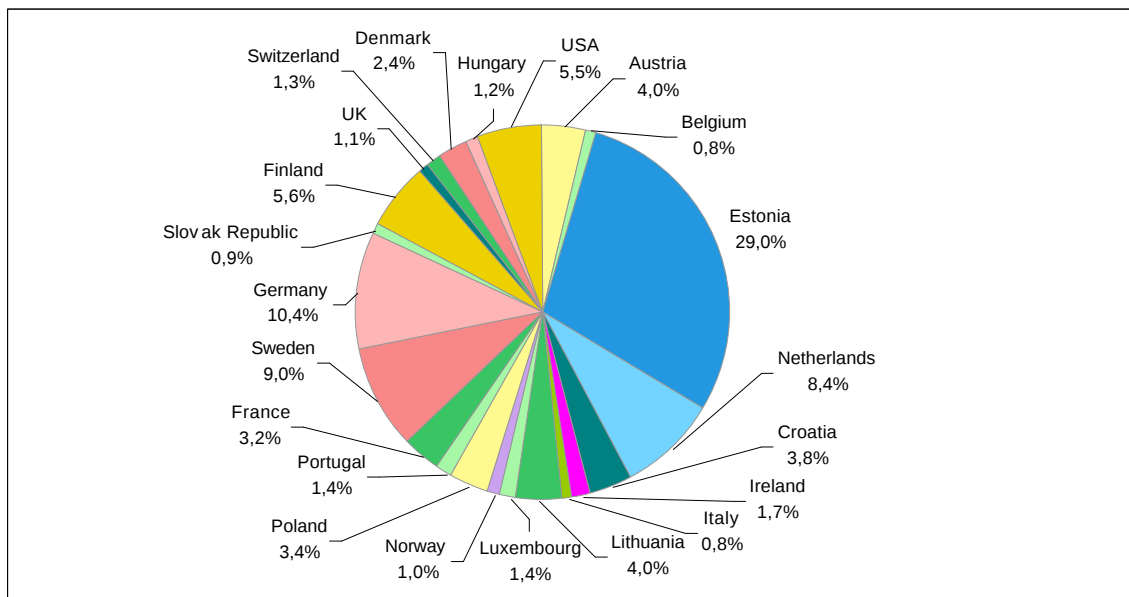


Figure 47. Investments in bonds, 31 December 2002

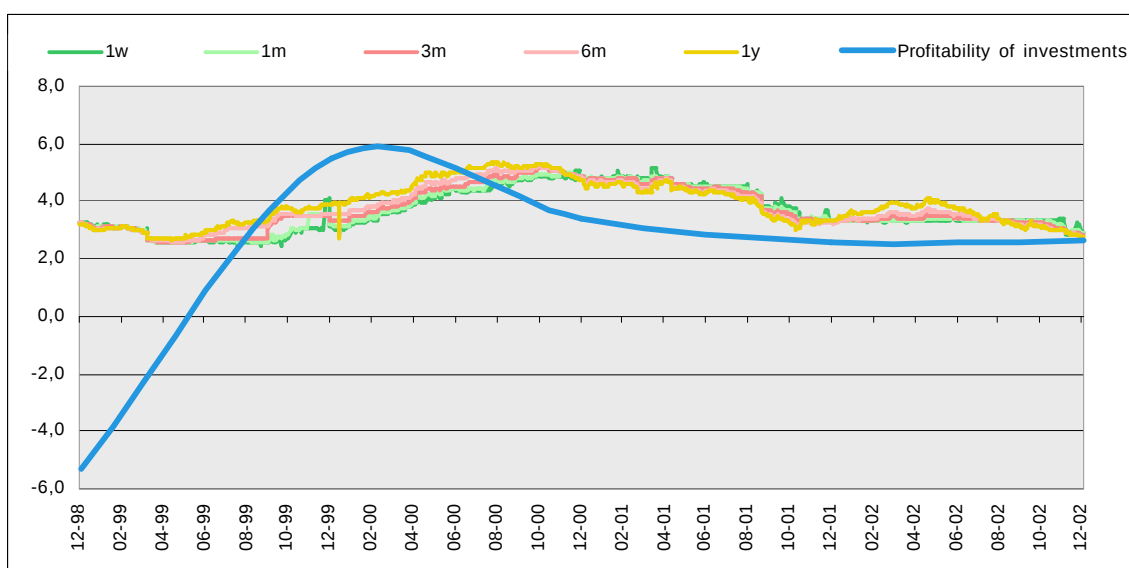


Figure 48. Profitability of investments of life insurers and EURIBOR, 1998—2002

Owners' equity, technical profit/loss

The total balance sheet volume was 1,2 billion kroons at the end of 2002, thereof 1.0% were short-term assets, 0.3% payables to policyholders and 68.4% technical provisions. The assets exceeded the liabilities by 29.2%, but the ratio varied considerably from insurer to insurer (figure 49).

Short-term assets decreased in 2002 as the ratio of cash and bank account to the total volume of investments dropped from 1.7% to 0.9%.

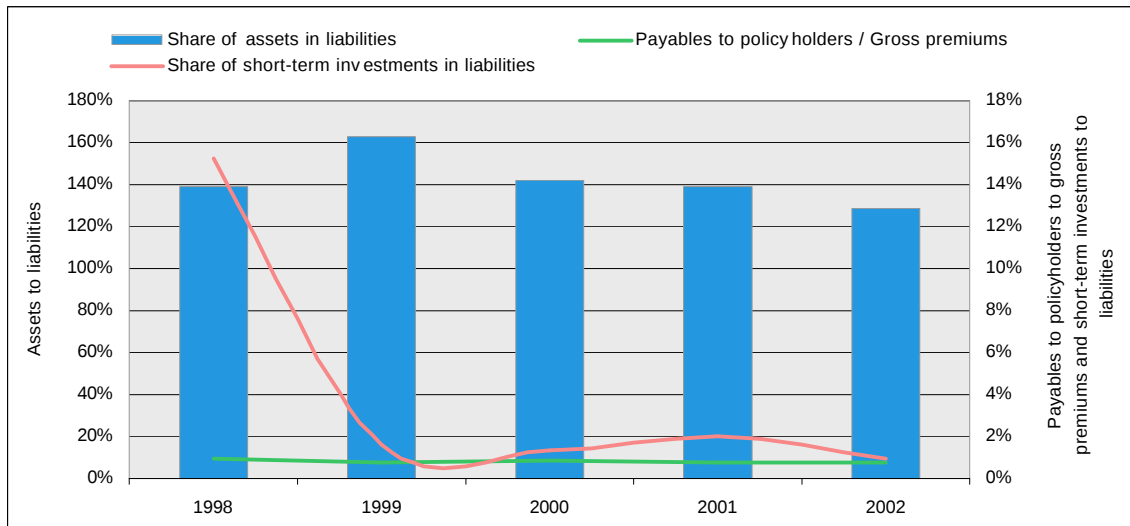


Figure 49. Ratios of assets to liabilities (31 December), payables to policyholders to gross premiums and short-run assets to liabilities (31 December), 1998–2002

Investments exceeded the committed assets by 123.1% (ratio of investments to committed assets) at the end of 2002. In 2002 ratio decreased by 10.4 percentage points (figure 50).

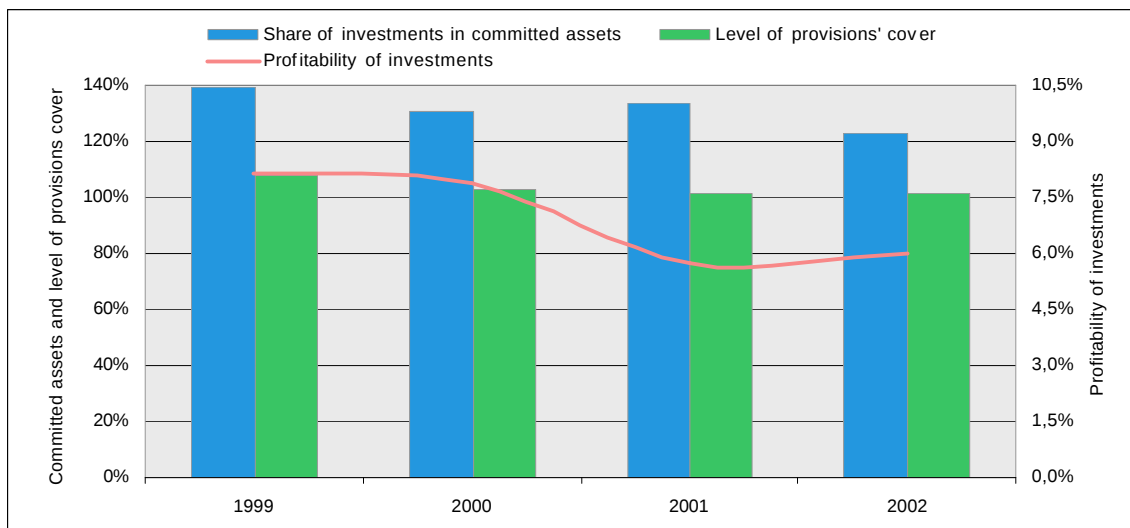


Figure 50. Ratio of investments to committed assets (31 December), level of technical provisions' cover (31 December) and profitability of investments, 1999–2002

The amount of owners' equity was 227,5 million kroons at the end of 2002, whereas the drop was 4.0% if compared to the previous year (237,1 million kroons in 2001). The main reason for that was the payment of dividends to shareholders in a bigger amount than before (figure 51).

The total technical profit of life insurers was 20,4 million kroons in 2002, the growth being 2,8 times in comparison to 2001. Due to the increase in technical profit, also the profitability of owners' equity (return on equity) increased to the level of 7.7% (2.1% in 2001) (figure 51).

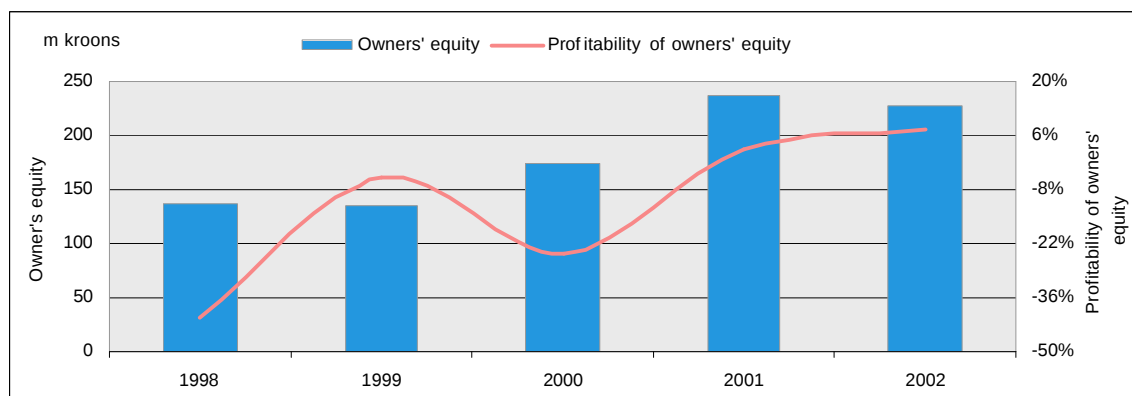


Figure 51. Owners' equity (31 December) and profitability of owners' equity of life insurers, 1998—2002

The solvency margin was 101,3 million kroons at the end of 2002 (68,3 million kroons in 2001), and the volume of own funds exceeded the solvency margin 2,2 times (3,5 times in 2001). The increase in the solvency margin was mainly due to the extension of the remaining period for an average insurance policy and the respective increase in technical provisions (figure 52).

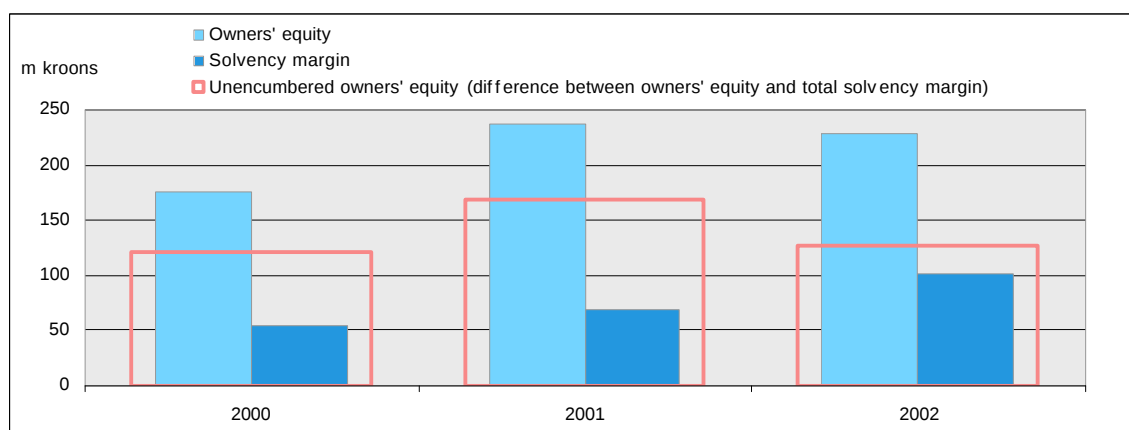


Figure 52. Life insurers' own funds (31 December), solvency margin and unencumbered own funds (31 December), 2000—2002

The volume of unencumbered own funds (difference between own funds and the solvency margin) was 126,3 million kroons at the end of 2002. Considering the share of variable-interest securities (11.2%) and the share of fixed-interest securities (59.4%) in the total volume of investments and comparing these figures with the volume of unencumbered own funds, we can find the tolerance level of the decrease in investment value, which would not jeopardize life insurers.

As the volume of unencumbered own funds decreased 25.2% in 2002 and also the share of equities in the investment portfolio dropped (17.8% in 2001), there was also a decrease in the tolerance level of the decrease in the value of fixed-interest securities.

Due to the minor share of variable-interest securities in investment portfolios and considering the volume of unencumbered own funds, we can see that the fall in the value of these investments would not affect the ability of life insurers to follow the solvency margin requirements (figure 53).

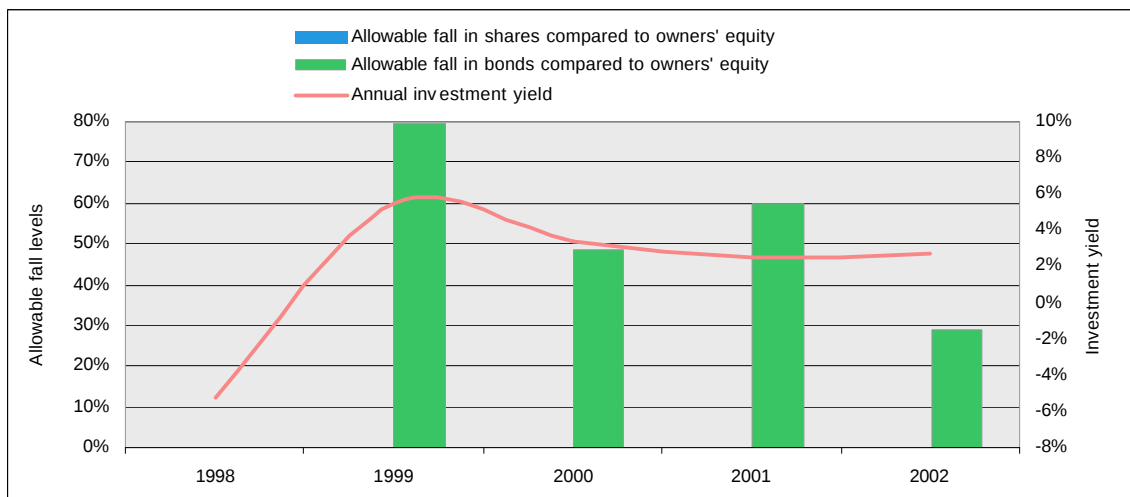


Figure 53. The tolerance level of the decrease in investment value according to unencumbered own funds and the profitability of investments, 1998—2002

The net profit of life insurers was 17,4 million kroons in 2002 and the profit margin (ratio of net profit to gross premiums) was 3.9%. Both the volume of gross premiums and that of net profit increased, if compared to 2001; therefore, also the profit margin increased in 2002 (2.5) (figure 54).

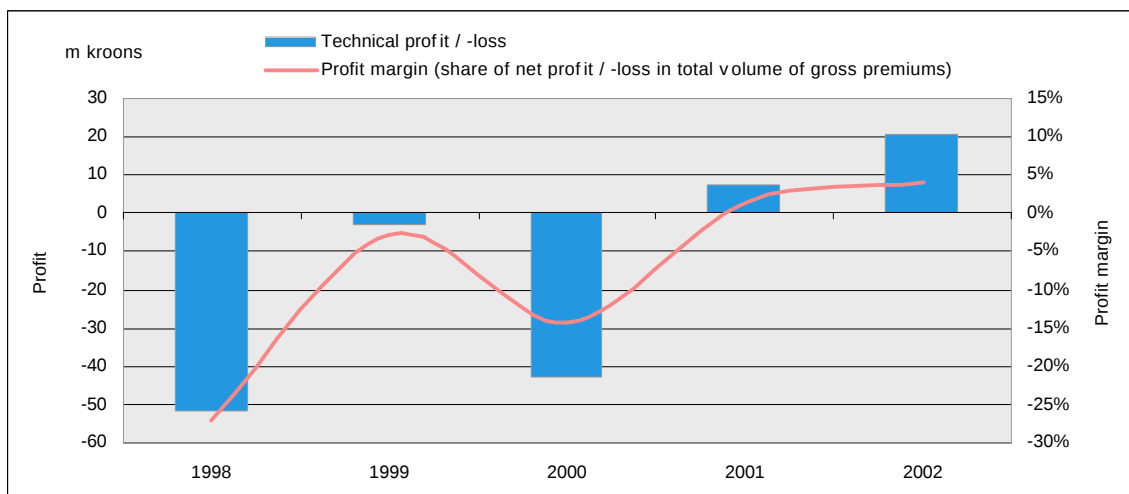


Figure 54. Technical profit/loss and the profit margin of life insurers¹, 1998—2002

As to the ratio of acquisition costs to owners' equity, it shows us how much a life insurer has to put in the money in order to gain new business (considering this as the investment in the future). This ratio increased to the level of 3.6% in 2002 because both the volume of new business and the cost per contract grew (figure 55).

¹ 1999 data does not include the losses of two life insurers (AB Elukindlustuse AS and Polaris-Elu KAS) who had transferred their portfolio to other life insurers

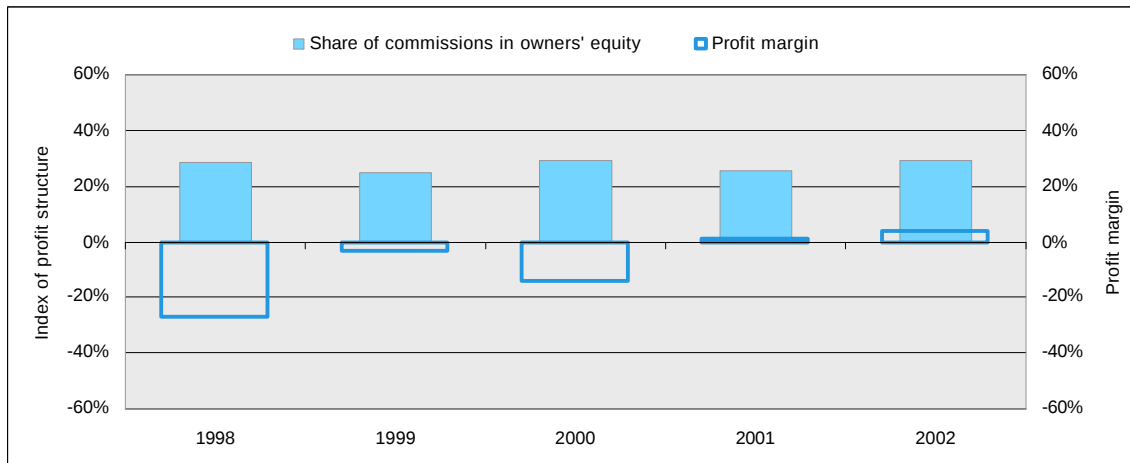


Figure 55. Share of commissions in owners' equity and the profit margin of life insurers, 1998—2002

ANALYSIS OF PORTFOLIO OF LIFE INSURANCE POLICIES

Average life insurance policy

As to the average insurance policy, we have to remember that average components of a policy (premium, sum assured, insurance period, etc.) vary considerably in each insurance class.

In 2002, average sums assured increased in term assurance, unit-linked business, annuities and supplementary insurances, decreased in marriage and birth assurance, and remained to the same level in endowment assurance (figure 56).

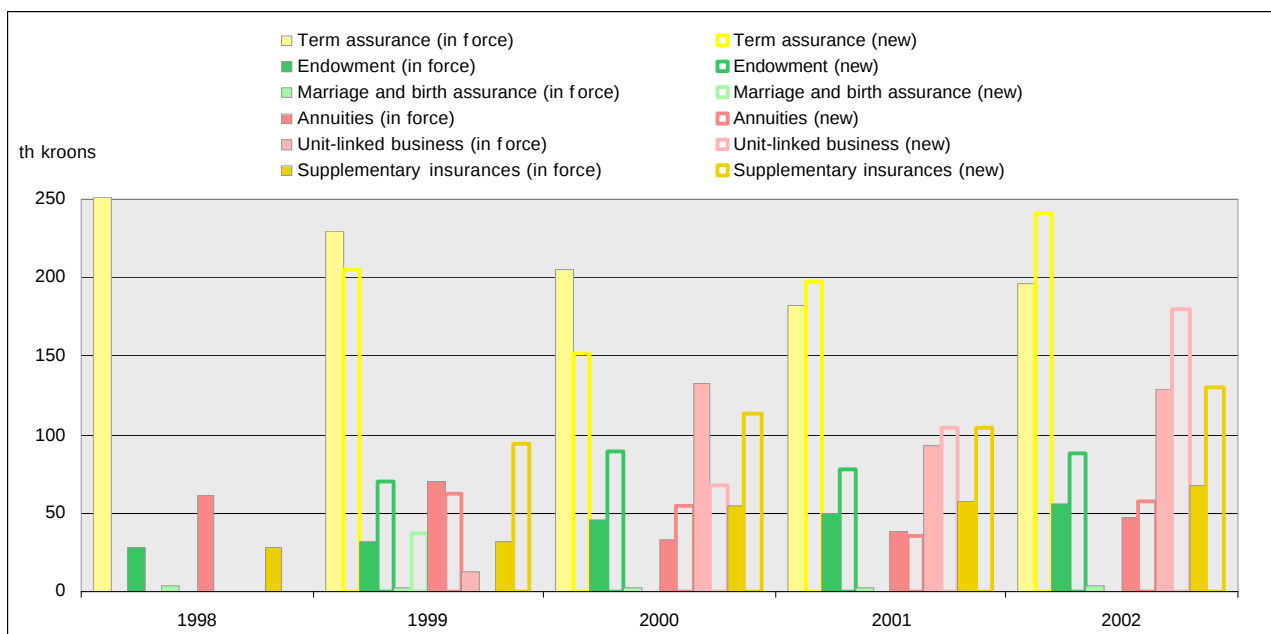


Figure 56. Average sum assured for policies in force and for new business, by insurance classes, 31 December 1998—2002

The average premium per contract increased in annuities and endowment assurance and decreased in term assurance and unit-linked business (figure 57).

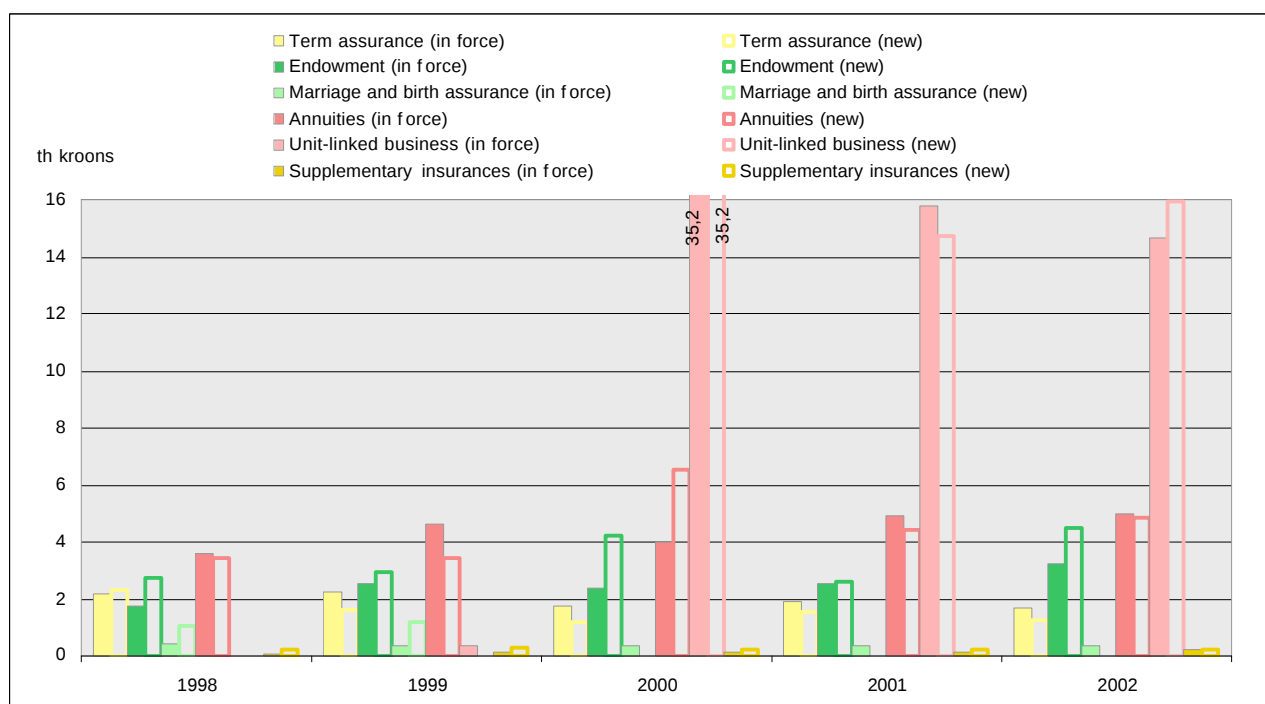


Figure 57. Average premiums per contracts in force and for new business, by insurance classes, 1998—2002

Due to differences in the nature of insurance cover, the average sum assured and premiums of different insurance classes vary considerable from each other.

Thus, e.g. the average sum assured per policy was 56,463 kroons and the average annual premium per policy 3,199 kroons in the endowment assurance, but in the term assurance these amounts were 196,295 kroons and 1,684 kroons, respectively. In addition to the death risk component, the endowment assurance includes also a more “expensive” component – the saving component.

The average policy in new business differs from that in old business mainly in respect of the volumes of its sum assured and premium. New policies are issued with larger insurance cover and are accompanied by a higher insurance premium. The increase in average premium depends also on the increase in the cost of living.

The average age of an insured when purchasing the policy (enforcement) was approximately 36 years and the average period of insurance policy 14 years (figure 58). Depending on the aim of purchasing the policy (death cover, savings, etc.), there are big differences in average measures of insurance classes – in the endowment assurance the average period was 23,1 years and the average age of insured 28,5 years, in term assurance the average period was 17,1 years and the average age of insured 35,7 years.

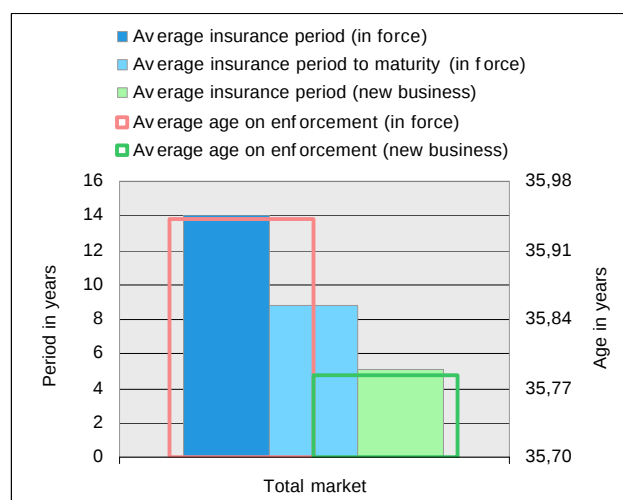


Figure 58. Average insurance period and average age on enforcement, 2002

In 2002, people between the ages of 30 and 35 years purchased insurance policies the most, and the most of policies purchased at these ages were endowment policies (figure 59). In case of endowment assurance, an important role was also played by the assurance for children, as we can see from the jump at the ages between 0 and 3 years (figure 43). The highest average age on enforcement was in annuities because of the nature of that class, and the lowest average age on enforcement was in term assurance.

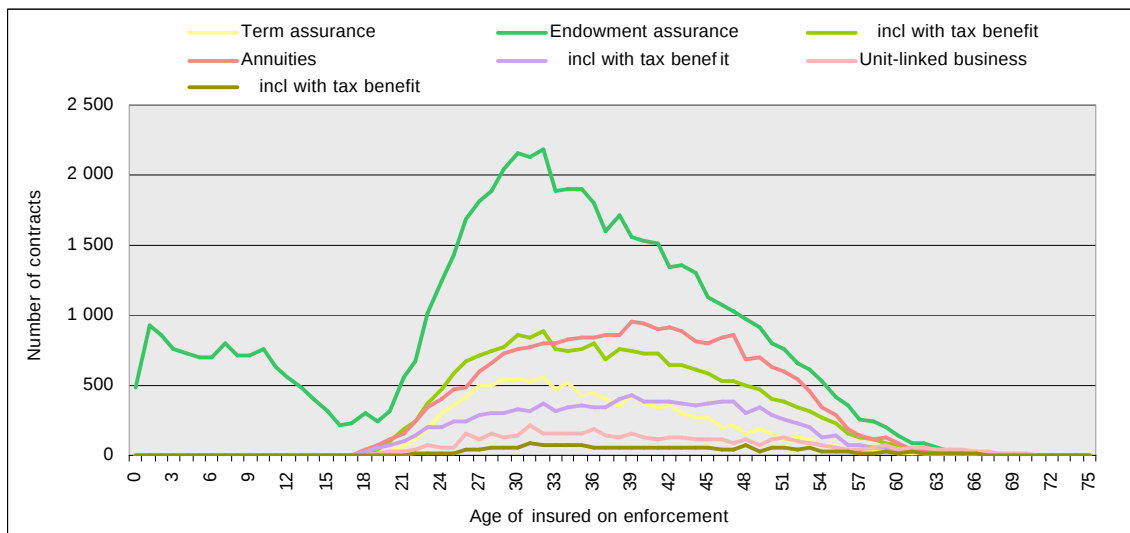


Figure 59. Distribution of age of insured on enforcement by insurance class, 2002

Insurance policies with a period of 18 years were purchased the most in 2002.

Among insurance classes, the endowment assurance had the longest average period. The main reason for that was that one third of all endowment assurance policies was issued with tax benefit (33.1% of endowment assurance policies) (figure 60).

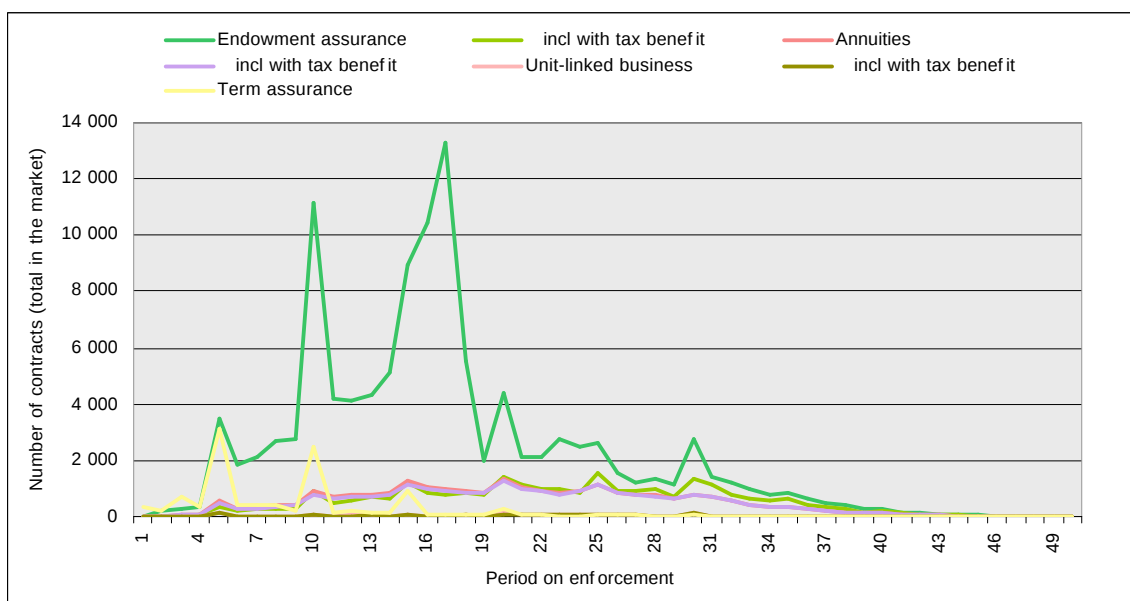


Figure 60. Distribution of period on enforcement of insurance policies, 2002

The average length of investments in fixed-interest securities was 3 to 4 years in 2002, but the average length of liabilities was 14 years. In the next figure (figure 61) we can see the distribution of technical provisions and investments according to the remaining period to maturity. This figure illustrates the fact that investments can cover the liabilities in a short run, but for covering long-term liabilities there are insufficient investments. We can see also the sums assured payable in case of death and maturity, presented by using the same time horizon.

