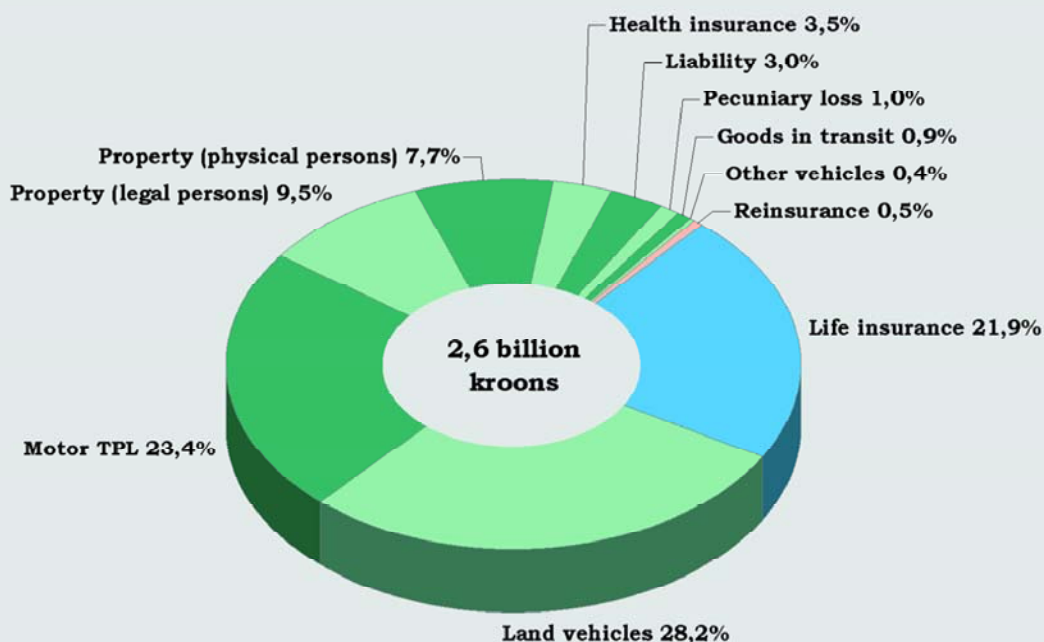


KINDLUSTUSE AASTARAAMAT

INSURANCE YEARBOOK

2003



Finantsinspektsioon

Estonian Financial Supervision Authority

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INTRODUCTION

Dear Reader,

It is the pleasure of Estonian Financial Supervision Authority to publish its twelfth Insurance Yearbook providing an overview of Estonian insurance market.

In 2003, the insurance market evidenced a continuing rapid growth of insurance premiums, whereas the rise of life insurance market outstripped the increase of non-life insurance market. In addition to a lively sale of so-called loan insurance, the market observed the drift of life insurance products towards other financial products, extending thus the range of policyholders. Also, the role of insurance intermediaries in the mediation of insurers' products increased, and non-life premiums collected through brokers had a growth by almost a third.

Within the supervisory process, the transparency of provided services remained one of major concerns of the Financial Supervision Authority. We also commenced the preparation phase for the implementation of the new capital regulation, the so-called Solvency II.

Financial Supervision Authority joined as an observer in the work of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS). CEIOPS follows the objective of creating harmonized regulation and supervisory practices at European level, thus ensuring equal operation conditions for the providers of insurance services within the whole European Union

Financial Supervision Authority registered a continuous downfall in the number of complains directed against insurers' operations, reflecting the increased level of policyholders' satisfaction.

I would like to acknowledge all my colleagues who participated in the drafting process of this Yearbook.

Kaido Tropp

Member of the Management Board

In Tallinn, June 2004

OVERVIEW OF INSURANCE MARKET

INSURANCE MARKET, 2003

ECONOMY IN 2003¹

According to various indicators, the world economy is recovering from the recession of the last two and a half years. However, developments vary by countries, and recovery has been significantly slower in most of euro area countries. In 2003, the economy grew by 3.1 per cent in the US, by 0.4 per cent in the euro area, and by 2.7 per cent in Japan. In view of global economic environment, Estonian economy displayed fast growth of about 4.8² per cent and record low inflation of 1.3 per cent in 2003.

Despite the slightly growing exports in 2003, domestic demand, i.e. domestic investments and consumption, accompanied by an inflow of external funds, maintained its significant role in growth of Estonian economy. Growth of private consumption lowered to 5-6% in 2003 (growth was 9-10% in 2002), but investments continued to grow rapidly for the third year. The growth of investments based mainly on new business projects, including house building, high money investments to transport and continuing reconstruction of electric power stations. Boom in house building ground on favourable borrowing terms due to continually low interest level. Growth of housing loans continued and net position of households against financial sector turned negative.

Although the government savings increased, it was still insufficient to cover decrease in household savings and diminished profitability of resident small enterprises. As the domestic savings remained on the level of 2002 or were even less, the growth of investment demand worsened the economic balance. The current account deficit of the 2003 balance of payments formed 13.7% of the GDP. One reason for the growing deficit was still the foreign trade balance: despite export growth the import of goods considerably outstripped their export. Another, the main reason for increase in the current account deficit in 2003, was the record high deficit of the income balance: large income earned by non-residents from investments made into Estonia.

Large domestic demand and relatively quickly growing export brought along the growth of employment in services and processing industry. The unemployment level continued to decrease slowly. The overly optimistic expectations on growth of external demand lead to the faster increase in labour costs than in productivity.

INSURANCE MARKET

The role of insurance sector was still quite moderate in the overall development of Estonia's economy. In 2003, the Estonia's gross domestic product was 126 billion kroons and the average population totaled 1.4 million people (Table 1). Although the volume of insurers' direct gross premiums constituted only 2.1% of GDP, still the growth compared to 2002 is visible (Figure 1).

¹ The summary of developments in economy in 2003 has been drafted on the basis of "Quarterly Economic Policy Comment by Eesti Pank, 22 March 2004", "Eesti Pank Annual Report 2003" ja "Eesti Pank, Comments on the Estonian 2003 Preliminary Balance of Payments"

² Statistical Office of Estonia recalculated the growth of GDP on 5,1% for 2003, publishing the changed time series of GDP on 18 May 2004. Due to the accession to the European Union, the acceding countries had to apply pre-accession criteria on methodology in order to have a fully comparable statistics with the Member States. Recalculations, made by the Statistical Office of Estonia according to the new methodology of imputed rent and consumption of fixed capital, changed also the level of gross domestic product and gross national income

Table 1. Estonian economy and the insurance market, 1995–2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
GDP at current prices (million kroons)	43 078	55 967	68 328	78 341	81 640	92 717	104 338	116 869	125 832
Change in GDP at constant prices (% of previous year)	4.5	4.5	10.5	5.2	-0.1	7.8	6.4	7.2	5.1
Change in consumer prices (CP) (% of previous year)	29.0	23.1	11.2	8.2	3.3	4.0	5.8	3.6	1.3
incl. goods (CP-G)	18.0	19.6	8.5	6.2	0.3	3.3	4.9	1.9	-0.2
services (CP-S)	45.3	27.2	14.2	12.7	9.7	5.4	7.6	6.8	4.3
Average population (thousand)	1 437	1 416	1 400	1 386	1 376	1 370	1 364	1 359	1 354
Gross premiums (GP) (million kroons)	550	824	1 085	1 272	1 417	1 659	1 832	2 189	2 650
incl. non-life insurance	505	733	926	1 031	1 127	1 290	1 427	1 719	2 056
life insurance	43	64	128	206	216	304	356	446	580
reinsurance	2	27	31	35	74	65	49	24	14
Real change in GP (without CP) (% of previous year)	23.5	21.8	18.4	8.3	7.9	12.6	4.4	15.3	19.5
Real change in GP (without CP-S) (% of previous year)	9.5	14.3	15.8	4.1	-1.0	12.6	4.0	13.7	16.8
Direct gross premiums per capita (kroons)	382	563	753	892	976	1 164	1 307	1 593	1 947
incl. non-life insurance	352	518	662	743	819	942	1 046	1 265	1 519
life insurance	30	45	91	149	157	222	261	328	428
Insurance penetration (%)	1.3	1.4	1.5	1.6	1.7	1.7	1.7	1.9	2.1
incl. non-life insurance	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.6
life insurance	0.1	0.1	0.2	0.3	0.3	0.3	0.3	0.4	0.5

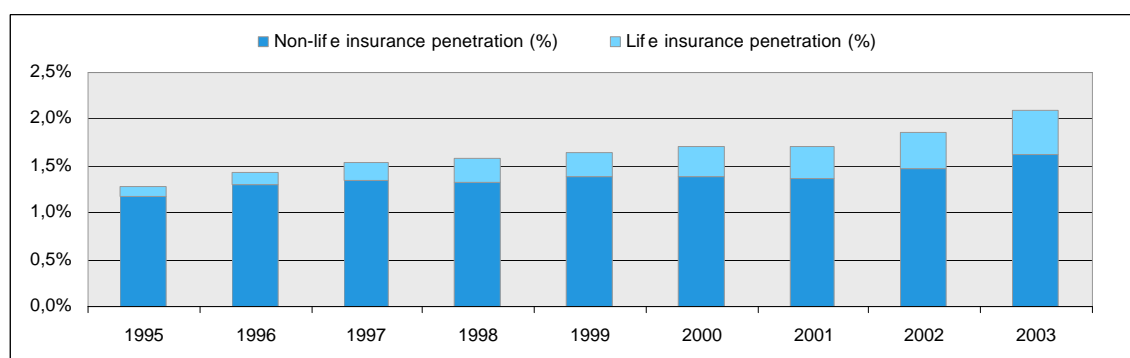


Figure 1. The relative importance of insurers' gross premiums in gross domestic product (GDP), 1995–2003

In 2003, the phase of rapid growth of the insurance market continued, the increase being 21.1%. Insurers' gross premiums totaled 2.6 billion kroons; 77.6% thereof were premiums from non-life insurance, 21.9% from life insurance and 0.5% from accepted reinsurance business (Figure 2).

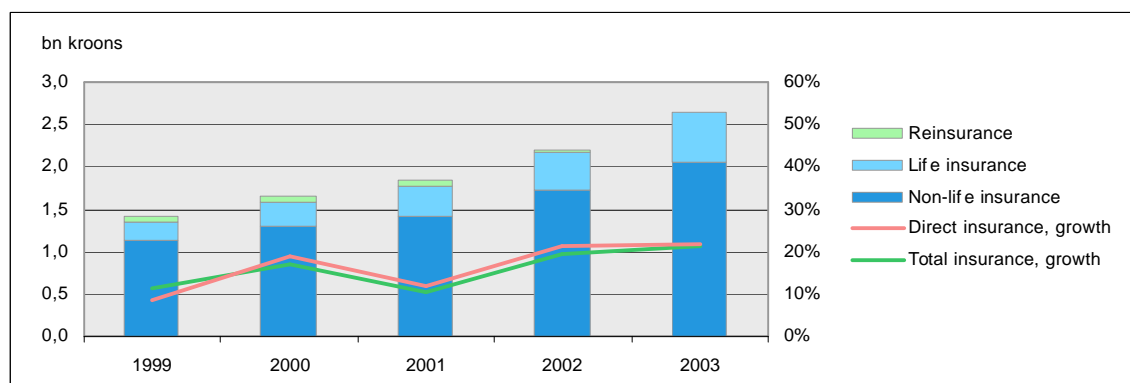


Figure 2. Insurers' gross premiums and the nominal growth in gross premiums, 1999–2003

Direct gross premiums amounted in 2.6 billion kroons (2.2 bn kroons in 2002, the growth being 21.8%) and claims paid 1.1 billion kroons (973.6 m kroons in 2002, the growth being 14%). The volume of life gross premiums indicated an annual growth of 30% and that of non-life gross premiums 19.7%. Direct insurance market structure changed by 1.4 percentage points in favour of life insurance. As a result, 22.0% of the direct insurance market was captured by life insurance and 78.0% by non-life insurance. Premium volume of accepted reinsurance business continued to decline and fell to 13.8 million kroons in 2003, thus being almost two times less than in 2002.

Land vehicles insurance premiums made up more than a quarter and motor TPL insurance premiums almost another quarter of total gross premiums collected in Estonian insurance market. Other insurance classes dominating in the market were property insurance and endowment insurance (Figure 3).

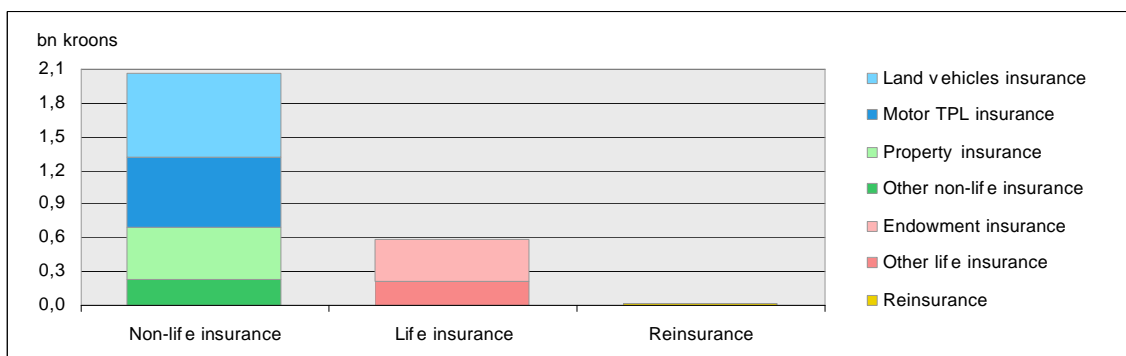


Figure 3. Gross premiums by insurance classes, 2003

Together with the annual growth in consumer price index, the annual actual growth of direct gross premiums was 20.2%, thus being higher than the respective figure in 2002 (17.2%). In 2003, the actual growth of life premiums was 28.3% and that of non-life premiums 18.1% (Figure 4).

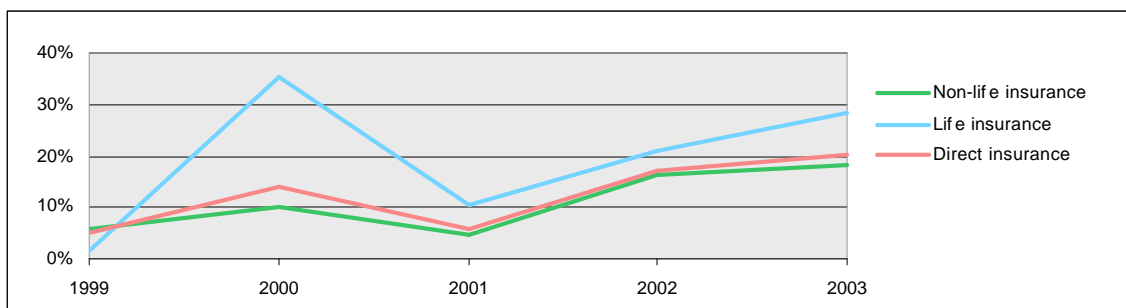


Figure 4. The actual growth of gross premiums, 1999–2003

Over the years, the actual growth of gross premiums has been more stable in non-life insurance, the reason being the slower entrance of new policyholders to life insurance market due to long-term nature of life policies, and the subsequently smaller volume of life insurance market and the delayed phase of active growth³. The growth in life insurance market had been hindered by a major market disposition in 1999. The fast growth was 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

³ The addition of premium volumes being equal in terms of absolute values gives a bigger growth in case of a smaller volume

with tax benefit in 2000. The sale of life policies has been and will be influenced by the overall economic development, including the growth in private net income and positive expectations for the future. The growth of insurance market was continually enhanced by a favourable situation in loan and lease markets in 2003: people often buy a property or motor insurance policy when acquiring a dwelling or a car financed by a loan/lease arrangement. The need to ensure the repayment of long-term loans also promoted the continuing interest in life insurance policies. At the end of 2003, a considerable growth was indicated in policyholders' expectations to earn on investments, and life insurers practiced a brisk sale of unit-linked life insurance products.

In 2003, the direct gross premium volume per person amounted in 1,947 kroons in Estonia (1,593 kroons in 2002); 428 kroons in life insurance (328 kroons in 2002) and 1,519 kroons in non-life insurance (1,265 kroons in 2001). Average monthly gross wage was 6,723 kroons and the number of employed people 0.6 million in 2003, thus an average person spent 1.2% of his/her gross wage on life insurance and 0.4% on household insurance.

INSURERS

At the end of 2003, there were seven non-life insurers, five life insurers, and the Estonian Traffic Insurance Foundation⁴ as the provider of border insurance and motor TPL reinsurance, writing business in Estonian insurance market (Figure 5).

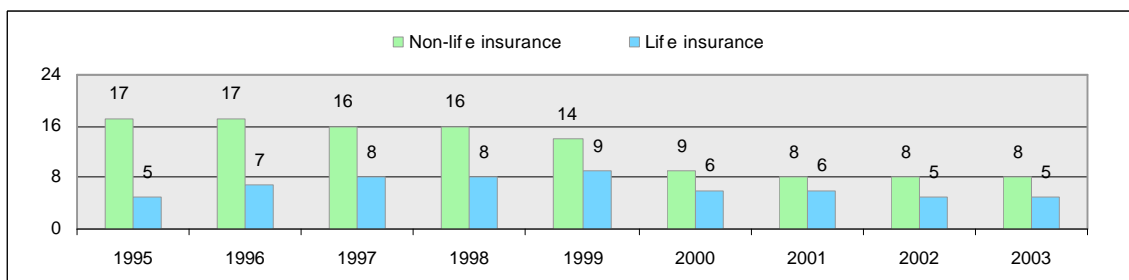


Figure 5. The number of life and non-life insurers (incl. Estonian Traffic Insurance Foundation), 1995–2003

Estonian insurance market remained stable in 2003. There were no companies entering or leaving the market. Owners of the smallest insurance company by market share, Zürich Kindlustuse Eesti AS⁵, geared their operations towards leaving the market at the beginning of 2003.

In 2003, the two biggest insurance companies captured more than a half of both life and non-life direct insurance markets; still, the market concentration was higher in life insurance (Figure 6).

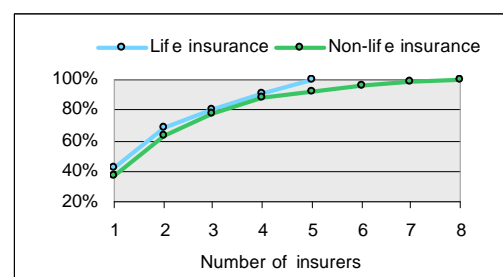


Figure 6. Market concentration, 2003

⁴ Guarantee fund of motor TPL insurance

⁵ Market share by gross premiums of the company was 2.8% in 2002 and 1.6% in 2003

Insurance company AS If Eesti Kindlustus dominated the market in 2003, and its market share by direct gross premiums grew to 28.8% (Figure 7).

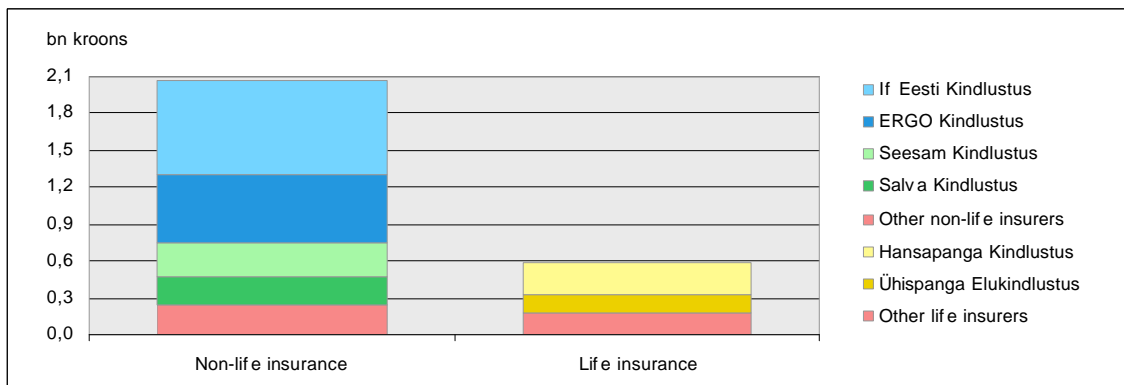


Figure 7. Distribution of insurance market by insurers, based on the volume of gross premiums, 2003

Among non-life insurers, also ERGO Kindlustuse AS and Salva Kindlustuse AS improved their positions. Hansapanga Kindlustuse AS kept its leading position among life insurers despite the drop in its market share in 2003. Market shares of AS Ühispanga Elukindlustus and AS Sampo Elukindlustus indicated a remarkable growth.

Assets volume of insurance companies grew due to additional policyholders and the subsequent extension in insurers' business activities. In 2003, the insurers' assets formed 2.8% of GDP (Figure 8).

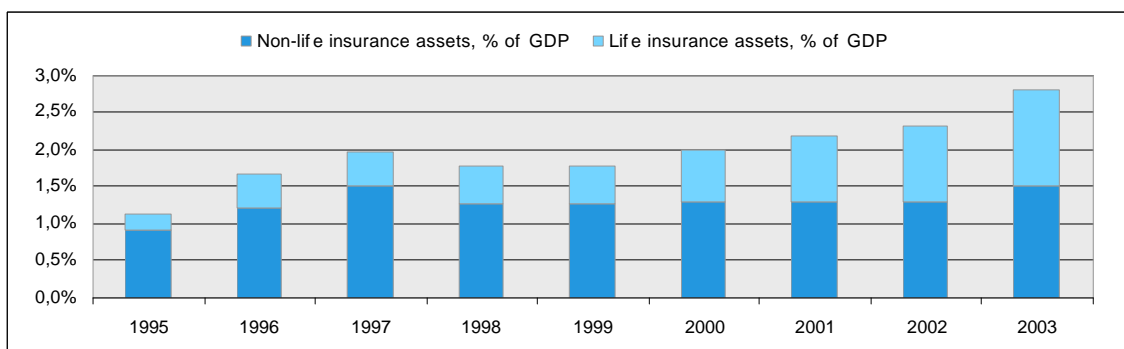


Figure 8. The relative importance of insurers' assets in gross domestic product (GDP), 1995–2003

In 2003, the asset volume and other financial indicators were affected, in addition to successful operation of insurance companies, also by changes made to calculation principles for preparing accounting reports (mainly concerning the reporting of financial assets in fair value)⁶.

In the past five years, the asset volume has indicated a growth mainly due to life insurers, contingent on their relative youth and the subsequent fast growth in their technical provisions (Figure 9).

⁶ Due to revaluation caused by reflecting investments in fair value, the profit of life insurance companies for previous periods increased by 14,9 million kroons and that of non-life insurance companies by 13,5 million kroons in 2003

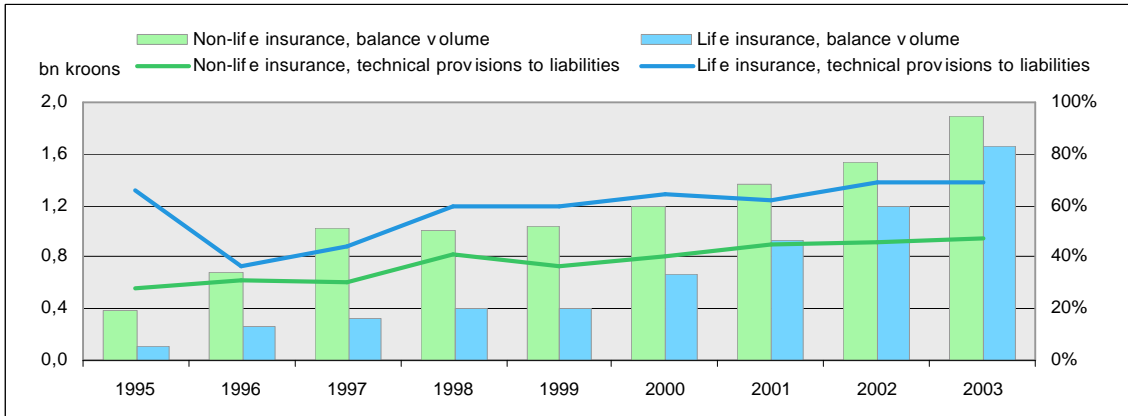


Figure 9. Insurers' consolidated balance volume and the share of technical provisions in the consolidated balance, 1995–2003

Investment volume of life insurers constituted 84.4% and that of non-life insurers 84.5% of the balance sheet total. Investments of unit-linked life insurance formed 11.8% of life insurers' balance sheet volume. As far as own funds and committed assets are concerned, all insurers were in compliance with requirements of the Insurance Activities Act in 2003.

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

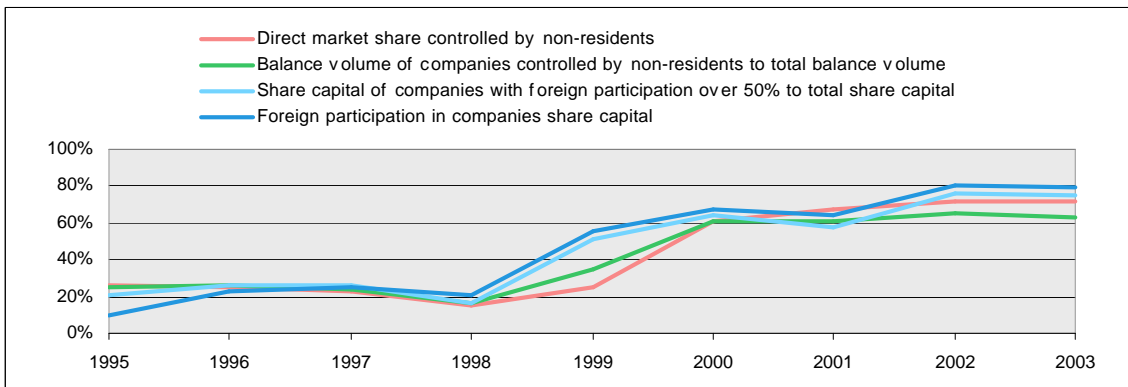


Figure 10. Foreign participation in share capital and the market share controlled by nonresidents, 1995–2003

Rearrangement of international groups in 2003 brought along changes to the ownership of AS If Eesti Kindlustus, Nordea Kindlustuse Eesti AS, ERGO Kindlustuse AS and ERGO Elukindlustuse AS. Direct involvement of non-residents in share capital indicated no major changes during the year, being 79.2% at the end of year. Foreign participation formed 91.1% of non-life insurers' share capital, whereas all non-life insurers had foreign shareholders. 53.5% of life insurers' share capital belonged to non-residents. The market share directly controlled by foreign owners was 82.9% in non-life insurance and 31.8% in life insurance. German and Finnish investors made the biggest investments into Estonian insurance companies by the end of 2003.

Due to stabilizing insurance market, also insurers' net profits have been increasing in the last three years (Figure 11).

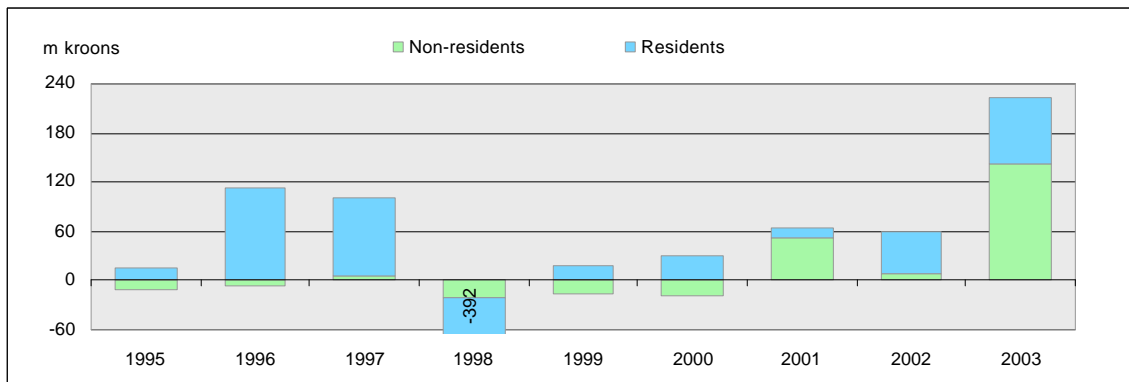


Figure 11. Insurers' net profits from insurance business, 1995—2003

In general terms, profits generated by non-life sector have been bigger than those of life sector due to the leading role of non-life sector in Estonian insurance market. Still, net profits vary considerably by insurers. All insurers except for one non-life insurer earned profit in 2003, whereas there were no more losses from the acceptance of insurance portfolios of companies leaving the market. In 2003, the life insurers' audited net profit amounted in 62 million kroons and that of non-life insurers 160.7 million kroons. Three non-life insurers and a life insurer paid dividends on their profit carried forward for the total of 45.3 million kroons.

Financial indicators illustrating the business - the Profit Margin, the Return on Equity and the Return on Assets - improved due to the considerable increase in insurers' profits in 2003 (Figure 12).

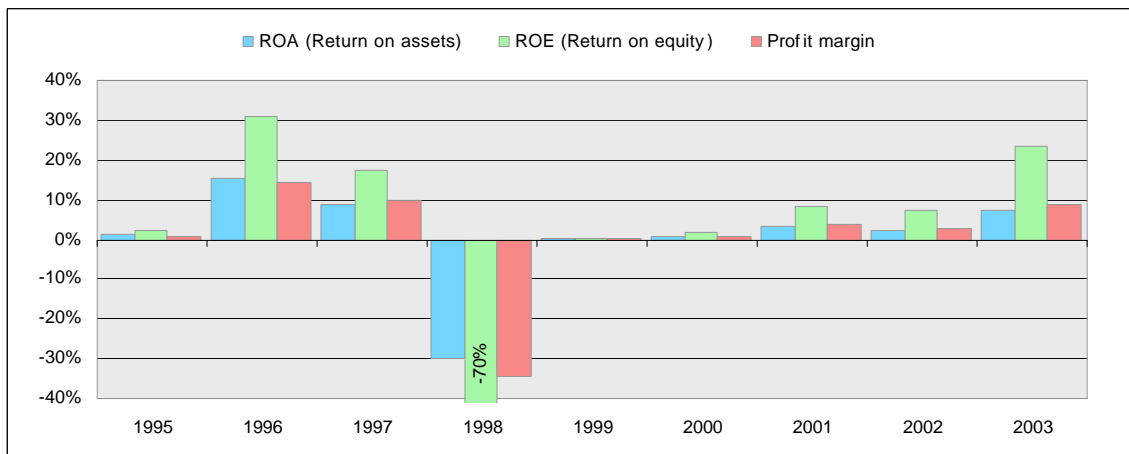


Figure 12. Financial measures of insurance companies, 1995—2003

In addition to so-called loan insurance, also insurers' efforts to improve their customer service promoted the entrance of new customers into insurance market. In 2003, several insurers put an emphasis on the active development of their customer relationship and the supporting information technology. Life insurance market indicated tightening cooperation between banks and insurance companies.

Insurers employed 1,485 people at the end of 2003, constituting 0.3% of the employed population and 0.4% of the population engaged in private sector. Insurers' role in the formation of employment rate has remained unchanged in the past five years. The number of insurers' personnel includes both office and sales personnel (Figure 13).

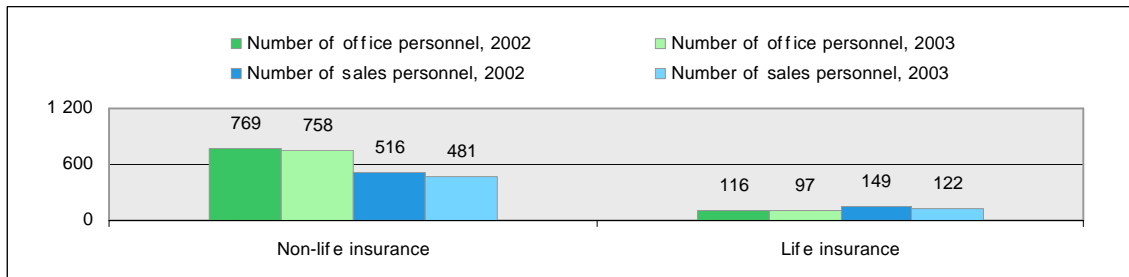


Figure 13. The number of office and sales personnel of insurance companies, 31 December 2002—2003

In addition to sales personnel, also agents and brokers provide services to insurers by selling insurance products. The file of life insurance agents included 940 people at the end of 2003 (850 life insurance agents at the end of 2002).

INSURANCE BROKERS

Insurance mediation is being regulated in Estonia since 1 August 2001. There were 13 insurance brokers and 122 representatives of insurance brokers registered at the end of 2003. In 2003, one insurance broker terminated its insurance mediation activities. Insurers collected 23.4% of their gross premiums through insurance brokers (22% in 2002). 29.7% of non-life gross premiums and 1% of life gross premiums were collected through insurance brokers. Thus, the brokers played a more active role in non-life insurance market. Land vehicles insurance was the most mediated insurance class, considering the volume of gross premiums. Relative importance of mediation in the volume of gross premiums of a single insurance class was the highest in the vehicles insurance (brokers mediated 50.4% of land vehicles insurance premiums and 55.6% of other vehicles insurance premiums) (Figure 14).

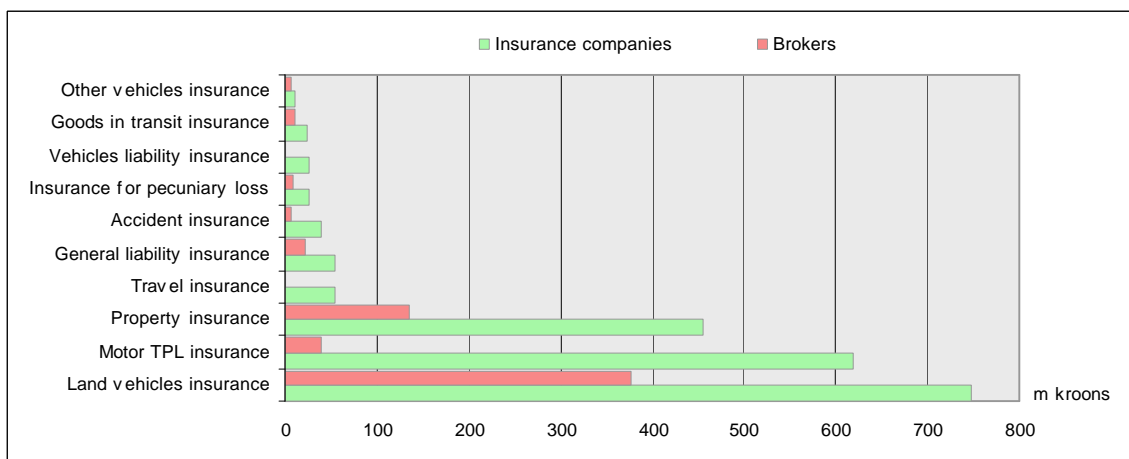


Figure 14. Non-life gross premiums mediated by insurance brokers, 2003

Annuity insurance was the most mediated life insurance class; still, the volume of mediated premiums constituted only 4% of annuity gross premiums collected by life insurers (Figure 15).

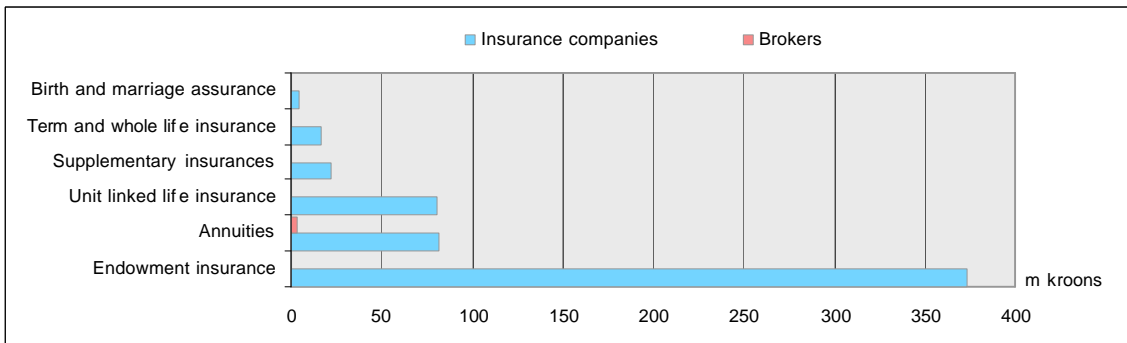


Figure 15. Life gross premiums mediated by insurance brokers, 2003

Besides mediating insurance policies of Estonian insurance companies, the brokers mediated also policies of foreign insurers. The share of foreign insurance companies was 44.2% of premium volume mediated by brokers. Premiums for mediated foreign policies formed 13.1% of mediated non-life gross premiums; in life insurance this rate was 59.1% (Figure 16).

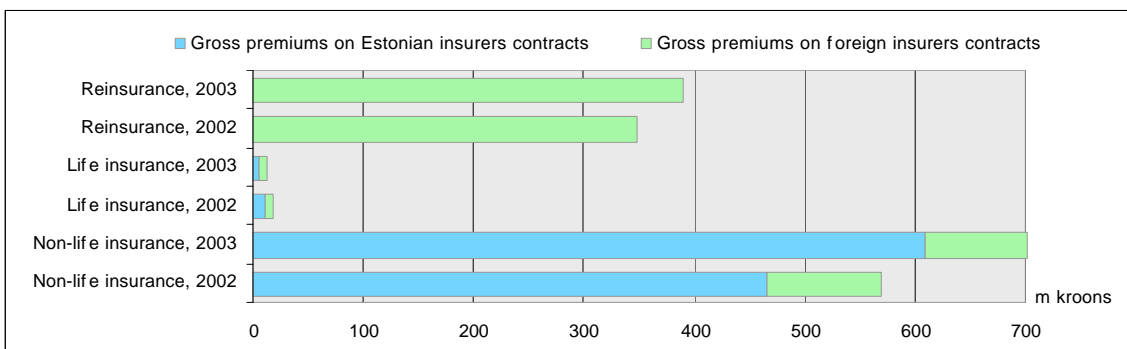


Figure 16. Gross premiums for mediated policies of Estonian and foreign insurance companies, 2002–2003

LIFE INSURANCE

LIFE INSURANCE, 2003

LIFE INSURANCE MARKET

Market developments

Life insurance market reached certain stability in 2003 comparing to previous years, which was mainly reflected by a more stable increase of gross premiums. Life insurers can be characterized by their ability to develop rapidly and find suitable solutions for policyholders by offering contemporary and flexible products. Due to current economic environment and the increase in the number of potential policyholders, an assumption can be made that Estonia's relatively young life insurance market will continue to rise in forthcoming years at least at the same rapid pace as hitherto.

At the end of 2003, the Estonia's population was estimated to 1.4 million and approximately 37% thereof was labor force between ages 15 and 67. The number of main contracts in force in life insurance market totaled 141 thousand at the end of 2003. Hence, a conclusion can be drawn that less than a third of the employed population between ages 15 and 67 has got a life insurance policy (Figure 17).

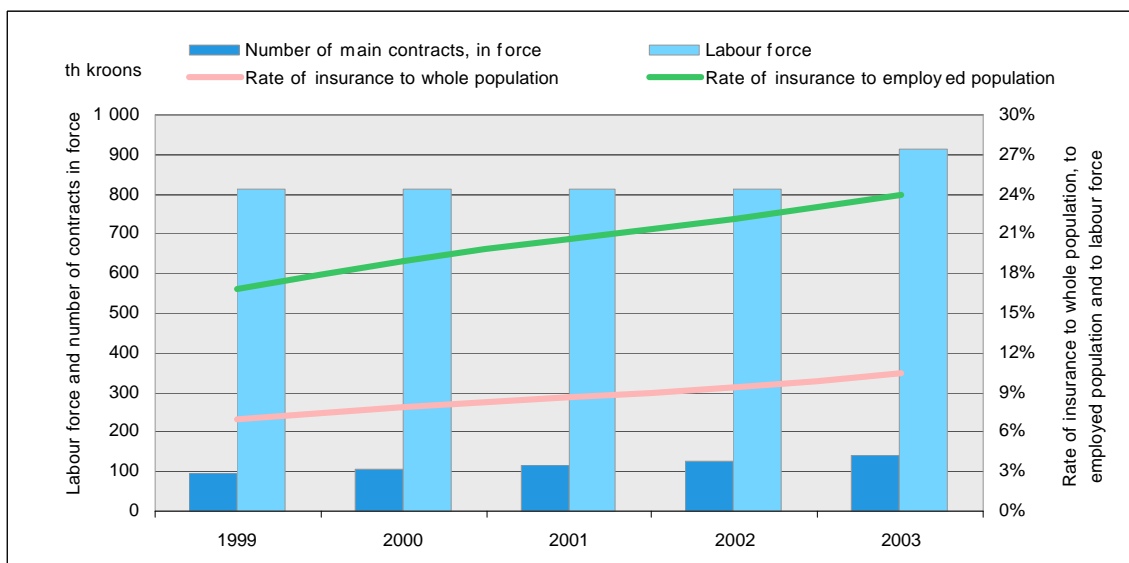


Figure 17. Rate of insurance to whole population and employed population, 31 December 1999–2003

Together with the growth of gross premiums not only the number of insureds but also the annual amount of gross premiums per policy increased. In 2003, an average gross premium per policy was 2,428 kroons, being thus 22% higher than the respective figure in 2002. The average annual gross salary was 80,676 kroons in 2003, being 9% higher than in 2002. Hence, the overall expenditure on life insurance increased, comprising 3% of gross salary at an average (Figure 18). The growth in CPI was 1.3% in 2003; hence, gross premiums and gross salaries increased also in actual terms.

Besides the volume of personal savings, also the increase in premiums and in average annual premium per policy shows the growth in life insurance market and people's saving capacity. Annual increase in technical provisions (i.e. contractual obligations to policyholders) was 35% and in savings 11%. In the end of year the volume of technical provisions comprised 4.9% of savings (4% in 2002) (Figure 19).

