ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI
IVASS

Report on the activities pursued by IVASS in the year 2015

Rome, 15 June 2016

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APPENDIX

Unless indicated differently, all data processing are managed by IVASS on internal data sources. Tables do not include, if not indicated, information on Italian branches of undertakings registered in the European Union or in the European Economic Space and supervised by their home country National Supervisory Authority.

I. THE INSURANCE MARKET

1. - THE INTERNATIONAL INSURANCE MARKET

1.1 - The global market

The data released by the Organisation for Economic Cooperation and Development (OECD) on global insurance market trends for 2014 confirmed the recovery shown in the years following the crisis. Survey data from member countries[1] points to a growth in average premium income (calculated as a simple average) in the life sector in real terms:[2] an increase of 1.5% in 2012 was followed by +2.1% in 2013 and +5.8% in 2014. In the non-life sector, premium income grew by 0.6% in 2012, 2.6% in 2013, and 2.0% in 2014.

The OECD survey includes non-member states as well and tracks trends from various countries with differing socio-economic and financial conditions. Groups of states have been defined – often belonging to the same geographical area – whose insurance markets have fairly uniform characteristics and dynamics. In addition to the OECD member countries, some Latin American countries were included as well as a limited number of countries from Africa, Asia and Europe.

The insurance markets in the main OECD countries outside the euro area[3] staged a recovery from the considerable fall in 2013 (-8.6%), with an overall increase of 3.7% in premiums; for the main OECD countries in the euro area, the data for 2014 confirmed the previous year's growth. The non-OECD countries also recorded growth in premium income in the life sector in 2014. In the non-life sector, they reported a 3.2% overall increase in premium income in 2014, down from 4.4% in 2013, most strikingly in those emerging markets where economic growth slowed.

Outlays for payments on life policies slowed in 2014 with respect to the previous years. Policy surrenders also continued to fall in many countries. In the non-life sector, 2014 was characterized by a modest improvement in overall business conditions, the reason often being the attenuated effect of natural disasters.

In 2014 insurance companies' investments continued to be concentrated on bonds, mostly issued by public sector entities,[4] although the persistence of low interest rates made it difficult to obtain a level of returns sufficient to meet the obligations owed to the insured (especially for life insurers, who are among the largest holders of fixed-income assets). Real estate continued to play a small role in insurers' investment strategies, while in a few OECD countries there was a reallocation of assets towards equities. Both the uncertain macroeconomic landscape and increased competitive pressures continued to spur insurers to pursue more efficient management policies in seeking optimal performance of investments.

The ratio of life-sector premium income to GDP averaged about 5% in the OECD countries. Above this level (apart from the extreme cases of Luxembourg and Ireland) are the United Kingdom, Denmark, Korea, France, Italy, and Japan; the countries below 5% include the United States, Germany, Belgium and Spain.

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1 The figures for premiums and payments of benefits and claims are taken from the OECD's *Global Insurance Market Trends* for 2013, 2014 and 2015.

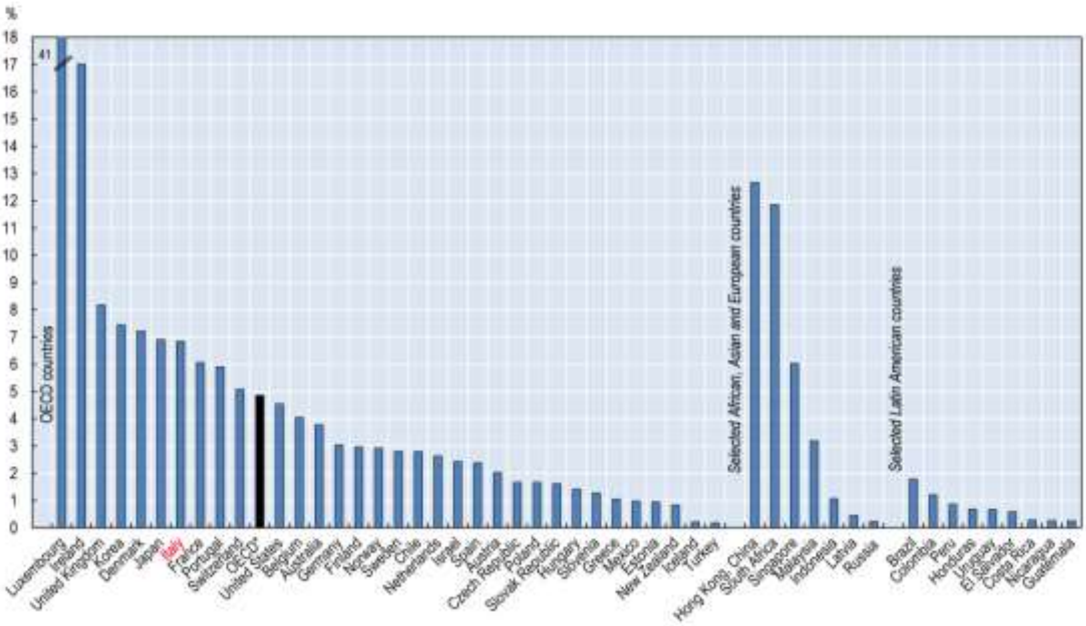
2 The rates of change in real terms were calculated using the Consumer Prices Index (CPI) obtained from the IMF's International Financial Statistics database (IMF IFS).