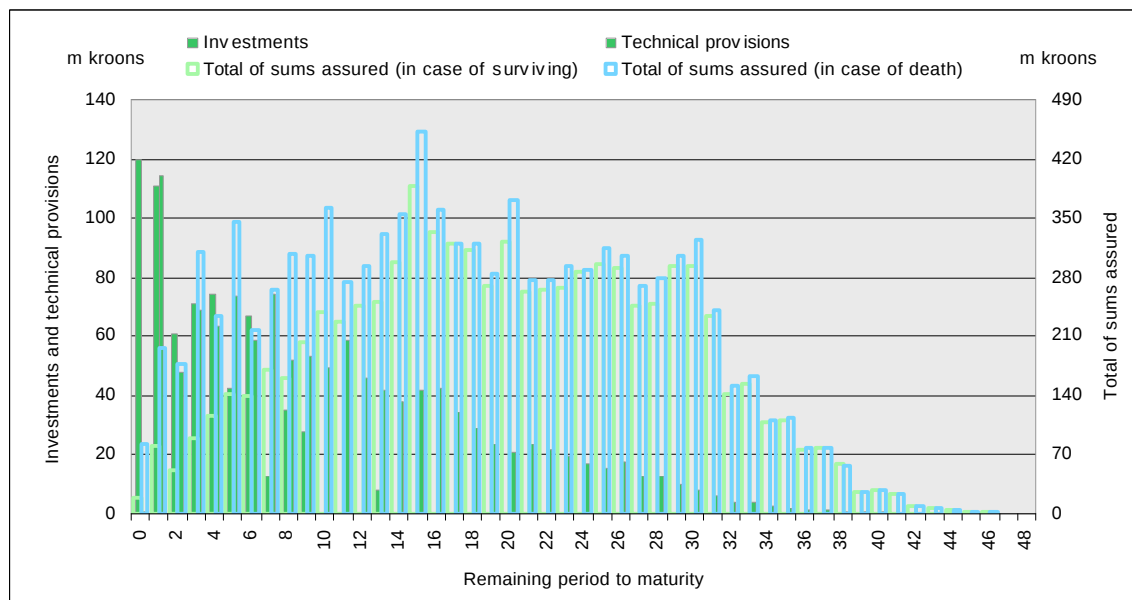
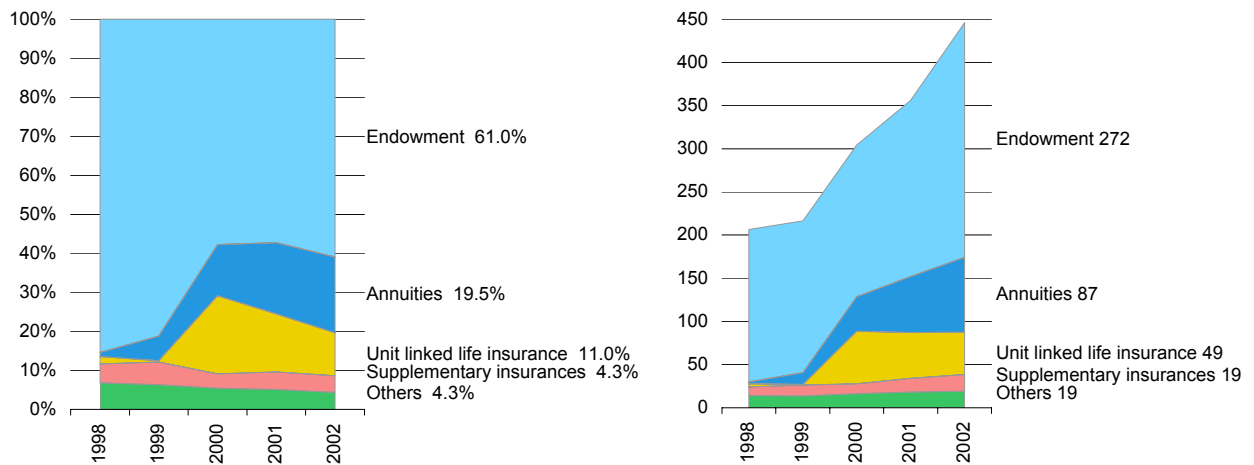


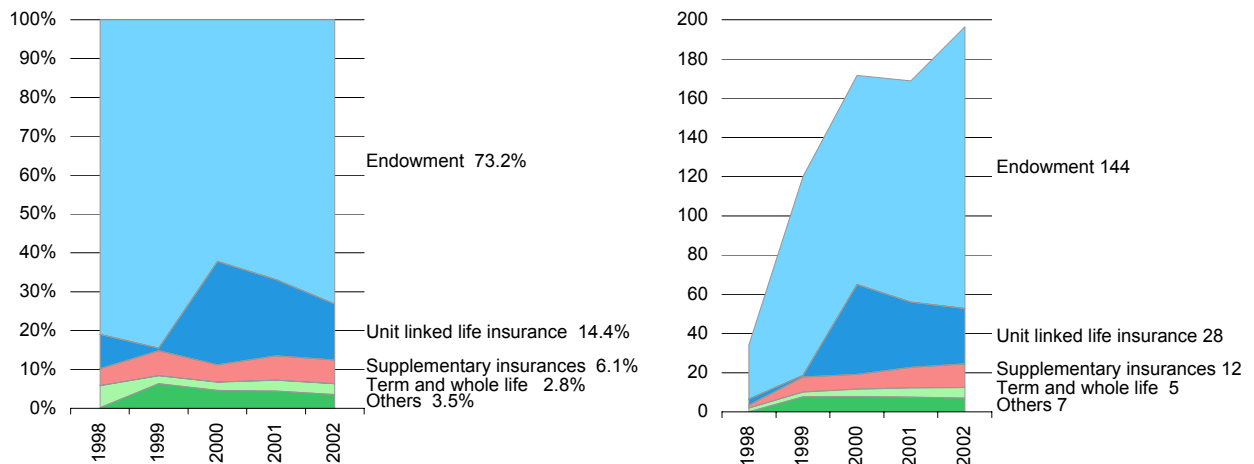
Figure 61. Distribution of technical provisions and sums assured of insurance policies and distribution of investments according to remaining period to maturity, 2002

Insurance portfolio structure of life insurers (1)

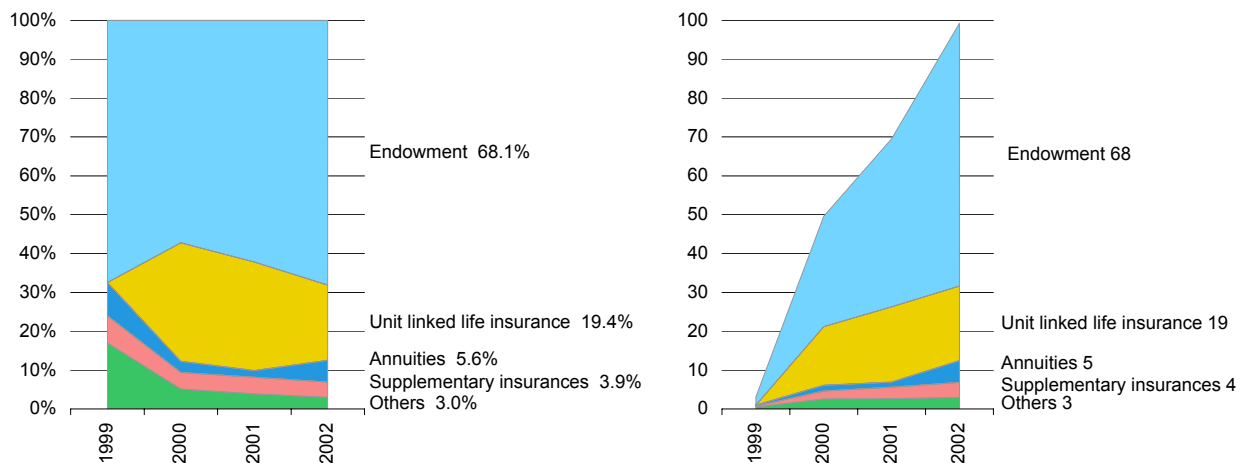
Total gross premiums of life insurers (446 million kroons)



Hansapanga Kindlustuse AS (196 million kroons)

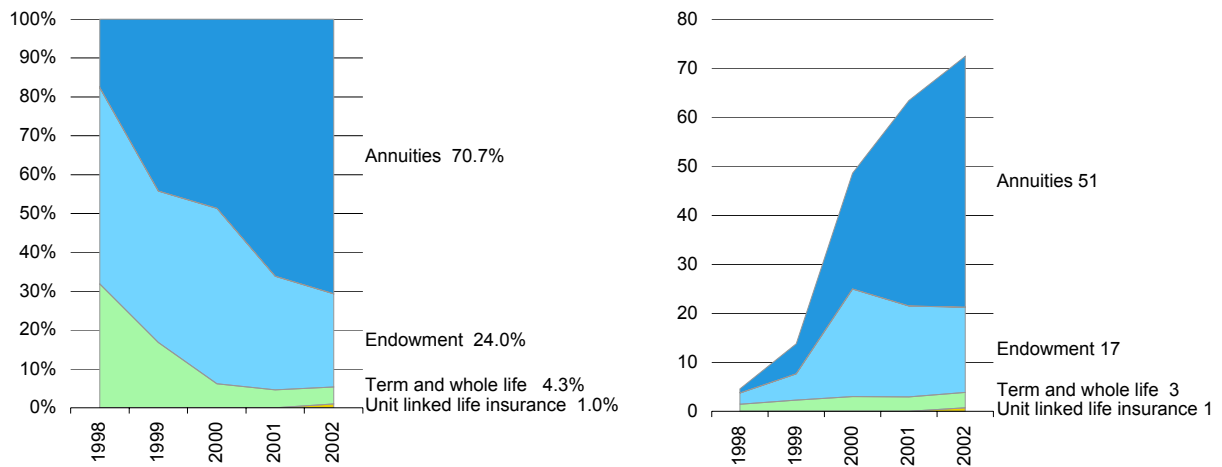


Ühispanga Elukindlustuse AS (99 million kroons)

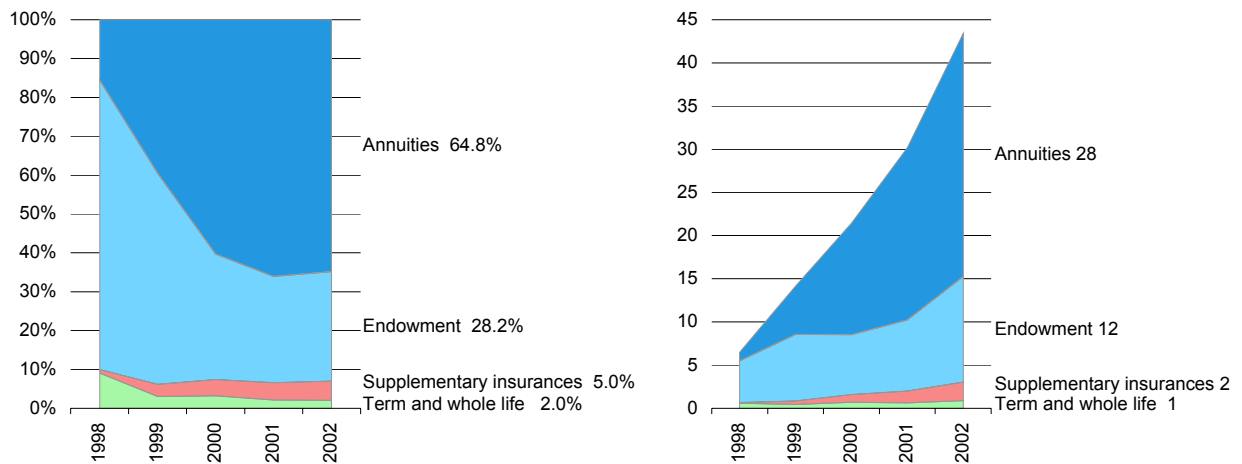


Insurance portfolio structure of life insurers (2)

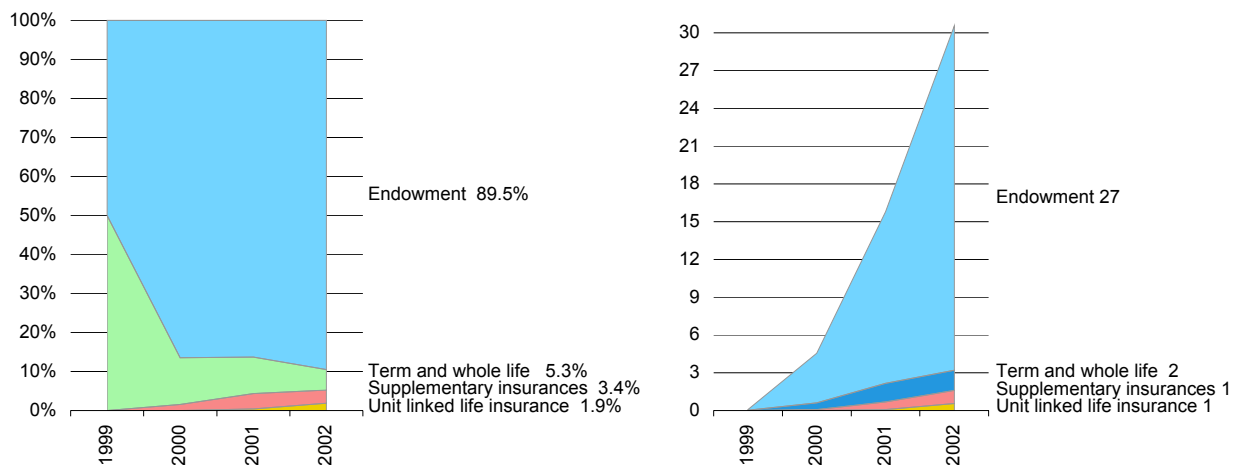
Seesam Elukindlustuse AS (72 million kroons)



ERGO Elukindlustuse AS (43 million kroons)

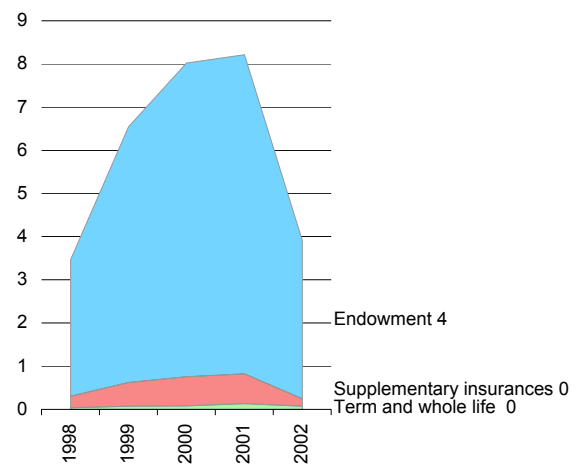
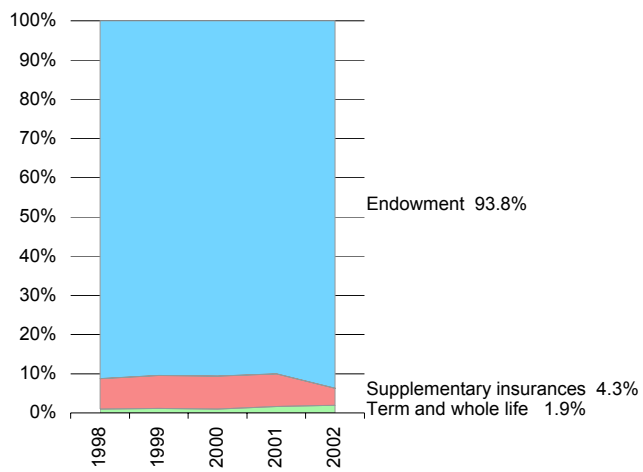


AS Sampo Elukindlustus (31 million kroons)



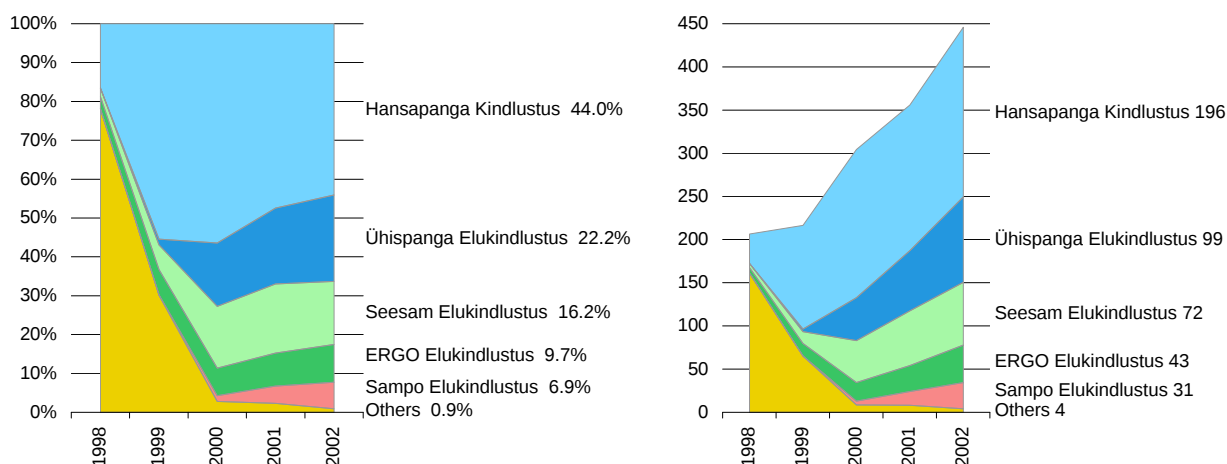
Insurance portfolio structure of life insurers (3)

Nordika Elukindlustuse AS (4 million kroons)

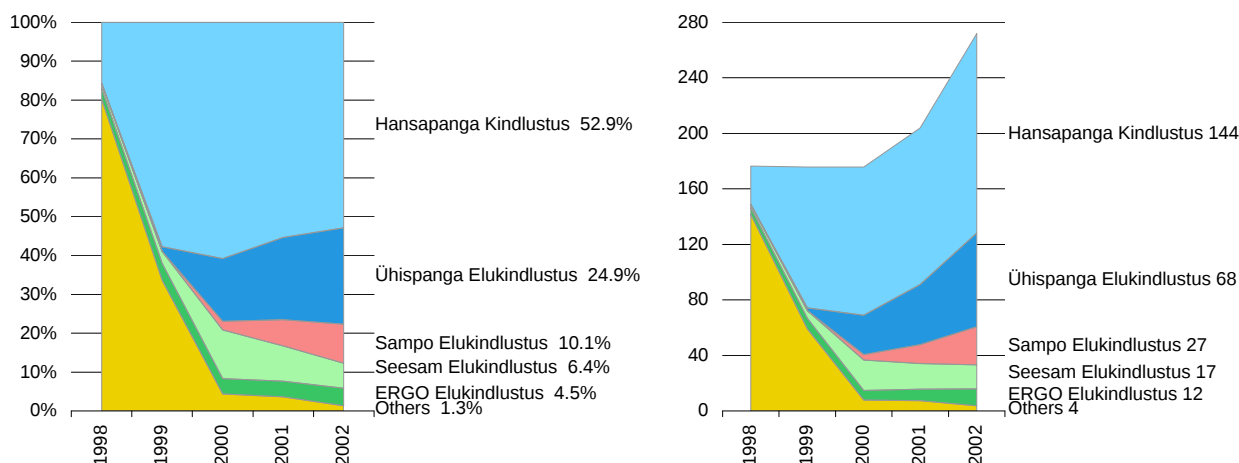


Market shares of insurers by classes of life insurance (1)

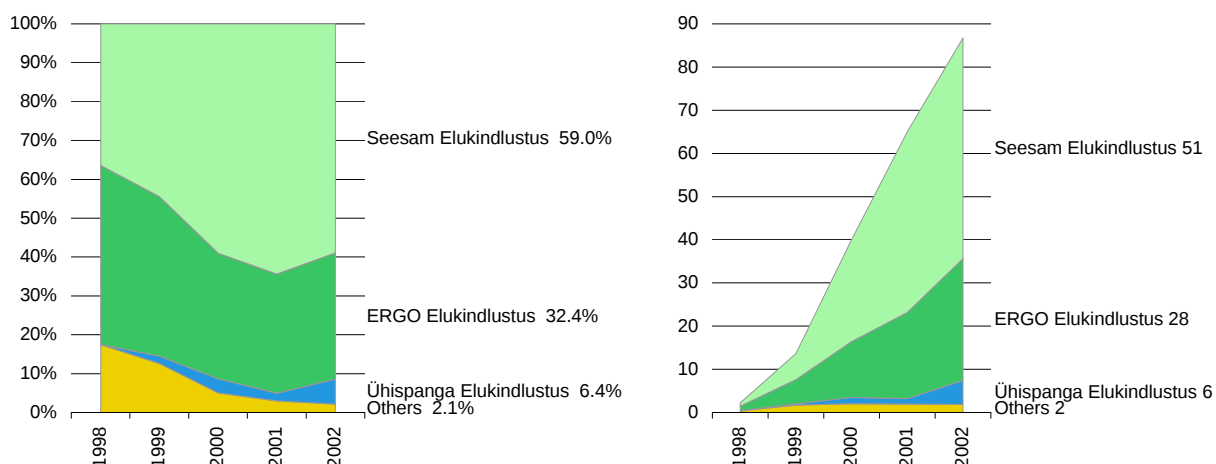
Total gross premiums of life insurance lines (446 million kroons)



Endowment insurance (272 million kroons)

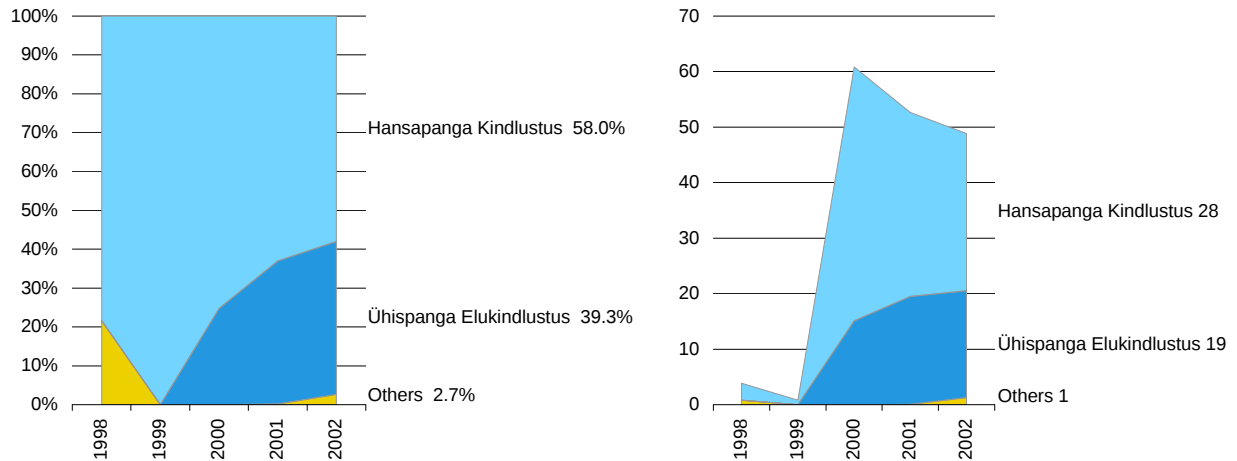


Annuities (87 million kroons)

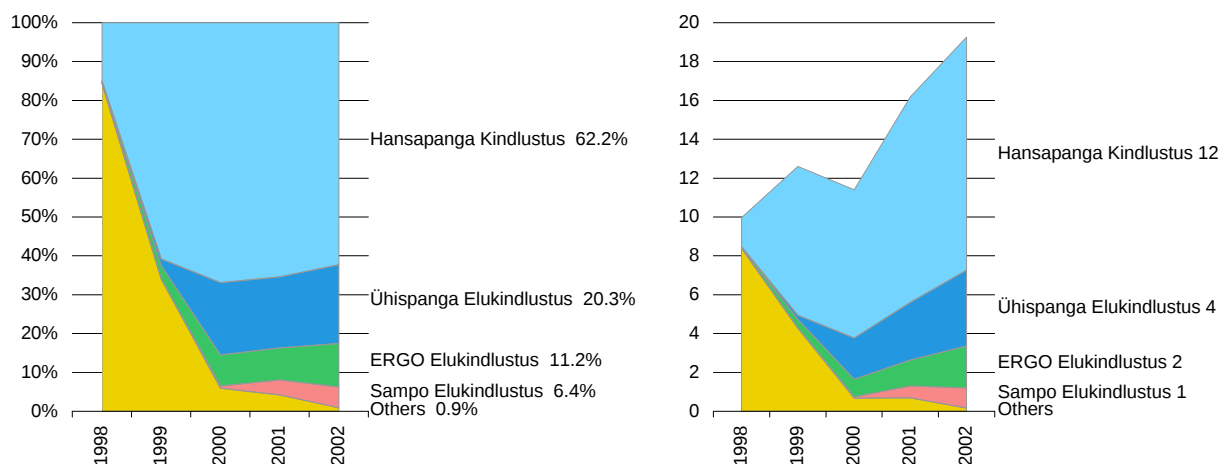


Market shares of insurers by classes of life insurance (2)

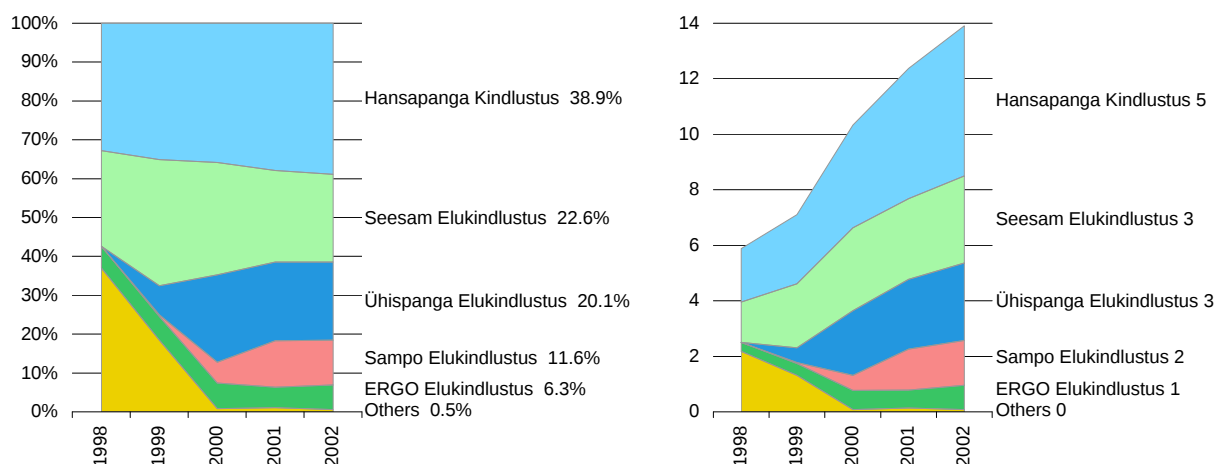
Unit linked life insurance (49 million kroons)



Supplementary insurances (19 million kroons)

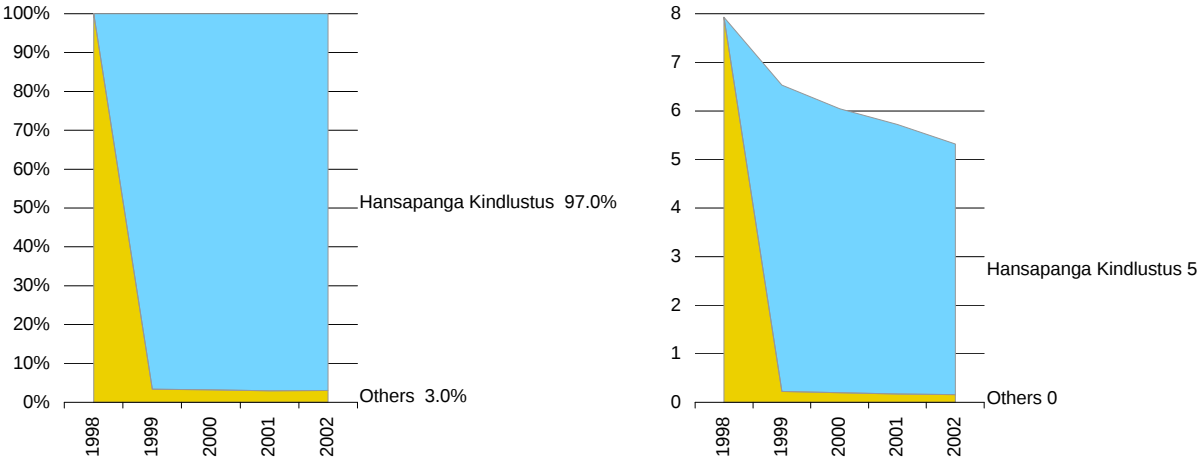


Term and whole life assurance (14 million kroons)

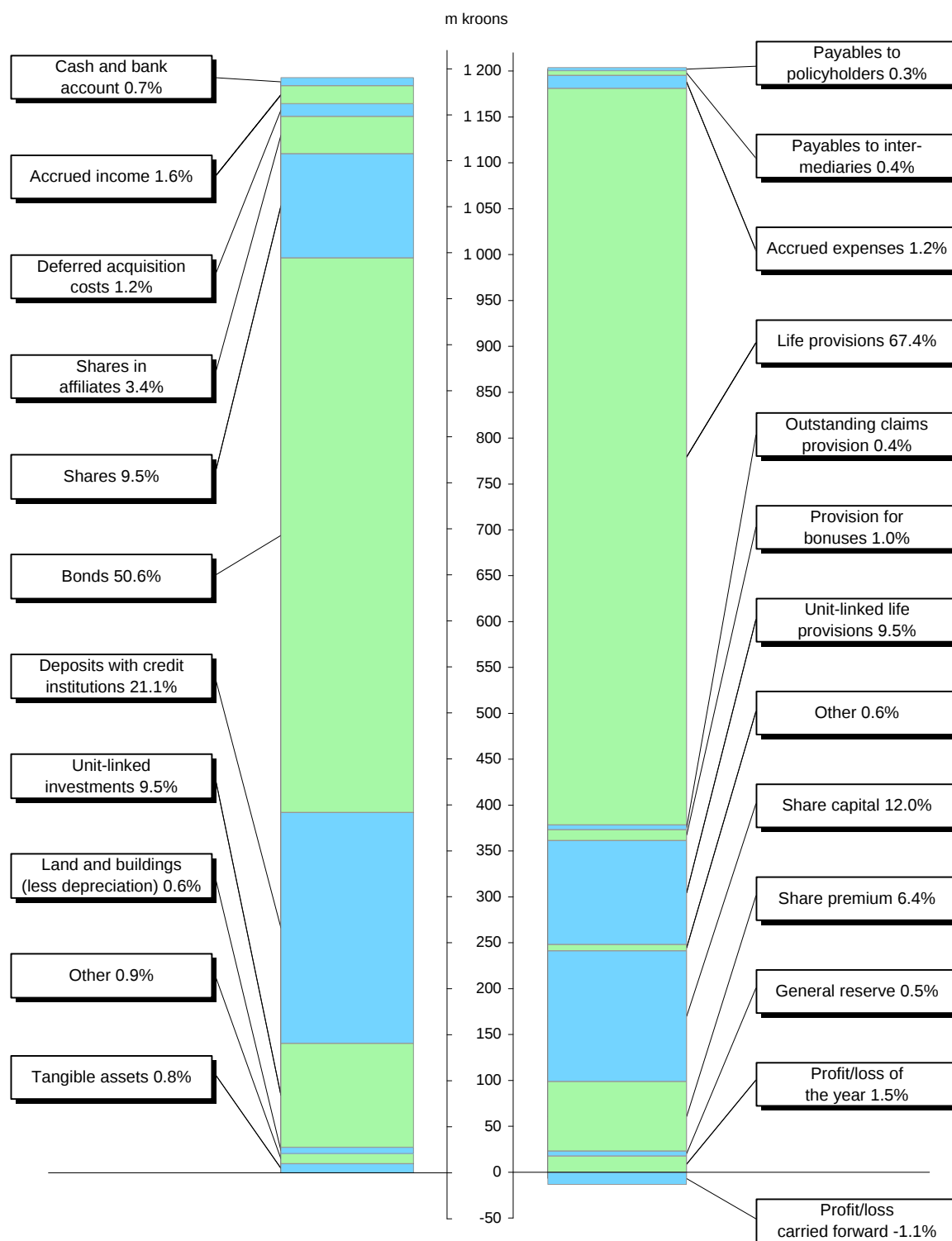


Market shares of insurers by classes of life insurance (3)

**Birth and marriage assurance
(5 million kroons)**



Structure of assets and liabilities of life insurers, 31 December 2002 (Balance volume — 1.2 billion kroons)



Components of owners' equity in life insurance, 31 December 2002 (million kroons)



Ratios of life insurers, 2002

	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Ühispanga Elukindlustus	TOTAL
Gross premiums to owners' equity	161.6%	237.5%	114.6%	130.1%	278.6%	196.0%
Operating expenses to gross premiums	36.6%	14.2%	43.2%	27.7%	27.7%	23.4%
Operating expenses to annual average technical provisions	26.4%	7.5%	85.6%	12.0%	37.4%	15.1%
Investments profitability of life insurers	6.2%	6.3%	7.0%	4.8%	7.5%	6.0%
Surrender ratio	61.6%	41.6%	48.7%	39.0%	48.0%	43.3%

NON-LIFE INSURANCE

NON-LIFE INSURANCE, 2002

NON-LIFE INSURANCE MARKET

Owners

At the end of 2002 there were 7 insurance companies writing non-life insurance business and the Estonian Traffic Insurance Foundation (ETIF) writing border insurance and motor TPL reinsurance business, in the Estonian insurance market. This article on non-life insurance is based on the analysis of the data of non-life insurance companies; whenever the data of the Estonian Traffic Insurance Foundation is included there will be the respective note made.

The number of insurers remained the same as in 2001, though the non-life insurance company Nordika Kindlustuse AS left the market and the non-life insurance company Nordicum Eesti AS (later changed its name to Nordea Kindlustuse Eesti AS) entered the market. Still, we can see some changes in the ownership area.

At the beginning of 2002 the biggest Nordic insurance group If P&C Insurance Holding Ltd, which was formed as a result of a merger of Sampo non-life insurers and the Swedish non-life insurer If P&C Holding AB, became the new owner of the AS Sampo Eesti Varakindlustus. Therefore, the AS Sampo Eesti Varakindlustus changed its name to AS If Eesti Kindlustus. The former owner of the Nordea Kindlustuse Eesti AS, the Danish insurer Trygg-Baltica Ltd passed the ownership over to the Trygg Vesta Group AS (Denmark). The ownership structure of other non-life insurers remained the same as in the previous year.

At the end of 2002 altogether 5 of the non-life insurers were completely foreign owned, whereas in other two non-life companies the foreign owners were in minority position, although having an influential participation.

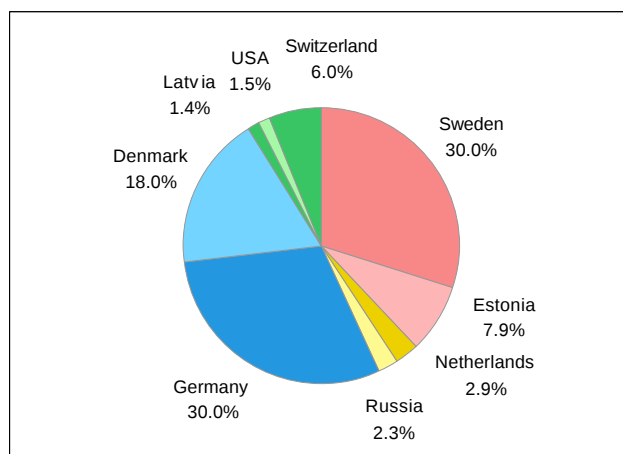


Figure 62. Owners of non-life insurers,
31 December 2002

The foreign participation in the capital of non-life insurers was 92% at the end of 2002. 30% thereof belonged to companies registered in Germany, 30% to those registered in Sweden and 18% to those of Denmark (figure 62). The participation of companies from other countries remained under 8%. When considering the volume of gross written premiums in 2002 we can see that the market share controlled by foreign owners was 86% in the non-life insurance market.

Market developments

The non-life insurance market¹ constituted 79.4% of the whole Estonian insurance market in 2002. When compared to 2001 we can see that the share of non-life insurance market remained practically to the same level (in 2001 the respective percentage was 80%).

The volume of premium income of non-life insurers reached 1,7 billion kroons in 2002, which was 20.4% more than a year before. In 2001 the volume of non-life premium income was 1,4 billion kroons and the growth was 10.7%. The main factor causing the speed-up of non-life premium growth was the availability of low-interest-rate loan products in the market enhancing the acquisition of real estate and cars.

When keeping an eye on the change of the consumer price index, we can see that the growth in the real value of premium income was also quite fast – 16.2% -, especially when comparing with the growth in the real value of premium income of 4.6% in 2001. In 2002 the growth in the real value of premium income was the fastest in the past five years (figure 63).

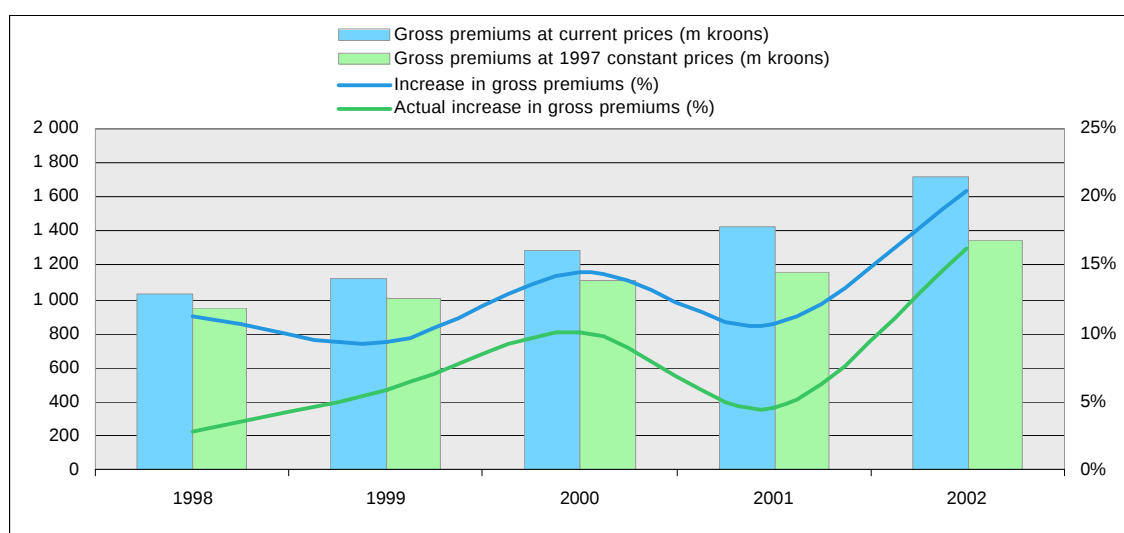


Figure 63. The volume of gross premiums and the growth of gross premiums in actual and absolute values, 1998—2002

Insurance companies ERGO Kindlustuse AS and Salva Kindlustuse AS showed the higher than the average growth in gross premiums, 24.3% and 38.4% respectively.

The 2002 amount of loss payments was 912 million kroons (713 million kroons in 2001), which was 28% more than a year before. In 2002 the non-life insurance sector was characterized by the higher growth in loss payments of the two major insurance classes – motor TPL insurance and land vehicles insurance - if compared to the growth in their gross written premiums. When the growth in motor TPL gross written premiums was 13.1% in comparison to 2001, the growth in loss payments was 30.7%. This difference was a little smaller in the land vehicles insurance – the growth in gross written premiums was 25.9% and in loss payments 33.8%.

In 2002 the volume of loss payments increased the most in the Nordea Kindlustuse Eesti AS (77.5%). The volume of loss payments of the Estonian Traffic Insurance Foundation dropped more than a half (52.3%), though the volume of its gross premiums grew 24.6%.

¹ This paragraph covering market developments includes also the data of the Estonian Traffic Insurance Foundation

In 2002 the highest loss payment level was in motor TPL and land vehicles insurances - 66.8% and 61.7%, respectively (figure 64). The loss payment level in these insurance classes increased by 9 and 3.6 percentage points if compared to the previous year. The loss payment level in property insurance decreased by 1.6 percentage points and reached the level of 36.1%, whereas the loss payment level in the property insurance of physical persons was 23.9% and in that of legal persons 46.3%.

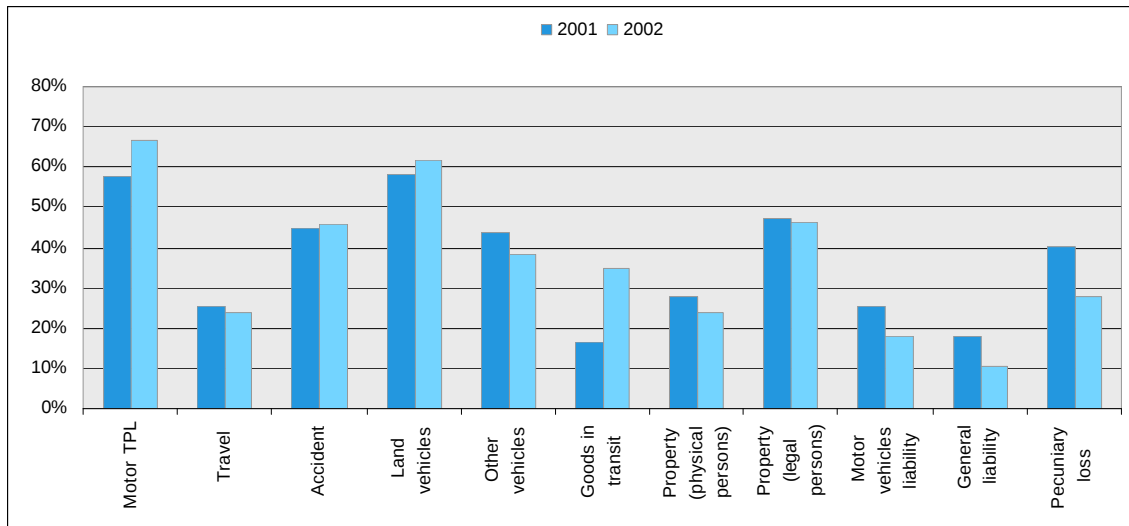


Figure 64. The change in the loss payment level of non-life insurance classes, 2001—2002

Market shares of insurance classes

Non-life insurance products sold in the market in 2002 were: compulsory motor TPL insurance, health insurance, motor damage or land vehicles insurance, insurance of aircraft and vessels, goods in transit insurance, property insurance, general liability insurance, insurance for pecuniary loss, and several liability insurances like liability insurances for owners of land vehicles and other vehicles (aircraft, vessels).

The overall proportion of non-life insurance classes has been stabile over the few last years. In 2002 the growth rates of main insurance classes were equally strong. 85% of the non-life insurance market was divided between the three largest insurance classes - motor TPL insurance, land vehicles insurance and property insurance - having the market shares of 30%, 35% and 23%, respectively (figure 65). The property insurance was divided into the property insurance of physical persons (with the market share of 10.4%) and the property insurance of legal persons (market share of 12.5%).

Among the largest insurance classes, the increase in market shares if compared to 2001 was evident in land vehicles insurance (1.5 percentage points) and property insurance (0.7 percentage points). The main reason lying behind the volume growth of land vehicles insurance and property insurance was the activated sale of vehicles and acquisition of real estate due to the availability of low-interest-rate loans in 2002.

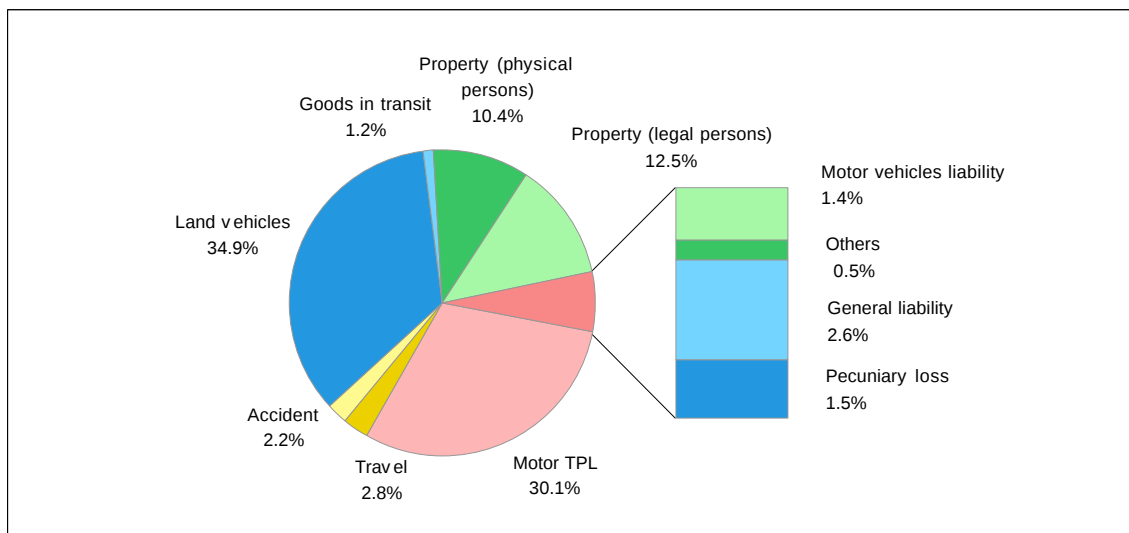


Figure 65. Market shares of non-life insurance classes, 2002

Market shares of other insurance classes remained between 1% and 3%. Among the smallest non-life insurance classes, the biggest growth in 2002 was achieved by the general liability insurance (63.2%), but this growth had no material influence on the overall non-life insurance market due to its small market share (2.6%).

