

IMIA Country Analysis 2013

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
Finland	<p>The machinery breakdown premiums in 2013 increased approximately by 1.2 per cent, whereas the loss of profit premiums decreased by 4.7 per cent. The premium volume of EAR&CAR increased 10.5 per cent in total.</p> <p>The total Engineering premium increased moderately from EUR 54.73 million to 55.7 million. This represents 90% of the market.</p>	<p>The claims reduced from last year's extremely high EUR 51.01 million in 2012 to 39.61 million in 2013.</p> <p>The overall loss ratio for 2013 was 71.1 % compared to 93.2 % in 2012 and 45.3 % in 2011 which is 69.9 % over the past three years.</p> <p>In loss of profit claims increased and loss ratio rose from 81.9 % to 118 %.</p> <p>We notice an increasing number of machinery losses for the wind turbines.</p> <p>The loss ratio for EAR/ CAR improved significantly from 101.6 % to 65,9 %</p>	<p>The poor risk trend regarding power producing machines and distribution equipment such as steam and gas turbines and generators, wind turbines and power transformers continues.</p> <p>The risk in energy sector is greater for the LOP line than for the MB.</p> <p>The market continued quite soft. Risk based and careful underwriting of engineering risks has become into focus.</p>	<p>Economic upswing has not yet started in Finland. There are positive indications of new growth, but expectations have to be postponed until year 2015.</p> <p>In this situation engineering insurance in Finland is probably not going to grow through in-creasing insurance risk potential. The need to improve profitability in energy sector continues. Investments in infrastructure bring some minor potential for engineering insurance.</p> <p>The delayed fifth nuclear power plant Olkiluoto III with a capacity of 1600 MWE is still un-der erection. The start-up is expected to happen in 2016 the earliest.</p>