3 The United States, the United Kingdom and Japan.

4 In general, around two-thirds of the undertakings that provided data on the structure of their bond investments concentrated over 50 % of these holdings in the public sector.

The ratio was lower in non-OECD countries: only in Hong Kong and South Africa it exceeded 6%, while in all the Latin American countries surveyed the ratio was below 2% (Figure I.1).

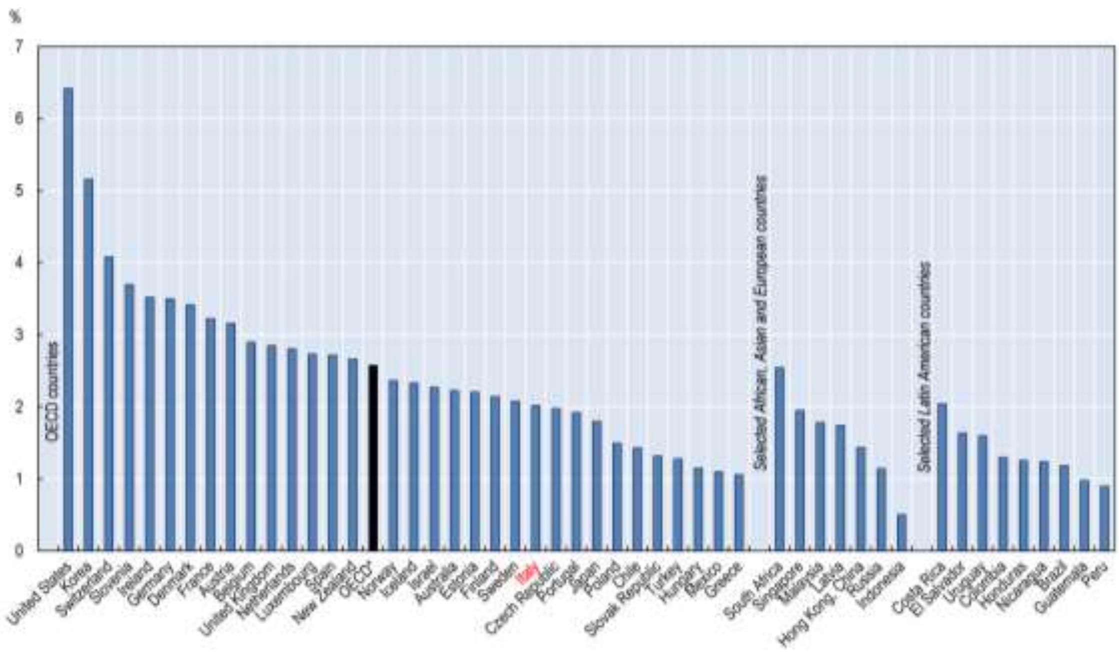
Figure I.1. Global Market – penetration rate in the life sector in 2014 (direct gross premium income as% of GDP)



Source: OECD, *Global Insurance Market Trends 2015* - * Simple average of OECD countries (excluding Canada)

The average ratio of premium income to GDP in the non-life sector (Figure I.2) in the OECD countries is 2.6%, equal to about half that reported for the life insurance market. All the non-OECD countries and a sizeable group of OECD countries, including Italy, Sweden, Japan, Australia, Norway and Israel, fall below the average. Above the average are the United States, Korea and, at just over 3%, Germany, France, Denmark and Austria.