Market concentration

In 2002 the rather high concentration of premium incomes in the insurance market increased even more. In 2002 the two biggest insurance companies (ERGO Kindlustuse AS and AS If Eesti Kindlustus) acquired 61.7% of the total premium income collected by non-life insurers (60.8% in 2001), (figure 66).

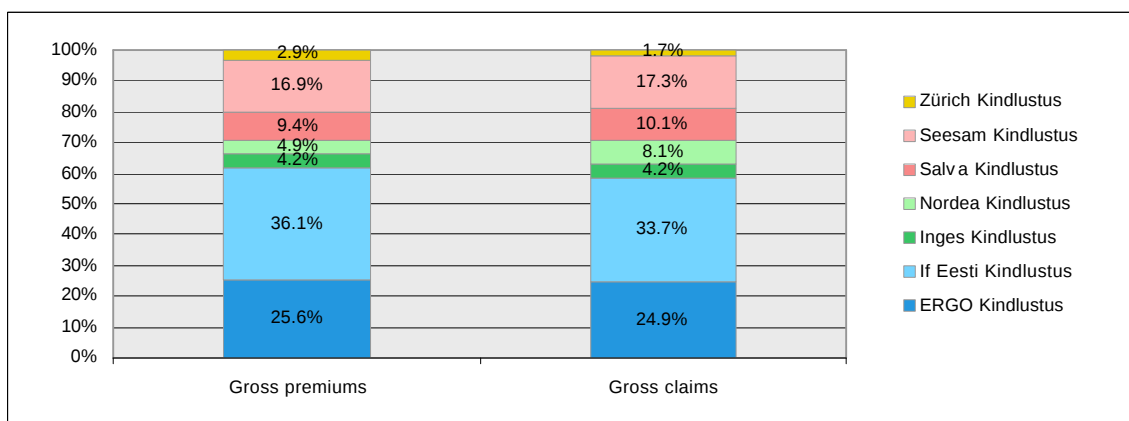


Figure 66. Market shares of non-life insurers, 2002

Among smaller (by premium income) non-life insurers, only the Salva Kindlustuse AS was able to raise its market share by 1.3 percentage points (8.1% in 2001). This was mainly due to the increase of its share in the motor TPL insurance market and also in the property insurance for legal persons. The shares of other smaller non-life insurers dropped in the market

Among bigger non-life insurers, the ERGO Kindlustuse AS increased its market share by 0.8 percentage points. This growth in the market share was mainly achieved due to the increase of its share in the land vehicles insurance market and also in the goods in transit insurance.

The continuous and slowly increasing concentration of insurance premiums into the hands of bigger non-life insurers may indicate the difficulties of smaller insurers in gaining the market.

The characterizing feature of the Estonian Traffic Insurance Foundation in 2002 was the drop in its share in the volume of loss payments. When the share of the ETIF in the volume of gross premiums increased from the level of 3.4% in 2001 to 3.6% in 2002, its share in the volume of loss payments diminished from 1.2% to 0.5%, respectively.

Reinsurance

The amount of non-life insurance premiums ceded was 595,3 million kroons in 2002 (472,9 million kroons in 2001), the annual increase being 25.9%. Non-life reinsurance premiums represented 35.9% of the total non-life premium income in 2002 (figure 67). The proportion of ceded premiums increased by 2.5 percentage points in comparison to 2001.

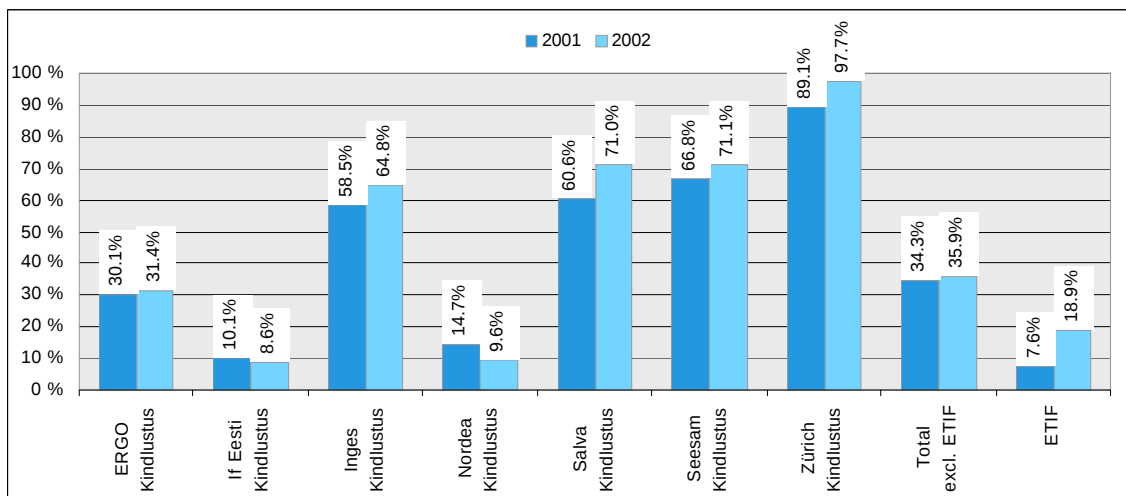


Figure 67. The comparison of the level of reinsurance by non-life insurers², 2001—2002

When looking at bigger insurance classes, it must be noted that the rate of cession was higher in the property insurance for legal persons (56.5%) and in the land vehicles insurance (43%) (figure 68). As to smaller insurance classes, the rate of cession was higher in the pecuniary loss insurance, especially in the financial loss insurance (91.8%), and also in insurances for vessels, aircraft and railway (both damage and liability).

² In the comparison of the data of Nordea Kindlustuse AS the previous data of Nordika Kindlustuse Eesti AS has been used

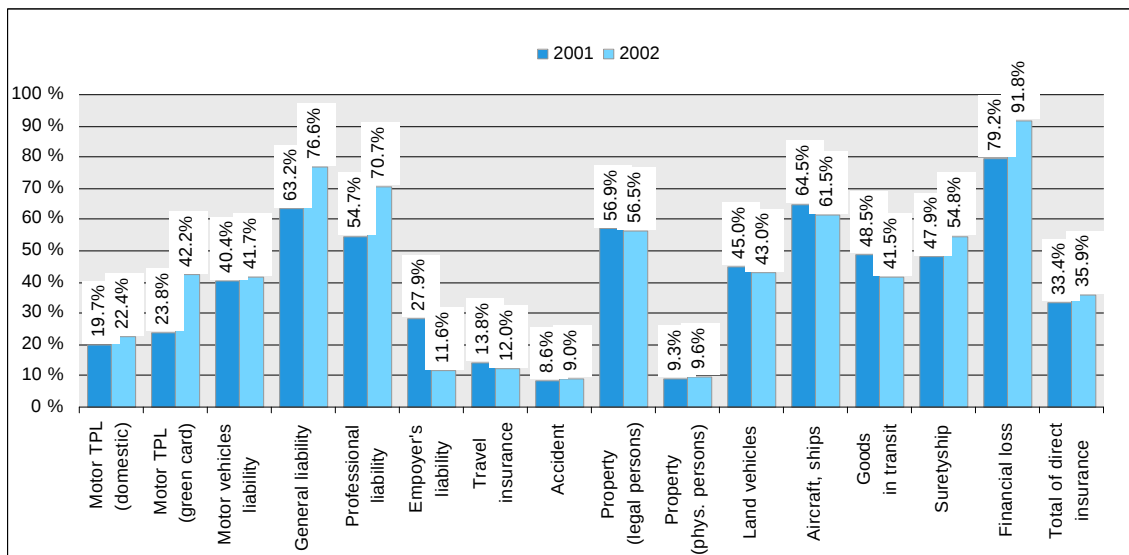


Figure 68. The comparison of the level of reinsurance by insurance classes, 2001—2002

85.2% of reinsurance premiums were ceded under the obligatory treaty arrangements (figure 69). 4.6% of reinsurance premiums (originating from the compulsory motor TPL insurance) ceded under the treaty

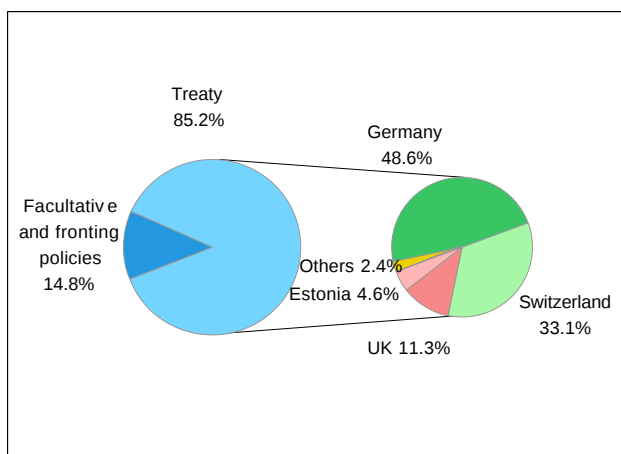


Figure 69. Reinsurance premiums by countries, 2002

arrangements were left to Estonia because the reinsurer of the motor TPL insurance was the ETIF. 48.6% of reinsurance premiums was ceded to the German reinsurers, 33.1% to the Swiss reinsurers and 11.3% to the UK insurers. The shares of reinsurers from other countries remained below 1.5%. Reinsurance premiums ceded under the treaty arrangements went also to the reinsurers from Finland, Sweden, Denmark, Ukraine and Russia.

Considering the premiums ceded under the treaty arrangements, we can see that the biggest market shares belonged to the following foreign reinsurers: Swiss Re (24.7%), Munich Re (17.8%), Zurich (8.6%), If P&C Insurance Company Ltd (8.2%), Gerling (7.8%), SOVAG AG (7.6%) and GeneralCologne Re (6.8%). Market shares of other foreign reinsurers were insignificant, i.e. under 2% (figure 70). 10.3% of reinsurance premiums were ceded through the insurance broker MAI Re.

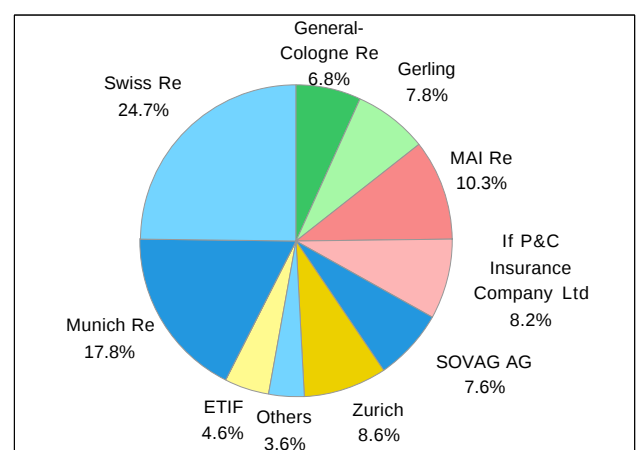


Figure 70. Market shares of reinsurers, 2002

ASSETS, LIABILITIES AND TECHNICAL CHARACTERISTICS

Assets and liabilities

The amount of investments of non-life insurers was 1,3 billion kroons at the end of 2002, of which 44.1% constituted investments in debt securities and other fixed-interest securities. Investments in bank deposits made 21.9% and shares and other securities (mostly units of various investment funds) 18.0% of the total amount of investments. In the previous year the major areas of investments were the same: investments in debt securities and other fixed interest securities (33%), bank deposits (25%) and shares and other securities (13%). The next figure shows that the share of investments made into tradable liquid securities has been increasing and that of non-liquid real estate investments decreasing (figure 71).

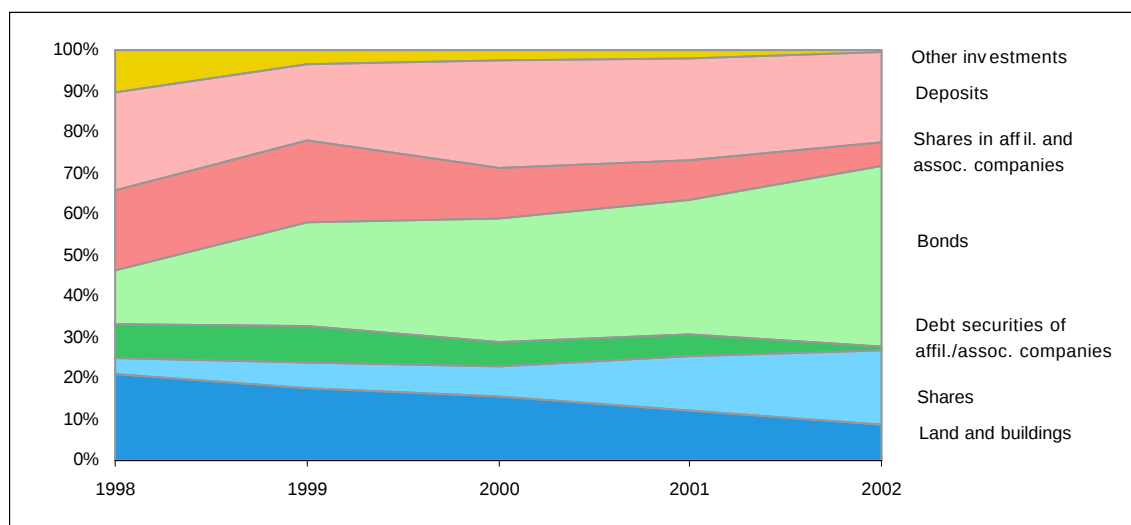


Figure 71. The investment structure, 31 December 1998—2002

The share of investments made into shares and other variable-interest securities constituted 18.0% of the total amount of investments at the end of 2002. 74.5% of them were shares of Estonian origin and 19.4% were those of Finnish origin (figure 72).

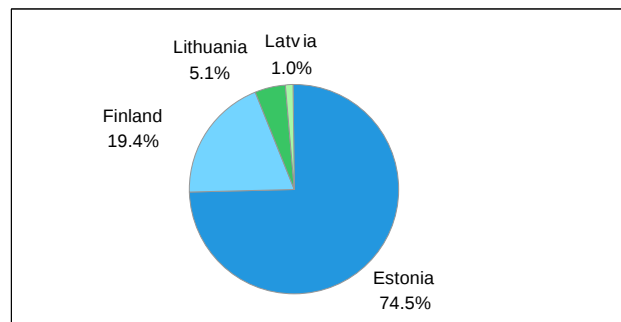


Figure 72. Investments in shares by countries, 31 December 2002

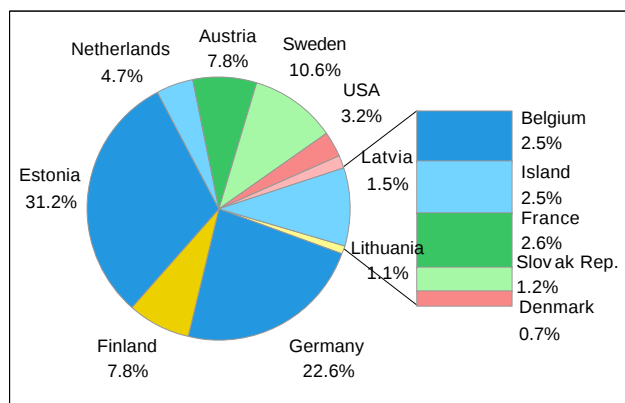


Figure 73. Investments into bonds by countries, 31 December 2002

The share of investments made into debt securities and other fixed income securities constituted 44.1% of the total amount of investments at the end of 2002. 31.2% of them were of Estonian, 22.6% of German and 10.6% of Swedish origin (figure 73).

Investment expenses of non-life insurers were 11,2 million kroons and investment income was 58,0 million kroons in 2002. Investment profit of non-life insurers was 3.6% (4.4% in 2001), which was lower than the EURIBOR rate of different time periods. The drop in investment profit may have been caused by the increase in the share of investments in debt securities on the account of investments in shares (figure 74).

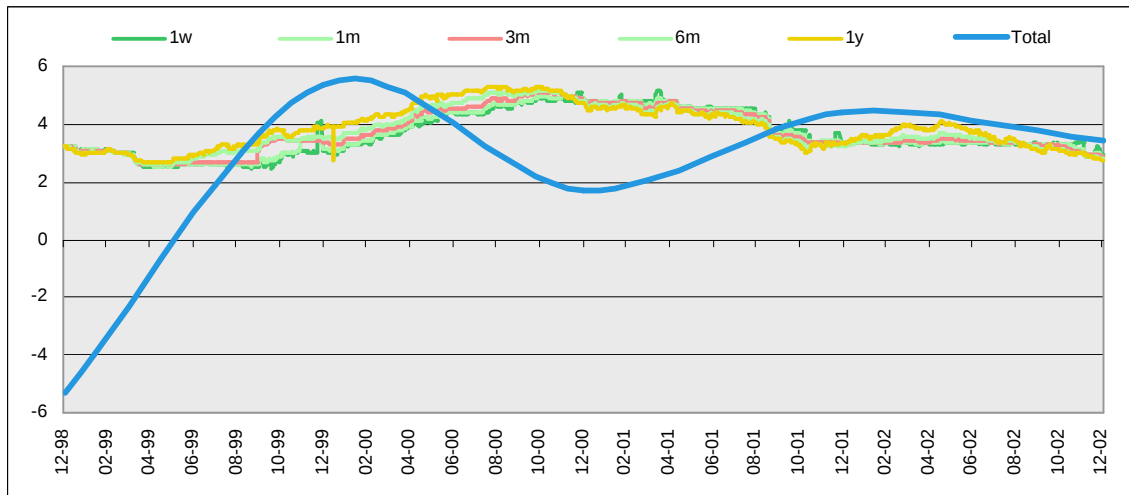


Figure 74. Investment profit of non-life insurers and EURIBOR, 1998—2002

The total volume of technical provisions of non-life insurers was 1,2 billion kroons at the end of 2002 (the reinsurers' share thereof was 487 million kroons). The volume of the unearned premiums provision was 449 million kroons (reinsurers' share thereof was 135 million kroons), the outstanding claims provision was 684 million kroons (reinsurers' share thereof was 125 million kroons), and other technical provisions (mostly the provision for motor TPL insurance pension) were 54 million kroons (reinsurers' share thereof was 37 million kroons).

The amount of assets corresponding to technical provisions (net amount 700 million kroons) was 874,8 million kroons at the end of 2002. Thus, the level of coverage of technical provision was 125.1%. The structure of committed assets is presented on the next figure (figure 75).

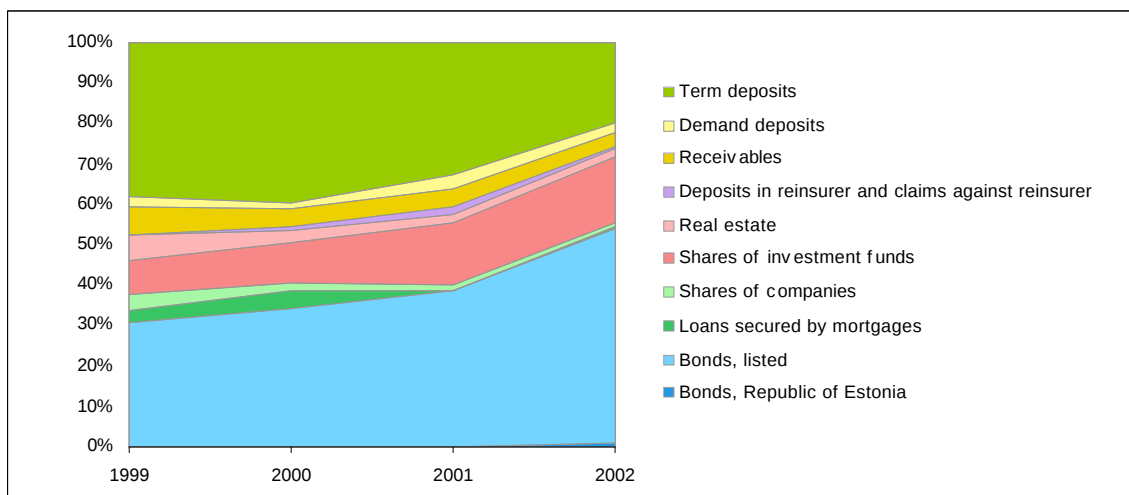


Figure 75. The structure of committed assets, 31 December 1999—2002

The balance sheet volume of non-life insurers was 1,5 billion kroons at the end of 2002, whereas 8.5% thereof were short-term assets (cash, bank and receivables), 2.1% were payables to policyholders, and 45.7% were technical provisions. We can see from the following figure (figure 76) that there are assets 3,2 times more than there are liabilities in the insurance market, but the actual ratio is varying considerably from a company to another.

The share of short-term assets in total assets decreased in 2002, because the growth of short-term assets was smaller than the growth of the balance volume.

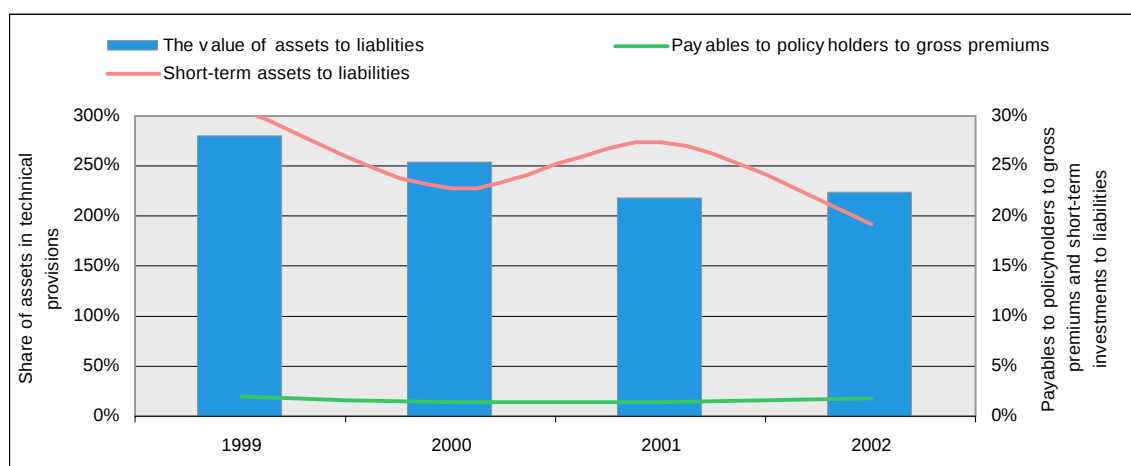


Figure 76. Ratios of assets to liabilities (31 December), liabilities towards policyholders to gross premiums, and short-term assets to liabilities (31 December), 1999–2002

The ratio of investments to committed assets was 153.3%. The respective ratio increased if compared to 2001 (157.1% in 2001) (figure 77).

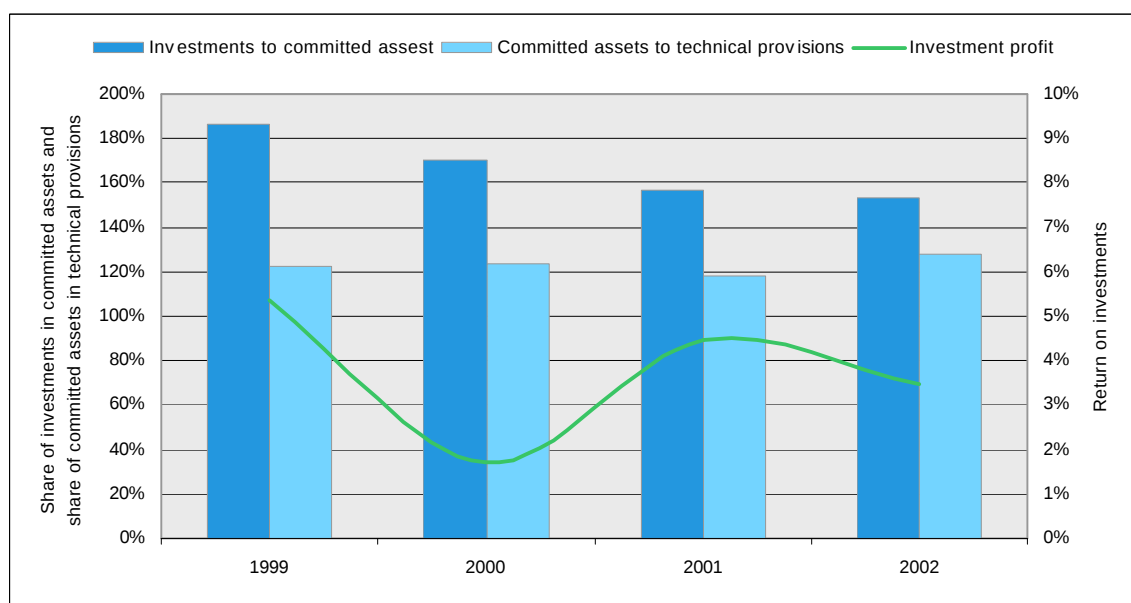


Figure 77. Ratios of investments to committed assets (31 December), committed assets to technical provisions (31 December) and investment profit, 1999–2002

The owners' equity of non-life insurers was 610,5 million kroons at the end of 2002, thus the growth being 23.6% in comparison to 2001 (493,8 million kroons in 2001).

The technical profit of non-life insurers was 1,9 million kroons in 2002, which was 17,4 times less than in 2001. Due to the drop in the technical profit, also the profitability of owners' equity (return on equity) diminished to the level of 6.9% (16.4% in 2001), (figure 78).

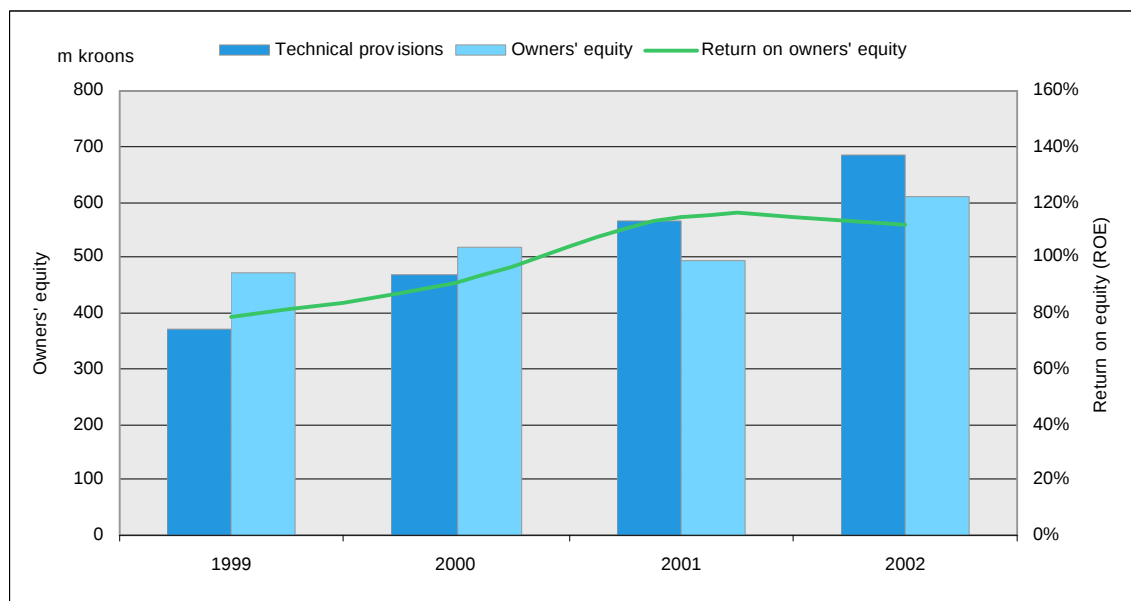


Figure 78. Owners' equity (31 December) and the ROE of non-life insurers, 1999—2002

Technical characteristics

The low profitability of the non-life insurance market in 2002 was largely caused by the loss (34,5 million kroons) of the Nordea Kindlustuse Eesti AS (due to the portfolio transfer).

Ignoring this extraordinary source of loss, the gross loss ratio decreased to 61.6% in 2002 (64.7% in 2001). The growth in reinsurance costs had some impact to the increase of the net loss ratio (64.3% in 2002, 63.5% in 2001). The adverse effect of free competition in the tariffs of the motor TPL insurance continued also in the first quarter of 2002 (losses in the first quarter of 2002 were 18 million kroons). Due to the increasing number of claims, also the fourth quarter was characterized by a high loss ratio in 2002.

Among all non-life insurers, the loss ratio increased only in the Nordea Kindlustuse Eesti AS. In other companies this ratio rather decreased or stayed at the same level as in the previous year. Insurance companies ERGO Kindlustuse AS and Nordea Kindlustuse Eesti AS had a technical loss in 2002.

As opposed to the growth in the loss ratio of the motor TPL insurance, other insurance classes as a whole had better results if compared to the previous year.

The net combined ratio remained under 100% (96.3%) due to the continuous decrease in the expense ratio (in net terms 32.1% in 2002, 33.5% in 2001). The reason for this decrease was the stabilization of fixed costs due to the slight growth in the volume of gross premiums.

The total profit of non-life insurers, including the result from investment activities, was 42 million kroons. Six out of seven non-life insurance companies had a net profit in 2002.

The total gross outstanding claims provision (OCP) of non-life insurers was 658 million kroons at the beginning of 2002. The re-evaluation at the end of 2002 proved this sum to be over-estimated by 103 million kroons. Thus, the sum was decreased to the level of 84% in comparison to the originally received amount. In net amounts these figures were 339 million kroons, 67 million kroons and 80%, respectively.

Considering the volume of this over-estimation, we can see the correction of provisions as a major factor in the formation of technical profit in 2002.

The main reasons for prudence in provision evaluation were the preliminary over-estimation in the IBNR provision and the fact that the non-life insurers included also claims related to events where, as appeared in the process of claims handling, there was no obligation to pay the indemnity.

Looking at the trend of the outstanding claims provision over the longer period of time, we can make a final estimation of about 75% of the original amount.

The following figure characterizes the cumulative payment pattern by more important insurance classes (figure 79).

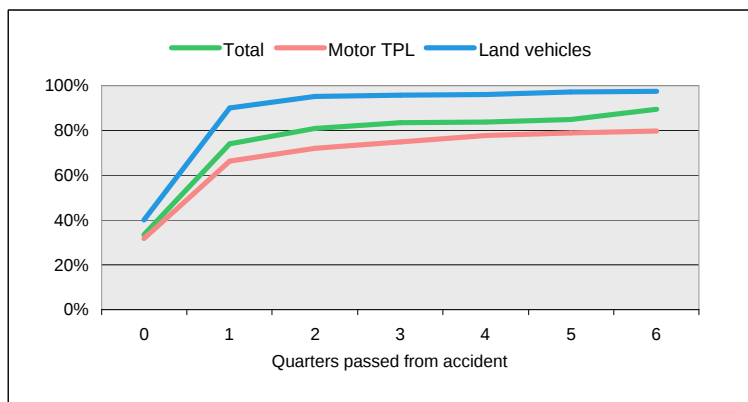


Figure 79. Cumulative payment by insurance classes

A significant part of incurred losses were paid out during the first two quarters after the occurrence of an insured event. Pursuant to the Motor TPL Insurance Act, a decision concerning the compensation under the usual circumstances shall be made no later than within thirty days as of the submission of a claim. Nevertheless, the payment pattern in the motor TPL insurance has one of the longest tails among the insurance classes. This is caused by the pension provision, which is characteristic only for the motor TPL insurance.

This is confirmed also by the next figure (figure 80), which shows the non-paid part of the aggregate claim amount after 2 years of the occurrence of an insured event.

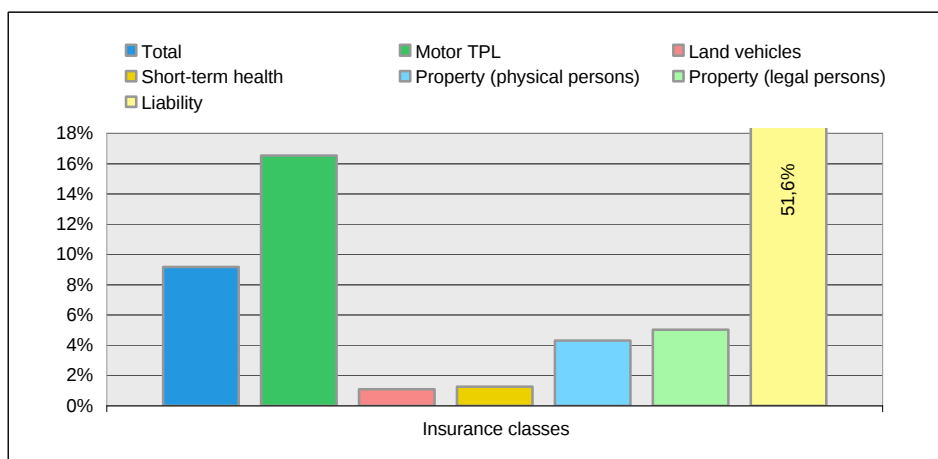


Figure 80. The share of unpaid losses after two years from the accident, by insurance classes

The claims data of property (legal persons) insurance, liability insurance, and some specific cases in motor TPL insurance (Green Card) may vary considerably, because these classes depend on individual large losses where the claim settlement period may be longer than 2 years.

All of the seven non-life insurers followed the requirements to the volume of own funds (solvency margin) at the end of 2002. The total sum of required solvency margin of non-life insurers was 217 million kroons. The available solvency margin (own funds) exceeded the required solvency margin by 2,3 times, thus reaching the level of 494 million kroons (2,6 times in 2001; without Nordea Kindlustuse Eesti AS). The decline was caused by the increase in gross premiums (the basic component for calculating the solvency margin) in 2002 (figure 81).

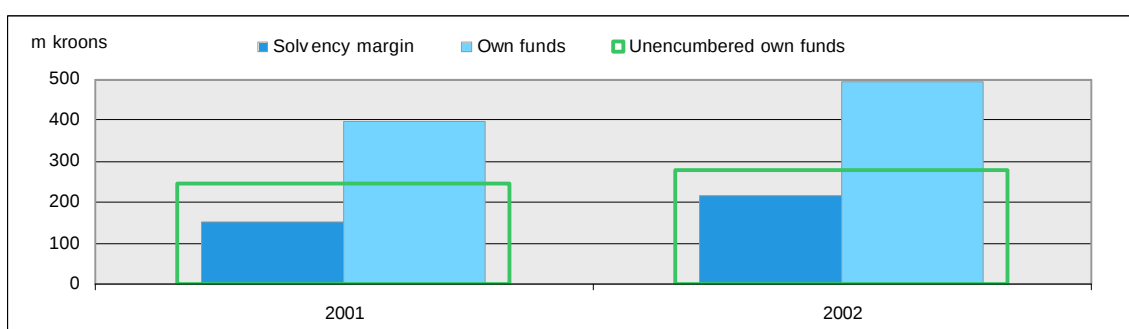


Figure 81. Own funds (31 December), solvency margin and unencumbered own funds (31 December) of non-life insurers, 2001–2002

The amount of unencumbered own funds (own funds less the solvency margin) of non-life insurers was 494,0 million kroons at the end of 2002. Considering the share of variable-interest securities (13%) and that of fixed-interest securities (33%) in the total investment volume and comparing these shares with the volume of unencumbered own funds, we can find the tolerance level of the decrease in investment value (figure 82). Still, if other conditions remain unchanged this does not jeopardize the own funds.