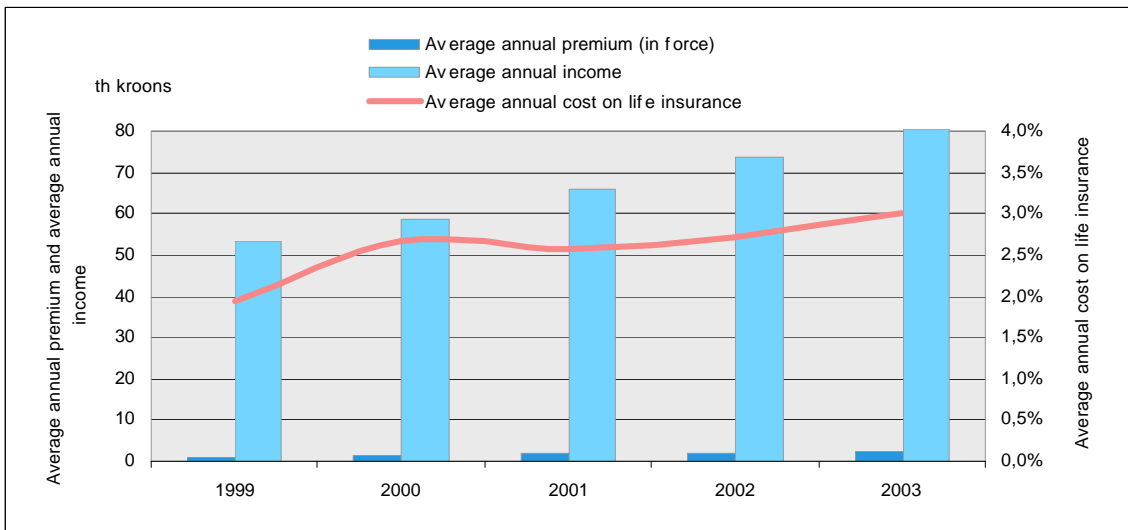


Figure 18. Average gross salary and average premium per life insurance contracts in force, 1999–2003

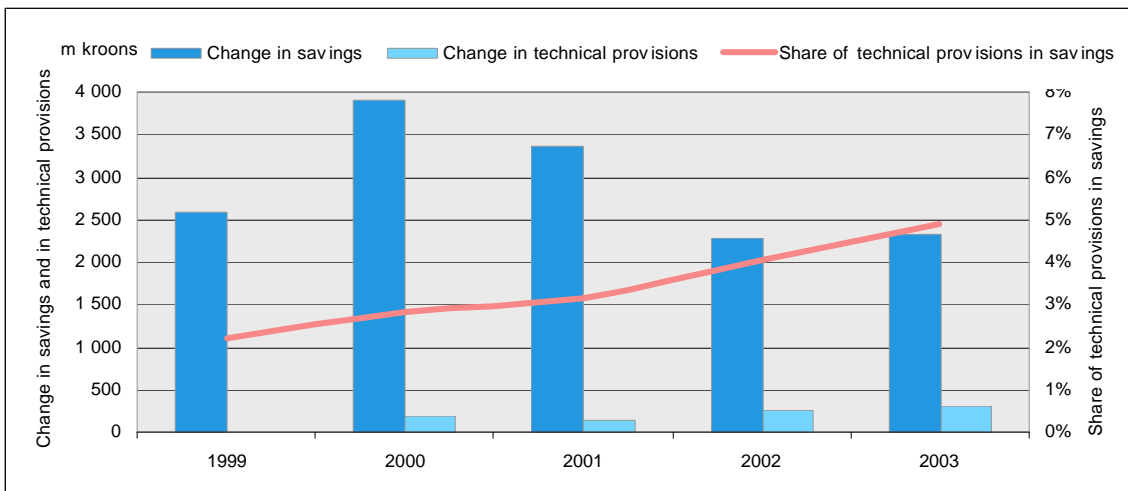


Figure 19. Growth in savings and technical provisions, technical provisions compared to savings, 1999–2003

Gross premiums

Volume of life insurance market has been increasing also in the overall volume of gross premiums, comprising 22% of Estonian direct insurance market. The share of life market increased 1.3% compared to 2002 (Figure 20).

Life insurance premiums amounted in 579.8 million kroons in 2003 (30% increase); 30.6% thereof was received from new business (25.5% in 2002) and 53% from policies with tax benefit (52.9% in 2002). The growth of premiums from new business was mainly generated by unit-linked contracts.

Reinsurance is relatively insignificant in life insurance due to the nature of risks. The share of reinsurance premiums has been fluctuating over the last five years ranging from 2% to 2.7% (2% in 2003).

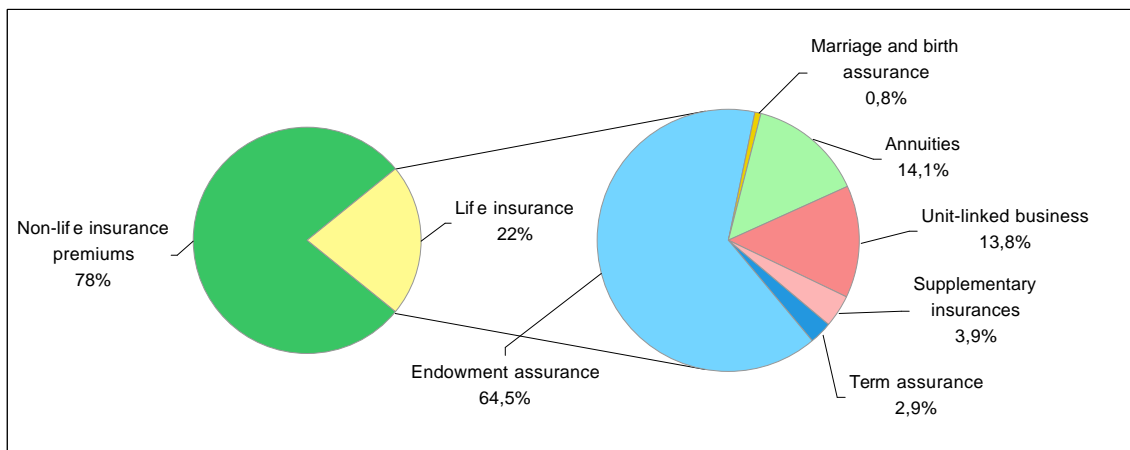


Figure 20. Distribution of insurance market and distribution of life insurance market, 2003

In 2003, gross premiums exceeded the total of benefits, operating expenses and investment expenses by 65.8% (56.8% in 2002) (Figure 21). Benefits amounted in 86.7 million kroons, operating expenses in 104.3 million kroons and investment expenses in 7.6 million kroons. Increase in direct expenses has been lagging behind the growth of gross premiums.

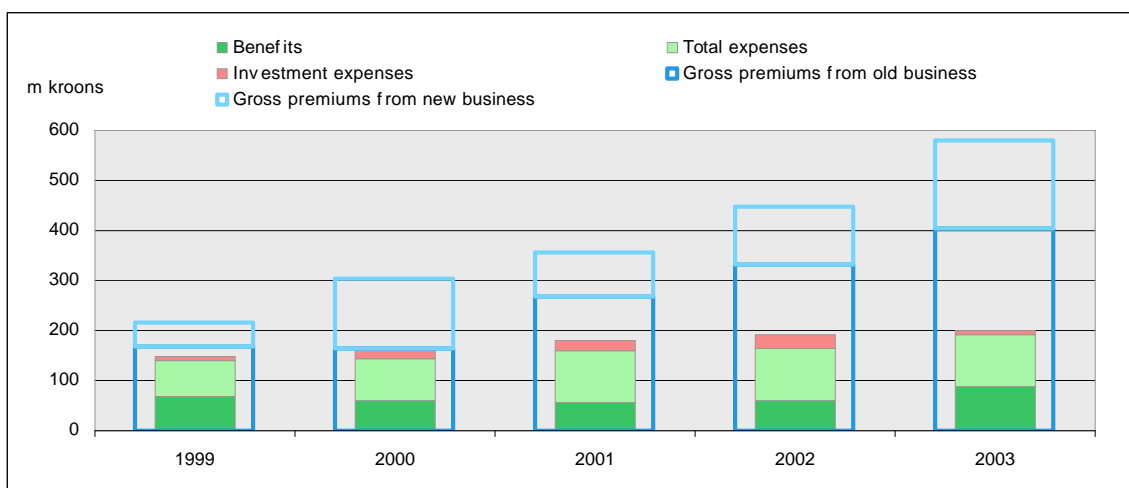


Figure 21. Benefits, operating expenses, investment expenses, gross premiums from new and old business, 1999–2003

Market concentration

Three life insurers belonging to banking groups continued to prevail in life insurance market in 2003. Although there was a rapid growth in the premium volume of AS Sampo Elukindlustus in the fourth quarter of 2003 (2.8 times), the life insurance market nevertheless concentrated around the two biggest life insurers – Hansapanga Kindlustuse AS and AS Ühispanga Elukindlustus –, based on main parameters. Their share in life insurance market was 62.7% on the basis of main contracts in force, 67.4% on the basis of gross premiums, 75.5% on the basis of benefits paid, and 61.2% on the basis of technical provisions (Figure 22).

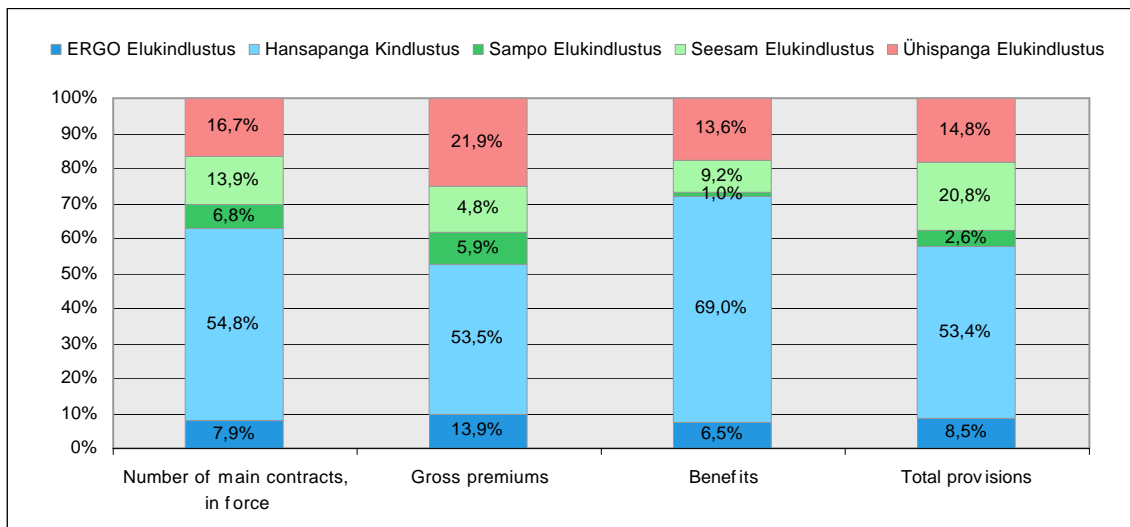


Figure 22. Concentration of life insurers per the number of main contracts in force, gross premiums, total of sums assured and technical provisions, 31 December 2003

Market shares of insurance classes

In 2003, life insurers continued to strive for more contemporary, flexible and customer-friendly products. Products offered by insurers of banking groups became ever more similar to other financial products offered within banking groups.

Endowment insurance policies, annuities and unit-linked policies can be purchased in life insurance market as policies with tax benefit, i.e. policyholders are refunded 26% of premiums paid for saving purpose in a year. The tax benefit is conditioned by making the first payout (first payment of annuity) to policyholder after the age of 55, and by the life-long nature of regular payouts.

Second half of 2003 evidenced a rapid growth in the gross premium volume of term assurance, bringing along an increase in its relative importance and changing the distribution of gross premiums between insurance classes. The biggest share of gross premiums was received from endowment insurance (64.5% in 2003, 61% in 2002), followed by annuities (14% in 2003 and 19.4% in 2002) and unit-linked business (13.8% in 2003 and 11% in 2002). Gross premiums of these classes constituted 92.4% of the total volume of life insurance gross premiums (Figure 23).

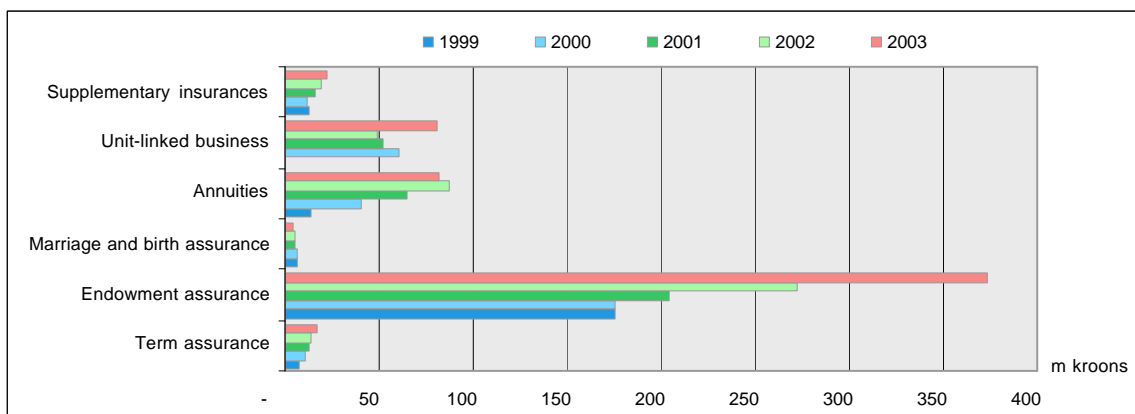


Figure 23. Change in gross premiums by insurance classes, 1999–2003

The volume of gross premiums from new business was 31% of the total volume of gross premiums, thus the increase being 56% if compared to 2002 (Figure 24).

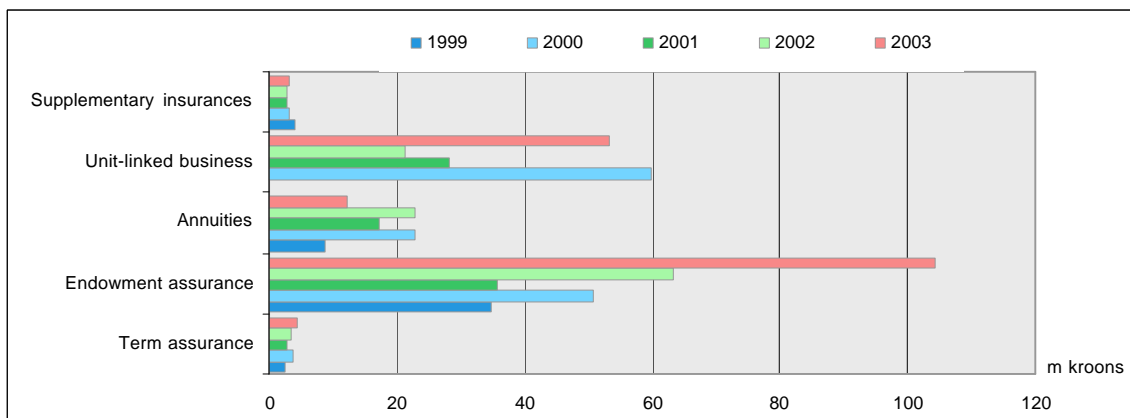


Figure 24. Change in gross premiums from new business by insurance classes, 1999—2003

The ratio of gross premiums from new unit-linked business to gross premiums from total new business grew in 2003 to 30% from 19% in 2002. Main reasons behind the rapid growth of unit-linked business were the tax exemption of investment income after 12 years of investment, relatively sound investment results achieved in 2003, and also the freedom to buy such products without the guaranteed death benefit.

Gross premiums from new endowment business and annuities formed 66% of the total volume of gross premiums from new business (76% in 2002).

Gross premiums from new policies with tax benefit decreased mainly on account of unit-linked gross premiums, forming 46% of the total gross premium volume of new business (57% in 2002) (Figure 25).

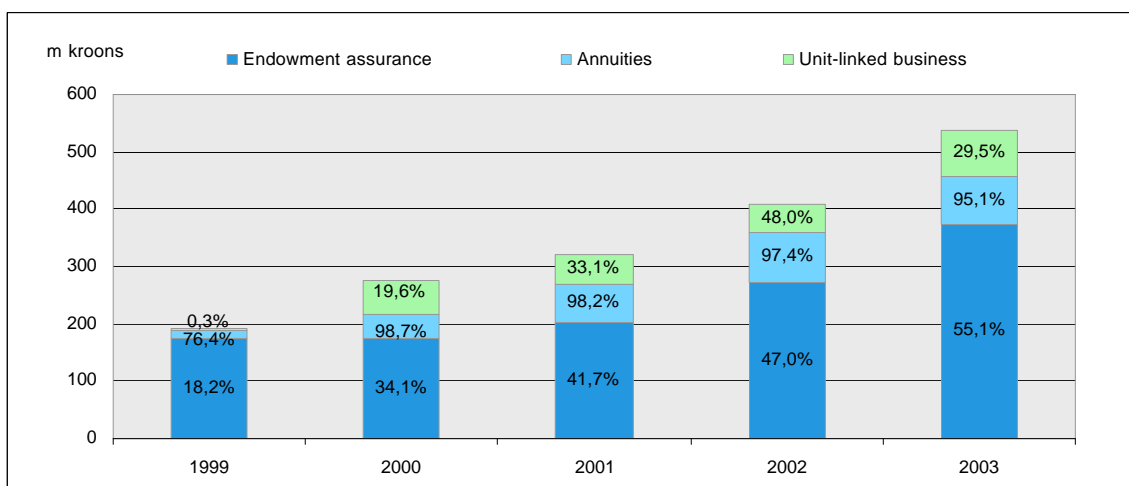


Figure 25. Total volume of gross premiums of endowment insurance, annuities and unit-linked business; the share of gross premiums with tax benefit in the total volume of gross premiums in these classes of insurance, 1999 - 2003

The volume of benefits paid was also the biggest in endowment insurance, constituting 71% of total benefits paid in life insurance. Endowment insurance is the oldest life insurance class in Estonian market and the volume of its gross premiums is the biggest. Endowment insurance was followed by unit-linked

business, forming 15% of total volume of benefits paid. Average premiums of unit-linked business are higher than in other classes of business, therefore also the level of benefits paid is higher than the average (Figure 26).

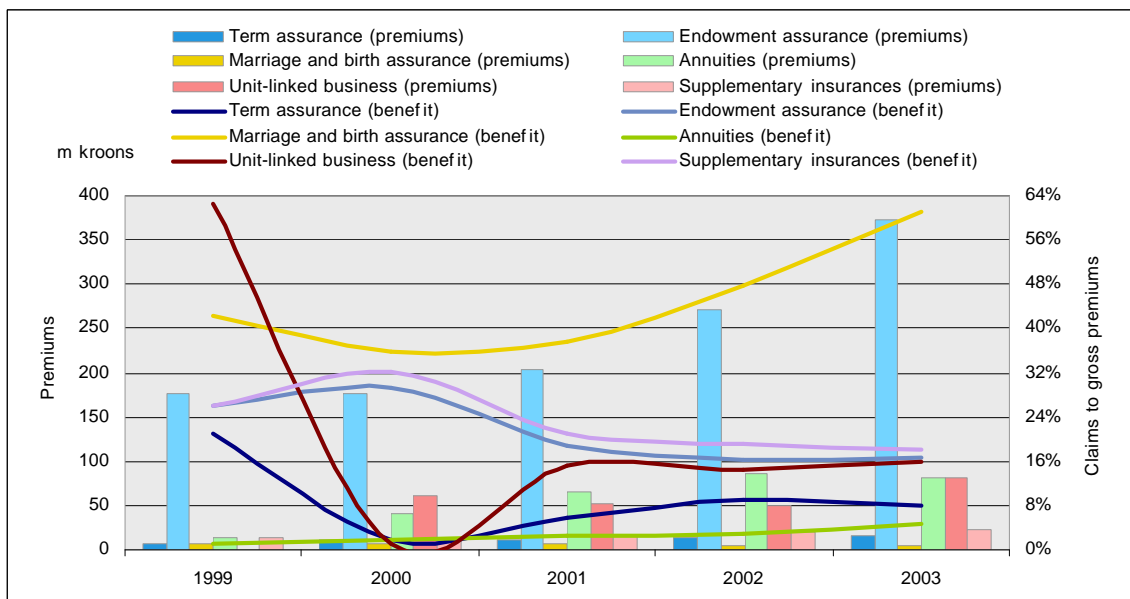


Figure 26. Gross premiums and benefit paid by classes of insurance, 1999–2003

The small share of annuities is ostensible, because annuities are hidden to endowment insurance. When an insurance policy with tax benefit is sold, it is assumed that the policy is altered to an annuity contract after the insured reaches the retirement age. This possibility exists also in endowment insurance and unit-linked business.

Due to the nature of endowment insurance, its technical provision constituted 73% of the total volume of all technical provisions (excl. technical provisions of unit-linked life insurance).

Policies, benefits and withdrawals

At the end of 2003, there were 140,809 main contracts in force. The annual increase in the number of main contracts in force was 9.9%. In 2003, new life business increased 15.7% compared to 2002, and new contracts in force constituted 18.5% of the total number of main contracts in force (Figure). Among life insurance classes, the biggest growth in the number of contracts was recorded in term assurance (37.9% increase) and in unit-linked life insurance (28.5% increase).

Together with supplementary insurances, there were 246,727 contracts in force at the end of 2003; the annual increase being 3.2%. Supplementary insurance can only be written together with main insurance contract, and its period is generally not bound to the period of main contract.

New policies with tax benefit constituted 51.2% of the total number of new policies in 2003 (57.8% in 2002). The drop in the share of new business with tax benefit in the total number of insurance policies occurred on account of new policies of unit-linked business and term assurance.

7,904 policies were cancelled or lapsed in 2003; thereof 4,952 were main contracts. On an average, there were 5 new main contracts concluded per one cancelled or lapsed main contract (Figure 27).

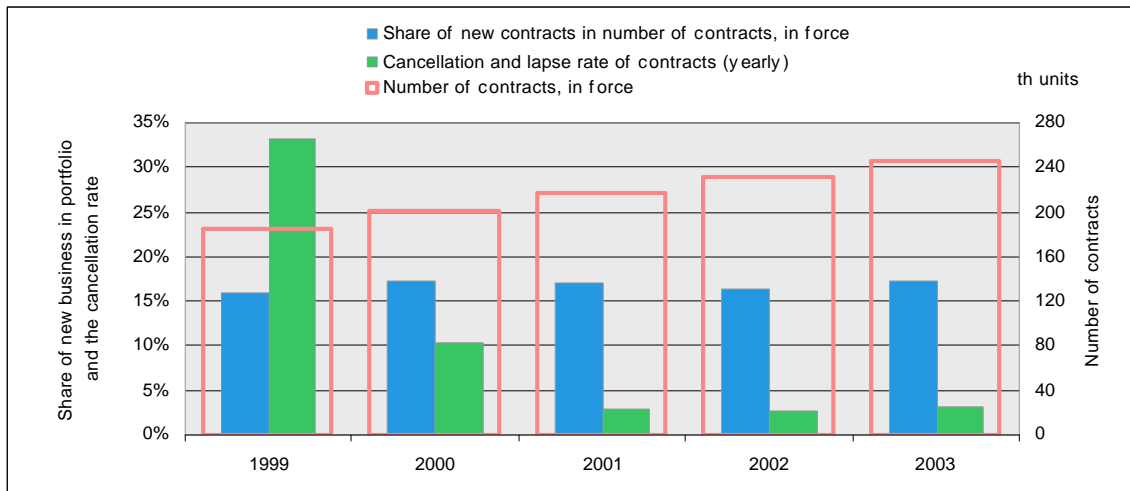


Figure 27. Share of new business in number of policies in force, cancellation and lapse rate of policies and number of policies in force, 1999–2003

Due to specialties of insurance classes, there are differences in the distribution of premium volume and the number of policies (Figure). For example, unit-linked business is characterized by its quite high premium volume compared to relatively small number of policies (volume of gross premiums of unit-linked business constituted 14.4% of the total premium volume of main contracts, and the number of contracts of unit-linked business constituted 3.1% of the total number of main contracts in force). In case of endowment insurance these both parameters are high - 68.5% and 67.1%, respectively (Figure 28).

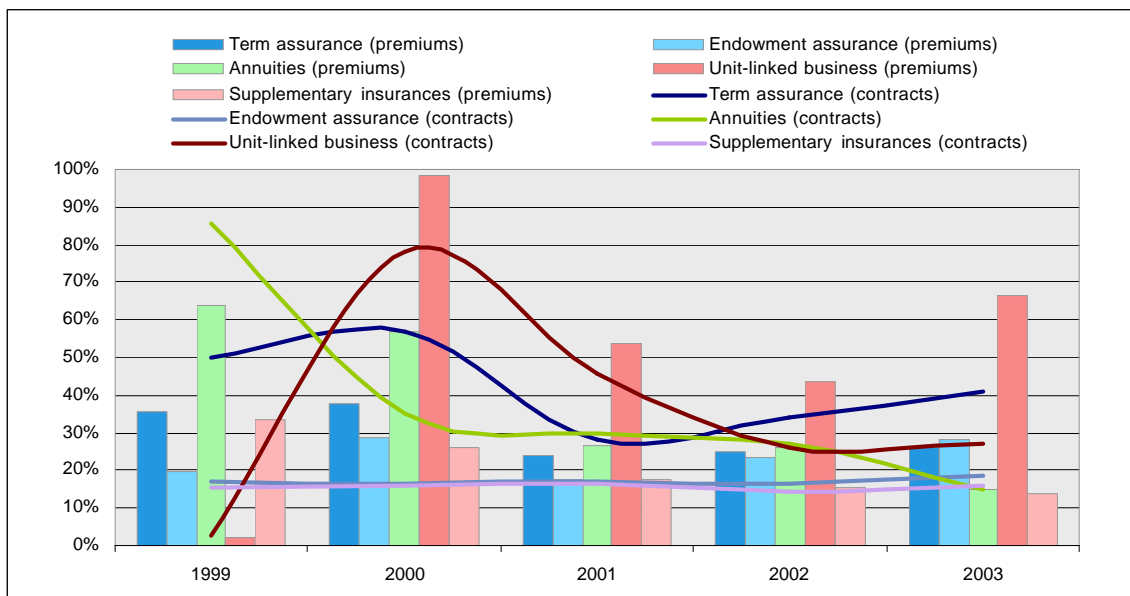


Figure 28. Share of new business in average annual portfolio of policies, and gross premiums from new business in the total volume of gross premiums by classes of insurance, 1999–2003

In 2003, there were 10,964 claims reported (occurrence of insured event, maturity of policy, cancellation or lapse), and the number of claims paid was 10,864 (10,523 and 10,217 in 2002, respectively). 44.4% of claims paid were surrenders, i.e. contracts lapsed before maturity.

In life insurance, the lapse and cancellation rate is generally higher in the first year of an insurance policy (Figure 29). The early cancellation and lapse rate was 0.5% in 2003 (0.3% in 2002).

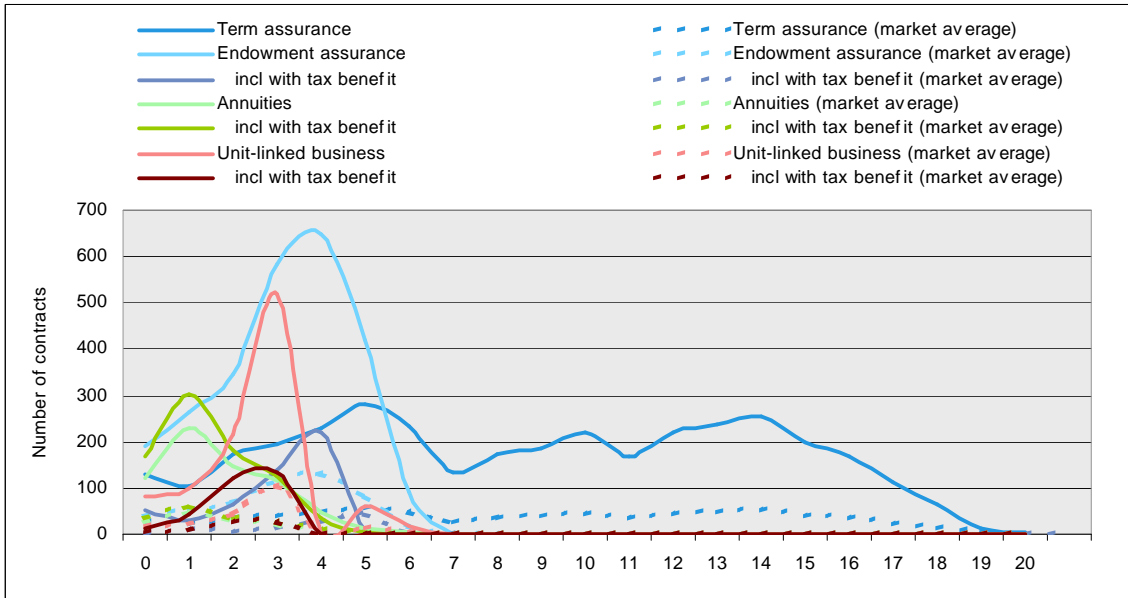


Figure 29. Distribution of cancellation and lapse according to period in force, 2003

The cancellation and lapse rate has been improving at a steady pace since 2000 when life insurance market became more stable due to the improving economic and legislative environment (Figure 30).

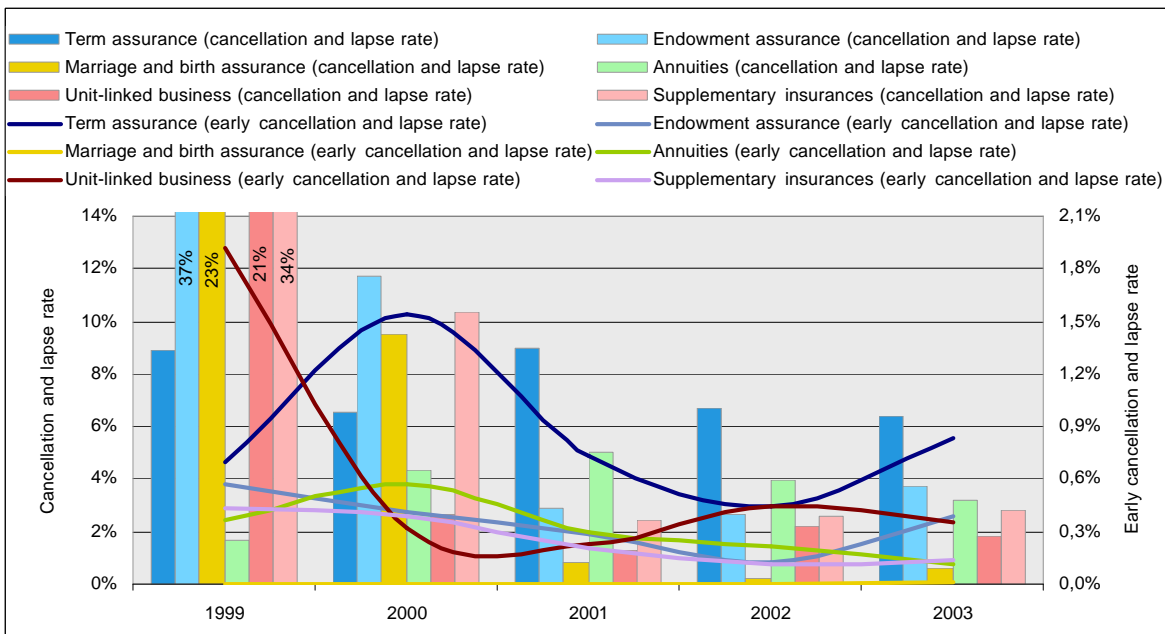


Figure 30. Cancellation and lapse rate and early cancellation and lapse rate, 1999—2003

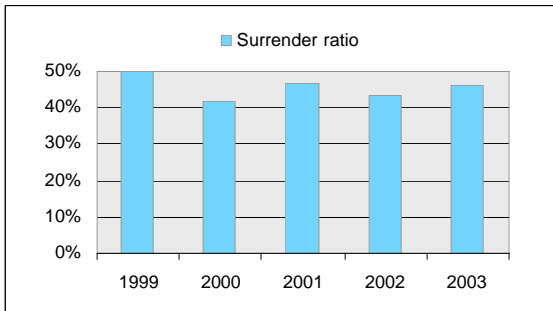


Figure 31. Surrender ratio, 1999-2003

The surrender ratio shows the share of benefits that is used to cover liabilities that accompany the cancellation and lapse. The surrender ratio was 45.9% in 2003 and 43.3% in 2002 (Figure 31). The surrender ratio increased, reasoned by surrenders paid in unit-linked business, which are higher than surrenders in other life insurance classes.

The simple loss ratio shows the share of benefits paid upon cancellation or lapse in gross premiums (11.4%). The total volume of benefits increased due to growth in the share of surrenders and the increase in sums assured paid in endowment insurance (Figure 32).

The number of policies reached to maturity is quite small in Estonia because of the relative youth of Estonian life insurance portfolio. The higher simple loss ratio in 1999 was due to the redrafting of policies of RAS Eesti Kindlustus by Hansapanga Kindlustuse AS.

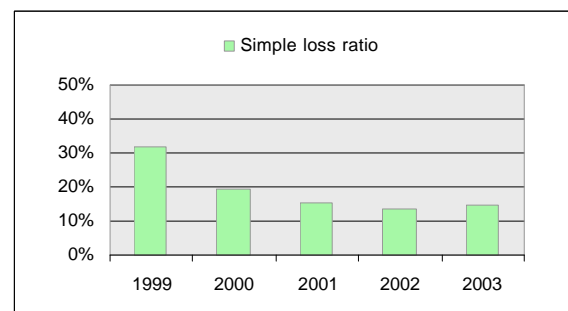


Figure 32. Simple loss ratio, 1999–2003

Expenses of life insurers

Life insurance business was cost-effective in 2003. Operating expenses decreased 0.3% if compared to 2002; concurrently, the total volume of gross premiums increased 30%, thus leading to a drop in the ratio of operating expenses to gross premiums to the level of 18% (23.4% in 2002). The expense ratio varies considerably by life insurers and it is lower than the market average for bigger life insurers (Figure 33).

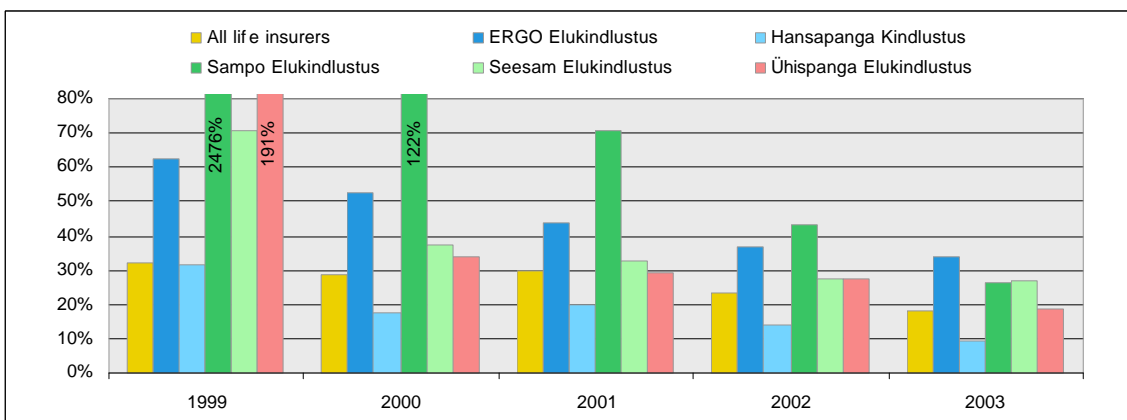


Figure 33. Ratio of operating expenses to gross premiums by life insurers, 1999–2003

Life insurers' operating expenses amounted in 104.3 million kroons in 2003; thereof 62.2% were acquisition costs, 36.8% administrative expenses and 1% claims handling expenses. No big changes occurred in the distribution of expenses between different expense items (Figure 34).

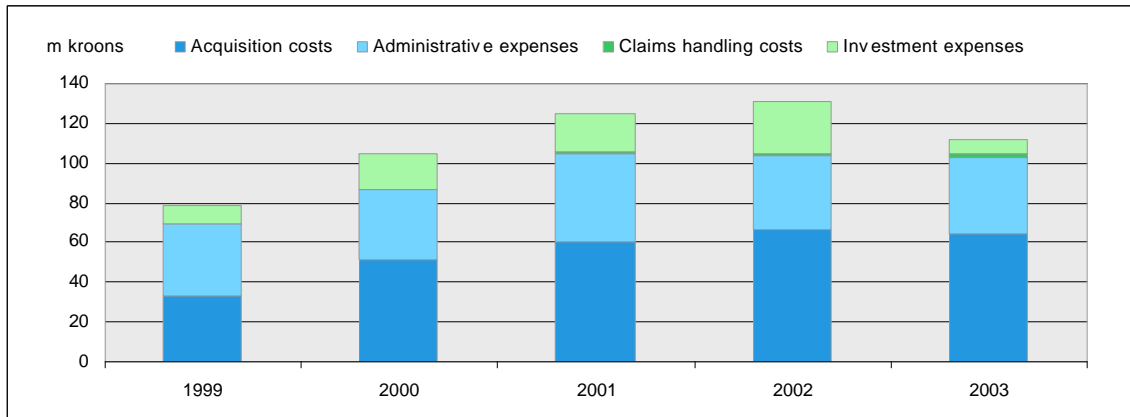


Figure 34. Operating expenses by expense items, 1999–2003

The drop in acquisition costs was caused by changes in products and the sale of policies with higher premiums (e.g. unit-linked business). Investment expenses totaled 7.6 million kroons in 2003, thus the decrease being 3.5 times if compared to the previous year. High level of investment expenses in 2002 was mainly caused by the drop in investment value.

Acquisition cost per new policy amounted in 1,517 kroons in 2003, the annual decrease being 13.7%. Administrative expense per contract in force was 161 kroons, thus the annual decrease being 3.8%. Operating expense per insured was 436 kroons in 2003, thus the annual decrease being 6.5% (Figure 35).

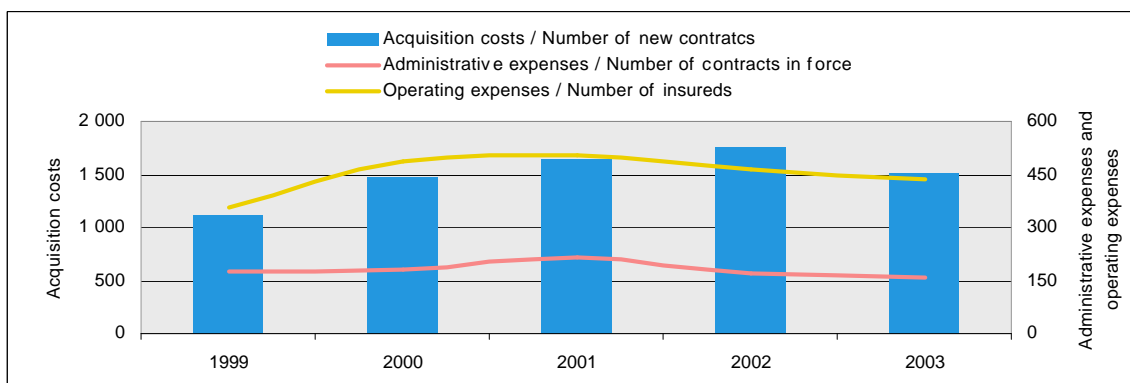


Figure 35. Acquisition cost per new policy, administrative expenses per policy in force and operating expenses per insured, 1999–2003

Technical provisions

Contractual obligations to policyholders, i.e. the volume of technical provisions, amounted in 1,1 billion kroons at the end of 2003; thereof 95.8% was the life insurance provision, 2.8% the outstanding claims

provision and 1.5% the provision for bonuses declared in 2003. The growth in technical provisions was 38.3% in 2003 (Figure 36).

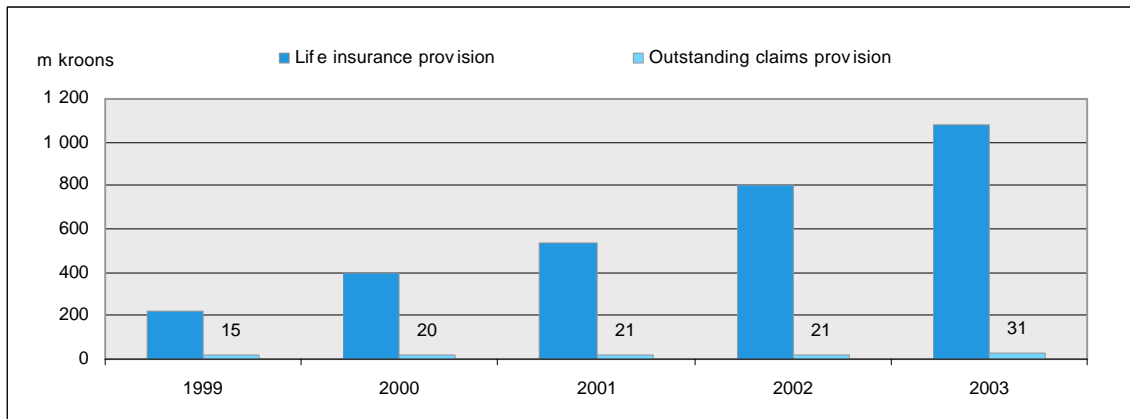


Figure 36. Life insurance provision, outstanding claims provision, 31 December 1999—2003

The increase in life insurers' technical provisions occurs as far as their portfolio includes contracts that are still in the saving phase.

Technical provisions constituted 68%, provisions for unit-linked business 11.8% and owners' equity 17.1% of the total balance sheet volume of life insurers (Figure 37).

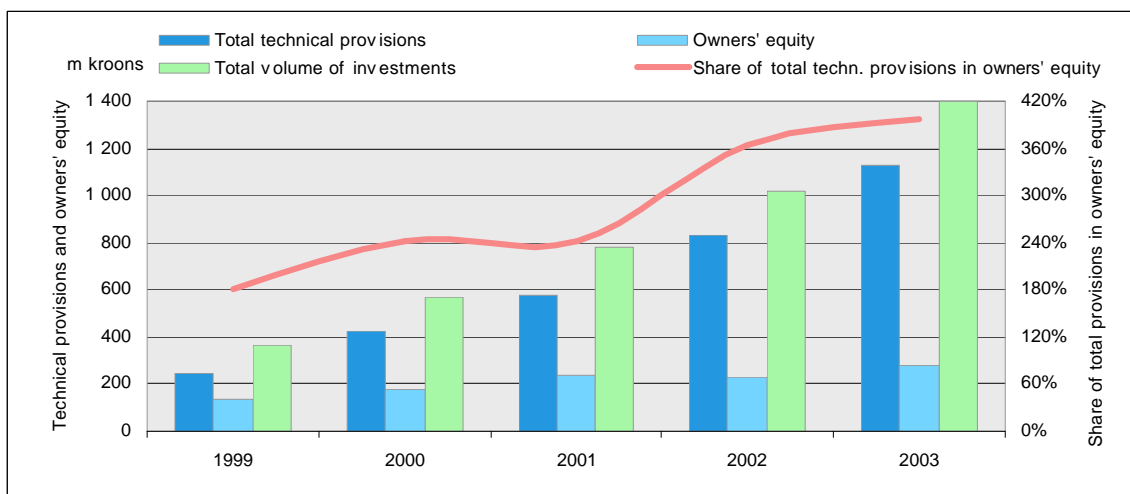


Figure 37. Technical provisions, owners' equity, volume of investments and the share of technical provisions in owners' equity of life insurers, 31 December 1999—2003

As the total volume of technical provisions increases the importance of owners' equity in the total balance sheet volume decreases and that of investments increases because life insurers have to make investments at least within the amount of technical provisions.