Figure I.2. Global Market – Penetration rate in the non-life sector 2014 (direct gross premium income as% of GDP)



Source: OECD, *Global Insurance Market Trends* 2015 - * Simple average of OECD countries (excluding Canada)

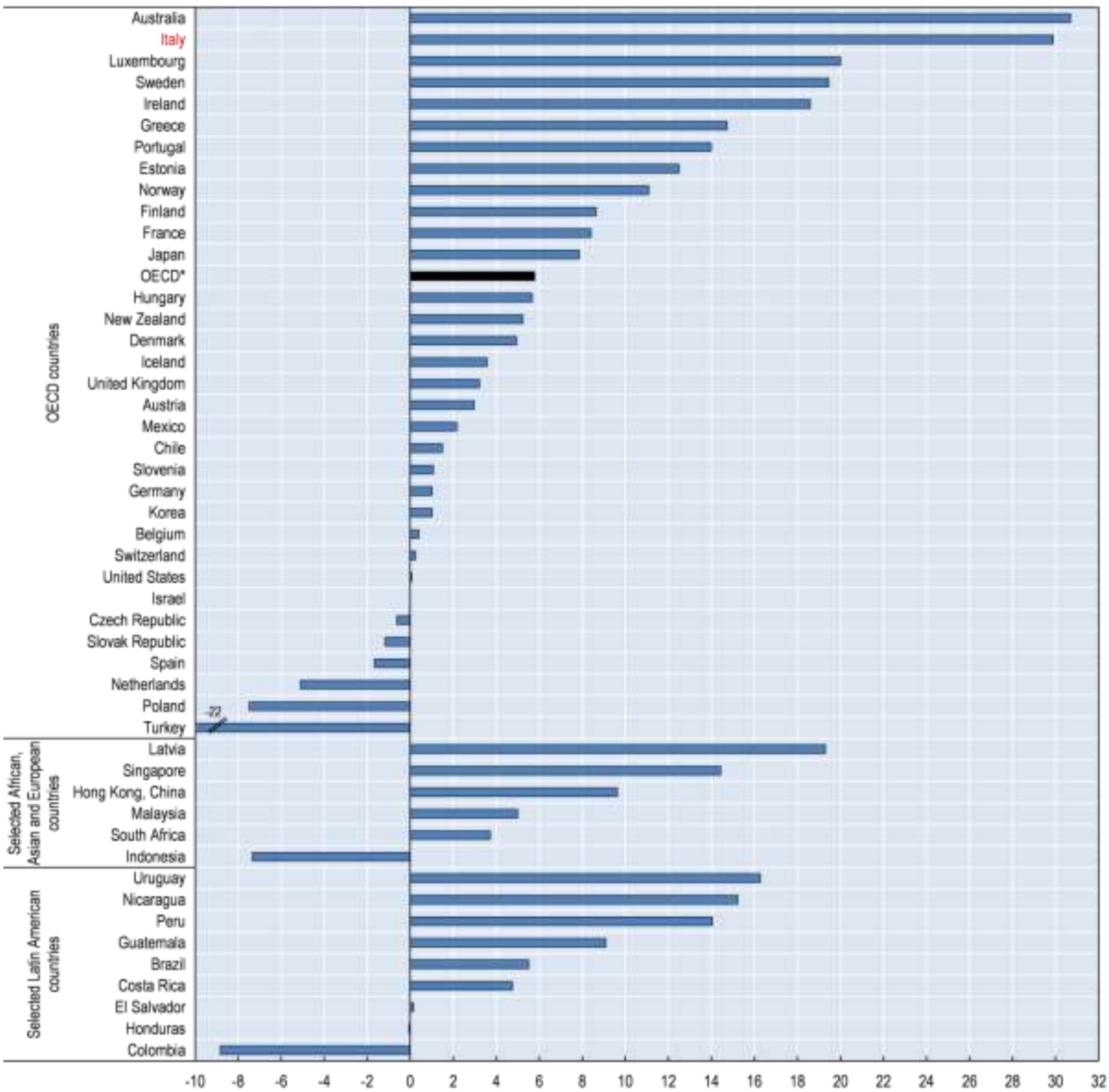
1.1.1. - Life insurance

Life premiums

In 2014, the OECD insurance markets showed further recovery in premium income in the life sector, which grew by an average of 5.8%; along with Australia, where growth soared to 30.7%, many euro-area countries were well above the average: among them were Italy, with a growth rate of 29.9%, Ireland (18.5%), Portugal (14%) and France (8.4%). Other countries fell short of the average: Austria, for example, with growth of 3%, Germany (1%) and Belgium (0.4%). Outside the euro area, premium income only recently began to recover in the larger economies, as in the case of the United States, Japan and the United Kingdom.