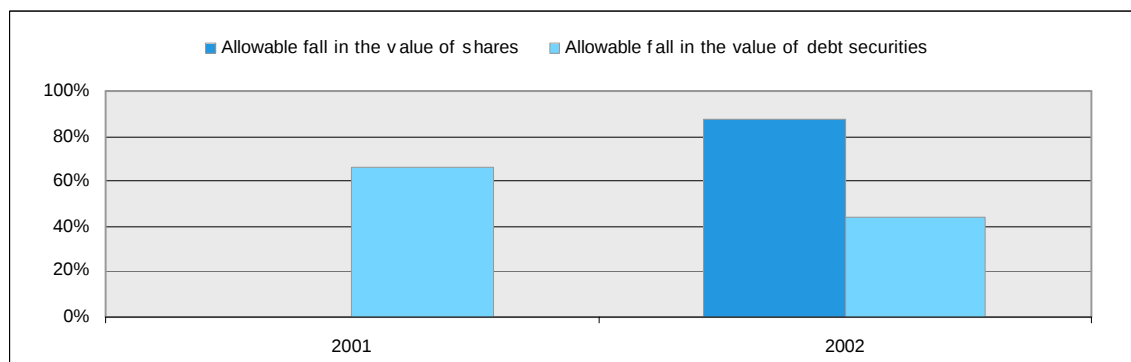
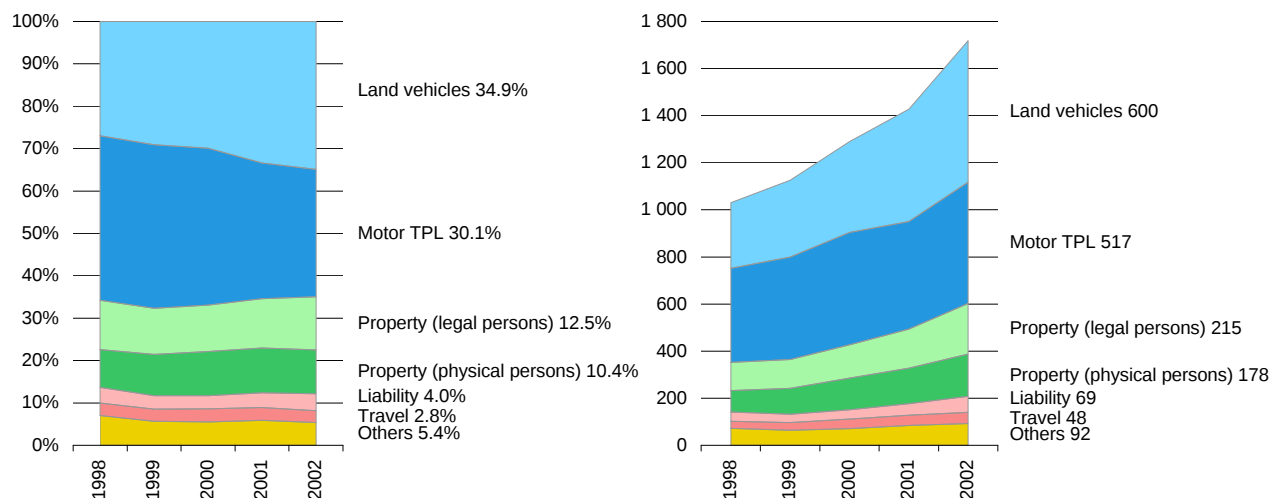


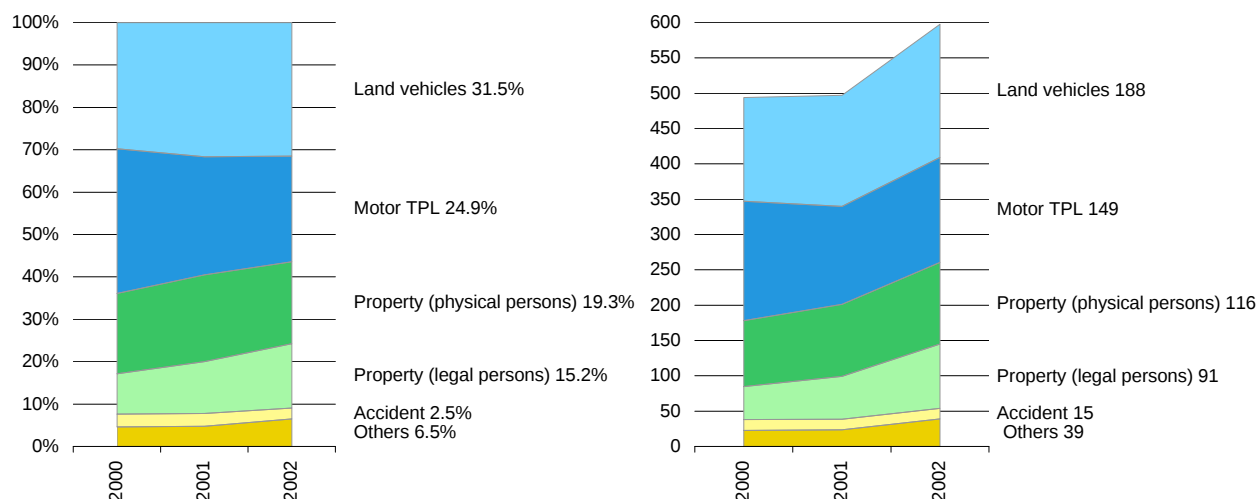
Figure 82. The tolerance level of the decrease in the value of shares and bond securities according to unencumbered own funds, 2001—2002

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

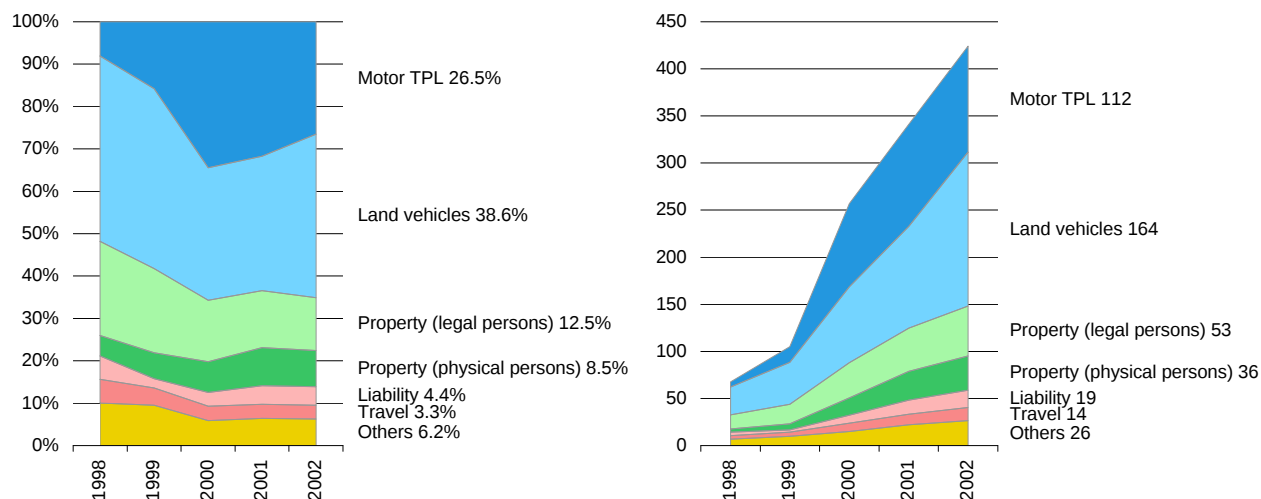
Total gross premiums of non-life insurers (1.7 billion kroons)



AS If Eesti Kindlustus (598 million kroons)



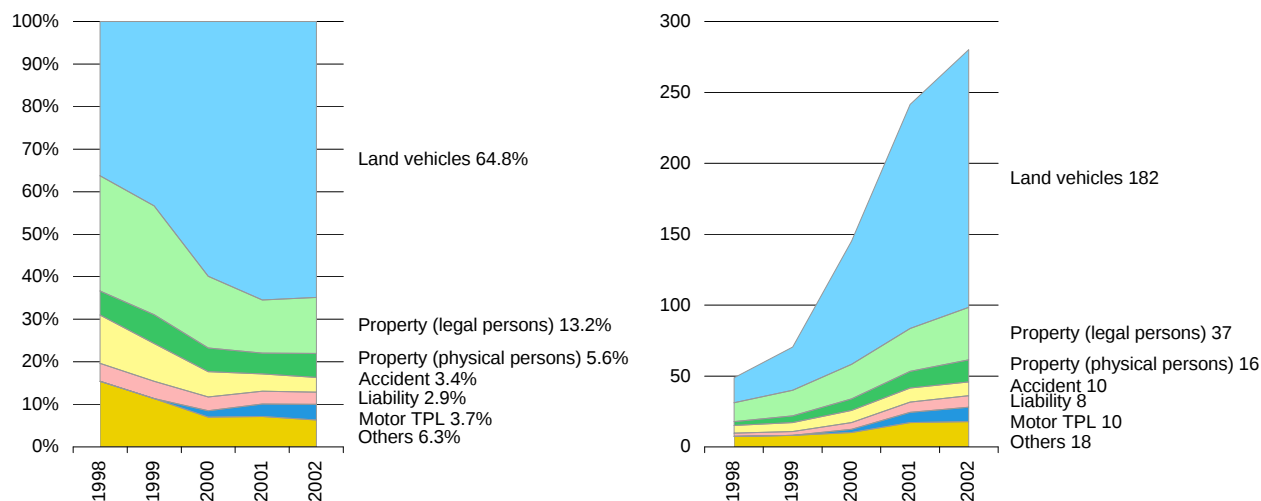
ERGO Kindlustuse AS (424 million kroons)



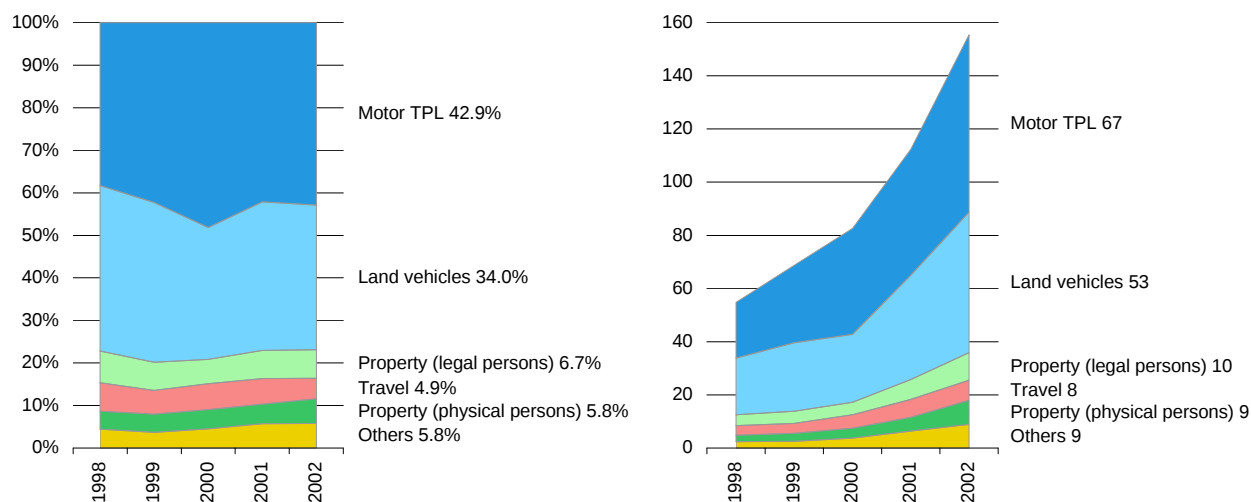
* only direct insurance

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

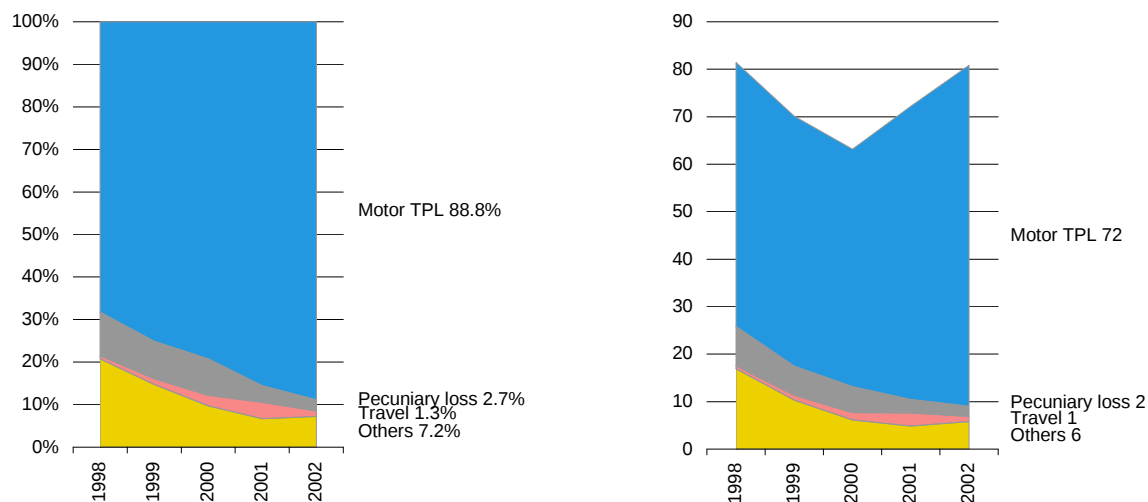
Seesam Rahvusvaheline Kindlustuse AS (280 million kroons)



Salva Kindlustuse AS (155 million kroons)



Nordea Kindlustuse Eesti AS** (81 million kroons)

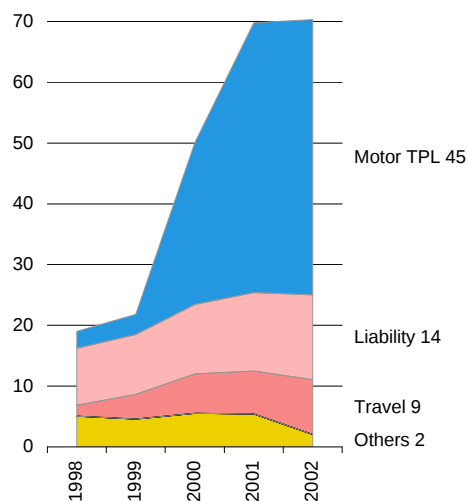
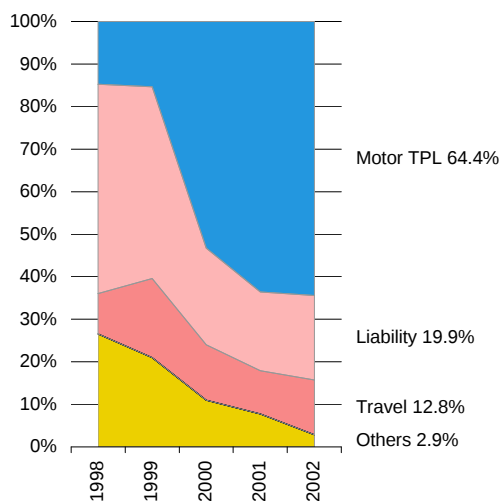


* only direct insurance

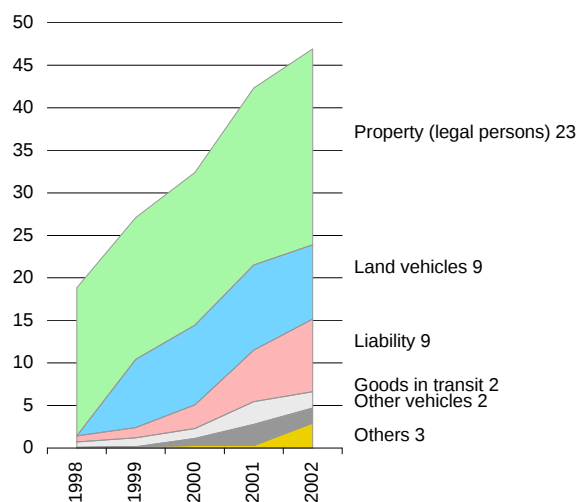
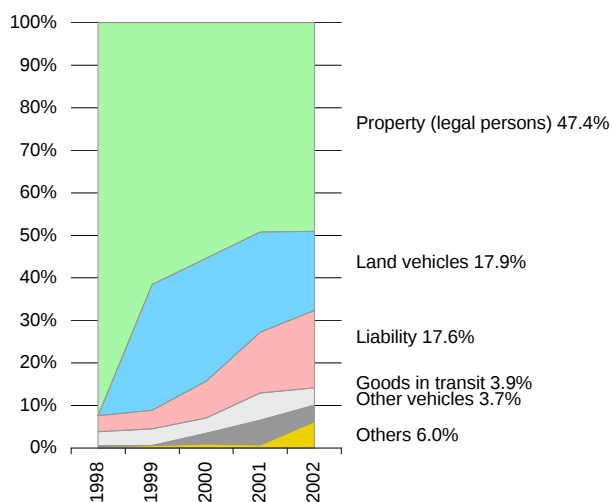
* until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordea Kindlustus Eesti AS)

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

AS Inges Kindlustus (70 million kroons)



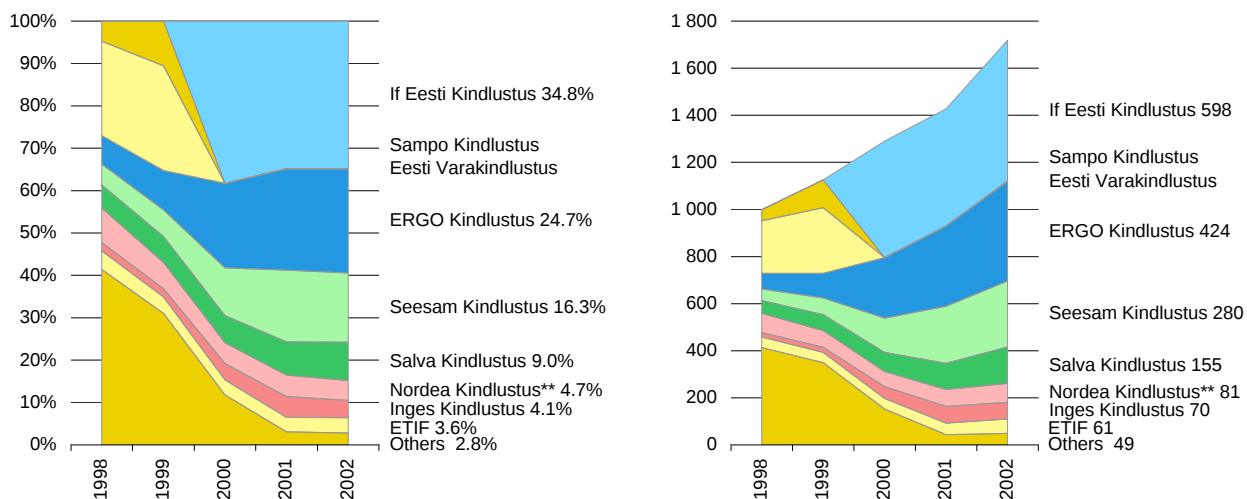
Zürich Kindlustuse Eesti AS (49 million kroons)



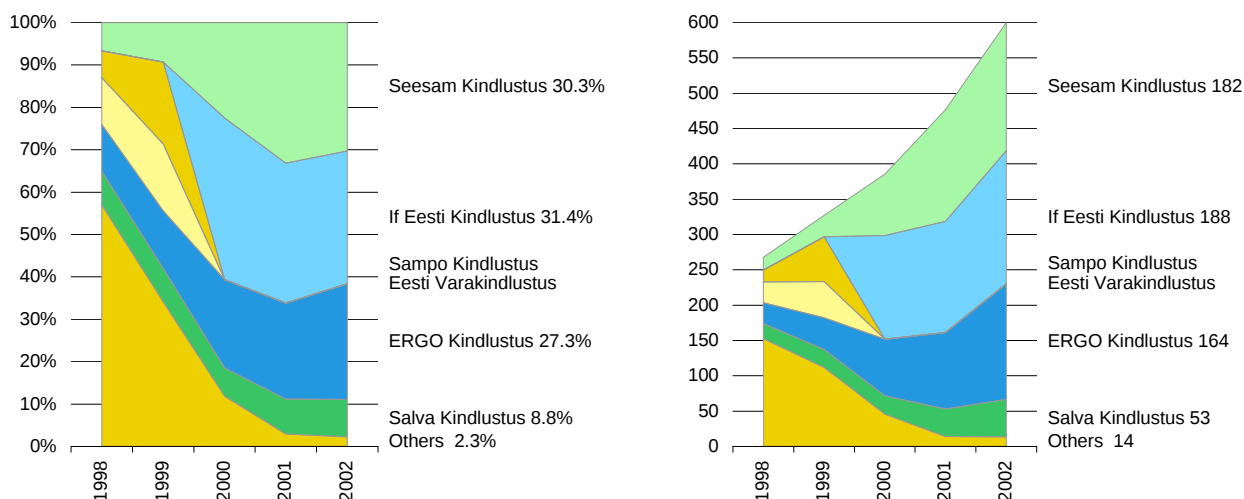
* only direct insurance

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

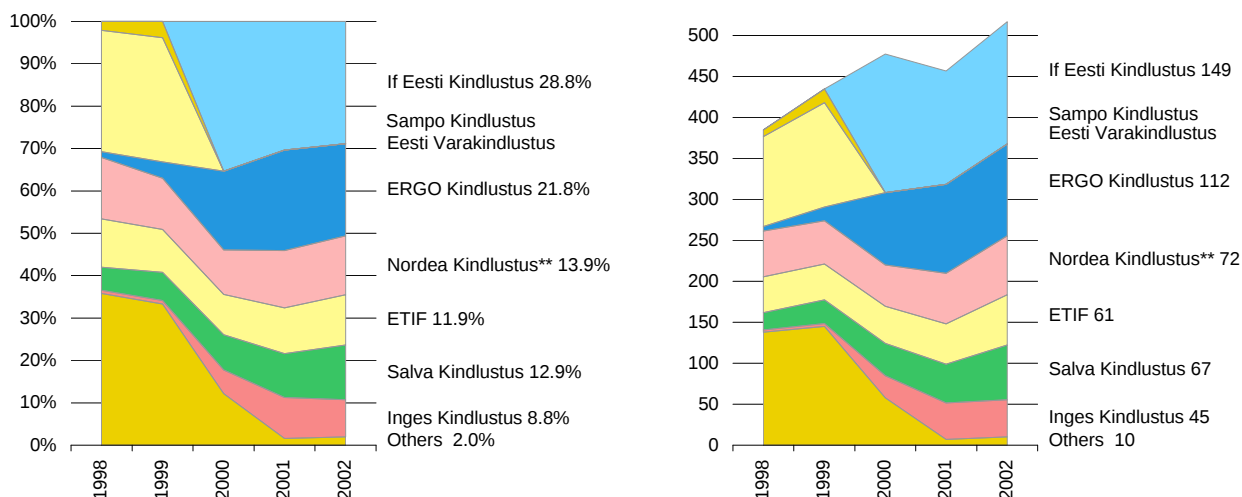
Total gross premiums of non-life insurance lines* (1.7 billion kroons)



Land vehicles insurance (600 million kroons)



Motor TPL insurance (517 million kroons)

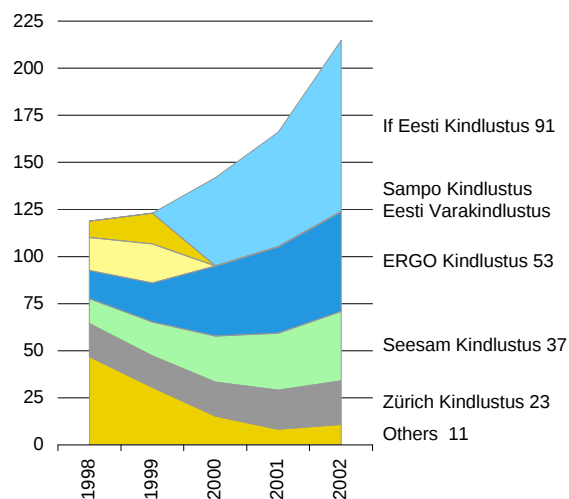
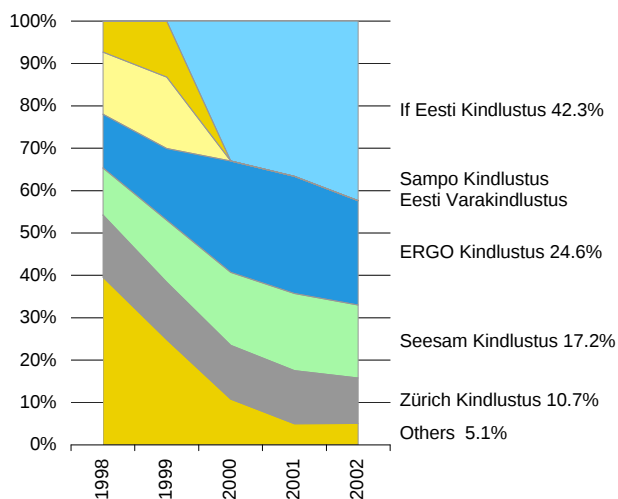


* only direct insurance

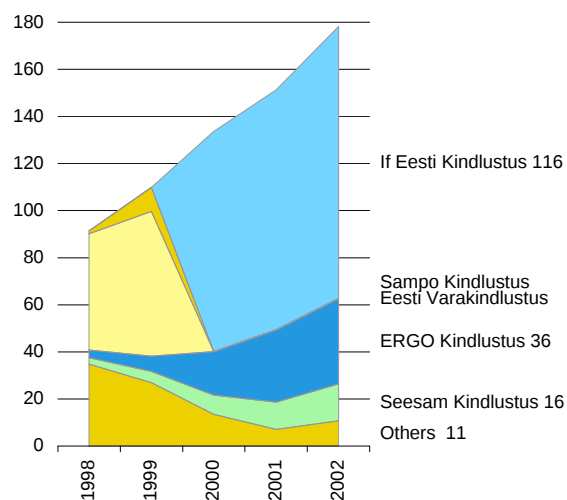
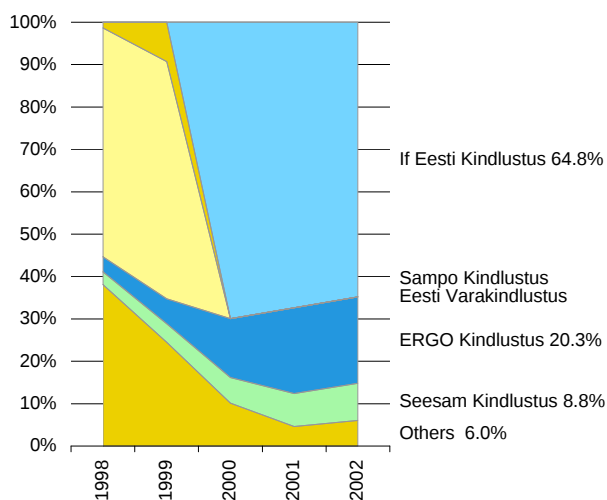
** until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordea Kindlustus Eesti AS)

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

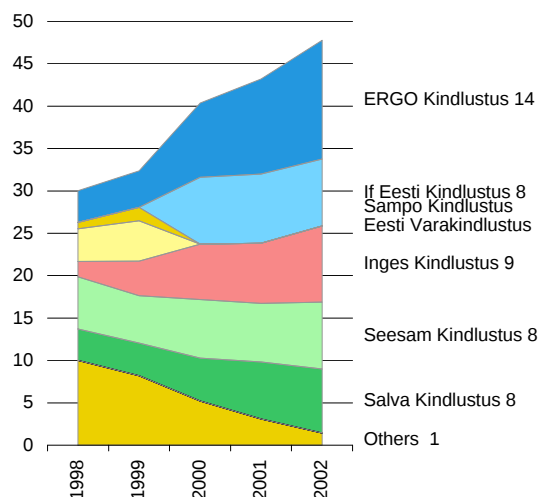
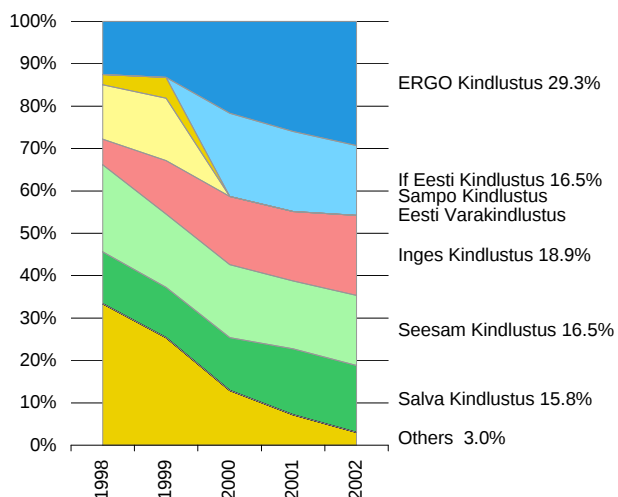
Property insurance (legal persons) (215 million kroons)



Property insurance (physical persons) (178 million kroons)

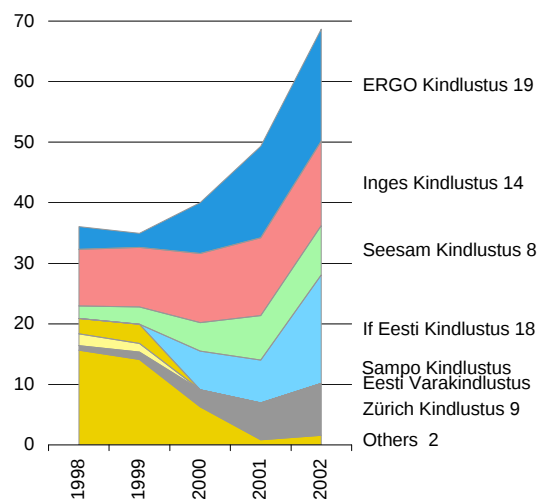
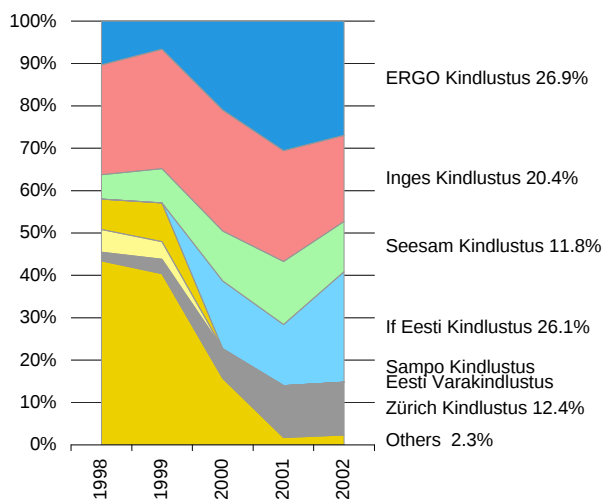


Travel insurance (48 million kroons)

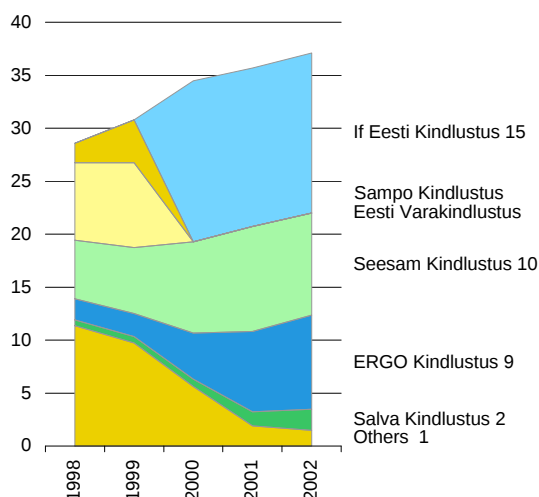
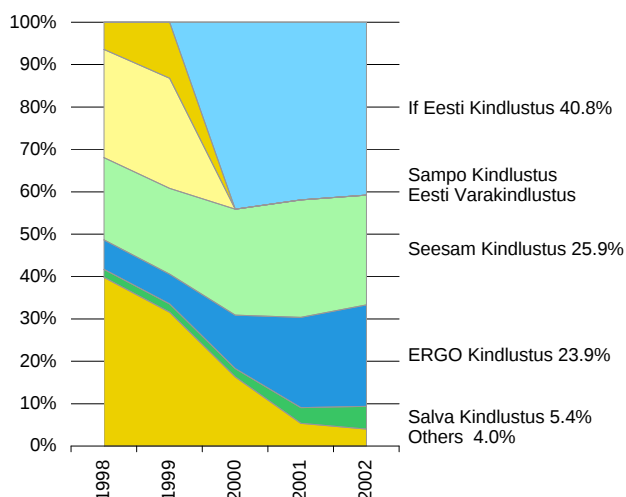


Market shares of insurers by classes of non-life insurance (3)

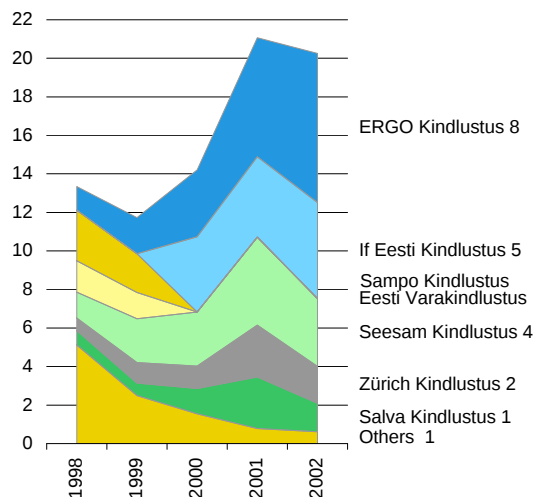
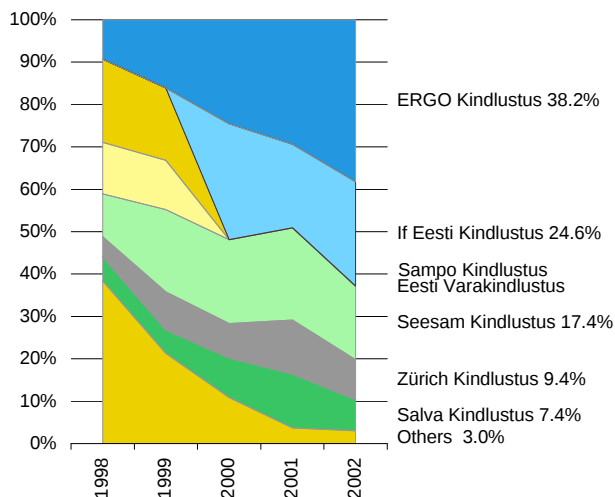
Liability insurance (69 million kroons)



Accident insurance (37 million kroons)

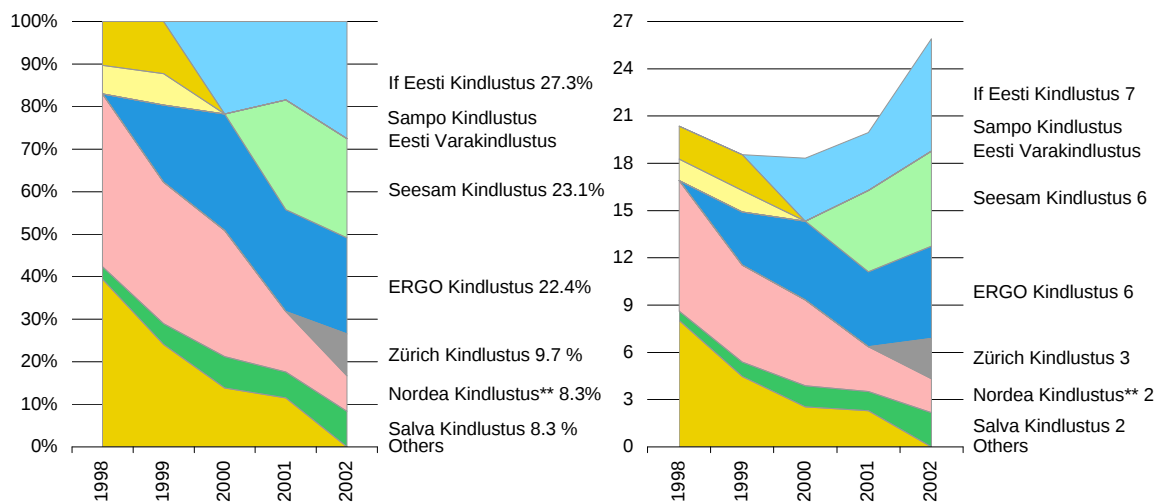


Goods in transit insurance (20 million kroons)



Market shares of insurers by classes of non-life insurance (4)

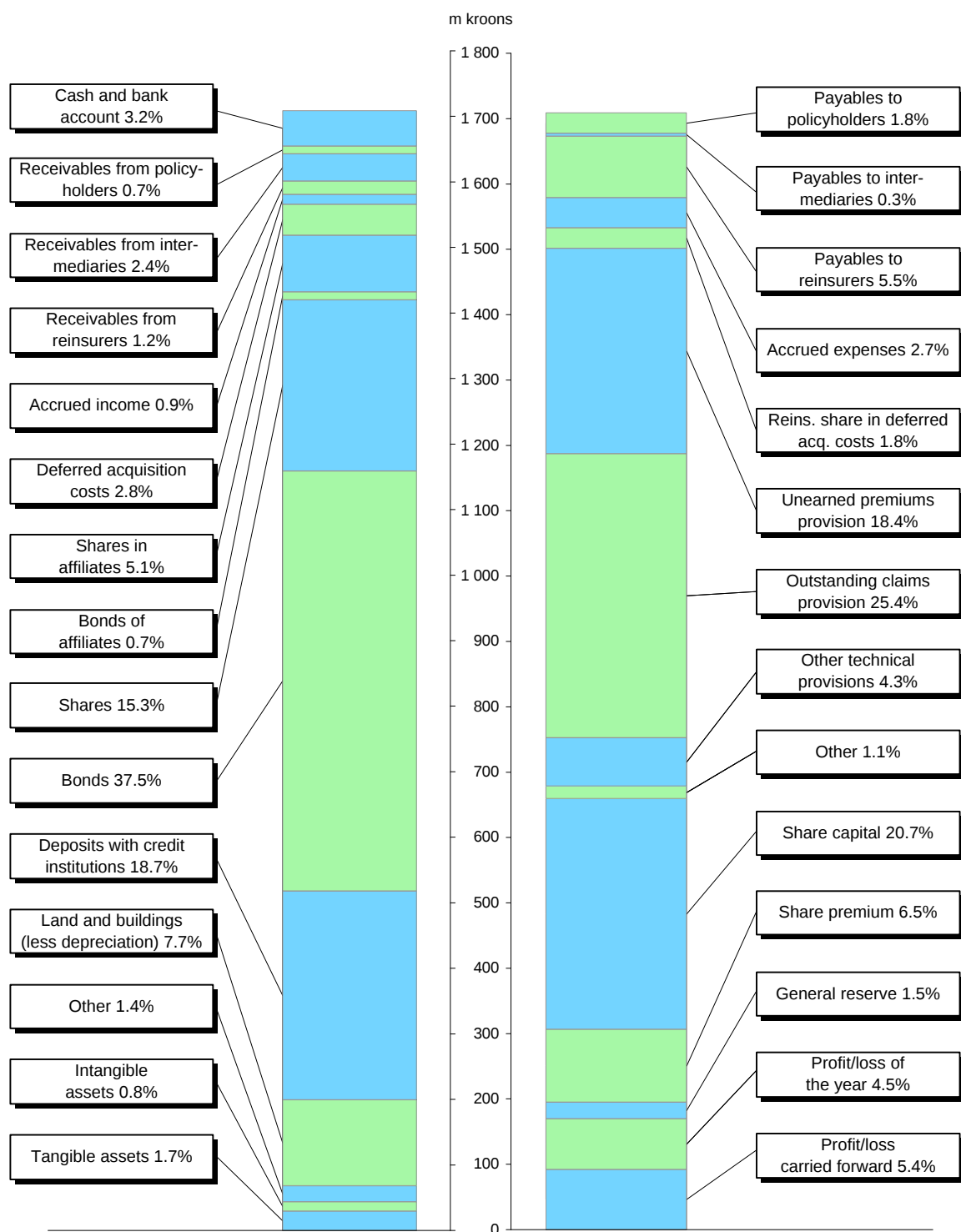
Insurance for pecuniary loss (26 million kroons)



