13/04/2021

In total 3033 people submitted applications to insurers to terminate their pension contracts. The three insurers that have signed pension contracts in Estonia must decide by the end of May whether they want to continue to operate in the market or pass their portfolio of pension contracts over to the state. Finantsinspektsioon is observing that the insurers inform their clients properly about the changes and possible opportunities.

Three insurers offer pension contracts in Estonia, and 8288 people have signed contracts with them. Applications to the insurer to terminate the contract could be submitted from 1 January to 31 March, and 37% of those who had signed a contract did this. Payouts will start to be made in September.

There are two possible scenarios for those who did not terminate their pension contracts. If the insurer decides to continue operating in the market, they will continue to make payments themselves. If the insurer decides to pass its pension contracts over to the state though, the Social Insurance Board will start to make the pension payments instead of the insurer. If a person who has signed a pension contract does not agree with this, they may cancel their contract during June. The pension contracts will be passed over to the state in early 2022. Insurers will have to inform their clients of this by 15 June at the latest.

The insurers have confirmed to Finantsinspektsioon that they have so far kept their clients informed on cancelling pension contracts, as required by law. The insurance companies had to inform their clients by 15 January at the latest that they had the right to cancel the contract and receive a payout of the return value in the contract. Insured clients also had to be informed of the deadline for submitting applications. This information also had to be presented on the websites of the insurers from 15 January to 31 March.

Read more about pension contracts on the Pensionikeskus website.

Inform me if the content changes