Following a strong expansion in 2013, in the non-OECD countries the overall growth rate of life-sector premium income fell by half in 2014.

Figure I.3 – Global market – real premium income growth rate for the life sector in 2013-2014 *(direct insurance)*

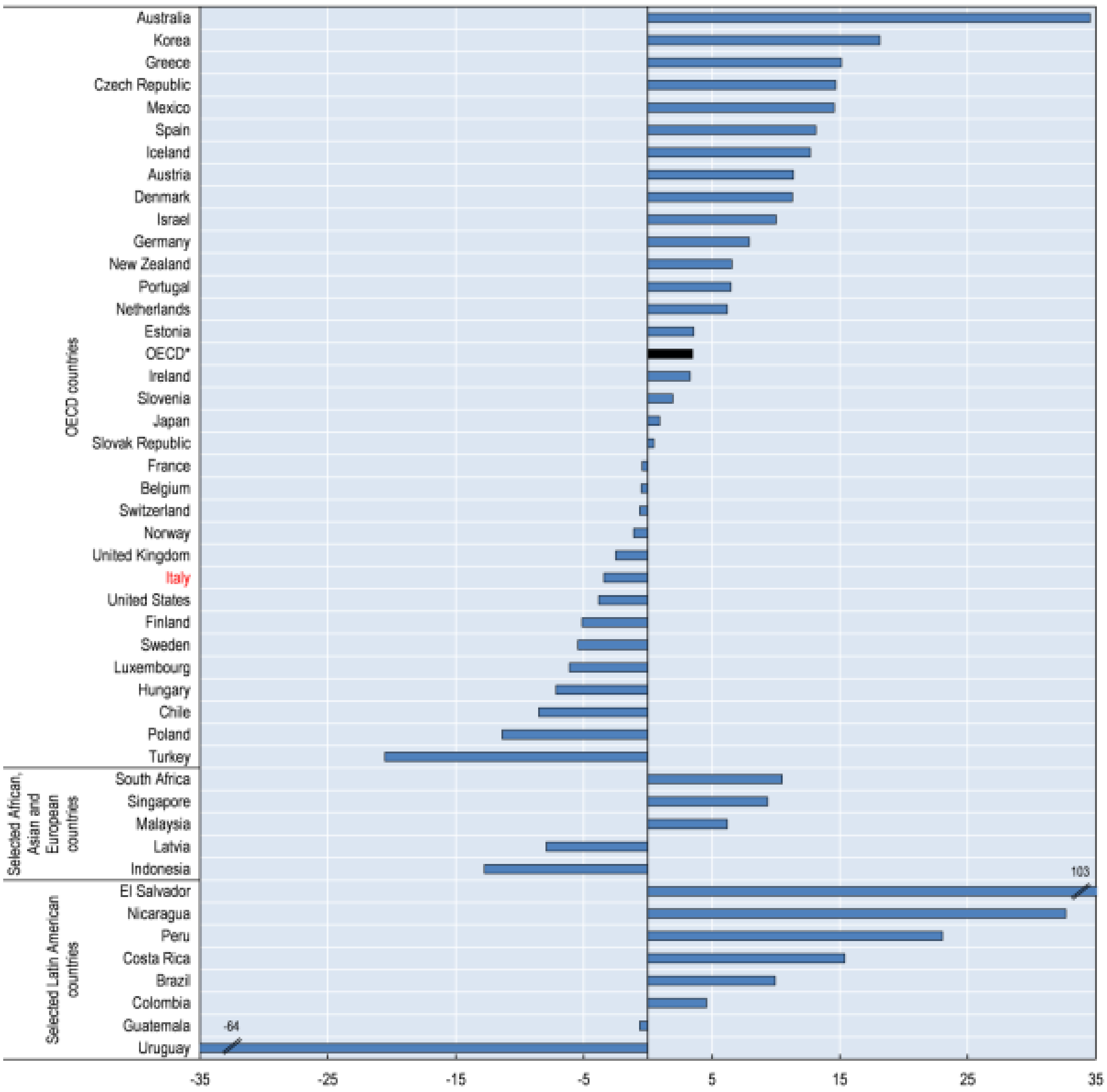


Source: OECD, *Global Insurance Market Trends 2015* - * Simple average of OECD countries (excluding Canada)