Debt securities constituted 52.5%, time deposits 30.4%, and shares and investment fund units 6.6% of total committed assets at the end of 2003.

Investments of life insurers

Life insurers' investments amounted in 1.4 billion kroons at the end of 2003, thus constituting 84.4% of the total balance sheet volume. As the total volume of investments has increased, the risk appetite of life insurers has grown bringing along the raise in the volume of investments made into variable-interest securities. Due to the nature of liabilities, investments made into debt securities and other fixed-interest securities formed the biggest share of investments (60.3%); they were followed by shares and other securities (19.3%) and deposits with credit institutions (17.2%). The importance of investments made into deposits with credit institutions has been decreasing in recent years (Figure 38).

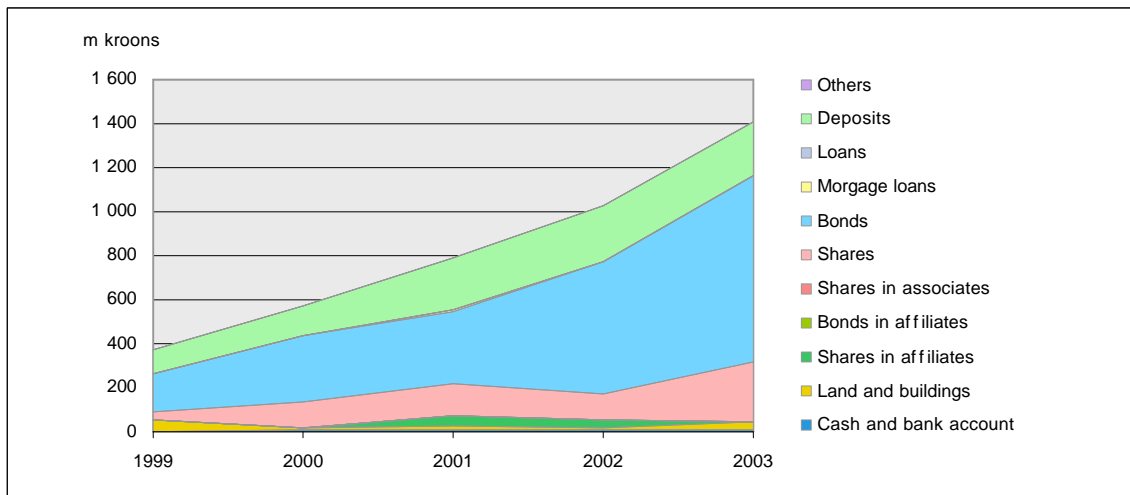


Figure 38. The structure of investment portfolio, 31 December 1999—2002

Investments made into variable-interest securities issued in Estonia formed more than a half of such securities (56.9%); they were followed by securities traded in securities markets of Luxembourg (14.8%) and USA (7.1%), (Figure 39).

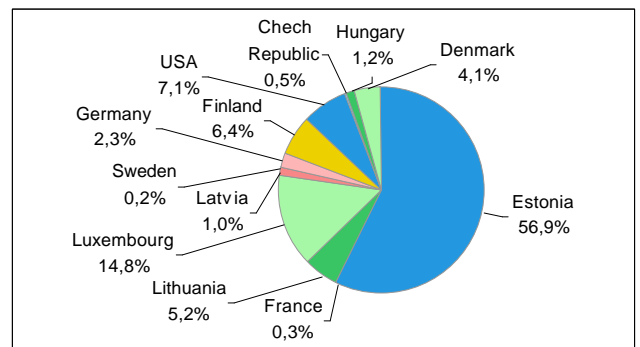


Figure 39. Investments in shares, 31 December 2003

The volume of investments made into fixed-interest securities was bigger than the volume of investments made into other securities and therefore also the number of countries represented in this category is bigger. 16.8% of fixed-interest securities were issued in Estonia; the second and the third place were taken by securities issued in Sweden (7.5%) and Finland (7.2%), (Figure 40).

2003 was a profitable year for life insurers when considering their investments activities; investment income exceeded the expenses more than 10 times and the loss due to the decrease in investment value was 19 times less than in the previous year. The average profitability of investments was 6.7% in 2003,

thus exceeding the average technical interest rate of insurers and being higher than the rate of EURIBOR at different time periods (Figure 41).

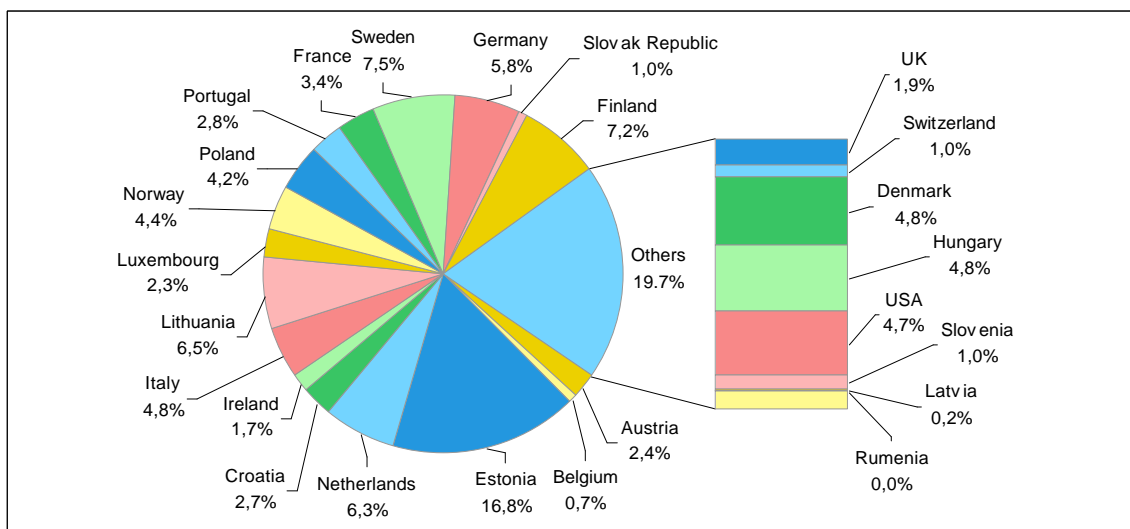


Figure 40. Investments in bonds, 31 December 2003

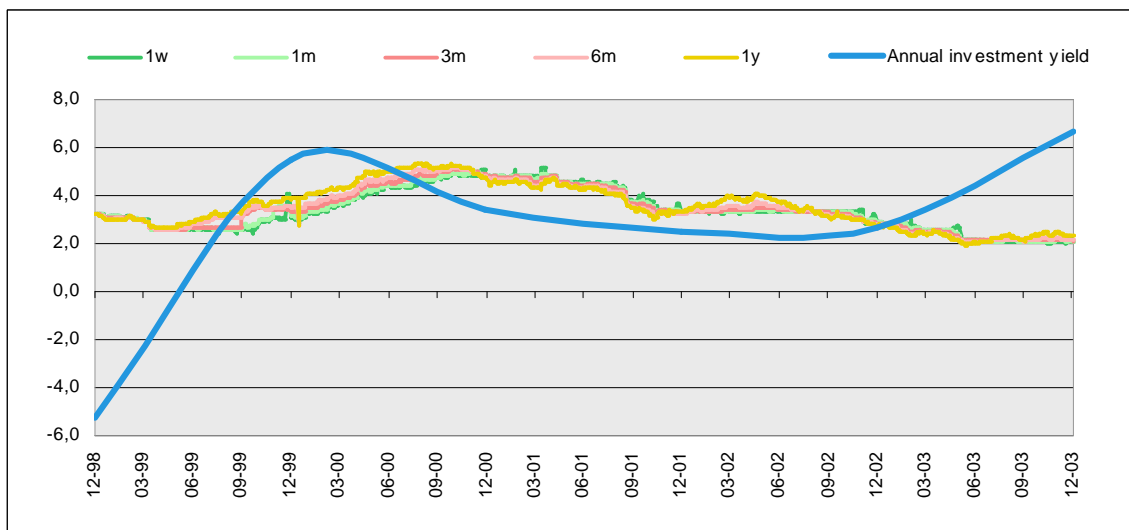


Figure 41. Profitability of investments of life insurer and EURIBOR, 1998—2003

The structure of investments has become more level in life insurers. Only those life insurers not related with banking groups invested also into land and buildings, shares of affiliates and loans. As an average, committed assets covered contractual obligations to policyholders 1.2 times. Life insurers had a sufficient amount of liquid assets, considering their potential obligations and history of payments.

Life insurers' current contractual obligations are matched to long-term investments (where the period to maturity is longer than 1 year) during the first 4 to 5 years. There are no investments that can be matched to liabilities of longer nature. In general, life insurers' investment activities are characterized by continuous reallocation of investments because it is not possible to find assets that match with liabilities. Also, investment managers strive for higher profitability by investment reallocation.

Owners' equity, technical profit/loss

Owners' equity amounted in 282.9 million kroons at the end of 2003, thus the annual increase being 24.3%.

Life insurers' technical profit totaled 73.7 million kroons in 2003, the growth being 2.6 times in comparison to 2002. All life insurers earned profit in 2003 for a total of 62 million kroons. The growth in net profits brought along also the growth in the profitability of owners' equity to the level of 22% (7.7% in 2002) (Figure 42).

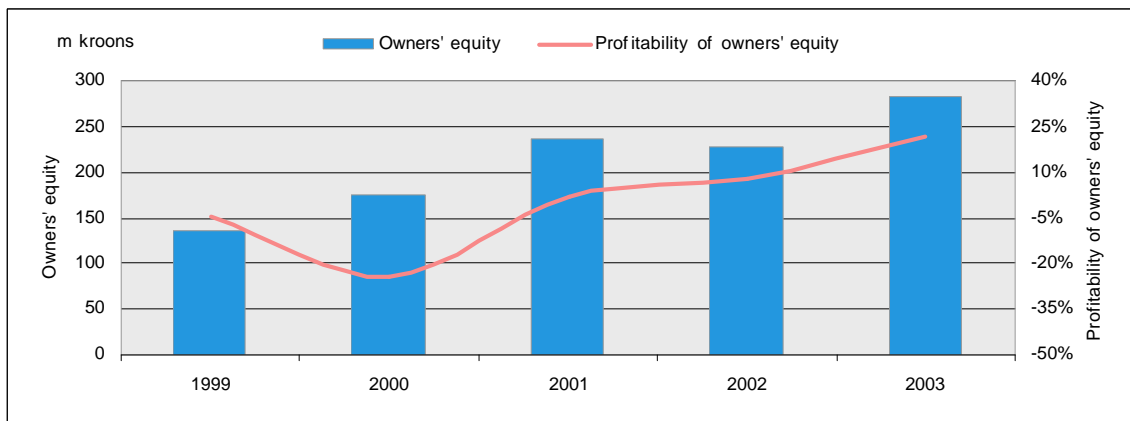


Figure 42. Owners' equity and profitability of owners' equity of life insurers, 1999–2003

Solvency margin of life insurers was 117.8 million kroons at the end of 2003, and the volume of own funds exceeded the solvency margin 2.4 times (Figure 43).

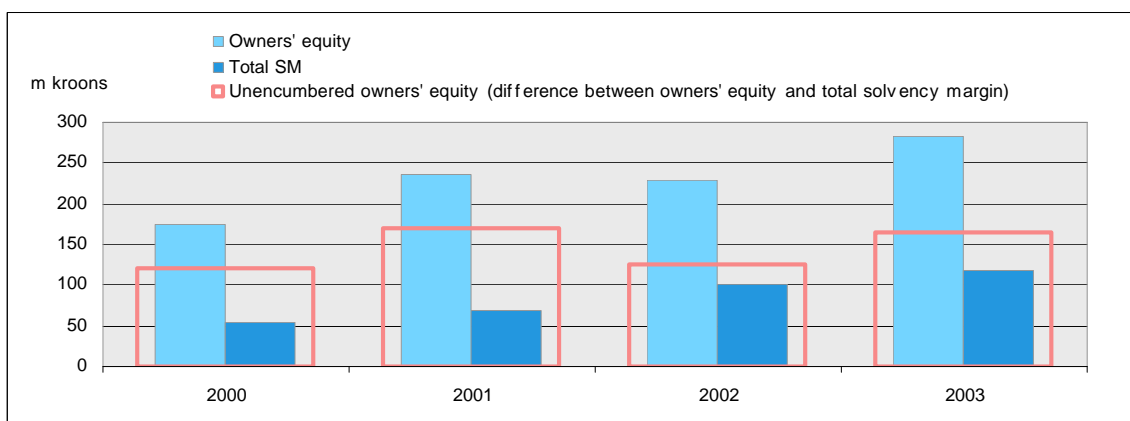


Figure 43. Life insurers' own funds, solvency margin and unencumbered own funds, 31 December 2000–2003

Considering the share of variable-interest securities (19.2%) and that of fixed-interest securities (60.1%) in the total investment volume and comparing these figures with the volume of unencumbered own funds, we can find the tolerance level for the decrease in investment value (which would not jeopardize life insurers). Due to the increasing share of variable-interest securities, the solvency of life insurers is since 2003 also affected by the drop in the value of these financial instruments, i.e. insurers may face a solvency problem (Figure 44).

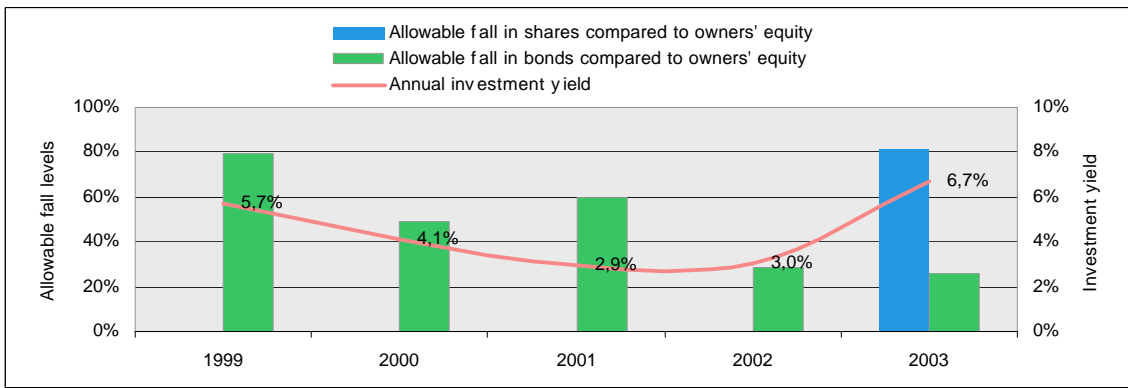


Figure 44. The tolerance level for the decrease in investment value considering the unencumbered own funds, and the profitability of investments, 1999—2003

Required funds for writing new business, i.e. insurer's investment in the future, can be measured by the ratio of acquisition costs to owners' equity. This ratio decreased in 2003 because of the drop in the total volume of acquisition costs and the concurrent raise in the amount of owners' equity (Figure 45).

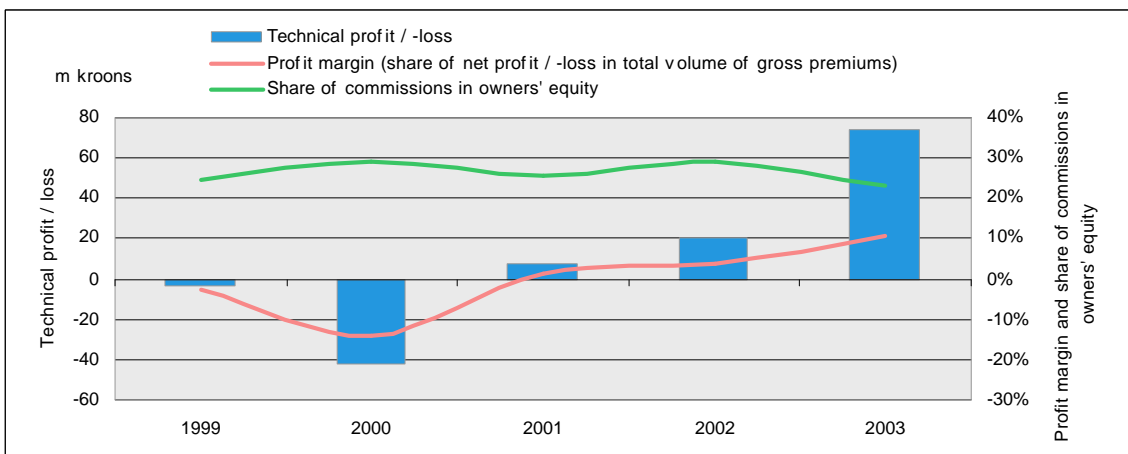


Figure 45. Technical profit/loss, profit margin and share of commissions in owners' equity of life insurers, 1999—2003

Profit margin is found as the ratio of net profit to gross premiums and this figure shows the profitability of cash inflow. Life insurers' activities have been profitable and the volume of gross premiums increasing since 2001, thus also promoting the increase in the profit margin.

ANALYSIS OF PORTFOLIO OF LIFE INSURANCE POLICIES

Average life insurance policy

Average policy in insurance portfolio provides a very general view for assessment because policy parameters (premium, sum assured, insurance period, etc.) vary considerably by insurance classes. This is due to different objectives pursued upon the conclusion of insurance contract, i.e. of different types of risk components covered by insurance policy.

Insured risk is decisive in the determination of sum assured and premiums. In 2003, the average sum assured was 67,397 kroons and the average annual premium 4,120 kroons in endowment insurance; concurrently, the average sum assured was 206,882 kroons and the average annual premium 1,699 kroons

in term assurance. Endowment insurance includes in addition to death risk component also the saving component, which on an average is more expensive.

An average new policy differs from the old one in terms of the sum assured and premium. In general, new policies are written with a higher insurance cover, and therefore also with higher premium (Figure 46, Figure 47). The growth of average annual premium is also conditioned by the increase in consumer price index.

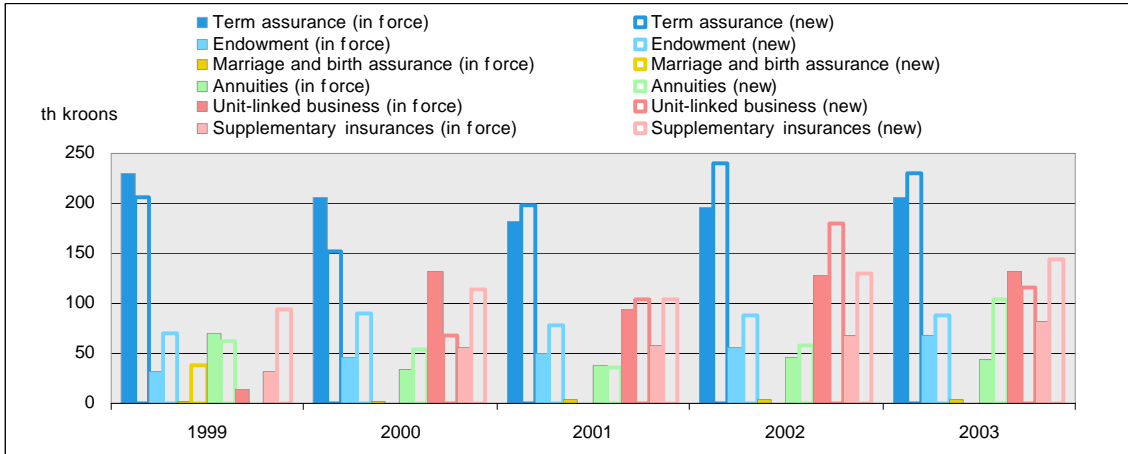


Figure 46. Average sum assured for policies in force and new business, by insurance classes, 31 December 1999–2003

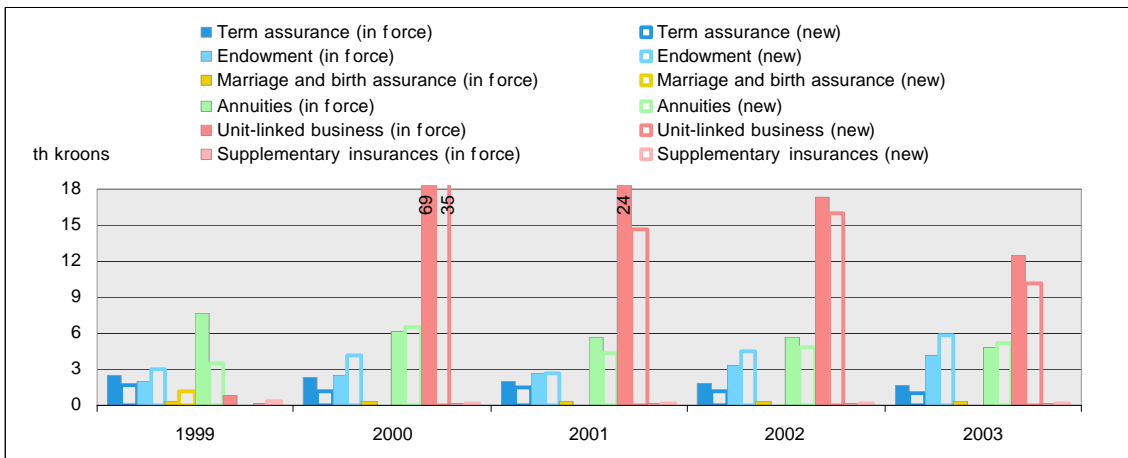


Figure 47. Average premiums per contracts in force and for new business, by insurance classes, 1999–2003

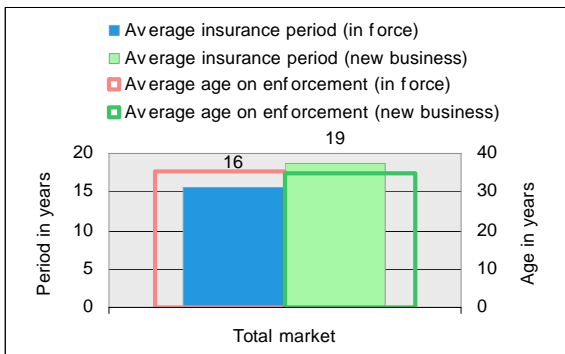


Figure 48. Average insurance period and average age at enforcement, 2003

The average age of an insured when purchasing the policy (enforcement) was approximately 35 years and the average period of insurance policy 16 years. The highest average age at enforcement was in annuities and the lowest in term assurance. The average period for new business increases due to the raise in the importance of policies with tax benefit (Figure 48).

The distribution of age of insured at enforcement accumulates between ages 27 to 40. Endowment insurance portfolio includes also the coverage of children. The age of an average insured under the coverage of children is 10 years lower at enforcement than the respective average in endowment insurance, and therefore there is a natural hump between ages 0 to 16 years (Figure 49).

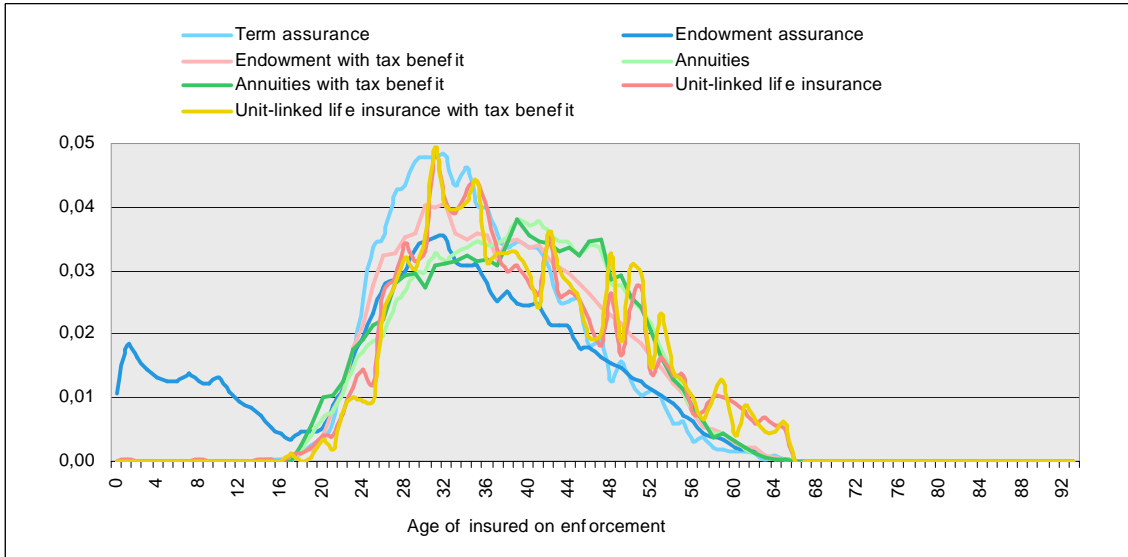


Figure 49. Distribution of age of insured at enforcement, by insurance classes, 2003

Unlike the distribution of insured's age at enforcement, the distribution of period at enforcement is much more dispersed, meaning that the period of policies varies considerably by insurance classes. In case of term assurance, there are two bigger humps – for periods of 5 and 10 years -, and two smaller humps – for periods of 15 and 20 years. As term assurance policies are frequently written together with a loan contract, the period of term assurance tends to be related to the period of loan contract. In endowment insurance there are two humps similar to those in age distribution, caused by the coverage of children (Figure 50).

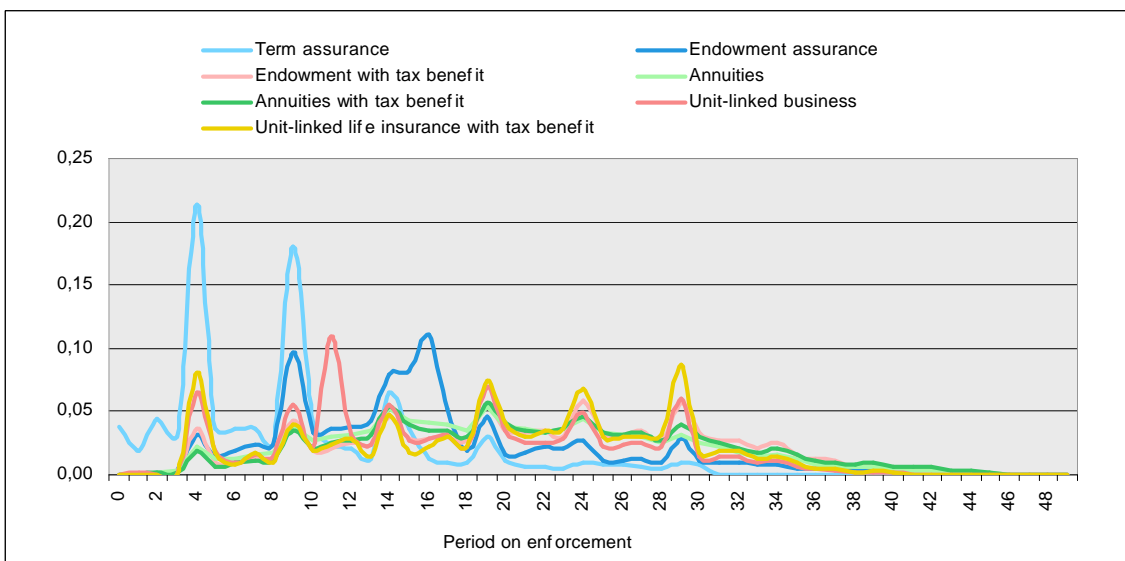
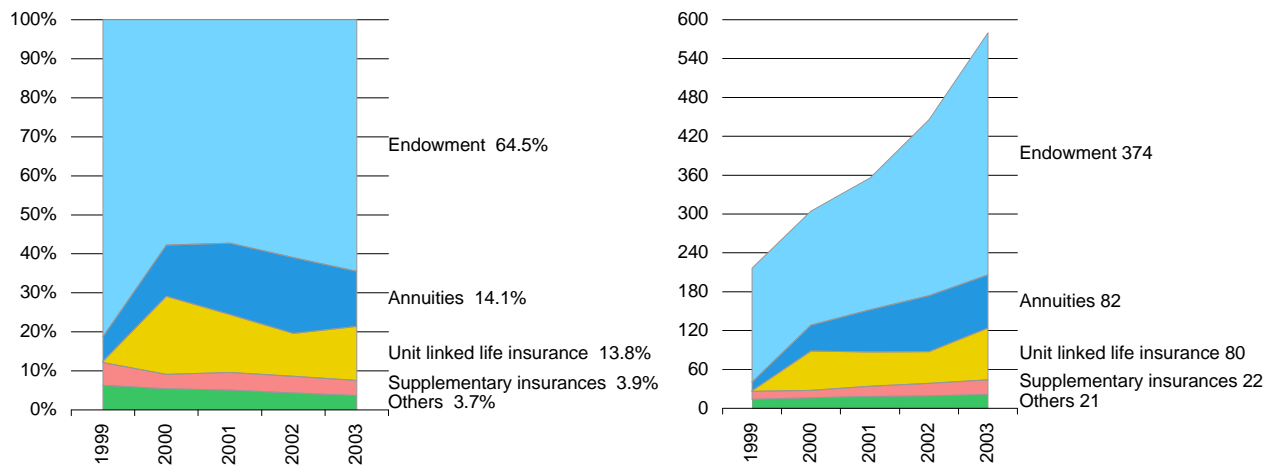


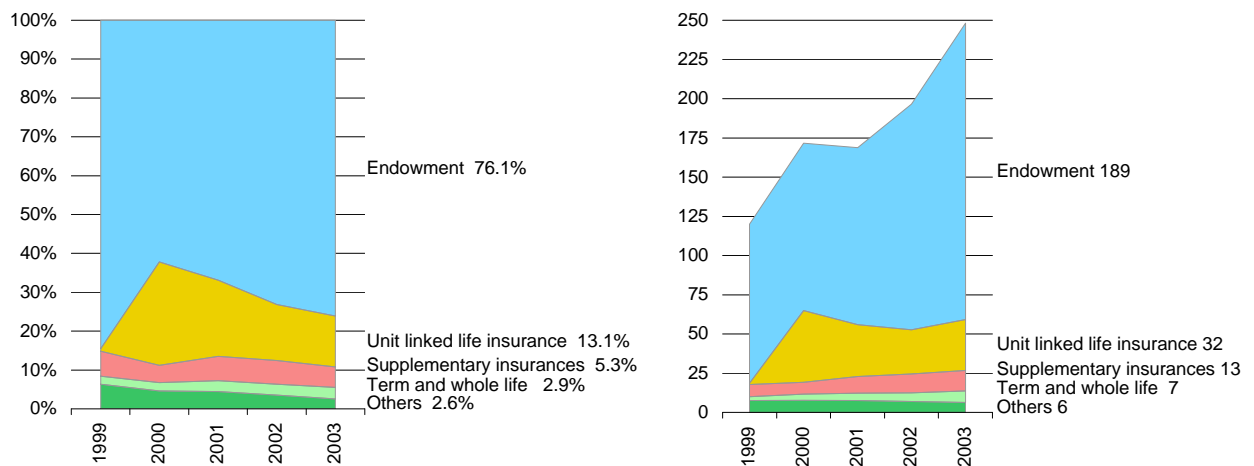
Figure 50. Distribution of period at enforcement of insurance policies, 2003

Insurance portfolio structure of life insurers (1)

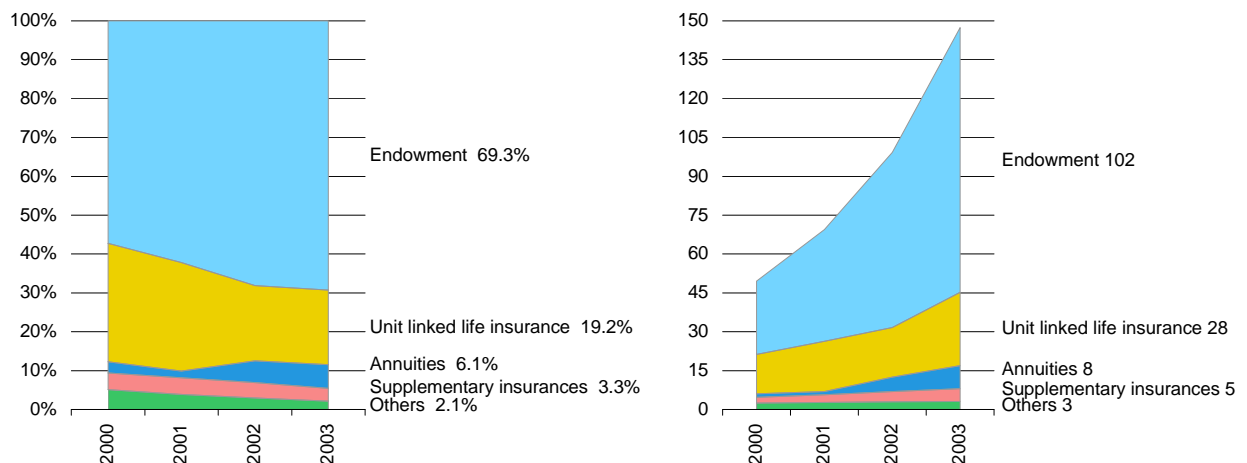
Total gross premiums of life insurers (580 million kroons)



Hansapanga Kindlustuse AS (248 million kroons)

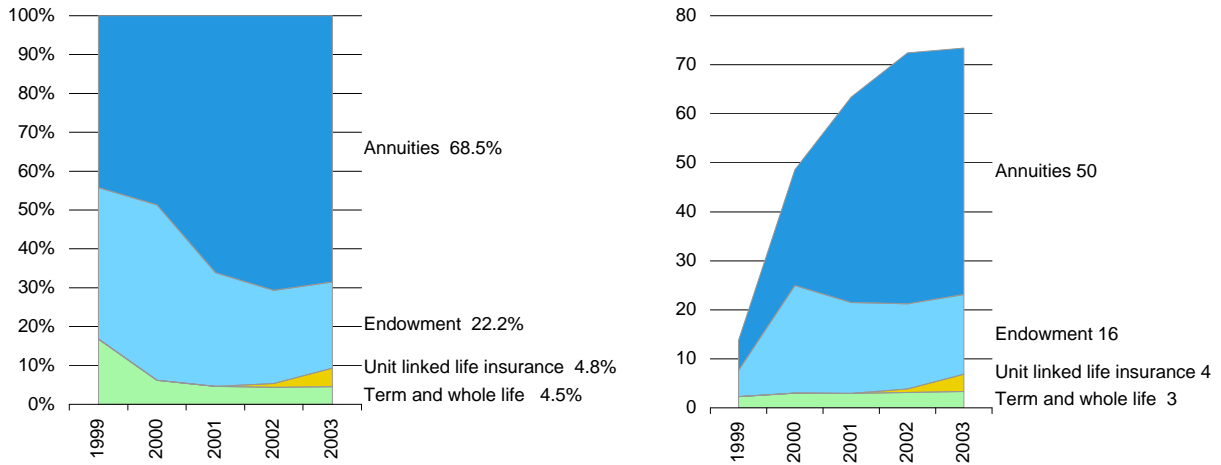


Ühispanga Elukindlustuse AS (147 million kroons)

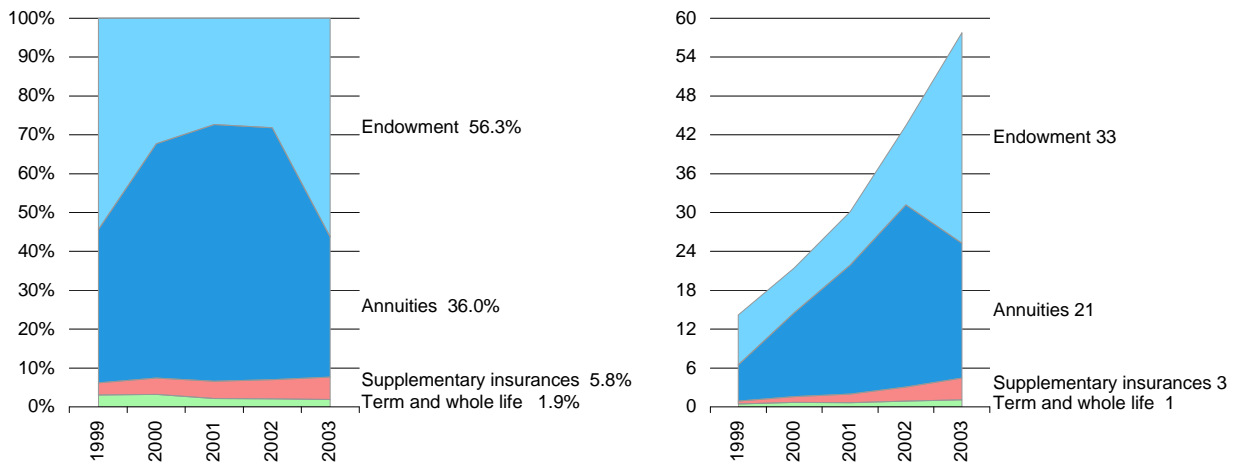


Insurance portfolio structure of life insurers (2)

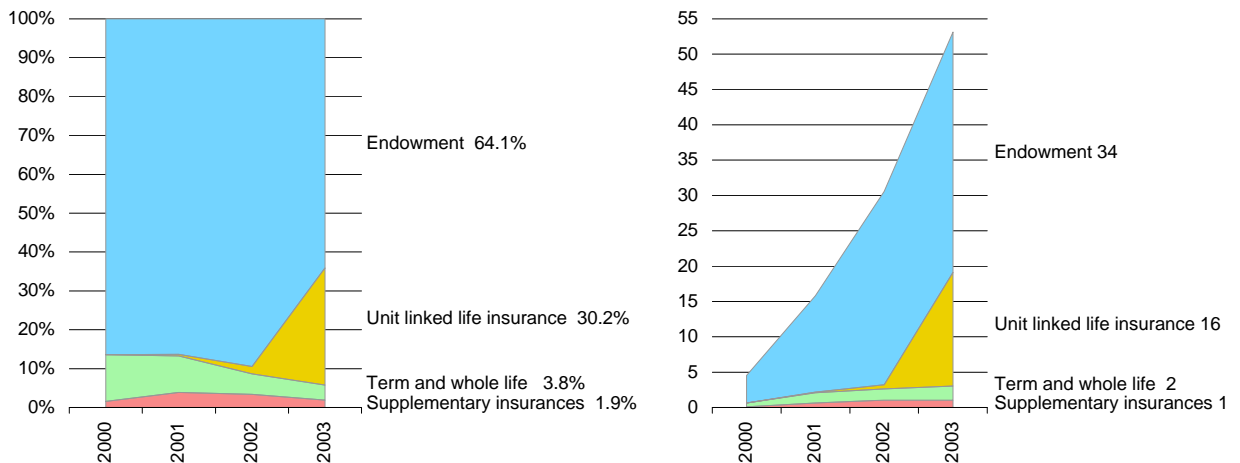
Seesam Elukindlustuse AS (73 million kroons)



ERGO Elukindlustuse AS (58 million kroons)

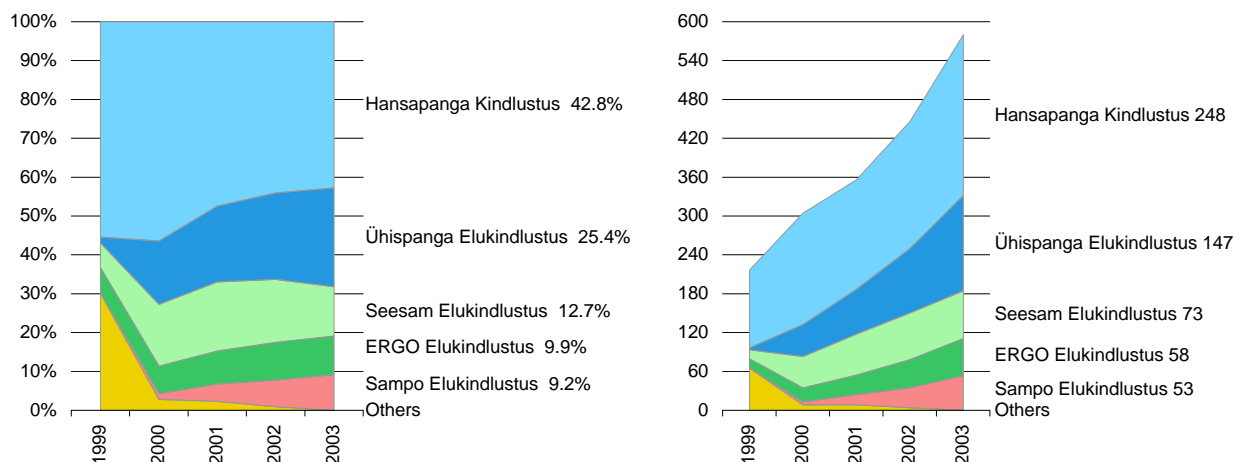


AS Sampo Elukindlustus (53 million kroons)

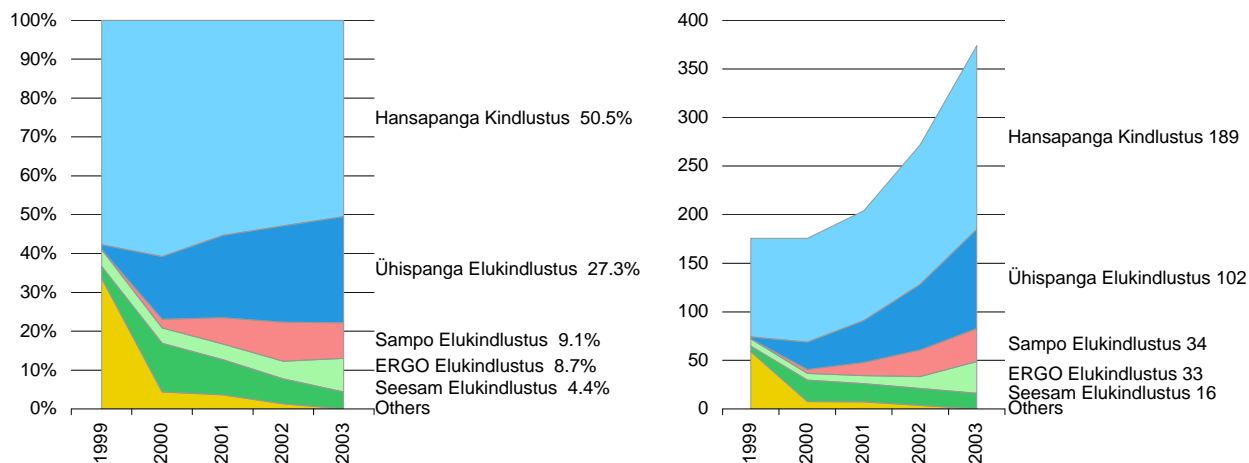


Market shares of insurers by classes of life insurance (1)

