Methodology of the ERGO Hestia Group Socio-Economical Report for 2025

Methodological approach and data sources

The estimates of ERGO Hestia's impact on economic activity in Poland are based on the input–output model developed by Wassily Leontief. This statistical model relies on aggregated economic data and analytical assumptions, meaning that the results reflect modeled economic relationships rather than a direct reading of accounting records. The model was constructed using the following statistical data sources:

1. **Information on the scale and structure of ERGO Hestia's expenditures, including:**
   1) acquisition costs related to policy sales (acquisition, commissions), administrative costs, claims handling costs (expert assessments, appraisers), fees for advisors and appraisers, office rental and facility management, advertising and marketing services, vehicle maintenance costs including fuel, courier and postal services, electricity, legal services, office supplies, telecommunications services, expenditures on intangible assets (IA) and fixed assets (FA), gross salaries, employer social security contributions, sponsorship spending, donations, VAT, CIT and other public levies.

2. **Publicly available statistical data, including:**
   1) input–output tables for 77 sectors of the Polish economy for 2020 (published by Statistics Poland in 2024[1]),
   2) gross value added data for 16 voivodeships (2024, Statistics Poland[2]),
   3) the structure of public sector revenues in Poland in 2024 (OECD[3]).

Key model assumptions:

The Leontief model calculates the impact of ERGO Hestia's expenditures by treating them as a demand impulse that generates economic activity across three distinct effects:

direct effect – reflecting the impact of ERGO Hestia's initial expenditures on national economic activity, including in the Pomeranian Voivodeship.

indirect effect – capturing the impact of increased economic activity among all suppliers receiving ERGO Hestia's initial expenditures.

induced effect – representing additional demand generated by household spending financed through wages resulting from increased business activity in the direct and indirect effects.

The model does not assign expenditures directly to the three effects. Instead, expenditures are allocated to economic sectors or households, and the breakdown into effects is derived through model calculations.

Underlying assumptions:

1) level of expenditures and taxes declared by ERGO Hestia entities reflects their economic activity.
2) the expenditures listed above are treated as a source of final demand in the economy, with the following structure:
   a) salaries generate demand consistent with the overall consumption expenditure structure of Polish households,
   b) all other expenditures are allocated to economic sectors according to NACE rev. 2.1 (ESA 2010) classification standards.

1 https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/bilans-przeplywow-miedzygaleziowych-w-biezacych-cenach-bazowych-w-2020-roku,7,4.html

2 https://bdl.stat.gov.pl/bdl/

3 https://data explorer.oecd.org/vis?fs%5b0%5d=Topic,1%7CTaxation%23TAX%23%7CGlobal%20tax%20revenues%23TAX_GTR%23&pg=0&fc=Topic&bp=true&snb=157&df%5bds%5d=dsDisseminateFinalDMZ&df%5bid%5d=DSD_REV_OECD%40DF_REVPOL&df%5bag%5d=OECD.CTP.TPS&dq=..S13.T_1200%2BT_1100%2BT_2000%2BT_5111...A&lom=LASTNPERIODS&lo=10&to%5bTIME_PERIOD%5d=false&vw=tb

Regional allocation assumptions (Pomeranian Voivodeship):

1) a separate demand impulse was created in the Leontief model for the Pomeranian region, assuming that the region accounts for 17.4% of ERGO Hestia's total expenditures in the following categories: acquisition costs, administrative costs, office rental and management, advertising and marketing services, vehicle maintenance including fuel, courier and postal services, electricity, legal services, office supplies, telecommunications services, IA and FA expenditures, salaries, and local taxes. This share reflects the ratio of the number of branches plus the headquarters (counted as equivalent to two branches) located in the Pomeranian Voivodeship to the total number of ERGO Hestia facilities in Poland.
2) for sponsorships and donations, it was assumed that the Pomeranian Voivodeship accounts for 50% of total spending.
3) direct gross value added was assigned to the region where the company is formally registered.
4) direct employment effects were estimated using the share of ERGO Hestia employees located in the Pomeranian Voivodeship.

Key Methodological Factors Influencing Results

In the current edition of the study (2025 results), the methodology has been significantly expanded and updated to ensure a comprehensive approach and to establish a consistent framework for future years. The updates include the use of the latest input–output tables (published every five years by Statistics Poland), the inclusion of all categories of operational expenditures (including acquisition costs), and a review of the allocation of ERGO Hestia's expenditure categories to NACE sectors.

As a result, comparability with results published in previous years is limited.

One of the most important methodological elements influencing the structure of results is the allocation of cost categories to economic sectors. Notably, in the latest edition, acquisition costs were assigned to the sector providing support services for insurance activities. This sector is characterized by a high share of wages in its cost structure, consequently generates relatively high induced effects.