Life insurance claims

In the life sector, payments for claims, surrenders, matured lump-sum capital payments and annuities continued to be moderate: there is a dwindling of the effects of the economic and financial crisis, which had triggered a jump in requests for surrenders on the part of the insured. Figure I.4 shows the % variation between 2013 and 2014.

Figure I.4 – Global market – Nominal growth rate in claim payments for the life sector in 2013-14
(direct insurance)



Source: OECD, *Global Insurance Market Trends* 2015 - * Simple average of OECD countries (excluding Canada)

Among the OECD countries (which in 2014 averaged a 3.5% increase in claims over 2013), the largest increases were reported in Australia, Korea, Greece, the Czech Republic, Spain, Austria and Germany. Other countries reported a decrease in claims, such as the United Kingdom (from -0.9% in 2013 to -2.5% in 2014), Italy (from -10.7 to -3.4), the United States (from +3.9 to -3.8) and Poland. In Chile and Turkey the sharp increase in claims reported in 2013 was followed by a marked decrease in 2014. In Turkey, for example, the 16.2% increase in 2013 was followed by a decrease of -20.5% in 2014.

A substantial number of non-OECD countries continued to report a growth in claim payments, due almost entirely to the expansion in the insurance market and the associated increase in the number of insured. This is what happened in such countries as Brazil, South Africa and Singapore. Other non-OECD countries reported a decrease in life insurance claims, especially Uruguay (which went from a growth of 13% in 2013 to a decrease of 63.8% in 2014), Latvia and Indonesia.

Investments in the life sector

For the countries covered by the survey, in 2014 insurers in the life sector continued investing in fixed-income securities, primarily government bonds and, to a lesser extent, corporate bonds: in the OECD area these continued to represent a very large share of total investments (even above 85%) in some member states, including Italy. Their share is below 50%, instead, in the Netherlands, Germany, Denmark and Finland. Among the non-OECD countries, the share invested in bonds was predominant in Latin American countries, Singapore, Malaysia and Russia.

The share invested in equities is limited in OECD countries (with a higher incidence in Denmark, Iceland, Sweden and Slovenia), and is even more modest in non-OECD countries, with some exception, such as South Africa and Singapore.

An even smaller share was invested in real property in 2014: as in the previous year only a small group of OECD countries – Australia, Chile, Norway and Switzerland – reported real estate investments as accounting for between 10 and 15% of the total. Non-OECD countries had less than 5% of total investment assets in real property.

Profitability in the life sector

In 2014, investment profitability in the life sector improved significantly for a large group of OECD states, from an average of 2.6% in 2013 to 4% in 2014. Non-OECD countries, especially those in Latin America, also reported an overall improvement, averaging 2.5% compared with 0.6% in 2013.

Return on equity in the life insurance sector among OECD countries was basically unchanged in 2014 with respect to the previous year. For non-OECD countries ROE rose overall in 2014 and was on average more than twice the 10% recorded in OECD countries.