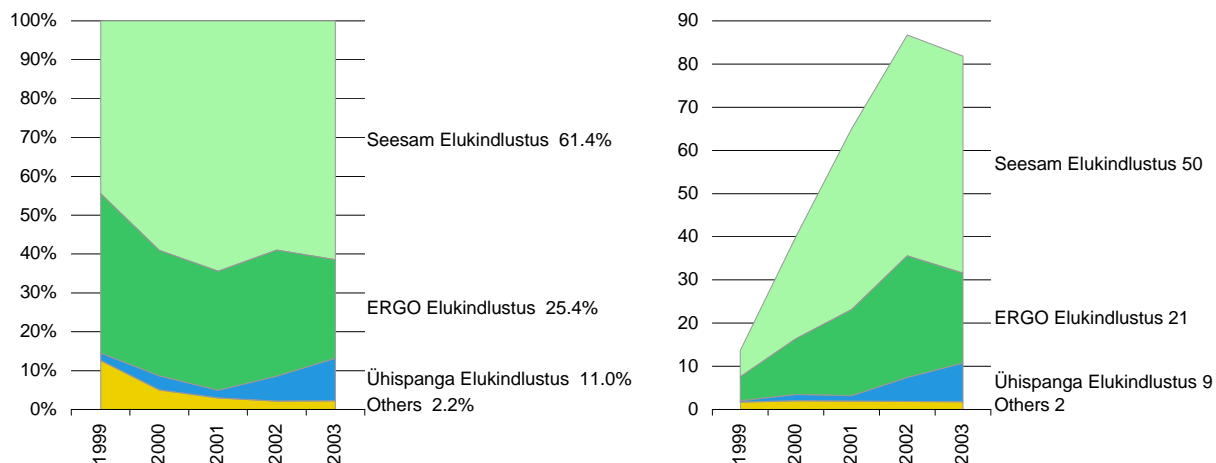
Total gross premiums of life insurance lines (580 million kroons)



Endowment insurance (374 million kroons)

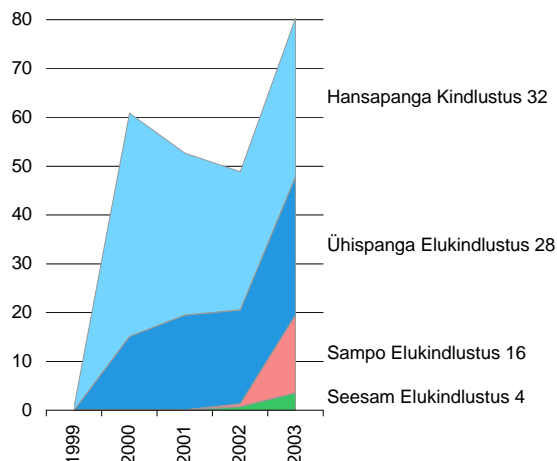
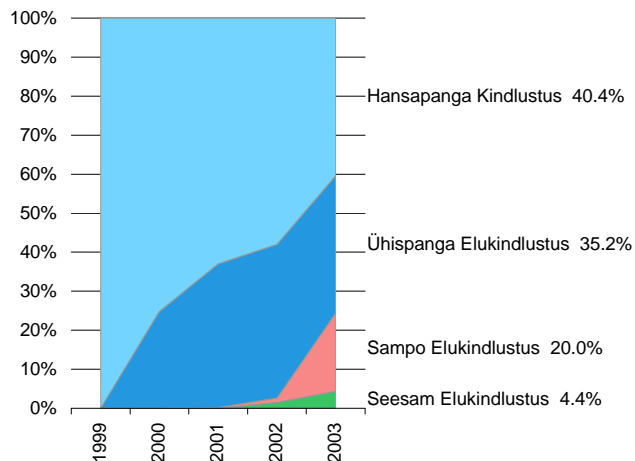


Annuities (82 million kroons)

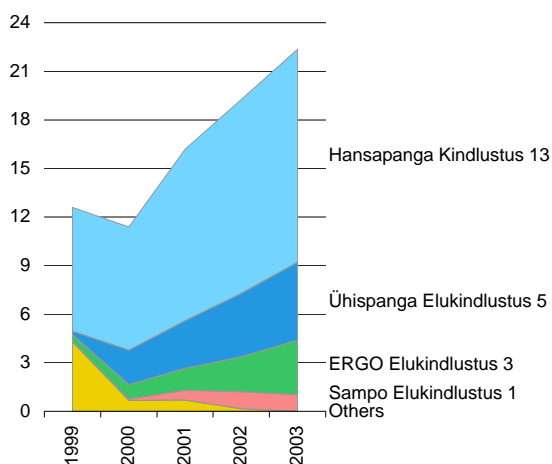
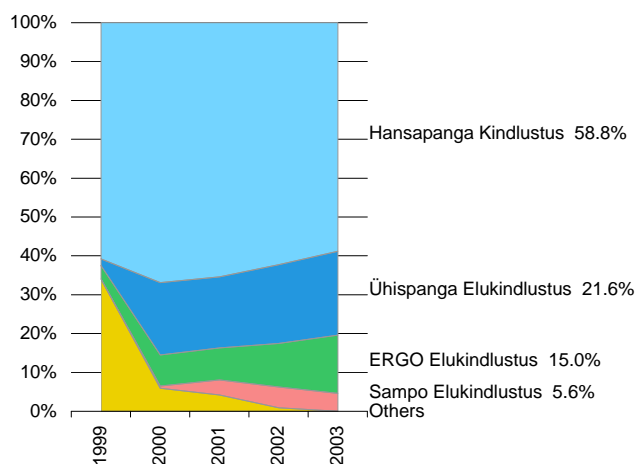


Market shares of insurers by classes of life insurance (2)

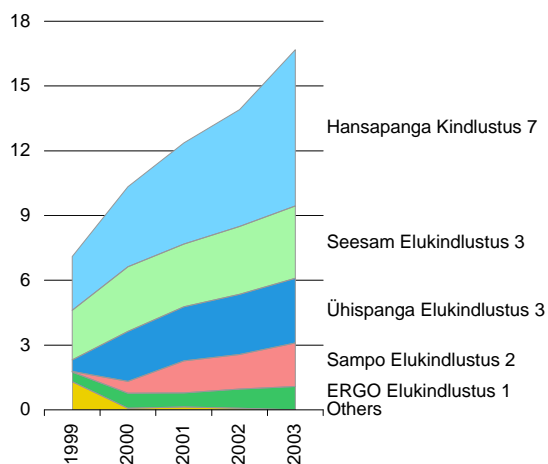
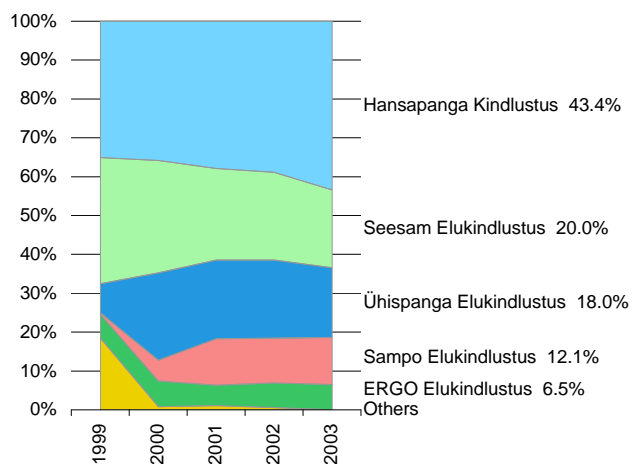
Unit linked life insurance (80 million kroons)



Supplementary insurances (22 million kroons)

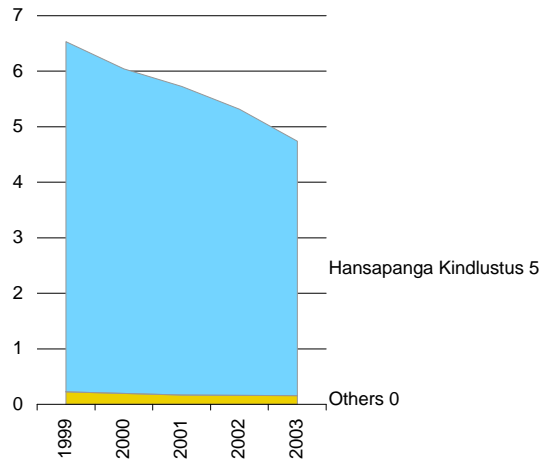
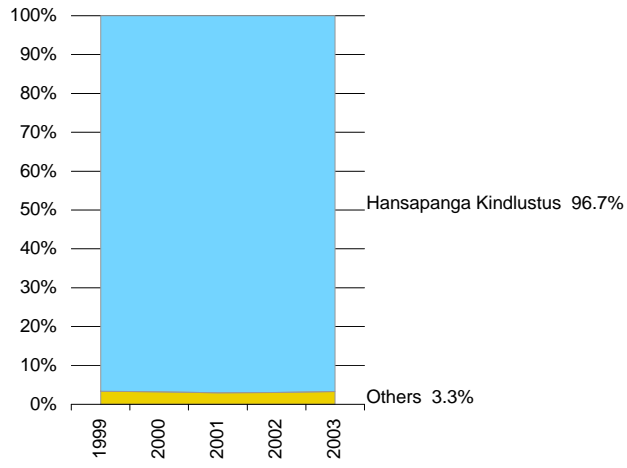


Term and whole life assurance (17 million kroons)



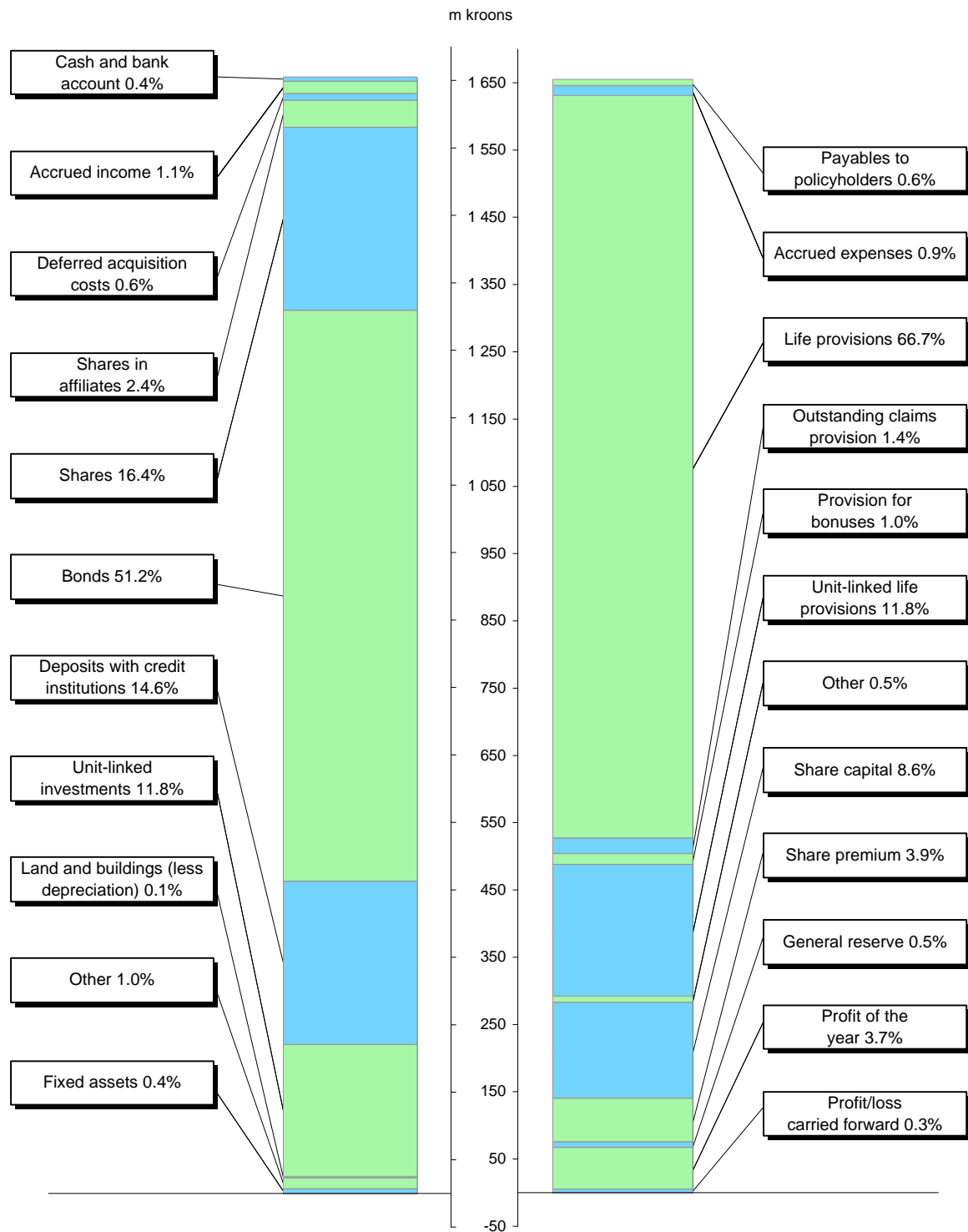
Market shares of insurers by classes of life insurance (3)

Birth and marriage assurance (5 million kroons)



Structure of assets and liabilities of life insurers, 31 December 2003

(Balance volume — 1.7 billion kroons)

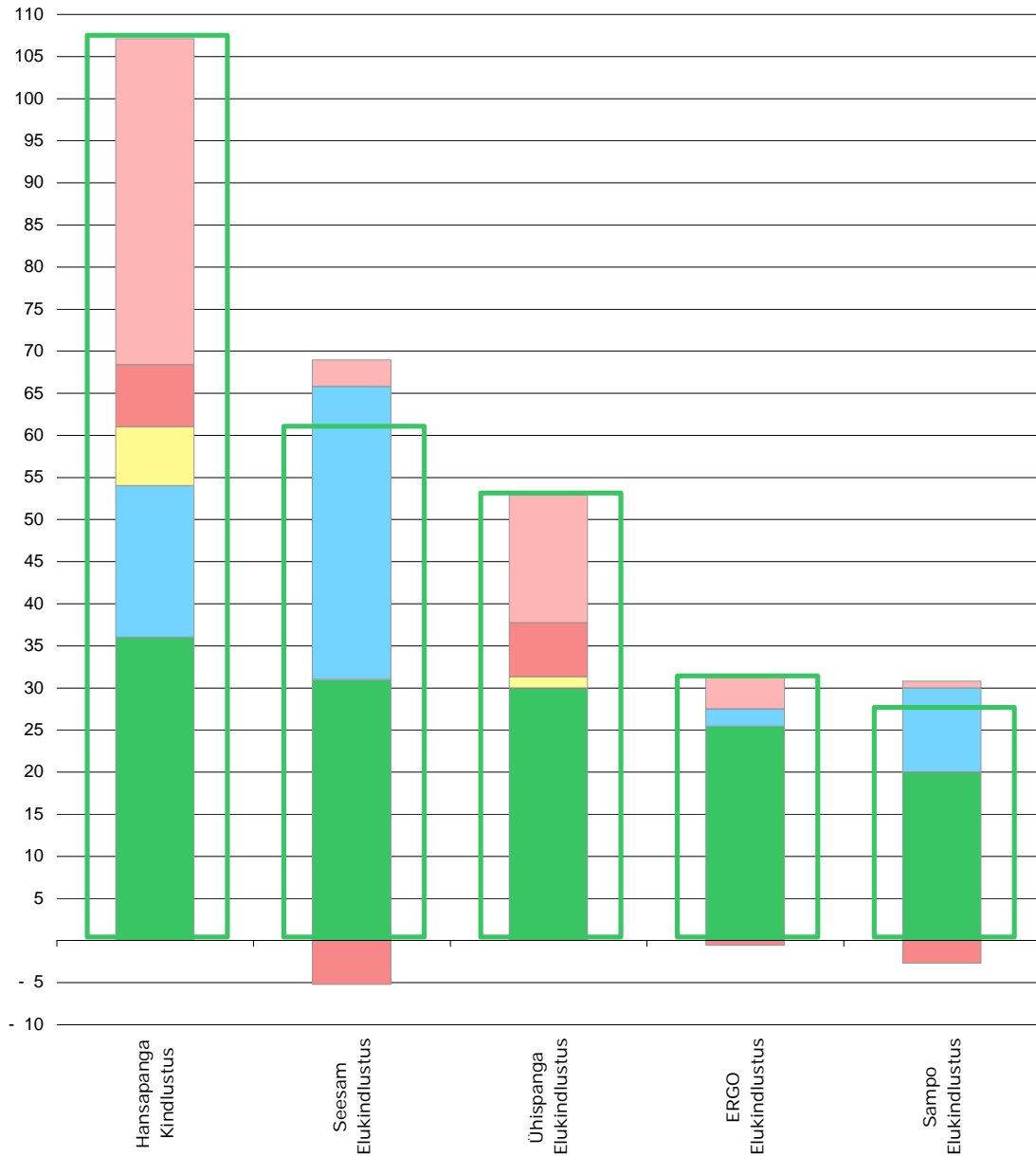


Components of owners' equity in life insurance, 31 December 2003 (million kroons)

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

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

Hansapanga Kindlustus	107 127 119
Seesam Elukindlustus	60 688 641
Ühispanga Elukindlustus	52 749 362
ERGO Elukindlustus	31 040 776
Sampo Elukindlustus	27 277 576



Ratios of life insurers, 2003

	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Ühispanga Elukindlustus	TOTAL
Gross premiums to owners' equity	186.1%	231.6%	189.2%	115.3%	278.5%	204.9%
Operating expenses to gross premiums	33.8%	9.6%	26.1%	26.7%	18.9%	18.0%
Operating expenses to annual average technical provisions	20.3%	4.9%	38.1%	8.8%	20.9%	10.7%
Investments profitability of life insurers	4.7%	6.5%	5.3%	5.9%	4.5%	6.7%
Surrender ratio	57.2%	37.9%	76.4%	47.7%	67.7%	45.9%

NON-LIFE INSURANCE

NON-LIFE INSURANCE, 2003

NON-LIFE INSURANCE MARKET

Market developments

At the end of 2003, seven insurance companies were writing non-life insurance business and the Estonian Traffic Insurance Foundation (ETIF) was writing border insurance and motor TPL reinsurance business in the Estonian market. As a whole, the non-life insurance sector comprised 78% of Estonian insurance market, thus remaining almost on the same level compared to year 2002 (79.4% in 2002).

The volume of non-life gross premiums amounted in 2.1 billion kroons (1.7 bn kroons in 2002), thus the annual increase being 19.6%. Main factors promoting the growth of non-life premium volume were the availability of low-interest-rate loan products in the market facilitating the acquisition of real estate and cars, and also market expectations on price harmonization after Estonia's accession to the European Union in 2004. In 2003, the above-market-average increase of gross premiums were achieved by Salva Kindlustuse AS (42.4%), ERGO Kindlustuse AS (31.8%) and AS If Eesti Kindlustus (27.5%). Drop in gross premiums was registered in ETIF (44.7%) and AS Zürich Kindlustus (33.3%).

The 2003 amount of loss payments totaled 1 billion kroons (912.4 m kroons in 2002). Annual growth lowered to 12.1%, compared to 28% in 2002. In 2003, the non-life insurance sector was characterized by a higher growth in loss payments of only one major insurance class — property insurance of physical persons —, if compared to the growth of its gross premiums (49.6% and 15.2%, respectively). General liability insurance showed the largest gap between gross premiums and loss payments, the growth of gross premiums being 21.7% and that of loss payments 4.3 times. Still, the overall proportion of gross premiums of general liability insurance remained at low level (2.6%). Among non-life insurers, the volume of loss payments increased the most in AS If Eesti Kindlustus (34.3%), outstripping thus the increase of gross premiums by a couple of per cent. Loss payments drop the most in the Estonian Traffic Insurance Foundation (35.3%), nevertheless decreasing less than its gross premiums.

In 2003, the highest loss payment level was in motor TPL and land vehicles insurances — 59.9% and 54.7%, respectively (Figure 51).

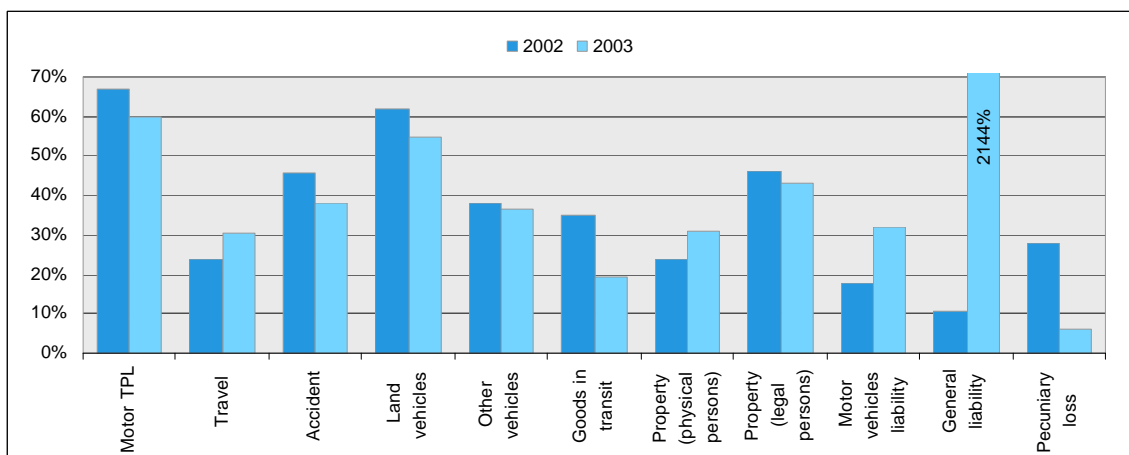


Figure 51. The change in the loss payment level of non-life insurance classes, 2002–2003

The loss payment level in these insurance classes decreased by 6.9 and 7.1 percentage points, if compared to the previous year. The loss payment level remained stable in property insurance (37.7%), whereas in property insurance of physical persons it was 31.1% and in property insurance of legal persons 46.3%.

Market shares of insurance classes

Non-life insurance products sold in the market in 2003 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 stable over the last few years. In 2003, the growth rates of main insurance classes were equally strong. 88.7% of non-life insurance market was divided between three largest insurance classes - motor TPL insurance, land vehicles insurance and property insurance - with market shares of 36.4%, 30.1% and 22.2%, respectively (Figure 52). Property insurance was divided into property insurance of physical persons with the market share of 10% and property insurance of legal persons with the market share of 12.2%.

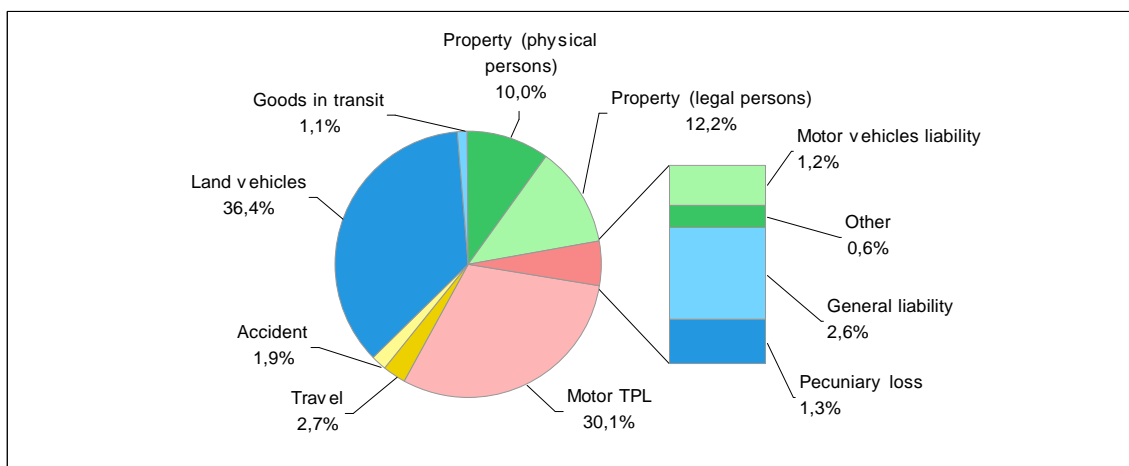


Figure 52. Market shares of non-life insurance classes, 2003

Among larger insurance classes, the increase in market share was evident only in land vehicles insurance (1.5 %), caused by the continually active sale of vehicles. All other insurance classes retained their market shares or had a slight drop.

Due to overall excessive growth of gross premiums, motor TPL insurance retained its market share, although the growth of its gross premiums reached to 19.7%. The third major insurance class – property insurance – fell in its market share by 0.7%. The main reason lying behind the drop was the lowered increase of gross premiums in property insurance of legal persons, contingent to the market practice where low-interest-rate property loans were exclusively directed to physical persons.

Market concentration

In 2003, the relatively high concentration of premium income in insurance market increased even more: according to the Herfindahl—Hirschman Index, the respective figure increased to 2,539 points (2,394 points in 2002). The two biggest insurers writing business in the market (ERGO Kindlustuse AS and AS If Eesti Kindlustus) acquired 65.3% of the total premium income collected by non-life insurers (61.7% in 2002) (Figure 53).

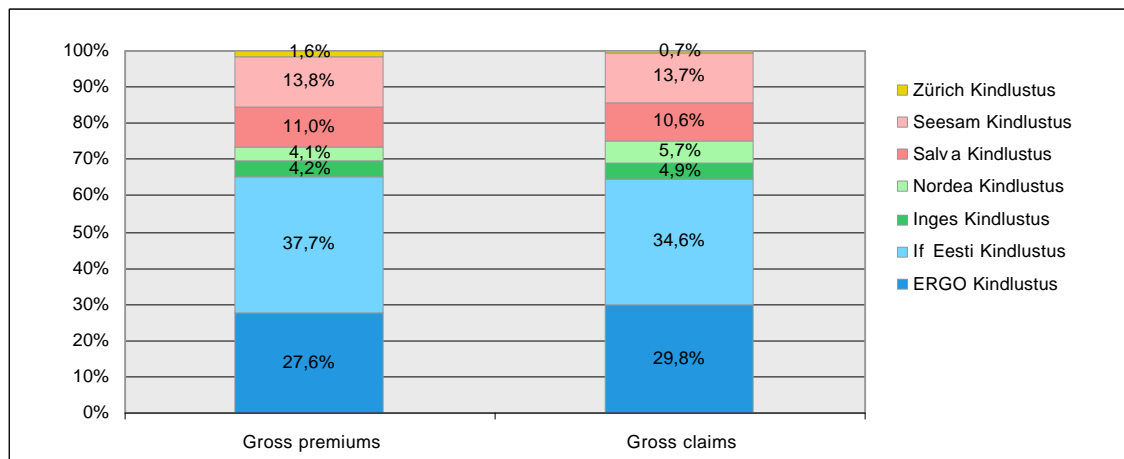


Figure 53. Market shares of non-life insurers, 2003

Among smaller (by premium income) non-life insurers, only Salva Kindlustuse AS was able to raise its market share by 1.6 % (9.4% in 2002) mainly on account of motor TPL insurance and land vehicles insurance. The market share of AS Inges Kindlustus remained stable, whereas the shares of other smaller non-life insurers dropped.

Among bigger non-life insurers, ERGO Kindlustuse AS increased its market share by 2.1%. This growth was mainly achieved due to the increase of its share in land vehicles insurance market. The growth in the market share of AS If Eesti Kindlustus was 1.6% on account of the increase of its share in motor TPL and land vehicles insurance.

One of the reasons behind the drop in gross premiums collected by the Estonian Traffic Insurance Foundation was the lowered volume of insurers' membership fees in 2003. The share of ETIF in gross premium volume fell in 2003 to 2.2% from 3.6% in 2002, and its share in loss payment volume rose from 0.9% to 1.7%.

Reinsurance

Non-life insurance premiums ceded amounted in 691.3 million kroons in 2003 (595.3 m kroons in 2002), the annual increase being 16.2%.

Total income of direct non-life insurers was affected by the increased net loss ratio of property insurance of physical persons (37.9% in 2003 and 30.7% in 2002). This was compensated by the decrease of net loss ratio of motor TPL insurance (80.5% in 2003 and 90.1% in 2002), and also by the lowered net loss ratios of property insurance of legal persons and land vehicles insurance. Land vehicles insurance proved to be

profitable also for reinsurers as their loss ratio fell in 2003 to 53.1% from 61.6% in 2002. Remarkable increase of reinsurers' loss ratio was measured in property insurance of physical persons (from 15.2% in 2002 to 30.5% in 2003) and in property insurance of legal persons (from 33.6% in 2002 to 84.6% in 2003).

In 2003, non-life reinsurance premiums captured the share of 34.2% of the total non-life premium income (Figure 54). The proportion of ceded premiums fell by 1.7% in comparison to 2002.

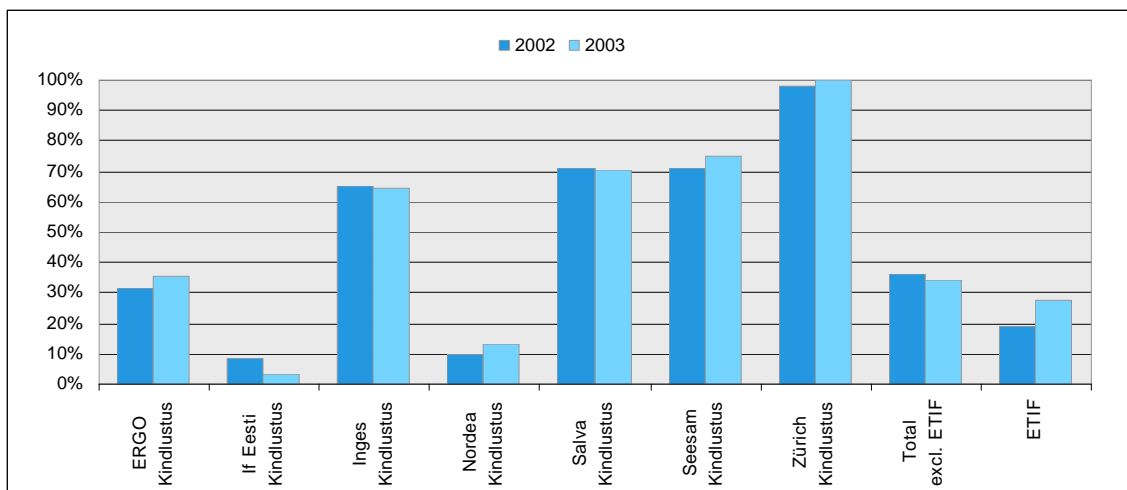


Figure 54. The comparison of the level of reinsurance by non-life insurers, 2002–2003

Among bigger insurance classes, the rate of cession was the highest in property insurance of legal persons (46.8%), despite its annual decrease of almost ten per cent (Figure 55). As to smaller insurance classes, the rate of cession was the highest in general liability insurance (71.1%), and also in insurances for vessels, aircraft and railway (both damage and liability).

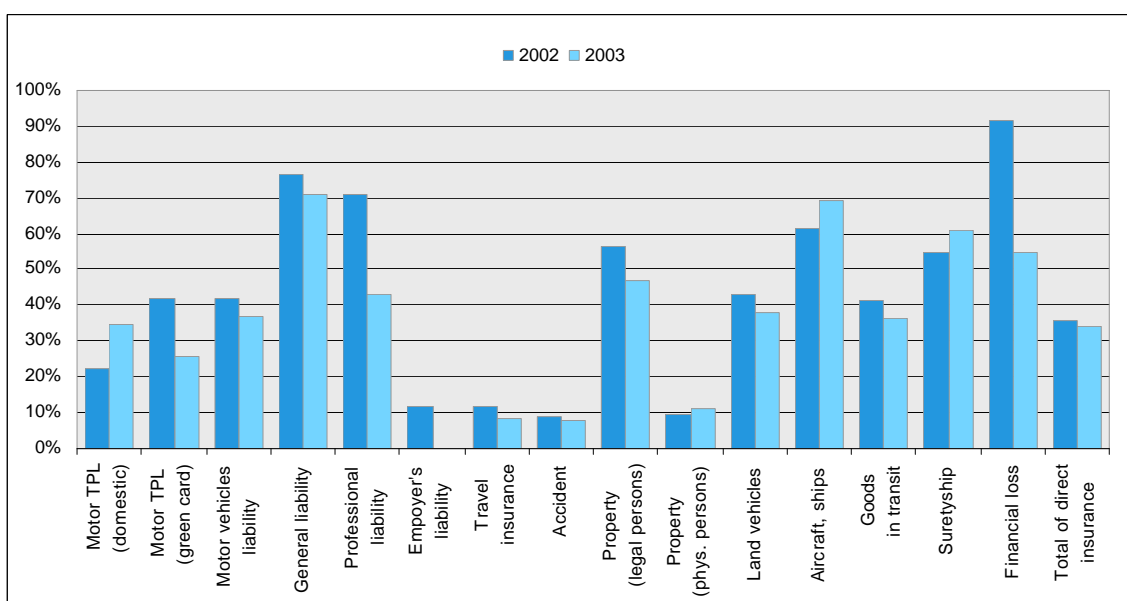


Figure 55. The comparison of the level of reinsurance by insurance classes, 2002–2003

Premiums collected in compulsory motor TPL insurance, i.e. 2.3% of reinsurance premiums ceded under treaty arrangements, were left to Estonia because the reinsurer of motor TPL insurance was the ETIF.

92.9% of reinsurance premiums were ceded under obligatory treaty arrangements. 43% of such reinsurance premiums were ceded to German reinsurers, 31.8% to Swiss reinsurers, 10.6% to UK reinsurers and 10.1% to Finnish reinsurers. Participation of reinsurers from other countries remained below 2%. Reinsurance premiums ceded under treaty arrangements went also to reinsurers from France, Denmark, Ukraine, Russia and Sweden (Figure 56).

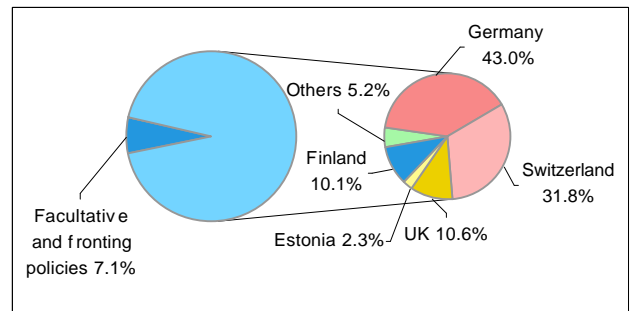


Figure 56. Reinsurance premiums by countries, 2003

Foreign reinsurers collecting the biggest share of premiums ceded under treaty arrangements were: Munich Re (16%), Swiss Re (11.7%), Zurich (4.6%), SOVAG AG (4.4%) and Pohjola (3.6%). Participation of other foreign reinsurers was insignificant, remaining below 2% (Figure 57). 5.4% of reinsurance premiums were ceded through the insurance broker MAI Re.

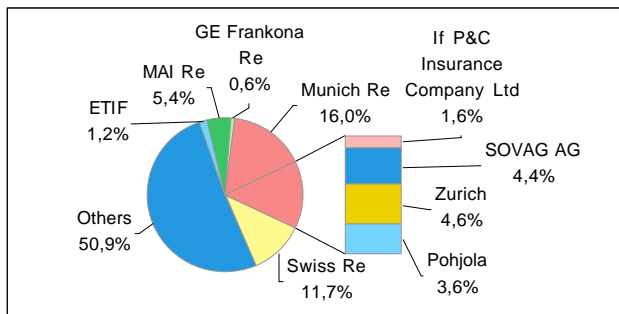


Figure 57. Market shares of reinsurers, 2003

ASSETS, LIABILITIES AND TECHNICAL PARAMETERS

Assets and liabilities

Investments of non-life insurers amounted in 1.6 billion kroons at the end of 2003; 50.8% thereof constituted debt securities and other fixed-interest securities. Shares and other securities (mostly various investment funds) captured 25.4% and bank deposits 14.7% of total investment volume. The position of shares and other securities *versus* that of bank deposits improved in comparison to 2002. In 2002, the debt securities and fixed-interest securities captured 44.1% of total investments, bank deposits followed with 21.9% and investments in shares and other securities with 18%. The share of tradable liquid securities has been increasing and that of non-liquid real estate investments decreasing over the last years (Figure 58).

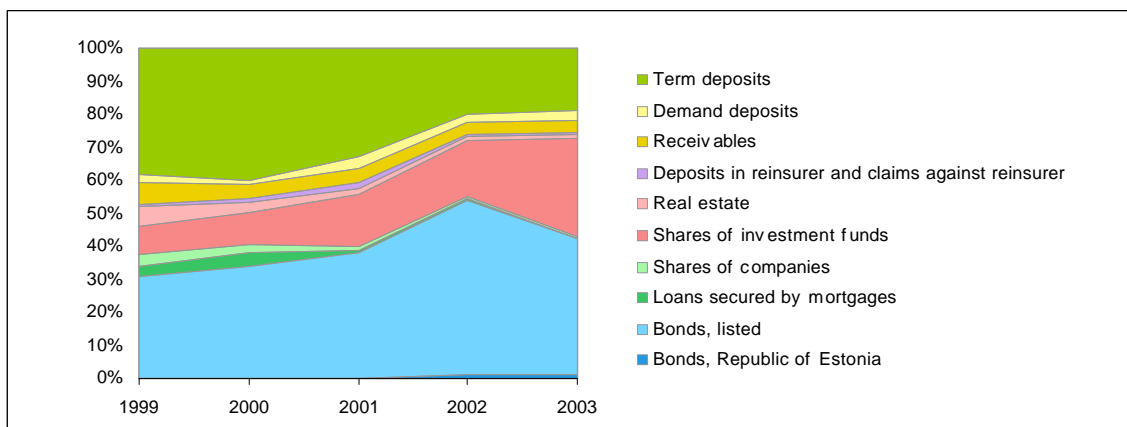


Figure 58. The investment structure, 31 December 1999–2003

Shares and other variable-interest securities constituted 25.4% of the total amount of investments at the end of 2003. 77.1% thereof was shares of Estonian origin and 19.1% those of Finnish origin (Figure 59).

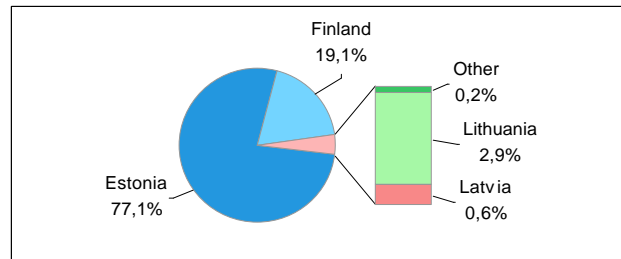


Figure 59. Investments in shares by countries, 31 December 2003

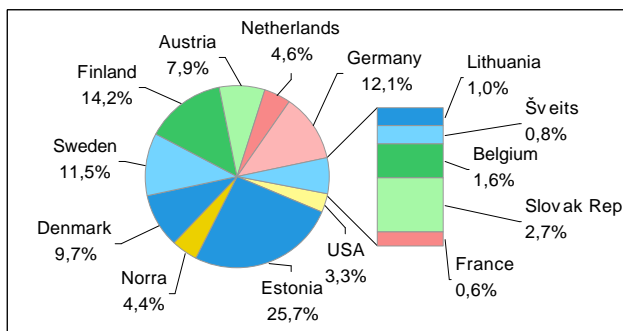


Figure 60. Investments into bonds by countries, 31 December 2003

Debt securities and other fixed income securities constituted 50.8% of the total amount of investments at the end of 2003. 25.7% thereof was of Estonian, 14.2% of Finnish and 12.1% of German origin (Figure 60).

In 2003, non-life insurers' investment expenses amounted in 22.1 million kroons and investment income in 78.9 million kroons. Non-life insurers' investment profit rose in 2003 to 3.8% from 3.6% in 2002, thus being higher than the EURIBOR rate at different time periods (Figure 61).

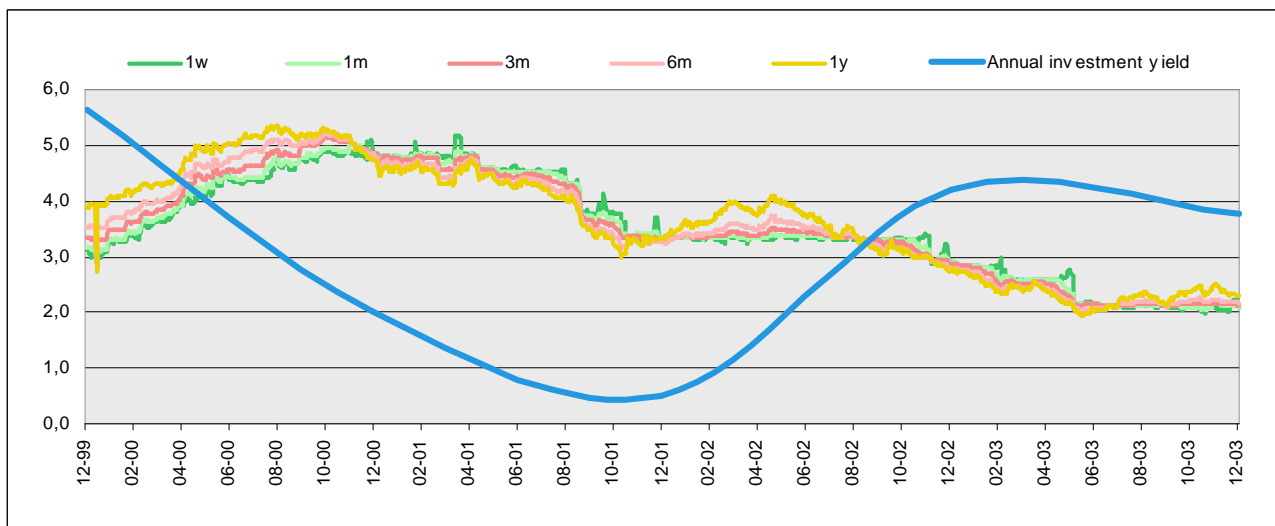


Figure 61. Investment profit of non-life insurers and EURIBOR, 1999–2003

The balance sheet volume of non-life insurance companies totaled 1.9 billion kroons at the end of 2003; 7.7% thereof was short-term assets (cash, bank and receivables) and 84.3% investments. Payables to policyholders constituted 1.8%, technical provisions 47.5% and owners' equity 40.4% of non-life insurers' balance sheet volume. In general terms, assets exceed liabilities 2.1 times. Still, the actual ratio of assets to liabilities vary considerably in different insurers. The share of short-term assets in total assets decreased

in 2003, as the growth of short-term assets was smaller than the growth of the balance sheet volume (Figure 62).