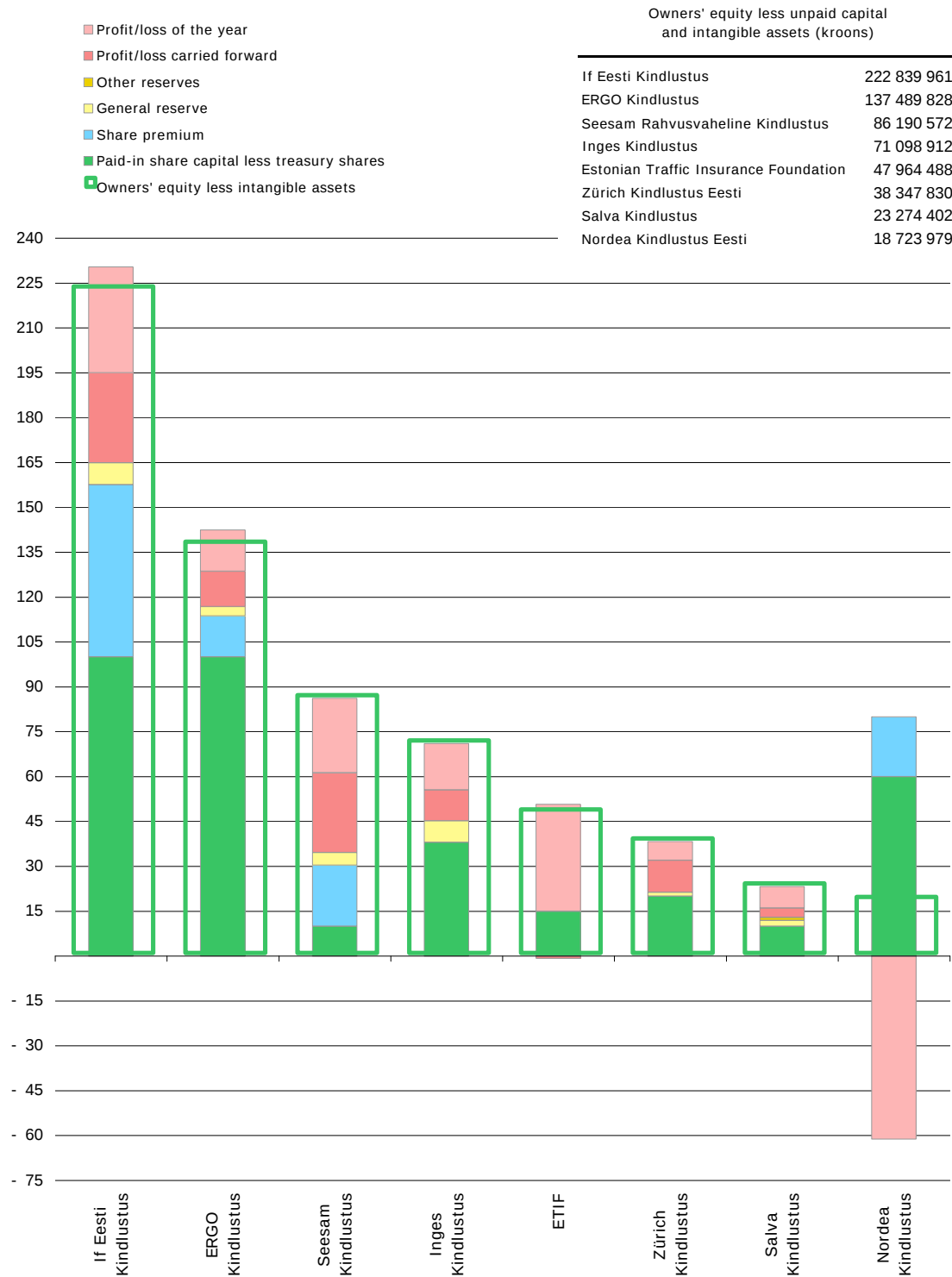
** until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordea Kindlustus Eesti AS)

Structure of assets and liabilities of non-life insurance companies, 31 December 2002

(Balance volume — 1.7 billion kroons)



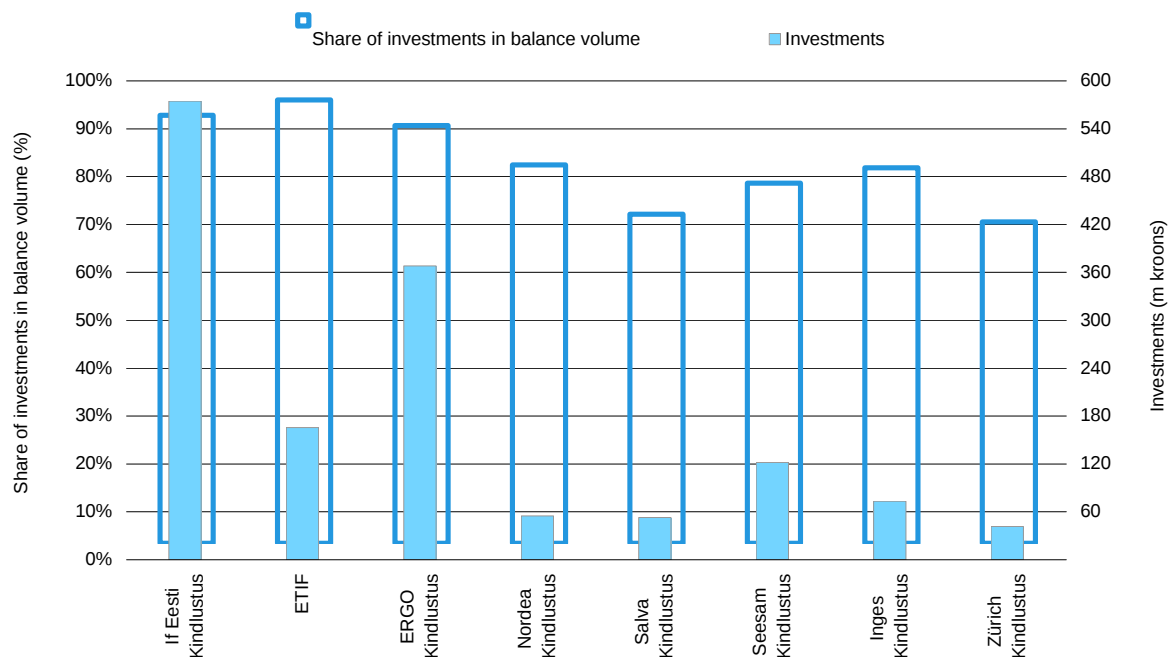
Components of owners' equity in non-life insurance, 31 December 2002 (million kroons)



Investment activity and technical provisions of non-life insurers

	1999		2000		2001		2002	
	th kroons	%	th kroons	%	th kroons	%	th kroons	%
Total investments, 31 December	969 244		1 126 484		1 199 441		1 453 485	
Land and buildings	171 910	18%	176 791	16%	145 033	12%	131 092	9%
Shares in affil. and assoc. companies	193 639	20%	142 045	13%	115 384	10%	86 563	6%
Debt securities of affil./assoc. companies	85 003	9%	68 088	6%	66 298	6%	11 950	1%
Shares	61 222	6%	80 967	7%	158 764	13%	261 319	18%
Bonds	244 209	25%	337 852	30%	391 625	33%	640 807	44%
Mortgage loans	24 332	3%	24 067	1%	17 318	1%	1 120	0%
Other loans	7 871	1%	1 314	0%	1 806	0%	1 841	0%
Deposits	180 544	18%	295 045	26%	303 030	25%	318 791	22%
Other investments	515	0%	314	0%	184	0%	3	0%
Technical provisions, 31 December	517 601		595 418		737 329		822 809	
Balance volume, 31 December	1 239 858		1 392 946		1 513 460		1 708 809	
Share of investments in balance volume	78%		81%		79%		85%	
Share of provisions in balance volume	42%		43%		49%		48%	
Investment income	103 808		52 277		67 485		62 478	
Investment expenses	58 615		41 540		74 748		11 583	

Volume of investments of non-life insurers and share in balance volume, 31 December 2002



Structure of investments of non-life insurers, 31 December 2002

[illegible]

COMMENTS TO RATIOS OF NON-LIFE INSURANCE

In all ratios the premiums have been decreased by mandatory transfers to ETIF (8% of motor TPL premiums, included in "Other technical charges" in P&L account) since these transfers do not participate directly in indemnification of losses arising from contracts concluded by insurers concerned.

Changes in other technical provisions are split between nominator and denominator according to their essence - changes in unexpired risk provisions (URP) have been added to denominator and changes in motor TPL pension provision (MPP) have been added to nominator.

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 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:

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

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

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

Reinsurers' loss ratio =

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

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

$$\text{Reinsurers' combined ratio} = \text{reinsurers' loss ratio} + \text{reinsurers' expense ratio}$$

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

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

$$\text{Net combined ratio} = \text{net loss ratio} + \text{net expense ratio}$$

$$\text{Gross payout ratio} = \frac{\text{total claims paid} + \text{claim handling expenses} - \text{subrogation}}{\text{gross premiums}}$$

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

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

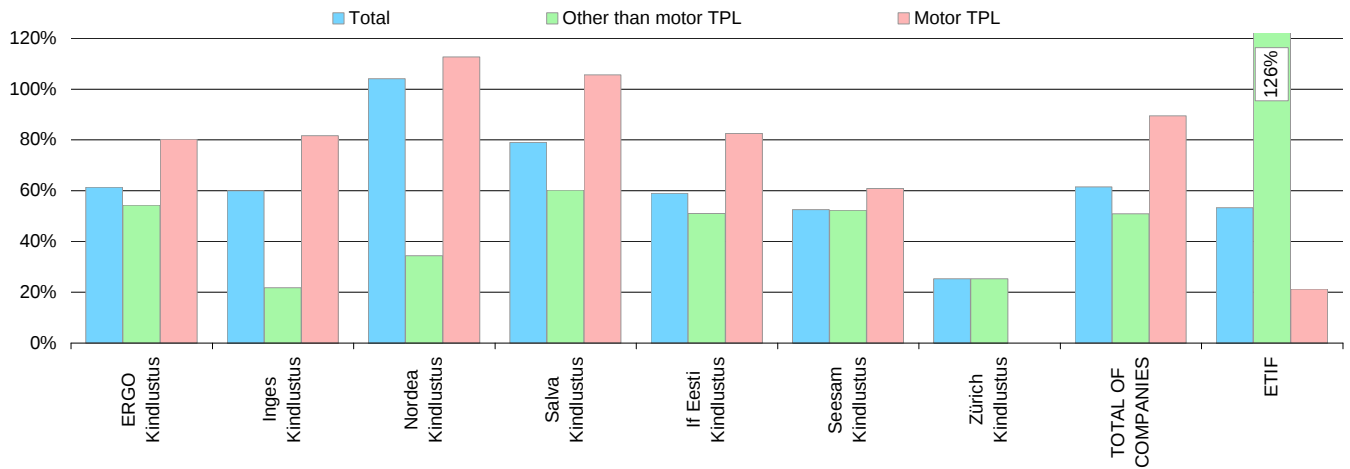
$$\text{Gross expense ratio (not adjusted by changes in DAC and UPP)} = \frac{\text{operating expenses} + \text{administrative expenses}}{\text{gross premiums}}$$

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

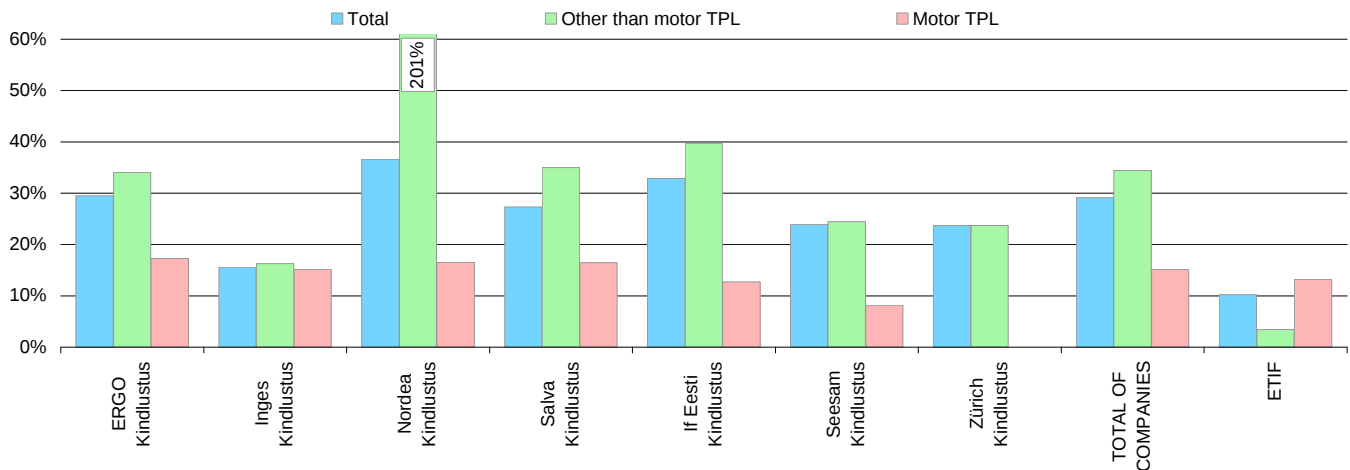
$$\text{Reinsurers' expense ratio (not adjusted by changes in DAC and UPP)} = \frac{\text{reinsurance commissions}}{\text{premiums ceded}}$$

Main ratios of non-life insurers (1)

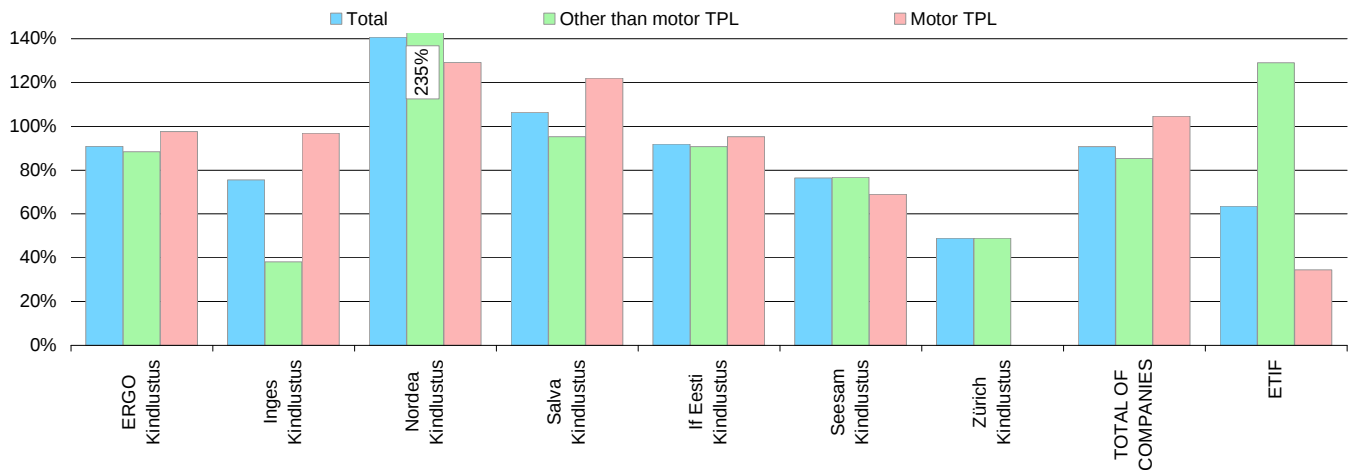
Gross loss ratio



Gross expense ratio

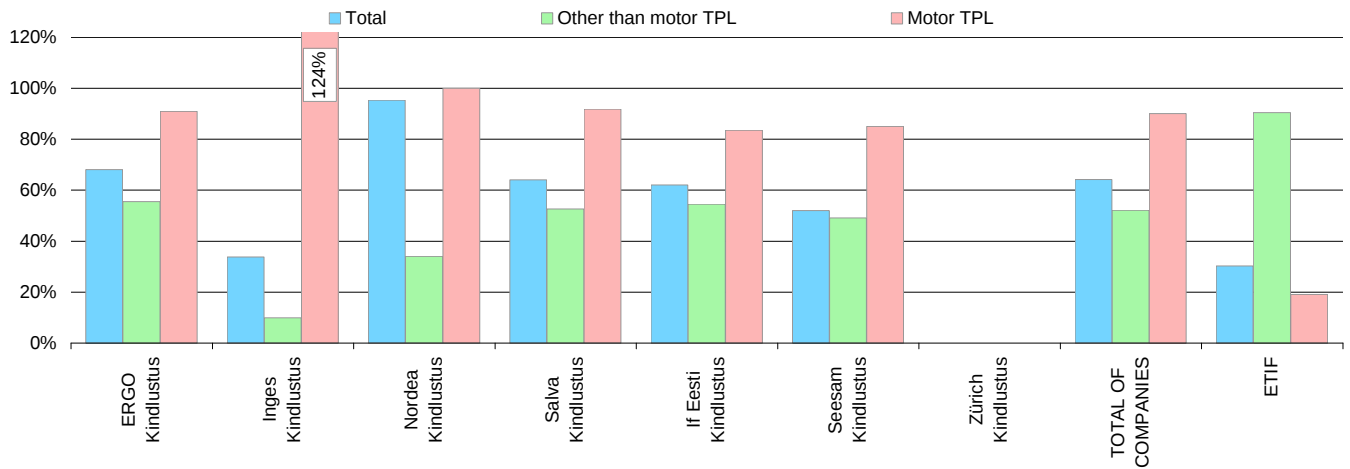


Gross combined ratio

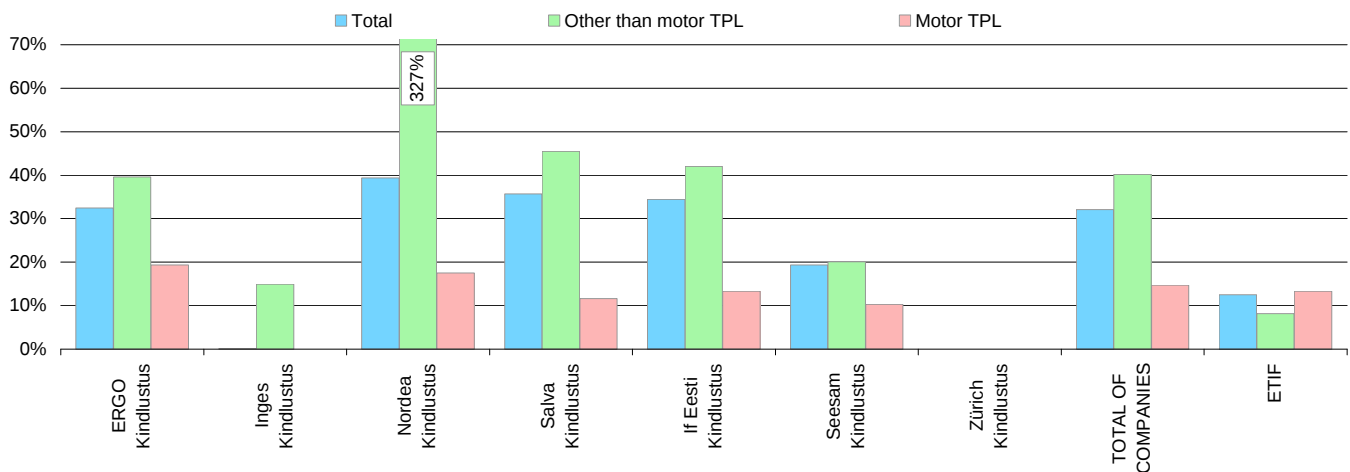


Main ratios of non-life insurers (2)

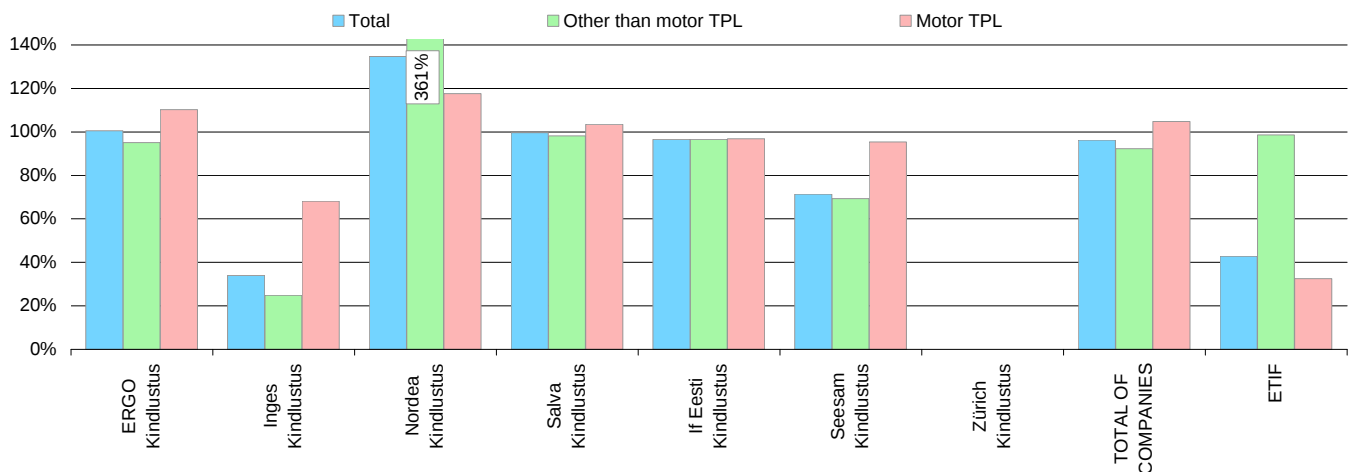
Net loss ratio



Net expense ratio

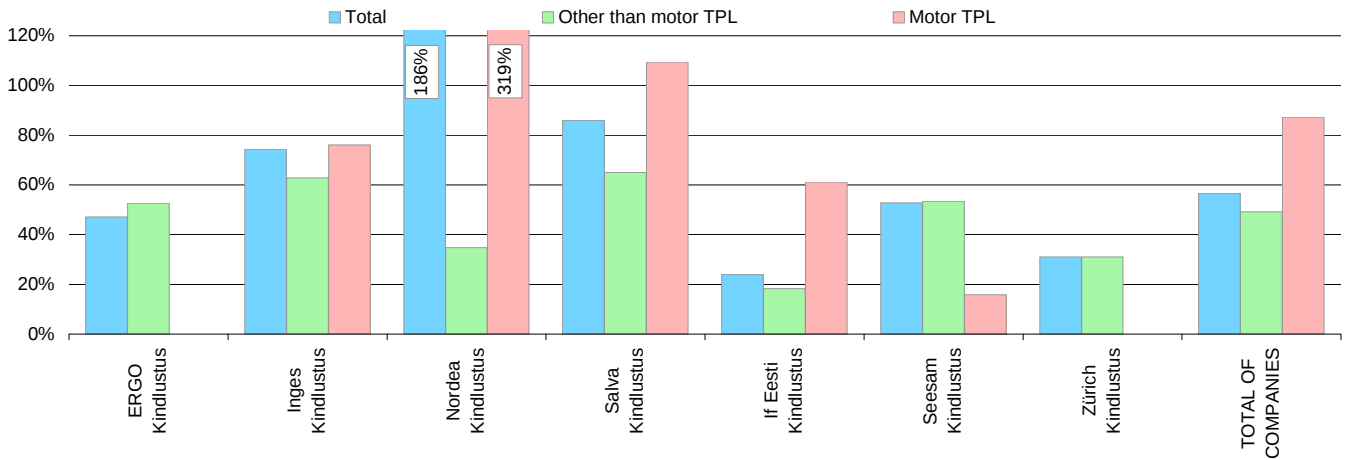


Net combined ratio

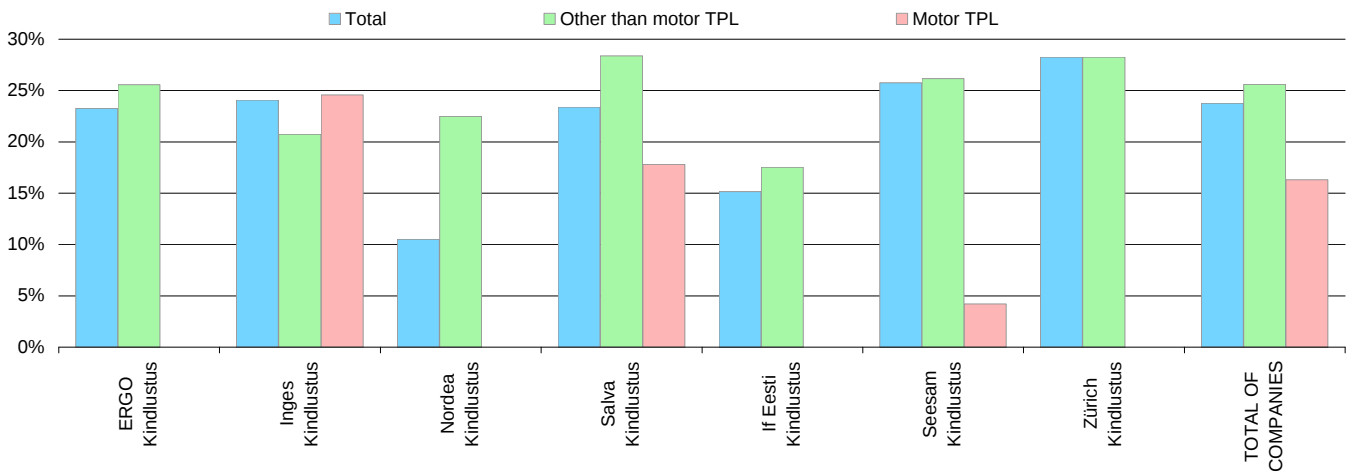


Main ratios of non-life insurers (3)

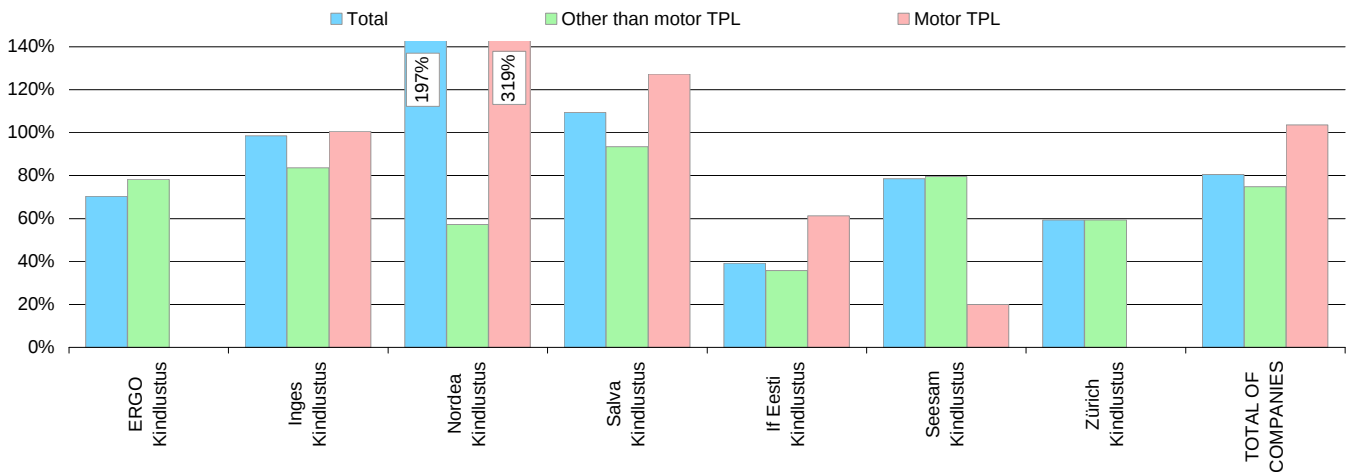
Reinsurers' loss ratio



Reinsurers' expense ratio

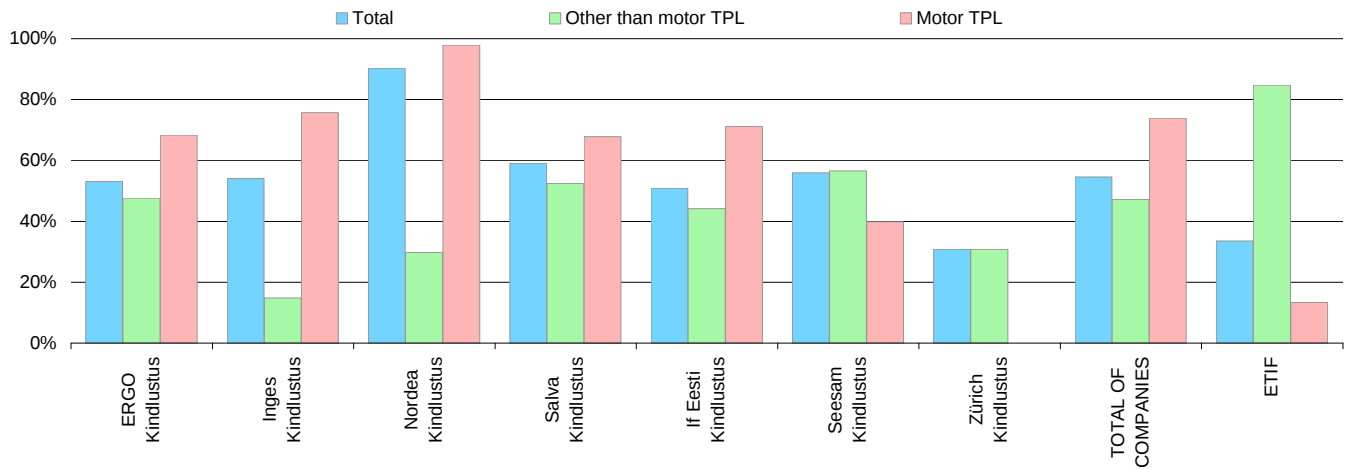


Reinsurers' combined ratio

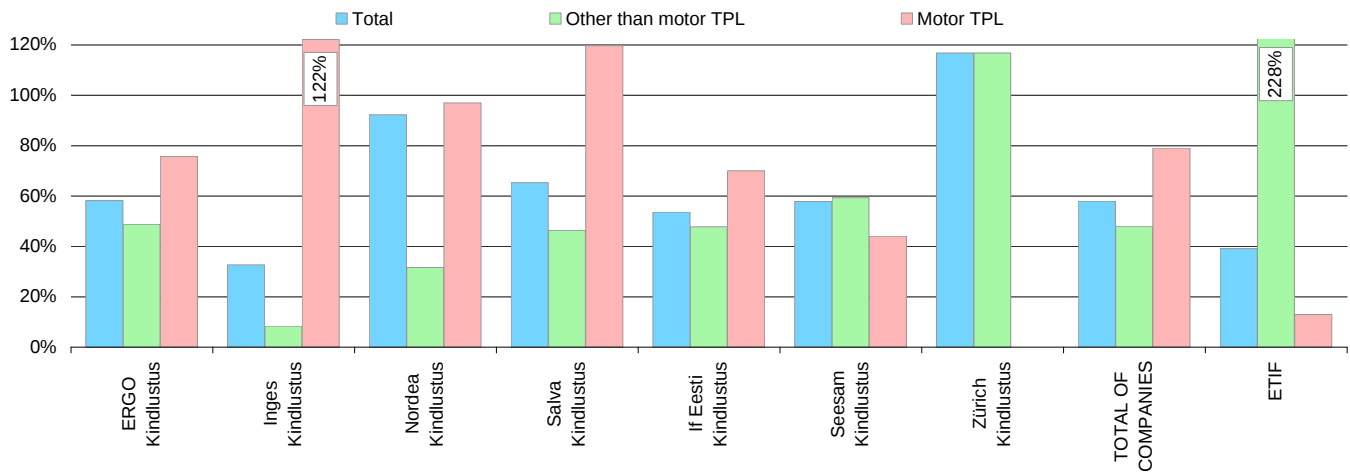


Main ratios of non-life insurers (4)

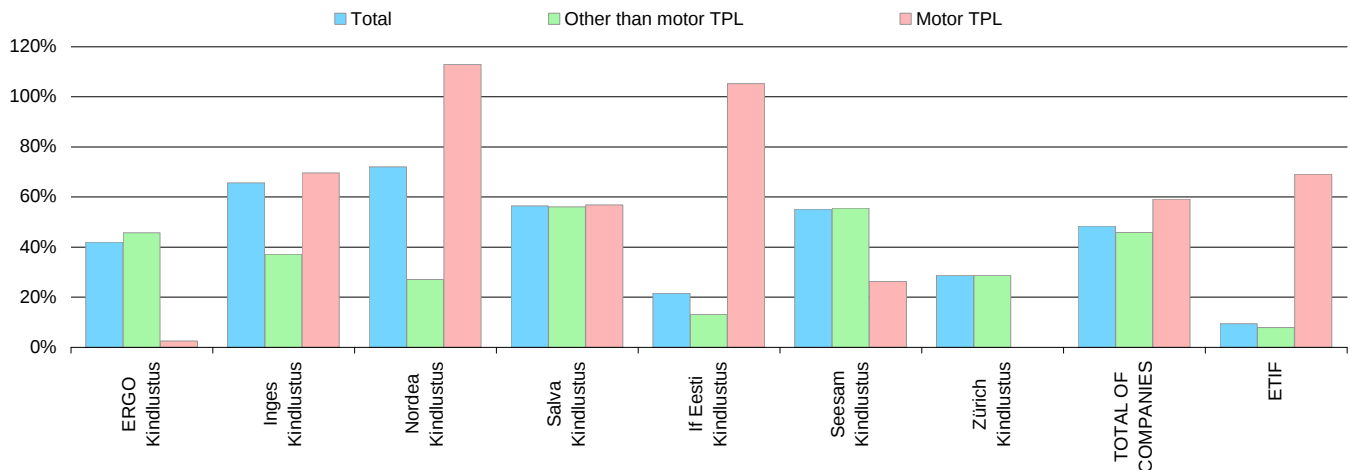
Gross payout ratio



Net payout ratio

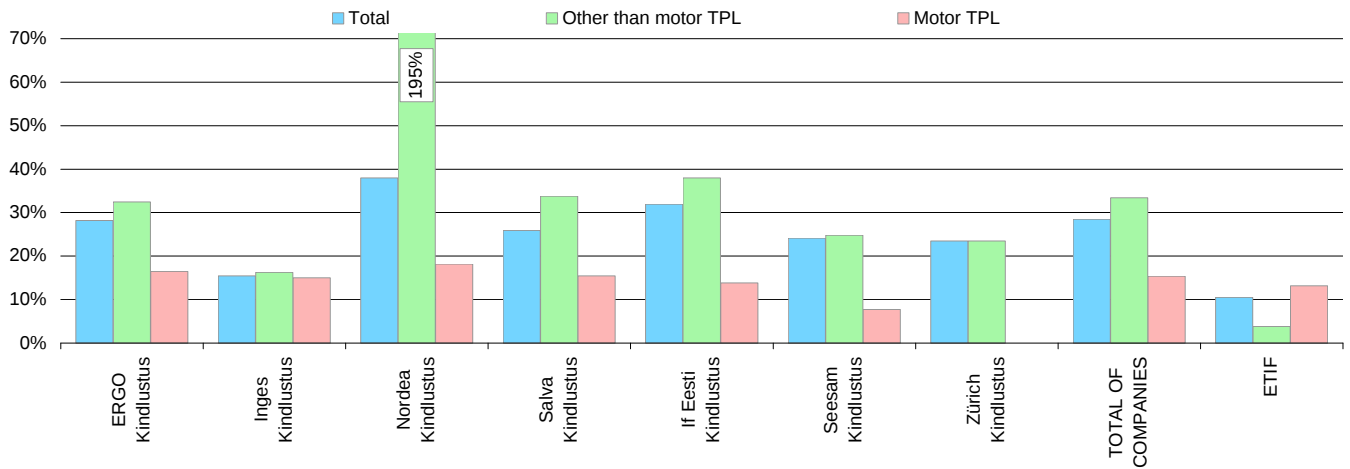


Reinsurers' payout ratio

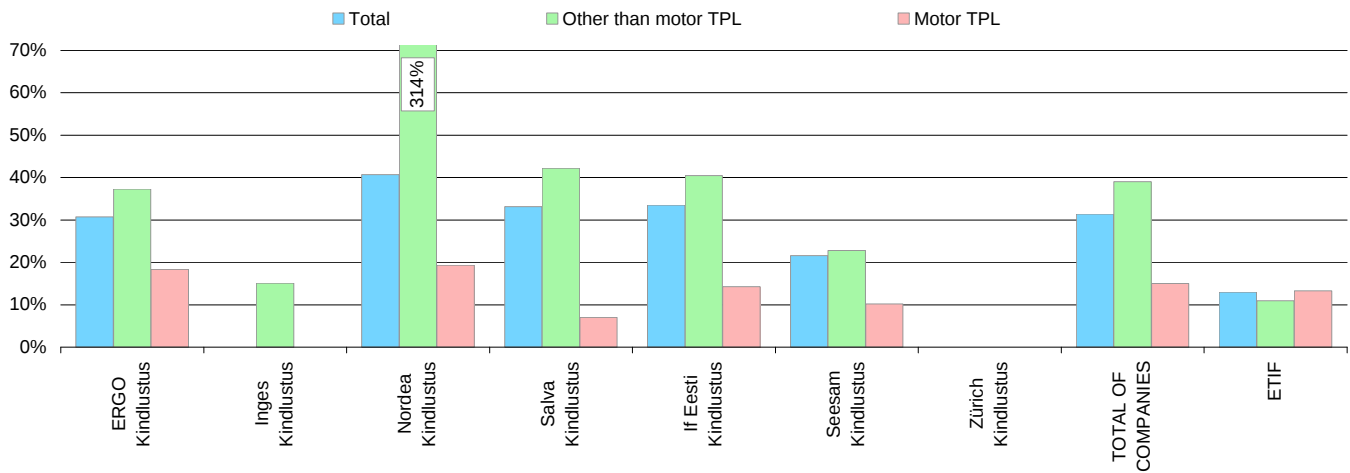


Main ratios of non-life insurers (5)

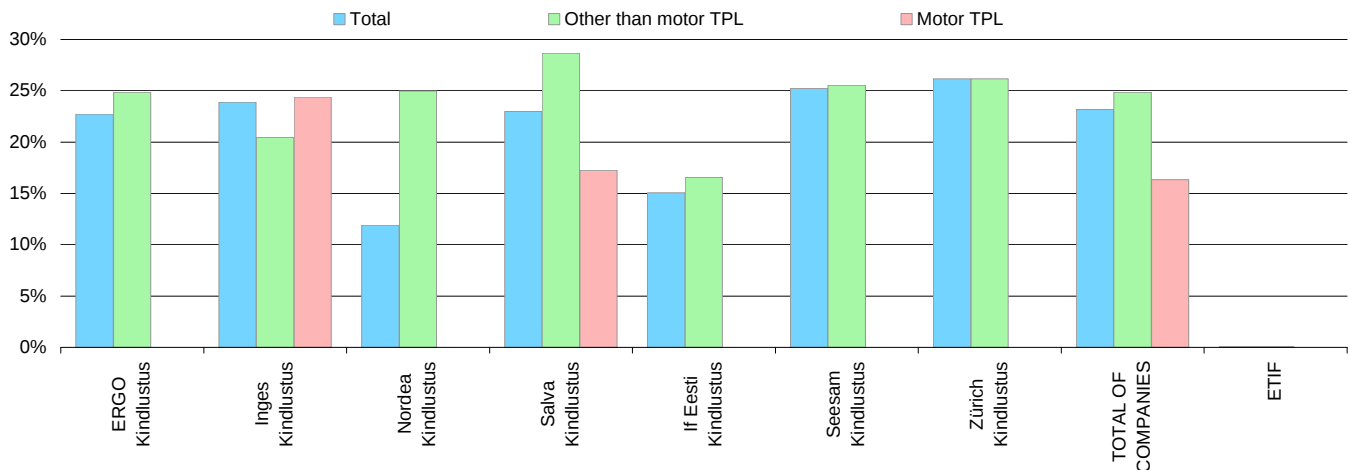
Gross expense ratio (not adjusted by change in DAC and UPP)