1.1.2. - Non-life insurance

Non-life premium income

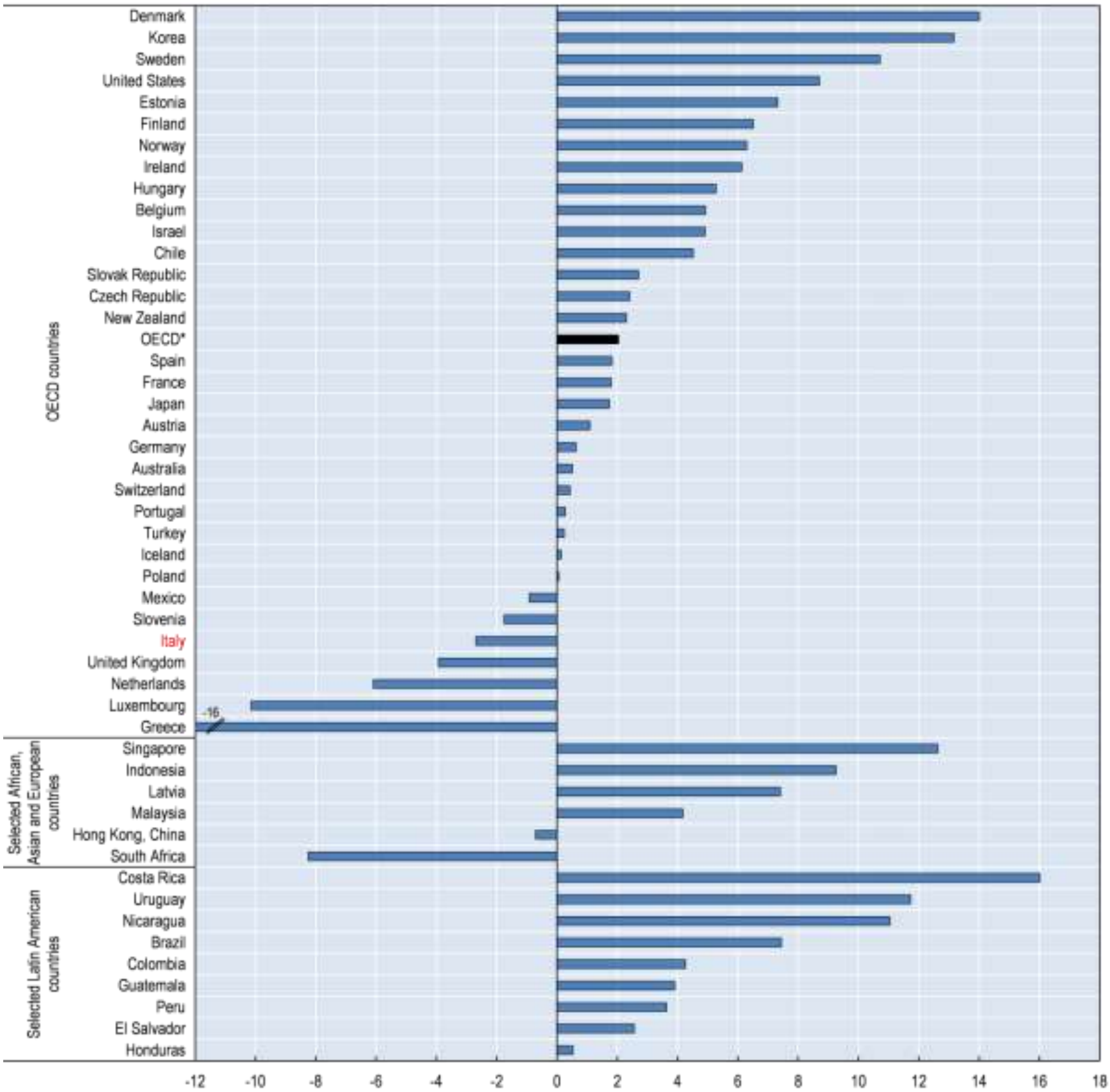
As with the life sector, the non-life sector also saw a significant increase in gross premium income in 2014 (3.2% overall), for both the OECD and non-OECD countries participating in the survey.

In the OECD area, the growth in premiums in real terms[5] between 2013 and 2014 averaged 2% and exceeded 10% in Sweden, Korea and Denmark. In other countries, premium income returned to growth in 2014 after years of declines: this was the case in Spain and Portugal. In Italy and even more so in Greece, the premium income of the non-life sector contracted again after falling in 2013. In the United Kingdom it fell by 4% in 2014 as heightened competition exerted downward pressure on the prices of policies.

With regard to non-OECD countries, nearly all reported an increase in premium income in 2014 (5.7% overall), with the exception of Hong Kong (-0.7%) and South Africa (-8.3%).

[5] See footnote 2.

Figure I.5 - Global market – real premium income growth rates in the non-life sector in 2013-14
(direct business)



Source: OECD, Global Insurance Market Trends 2015 - * Simple average of OECD countries (excluding Canada)

For some countries, compulsory motor vehicle liability insurance policies were decisive in determining the overall trend in the non-life sector: towards contraction in developed economies such as the Netherlands, towards growth in emerging economies in the OECD area, such as the Slovak Republic.