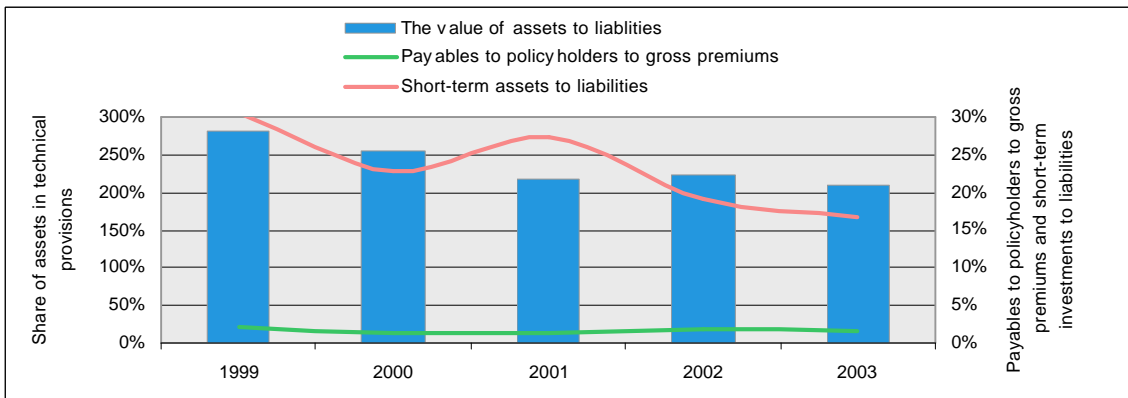


Figure 62. Ratios of assets to liabilities, liabilities towards policyholders to gross premiums, and short-term assets to liabilities, 1999–2003

The ratio of investments to committed assets was 161.9% (153.3% in 2002) (Figure 63).

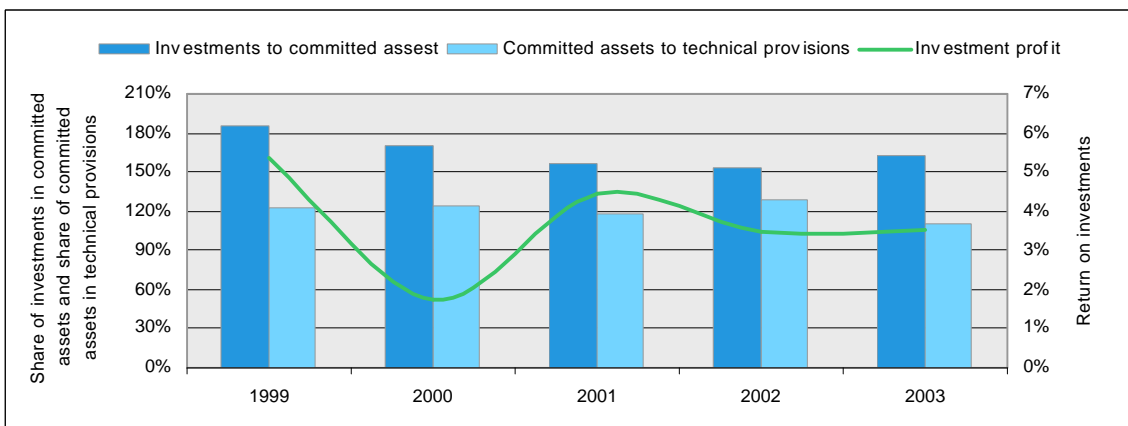


Figure 63. Ratios of investments to committed assets, committed assets to technical provision and investment profit, 1999–2003

Owners' equity of non-life insurers amounted in 766 million kroons at the end of 2003, the growth being 25.5% compared to 2002 (610.5 m kroons in 2002). Due to the increase of technical profit, also the profitability of owners' equity (return on equity) rose to 20.4% (6.9% in 2002), (Figure 64).

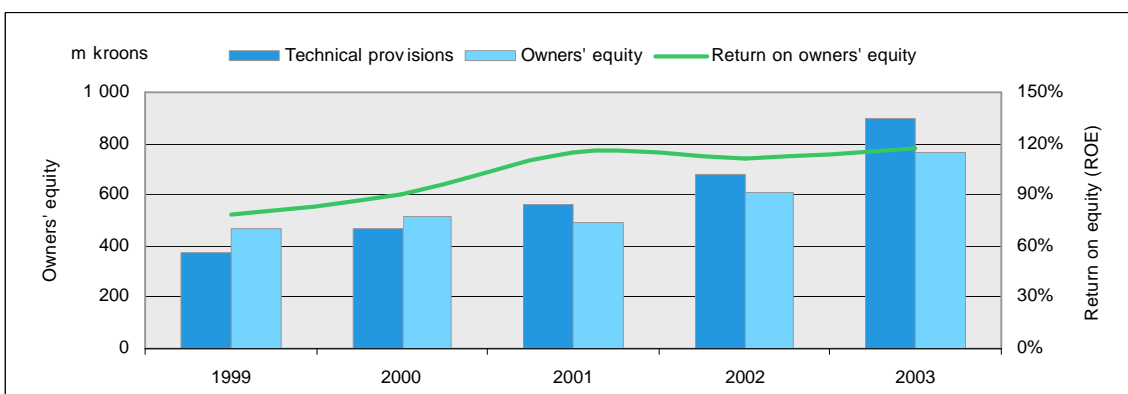


Figure 64. Owners' equity and the ROE of non-life insurers, 1999–2003

Technical result

Technical profit of non-life insurers amounted in 118.3 million kroons in 2003. Two trends can be spotlighted when looking at developments in quarterly technical result during the last two years. First, the growth of technical profit due to the seasonality causing higher loss ratios in the fourth and the first quarter of a year and high expense ratio in the fourth quarter. Second, the growth of profitability in 2003 compared to respective quarters of the previous year. This trend is mainly influenced by the so-called “scale effect” where fixed expenses stay stable when the premium volume increases, thus causing the drop in expense ratio (Figure 65).

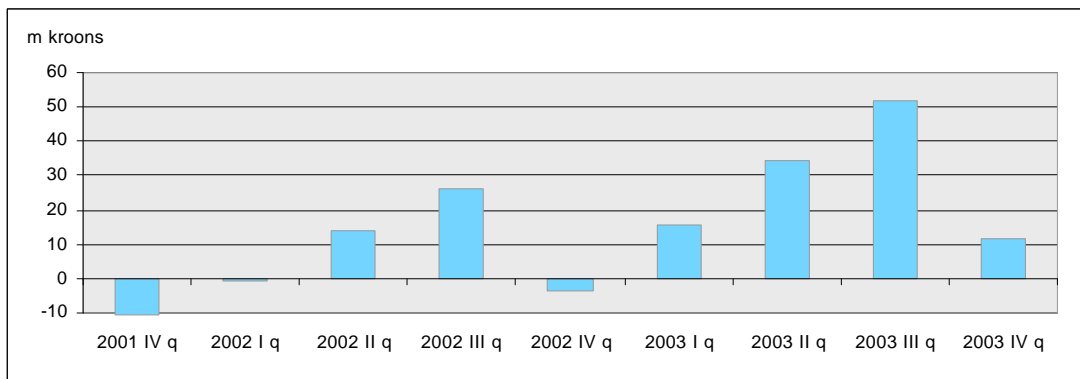


Figure 65. Technical result of the non-life insurers, quarterly, IV quarter 2001—IV quarter 2003

In 2003, the gross loss ratio increased to 63.2% (61.6% in 2002). However, the net loss ratio decreased to 63.7% (64.3% in 2002). The loss ratio in motor TPL insurance improved significantly in 2003 and fell to 80.7% in net terms (90.2% in 2002) due to the growth of tariffs.

Continuous decrease in expense ratio to 26.8% in net terms (32.1% in 2002) led to the drop in the net combined ratio (showing the profitability) to 90.5%.

Total profit of non-life insurers, including the result from investment activities, amounted in 160.7 million kroons. In 2003, six out of seven non-life insurers earned both technical and net profit.

Loss development

Drop in conservatism was the feature characterizing the calculation of outstanding claims provision in 2003. The total gross outstanding claims provision of non-life insurers was 738 million kroons at the beginning of 2003. Re-evaluation performed at the end of 2003 proved this sum to be decreased to the level of 94% of the initially calculated amount. Thus, the initially calculated amount had been over-estimated by 45 million kroons. The respective figures for 2002 had been 84% and 103 million kroons in gross terms. The total net outstanding claims provision had also been over-estimated by 45 million kroons, and decreased to the level of 88% of the initially calculated amount.

The following table shows developments in the outstanding claims provision (losses paid, re-evaluation, etc.) by insurance classes, after fixing all liabilities from incurred but not yet paid claims. It is evident that in most classes (except land vehicles insurance) the share of unpaid losses is considerably higher in gross terms, reasoned by individual large losses where the claim settlement period is significantly longer

and the reinsurer has to indemnify most of the loss (Table 2).

Table 2. Development of the outstanding claims provision in an average, by insurance classes (percent of the initial assessment)

		1	2	3	4	5	6	7	8
Motor TPL	GROSS	83%	76%	70%	65%	59%	52%	47%	43%
	NET	76%	66%	57%	50%	43%	37%	31%	27%
Land vehicles	GROSS	40%	26%	18%	13%	9%	7%	4%	3%
	NET	40%	26%	19%	14%	10%	7%	4%	3%
Property (physical persons)	GROSS	59%	43%	34%	28%	25%	21%	19%	18%
	NET	56%	40%	30%	25%	21%	17%	14%	13%
Property (legal persons)	GROSS	83%	77%	75%	73%	70%	70%	70%	72%
	NET	65%	55%	50%	46%	42%	41%	35%	33%
Total	GROSS	75%	67%	61%	56%	51%	47%	44%	42%
	NET	68%	57%	49%	43%	37%	33%	28%	26%

Solvency

At the end of 2003, all seven non-life insurers were in compliance with requirements in respect of the volume of own funds (solvency margin). The total of insurers' required solvency margin (excl. Zürich Kindlustus) was 245.5 million kroons. The available solvency margin (own funds) exceeded the required solvency margin 2.2 times, thus amounting in 551 million kroons (2.3 times in 2002).

Technical provisions

Non-life insurers' technical provision totaled 1.5 billion kroons at the end of 2003 (reinsurers' share being 587.2 m kroons); thereof the provision for unearned premiums comprised 555.4 m kroons (reinsurers' share being 149.8 m kroons) and the outstanding claims provision 931.9 million kroons (reinsurers' share being 437.3 m kroons).

The total of committed assets (900 m kroons in net terms) was 1 billion kroons at the end of 2003, thus the coverage of technical provisions was 114.6% (Figure 66).

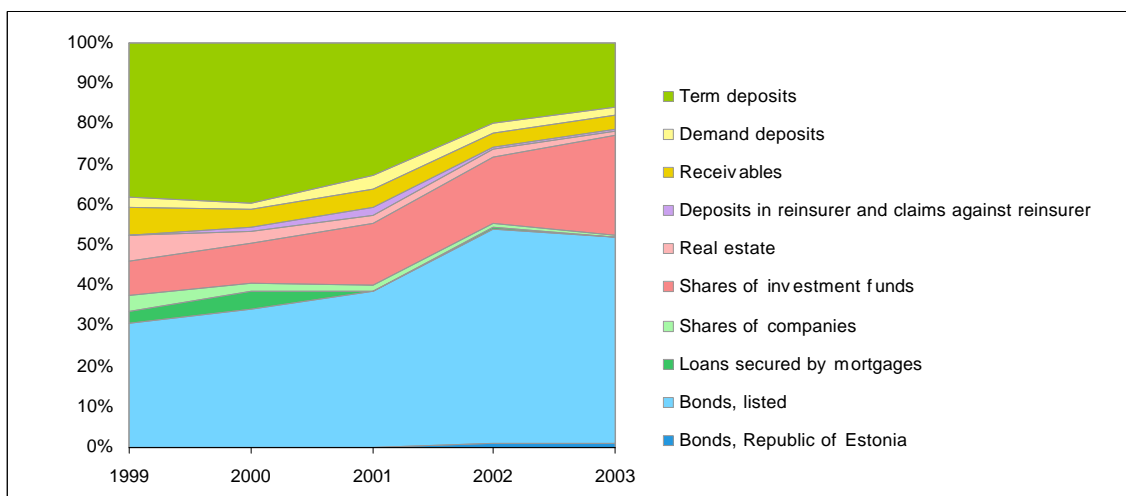
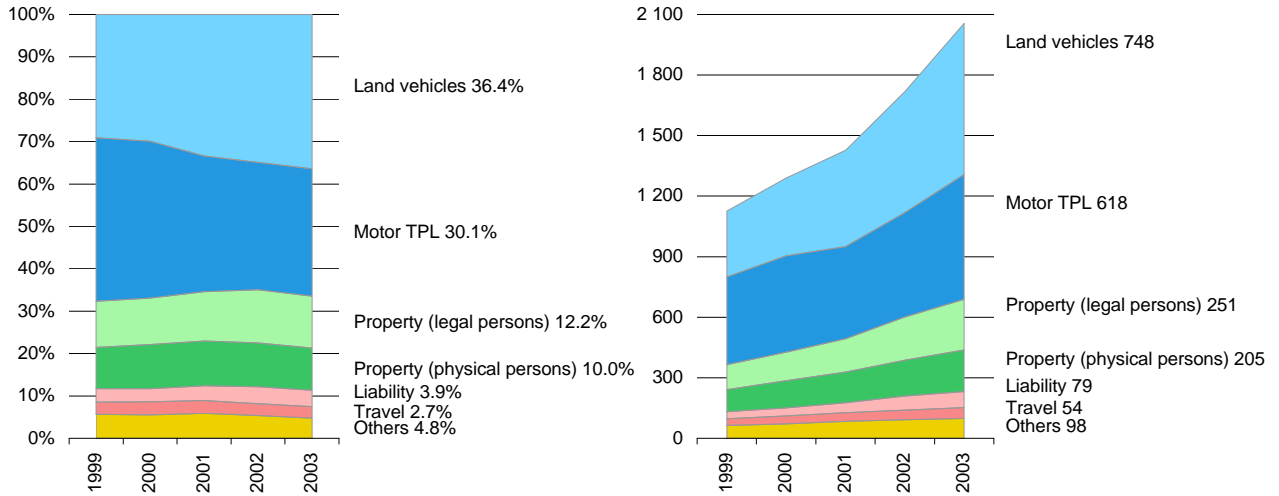


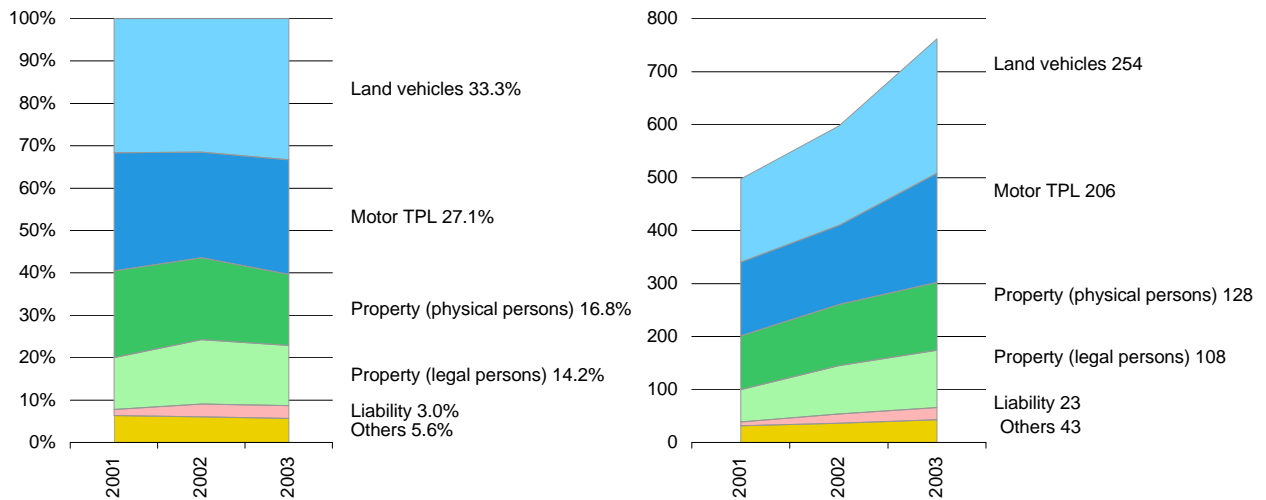
Figure 66. The structure of committed assets, 1999—2003

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

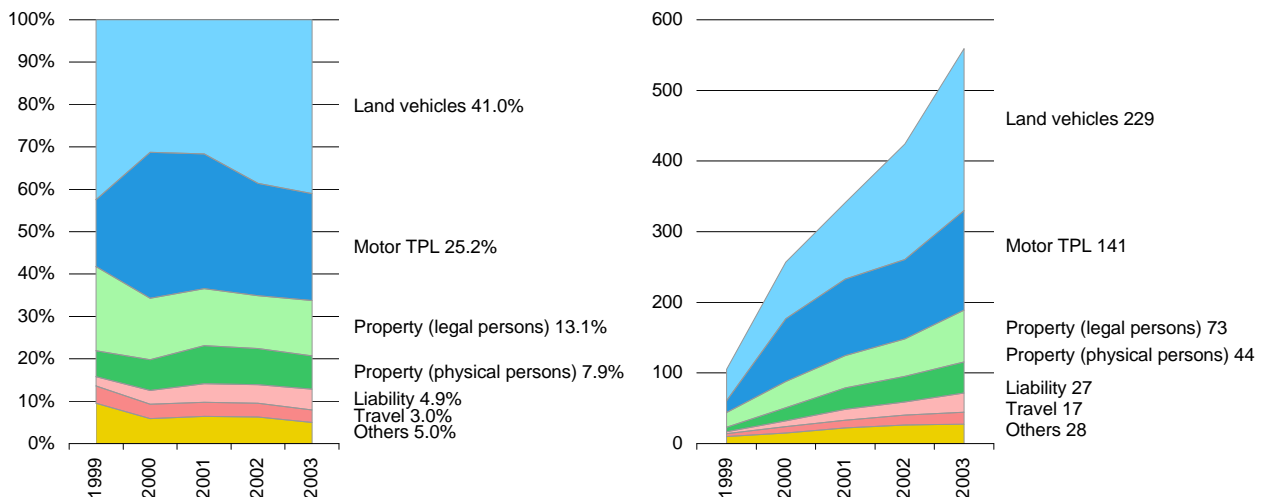
Total gross premiums of non-life insurers (2 billion kroons)



AS If Eesti Kindlustus (762 million kroons)



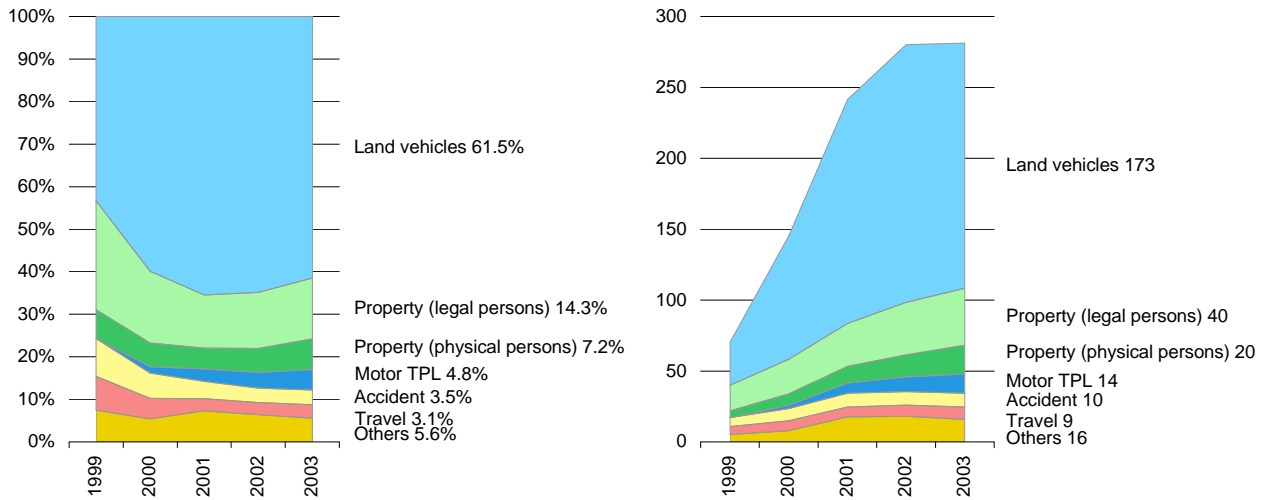
ERGO Kindlustuse AS (559 million kroons)



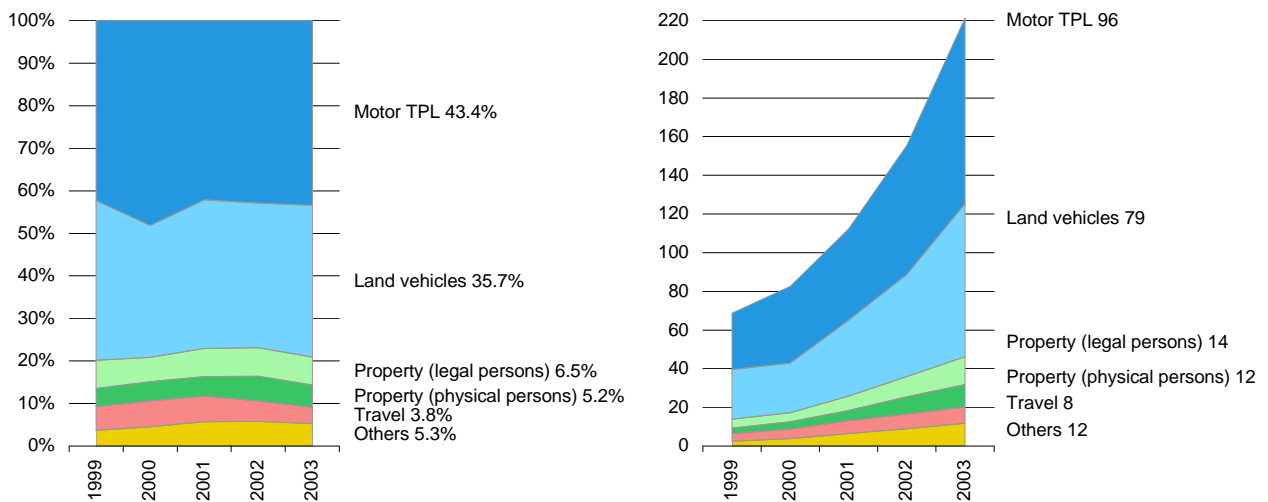
* only direct insurance

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

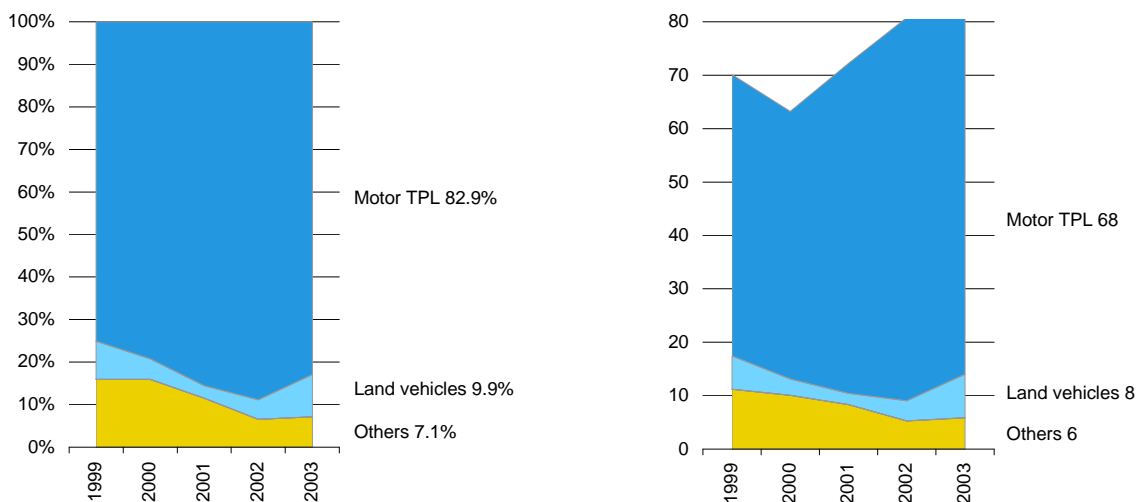
Seesam Rahvusvaheline Kindlustuse AS (281 million kroons)



Salva Kindlustuse AS (221 million kroons)



Nordea Kindlustuse Eesti AS** (82 million kroons)

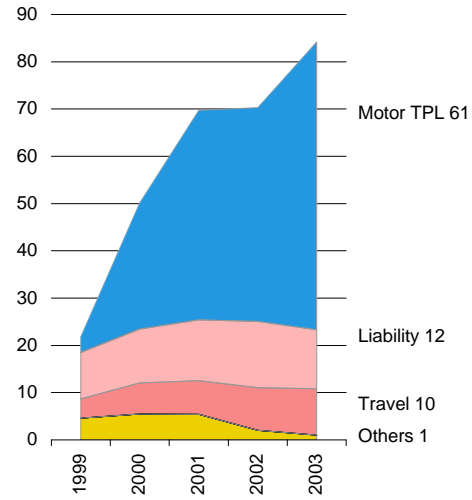
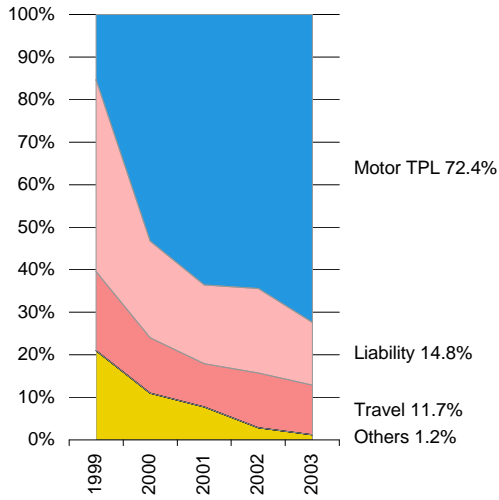


* only direct insurance

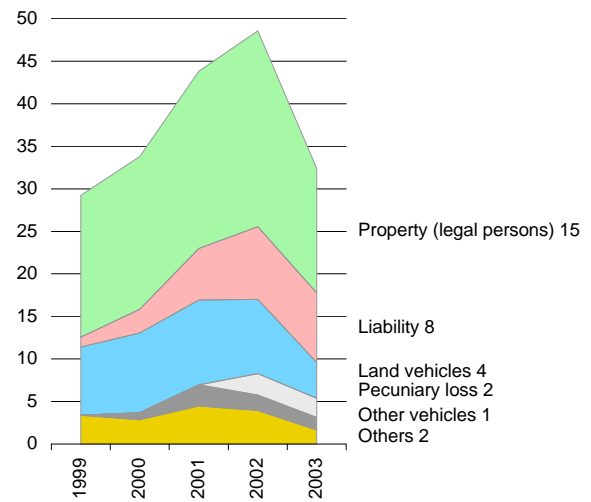
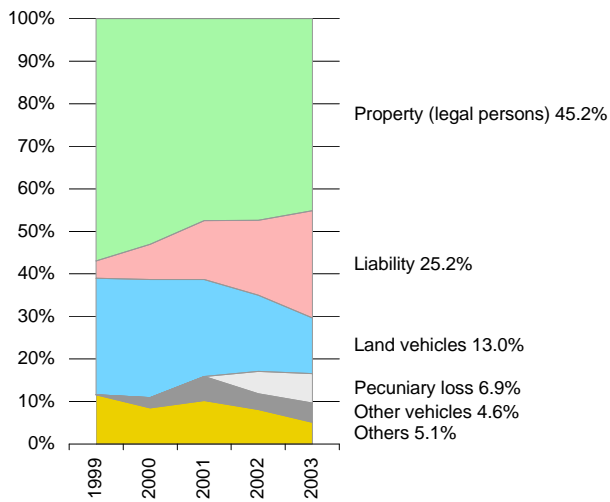
** until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordea Kindlustuse Eesti AS)

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

AS Inges Kindlustus (84 million kroons)



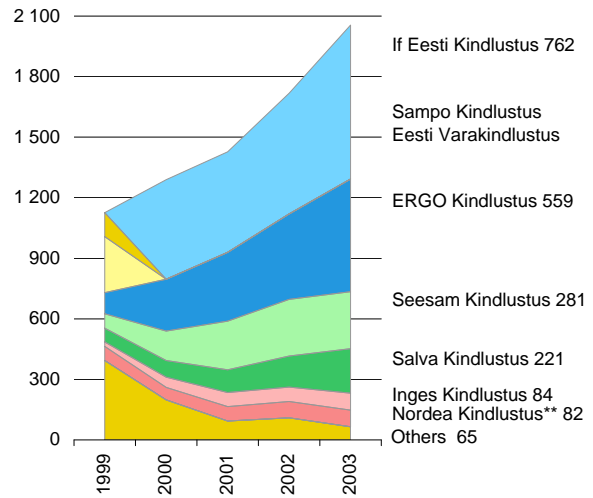
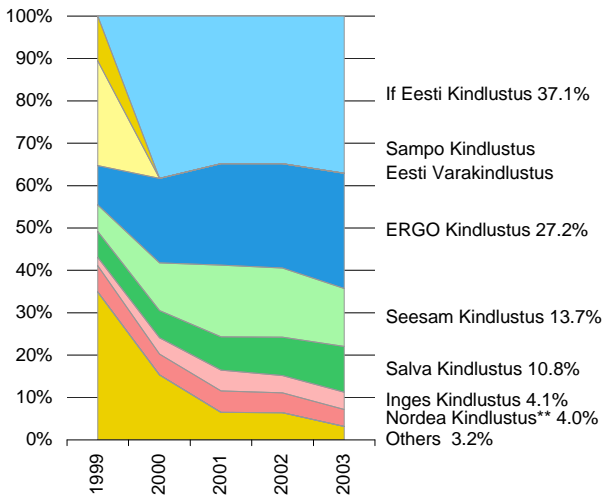
Zürich Kindlustuse Eesti AS (32 million kroons)



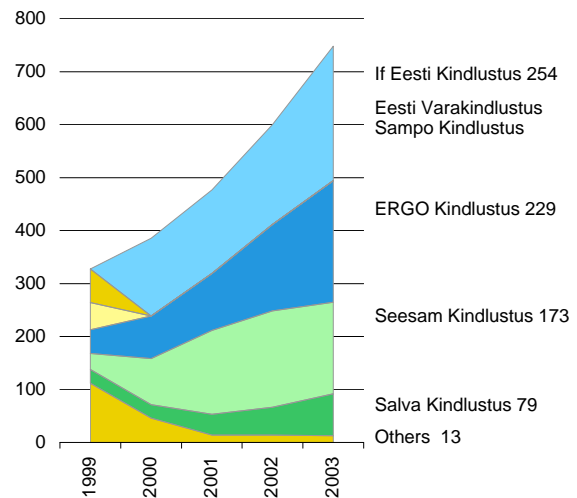
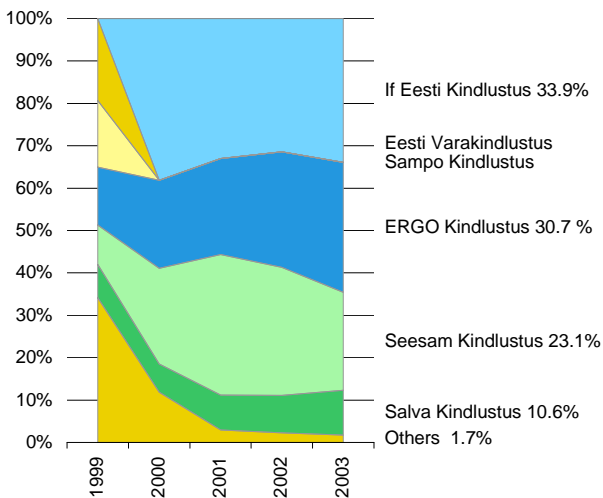
* only direct insurance

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

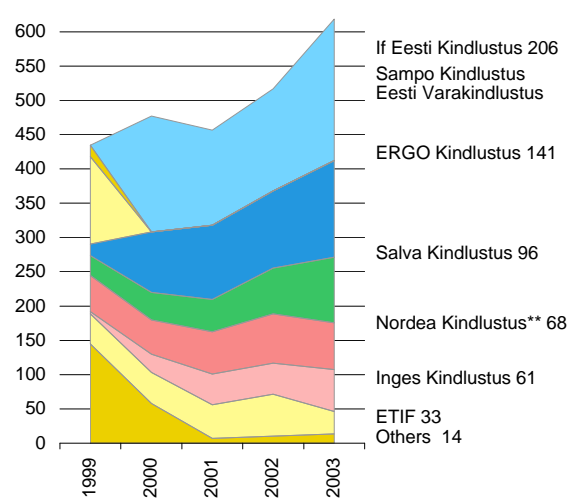
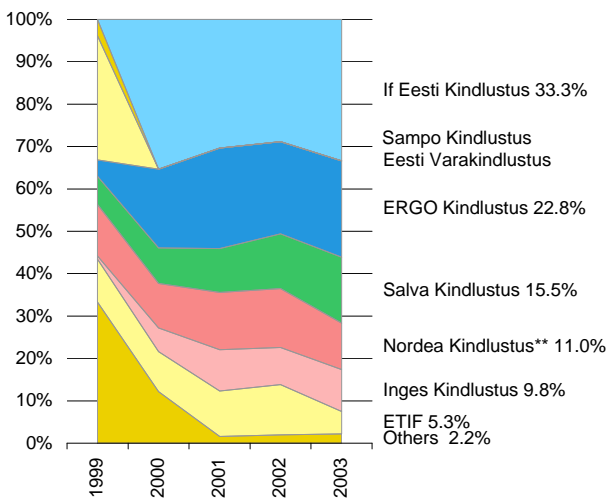
Total gross premiums of non-life insurance classes* (2 billion kroons)



Land vehicles insurance (748 million kroons)



Motor TPL insurance (618 million kroons)

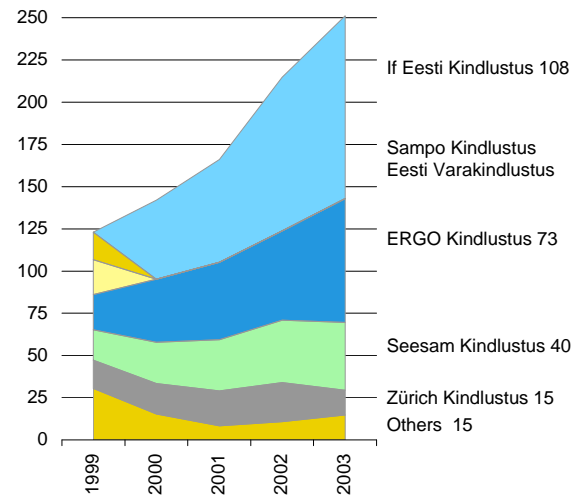
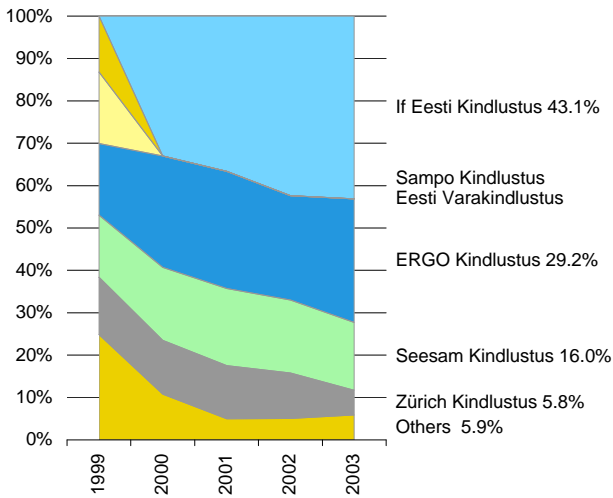


* only direct insurance

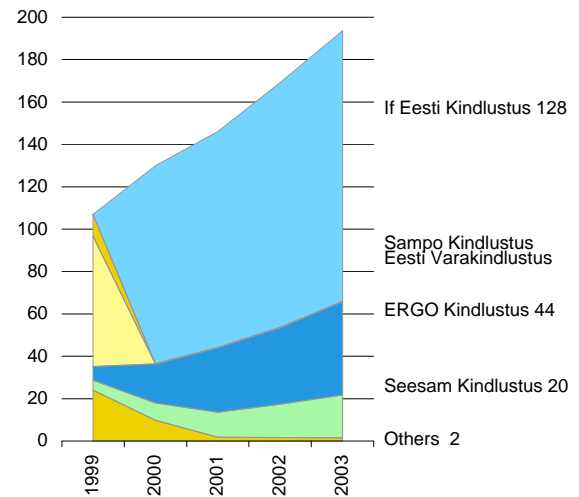
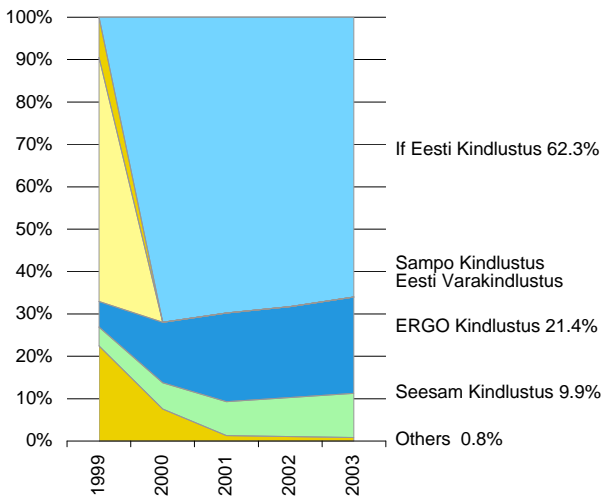
** until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordea Kindlustus Eesti AS)

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

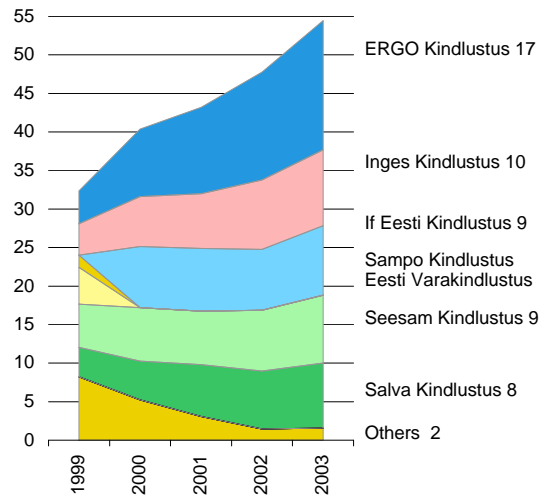
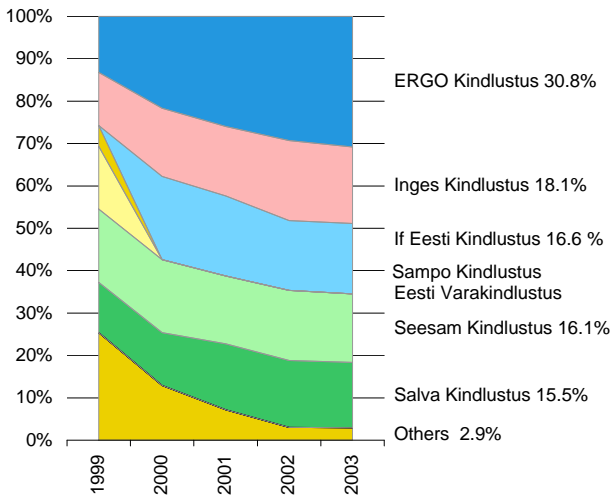
Property insurance (legal persons) (251 million kroons)



Property insurance (physical persons) (205 million kroons)

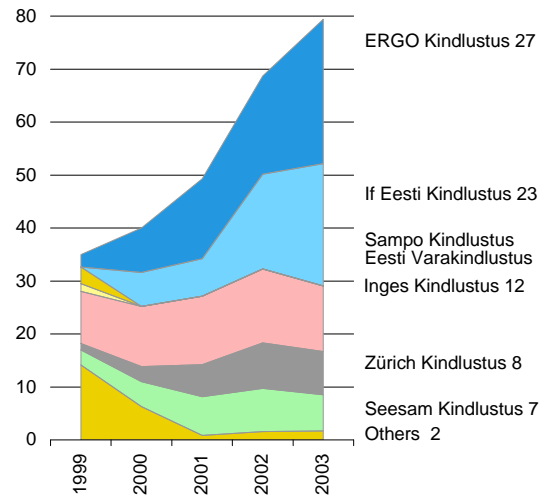
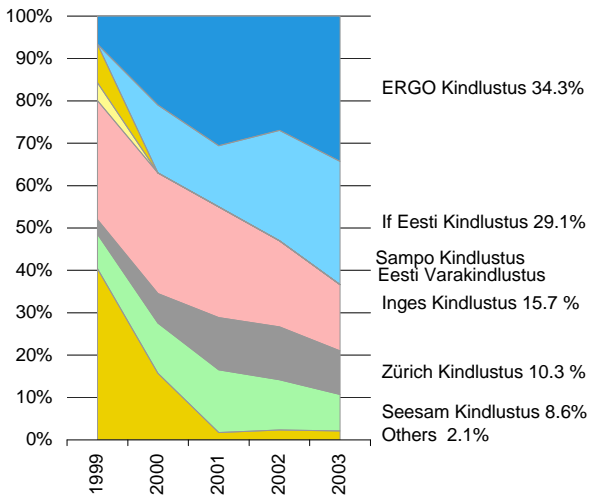


Travel insurance (54 million kroons)