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

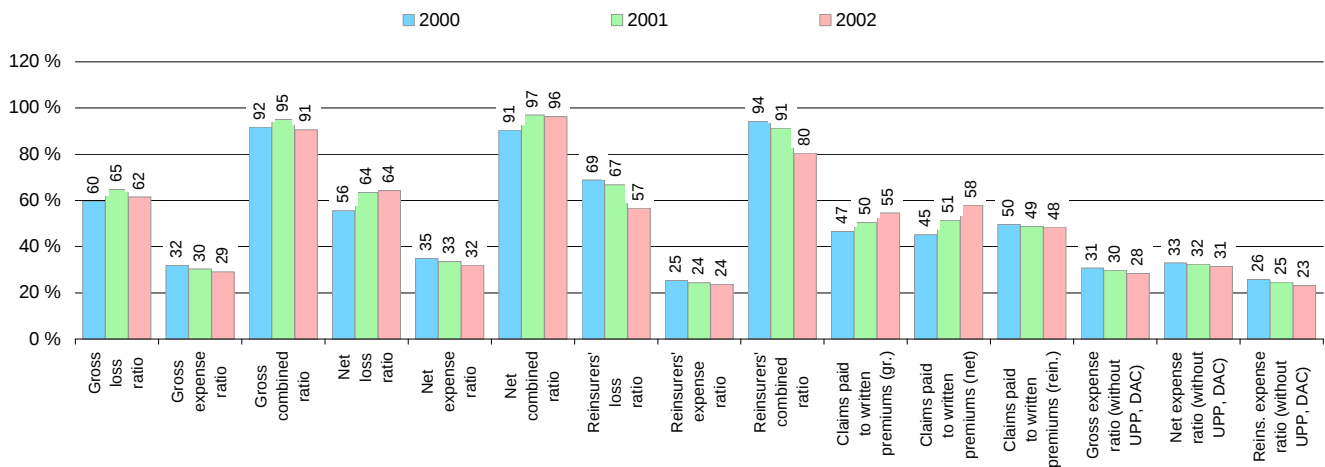


Reinsurers' expense ratio (not adjusted by change in DAC and UPP)

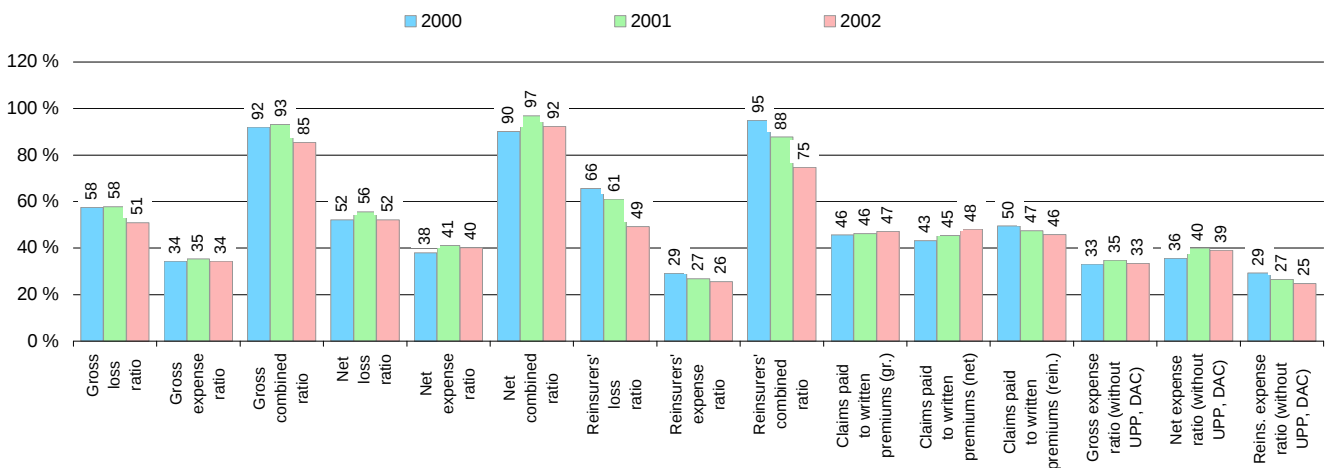


Non-life insurance ratios¹

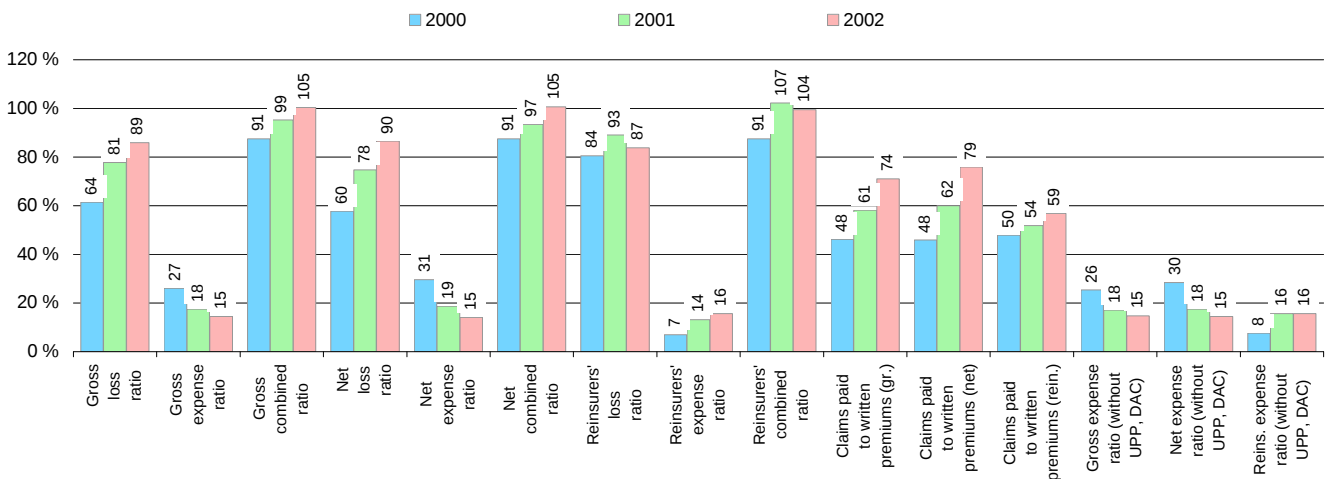
Total



Other than motor TPL



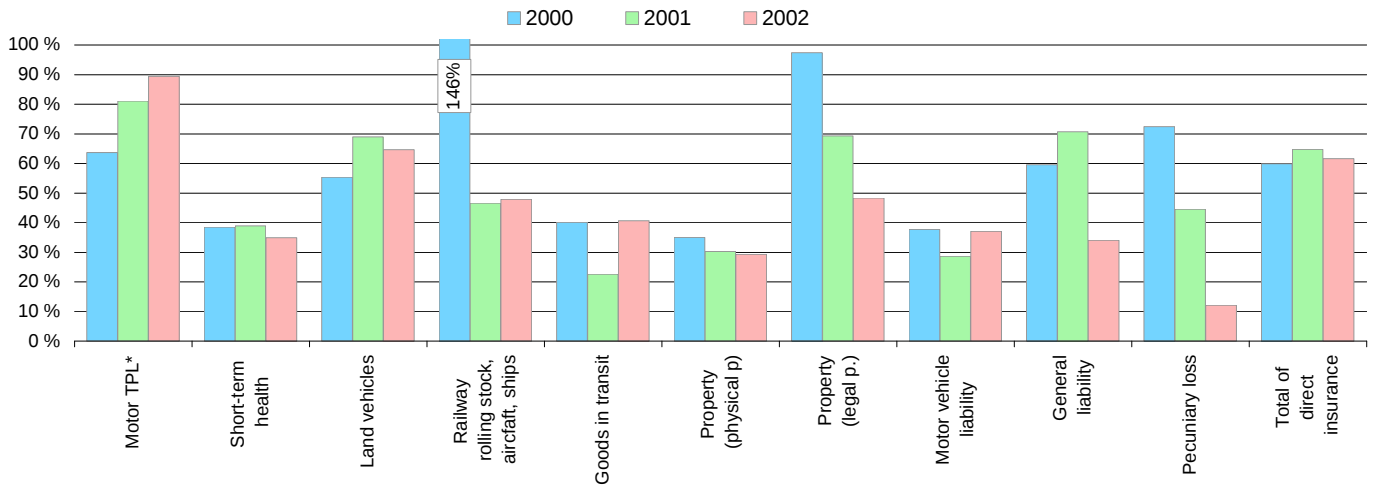
Motor TPL



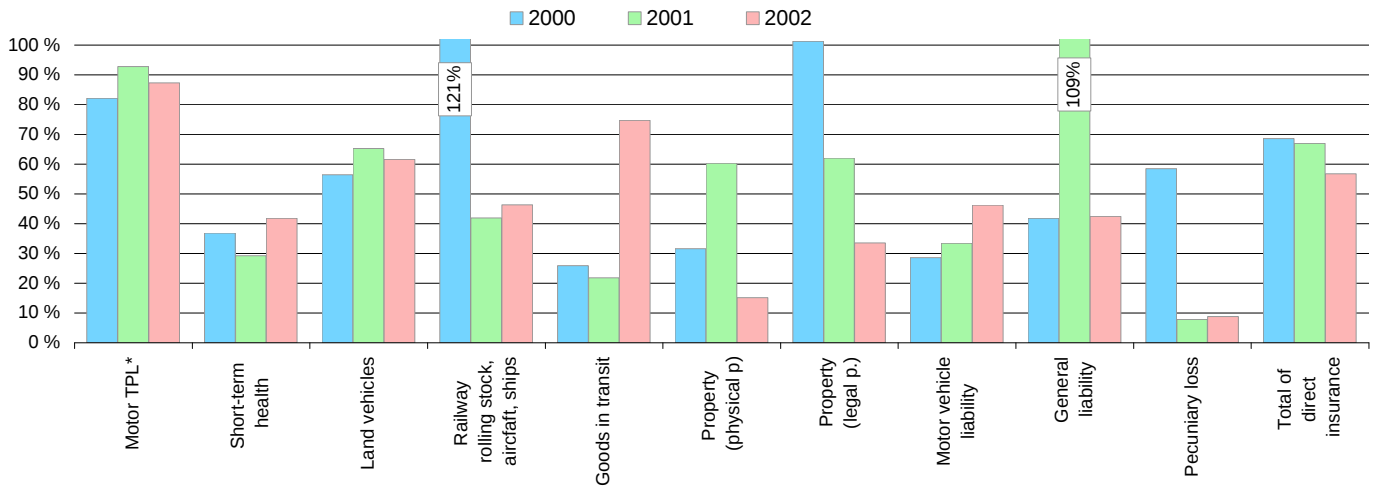
¹ The ratios do not include data of ETIF

Loss ratios of classes of business

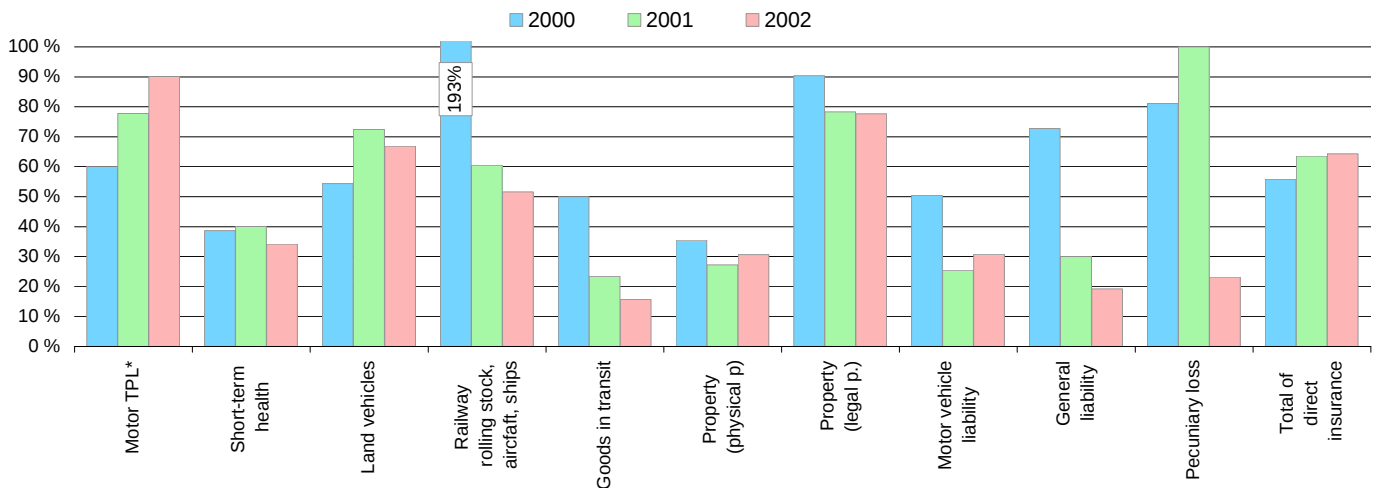
Gross loss ratio



Reinsurance loss ratio



Net loss ratio



* does not include ETIF

MOTOR THIRD PARTY LIABILITY INSURANCE, 2002

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 2002. In addition, the Estonian Traffic Insurance Foundation (further ETIF) acted as a sole insurer in border insurance, the Estonian National Bureau in an international motor TPL insurance business and also a 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 a reinsurer in motor TPL insurance.

The total volume of motor TPL premiums in 2002 was 516,7 million kroons (456,6 million kroons in 2001).

There were 366,948 annual contracts (i.e. contracts of different lengths are annualized) sold for vehicles registered in Estonia in 2002. According to data from state registers, there were 528,000 vehicles subject to motor TPL insurance. The percentage of insured vehicles registered in Estonia increased from 57.5% in 2001 to 63% in 2002.

In 2002, the average cost for client of an annualized domestic policy (i.e. excluding border insurance and Green Card) was the highest in the Seesam Rahvusvaheline Kindlustuse AS and the lowest in the AS If Eesti Kindlustus. It should be noted that this depends on the average duration of policies and the predominant types of vehicles.

Insurers were able to draw up tariffs of motor TPL insurance independently since the second half of 2001. In the course of an increased competition, the previously used tariffs proved to be slightly insufficient, which had an impact on the technical result of 2002. The overall loss from motor TPL insurance was 16 million kroons in 2002. In order to avoid further loss, the insurance companies had to adjust their tariffs, which caused the increased cost of daily insurance cover in 2002.

Table 2. Cost of daily insurance cover in domestic insurance by classes of vehicle

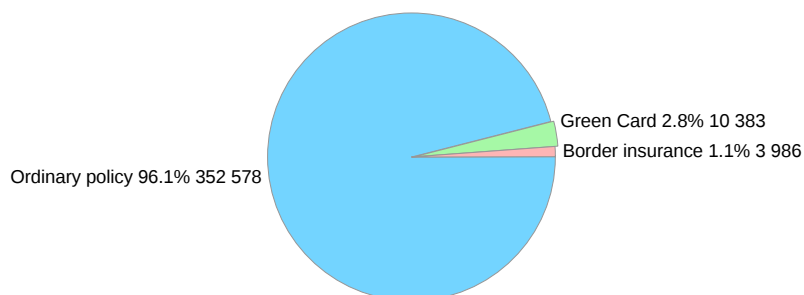
	Buses	Motorcycles	Cars	Trucks	Lorries	Vans	TOTAL
1998	6,32	1,07	3,14	5,96	4,22	3,39	3,00
1999	6,86	0,56	3,14	5,71	3,78	3,01	2,93
2000	5,67	0,32	3,20	7,19	3,40	3,58	2,98
2001	4,41	0,84	2,93	8,17	4,43	3,85	2,83
2002	5,20	1,19	3,43	7,55	4,66	4,19	3,24

The total volume of technical provision in motor TPL insurance was 461,6 million kroons at the end of 2002 (reinsurers' share being 176,4 million kroons), thereof the unearned premiums comprised 117 million kroons (reinsurers' share being 23,3 million kroons), the outstanding claims provision 290,7 million kroons (reinsurers' share being 115,7 million kroons) and traffic pension provisions 53,9 million kroons (reinsurers' share being 37,4 million kroons).

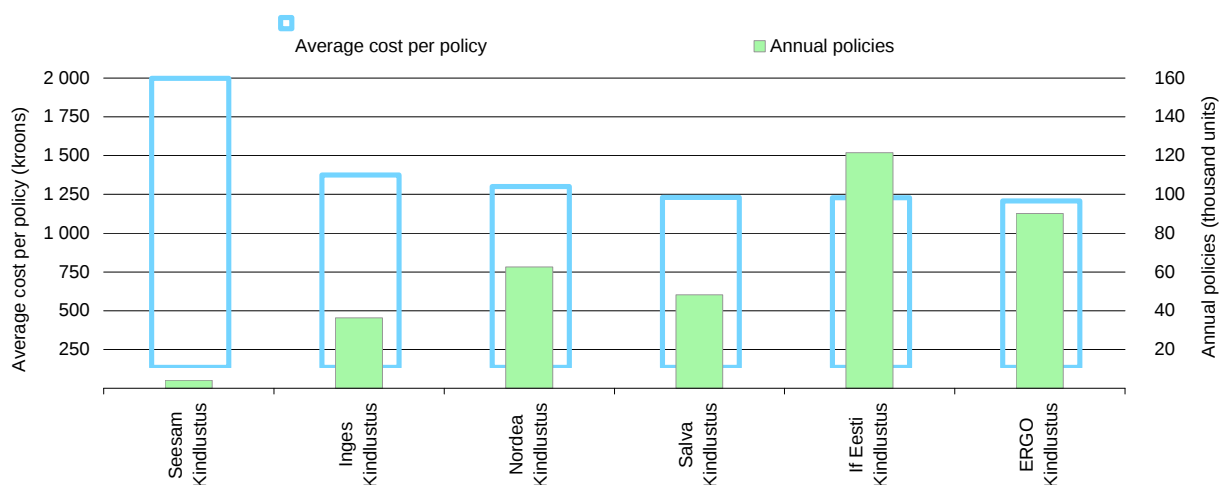
Insurance market and its breakdown, 1998—2002

	Motor-cycles	Cars	Trucks, trailers and vans	Tractors	Trailed vehicles	Buses	TOTAL
Number of vehicles (31 December, thousand units)							
1998	6	451	81	51	51	6	646
1999	7	459	81	51	52	6	656
2000	7	464	82	51	52	6	662
2001	7	407	81	52	52	6	605
2002	7	401	80	40	49	5	582
Annual policies (units)							
1998	1 500	237 058	45 471	17 914	21 748	3 801	327 492
1999	1 652	258 833	49 025	19 714	24 474	3 567	357 265
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
Percentage of insurance (%)							
1998	25	53	56	35	43	63	51
1999	24	56	61	39	47	59	54
2000	20	51	48	20	41	54	47
2001	20	66	50	22	46	60	58
2002	25	69	55	33	58	70	63

Number of annual policies and structure by classes of policies, 2002 (Total — 366 947 annual policies)



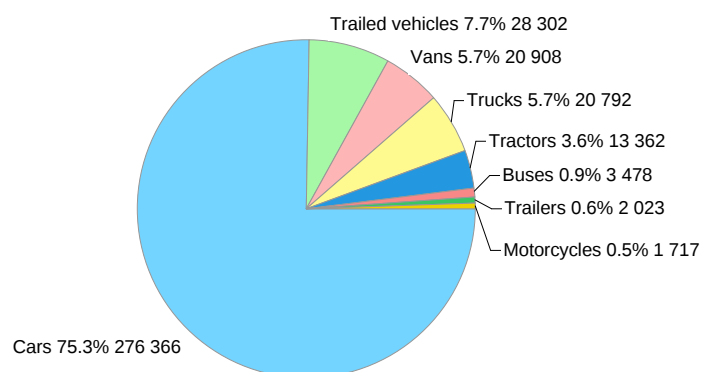
Number of domestic annual policies concluded and their average cost for customers, 2002



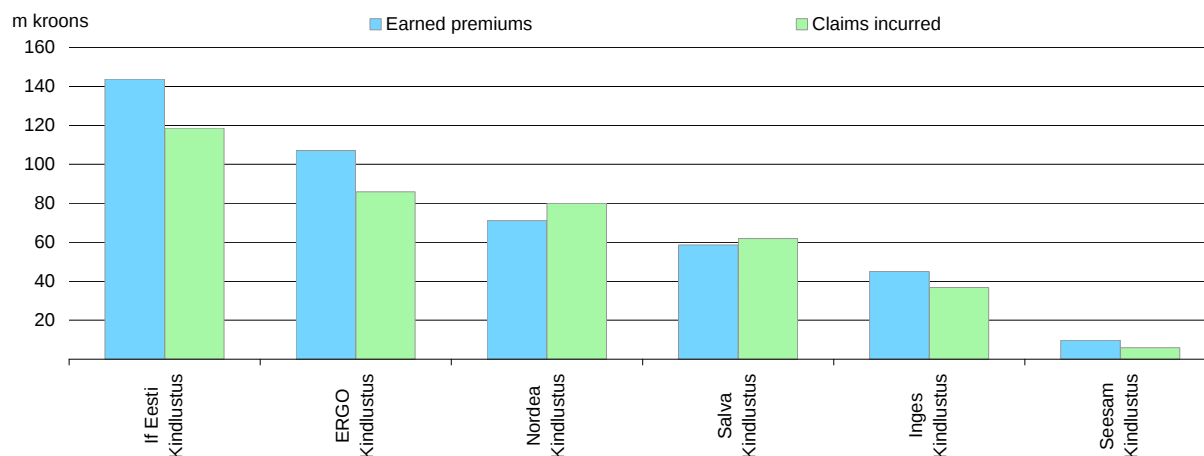
The structure of insured vehicles by the duration of policy in domestic insurance industry, 2002

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%	0.1%	0.2%	0.4%	0.9%
Trailed vehicles	0%	0%	0.3%	0.3%	2.9%	4.2%
Motorcycles	0%	0%	0%	0.1%	0.3%	0.4%
Cars	2.5%	8.2%	15.6%	26.1%	29.3%	81.7%
Tractors	0%	0%	0%	0.1%	1.5%	1.6%
Trailers	0%	0%	0.1%	0.2%	0.2%	0.6%
Trucks	0.5%	1.1%	0.9%	1.3%	2.2%	6.0%
Vans	0%	0.1%	0.8%	1.4%	2.3%	4.6%
TOTAL	3.1%	10.4%	17%	29.7%	39.1%	100%

Number and structure of annual policies in domestic insurance by type of vehicles, 2002 (Total — 366 947 annual policies)



Earned premiums and claims incurred of motor TPL insurance by insurance companies, 2002



Earned premiums = motor TPL gross premiums - 8% 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, 2002

	ERGO Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus	If Eesti Kindlustus	Seesam Rahvus- vaheline Kindlustus	TOTAL insurance companies	Estonian Traffic Insurance Foundation	TOTAL
Structure of premiums by policy types:									
TOTAL	24%	9%	15%	15%	31%	2%	96%	4%	100%
- Domestic insurance	19%	8%	14%	11%	26%	1%	79%		79%
- International policies (Green Card)	5%	1%	1%	4%	5%	1%	17%		17%
- Border insurance								4%	4%
Gross premiums (thousand kroons)	112 437	45 284	71 782	66 608	148 933	10 265	455 309	61 246	516 556
Reinsurers' share in gross premiums (thousand kroons)	11 413	40 006	4 078	54 983	4 726	2 459	117 667	405	118 072
Structure of paid indemnities:									
TOTAL	22%	10%	20%	12%	30%	1%	95%	5%	100%
- Personal loss	2%	1%	1%	1%	2%	0%	7%	1%	8%
incl medical expenses	1%	1%	1%	1%	2%	0%	6%	1%	7%
temporary disability	0%	0%	0%	0%	0%		0%	0%	0%
permanent disability	0%	0%	0%	0%	0%		0%	0%	0%
family pension	1%	0%	0%	0%	0%		1%	0%	1%
funeral expenses	0%	0%	0%	0%	0%		0%	0%	0%
other	0%	0%	0%	0%	0%		0%	0%	0%
- Property loss	20%	9%	19%	11%	28%	1%	88%	4%	92%
incl vehicles	19%	9%	18%	10%	27%	1%	84%	3%	87%
personal articles	0%	0%	0%	0%	0%		0%	0%	0%
road, road constructions	0%	0%	0%	0%	0%	0%	0%	1%	1%
cargo	0%	0%	0%	0%	0%		0%		0%
other	1%	0%	1%	1%	1%	0%	4%	0%	4%
legal assistance and expertise	0%	0%	0%	0%	0%	0%	0%	0%	0%
Claims paid (thousand kroons)	76 847	34 303	70 301	45 175	106 066	4 087	336 779	8 174	344 953
(claims paid = indemnities + handling costs - subrogations)									
- Paid indemnities	71 563	33 647	65 244	39 446	99 735	4 144	313 781	10 660	324 441
- Handling costs	10 765	1 530	8 532	6 878	14 733	127	42 565	2 553	45 118
- Subrogations	5 481	874	3 476	1 149	8 402	184	19 566	5 040	24 606
Reinsurers' share in paid claims (thousand kroons)	295	27 854	4 607	31 249	4 980	648	69 633	280	69 914

INSURANCE MARKET IN BALTIC COUNTRIES, 2002

In 2002 the total of gross premiums of the Baltic countries was 8,5 billion kroons¹ (in 2001 this figure was 6,6 billion kroons), thereof 82.5% were received from non-life insurance, 14.0% from life insurance, and 3.4% from accepted reinsurance business (figure 83).

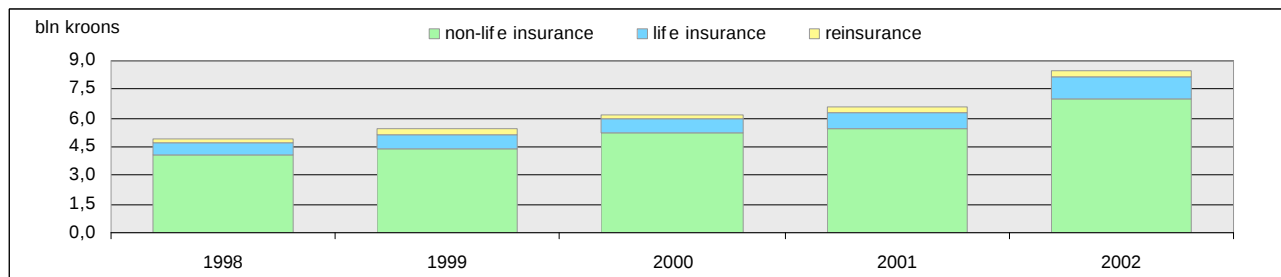


Figure 83. Gross premiums of the Baltic countries, 1998—2002

In 2002 the volume of direct gross premiums in the Baltic countries increased by more than a quarter (29.8%), whereas in all three countries the growth of insurance market was substantially faster than in the previous year. The volume of direct gross premiums increased 21.4% in Estonia, 3.1% in Latvia, and 73.2% in Lithuania. In 2001 the respective rates were as follows: 11.9% of growth in Estonia, 0.3% of decrease in Latvia, and 10.6% of growth in Lithuania.

Both life and non-life insurance business played substantial role in the development of the rapidly increased Lithuanian insurance market. Major players behind the 77.8% growth of non-life insurance were the adoption of the compulsory motor TPL insurance law on 14 June 2001 and its enforcement since 1 April 2002. As a result, in 2002 the share of motor TPL insurance formed 32.7% of direct gross premiums in Lithuania (the share of the voluntary motor liability insurance had been 14.2% in 2001). In Estonia and Latvia the shares of the motor TPL insurance business of direct gross premiums were 23.9% and 25.4%, respectively. The 55.5% growth in Lithuanian life insurance market was facilitated by amendments to the law regarding the taxation of life insurance benefits.

Consequently, the leading position in the Baltic insurance market was passed over from Latvia to Lithuania, which is also natural when comparing the size and the population of all three countries. In 2002 the shares of individual countries in the Baltic direct insurance market were as follows (based on the volume of gross premiums): Lithuania 40.9%, Latvia 32.6% and Estonia 26.5% (figure 84).

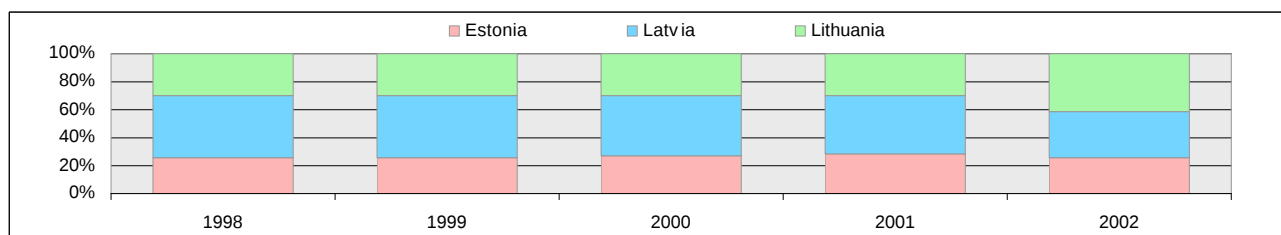


Figure 84. Division of gross premiums in the Baltic countries, 1998—2002

¹ Hereinafter: data in Latvian latts (LVL) and Lithuanian latts (LTL) has been translated into Estonian kroons. In 2002 the average exchange rates were: 1 LVL = 26,9556 EEK and 1 LTL = 4,5224 EEK

In case of the growth of gross premiums we must distinguish between nominal and actual growth of premiums. In 2002 both the nominal and actual growth of premiums were positive and bigger than in 2001 in all three Baltic countries (figure 85).

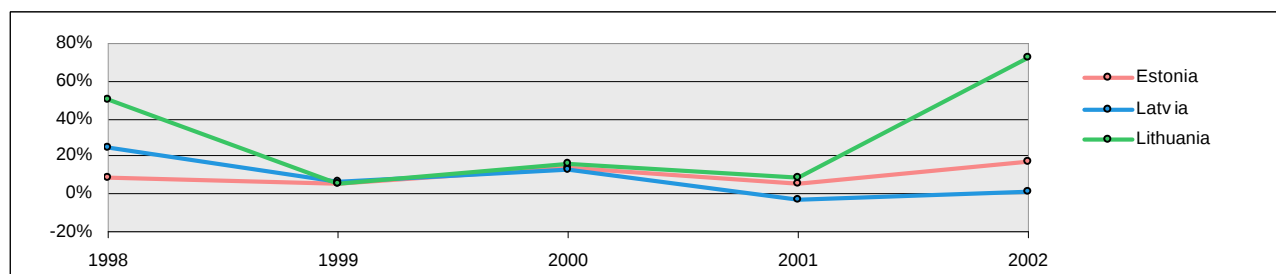


Figure 85. Annual actual growth of gross premiums in the Baltic countries, 1998—2002

In Estonia the actual growth rate of gross premiums was 17.2% in 2002 (5.7% in 2001). The respective rate was 21.0% in life insurance and 16.2% in non-life insurance. The volume of direct premiums at 1997 constant prices increased 61.1% during the last five years, whereas the volume of non-life premiums increased 45.6% and that of life premiums almost three times.

In Latvia the actual growth rate of gross premiums was 1.2% in 2002 (decrease of 2.7% in 2001), whereas non-life premiums increased 0.7% (decrease of 2.5% in 2001) and life premiums increased 13.4% (decrease of 7.7% in 2001). The volume of direct premiums at 1997 constant prices increased 48.5% in Latvia during the last five years, whereas the volume of non-life premiums increased 58.3% and that of life premiums decreased 37.8%.

In Lithuania the actual growth rate of gross premiums was exceptionally big in 2002 – 72.7% (9.2% in 2001), whereas the growth was significant both in the volume of non-life and that of life gross premiums. The actual growth of life premiums was 55.1% (23.7% in 2001). The respective rate in non-life sector was 77.3% (5.9% in 2001). Due to the rapid development of insurance market in 2002, the volume of direct premiums at 1997 constant prices increased 3,5 times in Lithuania during the last five years, thus the growth being significantly bigger than in Estonia or Latvia. Non-life premiums increased approximately 3,7 times and life premiums 2,9 times.

The number of insurance companies in the Baltic countries was 63 in 2002; 20 of them were life insurers. In Lithuania the total number of insurance companies remained unchanged. In Estonia the total number decreased by a life insurer and in Latvia by a non-life insurer.

In 2002 the total number of insurers with foreign shareholders was 36 in the Baltic countries; 10 of them were in Estonia, 10 in Latvia and 16 in Lithuania. The total number increased during the year by two companies – both Latvia and Lithuania got a non-life insurer with foreign shareholders. Though the number of insurance companies with foreign shareholders remained the same in Estonia, the direct foreign participation increase the most in Estonia, being higher than in Latvia and Lithuania at the end of 2002. Nevertheless, the market share controlled by nonresidents was more or less equal in Estonia and in Lithuania – approximately 72%. In Latvia the respective rate was considerably lower – 47.3% (figure 86).

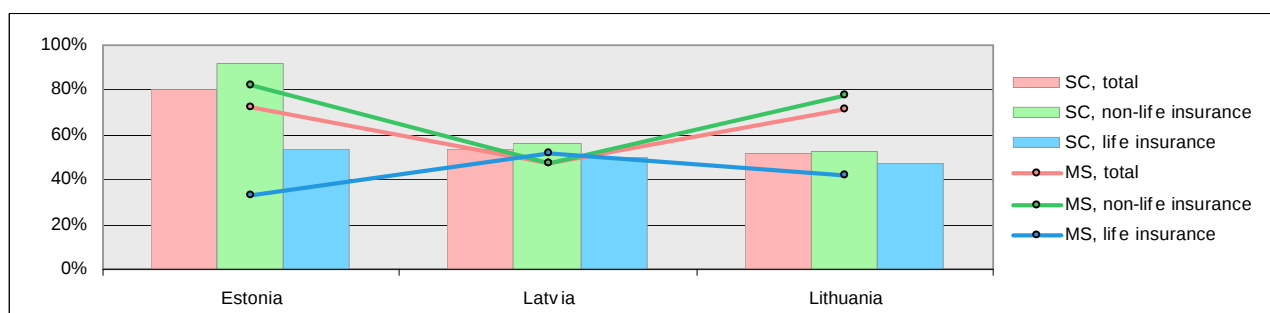


Figure 86. Foreign participation in share capital (SC) and the market share (based on gross premiums) controlled by nonresidents (MS), 2002

The relative importance of life and non-life insurance in each country is calculated on the basis of direct gross premiums. 85.5% of direct gross premiums of the Baltic countries were collected from non-life insurance and 14.5% from life insurance. In 2002 the relative importance of life insurance was 20.6% of gross premiums in Estonia; in Lithuania the respective ratio was 18.8%. In Latvia the relative importance of life insurance increased during the year from 3.8% to the level of 4.3%, thus reversing the former trend of decrease.

The relative importance of reinsurance in total gross premiums was the following: in Estonia 1.1% (2.7% in 2001), in Latvia 4.0% (4.7% in 2001) and in Lithuania 4.4% (7.4% in 2001). Thus, the relative importance of gross premiums accepted for reinsurance business decreased in all three Baltic countries (figure 87).

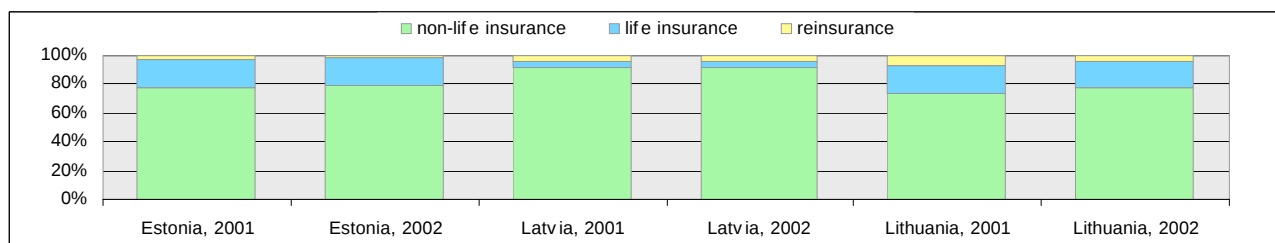


Figure 87. Division of gross premiums between life insurance, non-life insurance and reinsurance, 2001—2002

The development level of insurance is well characterized by the volume of direct premium per person, i.e. how much people spend on insurance in average. In 2002 the volume of direct gross premiums per person was 1,593 kroons in Estonia, 1,145 kroons in Latvia and 966 kroons in Lithuania. In Estonia the average spending on insurance increased by 286 kroons in 2002, in Latvia the respective raise in spending was 43 kroons and in Lithuania 410 kroons.

Despite the developments in the insurance sector, the relative importance of insurance business was still quite moderate in national economies of the Baltic countries. The ratio of direct gross premiums to GDP (insurance penetration) increased in 2002 to the level of 2.0% in Estonia. In Latvia the respective ratio was 1.9% and in Lithuania 1.5%.