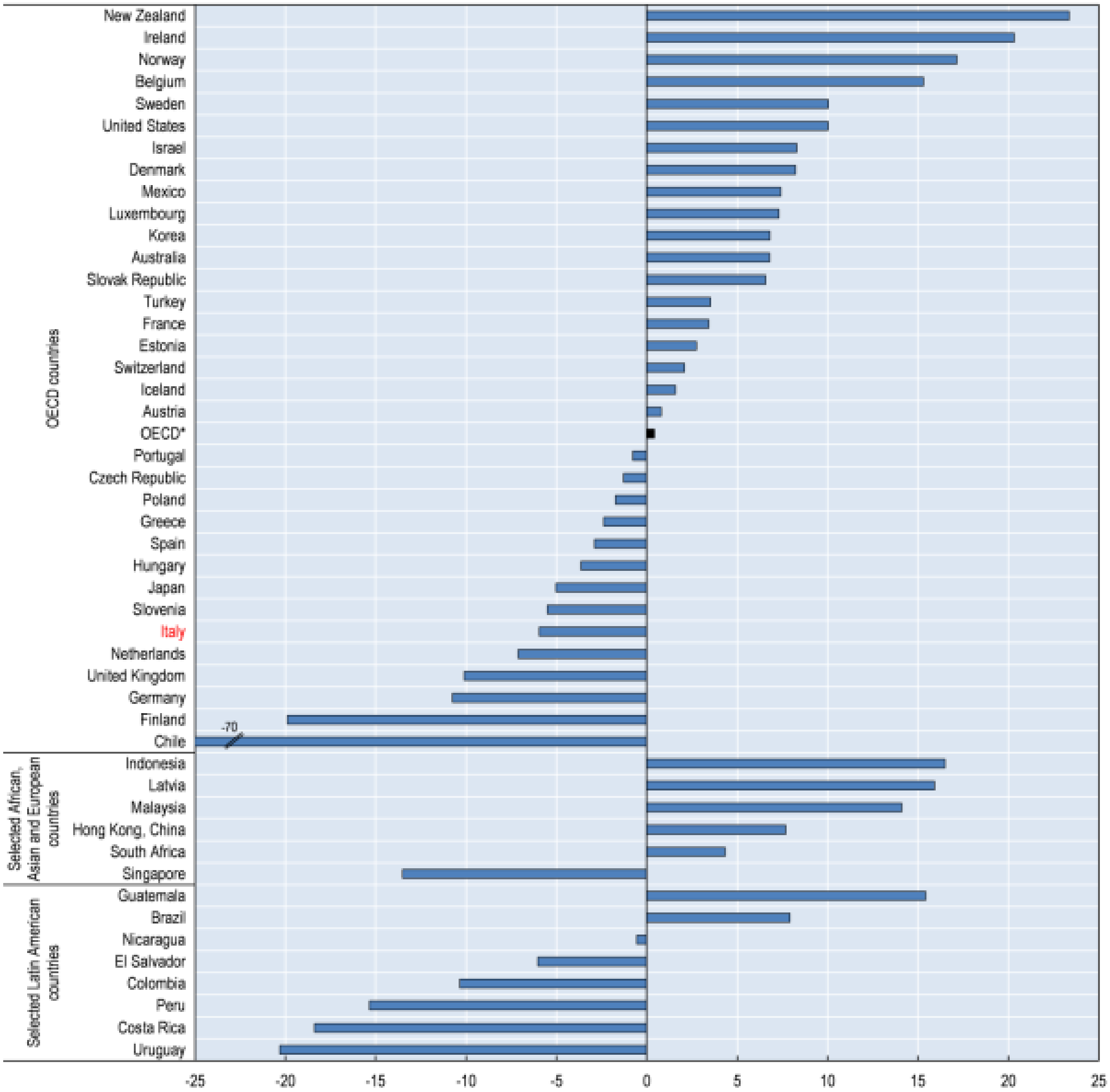
Non-life claims

In 2014 claim payments in the non-life sector slowed in the surveyed countries from an average increase of 9.4% in 2013 to nearly negligible growth of 0.2% in 2014. Some OECD countries did record an increase: among these were New Zealand (23.4% against -52.4% in 2013), Ireland (20.3% against -18.2%), Norway (17.2% against 6.8%), Belgium (15.3% against 0.8%), Sweden and the United States.