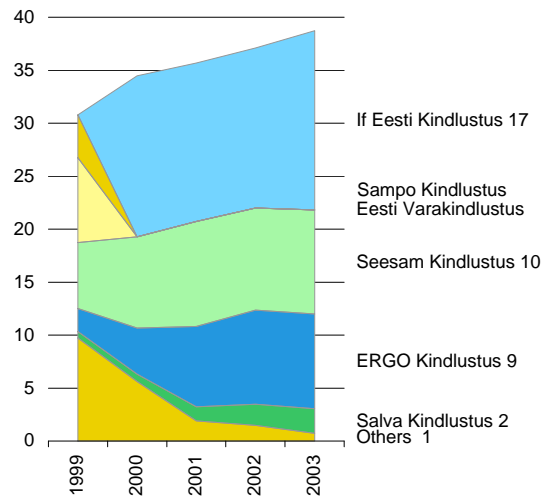
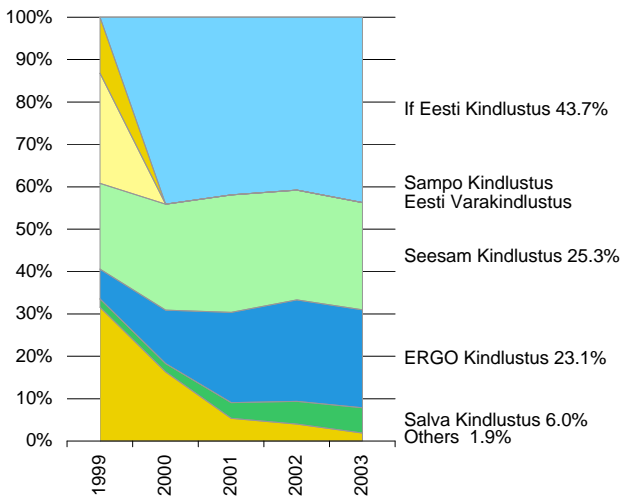


Market shares of insurers by classes of non-life insurance (3)

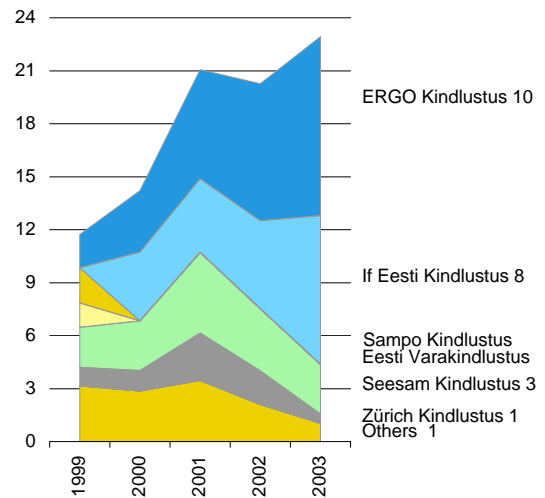
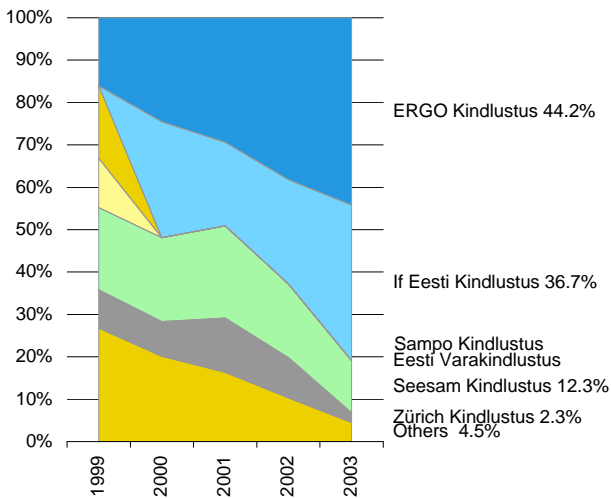
Liability insurance (79 million kroons)



Accident insurance (39 million kroons)

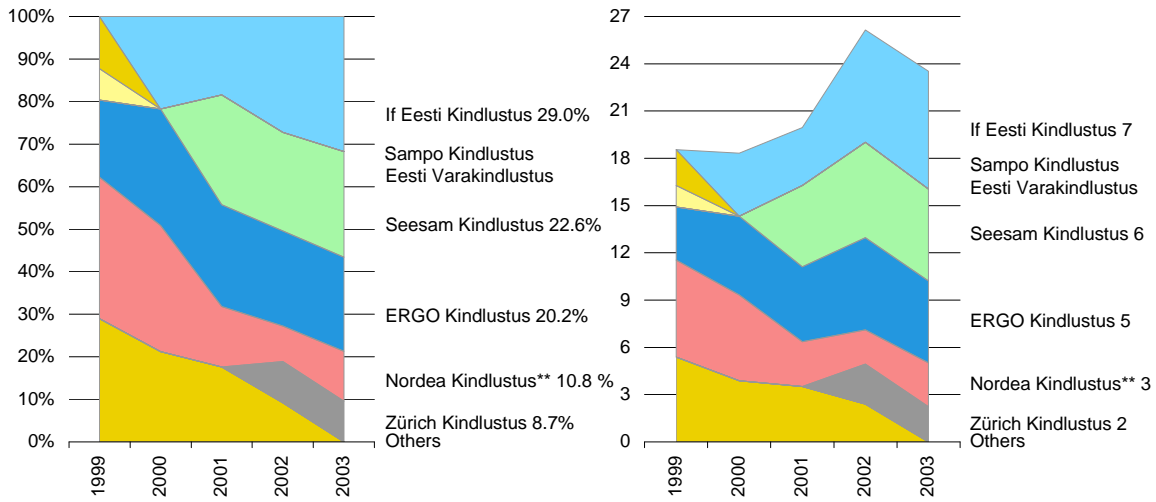


Goods in transit insurance (23 million kroons)



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

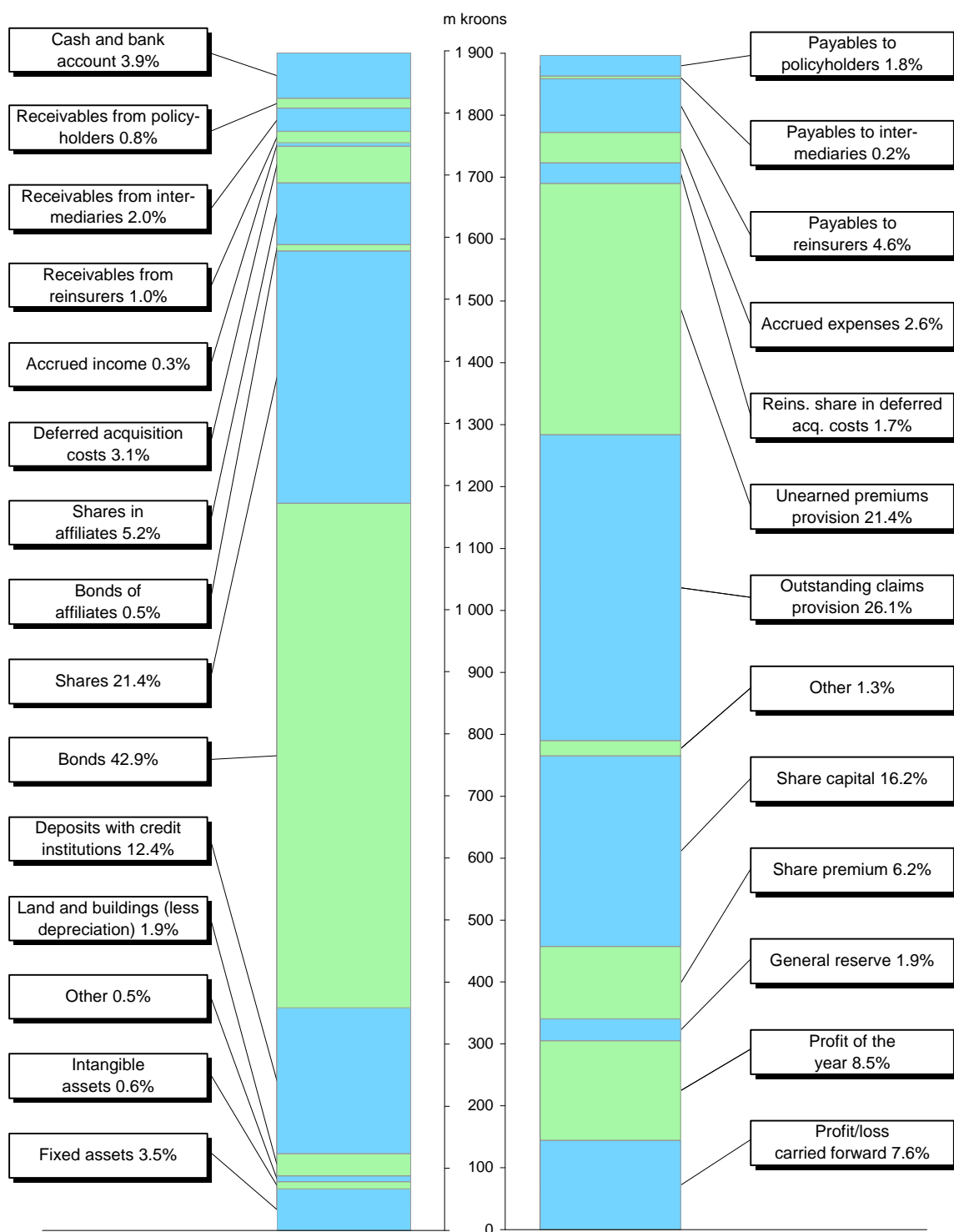
Insurance for pecuniary loss (26 million kroons)



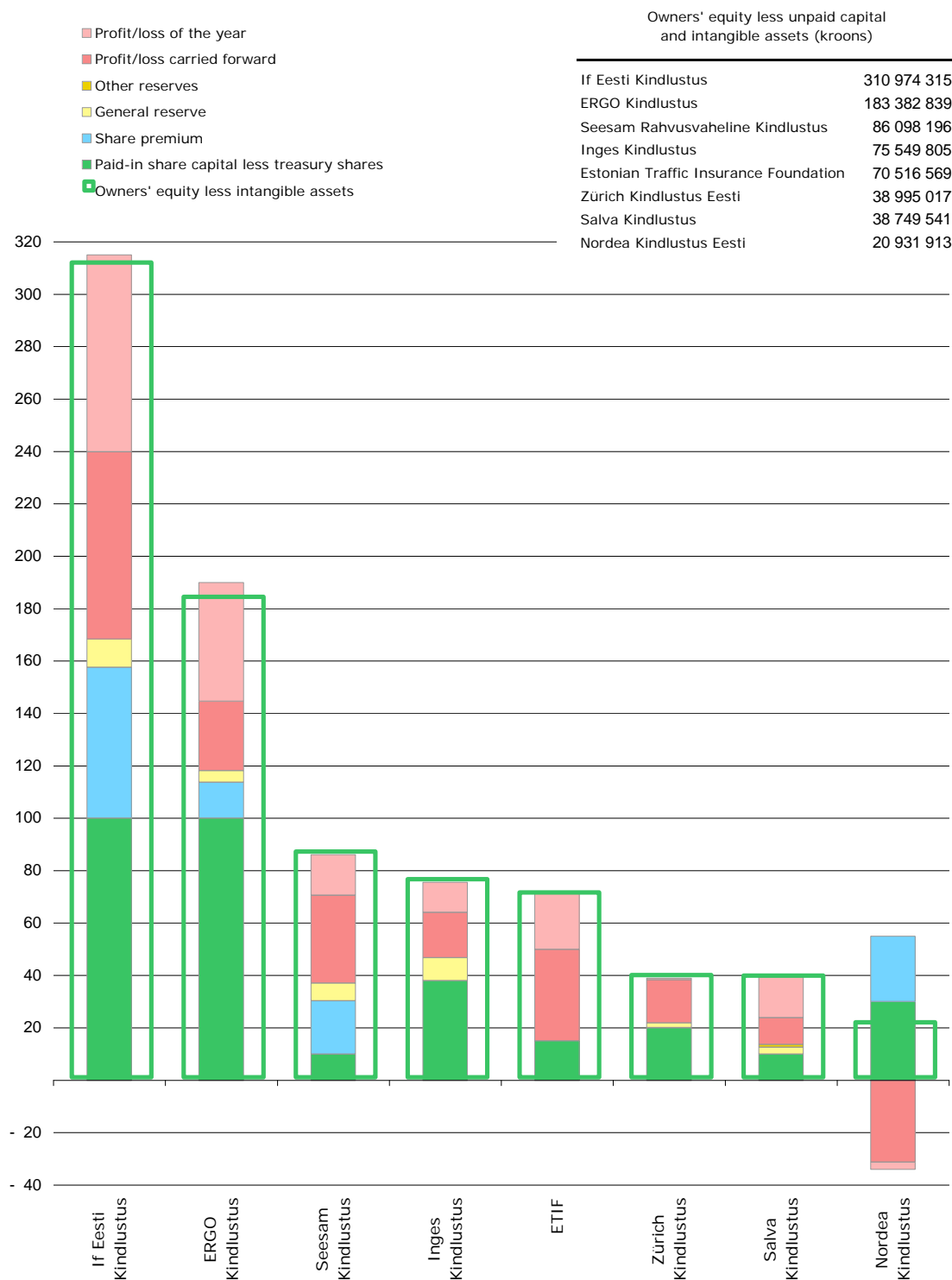
** until 2001 data of Nordika Kindlustuse AS (transferred its insurance portfolio to Nordea Kindlustus Eesti AS)

Structure of assets and liabilities of non-life insurance companies, 31 December 2003

(Balance volume — 1.9 billion kroons)



Components of owners' equity in non-life insurance, 31 December 2003 (million kroons)



COMMENTS TO RATIOS OF NON-LIFE INSURANCE

In all ratios the premiums have been decreased by mandatory transfers to ETIF (1,9%¹ 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 =

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

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

¹ In 2003

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

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

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

Net combined ratio = net loss ratio + net expense ratio

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

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

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

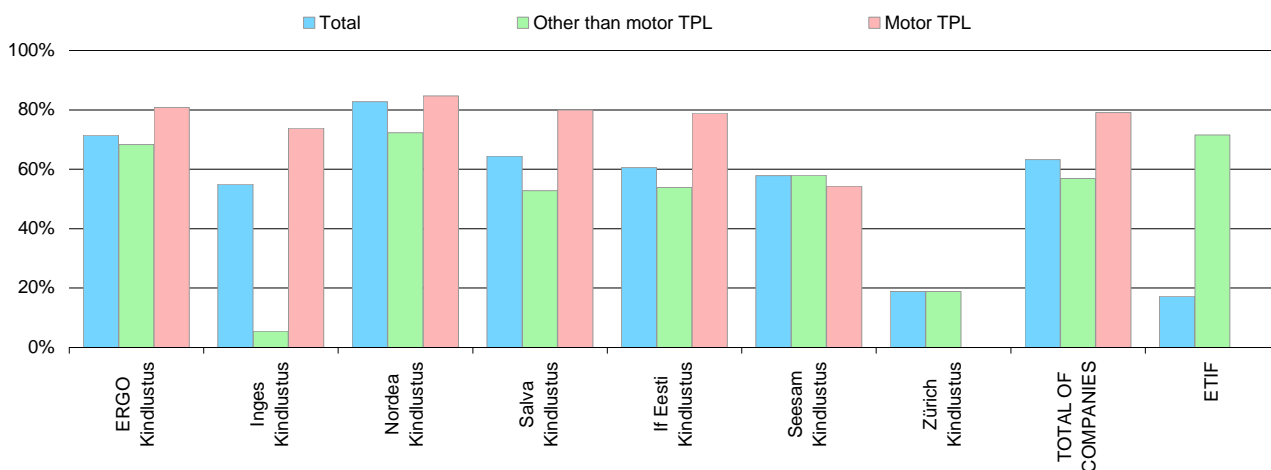
$$\text{Gross expense ratio (not adjusted by changes in DAC and UPP)} = \frac{\text{operating expenses} + \text{administrative expenses}}{\text{gross premiums}}$$

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

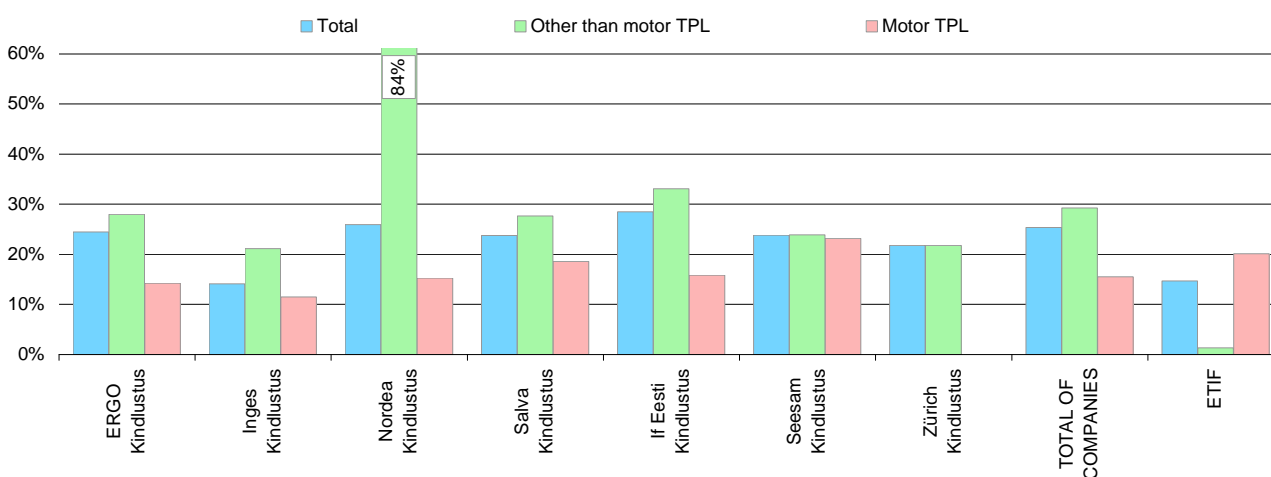
$$\text{Reinsurers' expense ratio (not adjusted by changes in DAC and UPP)} = \frac{\text{reinsurance commissions}}{\text{premiums ceded}}$$

Main ratios of non-life insurers, 2003 (1)

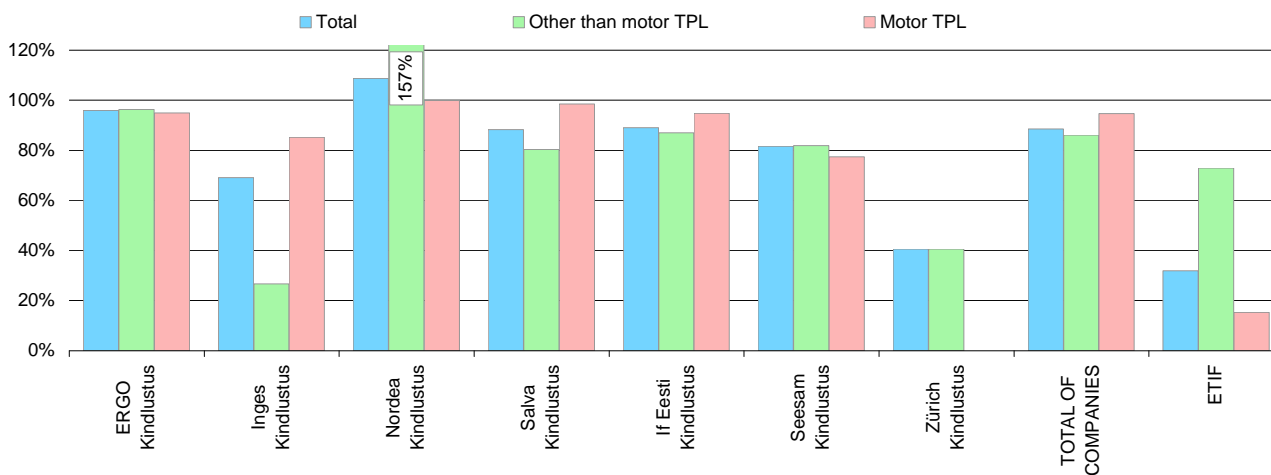
Gross loss ratio



Gross expense ratio

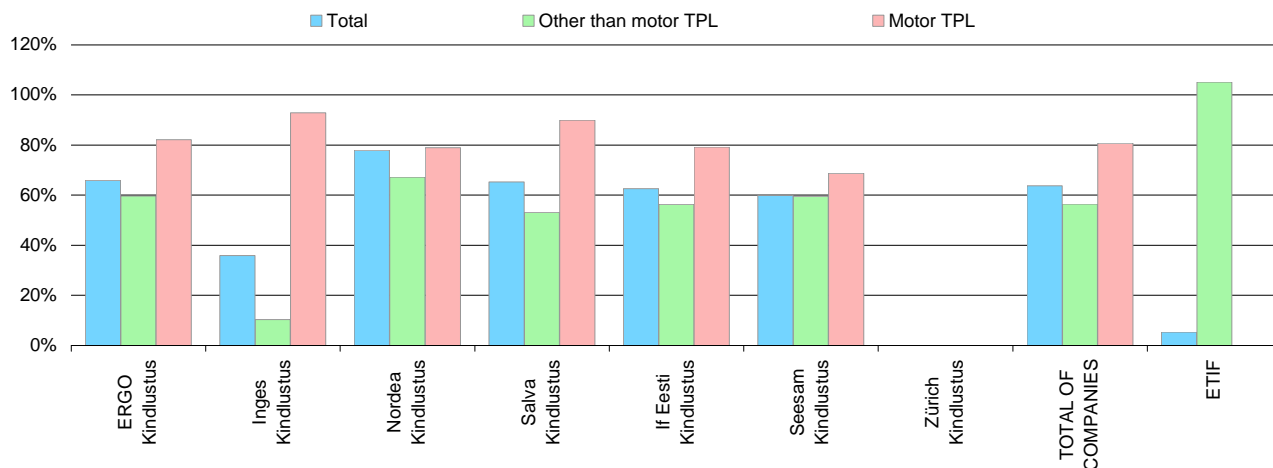


Gross combined ratio

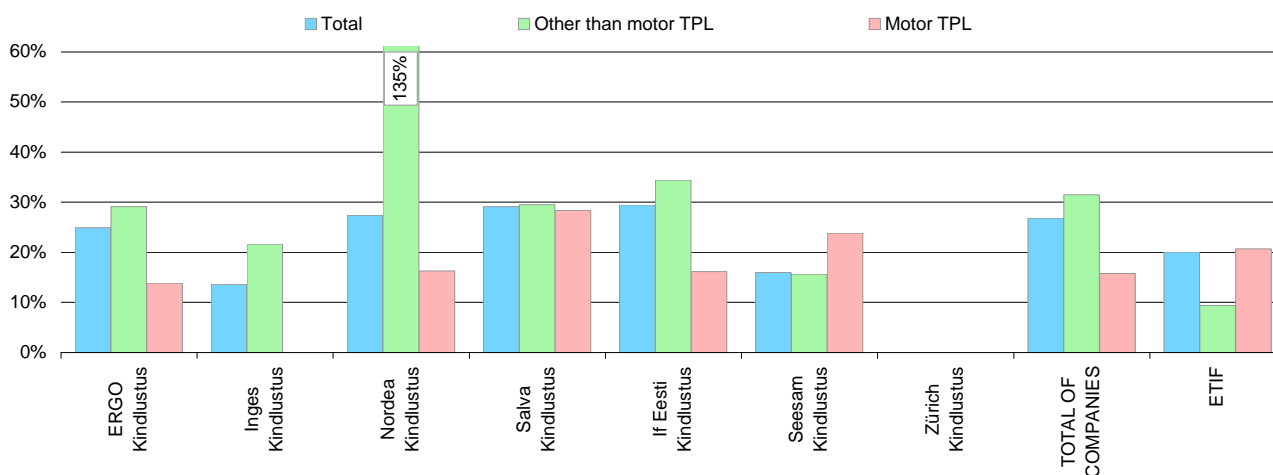


Main ratios of non-life insurers, 2003 (2)

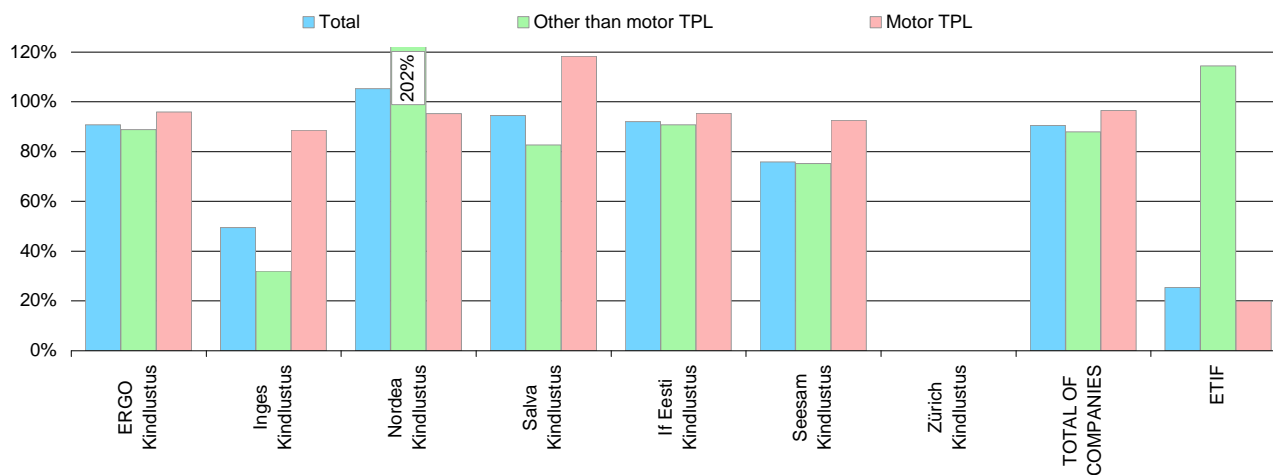
Net loss ratio



Net expense ratio

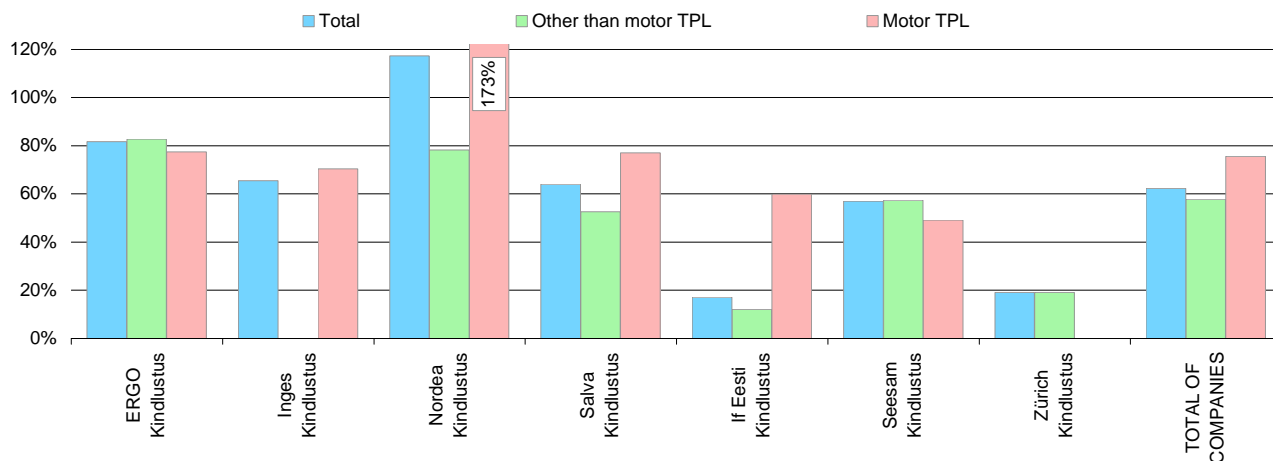


Net combined ratio

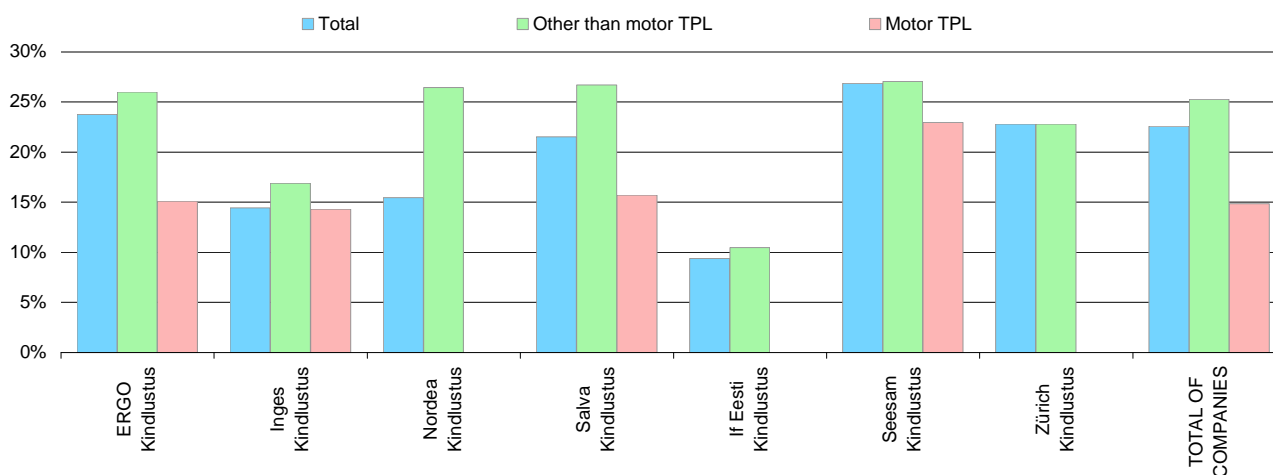


Main ratios of non-life insurers, 2003 (3)

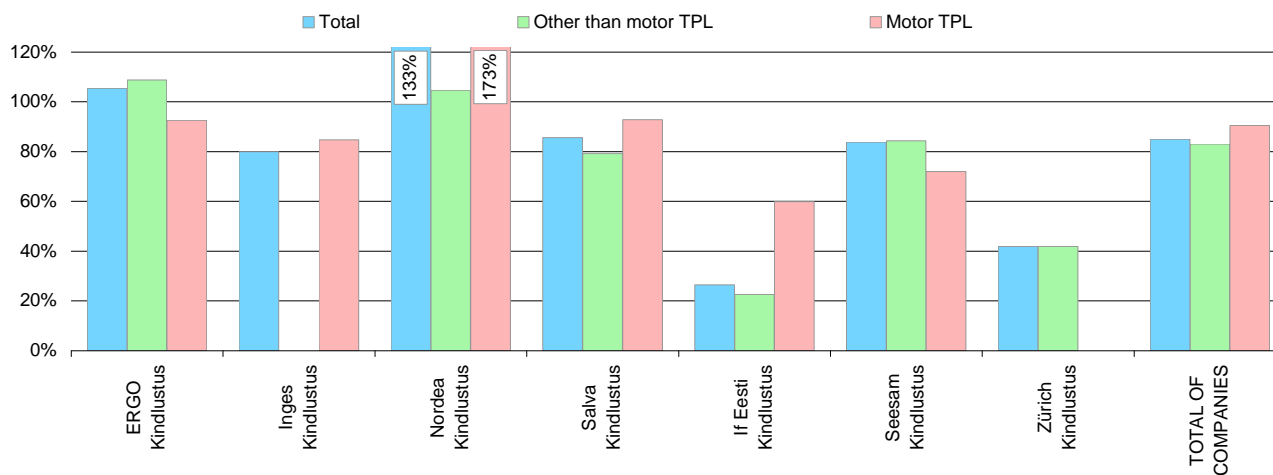
Reinsurers' loss ratio



Reinsurers' expense ratio

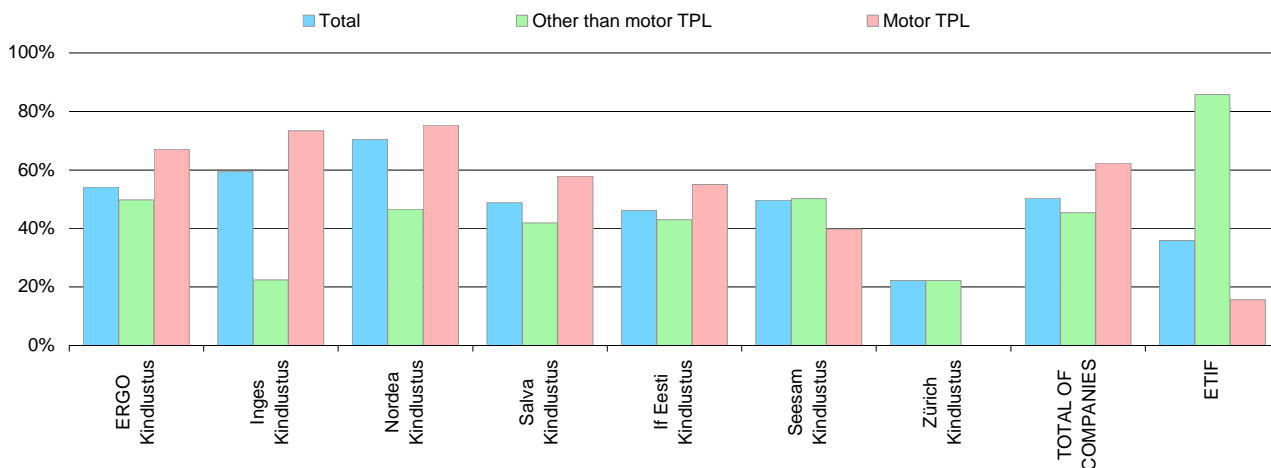


Reinsurers' combined ratio

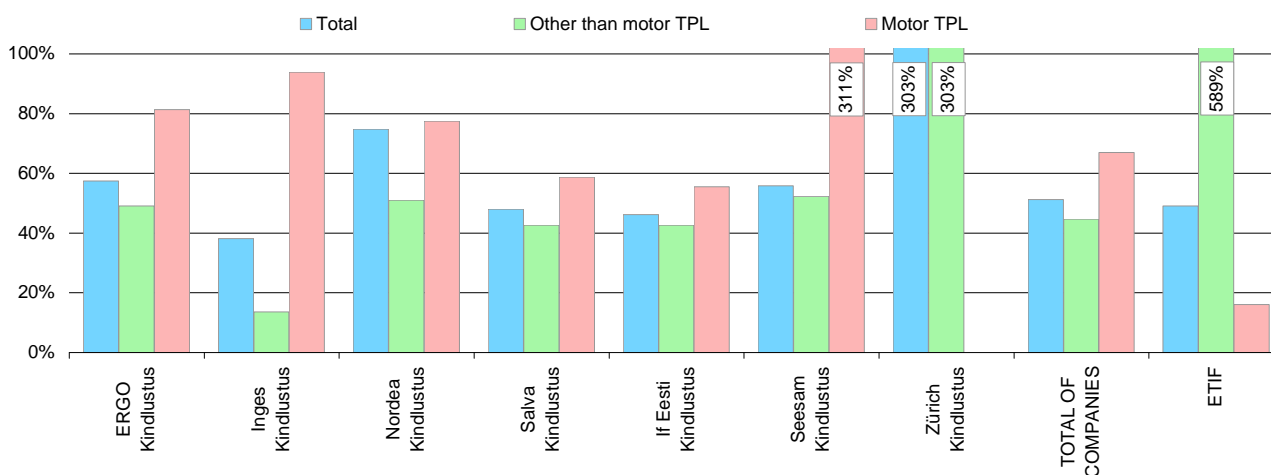


Main ratios of non-life insurers, 2003 (4)

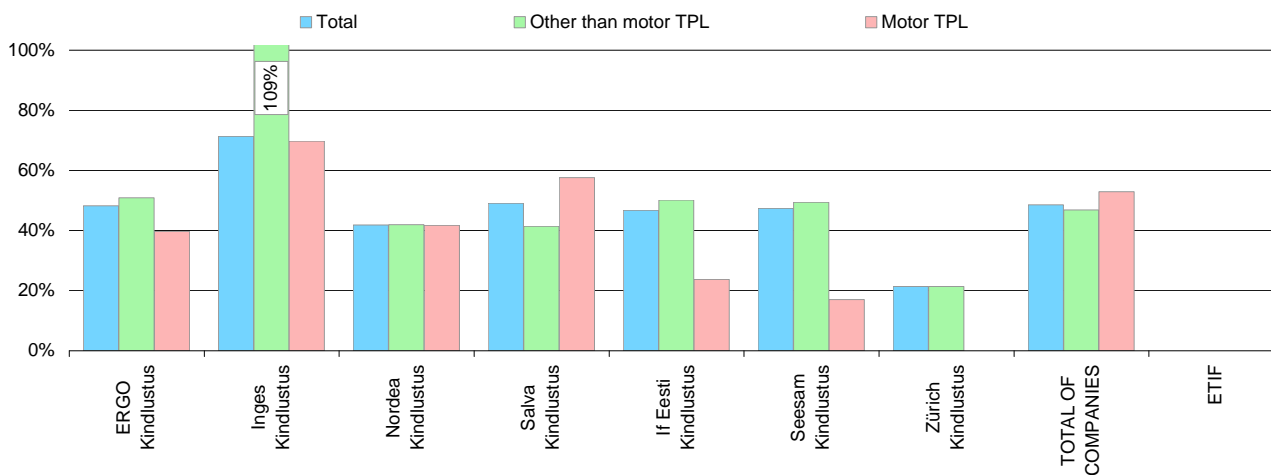
Gross payout ratio



Net payout ratio

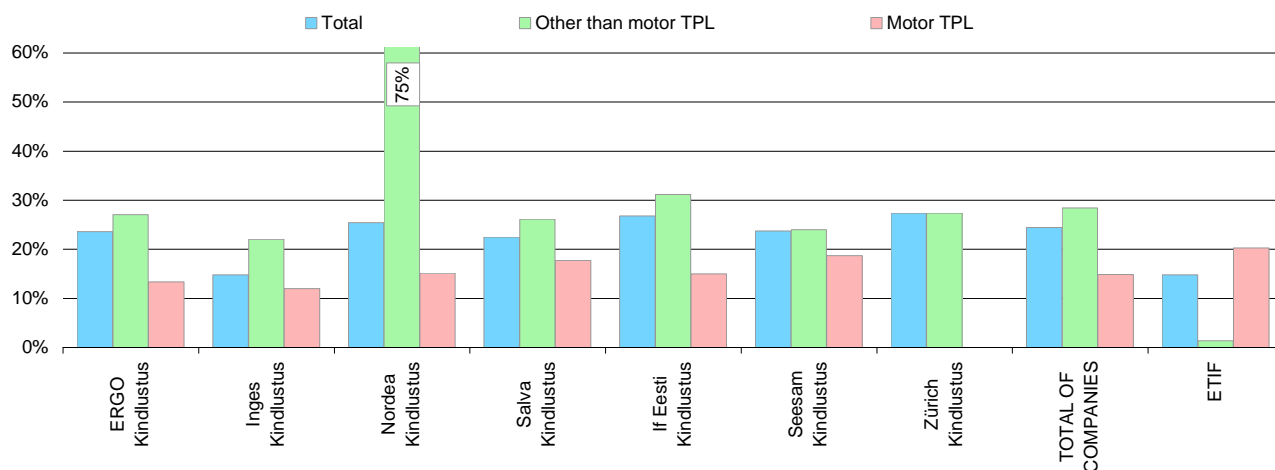


Reinsurers' payout ratio

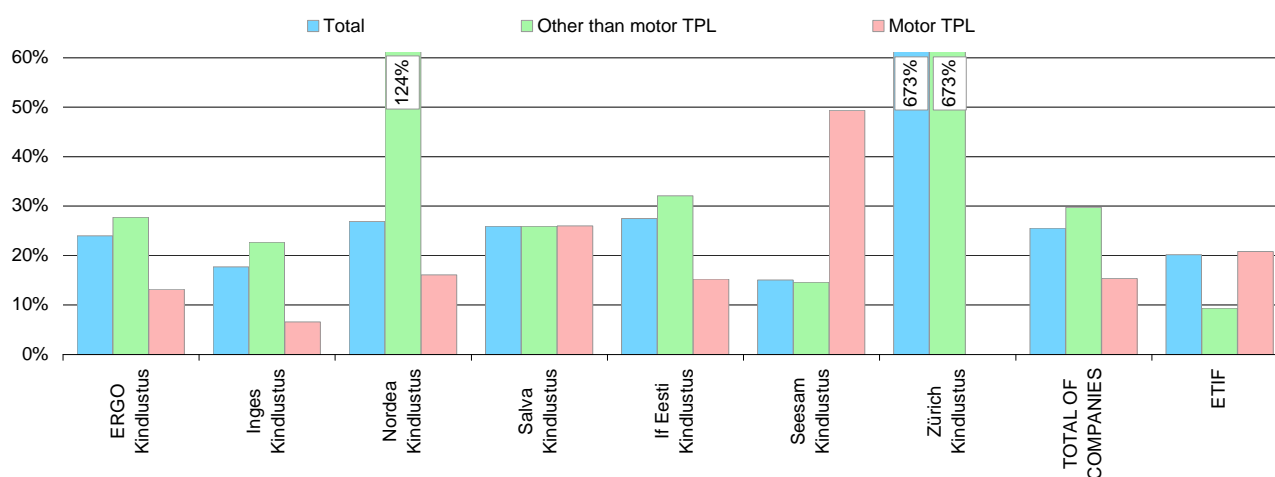


Main ratios of non-life insurers, 2003 (5)

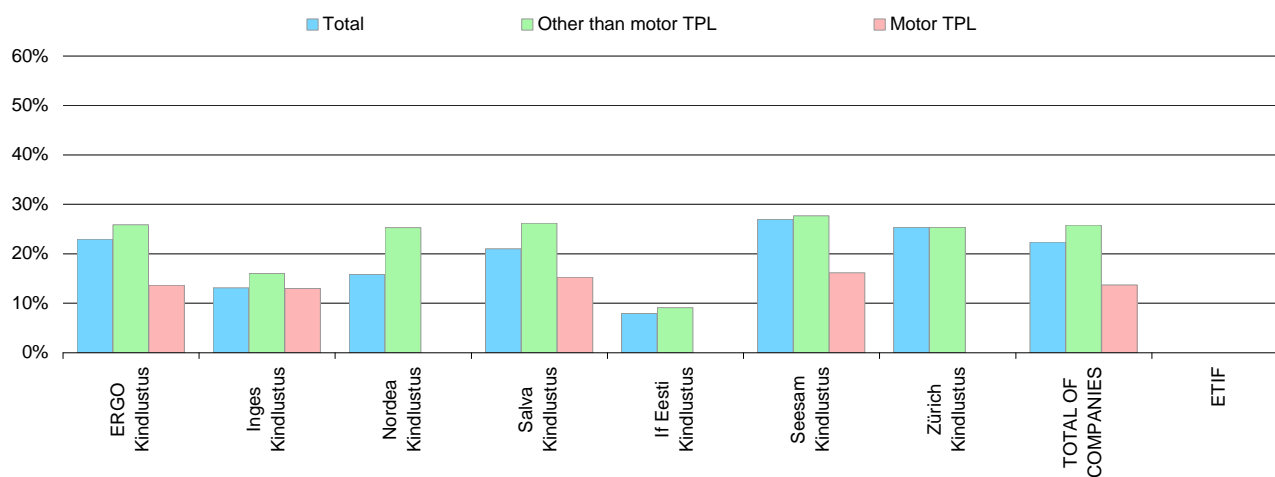
Gross expense ratio (not adjusted by change in DAC and UPP)