Economy and insurance of Baltic Countries, 2002

	Estonia	Latvia	Lithuania
GDP at current prices (million USD)	6 505	8 406	13 798
GDP at current prices (million EUR)	6 904	8 910	14 643
Average population (thousand)	1 359	2 339	3 469
Number of insurers, 31 Dec.	13*	20	31
incl. non-life insurance	8*	14	22
life insurance	5	6	9
Foreign ownership, direct (% of share capital), 31 Dec.	80	54	52
non-life insurance companies	92	56	53
life insurance companies	53	50	47
Number of insurance brokers, 31 Dec.	14	29	95
Gross premiums (million USD)	131.8	167.5	211.1
incl. non-life insurance	103.5	153.9	163.7
life insurance	26.9	6.9	38.0
reinsurance	1.4	6.7	9.4
Gross premiums (million EUR)	139.9	177.5	224.0
incl. non-life insurance	109.8	163.1	173.7
life insurance	28.5	7.3	40.3
reinsurance	1.6	7.1	10.0
Growth of gross premiums** (%)	19.5	6.1	62.2
incl. non-life insurance	18.0	5.6	65.1
life insurance	25.3	19.8	50.3
reinsurance	-50.6	-9.3	-2.4
Real change in gross premiums** (% of previous year)	15.3	4.2	61.7
incl. non-life insurance	13.9	3.7	64.6
life insurance	21.0	17.5	49.8
reinsurance	-52.3	-11.0	-2.7
Direct gross premiums per capita (USD)	96	69	58
incl. non-life insurance	76	66	47
life insurance	20	3	11
Direct gross premiums per capita (EUR)	102	73	62
incl. non-life insurance	81	70	50
life insurance	21	3	12
Insurance penetration (%)	2.0	1.9	1.5
incl. non-life insurance	1.6	1.8	1.2
life insurance	0.4	0.1	0.3

* incl. Estonian Traffic Insurance Foundation

** basic data in EEK, LTL and LVL

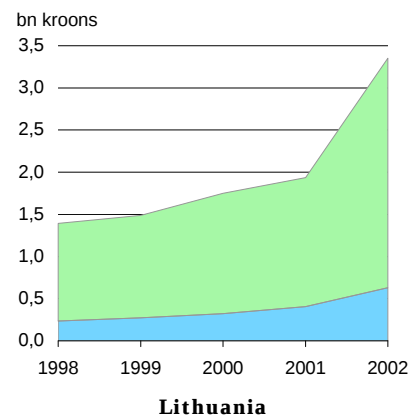
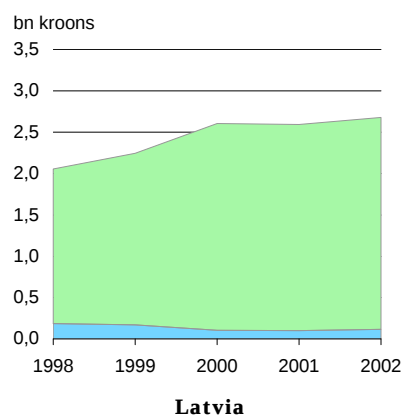
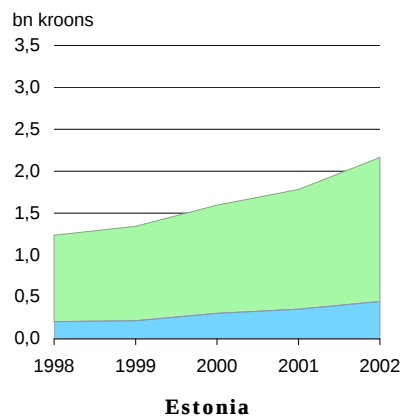
Life and non-life insurance market in Baltic Countries, 1998—2002*

	1998		1999		2000		2001		2002	
	Non-life (%)	Life (%)	Non-life (%)	Life (%)	Non-life (%)	Life (%)	Non-life (%)	Life (%)	Non-life (%)	Life (%)
Estonia	83,3	16,7	83,9	16,1	80,9	19,1	80,0	20,0	79,4	20,6
Latvia	90,9	9,1	92,5	7,5	96,0	4,0	96,2	3,8	95,7	4,3
Lithuania	83,2	16,8	81,7	18,3	81,5	18,5	79,0	21,0	81,2	18,8

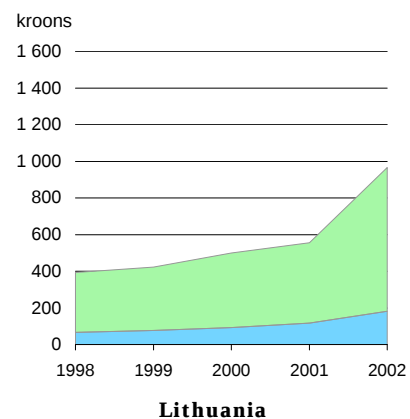
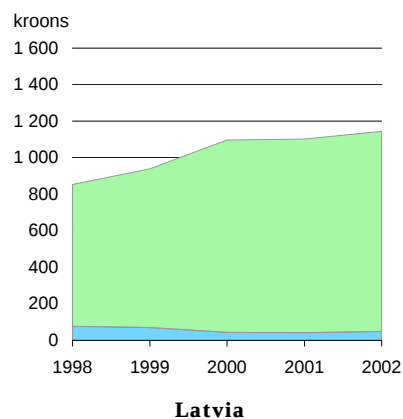
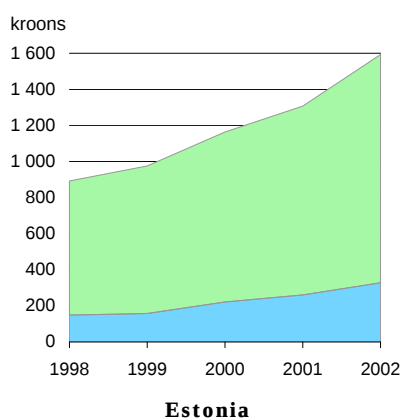
* Only direct insurance

Insurance market in Baltic Countries, 1998—2002

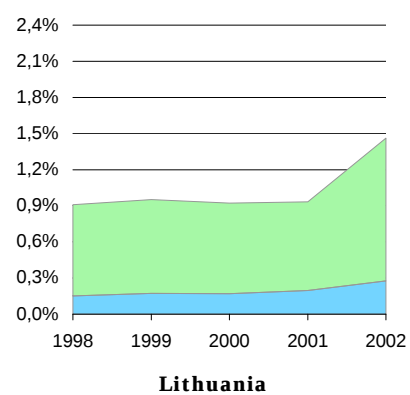
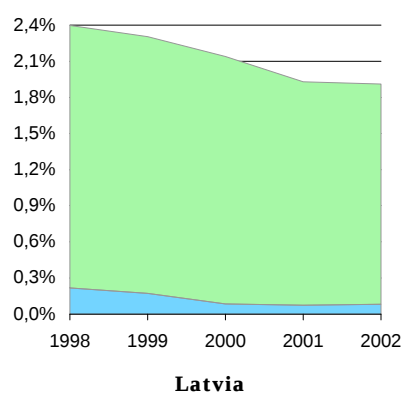
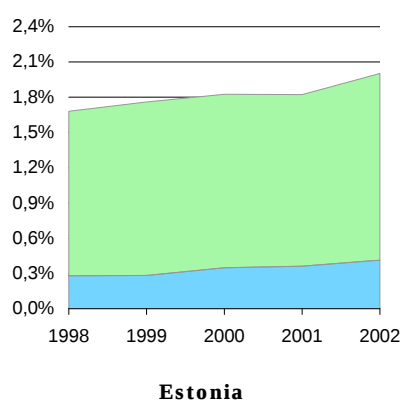
Direct gross premiums



Direct gross premiums per capita



Insurance penetration



■ Non-life insurance
■ Life insurance

Average exchange rate of EEK for 2002: 1 LVL = 26,9556 EEK
1 LTL = 4,5224 EEK

BASIC TABLES

Balance sheet of insurance companies, 31 December 2002
(kroons)

<i>ASSETS</i>	NON-LIFE	LIFE	TOTAL
Cash and bank account	53 552 492	8 891 362	62 443 854
Receivables	77 097 744	6 706 791	83 804 535
Direct insurance	52 298 096	2 053 118	54 351 214
Policyholders	11 927 105	2 053 118	13 980 223
Intermediaries	38 304 034		38 304 034
Other	2 066 957		2 066 957
Reinsurance	17 435 439	3 523 840	20 959 279
Other receivables	7 364 209	1 129 833	8 494 042
Accrued income, prepayments	70 959 379	35 055 142	106 014 521
Accrued income	14 945 301	19 392 190	34 337 491
Deferred acquisition costs	47 234 236	13 967 460	61 201 696
Other prepaid expenses	8 779 842	1 695 492	10 475 334
Investments	1 287 865 446	1 014 605 030	2 302 470 476
Land and buildings	78 392 460	6 808 518	85 200 978
Affiliated companies	98 362 472	40 706 072	139 068 544
Shares	86 412 472	40 490 772	126 903 244
Bonds, loans	11 950 000	215 300	12 165 300
Other financial investments	1 111 110 514	967 090 440	2 078 200 954
Shares and other securities	230 370 675	113 217 168	343 587 843
Bonds, fixed interest securities	608 945 017	602 804 478	1 211 749 495
Participation in joint investments	2 800		2 800
Mortgage loans	1 119 726		1 119 726
Other loans	1 841 087	278 392	2 119 479
Deposits with credit institutions	268 831 209	250 790 402	519 621 611
Unit-linked life ins. investments		113 170 629	113 170 629
Intangible assets	12 525 907	1 897 907	14 423 814
Fixed assets	28 012 520	9 930 627	37 943 147
TOTAL ASSETS	1 530 013 488	1 190 257 488	2 720 270 976
<i>LIABILITIES</i>			
Payables	144 403 554	15 533 162	159 936 716
Direct insurance	39 438 994	8 619 076	48 058 070
Policyholders	31 306 197	3 363 053	34 669 250
Intermediaries	4 449 759	5 256 023	9 705 782
Other	3 683 038		3 683 038
Reinsurance	90 594 971	1 687 382	92 282 353
Other payables	14 369 589	5 226 704	19 596 293
Accrued expenses, prepayments	75 719 017	14 217 921	89 936 938
Accrued expenses	44 327 041	14 193 241	58 520 282
Deferred acq. costs, reinsurers' share	31 391 976		31 391 976
Other prepaid income		24 680	24 680
Technical provisions	699 399 526	819 738 605	1 519 138 131
Unearned premiums provisions (net)	313 403 401		313 403 401
(Reinsurers' share)	135 359 172		135 359 172
Life provisions (net)		802 554 789	802 554 789
(Reinsurers' share)		554 801	554 801
Outstanding claims provisions (net)	369 580 958	5 172 791	374 753 749
(Reinsurers' share)	314 587 164	957 629	315 544 793
Provision for bonuses (net)		12 011 025	12 011 025
Other technical provisions (net)	16 415 167		16 415 167
(Reinsurers' share)	37 459 381		37 459 381
Unit-linked life ins. provisions (net)		113 174 333	113 174 333
Owners' equity	610 491 391	227 593 467	838 084 858
Share capital	338 000 160	142 460 000	480 460 160
Share premium	111 688 632	75 733 874	187 422 506
General reserve	25 011 632	5 462 256	30 473 888
Other reserves	1 008 085		1 008 085
Profit/loss carried forward	92 813 634	- 13 529 161	79 284 473
Profit/loss of the year	41 973 148	17 466 498	59 439 646
Treasury shares (-)	- 3 900		- 3 900
TOTAL LIABILITIES	1 530 013 488	1 190 257 488	2 720 270 976

Balance sheets of non-life insurers, 31 December 2002 (1)
(kroons)

ASSETS	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus
Cash and bank account	1 581 810	12 416 742	14 202 458	1 379 071	2 558 873
Receivables	20 610 323	13 562 991	4 481 761	9 940 893	14 641 230
Direct insurance	16 317 335	7 542 223	4 309 144	4 068 289	9 674 068
Policyholders	6 057 091	941 630	608 544	141 919	1 552 033
Intermediaries	8 193 287	6 600 593	3 700 600	3 926 370	8 122 035
Other	2 066 957				
Reinsurance	4 045 065	5 551 119	164 867	345 815	4 954 602
Other receivables	247 923	469 649	7 750	5 526 789	12 560
Accrued income, prepayments	19 197 330	29 046 336	1 002 805	2 772 838	6 433 000
Accrued income	5 270 655	6 245 894	207 579	1 102 500	203 832
Deferred acquisition costs	11 112 722	19 947 689	523 898	1 494 655	5 699 041
Other prepaid expenses	2 813 953	2 852 753	271 328	175 683	530 127
Investments	368 129 424	574 916 884	73 358 176	55 000 000	52 783 052
Land and buildings	50 314 451	4 799 913	3 929 283		14 561 273
Affiliated companies		89 744 497			8 617 975
Shares		78 244 497			8 167 975
Bonds, loans		11 500 000			450 000
Other financial investments	317 814 973	480 372 474	69 428 893	55 000 000	29 603 804
Shares and other securities	121 255	153 871 458	8 470 157		22 970 204
Bonds, fixed interest securities	276 514 307	247 092 517			
Participation in joint investments		2 800			
Mortgage loans	487 726				590 000
Other loans	75 370	38 699			1 727 018
Deposits with credit institutions	40 616 315	79 367 000	60 958 736	55 000 000	4 316 582
Intangible assets	4 998 763	7 527 144			
Fixed assets	7 679 496	5 939 949	474 281	526 789	411 644
TOTAL ASSETS	422 197 146	643 410 046	93 519 481	69 619 591	76 827 799
LIABILITIES					
Payables	27 468 273	49 187 007	5 320 750	6 989 661	14 550 325
Direct insurance	11 156 690	13 752 234	2 631 323	4 595 474	4 999 675
Policyholders	7 929 086	12 374 340	2 050 438	3 808 009	3 332 598
Intermediaries	2 449 046	128 463	118 301	98 194	1 249 323
Other	778 558	1 249 431	462 584	689 271	417 754
Reinsurance	15 718 213	30 495 748	1 859 285	899 096	4 455 567
Other payables	593 370	4 939 025	830 142	1 495 091	5 095 083
Accrued expenses, prepayments	26 531 943	16 337 229	2 208 511	2 665 751	11 669 215
Accrued expenses	17 550 188	15 297 106	645 081	2 544 861	3 856 001
Deferred acq. costs, reinsurers' share	8 981 755	1 040 123	1 563 430	120 890	7 813 214
Technical provisions	225 708 339	347 518 705	14 891 308	41 240 200	27 333 857
Unearned premiums provisions (net)	92 892 600	167 311 122	3 822 452	13 228 636	13 907 908
(Reinsurers' share)	31 688 215	8 229 968	6 542 547	1 015 762	33 403 947
Outstanding claims provisions (net)	127 882 668	171 111 732	10 790 267	26 375 433	12 954 424
(Reinsurers' share)	98 011 941	44 723 850	42 542 280	14 901 957	47 566 124
Other technical provisions (net)	4 933 071	9 095 851	278 589	1 636 131	471 525
(Reinsurers' share)	12 138 327	6 318 419	1 301 674	13 027 918	4 673 043
Owners' equity	142 488 591	230 367 105	71 098 912	18 723 979	23 274 402
Share capital	100 000 160	100 000 000	38 000 000	60 000 000	10 000 000
Share premium	13 721 195	57 559 617	25 333	20 000 000	
General reserve	3 114 785	7 301 872	7 174 672		1 910 578
Other reserves					1 008 085
Profit/loss carried forward	11 782 112	30 110 085	10 390 458		3 123 610
Profit/loss of the year	13 874 239	35 395 531	15 508 449	- 61 276 021	7 232 129
Treasury shares (-)	- 3 900				
TOTAL LIABILITIES	422 197 146	643 410 046	93 519 481	69 619 591	76 827 799

Balance sheets of non-life insurers, 31 December 2002 (2)
(kroons)

ASSETS	Seesam Kindlustus	Zürich Kindlustus Eesti	Total of non- life insurers	Estonian Traffic Ins. Foundation
Cash and bank account	5 687 289	15 726 249	53 552 492	549 798
Receivables	12 440 186	1 420 360	77 097 744	9 067 470
Direct insurance	9 090 090	1 296 947	52 298 096	6 041 480
Policyholders	2 350 037	275 851	11 927 105	
Intermediaries	6 740 053	1 021 096	38 304 034	3 103 762
Other			2 066 957	2 937 718
Reinsurance	2 250 558	123 413	17 435 439	2 981 979
Other receivables	1 099 538		7 364 209	44 011
Accrued income, prepayments	10 990 490	1 516 580	70 959 379	304 388
Accrued income	1 770 344	144 497	14 945 301	203 903
Deferred acquisition costs	7 307 179	1 149 052	47 234 236	
Other prepaid expenses	1 912 967	223 031	8 779 842	100 485
Investments	121 840 824	41 837 086	1 287 865 446	165 619 864
Land and buildings	2 640 144	2 147 396	78 392 460	52 700 000
Affiliated companies			98 362 472	150 188
Shares			86 412 472	150 188
Bonds, loans			11 950 000	
Other financial investments	119 200 680	39 689 690	1 111 110 514	112 769 676
Shares and other securities	24 804 600	20 133 001	230 370 675	30 948 400
Bonds, fixed interest securities	76 396 080	8 942 113	608 945 017	31 861 971
Participation in joint investments			2 800	
Mortgage loans		42 000	1 119 726	
Other loans			1 841 087	
Deposits with credit institutions	18 000 000	10 572 576	268 831 209	49 959 305
Intangible assets			12 525 907	1 939 930
Fixed assets	11 094 662	1 885 699	28 012 520	1 314 517
TOTAL ASSETS	162 053 451	62 385 974	1 530 013 488	178 795 967
LIABILITIES				
Payables	21 553 207	19 334 331	144 403 554	3 660 415
Direct insurance	1 725 211	578 387	39 438 994	33 522
Policyholders	1 601 797	209 929	31 306 197	14 150
Intermediaries	37 974	368 458	4 449 759	19 372
Other	85 440		3 683 038	
Reinsurance	18 439 118	18 727 944	90 594 971	3 586 767
Other payables	1 388 878	28 000	14 369 589	40 126
Accrued expenses, prepayments	12 733 372	3 572 996	75 719 017	1 821 328
Accrued expenses	3 353 510	1 080 294	44 327 041	1 821 328
Deferred acq. costs, reinsurers' share	9 379 862	2 492 702	31 391 976	
Technical provisions	41 576 300	1 130 817	699 399 526	123 409 806
Unearned premiums provisions (net)	22 179 593	61 090	313 403 401	886 079
(Reinsurers' share)	39 840 418	14 638 315	135 359 172	
Outstanding claims provisions (net)	19 396 707	1 069 727	369 580 958	64 962 697
(Reinsurers' share)	44 426 055	22 414 957	314 587 164	48 915 773
Other technical provisions (net)			16 415 167	57 561 030
(Reinsurers' share)			37 459 381	5 553 728
Owners' equity	86 190 572	38 347 830	610 491 391	49 904 418
Share capital	10 000 000	20 000 000	338 000 160	15 000 000
Share premium	20 324 472	58 015	111 688 632	
General reserve	4 275 225	1 234 500	25 011 632	
Other reserves			1 008 085	
Profit/loss carried forward	26 670 779	10 736 590	92 813 634	- 839 635
Profit/loss of the year	24 920 096	6 318 725	41 973 148	35 744 053
Treasury shares (-)			- 3 900	
TOTAL LIABILITIES	162 053 451	62 385 974	1 530 013 488	178 795 967

Balance sheets of life insurers, 31 December 2002

(kroons)

ASSETS	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Ühispanga Elukindlustus	Total of life insurers
Cash and bank account	1 071 023	805 930	261 484	4 127 539	2 625 386	8 891 362
Receivables	1 143 915	1 717 409	211 654	1 284 245	2 349 568	6 706 791
Direct insurance	952 246		211 654	42 899	846 319	2 053 118
Policyholders	952 246		211 654	42 899	846 319	2 053 118
Reinsurance		1 713 685		317 685	1 492 470	3 523 840
Other receivables	191 669	3 724		923 661	10 779	1 129 833
Accrued income, prepayments	6 822 507	15 931 096	1 038 935	3 448 271	7 814 333	35 055 142
Accrued income	1 601 171	11 123 466	829 204	3 068 025	2 770 324	19 392 190
Deferred acquisition costs	5 100 066	4 215 702			4 651 692	13 967 460
Other prepaid expenses	121 270	591 928	209 731	380 246	392 317	1 695 492
Investments	103 227 527	495 639 602	50 701 495	240 962 090	124 074 316	1 014 605 030
Land and buildings	4 663 914			2 144 604		6 808 518
Affiliated companies	383 463			40 322 609		40 706 072
Shares	168 163			40 322 609		40 490 772
Bonds, loans	215 300					215 300
Other financial investments	98 180 150	495 639 602	50 701 495	198 494 877	124 074 316	967 090 440
Shares and other securities	507 462	60 639 779	10 203 945	25 872 101	15 993 881	113 217 168
Bonds, fixed interest securities	77 715 778	216 394 171	34 497 550	170 622 776	103 574 203	602 804 478
Other loans	278 392					278 392
Deposits with credit institutions	19 678 518	218 605 652	6 000 000	2 000 000	4 506 232	250 790 402
Unit-linked life ins. investments		68 750 267	503 722	646 699	43 269 941	113 170 629
Intangible assets	800 000		1 097 907			1 897 907
Fixed assets	853 175	2 046 918	292 339	4 862 015	1 876 180	9 930 627
TOTAL ASSETS	113 918 147	584 891 222	54 107 536	255 330 859	182 009 724	1 190 257 488
LIABILITIES						
Payables	3 136 506	5 127 681	1 024 336	3 105 854	3 138 785	15 533 162
Direct insurance	2 609 039	2 211 560	762 322	811 877	2 224 278	8 619 076
Policyholders	2 140 678	30 744	334 800	61 761	795 070	3 363 053
Intermediaries	468 361	2 180 816	427 522	750 116	1 429 208	5 256 023
Reinsurance	527 467	897 901	262 014			1 687 382
Other payables		2 018 220		2 293 977	914 507	5 226 704
Accrued expenses, prepayments	4 266 276	2 317 801	1 952 459	1 240 897	4 440 488	14 217 921
Accrued expenses	4 266 276	2 293 121	1 952 459	1 240 897	4 440 488	14 193 241
Deferred acq. costs, reinsurers' share						
Other prepaid income		24 680				24 680
Technical provisions	79 592 593	425 969 030	23 951 849	194 679 846	95 545 287	819 738 605
Life provisions (net)	77 385 427	414 616 287	23 810 576	194 182 633	92 559 866	802 554 789
(Reinsurers' share)	148 941			405 860		554 801
Outstanding claims provisions (net)	1 006 526	2 062 613	50 460	497 213	1 555 979	5 172 791
(Reinsurers' share)	88 916	345 498	22 923	7 280	493 012	957 629
Provision for bonuses (net)	1 200 640	9 290 130	90 813		1 429 442	12 011 025
Unit-linked life ins. provisions (net)		68 750 267	503 722	650 403	43 269 941	113 174 333
Owners' equity	26 922 772	82 726 443	26 675 170	55 653 859	35 615 223	227 593 467
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	45 730 504		75 733 874
General reserve	5 309	4 600 000			856 947	5 462 256
Profit/loss carried forward	- 996 310	197 192	- 2 589 905	- 10 140 138		- 13 529 161
Profit/loss of the year	450 403	23 929 251	- 734 925	- 10 936 507	4 758 276	17 466 498
TOTAL LIABILITIES	113 918 147	584 891 222	54 107 536	255 330 859	182 009 724	1 190 257 488

Profit/loss account of non-life insurers, 2002 (1)
(kroons)

	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus
(A1) Gross premiums ¹	433 883 868	610 819 567	74 282 815	87 191 984	161 175 079
(A2) Ceded premiums	133 140 201	51 684 352	45 569 346	7 788 654	110 288 445
(A) Net premiums (A1-A2)	300 743 667	559 135 216	28 713 469	79 403 330	50 886 634
(B1) Change in UPP (incr. -)	-27 215 917	-28 820 561	458 572	-1 067 450	-13 847 249
(B2) Change in reinsurers' UPP (incr. -)	6 537 397	5 032 417	- 24 481	123 344	13 766 763
(B) Net change in UPP (B1+B2; incr.-)	-20 678 520	-23 788 144	434 091	- 944 106	- 80 486
(C) Earned net premiums (A+B)	280 065 147	535 347 072	29 147 560	78 459 224	50 806 148
(D) Other technical income	450			12 107	2 356
(E1) Total claims paid	222 330 017	302 403 381	37 305 251	67 684 327	79 598 014
(E2) Claim handling expenses	19 274 701	21 244 883	1 584 740	8 776 432	15 267 630
(E3) Subrogations	-16 199 189	-19 281 320	- 874 254	-3 475 658	-3 118 869
(E4) Reinsurers' share in claims paid	56 041 653	11 166 996	29 925 169	5 610 899	62 304 364
(E) Net claims paid (E1+E2+E3-E4)	169 363 876	293 199 948	8 090 568	67 374 202	29 442 411
(F1) Change in OCP (incr. -)	-13 553 362	-30 500 399	-3 689 783	-6 259 169	-16 379 812
(F2) Change in reinsurer's OCP (incr. +)	432 545	-1 535 298	3 385 530	4 492 970	17 167 374
(F) Net change in OCP (F1+F2; incr.-)	-13 120 817	-32 035 697	- 304 253	-1 766 199	787 562
(G) Net claims incurred (E-F)	182 484 693	325 235 645	8 394 821	69 140 401	28 654 849
(H) Change in other tech. prov. (incr.-)	-1 477 395	726 866	- 107 428	377 583	- 172 463
(I1) Acquisition costs	80 290 799	122 512 957	7 511 006	16 922 863	29 415 980
(I2) Change in deferred acquisition costs (incr. +)	2 514 012	3 847 134	- 147 372	1 494 655	1 642 660
(I3) Administrative expenses	39 397 407	68 532 407	3 366 490	13 749 230	10 858 344
(I4) Reinsurance commissions, profit participation	30 258 263	7 778 796	10 889 413	926 952	25 334 555
(I5) Reinsurers' share in def. acq. costs (incr.-)	- 795 722	- 706 110	93 207	- 120 890	-2 760 367
(I) Net operating expenses (I1-I2+I3-I4-I5)	87 711 653	180 125 544	42 248	28 371 376	16 057 476
(J) Other technical charges	9 777 092	12 950 730	3 969 204	6 596 947	5 791 886
(K) Profit/loss from portfolios accepted				-35 427 002	
(L) TECHN. RESULT (C+D-G+H-I-J+K)	-1 385 236	17 762 019	16 633 859	-60 686 812	131 830
(M1) Income from affil. and associated companies		3 130 833			5 264 322
(M2) Income from land and buildings	312 578	23 856			12 689
(M3) Income from other investments	13 392 589	13 302 097	1 509 431	1 741 631	774 853
(M4) Change in investments' value	1 676 619	2 815 261	206 306		176 105
(M5) Profit from investment disposal	2 379 791	5 097 163			613 974
(M) Investment income (M1+...+M5)	17 761 577	24 369 210	1 715 737	1 741 631	6 841 943
(N1) Managing expenses	498 856	534 705	134 880		625 357
(N2) Expenses from affil. and associated companies	11 183				12 937
(N3) Change in investments' value	752 682	5 403 014	688 983		539 749
(N4) Loss from investment disposal	450 496	625 621			29
(N) Investment expenses (N1+...+N4)	1 713 217	6 563 340	823 863		1 178 072
(O) Net investment income (M-N)	16 048 360	17 805 870	891 874	1 741 631	5 663 871
(P) Net other income	- 788 885	- 172 358	-2 017 284	-2 330 840	1 436 428
(Q) NET PROFIT/LOSS (L+O+P)	13 874 239	35 395 531	15 508 449	-61 276 021	7 232 129

Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

¹ Gross premiums of non-life companies are not off-set against mandatory transfers to ETIF (8% of motor TPL premiums); the expense is included in "Other technical charges" (J)

Profit/loss account of non-life insurers, 2002 (2)

(kroons)

	Seesam Kindlustus	Zürich Kindlustus Eesti	Total of non- life insurers	Estonian Traffic Ins. Foundation
(A1) Gross premiums ¹	280 932 318	48 738 130	1697 023 761	45 723 824
(A2) Ceded premiums	198 967 262	47 631 084	595 069 344	16 108 977
(A) Net premiums (A1-A2)	81 965 056	1 107 046	1101 954 418	29 614 847
(B1) Change in UPP (incr. -)	-5 463 207	-1 001 150	-76 956 962	2 669 077
(B2) Change in reinsurers' UPP (incr. -)	4 887 025	3 572 151	33 894 616	
(B) Net change in UPP (B1+B2; incr.-)	- 576 182	2 571 001	-43 062 346	2 669 077
(C) Earned net premiums (A+B)	81 388 874	3 678 047	1058 892 072	32 283 924
(D) Other technical income		69 947	84 860	39 640 573
(E1) Total claims paid	159 335 521	15 313 906	883 970 417	30 769 212
(E2) Claim handling expenses	5 248 479	452 657	71 849 522	2 888 326
(E3) Subrogations	-7 859 233	- 749 696	-51 558 219	-5 039 471
(E4) Reinsurers' share in claims paid	109 820 183	13 723 216	288 592 480	1 531 906
(E) Net claims paid (E1+E2+E3-E4)	46 904 584	1 293 651	615 669 240	27 086 161
(F1) Change in OCP (incr. -)	12 416 438	2 946 326	-55 019 761	- 350 857
(F2) Change in reinsurer's OCP (incr. +)	-7 362 624	- 45 505	16 534 992	22 444 997
(F) Net change in OCP (F1+F2; incr.-)	5 053 814	2 900 821	-38 484 769	22 094 140
(G) Net claims incurred (E-F)	41 850 770	-1 607 170	654 154 009	4 992 021
(H) Change in other tech. prov. (incr.-)			- 652 837	-16 810 457
(I1) Acquisition costs	48 740 480	7 218 158	312 612 243	2 299 194
(I2) Change in deferred acquisition costs (incr. +)	2 063 516	153 149	11 567 754	
(I3) Administrative expenses	18 906 364	4 243 697	159 053 939	6 708 536
(I4) Reinsurance commissions, profit participation	50 166 573	12 459 717	137 814 269	3 237
(I5) Reinsurers' share in def. acq. costs (incr.-)	- 153 717	- 16 203	-4 459 802	
(I) Net operating expenses (I1-I2+I3-I4-I5)	15 570 472	-1 134 808	326 743 961	9 004 493
(J) Other technical charges	974 670	24 199	40 084 728	8 425 212
(K) Profit/loss from portfolios accepted			-35 427 002	
(L) TECHN. RESULT (C+D-G+H-I-J+K)	22 992 962	6 465 773	1 914 395	32 692 314
(M1) Income from affil. and associated companies			16 790 310	528 688
(M2) Income from land and buildings	112 800	54 960	516 883	198 926
(M3) Income from other investments	3 460 356	1 022 598	35 203 555	2 484 139
(M4) Change in investments' value	273 679		5 147 970	
(M5) Profit from investment disposal	677 934		8 768 862	1 234 260
(M) Investment income (M1+...+M5)	4 524 769	1 077 558	58 032 425	4 446 013
(N1) Managing expenses	961 928	33 134	2 788 860	1 616 984
(N2) Expenses from affil. and associated companies			24 120	374 962
(N3) Change in investments' value	147 291	287 592	7 819 311	-2 126 667
(N4) Loss from investment disposal	9 616		1 085 762	
(N) Investment expenses (N1+...+N4)	1 118 835	320 726	11 718 053	- 134 721
(O) Net investment income (M-N)	3 405 934	756 832	46 314 372	4 580 734
(P) Net other income	-1 478 800	- 903 880	-6 255 619	-1 528 995
(Q) NET PROFIT/LOSS (L+O+P)	24 920 096	6 318 725	41 973 148	35 744 053

Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

¹ Gross premiums of non-life companies are not off-set against mandatory transfers to ETIF (8% of motor TPL premiums); the expense is included in "Other technical charges" (J)

Profit/loss account of motor TPL, 2002
(kroons)

	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus	Seesam Kindlustus	Total of non- life insurers	Estonian Traffic Ins. Foundation
(A1) Gross premiums ¹	122 213 377	161 884 123	49 253 640	78 168 123	72 399 792	11 164 033	495 083 088	21 605 585
(A2) Ceded premiums	11 414 193	4 726 329	40 006 265	4 077 860	54 982 929	2 459 219	117 666 795	405 272
(A) Net premiums (A1-A2)	110 799 184	157 157 794	9 247 375	74 090 263	17 416 863	8 704 814	377 416 293	21 200 313
(B1) Change in UPP (incr. -)	-5 340 441	-5 143 426	- 224 497	- 724 567	-7 977 523	- 604 821	-20 015 275	- 181 975
(B2) Change in reinsurers' UPP (incr. -)		-1 583 003	191 032		9 391 309	- 923 613	7 075 725	
(B) Net change in UPP (B1+B2; incr.-)	-5 340 441	-6 726 429	- 33 465	- 724 567	1 413 786	-1 528 434	-12 939 550	- 181 975
(C) Earned net premiums (A+B)	105 458 743	150 431 365	9 213 910	73 365 696	18 830 649	7 176 380	364 476 743	21 018 338
(D) Other technical income	450			12 107		- 380	12 177	39 640 573
(E1) Total claims paid	71 563 346	99 735 072	33 647 209	65 244 330	39 445 523	4 144 282	313 779 762	10 661 330
(E2) Claim handling expenses	10 764 571	14 732 540	1 529 985	8 532 432	6 878 471	127 092	42 565 091	2 552 919
(E3) Subrogations	-5 481 258	-8 401 535	- 874 254	-3 475 658	-1 149 304	- 184 404	-19 566 413	-5 039 471
(E4) Reinsurers' share in claims paid	294 861	4 979 877	27 853 891	4 607 203	31 249 323	648 344	69 633 499	280 174
(E) Net claims paid (E1+E2+E3-E4)	76 551 798	101 086 200	6 449 049	65 693 901	13 925 367	3 438 626	267 144 941	7 894 604
(F1) Change in OCP (incr. -)	-4 519 857	-11 725 409	-1 788 768	-5 957 950	-12 967 563	-1 790 377	-38 749 924	3 801 698
(F2) Change in reinsurer's OCP (incr. +)	-4 499 040	-2 736 794	1 826 758	4 247 920	15 084 324	- 113 943	13 809 225	- 397
(F) Net change in OCP (F1+F2; incr.-)	-9 018 897	-14 462 203	37 990	-1 710 030	2 116 761	-1 904 320	-24 940 699	3 801 301
(G) Net claims incurred (E-F)	85 570 695	115 548 403	6 411 059	67 403 931	11 808 606	5 342 946	292 085 640	4 093 303
(H) Change in other tech. prov. (incr.-)	-1 476 949	726 866	- 107 428	377 583	- 172 463		- 652 391	-7 521 466
(I1) Acquisition costs	13 493 918	13 888 010	4 573 949	9 534 277	7 542 011	399 933	49 432 098	2 296 674
(I2) Change in deferred acquisition costs (incr. +)		2 269 265	- 36 943	1 340 705	663 689		4 236 716	
(I3) Administrative expenses	5 026 502	6 715 001	2 232 170	3 530 752	2 759 211	390 941	20 654 577	5 785 049
(I4) Reinsurance commissions, profit participation			9 751 173		9 482 530	- 3 237	19 230 466	
(I5) Reinsurers' share in def. acq. costs (incr.-)			32 239		-1 365 419	146 126	-1 187 054	
(I) Net operating expenses (I1-I2+I3-I4-I5)	18 520 420	18 333 746	-2 940 350	11 724 324	1 520 422	647 985	47 806 547	8 081 723
(J) Other technical charges	9 777 092	12 950 730	3 969 204	6 596 947	5 791 886	898 475	39 984 334	8 425 212
(K) TECHN. RESULT (C+D-G+H-I-J)	-9 885 963	4 325 352	1 666 569	-11 969 816	- 462 728	286 594	-16 039 992	32 537 207

Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

¹ Gross premiums of non-life companies are not off-set against mandatory transfers to ETIF (8% of motor TPL premiums); the expense is included in "Other technical charges" (J)

Profit/loss account of non-life business excl. motor TPL, 2002
(kroons)

	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus	Seesam Kindlustus	Zürich Kindlustus	Total of non- life insurers	Estonian Traffic Ins. Foundation
(A1) Gross premiums ¹	311 670 491	448 935 444	25 029 175	9 023 861	88 775 287	269 768 285	48 738 130	1201 940 673	24 118 239
(A2) Ceded premiums	121 726 008	46 958 023	5 563 081	3 710 794	55 305 516	196 508 043	47 631 084	477 402 549	15 703 705
(A) Net premiums (A1-A2)	189 944 483	401 977 422	19 466 094	5 313 067	33 469 771	73 260 242	1 107 046	724 538 125	8 414 534
(B1) Change in UPP (incr. -)	-21 875 476	-23 677 135	683 069	- 342 883	-5 869 726	-4 858 386	-1 001 150	-56 941 687	2 851 052
(B2) Change in reinsurers' UPP (incr. -)	6 537 397	6 615 420	- 215 513	123 344	4 375 454	5 810 638	3 572 151	26 818 891	
(B) Net change in UPP (B1+B2; incr.-)	-15 338 079	-17 061 715	467 556	- 219 539	-1 494 272	952 252	2 571 001	-30 122 796	2 851 052
(C) Earned net premiums (A+B)	174 606 404	384 915 707	19 933 650	5 093 528	31 975 499	74 212 494	3 678 047	694 415 329	11 265 586
(D) Other technical income					2 356	380	69 947	72 683	
(E1) Total claims paid	150 766 671	202 668 309	3 658 042	2 439 997	40 152 491	155 191 239	15 313 906	570 190 655	20 107 882
(E2) Claim handling expenses	8 510 130	6 512 343	54 755	244 000	8 389 159	5 121 387	452 657	29 284 431	335 407
(E3) Subrogations	-10 717 931	-10 879 785			-1 969 565	-7 674 829	- 749 696	-31 991 806	
(E4) Reinsurers' share in claims paid	55 746 792	6 187 119	2 071 278	1 003 696	31 055 041	109 171 839	13 723 216	218 958 981	1 251 732
(E) Net claims paid (E1+E2+E3-E4)	92 812 078	192 113 748	1 641 519	1 680 301	15 517 044	43 465 958	1 293 651	348 524 299	19 191 557
(F1) Change in OCP (incr. -)	-9 033 505	-18 774 990	-1 901 015	- 301 219	-3 412 249	14 206 815	2 946 326	-16 269 837	-4 152 555
(F2) Change in reinsurer's OCP (incr. +)	4 931 585	1 201 496	1 558 772	245 050	2 083 050	-7 248 681	- 45 505	2 725 767	22 445 394
(F) Net change in OCP (F1+F2; incr.-)	-4 101 920	-17 573 494	- 342 243	- 56 169	-1 329 199	6 958 134	2 900 821	-13 544 070	18 292 839
(G) Net claims incurred (E-F)	96 913 998	209 687 242	1 983 762	1 736 470	16 846 243	36 507 824	-1 607 170	362 068 369	898 718
(H) Change in other tech. prov. (incr.-)	- 446							- 446	-9 288 991
(I1) Acquisition costs	66 796 881	108 624 947	2 937 057	7 388 586	21 873 969	48 340 547	7 218 158	263 180 145	2 520
(I2) Change in deferred acquisition costs (incr. +)	2 514 012	1 577 869	- 110 429	153 950	978 971	2 063 516	153 149	7 331 038	
(I3) Administrative expenses	34 370 905	61 817 406	1 134 320	10 218 478	8 099 133	18 515 423	4 243 697	138 399 362	923 487
(I4) Reinsurance commissions, profit participation	30 258 263	7 778 796	1 138 240	926 952	15 852 025	50 169 810	12 459 717	118 583 803	3 237
(I5) Reinsurers' share in def. acq. costs (incr.-)	- 795 722	- 706 110	60 968	- 120 890	-1 394 948	- 299 843	- 16 203	-3 272 748	
(I) Net operating expenses (I1-I2+I3-I4-I5)	69 191 233	161 791 798	2 982 598	16 647 052	14 537 054	14 922 487	-1 134 808	278 937 414	922 770
(J) Other technical charges						76 195	24 199	100 394	
(K) Profit/loss from portfolios accepted				-35 427 002				-35 427 002	
(L) TECHN. RESULT (C+D-G+H-I-J+K)	8 500 727	13 436 667	14 967 290	-48 716 996	594 558	22 706 368	6 465 773	17 954 387	155 107

Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

Profit/loss account of life insurers, 2002*

(kroons)

