

## IMIA Country Analysis 2015

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p><b>Finland</b></p> <p><b>National Report 2015</b></p>	<p>The premium income in all engineering lines decreased by 7.1 per cent compared with the previous year. The MB&amp;BE+LoP premiums decreased, however only by 0.2 per cent while the premiums for EAR&amp;CAR+ALoP decreased dramatically by 19.5 per cent.</p>	<p>The overall loss ratio in engineering lines for 2015 was 42.2 per cent compared with 87.0 per cent in 2014 and 62.9 per cent in 2013. The profitability improved in the absence of major MB losses for industrial and power production machinery.</p> <p>No major losses exceeding 1MUSD were reported 2015. Aging of the machinery and inadequate maintenance is frequently involved in losses.</p>	<p>The risk trend regarding power producing machines especially steam and gas turbines and generators was improved significantly 2015. The high claims frequency for wind turbines has continued. No major losses exceeding 1MUS\$ was reported in 2015. Inadequate maintenance and postponing of critical replacement investments are still often involved in losses. The insurers have focused in improving the terms of the policies increasing deductibles especially in energy sector. This is also meant to encourage the clients to improve risk prevention. The market continued soft. Both local and global insurers have appetite for the major risks. The importance of effective risk management and improved loss prevention efforts has been increasingly underlined by the insurers</p>	<p>The prolonged period of contraction in the Finnish economy seems finally to turn into growth. New investments are published and already under progress in residential construction and infrastructure. Some new, major investments in pulp and paper industry are under construction. These have produced a welcome insurance potential for the declining engineering insurance. However, uncertain and cautious economic atmosphere continues. Due to the softness of the market and the limited growth the premiums in 2016 will increase only slightly. It remains to be seen what the impact of the started acceleration of industry has to the loss ratio. Insurers emphasize the importance of risk prevention and maintenance to ensure profitability of engineering insurance.</p>