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

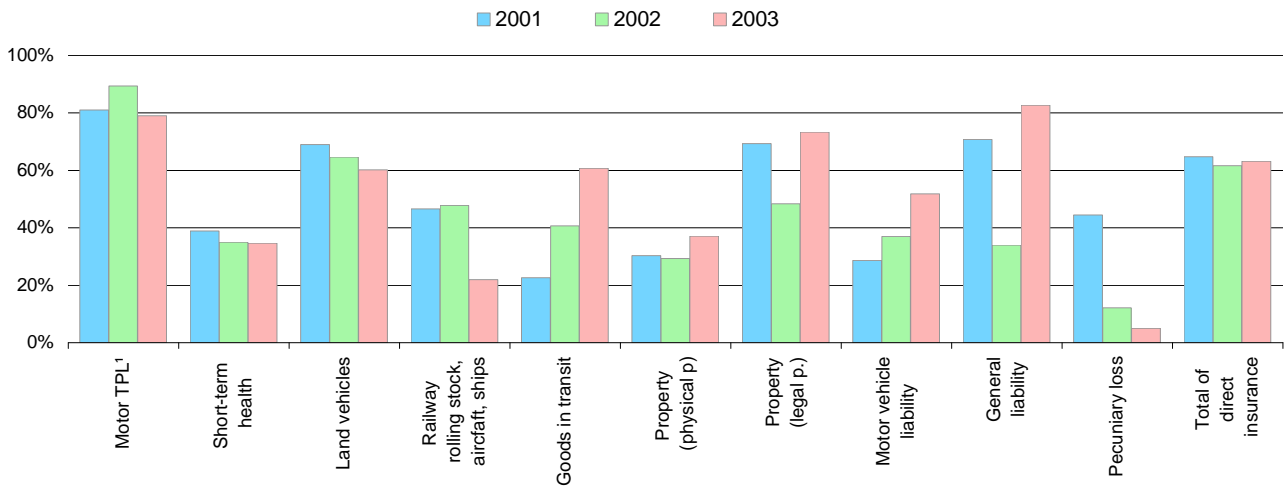


Reinsurers' expense ratio (not adjusted by change in DAC and UPP)

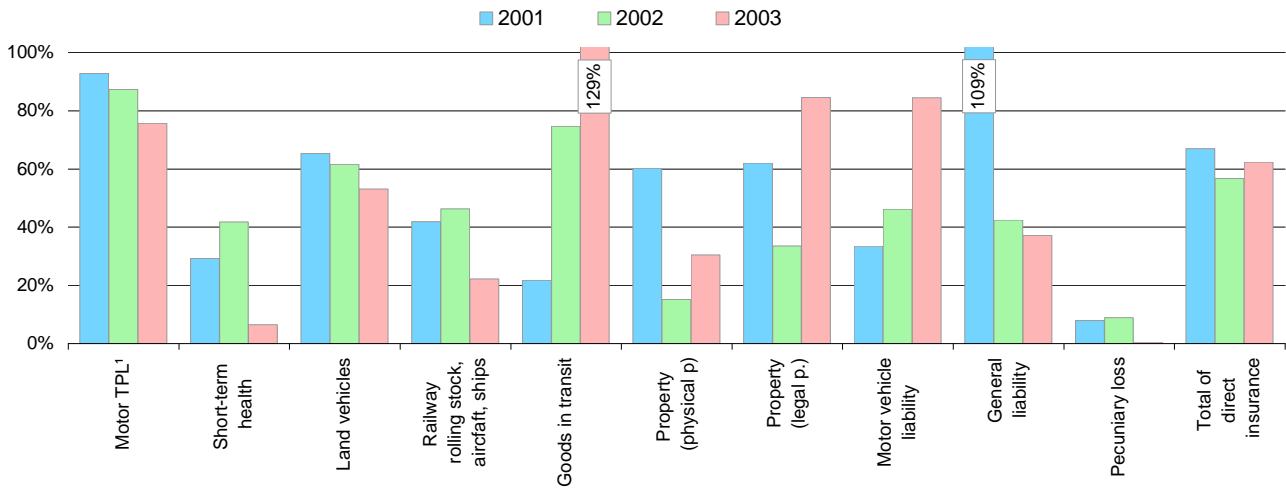


Loss ratios of classes of business, 2001–2003

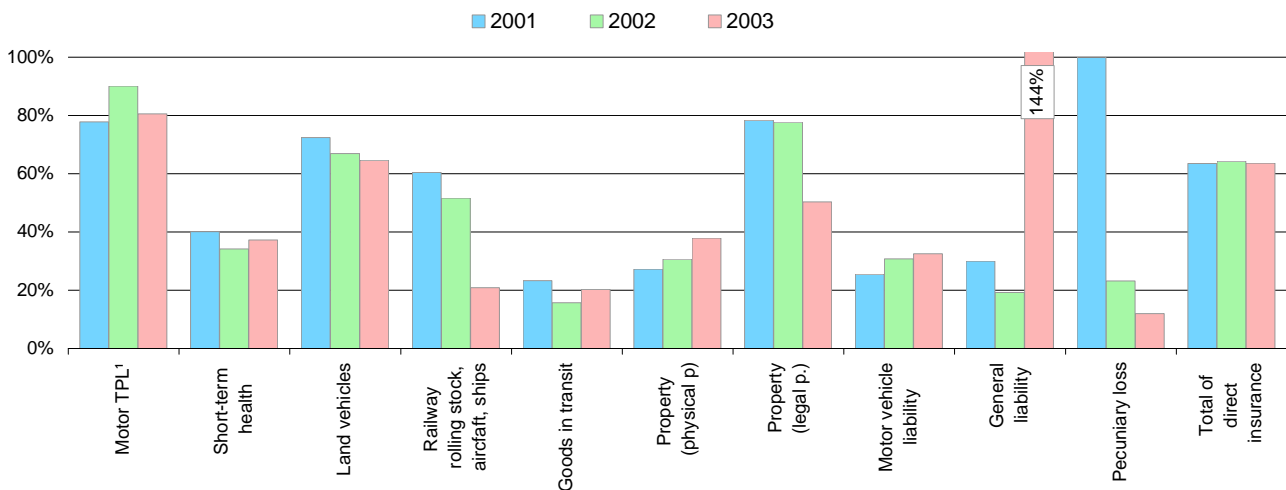
Gross loss ratio



Reinsurance loss ratio



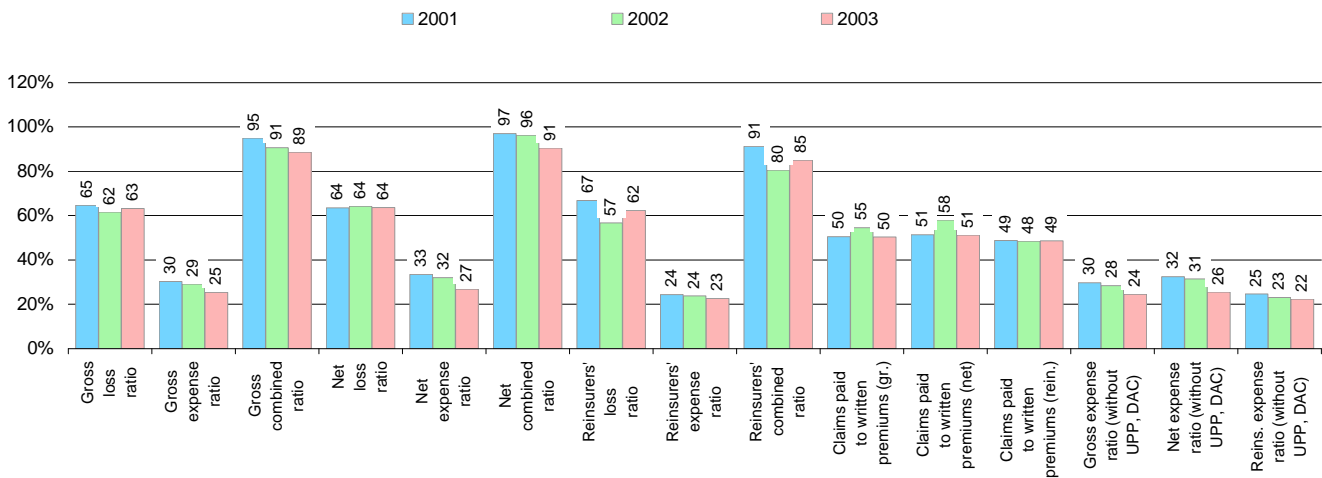
Net loss ratio



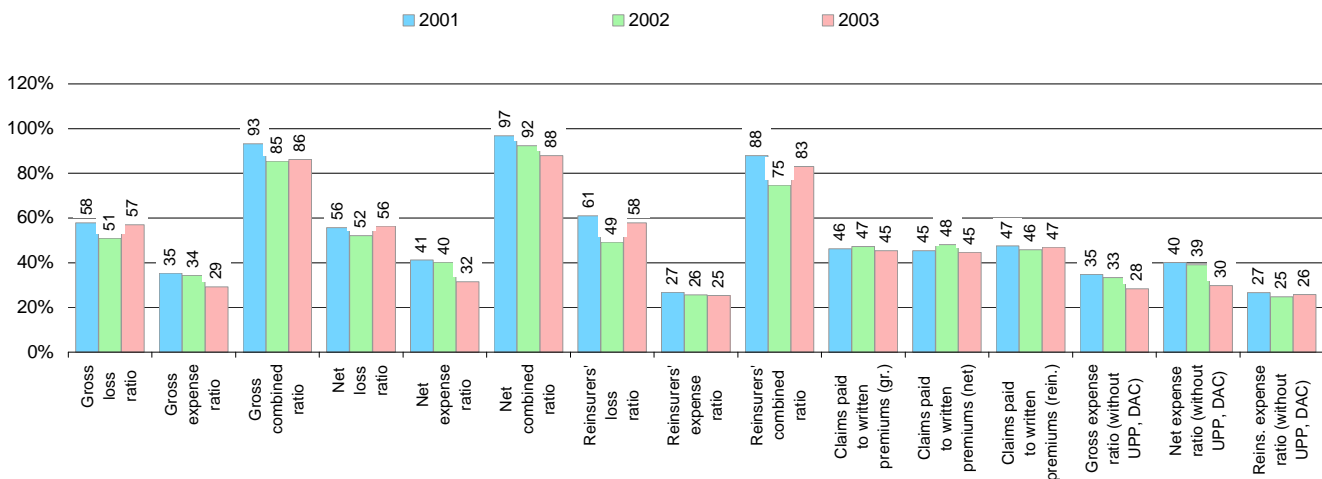
¹ does not include the data of Estonian Traffic Insurance Foundation

Non-life insurance ratios, 2001—2003*

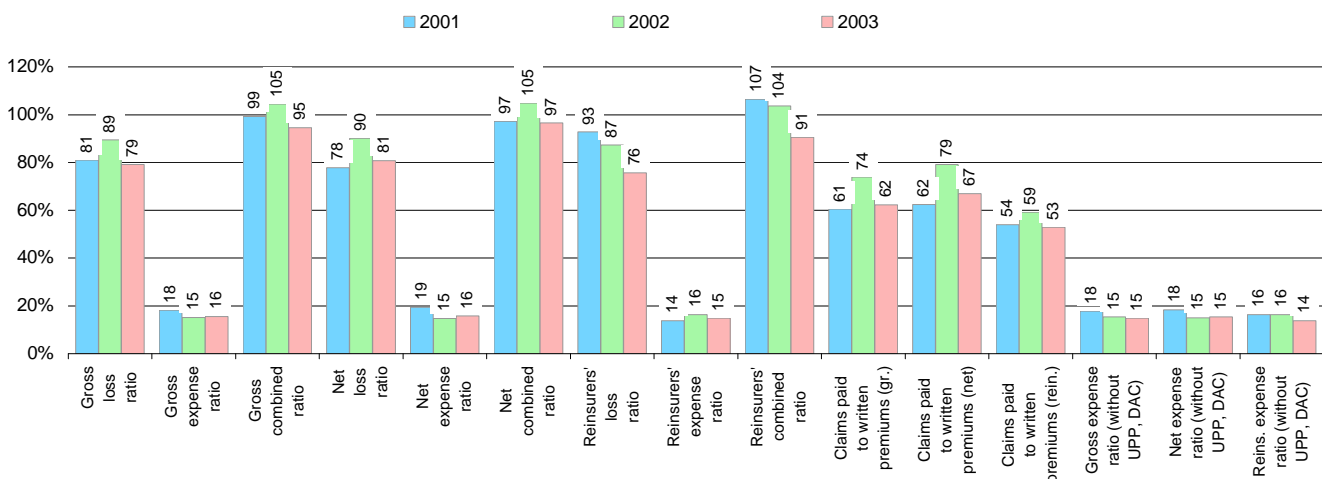
Total



Other than motor TPL



Motor TPL



* Does not include the data of Estonian Traffic Insurance Foundation

MOTOR THIRD PARTY LIABILITY INSURANCE, 2003

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

In 2003, six insurance companies wrote the motor TPL insurance. In addition, the Estonian Traffic Insurance Foundation (hereinafter: ETIF) acted as a sole provider of border insurance, the Estonian National Bureau in 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 the reinsurance of motor TPL insurance business.

Motor TPL premiums totaled 619,6 million kroons in 2003 (516,7 m kroons in 2002).

In 2003, there were 387,941 annual policies (i.e. policies of different lengths are annualized) written for vehicles registered in Estonia. According to the data of public registers, there were 623,000 vehicles subject to motor TPL insurance.

The difference of 1,5 times (comparing the highest and the lowest average cost) in the average cost of an annual domestic policy (excl. border insurance and Green Card) offered by insurers was influenced rather by the structure of insurance portfolio than by the respective difference in tariffs. Average cost of an annual policy depends mainly on the average duration of policies and types of vehicles.

Insurers continued to adjust their tariffs since the technical result from motor TPL insurance business had been negative in 2002. The overall profit from motor TPL insurance totaled 12,7 million kroons in 2003. The adjustment of tariffs (in the second half of 2002 and in 2003) brought along an increased cost of daily insurance cover in 2003 (Table 3).

Table 3. Cost of daily insurance cover in domestic insurance by classes of vehicle

	Buses	Motorcycles	Cars	Trucks	Lorries	Vans	TOTAL
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
2003	6,05	1,38	3,94	10,08	5,68	4,41	3,72

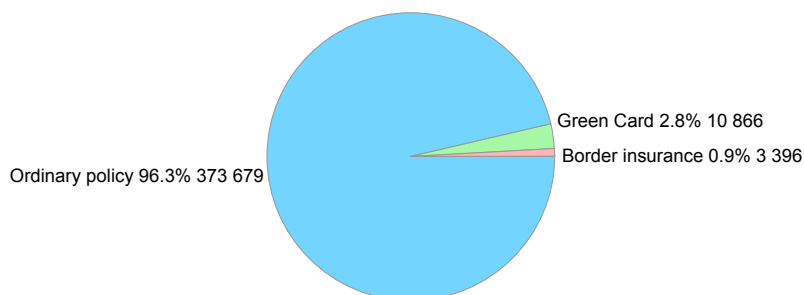
Motor TPL insurance cover based on single premiums was automatically introduced in all member states after the enlargement of the European Union on 1 May 2004. Therefore, all insurers raised tariffs at the end of 2003 for the policies that became valid since 30 April 2004. Thus, the tariff for cars increased about 10% on account of additional Green Card cover.

Total technical provisions in motor TPL insurance amounted in 570,1 million kroons at the end of 2003 (reinsurers' share being 225,1 m kroons); thereof the provision for unearned premiums comprised 158 million kroons (reinsurers' share being 44,5 m kroons) and the outstanding claims provision 412,1 million kroons (reinsurers' share being 180,6 m kroons). Motor TPL insurance pension provision amounted in 69,9 million kroons (reinsurers' share being 39,3 m kroons) of the outstanding claims provision.

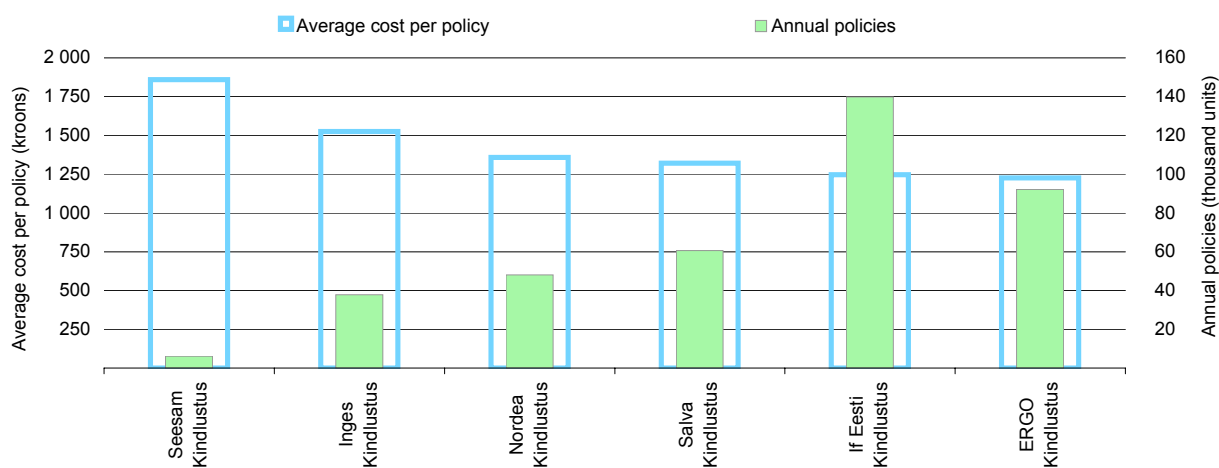
Insurance market and its breakdown, 1999–2003

	Motor-cycles	Cars	Trucks, trailers and vans	Tractors	Trailed vehicles	Buses	TOTAL
Number of vehicles (31 December, thousand units)							
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
2003	8	434	83	41	52	5	623
Annual policies (units)							
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
2003	1 876	290 705	46 240	14 086	31 616	3 418	387 941
Percentage of insurance (%)							
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
2003	23	67	56	34	61	68	62

Number of annual policies and structure by classes of policies, 2003 (Total — 387 941 annual policies)



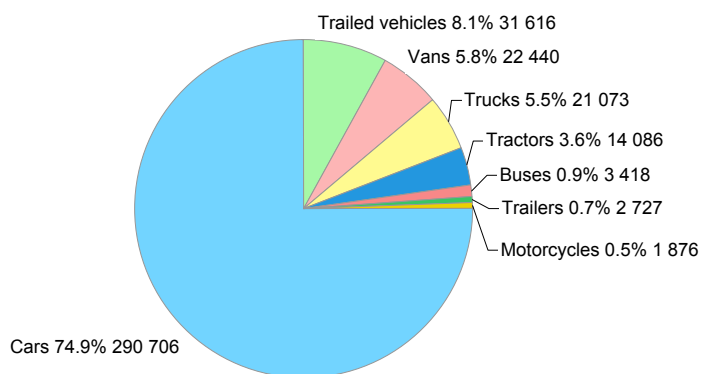
Number of domestic annual policies concluded and their average cost, 2003



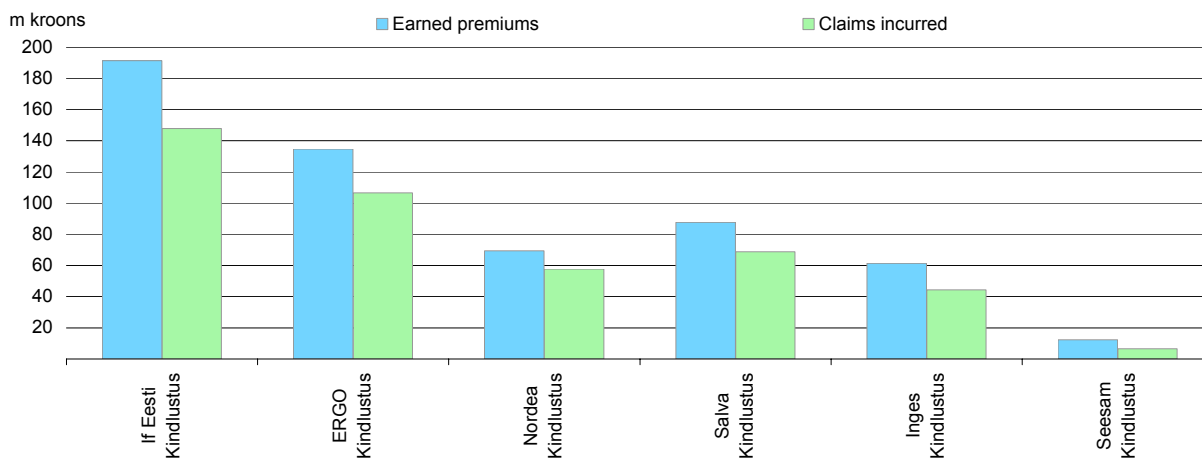
The structure of insured vehicles by the duration of policy in domestic insurance industry, 2003

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%	0.1%	0.4%	0.8%
Trailed vehicles	0%	0%	0.2%	0.3%	3.2%	4.4%
Motorcycles	0%	0%	0%	0.1%	0.3%	0.5%
Cars	2.4%	7.4%	14.9%	26.6%	30.3%	81.6%
Tractors	0%	0%	0%	0.1%	1.5%	1.7%
Trailers	0%	0%	0.1%	0.2%	0.3%	0.6%
Trucks	0.5%	1.0%	0.8%	1.3%	2.2%	5.7%
Vans	0%	0.1%	0.7%	1.4%	2.4%	4.6%
TOTAL	3.0%	9.3%	16%	30.2%	40.5%	100%

Number and structure of annual policies in domestic insurance by type of vehicles, 2003 (Total — 387 941 annual policies)



Earned premiums and claims incurred of motor TPL insurance by insurance companies, 2003



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, 2003

	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%	10%	12%	16%	33%	2%	97%	3%	100%
- Domestic insurance	19%	9%	11%	13%	28%	2%	82%		82%
- International policies (Green Card)	5%	1%	1%	3%	5%	0%	15%		15%
- Border insurance								3%	3%
Gross premiums (thousand kroons)	140 845	60 967	68 102	96 071	206 243	13 579	585 807	33 841	619 648
Reinsurers' share in gross premiums (thousand kroons)	48 259	51 758	4 099	74 034	3 381	12 531	194 062	973	118 072
Structure of paid indemnities:									
TOTAL	25%	12%	13%	13%	32%	1%	96%	4%	100%
- Personal loss	2%	1%	1%	1%	2%	0%	7%	1%	8%
incl medical expenses	1%	1%	1%	1%	1%	0%	5%	1%	6%
temporary disability	1%	0%	0%	0%	0%	0%	1%	0%	1%
permanent disability	0%	0%	0%	0%	1%		1%	0%	1%
family pension	0%	0%	0%	0%	0%		0%	0%	0%
funeral expenses	0%	0%	0%	0%	0%		0%		0%
other	0%	0%	0%	0%	0%		0%	0%	0%
- Property loss	23%	11%	12%	12%	30%	1%	89%	3%	92%
incl vehicles	22%	11%	11%	11%	29%	1%	85%	2%	87%
personal articles	0%	0%	0%	0%	0%	0%	0%	0%	0%
road, road constructions	0%	0%	0%	0%	0%	0%	0%	0%	0%
cargo	0%				0%		0%	0%	0%
other	1%	0%	1%	1%	1%	0%	4%	1%	5%
legal assistance and expertise	0%	0%	0%	0%	0%	0%	0%	0%	0%
Claims paid (thousand kroons)	94 506	44 776	51 299	55 601	113 533	5 402	365 117	5 292	370 409
(claims paid = indemnities + handling costs - subrogations)									
- Paid indemnities	86 762	43 253	46 598	48 215	113 544	5 103	343 475	7 780	351 255
- Handling costs	14 171	2 632	9 320	9 067	8 403	386	43 979	1 601	45 580
- Subrogations	6 427	1 109	4 619	1 681	8 414	87	22 337	4 089	26 426
Reinsurers' share in paid claims (thousand kroons)	19 186	36 130	1 712	42 662	803	2 140	102 633		102 633

BASIC TABLES

Balance sheet of insurance companies, 31 December 2003*
(kroons)

ASSETS	NON-LIFE	LIFE	TOTAL
Cash and bank account	73 227 043	6 657 519	79 884 562
Receivables	72 739 977	9 110 085	81 850 062
Direct insurance	53 328 409	3 330 994	56 659 403
Policyholders	15 774 663	3 251 761	19 026 424
Intermediaries	37 400 059	79 233	37 479 292
Other	153 687		153 687
Reinsurance	18 261 226	5 510 230	23 771 456
Other receivables	1 150 342	268 861	1 419 203
Unpaid share capital			
Accrued income, prepayments	70 604 929	29 701 186	100 306 115
Accrued income	5 597 450	18 450 912	24 048 362
Deferred acquisition costs	59 078 046	9 904 606	68 982 652
Other prepaid expenses	5 929 433	1 345 668	7 275 101
Investments	1 601 831 203	1 403 260 250	3 005 091 453
Land and buildings	35 633 196	2 287 865	37 921 061
Affiliated companies	109 578 280	39 892 192	149 470 472
Shares	99 327 077	39 762 192	139 089 269
Bonds, loans	10 251 203	130 000	10 381 203
Other financial investments	1 456 619 727	1 361 080 193	2 817 699 920
Shares and other securities	406 401 686	271 304 347	677 706 033
Bonds, fixed interest securities	813 020 824	846 701 615	1 659 722 439
Mortgage loans	248 318		248 318
Other loans	2 238 880	277 895	2 516 775
Deposits with credit institutions	234 710 019	241 789 085	476 499 104
Other		1 007 251	1 007 251
Unit-linked life ins. investments		195 657 034	195 657 034
Intangible assets	11 291 947	4 004 681	15 296 628
Fixed assets	66 803 646	6 838 224	73 641 870
TOTAL ASSETS	1 896 498 745	1 655 228 979	3 551 727 724
LIABILITIES			
Payables	147 862 060	16 642 508	164 504 568
Direct insurance	39 466 550	12 721 079	52 187 629
Policyholders	33 473 008	9 704 773	43 177 781
Intermediaries	4 524 968	2 407 470	6 932 438
Other	1 468 574	608 836	2 077 410
Reinsurance	86 392 289	1 805 140	88 197 429
Other payables	22 003 221	2 116 289	24 119 510
Accrued expenses, prepayments	82 619 401	14 737 669	97 357 070
Accrued expenses	49 488 094	14 705 331	64 193 425
Deferred acq. costs, reinsurers' share	33 131 307		33 131 307
Other prepaid income		32 338	32 338
Technical provisions	900 043 711	1 145 301 632	2 045 345 343
Unearned premiums provisions (net)	405 532 765		405 532 765
(Reinsurers' share)	149 838 520		149 838 520
Life provisions (net)		1 103 756 029	1 103 756 029
(Reinsurers' share)		558 361	558 361
Outstanding claims provisions (net) ¹	494 510 946	22 986 833	517 497 779
(Reinsurers' share)	437 342 570	1 321 275	438 663 845
Provision for bonuses (net)		16 450 100	16 450 100
Other technical provisions (net)		2 108 670	2 108 670
(Reinsurers' share)			
Unit-linked life ins. provisions (net)		195 659 015	195 659 015
(Reinsurers' share)		415	415
Owners' equity	765 973 573	282 888 155	1 048 861 728
Share capital	308 001 160	142 460 000	450 461 160
Share premium	116 687 632	64 797 367	181 484 999
General reserve	35 336 551	8 383 124	43 719 675
Other reserves	1 008 085		1 008 085
Profit/loss carried forward	144 205 066	5 243 279	149 448 345
Profit/loss of the year	160 740 329	62 004 385	222 744 714
Treasury shares (-)	- 5 250		- 5 250
TOTAL LIABILITIES	1 896 498 745	1 655 228 979	3 551 727 724

* Due to revaluation caused by reflecting investments in fair value, the profit for previous periods of life insurance companies increased by 14,9 million kroons and that of non-life insurance companies by 13,5 million kroons in 2003

¹ Includes motor TPL pension provision (included in "Other technical provisions" until 2003)

Balance sheets of life insurers, 31 December 2003*

(kroons)

ASSETS	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Uhispanga Elukindlustus	Total of life insurers
Cash and bank account	567 810	2 540 509	423 631	1 503 098	1 622 471	6 657 519
Receivables	1 996 251	2 417 754	155 824	669 888	3 870 368	9 110 085
Direct insurance	1 996 251		113 793	1 000	1 219 950	3 330 994
Policyholders	1 996 251		113 793	1 000	1 140 717	3 251 761
Intermediaries					79 233	79 233
Reinsurance		2 407 274		467 322	2 635 634	5 510 230
Other receivables		10 480	42 031	201 566	14 784	268 861
Accrued income, prepayments	5 829 222	19 023 639	1 179 743	285 709	3 382 873	29 701 186
Accrued income	897 998	16 418 070	1 035 342	9 158	90 344	18 450 912
Deferred acquisition costs	4 837 870	2 144 124			2 922 612	9 904 606
Other prepaid expenses	93 354	461 445	144 401	276 551	369 917	1 345 668
Investments	137 554 144	650 116 631	76 601 766	312 721 719	226 265 990	1 403 260 250
Land and buildings	2 287 865					2 287 865
Affiliated companies	684 096			39 208 096		39 892 192
Shares	554 096			39 208 096		39 762 192
Bonds, loans	130 000					130 000
Other financial investments	134 582 183	650 116 631	76 601 766	273 513 623	226 265 990	1 361 080 193
Shares and other securities	7 614 811	92 480 607	19 731 973	56 990 876	94 486 080	271 304 347
Bonds, fixed interest securities	124 696 503	334 537 297	46 119 793	210 575 363	130 772 659	846 701 615
Other loans	277 895					277 895
Deposits with credit institutions	1 992 974	223 098 727	10 750 000	5 947 384		241 789 085
Other					1 007 251	1 007 251
Unit-linked life ins. investments		105 018 221	16 036 408	3 391 080	71 211 325	195 657 034
Intangible assets			808 834	3 028 350	167 497	4 004 681
Fixed assets	2 997 488	800 875	159 135	1 169 119	1 711 607	6 838 224
TOTAL ASSETS	148 944 915	779 917 629	95 365 341	322 768 963	308 232 131	1 655 228 979
LIABILITIES						
Payables	2 600 330	3 110 727	871 809	1 275 518	8 784 124	16 642 508
Direct insurance	2 417 469	912 847	571 892	1 275 518	7 543 353	12 721 079
Policyholders	1 961 454	5 636	395 544	2 546	7 339 593	9 704 773
Intermediaries	456 015	907 211	176 348	664 136	203 760	2 407 470
Other				608 836		608 836
Reinsurance	98 317	1 406 906	299 917			1 805 140
Other payables	84 544	790 974			1 240 771	2 116 289
Accrued expenses, prepayments	3 377 983	2 988 601	1 630 759	2 005 014	4 735 312	14 737 669
Accrued expenses	3 377 983	2 956 263	1 630 759	2 005 014	4 735 312	14 705 331
Deferred acq. costs, reinsurers' share						
Other prepaid income		32 338				32 338
Technical provisions	111 925 826	561 672 961	48 739 955	252 378 379	170 584 511	1 145 301 632
Life provisions (net)	109 904 865	526 925 275	48 340 066	251 577 412	167 008 411	1 103 756 029
(Reinsurers' share)	160 608			397 753		558 361
Outstanding claims provisions (net)	1 103 147	20 247 577	79 918	800 967	755 224	22 986 833
(Reinsurers' share)	909 978	381 971	24 116	5 210		1 321 275
Provision for bonuses (net)	917 814	12 391 439	319 971		2 820 876	16 450 100
(Reinsurer's share)						
Other technical provisions (net)		2 108 670				2 108 670
(Reinsurers' share)						
Unit-linked life ins. provisions (net)		105 018 221	16 036 408	3 393 061	71 211 325	195 659 015
(Reinsurers' share)				415		415
Subordinated loans						
Owners' equity	31 040 776	107 127 119	28 086 410	63 716 991	52 916 859	282 888 155
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	34 793 997		64 797 367
General reserve	50 349	7 000 000			1 332 775	8 383 124
Profit/loss carried forward	- 590 947	7 387 489	- 2 714 298	- 5 244 857	6 405 892	5 243 279
Profit/loss of the year	4 118 004	38 739 630	800 708	3 167 851	15 178 192	62 004 385
TOTAL LIABILITIES	148 944 915	779 917 629	95 365 341	322 768 963	308 232 131	1 655 228 979

* Due to revaluation caused by reflecting investments in fair value, the profit for previous periods of life insurance companies increased by 14,9 million kroons in 2003

Balance sheets of non-life insurers, 31 December 2003* (1)

(kroons)

ASSETS	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus
Cash and bank account	1 473 365	7 314 523	11 969 952	8 678 032	6 189 075
Receivables	15 791 137	16 612 745	4 189 457	4 628 836	15 391 001
Direct insurance	14 079 187	12 789 699	3 842 149	4 071 277	9 365 387
Policyholders	7 930 736	2 727 106	1 001 059	425 911	1 909 644
Intermediaries	5 994 764	10 062 593	2 841 090	3 645 366	7 455 743
Other	153 687				
Reinsurance	1 614 621	3 701 059	340 511	417 930	6 006 887
Other receivables	97 329	121 987	6 797	139 629	18 727
Accrued income, prepayments	21 546 497	26 010 432	1 618 657	2 800 999	8 969 754
Accrued income	2 729 281	646 117	185 321	971 899	360 521
Deferred acquisition costs	17 101 549	23 932 446	1 207 676	1 527 901	8 033 285
Other prepaid expenses	1 715 667	1 431 869	225 660	301 199	575 948
Investments	434 076 298	784 575 780	82 771 042	55 952 056	82 799 399
Land and buildings	24 446 028				8 590 511
Affiliated companies		92 434 548			17 143 732
Shares		82 358 345			16 968 732
Bonds, loans		10 076 203			175 000
Other financial investments	409 630 270	692 141 232	82 771 042	55 952 056	57 065 156
Shares and other securities	14 600 465	285 392 909	12 122 778		44 952 115
Bonds, fixed interest securities	382 967 560	346 326 712			
Mortgage loans	248 318				
Other loans	125 839				2 113 041
Deposits with credit institutions	11 688 088	60 421 611	70 648 264	55 952 056	10 000 000
Intangible assets	6 561 173	4 102 258			628 516
Fixed assets	35 281 673	10 848 725	4 847 127	393 456	6 009 348
TOTAL ASSETS	514 730 143	849 464 463	105 396 235	72 453 379	119 987 093
LIABILITIES					
Payables	34 001 894	22 722 973	10 821 097	5 005 106	25 249 753
Direct insurance	12 591 161	14 466 911	1 666 228	4 091 161	4 336 711
Policyholders	9 778 797	13 670 572	1 533 567	3 783 971	3 108 424
Intermediaries	2 605 744		31 316	97 749	1 073 458
Other	206 620	796 339	101 345	209 441	154 829
Reinsurance	19 517 320	5 641 842	1 707 457	552 381	12 615 308
Other payables	1 893 413	2 614 220	7 447 412	361 564	8 297 734
Accrued expenses, prepayments	27 865 352	18 483 716	4 365 028	2 940 782	14 608 188
Accrued expenses	16 825 785	18 423 908	3 457 693	2 602 532	4 231 004
Deferred acq. costs, reinsurers' share	11 039 567	59 808	907 335	338 250	10 377 184
Technical provisions	262 918 885	493 181 201	14 660 305	43 575 578	40 751 095
Unearned premiums provisions (net)	113 005 931	232 893 664	4 517 422	13 824 916	20 159 241
(Reinsurers' share)	47 116 996	1 865 177	6 914 273	2 129 285	48 751 168
Outstanding claims provisions (net) ¹	149 912 954	260 287 537	10 142 883	29 750 662	20 591 854
(Reinsurers' share)	164 478 513	44 341 941	40 454 077	34 919 101	65 817 817
Other technical provisions (net)					
(Reinsurers' share)					
Owners' equity	189 944 012	315 076 573	75 549 805	20 931 913	39 378 057
Share capital	100 000 160	100 000 000	38 000 000	30 001 000	10 000 000
Share premium	13 721 195	57 559 617	25 333	24 999 000	
General reserve	4 502 209	10 841 425	8 725 517		2 633 791
Other reserves					1 008 085
Profit/loss carried forward	26 438 967	71 477 689	17 348 061	- 31 276 021	10 223 686
Profit/loss of the year	45 286 731	75 197 842	11 450 894	- 2 792 066	15 512 495
Treasury shares (-)	- 5 250				
TOTAL LIABILITIES	514 730 143	849 464 463	105 396 235	72 453 379	119 987 093

* Due to revaluation caused by reflecting investments in fair value, the profit for previous periods of non-life insurance companies increased by 13,5 million kroons in 2003

¹ Includes motor TPL pension provision (included in "Other technical provisions" until 2003)

Balance sheets of non-life insurers, 31 December 2003* (2)
(kroons)

ASSETS	Seesam Kindlustus	Zürich Kindlustus Eesti ²	Total of non- life insurers	Estonian Traffic Ins. Foundation
Cash and bank account	7 699 371	29 902 725	73 227 043	695 460
Receivables	13 419 119	2 707 682	72 739 977	5 133 420
Direct insurance	9 082 390	98 320	53 328 409	3 146 073
Policyholders	1 770 617	9 590	15 774 663	
Intermediaries	7 311 773	88 730	37 400 059	2 196 736
Other			153 687	949 337
Reinsurance	3 570 856	2 609 362	18 261 226	1 986 311
Other receivables	765 873		1 150 342	1 036
Accrued income, prepayments	9 326 076	332 514	70 604 929	1 734 456
Accrued income	681 720	22 591	5 597 450	1 679 161
Deferred acquisition costs	7 156 484	118 705	59 078 046	
Other prepaid expenses	1 487 872	191 218	5 929 433	55 295
Investments	124 321 701	37 334 927	1 601 831 203	171 981 858
Land and buildings	2 596 657		35 633 196	
Affiliated companies			109 578 280	
Shares			99 327 077	
Bonds, loans			10 251 203	
Other financial investments	121 725 044	37 334 927	1 456 619 727	171 981 858
Shares and other securities	29 464 486	19 868 933	406 401 686	41 831 269
Bonds, fixed interest securities	73 760 558	9 965 994	813 020 824	10 018 499
Mortgage loans			248 318	
Other loans			2 238 880	
Deposits with credit institutions	18 500 000	7 500 000	234 710 019	120 132 090
Intangible assets			11 291 947	1 218 360
Fixed assets	8 883 507	539 810	66 803 646	728 722
TOTAL ASSETS	163 649 774	70 817 658	1 896 498 745	181 492 276
LIABILITIES				
Payables	20 118 827	29 942 410	147 862 060	951 088
Direct insurance	2 275 527	38 851	39 466 550	46 786
Policyholders	1 597 526	151	33 473 008	17 550
Intermediaries	678 001	38 700	4 524 968	29 236
Other			1 468 574	
Reinsurance	16 454 422	29 903 559	86 392 289	488 638
Other payables	1 388 878		22 003 221	415 664
Accrued expenses, prepayments	13 164 112	1 192 223	82 619 401	886 221
Accrued expenses	3 077 994	869 178	49 488 094	886 221
Deferred acq. costs, reinsurers' share	10 086 118	323 045	33 131 307	
Technical provisions	44 268 639	688 008	900 043 711	107 920 038
Unearned premiums provisions (net)	21 127 521	4 070	405 532 765	626 780
(Reinsurers' share)	41 500 719	1 560 902	149 838 520	
Outstanding claims provisions (net) ¹	23 141 118	683 938	494 510 946	107 293 258
(Reinsurers' share)	63 131 592	24 199 529	437 342 570	53 114 258
Other technical provisions (net)				
(Reinsurers' share)				
Owners' equity	86 098 196	38 995 017	765 973 573	71 734 929
Share capital	10 000 000	20 000 000	308 001 160	15 000 000
Share premium	20 324 472	58 015	116 687 632	
General reserve	6 767 234	1 866 375	35 336 551	
Other reserves			1 008 085	
Profit/loss carried forward	33 569 244	16 423 440	144 205 066	34 904 417
Profit/loss of the year	15 437 246	647 187	160 740 329	21 830 512
Treasury shares (-)			- 5 250	
TOTAL LIABILITIES	163 649 774	70 817 658	1 896 498 745	181 492 276

* Due to revaluation caused by reflecting investments in fair value, the profit for previous periods of non-life insurance companies increased by 13,5 million kroons in 2003

¹ Includes motor TPL pension provision (included in "Other technical provisions" until 2003)

² Data of Zürich Kindlustuse Eesti AS is not audited

Profit/loss account of non-life insurers, 2003 (1)
(kroons)