	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Ühispanga Elukindlustus	Total of life insurers
(A1) Gross premiums	43 430 897	196 475 603	30 561 546	72 428 721	99 240 441	442 137 208
(A2) Ceded premiums	977 485	3 274 141	1 045 002	1 434 747	2 863 723	9 595 098
(A) Net premiums written (A1-A2)	42 453 412	193 201 462	29 516 544	70 993 974	96 376 718	432 542 110
(B1) Investm. income from affil. and assoc. co	57 549					57 549
(B2) Income from land and buildings	242 063			90 000		332 063
(B3) Income from other investments	3 346 092	22 590 635	1 468 222	6 826 466	4 871 180	39 102 595
(B4) Change in investments' value	838 193	232 881	3 836	925 670	1 148 930	3 149 510
(B5) Profit from investment disposal	722 793	4 733 477	1 281 264	2 497 187	1 684 577	10 919 298
(B) Investment income (B1+...+B5)	5 206 690	27 556 993	2 753 322	10 339 323	7 704 687	53 561 015
(C1) Managing expenses	69 578	1 809 731	170 348	1 297 723	794 822	4 142 202
(C2) Investm. expenses from affil. and assoc. co				4 677 391		4 677 391
(C3) Change in investm. value	71 870	4 718 851	1 307 043	6 111 509	5 290 485	17 499 758
(C4) Loss from investment disposal	24 714		782	58 130	3 010	86 636
(C) Investment expenses (C1+...+C4)	166 162	6 528 582	1 478 173	12 144 753	6 088 317	26 405 987
(D) Net investment income (B-C)	5 040 528	21 028 411	1 275 149	-1 805 430	1 616 370	27 155 028
(E) Unrealized gains/losses from inv. ¹	-2 408 264	-13 976 523	- 8 313	- 15 503	-2 757 069	-19 165 672
(F1) Sums insured	1 452 989	24 053 231	221 405	3 157 539	4 186 948	33 072 112
(F2) Surrenders	2 447 829	17 572 312	285 988	2 194 623	3 995 879	26 496 631
(F2) Claim handling expenses	75 176	614 613	79 285	280 861	141 823	1 191 758
(F3) Reinsurers' share in claims paid		319 932		150 000	579 201	1 049 133
(F) Net claims paid (F1+F2+F3-F4)	3 975 994	41 920 224	586 678	5 483 023	7 745 449	59 711 368
(G1) Change in OCP (incr. -)	- 166 642	- 770 468	- 29 583	- 283 191	237 267	-1 012 617
(G2) Change in reinsurers' OCP (incr. +)	88 916	- 87 412	22 923	7 280	- 235 177	- 203 470
(G) Net change in OCP (G1+G2; incr.-)	- 77 726	- 857 880	- 6 660	- 275 911	2 090	-1 216 087
(H) Net claims incurred (F-G)	4 053 720	42 778 104	593 338	5 758 934	7 743 359	60 927 455
(I1) Change in LP (incr. -)	-25 071 261	-90 355 867	-16 993 478	-56 366 168	-43 217 135	-232 003 909
(I2) Change in reinsurers' LP (incr. +)	5 357			61 836		67 193
(I) Net change in LP (I1+I2; incr.-)	-25 065 904	-90 355 867	-16 993 478	-56 304 332	-43 217 135	-231 936 716
(J) Bonuses	1 135 025	9 290 130	86 928		1 429 442	11 941 525
(J) Net change in other tech. prov. (incr. -)		-5 335 753	- 440 197	- 635 976	-14 103 785	-20 515 711
(L1) Acquisition costs	9 597 668	15 553 946	8 040 904	12 780 199	20 029 282	66 001 999
(L2) Change in deferred acq. costs (incr.+)	1 488 024	-2 248 316			2 053 906	1 293 614
(L3) Administrative expenses	6 202 550	11 778 692	5 074 058	6 965 743	7 339 211	37 360 254
(L4) Reinsurance commissions, profit participation	595 363	2 183 349	79 055	307 571	1 594 787	4 760 125
(L5) Reinsurers' share in def. acq. costs (incr.-)						
(L) Net operating expenses (L1-L2+L3-L4-L5)	13 716 831	27 397 605	13 035 907	19 438 371	23 719 800	97 308 514
(M) Net other technical income				- 56 766		- 56 766
(N) Profit/loss from portfolios accepted				2 634 960		2 634 960
(N) TECHN. RESULT (A+D+E-H+I+J+K-L+M-N)	1 114 196	25 095 891	- 366 468	-10 386 378	5 022 498	20 479 739
(P) Net other income	- 663 793	-1 166 640	- 368 457	- 550 130	- 264 222	-3 013 242
(Q) NET PROFIT/LOSS (O+P)	450 403	23 929 251	- 734 925	-10 936 508	4 758 276	17 466 497

* Data of life insurance companies operating at the end of 2002

Abbreviations:

LP - Life insurance provisions

OCP - Outstanding claims provision

Insurance premiums and claims, 1998—2002

	LIFE INSURANCE	Changes compared to previous year	NON-LIFE INSURANCE	Changes compared to previous year	TOTAL OF DIRECT INSURANCE	Changes compared to previous year	REINSURANCE	Changes compared to previous year	TOTAL	Changes compared to previous year
Gross premiums (thousand kroons)										
1998	206 457	61.1%	1 030 320	11.3%	1 236 777	17.3%	35 079	13.0%	1 271 856	17.2%
1999	216 483	4.9%	1 126 263	9.3%	1 342 746	8.6%	74 241	2 times	1 416 987	11.4%
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%
Reinsurance (thousand kroons)										
1998	6 732	57.8%	245 025	1.5%	251 757	2.4%	7 551	2.5 times	259 308	4.2%
1999	5 959	-11.5%	353 800	44.4%	359 759	42.9%	4 503	-40.4%	364 262	40.5%
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%
Net premiums (thousand kroons)										
1998	199 725	61.2%	785 295	14.7%	985 020	21.8%	27 528	-1.9%	1 012 548	21.1%
1999	210 524	5.4%	772 463	-1.6%	982 987	-0.2%	69 738	2.5 times	1 052 725	4.0%
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%
Claims reported (in units)										
1998	30 232	-26.5%	41 937	25.0%			1 101	34.1%		
1999	27 804	-8.0%	42 161	0.5%			2 843	2.6 times		
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%		
Claims settled (in units)										
1998	29 353	-21.6%	34 558	19.7%			1 097	33.6%		
1999	27 367	-6.8%	37 969	9.9%			2 830	2.6 times		
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%		
Claims paid (thousand kroons)										
1998	41 027	62.1%	546 678	43.7%	587 705	44.9%	23 070	2.3 times	610 775	46.9%
1999	68 604	67.2%	580 662	6.2%	649 266	10.5%	34 331	48.8%	683 597	11.9%
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%
Reinsurance (thousand kroons)										
1998	367	-45.4%	139 453	49.3%	139 820	48.6%			139 820	48.6%
1999	2 493	6.8 times	172 487	23.7%	174 980	25.1%			174 980	25.1%
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%
Net claims paid (thousand kroons)										
1998	40 660	65.0%	407 225	41.9%	447 885	43.7%	23 070	2.3 times	470 955	46.5%
1999	66 111	62.6%	408 175	0.2%	474 286	5.9%	34 331	48.8%	508 617	8.0%
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%

Life insurance policies, premiums and claims per insurer, 1998—2002 (1)

	AB Elukindlustus	Eesti Elukindlustus	ERGO Elukindlustus ¹	Hansapanga Kindlustus	Leks Elukindlustus	Nordika Elukindlustus ²	Polaris- Elu	Sampo Elukindlustus	Seesam Elukindlustus	Ühispana Elukindlustus	TOTAL OF COMPANIES
Policies in force (in units), 31 December											
1998	8 515	89 928	1 495	3 376	4 061	1 826	13 053	-	1 465	-	123 719
1999	-	-	2 523	80 692	4 498	3 185	-	66	3 698	1 667	96 329
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
Sums insured (thousand kroons)											
1998	1 048 382	2 145 417	203 967	1 123 318	564 657	299 461	1 050 403	-	265 111	-	6 700 716
1999	-	-	485 744	3 749 736	569 753	487 176	-	10 592	340 356	433 002	6 076 359
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
New policies (in units)											
1998	2 708	9 347	918	1 791	2 368	1 616	2 944	-	1 345	-	23 037
1999	693	-	1 239	8 307	1 651	1 416	...	68	2 554	1 689	17 617
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
Gross premiums (thousand kroons)											
1998	29 711	90 418	6 499	34 202	14 054	3 466	23 550	-	4 557	-	206 457
1999	21 734	-	14 171	120 075	16 609	6 548	20 410	66	13 753	3 117	216 483
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
Reinsurance (thousand kroons)											
1998	1 854	322	252	2 043	827	148	513	-	773	-	6 732
1999	492	-	434	2 909	397	153	-	5	1 460	109	5 959
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
Net premiums (thousand kroons)											
1998	27 857	90 096	6 247	32 159	13 227	3 318	23 037	-	3 784	-	199 725
1999	21 242	-	13 737	117 166	16 212	6 395	20 410	61	12 293	3 008	210 524
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
Claims reported (in units)											
1998	1 308	26 736	27	281	299	31	1 517	-	33	-	30 232
1999	1 612	-	164	25 170	395	274	...	-	187	2	27 804
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
of which surrenders (in units)											
1998	882	12 419	17	230	170	1	1 130	-	32	-	14 881
1999	1 223	-	126	15 151	244	156	...	-	186	2	17 088
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

... N/A

¹ Nordika Elukindlustuse AS transferred its insurance portfolio to ERGO Elukindlustuse AS on 1 July 2002

² terminated its business as an insurer on 1 July 2002; data of 2002 for 1 half-year

Life insurance policies, premiums and claims per insurer, 1998—2002 (2)

	AB Elukindlustus	Eesti Elukindlustus	ERGO Elukindlustus ¹	Hansapanga Kindlustus	Leks Elukindlustus	Nordika Elukindlustus ²	Polaris- Elu	Sampo Elukindlustus	Seesam Elukindlustus	Ühispana Elukindlustus	TOTAL OF COMPANIES
Claims settled (in units)											
1998	973	26 258	25	277	283	24	1 481	-	32	-	29 353
1999	1 302	-	157	25 170	411	139	...		186	2	27 367
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
of which surrenders (in units)											
1998	762	12 081	16	230	167		1 129	-	32	-	14 417
1999	1 120	-	119	15 151	255	68	...		186	1	16 900
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
Claims paid (thousand kroons)											
1998	4 714	23 159	177	5 393	1 692	53	4 789	-	1 050	-	41 027
1999	11 294	-	1 946	48 272	1 919	471	3 615		1 077	10	68 604
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
of which sums insured (thousand kroons)											
1998	1 823	12 195	123	270	663	41	1 152	-		-	16 267
1999	...	-	1 535	16 277	675	248	...		105	10	18 850
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
surrenders (thousand kroons)											
1998	2 707	10 964	54	4 994	1 029		3 101	-	1 005	-	23 854
1999	...	-	412	31 754	1 244	202	...		873		34 485
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
Reinsurance (thousand kroons)											
1998	123			194			50	-		-	367
1999	127	-	1 020	1 283		13	-		50		2 493
2000	-	-		306	-	29	-		100	425	860
2001	-	-		55	-	3	-			128	186
2002	-	-		320	-		-		150	579	1 049
Net claims paid (thousand kroons)											
1998	4 591	23 159	177	5 199	1 692	53	4 739	-	1 050	-	40 660
1999	11 167	-	926	46 989	1 919	458	3 615		1 027	10	66 111
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

... N/A

¹ Nordika Elukindlustuse AS transferred its insurance portfolio to ERGO Elukindlustuse AS on 1 July 2002

² terminated its business as an insurer on 1 July 2002; data of 2002 for 1 half-year

Life insurance policies, premiums and claims by classes of business, 1998—2002 (1)

	Term and whole life assurance	Endowment insurance	Annuities	Birth and marriage insurance	Unit linked life insurance	Others	TOTAL OF BASIC INSURANCE	Supplementary insurances	TOTAL WITH SUPPLEMENTARY INSURANCES	Incl. insurances with tax benefit
Policies in force (in units), 31 December										
1998	2 681	101 562	609	18 520	274	73	123 719	108 538	232 257	...
1999	3 164	70 084	2 968	19 905	208		96 329	89 360	185 689	10 452
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
Sums insured (thousand kroons)										
1998	675 240	2 786 784	36 911	63 976	20 697	7 516	3 591 124	3 109 592	6 700 716	...
1999	725 572	2 214 165	206 933	54 077	14 635		3 215 382	2 860 977	6 076 359	885 075
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
Gross premiums (thousand kroons)										
1998	5 883	176 376	2 199	7 930	3 835	262	196 485	9 972	206 457	...
1999	7 104	175 756	13 670	6 532	819		203 881	12 602	216 483	42 415
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
Reinsurance (thousand kroons)										
1998	1 928	3 706		2	18	7	5 661	1 071	6 732	...
1999	2 507	2 190		1			4 698	1 261	5 959	169
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
Net premiums (thousand kroons)										
1998	3 955	172 670	2 199	7 928	3 817	255	190 824	8 901	199 725	...
1999	4 597	173 566	13 670	6 531	819		199 183	11 341	210 524	42 246
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
Claims reported (in units)										
1998	155	21 691	91	4 509	101		26 547	3 685	30 232	...
1999	102	21 526	114	3 273	47		25 062	2 742	27 804	188
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
of which surrenders (in units)										
1998	85	10 758	23	3 616	101		14 583	298	14 881	...
1999	71	13 704	50	2 718	46		16 589	499	17 088	185
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

... N/A

Life insurance policies, premiums and claims by classes of business, 1998—2002 (2)

	Term and whole life assurance	Endowment insurance	Annuities	Birth and marriage insurance	Unit linked life insurance	Others	TOTAL OF BASIC INSURANCE	Supplementary insurances	TOTAL WITH SUPPLEMENTARY INSURANCES	Incl. insurances with tax benefit
Claims settled (in units)										
1998	126	21 392	91	4 228	100		25 937	3 416	29 353	...
1999	88	21 130	114	3 274	48		24 654	2 713	27 367	189
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
of which surrenders (in units)										
1998	80	10 657	23	3 297	100		14 157	260	14 417	...
1999	57	13 612	50	2 719	47		16 485	415	16 900	186
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
Claims paid (thousand kroons)										
1998	162	30 158	103	1 933	4 015		36 371	4 656	41 027	...
1999	1 513	59 794	430	2 768	512		65 017	3 587	68 604	1 177
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
of which sums insured (thousand kroons)										
1998	126	11 687	37	237			12 087	4 180	16 267	...
1999	1 469	14 029	39	254	4		15 795	3 055	18 850	546
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
surrenders (thousand kroons)										
1998	30	18 048	56	1 696	4 015		23 845	9	23 854	...
1999	32	31 352	80	2 513	508		34 485		34 485	622
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
Reinsurance (thousand kroons)										
1998	14	50					64	303	367	...
1999	1 190	1 069					2 259	234	2 493	450
2000		391					391	469	860	
2001		174					174	12	186	97
2002	70	779					849	200	1 049	191
Net claims paid (thousand kroons)										
1998	148	30 108	103	1 933	4 015		36 307	4 353	40 660	...
1999	323	58 725	430	2 768	512		62 758	3 353	66 111	727
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

... N/A

Non-life insurance policies, premiums and claims per insurer, 1998—2002 (1)*

	ASA Kindlustus	Eesti Varakindlustus	ERGO Kindlustus	ETAS	If Eesti Kindlustus ¹	Inges Kindlustus	Kalju	Leks Kindlustus	Nordea Kindlustus Eesti ²	Nordika Kindlustus ²
Policies in force (in units), 31 December										
1998	60 025	206 823	20 825	-	-	3 241	-	73 559	-	41 212
1999	-	306 338	42 968	-	-	6 822	-	92 483	-	39 105
2000	-	-	147 253	-	262 722	57 902	-	-	-	36 319
2001	-	-	129 906	-	248 716	43 806	-	-	-	58 996
2002	-	-	150 308	-	245 670	40 751	-	-	53 565	-
Gross premiums (thousand kroons)										
1998	119 086	222 634	67 547	25 599	-	19 002	5 447	160 239	-	81 461
1999	87 267	278 331	105 108	-	-	21 824	-	205 980	-	70 083
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	-
Reinsurance (thousand kroons)										
1998	12 817	20 648	19 956	6 295	-	6 914	484	52 804	-	8 180
1999	11 010	33 443	41 532	-	-	7 258	-	53 716	-	40 836
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	-
Net premiums (thousand kroons)										
1998	106 269	201 986	47 591	19 304	-	12 088	4 963	107 435	-	73 281
1999	76 257	244 888	63 576	-	-	14 566	-	152 264	-	29 247
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	-
Claims reported (in units)										
1998	5 843	11 287	2 152	857	-	124	-	6 077	-	4 187
1999	2 790	12 042	3 700	-	-	181	-	9 520	-	3 163
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	-
Claims settled (in units)										
1998	4 456	10 043	1 715	720	-	141	-	5 250	-	3 778
1999	3 019	10 709	2 858	-	-	160	-	8 434	-	3 750
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	-
Claims paid (thousand kroons)										
1998	61 807	121 251	35 375	13 121	-	7 015	3 349	98 647	-	44 256
1999	46 751	121 491	53 043	-	-	6 208	-	106 387	-	51 143
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	-
Reinsurance (thousand kroons)										
1998	7 355	7 065	15 350	3 271	-	3 097	348	36 034	-	2 356
1999	8 347	8 037	23 258	-	-	4 318	-	30 149	-	20 117
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	-
Net claims paid (thousand kroons)										
1998	54 452	114 186	20 025	9 850	-	3 918	3 001	62 613	-	41 900
1999	38 404	113 454	29 785	-	-	1 890	-	76 238	-	31 026
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	-

* Only direct insurance

¹ AS Sampo Eesti Varakindlustus was altered to AS If Eesti Kindlustus on 23 January 2002

² Nordika Kindlustuse AS transferred part of its insurance portfolio to Nordea Kindlustuse Eesti AS (retroactively as of 1 January 2002) on 25 February 2002

Non-life insurance policies, premiums and claims per insurer, 1998—2002 (2)*

	Polaris- Vara	Salva Kindlustus	Sampo Kindlustus	Seesam Rahvusvaheline Kindlustus	Zürich Kindlustus Eesti	Ühis- kindlustus	TOTAL OF COMPANIES	Estonian Traffic Insurance Foundation	TOTAL
Policies in force (in units), 31 December									
1998	32 329	19 890	5 375	7 577	946	12 992	484 794	3 058	487 852
1999	-	30 187	29 668	23 835	1 115	-	572 521	22 676	595 197
2000	-	34 046	-	32 676	1 135	-	572 053	3 563	575 616
2001	-	53 287	-	59 998	1 035	-	595 744	4 290	600 034
2002	-	76 172	-	162 580	1 067	-	730 113	3 376	733 489
Gross premiums (thousand kroons)									
1998	89 273	54 771	47 216	48 858	19 998	25 220	986 351	43 969	1 030 320
1999	24 437	68 713	118 687	70 436	29 236	2 345	1 082 447	43 816	1 126 263
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
Reinsurance (thousand kroons)									
1998	16 917	33 319	28 922	14 508	15 411	7 713	244 888	137	245 025
1999	-	41 840	66 838	33 730	23 507	-	353 710	90	353 800
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
Net premiums (thousand kroons)									
1998	72 356	21 452	18 294	34 350	4 587	17 507	741 463	43 832	785 295
1999	24 437	26 873	51 849	36 706	5 729	2 345	728 737	43 726	772 463
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
Claims reported (in units)									
1998	2 988	2 284	1 009	1 285	445	1 832	40 370	1 567	41 937
1999	...	3 153	4 095	1 688	580	...	40 912	1 249	42 161
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
Claims settled (in units)									
1998	2 684	1 829	862	973	191	1 186	33 828	730	34 558
1999	...	2 497	2 779	1 826	396	...	36 428	1 541	37 969
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
Claims paid (thousand kroons)									
1998	50 697	39 276	18 418	17 483	9 533	16 502	536 730	9 948	546 678
1999	18 300	43 552	72 455	27 165	5 674	7 863	560 032	20 630	580 662
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
Reinsurance (thousand kroons)									
1998	10 031	26 804	11 639	4 804	6 592	4 707	139 453		139 453
1999	-	28 775	35 762	9 816	3 908	-	172 487		172 487
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
Net claims paid (thousand kroons)									
1998	40 666	12 472	6 779	12 679	2 941	11 795	397 277	9 948	407 225
1999	18 300	14 777	36 693	17 349	1 766	7 863	387 545	20 630	408 175
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

* Only direct insurance

... N/A

Non-life insurance premiums and claims by classes of business, 1998—2002 (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)												
1998	399 944	28 906	696	30 337	278 063		113	7 682	13 436	119 469	91 920	211 389
1999	434 460	30 796	421	32 346	327 367		258	2 439	11 736	123 114	109 803	232 917
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
Reinsurance (thousand kroons)												
1998	33 285	6 462	12	4 271	80 436		98	4 970	5 894	79 202	11 248	90 450
1999	72 673	4 039	92	6 205	147 960		189	1 354	5 901	80 513	11 159	91 672
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
Net premiums (thousand kroons)												
1998	366 659	22 444	684	26 066	197 627		15	2 712	7 542	40 267	80 672	120 939
1999	361 787	26 757	329	26 141	179 407		69	1 085	5 835	42 601	98 644	141 245
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
Claims reported (in units)												
1998	21 829	2 866	137	1 317	11 434		1	18	41	...	...	3 998
1999	20 009	2 877	24	1 293	13 703			24	71	1 995	1 902	3 897
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
Claims settled (in units)												
1998	17 928	2 576	107	1 028	9 643		1	19	37	...	...	3 038
1999	18 609	2 656	18	1 222	12 206			27	64	1 359	1 631	2 990
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
Claims paid (thousand kroons)												
1998	233 514	8 640	32	6 573	190 706		1 431	9 416	7 041	47 492	27 653	75 145
1999	242 774	12 252	274	6 930	203 196			1 678	4 774	66 557	27 468	94 025
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
Reinsurance (thousand kroons)												
1998	12 138	2 276		1 107	70 015			7 254	5 365	29 735	6 119	35 854
1999	36 771	1 672		991	73 256			1 179	3 050	43 738	3 697	47 435
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
Net claims paid (thousand kroons)												
1998	221 376	6 364	32	5 466	120 691		1 431	2 162	1 676	17 757	21 534	39 291
1999	206 003	10 580	274	5 939	129 940			499	1 724	22 819	23 771	46 590
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

* Only direct insurance

... N/A

Non-life insurance premiums and claims by classes of business, 1998—2002 (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)												
1998	22 837	184		675	10 065	4 243	1 088	581	217	18 182	2 770	1 030 320
1999	20 196	144	143	1 406	8 115	4 824	1 058	143	1 125	14 930	2 497	1 126 263
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
Reinsurance (thousand kroons)												
1998	7 773	152		117	4 651	2 141	851	3	7	2 316	1 987	245 025
1999	9 060	113	129	101	4 358	2 435	508	64	1 125	4 187	2 143	353 800
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
Net premiums (thousand kroons)												
1998	15 064	32		558	5 414	2 102	237	578	210	15 866	783	785 295
1999	11 136	31	14	1 305	3 757	2 389	550	79		10 743	354	772 463
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
Claims reported (in units)												
1998	154			16	64	20	9			40	2	41 937
1999	108			29	73	22	14			29	2	42 161
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
Claims settled (in units)												
1998	113			9	39	4	1			13	3	34 558
1999	89			13	51	6	1			16	2	37 969
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
Claims paid (thousand kroons)												
1998	5 974			64	1 558	255	81			4 882	1 447	546 678
1999	8 225			87	1 643	295	46			4 383	126	580 662
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
Reinsurance (thousand kroons)												
1998	2 906				435	180	66			637	1 286	139 453
1999	4 702				762	97	44			2 457	115	172 487
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
Net claims paid (thousand kroons)												
1998	3 068			64	1 123	75	15			4 245	161	407 225
1999	3 523			87	881	198	2			1 926	11	408 175
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

* Only direct insurance

Expenses of insurers, 2002*

(kroons)

Non-life insurance	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus	Seesam Kindlustus	Zürich Kindlustus Eesti	%	Estonian Traffic Ins. Foundation
Salaries and wages	36 266 731	77 131 967	3 340 356	10 986 119	11 513 635	13 029 839	3 328 493	28,5%	5 346 961
Social and sick-fund tax	17 362 852	25 840 125	1 102 317	4 531 266	5 027 795	4 079 719	1 115 045	10,8%	1 576 203
Commissions to agents	15 417 415		75 856	2 522 377	3 530 168	5 745 827		5,0%	
Commissions to legal persons	21 702 001	31 264 725	6 017 484	5 370 509	11 329 772	34 701 514	3 764 408	20,9%	1 812 260
Services bought	2 991 595	885 410	6 879		15 303 258	615 504	73 855	3,6%	254 272
Depreciation and devaluation	6 290 522	11 212 556	329 370	2 522 501	471 139	4 060 007	1 180 518	4,8%	481 053
Reinsurance commissions								0,0%	- 3 237
Other expenses	39 430 647	66 490 171	1 724 854	13 515 753	8 991 544	11 624 841	2 772 919	26,4%	4 042 290
TOTAL	139 461 763	212 824 952	12 597 116	39 448 525	56 167 311	73 857 251	12 235 238	100,0%	13 509 802

Life insurance**	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Ühispana Elukindlustus	%
Salaries and wages	6 472 662	7 007 819	3 597 231	3 901 774	5 729 003	24,6%
Social and sick-fund tax	2 135 979	2 508 342	1 168 519	1 278 087	3 040 239	9,3%
Commissions to agents	284 540		52 195	1 849 828	3 307 499	5,1%
Commissions to legal persons	2 326 528	10 622 609	1 501 565	4 932 866	7 855 648	25,1%
Services bought		1 665 346	301 522	1 185 706		2,9%
Depreciation and devaluation	303 193	371 575	834 454	1 461 640	686 740	3,4%
Other expenses	4 422 070	7 581 291	5 909 109	6 714 624	7 686 009	29,7%
TOTAL	15 944 972	29 756 982	13 364 595	21 324 525	28 305 138	100,0%

* The present table shows split of expenses within the sum of claim handling, acquisition, administrative and investment expenses

** Data of life insurance companies operating at the end of 2002

Insurance Institutions, 31 December 2002

Estonian Financial Supervision Authority

Supervisory Board

Chairman: Mr Harri Õunapuu

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 Foundation (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. Nordea Kindlustuse

Eesti AS

Mr Mikko Sakari Saario

5. Salva Kindlustuse AS

Mr Tiit Pahapill

6. Seesam Rahvusvaheline

Kindlustuse AS

Mr Margus Luih

7. Zürich Kindlustuse

Eesti AS

Mr Olavi Saadoja

Life insurance companies:

1. ERGO Elukindlustuse AS

Mr Georg Männik

2. Hansapanga Kindlustuse AS

Mr Veikko Tamlak

3. AS Sampo Elukindlustus

Ms Ulla Ilisson

4. Seesam Elukindlustuse AS

Mr Taivo Saar

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 Katrin Hanko

Estonian Actuarial Society

Chairman of the Board

Mr Tarmo Koll

Insurance brokers:

1. OÜ ADVICE S.E. Kindlustusmaakler

Mr Ain Niineste

2. AS AON Eesti Kindlustusmaakler

Mr Kari-Edvin Aitolehti

3. Balti Kindlustusmaakleri OÜ

Mr Kaido Tõnisson

4. AS Dividum Kindlustusmaakler

Mr Margus Grünberg

5. AS E-Kindlustus Kindlustusmaakler

Mr Risto Rossar

6. Heath Lambert Baltic Kindlustusmaakler AS

Mr Heiki Nurmeots

7. AS Kindlustusmaakler In Bro & Partners

Mr Tõnu Nael

8. OÜ ABC Kindlustusmaaklerid

Mr Harri Kahl

9. OÜ Mai Estonia IBP Kindlustusmaakler

Mr Raul Suup

10. Majesteedi Elukindlustusmaakleri OÜ

Mr Raul Siimut

11. OÜ Marks ja Partnerid Kindlustusmaaklerid

Mr Jaan Marks

12. Marsh Kindlustusmaakler AS

Mr Kristo Ristikivi

13. Vagneri Kindlustusmaakler AS

Mr Roman Illarionov

14. AS Vandeni Kindlustusmaaklerid

Mr Raul Källo

ESTONIAN INSURANCE COMPANIES, 2002 (listed by foundation date)

AS IF EESTI KINDLUSTUS (non-life insurance)

Address: Pronksi 19 Tallinn
Comments: Pursuant to the merger agreement of 08.12.1999, Sampo Kindlustuse AS, Eesti Varakindlustuse AS and AS Sampo Eesti Varakindlustus merged in a way that AS Sampo Eesti Varakindlustus was the merging company and Sampo Kindlustuse AS and Eesti Varakindlustuse AS were companies which were merged.
AS Sampo Eesti Varakindlustus was altered to AS If Eesti Kindlustus on 23.01.2002.
Owner: If Skadeförsäkring Holding AB, Sweden (100%)
Auditor: KPMG Estonia
Management board: Chairman Olavi Laido
Members Mihkel Uibopuu
Pasi Jorma Kristian Harttunen
Andres Sooniste
Supervisory board: Members Tom Melbye Eide
Åke Ricard Wennerklint
Kimmo Haapalehto
Nils Henriksson
Licenses: RM-1119-E, 14.08.1997 reinsurance
RM-1159-E, 10.12.1997 reinsurance
RM-1376, 26.11.1999 non-life insurance (accident, land vehicles, motor vehicle liability, fire and natural forces, other property, ships, general liability, goods in transit, misc. financial losses, credit, suretyship)
RM-1375-L, 26.11.1999 motor TPL insurance
RM-1475, 09.07.2001 non-life insurance (railway rolling stock)
RM-1495, 23.10.2001 non-life insurance (liability for ships)

ERGO KINDLUSTUSE AS (non-life insurance)

Address: A.Lauteri 5 Tallinn
Comments: founded on 10.12.1990 in Tallinn
30.06.2000 the agreement for portfolio transfer was concluded with Leks Kindlustuse AS
30.06.2000 the new business name of Balti Kindlustuse AS is BICO-LEKS Kindlustuse AS.
BICO-LEKS Kindlustuse AS was altered to ERGO Kindlustuse AS on 12.07.2001.
Owners: ERGO Europa Beteiligungsgesellschaft AG, Germany (99%)
minor shareholder (1%)
Auditor: BDO Eesti
Management board: Chairman Olga Reznik
Members Georg Männik
Sergei Vahnitski
Arvi Luhakooder
Supervisory board: Chairman Achim Naumann
Members Siegmär Krüger
Hans-Dieter Knüttel
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)

ZÜRICH KINDLUSTUSE EESTI AS (non-life insurance)

Address: Narva mnt 24 Tallinn
Comments: founded in 1991 in Tallinn
Owner: Zurich Insurance Company, Switzerland (100%)
Auditor: KPMG Estonia
Director: Olev Saadoja
Supervisory board: Chairman Kurt Otto Treichler
Members Caj Weckström
Fredrik Rosencrantz
Licenses: RM-813, 24.03.1995 non-life insurance (accident, sickness, goods in transit, fire, natural forces, other property, general liability, misc. financial loss)
RM-1205, 06.08.1998 non-life insurance (land vehicles)
RM-1406, 16.05.2000 non-life insurance (railway rolling stock, motor vehicle liability, aircrafts, aircraft liability)
RM-1407, 16.05.2000 reinsurance
RM-1494, 23.10.2001 non-life insurance (credit insurance)
F-2/0004, 27.02.2002 non-life insurance (assistance insurance)

SEESAM RAHVUSVAHELINE KINDLUSTUSE AS (non-life insurance)

Address: Vambola 6 Tallinn
Comments: founded in 1991 in Tallinn
Owners: Pohjola Group Insurance Corporation, Finland (50,5%)
New Hampshire Insurance Company, USA (49,5%)
Auditor: PricewaterhouseCoopers
Management board: Members Ivo Kuldmäe
Margus Lüh
Svetlana Dutkina
Supervisory board: Members Tomi Yli-Kyyry
Toomas Abner
Riho Remmel
Bengt Westergren
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

AS INGES KINDLUSTUS (non-life insurance)

Address: Raua 35 Tallinn
Comments: founded in 1992 in Tallinn
Inges was altered to AS Inges Kindlustuse on 28.10.1996
Owners: UNIX-V Ltd (35%)
Ingossur B.V., Netherlands (25%)
Ingostrakh Ltd, Russia (20%)
physical persons (20%)
Auditor: KPMG Estonia
Director: Voldemar Vaino
Supervisory board: Members Margus Metsma
Aleksij 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 in Tallinn
Owners: SIA "UB Aprodušīnāšana", Latvia (45%)
Tiit Pahapill (45%)
minor shareholders (10%)
Auditor: KPMG Estonia
Management board: Chairman Tiit Pahapill
Members Irja Elias
Urmas Kivirüüt
Andres Lõhmus
Supervisory board: Members Leho Siimsen
Peep Kütt
Toomas Teramäe
Anu Uritam
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)

SEESAM ELUKINDLUSTUSE AS (life insurance)

Address: Roosikrantsi 11 Tallinn
Comments: founded in 1993 in Tallinn
Owners: Suomi Mutual Life Assurance Company, Finland (99%)
Seesam Rahvusvaheline Kindlustuse AS (1%)
Auditor: PricewaterhouseCoopers
Management board: Chairman Taivo Saar
Members Erki Kilu
Marika Guralnik
Supervisory board: Chairman Jukka Peltola
Members Toomas Abner
Ilkka Lohi
Riho Rimmel
Licenses: RM-1097, 30.04.1997 life insurance (term and whole life assurance, endowment)
RM-1165, 10.12.1997 life insurance (annuities)
RM-1218, 30.09.1998 life insurance (annuities with tax benefit)
RM-1527, 14.12.2001 life insurance (unit-linked life insurance, supplementary insurances)

HANSAPANGA KINDLUSTUSE AS (life insurance)

Address: Liivalaia 12 Tallinn
Comments: founded on 24.10.1995 in Tallinn
Owner: AS Hansapank (100%)
Auditor: Deloitte & Touche Eesti
Management board: Chairman Veikko Tamlak
Members Jürgen Pelt
Liia Kirnmann
Supervisory board: Chairman Erkki Raasuke
Members Priit Põldoja
Priit Potisepp
License: RM-1405, 24.04.2000 life insurance (term and whole life assurance, endowment, annuities, birth and marriage, unit linked life insurance, supplementary insurances, annuities with tax benefit)

ERGO ELUKINDLUSTUSE AS (life insurance)

Address: A.Lauteri 5 Tallinn
Comments: founded on 31.08.1995 in Tallinn
BICO Elukindlustuse AS was altered to ERGO Elukindlustuse AS on 12.07.2001
Nordika Elukindlustuse AS transferred its insurance portfolio to ERGO Elukindlustuse AS on 01.07.2002
Owners: ERGO Europa Beteiligungsgesellschaft AG, Germany (100%)
ERGO Kindlustuse AS (35%)
Auditor: BDO Eesti
Managing Director: Georg Männik
Supervisory board: Chairman Olga Reznik
Members Georg Männik
Kaido Kepp
Ivar-Heldur Petersen
Supervisory board: Chairman Hans-Dieter Knüttel
Members Achim Naumann
Siegmar Karl Theodor Krüger
License: RM-1493, 12.10.2001 life insurance (term and whole life assurance, endowment, annuities, incl annuities with tax benefit, supplementary insurances)

AS ÜHISPANGA ELUKINDLUSTUS (life insurance)

Address: Tornimäe 2 Tallinn
Comments: founded on 29.10.1998 in Tallinn
Owner: AS Eesti Ühispank (100%)
Auditor: PricewaterhouseCoopers
Management board: Chairman Indrek Holst
Members Jaanus Sibul
Aira Tammemäe
Supervisory board: Chairman Ain Hanschmidt
Members Lembit Kitter
Ülo Suurkask
Tõnu Liik
Rein Rätsep
Licenses: RM-1255, 21.12.1998life insurance (term and whole life assurance)
RM-1256, 21.12.1998life insurance (endowment)
RM-1257, 21.12.1998life insurance (annuities)
RM-1258, 21.12.1998life insurance (supplementary insurances)
RM-1259, 21.12.1998life insurance (annuities with tax benefit)
RM-1430, 20.11.2000life insurance (unit linked life insurance)

AS SAMPO ELUKINDLUSTUS (life insurance)

Address: Pronksi tn 19 Tallinn
Comments: founded on 07.04.1999 in Tallinn
Sampo Elukindlustuse AS was altered to AS Sampo Eesti Elukindlustus on 03.02.2000 and
AS Sampo Eesti Elukindlustus was altered to AS Sampo Elukindlustus on 05.06.2001.
Owner: Vakuutusosakeyhtiö Yritys-Sampo, Soome (100%)
Auditor: KPMG Estonia
Management board: Chairman Ulla Ilisson
Members Airi Viirt
Terje Otstavel
Supervisory board: Chairman Terttu Marjatta Virmavirta
Members Minna Kaarina Kohmo
Timo Pursiala
Margus Žuravljov
Licenses: RM-1314, 29.04.1999life insurance (term and whole life assurance, endowment, annuities)
RM-1388, 10.01.2000life insurance (annuities with tax benefit)
RM-1420, 10.08.2000life insurance (supplementary insurances)
RM-1476, 09.07.2001life insurance (unit linked life insurance)

NORDEA KINDLUSTUSE EESTI AS (non-life insurance)

Address: Rävala 2 Tallinn
Comments: founded on 30.10.2001 in Tallinn as Nordicum Eesti AS,
Nordicum Eesti AS was altered to Nordea Kindlustuse Eesti AS on 08.11.2001 and Nordea
Kindlustuse Eesti AS was altered to Nordicum Kindlustuse Eesti AS in 12.2003.
Nordika Kindlustuse AS transferred part of its insurance portfolio to Nordea Kindlustuse Eesti AS
(retroactively as of 1.01.2002) on 25.02.2002
Owners: Tryg Vesta Group Ltd, Denmark (100%)
Auditor: KPMG Estonia
Management board: Members Mikko Sakari Saario
Ilona Kuber
Supervisory board: Chairman Peter Falkenham
Members Henrik B. Winther
Kaupo Luhaäär
Kalle Pedak
License: F2-/0003, 13.02.2002non-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 INSURANCE EVENTS, 2002

- 01.01 The Financial Supervision Authority commenced its activities
- 02.01 The ownership of the AS Sampo Eesti Varakindlustus was changed. The Vakuutusyhtiö Yritys-Sampo (Finland) passed the insurance company over to the If P&C Insurance Holding Ltd (Sweden)
- 23.01 The name of the AS Sampo Eesti Varakindlustus was changed to AS If Eesti Kindlustus
- 06-08.02 ... The OECD Conference on insurance and funded pension issues and also the regional meeting of the INPRS (International Network of Pension Regulators and Supervisors) took place in Tallinn
- 13.02 A new non-life insurance provider entered the market; the Financial Supervision Authority granted a license to the Nordicum Eesti AS for writing several non-life insurance classes
- 25.02 The Nordika Kindlustuse AS passed partially its insurance portfolio over to the Nordicum Eesti AS (retroactively as of 1 January 2002); the Nordika Kindlustuse AS terminated its substantive activities as a non-life insurance provider
- 26.02 The name of the Nordicum Eesti AS was changed to Nordea Kindlustus Eesti AS
- 18.03 The Financial Supervision Authority concluded a Memorandum of Understanding with the German Insurance Supervisory Authority
- 13.05 The Financial Supervision Authority established a special regime for three months for the Nordika Elukindlustuse AS
- 01.06 The amendment acts of the Insurance Activities Act and the Motor TPL Insurance Act entered into force
- 01.07 The Nordika Elukindlustuse AS passed its insurance portfolio over to the ERGO Elukindlustuse AS; the Nordika Elukindlustuse AS terminated its substantive activities as a life insurance provider.
- 01.07 The Law of Obligations Act entered into force
- 13.08 The Financial Supervision Authority concluded a Memorandum of Understanding with the Danish Financial Supervisory Authority
- 01.10 The ownership of the Nordea Kindlustuse Eesti AS was changed. The Trygg-Baltica Ltd (Denmark) passed the insurance company over to the Trygg Vesta Group AS (Denmark)
- 23.10 The Financial Supervision Authority erased the OÜ Kindlustusjuht Kindlustusmaakler from the list of insurance intermediaries
- 01.11 A cooperation agreement was concluded between the Financial Supervision Authority, the Bank of Estonia and the Ministry of Finance
- 31.12 The Financial Supervision Authority erased the Rae Kindlustuskoda AS from the list of insurance intermediaries

COMMENTS
