

Press-release
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MTPL indemnifications determined for over 15 Mio lats last year

According to data processed at the Latvian Motor Insurer's Bureau (LTAB) last year insurance agencies calculated MTPL indemnifications to the tune of 15,4 Mio lat, which is 3,6% or 530,4 thousand lats more than in 2004. But, last year insurers issued about 1,2 Mio MTPL policies to the tune of 28,77 Mio lats, which is 2,4% or 688,7 thousand lats more if compared to the previous year.

Juris Stengrevics, LTAB Director - General: „Last year's results showed that MTPL market is developing and the development goes on successfully. Still there preserves a trend marked out already in 2004 that paid off insurance indemnifications continue to grow more rapidly than received insurance premiums. Besides, the amount of indemnifications continues to increase irrespectively to decrease of the number of road accidents in the country. To the large extend this is facilitated by inflation in the state that follows after raise of costs on service and spare parts, awareness of society about possibilities to get indemnifications, as well as decrease of uninsured vehicles involved in road traffic. But the increase of the number of MTPL policies issued last year can be explained that annually the number of registered cars increases.”

MTPL indemnifications

Last year an average amount of indemnifications in MTPL insurance per one insured case made 437 lats. In the most cases indemnifications were paid for road accidents happened in Riga and Riga region. But the least in number – for road accidents happened in Valka and Balva regions.

Juris Stengrevics: „If compared to the previous years, there continue increasing the number of paid off indemnifications and the amount thereof. Despite of decreasing of the number of road accidents in the country last year, the total number of MTPL indemnification increased by 8,5%. Also the number of indemnifications to personae, which last year made 1632 cases, increased, attaining 5,4 % of the total number of indemnifications. I forecast that in future the volume of insurance indemnifications will still increase and there will preserve the trend of the previous years 3-5% annually.”

In the terms of the amount the largest MTPL indemnifications were paid off last year at CIA /Corporate Insurance Agency/ „BTA”- 27,3%. Proceeding from percentage division there follow: CIA „Balva” - 14,6 % , CIA „Balta”- 14,2% , „Parekss AK” – 13,2%, „Baltikums” – 12,4%, „Ergo Latvija” – 12,0%, CIA „IF Latvia” – 4,1%. Yet the balance of paid off indemnifications forms coinsurance, of which 2,2% were paid last year.

Almost $\frac{3}{4}$ of indemnifications were paid for damages incurred to cars in road accidents. Reasons for 23,3% indemnification cases were damages incurred to freight vehicles. The sum of insurance indemnifications paid for damages incurred to buses made only 2,4% of the total amount of indemnifications.

As for road accidents happened abroad insurers paid last year the largest amounts for accidents occurred in Germany and Poland.

MTPL concluded policies

Last year the most demanded were MTPL policies for three months (573 thousand) or also for a year (350 thousand). As for types of vehicles the largest portion of policies were issued on cars (1,002 Mio) and freight vehicles (105,6 thousand).

As for signed premiums in the terms of money last year „BTA” made the highest proportion - 26%. Further there follow „Balta”- 17%, „Baltikums”- 16%, „Parekss AK”- 14%, „Ergo Latvija” and „Balva” - 12% and „IF Latvia” - 3%. As for amounts most often MTPL policies were bough in Riga (17,7 Mio lats), Riga region (550 thous. lats), Liepaya (538 thous. lats), Jelgava (517 thous. lats) and Daugavpils (504 thous. lats).

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