	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus
(A1) Gross premiums ¹	561 718 727	765 934 797	85 215 866	83 452 830	223 172 254
(A2) Ceded premiums	200 258 718	26 239 602	53 910 688	10 988 226	156 239 454
(A) Net premiums (A1-A2)	361 460 009	739 695 195	31 305 178	72 464 604	66 932 800
(B1) Change in UPP (incr. -)	-35 542 112	-59 217 751	-1 066 696	-1 709 803	-21 598 554
(B2) Change in reinsurers' UPP (incr. -)	15 428 781	-6 364 791	371 726	1 113 523	15 347 221
(B) Net change in UPP (B1+B2; incr.-)	-20 113 331	-65 582 542	- 694 970	- 596 280	-6 251 333
(C) Earned net premiums (A+B)	341 346 678	674 112 653	30 610 208	71 868 324	60 681 467
(D) Other technical income		85 679		53 442	
(E1) Indemnities	300 572 685	352 633 928	48 258 759	52 719 187	93 261 779
(E2) Claim handling expenses	26 239 504	20 926 823	2 803 658	9 931 768	17 899 681
(E3) Subrogations	-24 156 059	-21 348 241	-1 108 654	-4 813 585	-3 135 028
(E4) Reinsurers' share in claims paid	96 631 197	12 279 404	38 469 850	4 602 668	76 752 167
(E) Net claims paid (E1+E2+E3-E4)	206 024 933	339 933 106	11 483 913	53 234 702	31 274 265
(F1) Change in OCP (incr. -) ²	-71 432 070	-73 379 626	4 315 850	-8 728 324	-20 744 555
(F2) Change in reinsurer's OCP (incr. +)	54 333 534	-6 700 328	-3 389 877	6 989 225	13 578 650
(F) Net change in OCP (F1+F2; incr.-)	-17 098 536	-80 079 955	925 973	-1 739 099	-7 165 905
(G) Net claims incurred (E-F)	223 123 469	420 013 061	10 557 940	54 973 801	38 440 170
(H) Change in other tech. prov. (incr.-)	1 322				
(I1) Acquisition costs	106 154 607	164 716 086	8 912 374	14 659 067	37 037 705
(I2) Change in deferred acquisition costs (incr. +)	3 818 277	3 984 757	683 778	33 246	2 334 244
(I3) Administrative expenses	25 903 713	39 551 359	3 514 729	6 239 974	12 759 556
(I4) Reinsurance commissions, profit participation	45 974 461	2 082 077	7 074 508	1 745 546	32 896 783
(I5) Reinsurers' share in def. acq. costs (incr.-)	-2 057 812	980 316	656 095	- 217 360	-2 563 970
(I) Net operating expenses (I1-I2+I3-I4-I5)	84 323 394	197 220 296	4 012 722	19 337 609	17 130 204
(J) Other technical charges	2 723 939	4 178 717	1 176 867	1 545 591	1 861 618
(K) Profit/loss from portfolios accepted				275 602	
(L) TECHN. RESULT (C+D-G+H-I-J+K)	31 177 198	52 786 258	14 862 679	-3 659 633	3 249 475
(M1) Income from affil. and associated companies	147 288	4 062 056			8 685 745
(M2) Income from land and buildings	294 384				
(M3) Income from other investments	11 694 716	16 576 108	1 465 267	1 626 891	485 432
(M4) Change in investments' value	1 001 935	21 689 141	822 417		1 237 503
(M5) Profit from investment disposal	2 992 459	993 107			396 135
(M) Investment income (M1+...+M5)	16 130 782	43 320 412	2 287 684	1 626 891	10 804 815
(N1) Managing expenses	725 052	1 251 079			644 054
(N2) Expenses from affil. and associated companies:					84 988
(N3) Change in investments' value	120 564	17 146 375	751 813	53 421	444 108
(N4) Loss from investment disposal	109 800	526 158			
(N) Investment expenses (N1+...+N4)	955 416	18 923 612	751 813	53 421	1 173 150
(O) Net investment income (M-N)	15 175 366	24 396 801	1 535 871	1 573 470	9 631 665
(P) Net other income	-1 065 833	-1 985 217	-4 947 656	- 705 903	2 631 355
(Q) NET PROFIT/LOSS (L+O+P)	45 286 731	75 197 842	11 450 894	-2 792 066	15 512 495

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 (1,9% of motor TPL premiums); the expense is included in "Other technical charges" (J)

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

Profit/loss account of non-life insurers, 2003 (2)

(kroons)

	Seesam Kindlustus	Zürich Kindlustus Eesti ³	Total of non- life insurers	Estonian Traffic Ins. Foundation
(A1) Gross premiums ¹	281 516 478	32 399 834	2 033 410 786	35 272 860
(A2) Ceded premiums	204 640 798	32 296 066	684 573 552	12 743 616
(A) Net premiums (A1-A2)	76 875 680	103 768	1 348 837 234	22 529 244
(B1) Change in UPP (incr. -)	- 608 229	13 134 433	-106 608 712	259 299
(B2) Change in reinsurers' UPP (incr. -)	1 660 301	-13 077 413	14 479 348	
(B) Net change in UPP (B1+B2; incr.-)	1 052 072	57 020	-92 129 364	259 299
(C) Earned net premiums (A+B)	77 927 752	160 788	1 256 707 870	22 788 543
(D) Other technical income	483 983	86 757	709 861	12 345 896
(E1) Indemnities	136 808 380	7 087 353	991 342 071	19 412 903
(E2) Claim handling expenses	8 664 380	314 699	86 780 513	1 833 046
(E3) Subrogations	-5 627 558	- 190 878	-60 380 003	-4 138 066
(E4) Reinsurers' share in claims paid	97 046 410	6 896 475	332 678 171	
(E) Net claims paid (E1+E2+E3-E4)	42 798 792	314 699	685 064 410	17 107 883
(F1) Change in OCP (incr. -) ²	-22 449 948	-1 398 783	-193 817 456	8 873 566
(F2) Change in reinsurer's OCP (incr. +)	18 705 537	1 784 572	85 301 313	6 356 904
(F) Net change in OCP (F1+F2; incr.-)	-3 744 411	385 789	-108 516 144	15 230 470
(G) Net claims incurred (E-F)	46 543 203	- 71 090	793 580 554	1 877 413
(H) Change in other tech. prov. (incr.-)			1 322	
(I1) Acquisition costs	48 254 097	4 830 002	384 563 938	1 874 307
(I2) Change in deferred acquisition costs (incr. +)	- 150 695	-1 030 347	9 673 260	
(I3) Administrative expenses	18 554 997	4 054 293	110 578 621	5 174 063
(I4) Reinsurance commissions, profit participation	55 242 913	8 186 076	153 202 364	
(I5) Reinsurers' share in def. acq. costs (incr.-)	- 706 255	2 169 657	-1 739 329	
(I) Net operating expenses (I1-I2+I3-I4-I5)	12 423 131	- 441 091	334 006 265	7 048 370
(J) Other technical charges	300 230	62 721	11 849 683	8 473 494
(K) Profit/loss from portfolios accepted			275 602	
(L) TECHN. RESULT (C+D-G+H-I-J+K)	19 145 171	697 005	118 258 153	17 735 162
(M1) Income from affil. and associated companies			25 642 890	71
(M2) Income from land and buildings	112 800		407 184	59 720
(M3) Income from other investments	3 665 103	1 290 201	36 803 718	4 161 899
(M4) Change in investments' value	1 034 518	296 785	26 082 299	261 217
(M5) Profit from investment disposal	374 925		4 756 626	
(M) Investment income (M1+...+M5)	5 187 346	1 586 986	80 944 916	4 482 907
(N1) Managing expenses	1 417 904	25 242	4 063 331	180 441
(N2) Expenses from affil. and associated companies			84 988	3 798
(N3) Change in investments' value	242 280	506 083	19 264 644	
(N4) Loss from investment disposal	165 878		801 836	
(N) Investment expenses (N1+...+N4)	1 826 062	531 325	24 214 799	184 238
(O) Net investment income (M-N)	3 361 284	1 055 661	56 730 118	4 298 669
(P) Net other income	-7 069 209	-1 105 479	-14 247 942	- 203 319
(Q) NET PROFIT/LOSS (L+O+P)	15 437 246	647 187	160 740 329	21 830 512

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 (1,9% of motor TPL premiums); the expense is included in "Other technical charges" (J)

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

³ Data of Zürich Kindlustuse Eesti AS is not audited

Profit/loss account of motor TPL, 2003
(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	143 569 335	210 174 699	62 143 648	69 416 284	97 932 404	13 840 786	597 077 156	21 495 139
(A2) Ceded premiums	48 259 699	3 380 717	51 757 979	4 098 705	74 033 806	12 531 240	194 062 146	973 312
(A) Net premiums (A1-A2)	95 309 636	206 793 982	10 385 669	65 317 579	23 898 598	1 309 546	403 015 010	20 521 827
(B1) Change in UPP (incr. -)	-8 913 269	-18 759 754	- 830 259	- 57 041	-10 194 904	-1 546 936	-40 302 163	256 369
(B2) Change in reinsurers' UPP (incr. -)	10 022 103	- 2 931	705 510		7 646 179	3 661 944	22 032 805	
(B) Net change in UPP (B1+B2; incr.-)	1 108 834	-18 762 685	- 124 749	- 57 041	-2 548 725	2 115 008	-18 269 358	256 369
(C) Earned net premiums (A+B)	96 418 470	188 031 297	10 260 920	65 260 538	21 349 873	3 424 554	384 745 652	20 778 196
(D) Other technical income				1 959			1 959	12 345 896
(E1) Indemnities	86 761 969	113 544 110	43 252 797	46 598 491	48 215 243	5 102 697	343 475 307	7 780 308
(E2) Claim handling expenses	14 170 816	8 402 836	2 632 308	9 319 698	9 066 409	385 829	43 977 896	1 600 816
(E3) Subrogations	-6 427 169	-8 414 359	-1 108 654	-4 618 500	-1 680 990	- 86 929	-22 336 601	-4 089 363
(E4) Reinsurers' share in claims paid	19 186 650	803 064	36 129 677	1 711 733	42 661 870	2 140 268	102 633 262	
(E) Net claims paid (E1+E2+E3-E4)	75 318 966	112 729 523	8 646 774	49 587 956	12 938 792	3 261 329	262 483 340	5 291 761
(F1) Change in OCP (incr. -) ²	-12 051 390	-34 383 478	404 995	-6 307 028	-13 104 798	-1 129 394	-66 571 093	6 919 639
(F2) Change in reinsurer's OCP (incr. +)	10 429 774	1 226 602	- 197 312	5 358 974	8 507 506	2 216 317	27 541 861	-1 391 103
(F) Net change in OCP (F1+F2; incr.-)	-1 621 616	-33 156 876	207 683	- 948 054	-4 597 292	1 086 923	-39 029 232	5 528 536
(G) Net claims incurred (E-F)	76 940 582	145 886 399	8 439 091	50 536 010	17 536 084	2 174 406	301 512 572	- 236 775
(H) Change in other tech. prov. (incr.-)								
(I1) Acquisition costs	14 725 332	25 022 227	5 632 944	7 244 154	12 678 867	898 009	66 201 533	1 869 795
(I2) Change in deferred acquisition costs (incr. +)	36 785	1 197 231	413 412	- 93 784	1 097 982	- 247 167	2 404 459	
(I3) Administrative expenses	4 069 397	5 940 880	1 700 775	3 074 505	4 380 950	1 644 665	20 811 172	4 990 276
(I4) Reinsurance commissions, profit participation	6 584 095		6 728 536		11 321 433	2 025 274	26 659 338	
(I5) Reinsurers' share in def. acq. costs (incr.-)	- 810 014		582 062		- 883 414	11 209	-1 100 157	
(I) Net operating expenses (I1-I2+I3-I4-I5)	12 983 863	29 765 876	- 390 291	10 412 443	5 523 816	753 358	59 049 065	6 860 071
(J) Other technical charges	2 723 939	3 931 388	1 176 867	1 545 590	1 861 618	266 883	11 506 285	8 473 494
(K) TECHN. RESULT (C+D-G+H-I-J)	3 770 086	8 447 635	1 035 253	2 768 454	-3 571 645	229 907	12 679 690	18 027 302

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 (1,9% of motor TPL premiums); the expense is included in "Other technical charges" (J)

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

Profit/loss account of non-life business excl. motor TPL, 2003
(kroons)

	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Nordea Kindlustus Eesti	Salva Kindlustus	Seesam Kindlustus	Zürich Kindlustus ¹	Total of non- life insurers	Estonian Traffic Ins. Foundation
(A1) Gross premiums	418 149 392	555 760 098	23 072 218	14 036 546	125 239 850	267 675 692	32 399 834	1 436 333 630	13 777 721
(A2) Ceded premiums	151 999 019	22 858 885	2 152 709	6 889 521	82 205 648	192 109 558	32 296 066	490 511 406	11 770 304
(A) Net premiums (A1-A2)	266 150 373	532 901 213	20 919 509	7 147 025	43 034 202	75 566 134	103 768	945 822 224	2 007 417
(B1) Change in UPP (incr. -)	-26 628 843	-40 457 997	- 236 437	-1 652 762	-11 403 650	938 707	13 134 433	-66 306 549	2 930
(B2) Change in reinsurers' UPP (incr. -)	5 406 678	-6 361 860	- 333 784	1 113 523	7 701 042	-2 001 643	-13 077 413	-7 553 457	
(B) Net change in UPP (B1+B2; incr.-)	-21 222 165	-46 819 857	- 570 221	- 539 239	-3 702 608	-1 062 936	57 020	-73 860 006	2 930
(C) Earned net premiums (A+B)	244 928 208	486 081 356	20 349 288	6 607 786	39 331 594	74 503 198	160 788	871 962 218	2 010 347
(D) Other technical income		85 679		51 483		483 983	86 757	707 902	
(E1) Indemnities	213 810 716	239 089 818	5 005 962	6 120 696	45 046 536	131 705 683	7 087 353	647 866 764	11 632 595
(E2) Claim handling expenses	12 068 688	12 523 987	171 350	612 070	8 833 272	8 278 551	314 699	42 802 617	232 230
(E3) Subrogations	-17 728 890	-12 933 882		- 195 085	-1 454 038	-5 540 629	- 190 878	-38 043 402	- 48 703
(E4) Reinsurers' share in claims paid	77 444 547	11 476 340	2 340 173	2 890 935	34 090 297	94 906 142	6 896 475	230 044 909	
(E) Net claims paid (E1+E2+E3-E4)	130 705 967	227 203 583	2 837 139	3 646 746	18 335 473	39 537 463	314 699	422 581 070	11 816 122
(F1) Change in OCP (incr. -)	-59 380 680	-38 996 148	3 910 855	-2 421 296	-7 639 757	-21 320 554	-1 398 783	-127 246 363	1 953 927
(F2) Change in reinsurer's OCP (incr. +)	43 903 760	-7 926 930	-3 192 565	1 630 251	5 071 144	16 489 220	1 784 572	57 759 452	7 748 007
(F) Net change in OCP (F1+F2; incr.-)	-15 476 920	-46 923 079	718 290	- 791 045	-2 568 613	-4 831 334	385 789	-69 486 912	9 701 934
(G) Net claims incurred (E-F)	146 182 887	274 126 662	2 118 849	4 437 791	20 904 086	44 368 797	- 71 090	492 067 982	2 114 188
(H) Change in other tech. prov. (incr.-)		1 322						1 322	
(I1) Acquisition costs	91 429 275	139 693 859	3 279 430	7 414 913	24 358 838	47 356 088	4 830 002	318 362 405	4 512
(I2) Change in deferred acquisition costs (incr. +)	3 781 492	2 787 526	270 366	127 030	1 236 262	96 472	-1 030 347	7 268 801	
(I3) Administrative expenses	21 834 316	33 610 480	1 813 954	3 165 469	8 378 606	16 910 332	4 054 293	89 767 450	183 787
(I4) Reinsurance commissions, profit participation	39 390 366	2 082 077	345 972	1 745 546	21 575 350	53 217 639	8 186 076	126 543 026	
(I5) Reinsurers' share in def. acq. costs (incr.-)	-1 247 798	980 316	74 033	- 217 360	-1 680 556	- 717 464	2 169 657	- 639 172	
(I) Net operating expenses (I1-I2+I3-I4-I5)	71 339 531	167 454 420	4 403 013	8 925 166	11 606 388	11 669 773	- 441 091	274 957 200	188 299
(J) Other technical charges		247 329		1		33 347	62 721	343 398	
(K) Profit/loss from portfolios accepted				275 602				275 602	
(L) TECHN. RESULT (C+D-G+H-I-J+K)	27 407 112	44 338 624	13 827 426	-6 428 087	6 821 120	18 915 264	697 005	105 578 464	- 292 140

Abbreviations:

UPP - Unearned premiums provision

OCP - Outstanding claims provision

¹ Data of Zürich Kindlustuse Eesti AS is not audited

Profit/loss account of life insurers, 2003

(kroons)

	ERGO Elukindlustus	Hansapanga Kindlustus	Sampo Elukindlustus	Seesam Elukindlustus	Uhispanga Elukindlustus	Total of life insurers
(A1) Gross premiums	57 761 829	248 089 307	53 135 648	73 432 929	147 345 210	579 764 923
(A2) Ceded premiums	1 056 142	4 583 879	1 235 626	1 071 261	3 795 262	11 742 170
(A) Net premiums written (A1-A2)	56 705 687	243 505 428	51 900 022	72 361 668	143 549 948	568 022 753
(B1) Investm. income from affil. and assoc. co	398 832					398 832
(B2) Income from land and buildings	244 201			87 097		331 298
(B3) Income from other investments	3 590 517	25 226 935	2 092 081	9 702 242	5 505 285	46 117 060
(B4) Change in investments' value	1 199 236	15 945 720	1 836 491	8 845 181	4 422 047	32 248 675
(B5) Profit from investment disposal	1 812 666	2 769 653	680 577	3 879 684	906 823	10 049 403
(B) Investment income (B1+...+B5)	7 245 452	43 942 308	4 609 149	22 514 204	10 834 155	89 145 268
(C1) Managing expenses	231 671	2 294 507	327 961	1 487 194	663 086	5 004 419
(C2) Investm. expenses from affil. and assoc. co	12 899			1 114 513		1 127 412
(C3) Change in investm. value	517 622		67 010	278 936	1 436	865 004
(C4) Loss from investment disposal	71 460		223 436	1 299 520	76 112	1 670 528
(C) Investment expenses (C1+...+C4)	833 652	2 294 507	618 407	4 180 163	740 634	8 667 363
(D) Net investment income (B-C)	6 411 800	41 647 801	3 990 742	18 334 041	10 093 521	80 477 905
(E) Unrealized gains/losses from inv. ¹		13 238 774	266 937	171 199	6 714 293	20 391 203
(F1) Sums insured	2 635 700	34 443 948	178 085	3 878 616	4 702 079	45 838 428
(F2) Surrenders	3 643 829	21 236 804	831 584	3 734 216	10 319 580	39 766 013
(F2) Claim handling expenses	100 729	427 128	80 148	225 518	236 077	1 069 600
(F3) Reinsurers' share in claims paid	158 058	74 071	10 800		398 574	641 503
(F) Net claims paid (F1+F2+F3-F4)	6 222 200	56 033 809	1 079 017	7 838 350	14 859 162	86 032 538
(G1) Change in OCP (incr. -)	- 917 683	-3 021 903	- 30 651	- 301 684	1 293 767	-2 978 154
(G2) Change in reinsurers' OCP (incr. +)	821 062	36 473	1 193	- 2 070	- 493 012	363 646
(G) Net change in OCP (G1+G2; incr.-)	- 96 621	-2 985 430	- 29 458	- 303 754	800 755	-2 614 508
(H) Net claims incurred (F-G)	6 318 821	59 019 239	1 108 475	8 142 104	14 058 407	88 647 046
(I1) Change in LP (incr. -)	-31 330 465	-118 218 392	-24 529 490	-57 386 672	-73 019 103	-304 484 122
(I2) Change in reinsurers' LP (incr. +)	11 667			- 8 107		3 560
(I) Net change in LP (I1+I2; incr.-)	-31 318 798	-118 218 392	-24 529 490	-57 394 779	-73 019 103	-304 480 562
(J) Bonuses	917 814	12 391 439	229 158		2 820 876	16 359 287
(J) Net change in other tech. prov. (incr. -)		-38 376 624	-15 532 686	-2 742 658	-27 941 384	-84 593 352
(L1) Acquisition costs	12 125 118	12 714 987	8 301 908	11 832 936	19 866 151	64 841 100
(L2) Change in deferred acq. costs (incr.+)	- 262 196	-2 071 578			-1 729 080	-4 062 854
(L3) Administrative expenses	7 255 159	10 497 528	5 441 945	7 475 849	7 689 223	38 359 704
(L4) Reinsurance commissions, profit participation	416 373	2 494 428	581 716	368 408	2 289 917	6 150 842
(L5) Reinsurers' share in def. acq. costs (incr.-)						
(L) Net operating expenses (L1-L2+L3-L4-L5)	19 226 100	22 789 665	13 162 137	18 940 377	26 994 537	101 112 816
(M) Net other technical income				- 26 775	- 5 908	- 32 683
(N) Profit/loss from portfolios accepted						
(O) TECHN. RESULT (A+D+E-H+I+J+K-L+M-N)	5 335 954	47 596 644	1 595 755	3 620 215	15 517 547	73 666 115
(P) Net other income	-1 217 950	-8 857 014	- 795 047	- 452 364	- 339 355	-11 661 730
(Q) NET PROFIT/LOSS (O+P)	4 118 004	38 739 630	800 708	3 167 851	15 178 192	62 004 385

Abbreviations:

LP - Life insurance provisions

OCP - Outstanding claims provision

Insurance premiums and claims, 1999—2003

	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)										
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%
2003	579 765	30.0%	2 055 958	19.6%	2 635 723	21.8%	13 801	-43.2%	2 649 524	21.1%
Reinsurance (thousand kroons)										
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%
2003	11 742	21.5%	685 530	15.2%	697 272	15.3%	11 787	-25.7%	709 059	14.2%
Net premiums (thousand kroons)										
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%
2003	568 023	30.2%	1 370 428	22.0%	1 938 451	24.3%	2 014	-76.1%	1 940 465	23.8%
Claims reported (in units)										
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%		
2003	10 964	4.2%	64 206	4.9%			267	-76.8%		
Claims settled (in units)										
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%		
2003	10 864	6.3%	61 878	10.9%			245	-75.4%		
Claims paid (thousand kroons)										
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%
2003	86 674	41.6%	1 023 034	12.1%	1 109 708	14.0%	11 816	-42.2%	1 121 524	12.8%
Reinsurance (thousand kroons)										
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%
2003	642	-38.8%	332 678	15.2%	333 320	15.0%			333 320	14.5%
Net claims paid (thousand kroons)										
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%
2003	86 032	43.0%	690 356	10.7%	776 388	13.6%	11 816	-38.4%	788 204	12.1%

Life insurance policies, premiums and claims by insurers, 1999–2003 (1)

	AB Elukindlustus	ERGO Elukindlustus	Hansapanga Kindlustus	Leks Elukindlustus	Nordika Elukindlustus	Polaris- Elu	Sampo Elukindlustus	Seesam Elukindlustus	Ühispanga Elukindlustus	TOTAL OF COMPANIES
Policies in force (in units), 31 December										
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
2003	-	11 094	77 156	-	-	-	9 547	19 524	23 488	140 809
Sums insured (thousand kroons)										
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
2003	-	2 883 936	10 151 731	-	-	-	999 721	871 182	3 950 103	18 856 673
New policies (in units)										
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
2003	-	3 854	11 898	-	-	-	3 259	1 840	6 449	27 300
Gross premiums (thousand kroons)										
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
2003	-	57 762	248 089	-	-	-	53 136	73 433	147 345	579 765
Reinsurance (thousand kroons)										
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
2003	-	1 056	4 584	-	-	-	1 236	1 071	3 795	11 742
Net premiums (thousand kroons)										
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
2003	-	56 706	243 505	-	-	-	51 900	72 362	143 550	568 023
Claims reported (in units)										
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
2003	-	1 075	8 030	-	-	-	242	797	820	10 964
of which surrenders (in units)										
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
2003	-	596	3 319	-	-	-	179	465	430	4 989

... N/A

Life insurance policies, premiums and claims by insurers, 1999–2003 (2)

	AB Elukindlustus	ERGO Elukindlustus	Hansapanga Kindlustus	Leks Elukindlustus	Nordika Elukindlustus	Polaris- Elu	Sampo Elukindlustus	Seesam Elukindlustus	Ühispanga Elukindlustus	TOTAL OF COMPANIES
Claims settled (in units)										
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
2003	-	1 082	7 577	-	-	-	219	789	1 197	10 864
of which surrenders (in units)										
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
2003	-	595	2 892	-	-	-	179	465	695	4 826
Claims paid (thousand kroons)										
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
2003	-	6 380	56 108	-	-	-	1 090	7 838	15 258	86 674
of which sums insured (thousand kroons)										
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
2003	-	2 636	34 444	-	...	-	178	3 879	4 702	45 839
surrenders (thousand kroons)										
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
2003	-	3 644	21 237	-	-	-	832	3 734	10 319	39 766
Reinsurance (thousand kroons)										
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
2003	-	158	74	-	-	-	11		399	642
Net claims paid (thousand kroons)										
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
2003	-	6 222	56 034	-	-	-	1 079	7 838	14 859	86 032

... N/A

Life insurance policies, premiums and claims by classes of business, 1999–2003 (1)

	Term and whole life assurance	Endowment insurance	Annuities	Birth and marriage assurance	Unit linked life insurance	TOTAL OF BASIC INSURANCE	Supplementary insurances	TOTAL WITH SUPPLEMENTARY INSURANCES	Incl. insurances with tax benefit
Policies in force (in units), 31 December									
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
2003	11 385	96 467	16 077	12 577	4 303	140 809	105 918	246 727	58 317
Sums insured (thousand kroons)									
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
2003	2 355 347	6 501 562	721 559	45 947	454 053	10 078 468	8 778 205	18 856 673	4 935 758
New policies (in units)									
1999	1 718	13 348	2 529	17	5	17 617	20 155	37 772	8 942
2000	3 957	22 327	7 248	137	895	34 564	15 438	52 969	15 036
2001	2 001	14 322	3 958		1 241	21 522	16 659	38 181	11 976
2002	3 016	14 801	5 249		904	23 970	15 546	39 516	13 963
2003	5 140	18 528	2 436		1 196	27 300	17 215	44 515	13 762
Gross premiums (thousand kroons)									
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
2003	16 683	373 808	81 854	4 737	80 325	557 407	22 358	579 765	307 528
Reinsurance (thousand kroons)									
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
2003	3 412	5 707	10	1	27	9 157	2 585	11 742	3 188
Net premiums (thousand kroons)									
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
2003	13 271	368 101	81 844	4 736	80 298	548 250	19 773	568 023	304 340
Claims reported (in units)									
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
2003	529	7 172	546	895	182	9 324	1 640	10 964	1 398
of which surrenders (in units)									
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
2003	511	3 282	279	749	165	4 986	3	4 989	1 087

Life insurance policies, premiums and claims by classes of business, 1999–2003 (2)

	Term and whole life assurance	Endowment insurance	Annuities	Birth and marriage assurance	Unit linked life insurance	TOTAL OF BASIC INSURANCE	Supplementary insurances	TOTAL WITH SUPPLEMENTARY INSURANCES	Incl. insurances with tax benefit
Claims settled (in units)									
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
2003	266	7 342	545	911	239	9 303	1 561	10 864	1 419
of which surrenders (in units)									
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
2003	245	3 307	281	765	225	4 823	3	4 826	1 094
Claims paid (thousand kroons)									
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
2003	1 317	61 848	3 761	2 888	12 843	82 657	4 017	86 674	12 692
of which sums insured (thousand kroons)									
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
2003	995	39 165	1 332	203	285	41 980	3 859	45 839	4 386
surrenders (thousand kroons)									
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
2003	301	22 027	2 352	2 662	12 411	39 753	13	39 766	8 108
Reinsurance (thousand kroons)									
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
2003	98	436				534	108	642	251
Net claims paid (thousand kroons)									
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
2003	1 219	61 412	3 761	2 888	12 843	82 123	3 909	86 032	12 441

Non-life insurance policies, premiums and claims by insurers, 1999—2003 (1)*

	ASA Kindlustus	Eesti Varakindlustus	ERGO Kindlustus	If Eesti Kindlustus	Inges Kindlustus	Leks Kindlustus	Nordea Kindlustus Eesti	Nordika Kindlustus	Polaris- Vara
Policies in force (in units), 31 December									
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	-	-
2003	-	-	170 453	282 586	42 370	-	45 947	-	-
Gross premiums (thousand kroons)									
1999	87 267	278 331	105 108	-	21 824	205 980	-	70 083	24 437
2000	-	-	257 055	494 045	50 115	118 522	-	63 202	-
2001	-	-	341 146	497 267	69 775	-	-	72 235	-
2002	-	-	424 107	597 869	70 314	-	80 805	-	-
2003	-	-	558 995	762 003	84 039	-	82 138	-	-
Reinsurance (thousand kroons)									
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	-	-
2003	-	-	200 259	26 240	53 911	-	10 988	-	-
Net premiums (thousand kroons)									
1999	76 257	244 888	63 576	-	14 566	152 264	-	29 247	24 437
2000	-	-	182 068	403 896	25 888	91 788	-	55 728	-
2001	-	-	238 628	446 871	28 943	-	-	61 614	-
2002	-	-	290 967	546 185	24 745	-	73 016	-	-
2003	-	-	358 736	735 763	30 128	-	71 150	-	-
Claims reported (in units)									
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	-	-
2003	-	-	19 495	21 413	3 297	-	3 207	-	-
Claims settled (in units)									
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	-	-
2003	-	-	16 787	21 945	3 373	-	3 817	-	-
Claims paid (thousand kroons)									
1999	46 751	121 491	53 043	-	6 208	106 387	-	51 143	18 300
2000	-	-	134 267	240 649	14 111	53 634	-	32 105	-
2001	-	-	188 097	251 128	33 297	-	-	41 120	-
2002	-	-	225 405	304 367	38 016	-	72 985	-	-
2003	-	-	302 656	352 213	49 954	-	57 837	-	-
Reinsurance (thousand kroons)									
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	-	-
2003	-	-	96 631	12 279	38 470	-	4 603	-	-
Net claims paid (thousand kroons)									
1999	38 404	113 454	29 785	-	1 890	76 238	-	31 026	18 300
2000	-	-	96 157	179 673	3 989	41 849	-	21 152	-
2001	-	-	143 016	220 122	7 004	-	-	34 400	-
2002	-	-	169 363	293 200	8 091	-	67 374	-	-
2003	-	-	206 025	339 934	11 484	-	53 234	-	-

* Only direct insurance

- Data of Estonian Traffic Insurance Foundation include the membership fee (extractions) from companies, and this fee is not included in the data of companies;
Membership fee was 1.9% in 2003 and extractions were 8% in 1999—2002

Non-life insurance policies, premiums and claims by insurers, 1999–2003 (2)*

	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								
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
2003	93 943	-	216 123	301	-	851 723	2 900	854 623
Gross premiums (thousand kroons)								
1999	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
2003	221 311	-	281 254	32 377	-	2 022 117	33 841	2 055 958
Reinsurance (thousand kroons)								
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
2003	156 239	-	204 641	32 279	-	684 557	973	685 530
Net premiums (thousand kroons)								
1999	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
2003	65 072	-	76 613	98	-	1 337 560	32 868	1 370 428
Claims reported (in units)								
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
2003	6 995	-	8 754	301	-	63 462	744	64 206
Claims settled (in units)								
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
2003	6 279	-	8 753	291	-	61 245	633	61 878
Claims paid (thousand kroons)								
1999	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
2003	108 026	-	139 845	7 211	-	1 017 742	5 292	1 023 034
Reinsurance (thousand kroons)								
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
2003	76 752	-	97 046	6 897	-	332 678		332 678
Net claims paid (thousand kroons)								
1999	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
2003	31 274	-	42 799	314	-	685 064	5 292	690 356

* Only direct insurance

... N/A

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

Membership fee was 1.9% in 2003 and extractions were 8% in 1999–2002

Non-life insurance premiums and claims by classes of business, 1999–2003 (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)												
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
2003	619 648	38 744		54 436	747 724	6 356	230	4 428	22 935	251 132	205 301	456 433
Reinsurance (thousand kroons)												
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
2003	195 035	2 992		4 483	277 507	5 232	223	2 998	8 367	114 517	22 148	136 665
Net premiums (thousand kroons)												
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
2003	424 613	35 752		49 953	470 217	1 124	7	1 430	14 568	136 615	183 153	319 768
Claims reported (in units)												
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
2003	25 207	3 599		2 653	27 712			29	72	2 153	2 341	4 494
Claims settled (in units)												
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
2003	25 438	3 372		2 563	26 267			24	44	1 749	2 171	3 920
Claims paid (thousand kroons)												
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
2003	370 413	14 615		17 177	409 033	-49		4 105	4 359	108 557	63 714	172 271
Reinsurance (thousand kroons)												
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
2003	102 633	939		1 394	147 572			2 630	2 708	53 514	3 696	57 210
Net claims paid (thousand kroons)												
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
2003	267 780	13 676		15 783	261 461	-49		1 475	1 651	55 043	60 018	115 061

* Only direct insurance

Non-life insurance premiums and claims by classes of business, 1999–2003 (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)												
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
2003	24 542	614	321	2 191	23 815	11 847	3 588	15 900		10 358	15 436	2 055 958
Reinsurance (thousand kroons)												
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
2003	8 839	593	232		16 922	5 096	1 836	5 469		6 308	8 569	685 530
Net premiums (thousand kroons)												
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
2003	15 703	21	89	2 191	6 893	6 751	1 752	10 431		4 050	6 867	1 370 428
Claims reported (in units)												
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
2003	261			30	79	48	13	7		12	3	64 206
Claims settled (in units)												
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
2003	160			21	38	7	1	9		13	2	61 878
Claims paid (thousand kroons)												
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
2003	7 829			1 103	8 727	2 073	1 801	8 033		1 957	1 388	1 023 034
Reinsurance (thousand kroons)												
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
2003	4 291				6 960	1 336	1 252	4 877		-21	149	332 678
Net claims paid (thousand kroons)												
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
2003	3 538			1 103	1 767	737	549	3 156		1 978	1 239	690 356

* Only direct insurance

Insurance Institutions, 31 December 2003

Estonian Financial Supervision Authority

Supervisory Board

Chairman: Mr Taavi Veskimägi

Members: Mr Vahur Kraft
Mr Matti Klaar
Mr Ruut Mägi
Mr Andres Sutt
Mr Veiko Tali

Management Board

Chairman: Mr Andres Trink

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

Estonian Traffic Insurance 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 Aivar Vähi

Life insurance companies:

1. ERGO Elukindlustuse AS
Mr Georg Männik
2. Hansapanga Kindlustuse AS
Mr Paavo Põld
3. AS Sampo Elukindlustus
Ms Ulla Ilisson
4. Seesam Elukindlustuse AS
Mr Erki Kilu
5. AS Ühispanga Elukindlustus
Mr Indrek Holst

Estonian Insurance Brokers Association

Chairman of the Board
Mr Ain Habicht

Association of Estonian Insurers

Chairman of the Board
Mr Indrek Holst
Managing Director Ms Katrin Hanko

Estonian Actuarial Society

Chairman of the Board
Mr Tarmo Koll

Insurance brokers:

1. OÜ ABC Kindlustusmaaklerid
Mr Harri Kahl
2. OÜ ADVICE S.E. Kindlustusmaakler
Mr Ain Niineste
3. AS Aon Eesti Kindlustusmaakler
Mr Kari-Edvin Aitolehti
4. Balti Kindlustusmaakleri OÜ
Mr Kaido Tõnisson
5. AS E-Kindlustus Kindlustusmaakler
Mr Risto Rossar
6. Heath Lambert Baltic Kindlustusmaakler AS
Mr Heiki Nurmeots
7. AS In Bro & Partners Kindlustusmaakler
Ms Maie Põder
8. OÜ MAI Estonia IBP Kindlustusmaakler
Mr Raul Suup
9. Majesteedi Elukindlustusmaakleri OÜ
Mr Raul Siimut
10. OÜ Marks ja Partnerid. Kindlustusmaaklerid
Mr Jaan Marks
11. Marsh Kindlustusmaakler AS
Mr Mart Mere
12. Vagneri Kindlustusmaakler AS
Mr Roman Illarionov
13. AS Vandeni Kindlustusmaaklerid
Mr Raul Källo

ESTONIAN INSURANCE COMPANIES, 2003 (listed by foundation date)

AS IF EESTI KINDLUSTUS (non-life insurance)

Address: Pronksi 19 Tallinn
Comments: formed in 2000 when pursuant to the merger agreement, Sampo Kindlustuse AS and Eesti Varakindlustuse AS merged with AS Sampo Eesti Varakindlustus¹
Owner: If P&C Insurance Company Ltd, Finland (100%)
Auditor: KPMG Estonia
Management board: Chairman Olavi Laido
Members Mihkel Uibopuu
Pasi Jorma Kristian Harttunen
Andres Sooniste
Supervisory board: Chairman Hannu Taavi Kokkonen
Members Tom Melbye Eide
Åke Ricard Wennerklint
Kimmo Haapalehto
Nils Henriksson
Licenses: F-2/0016, 22.01.2003reinsurance (surplus, quota-share, excess of loss)
non-life insurance (motor TPL, accident, land vehicles, motor vehicle liability, fire and natural forces, other property, ships, general liability, goods in transit, misc. financial losses, credit, suretyship, railway rolling stock, liability for ships)

ERGO KINDLUSTUSE AS (non-life insurance)

Address: A. Lauteri 5 Tallinn
Comments: founded in 1990
Owners: ERGO International AG, Germany (99%)
minor shareholder (1%)
Auditor: KPMG Estonia
Management board: Chairman Olga Reznik
Members Georg Männik
Sergei Vahnitski
Arvi Luhakooder
Supervisory board: Chairman Thomas Robert Schütze
Members Siegmund Krüger
Siegmund Karl Theodor Krüger
Klaus Allerdissen
License: RM-1467, 17.05.2001non-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
Owner: Zurich Insurance Company, Switzerland (100%)
Auditor: KPMG Estonia
Director: Aivar Vähi
Supervisory board: Chairman Kurt Otto Treichler
Members Caj Weckström
Fredrik Rosencrantz
Licenses: RM-813, 24.03.1995non-life insurance (accident, sickness, goods in transit, fire, natural forces, other property, general liability, misc. financial loss)
RM-1205, 06.08.1998non-life insurance (land vehicles)
RM-1406, 16.05.2000non-life insurance (railway rolling stock, motor vehicle liability, aircrafts, aircraft liability)
RM-1407, 16.05.2000reinsurance
RM-1494, 23.10.2001non-life insurance (credit insurance)
F-2/0004, 27.02.2002non-life insurance (assistance insurance)

¹ Previously RAS Eesti Kindlustus, founded in 1940 and privatized in 1996

SEESAM RAHVUSVAHELINE KINDLUSTUSE AS (non-life insurance)

Address: Vambola 6 Tallinn
Comments: founded in 1991
Owners: Pohjola Group Plc, Finland (50,5%)
New Hampshire Insurance Company, USA (49,5%)
Auditor: PriceWaterhouseCoopers
Management board: Chairman Margus Luih
Member Andri Püvi
Supervisory board: Chairman Tomi Yli-Kyyny
Members Toomas Abner
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
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: Chairman Margus Metsma
Members Aleksej Kolesnikov
Inge Veso
Licenses: RM-1015, 28.11.1996 non-life insurance (accident, sickness, goods in transit, land vehicles, ships,
fire and natural forces, other property, general liability, liability for ships)
RM-1016-L, 28.11.1996 motor TPL insurance
RM-1017, 28.11.1996 non-life insurance (land vehicles liability)
RM-1093, 30.04.1997 non-life insurance (suretyship)

SALVA KINDLUSTUSE AS (non-life insurance)

Address: Pärnu mnt 16 Tallinn
Comments: founded in 1993
Owners: 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: Chairman Leho Siimsen
Members Peep Kütt
Anu Uritam
Marje Hansar
Licenses: RM-297-L, 06.04.1993 motor TPL insurance
RM-298, 06.04.1993 non-life insurance (goods in transit)
RM-536, 01.12.1993 non-life insurance (fire and natural forces, land vehicles, accident, other
property, general liability)
RM-788, 27.01.1995 non-life insurance (motor vehicles liability)
RM-1104, 15.05.1997 non-life insurance (ships, liability for ships)
RM-1137, 02.10.1997 non-life insurance (aircrafts, aircraft liability)
RM-1163, 10.12.1997 non-life insurance (suretyship)
RM-1441, 26.01.2001 non-life insurance (railway rolling stock)

AS ÜHISPANGA ELUKINDLUSTUS (life insurance)

Address: Tornimäe 2 Tallinn
Comments: founded in 1998
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
Ain Rasva
Rein Rätsep
Licenses: RM-1255, 21.12.1998 life insurance (term and whole life assurance)
RM-1256, 21.12.1998 life insurance (endowment)
RM-1257, 21.12.1998 life insurance (annuities)
RM-1258, 21.12.1998 life insurance (supplementary insurances)
RM-1259, 21.12.1998 life insurance (annuities with tax benefit)
RM-1430, 20.11.2000 life insurance (unit linked life insurance)

AS SAMPO ELUKINDLUSTUS (life insurance)

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

NORDEA KINDLUSTUSE EESTI AS (non-life insurance)

Address: Liivalaia 13/15 Tallinn
Comments: founded in 2001
Nordea Kindlustuse Eesti AS was altered to Nordicum Kindlustuse Eesti AS on 16 January 2004
Owners: Tryg Forsikring Ltd, Denmark (100%)
Auditor: KPMG Estonia
Management board: Members Mikko Sakari Saario
Ilona Kuber
Supervisory board: Chairman Peter Falkenham
Members Kaupo Luhaäär
Kalle Pedak
License: F2-/0003, 13.02.2002 non-life insurance (accident (incl injury to passengers), land vehicles, goods in transit, fire and natural forces, other property, motor TPL insurance, general liability, suretyship)

MAJOR INSURANCE EVENTS, 2003

- 22.01 The Financial Supervision Authority incorporated the alterations to AS Sampo Eesti Varakindlustus license changing the business name of AS Sampo Eesti Varakindlustus to AS If Eesti Kindlustus
- 27.01 Minister of Finance issued Regulation No 16 "Principles of calculating the subtrahend on assessment period income according to supplementary funded pension gross premiums"
- 12.02 The Financial Supervision Authority erased the AS Dividum Kindlustusmaakler from the list of insurance intermediaries (liquidated by own decision)
- 12.03 The Financial Supervision Authority granted to AS Aon Eesti Kindlustusmaakler the activity license for intermediation of products of Krediidid ja Ekspordi Garanteerimise Sihtasutus KredEx
- 26.03 The ownership of the AS If Eesti Kindlustus was changed. The If P&C Insurance Holding Ltd (Sweden) passed the insurance company over to the If P&C Insurance Company (Finland)
- 11.04 Regulation No 55, "Change of Regulation "Preparation and Submission of Insurer's Financial Statements, Interim Reports and Consolidated Accounts"", issued by Minister of Finance, entered into force
- 16.04 According to the decision of Zürich Kindlustuse Eesti AS Supervisory Board, the company went to run-off
- 02.07 The ownership of the Nordea Kindlustuse Eesti AS was changed. The Trygg Vesta Group AS (Denmark) passed the insurance company over to the Tryg Forsikring AS (Denmark)
- 24.09 The Financial Supervision Authority granted to Marsh Kindlustusmaakler AS the activity license for intermediation of products of Krediidid ja Ekspordi Garanteerimise Sihtasutus KredEx
- 24.09 The ownership of the ERGO Elukindlustuse AS was changed. The ERGO Europa Beteiligungsgesellschaft AG (Germany) passed the insurance company over to the ERGO International AG (Germany)
- 24.09 The ownership of the ERGO Kindlustuse AS was changed. The ERGO Europa Beteiligungsgesellschaft AG (Germany) (99,1%) passed the insurance company over to the ERGO International AG (Germany) (99,1%)
- 01.10 A Memorandum of Understanding was concluded between the Financial Supervision Authority and the Lithuanian Insurance Supervisory Commission

COMMENTS