The effects of natural disasters diminished, except in the United States and Belgium, which were hit by the most significant events in 2014: only 8 catastrophic events were reported in 2014 with estimated losses of over $1 million.[6]

In the non-OECD countries claim payments fell, with differences from country to country: the surveyed countries in Africa, Asia and Europe reported a stationary volume of claim payments; in contrast, the Latin American countries reported considerable decreases almost across the board (overall from +25.4 to -6%) with the exception of Brazil and Guatemala.

Figure I.6 - Global market – nominal claim payments growth rates in the non-life sector in 2014
(direct business)



Source: OECD, *Global Insurance Market Trends* 2015 - * Simple average of OECD countries (excluding Canada)

[6] Swiss Re (2015), 'Natural catastrophes and man-made disasters in 2014: convective and winter storms generate most losses', Swiss Re sigma, Zurich, www.swissre.com/rethinking/climate_and_natural_disaster_risk/.

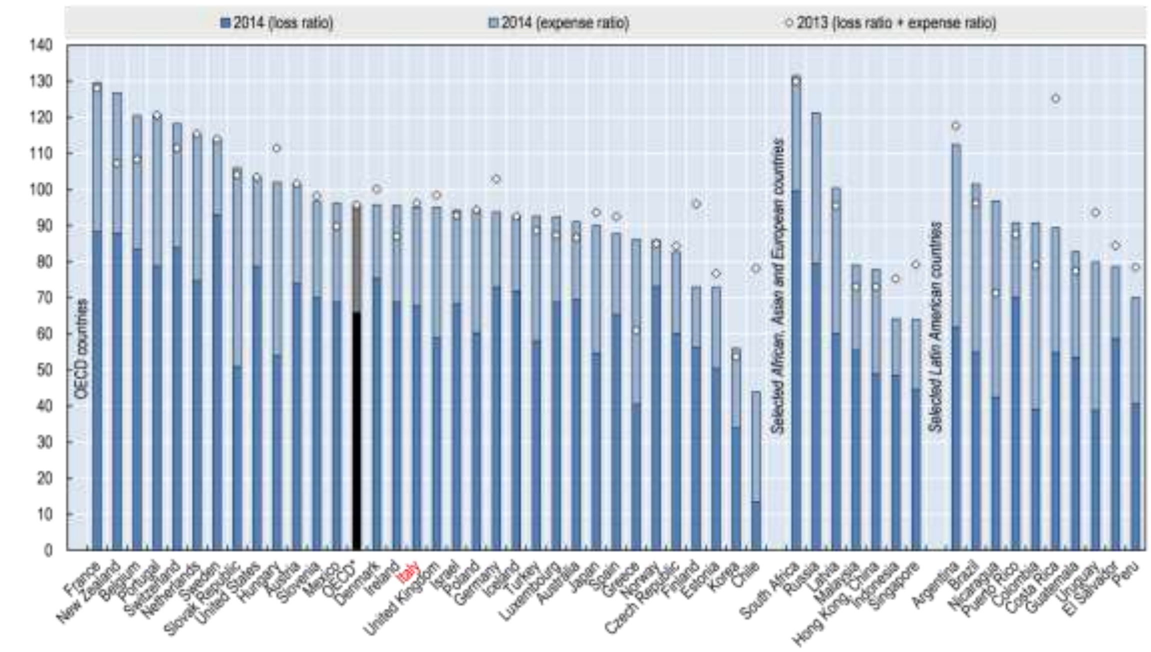
In 2014, the performance of the combined ratio (the ratio of incurred claims and operating expenses to earned premiums; see Figure 1.7) continued to show a difference between the OECD and non-OECD countries.

Two-thirds of the OECD countries reported a ratio below 100%, determining a profit for insurers operating in these markets.

Other countries, among which Belgium, France, Germany, Portugal, Hungary and the United States, reported ratios above 100%, owing in some cases to incurred claims, in some to operating expenses and in others to a combination of the two. In particular, France and Portugal reported a high combined ratio in 2014 (over 120%) for the second consecutive year. In contrast, insurers in Germany and Denmark reported profits in the non-life sector after reporting losses the previous year.

Non-OECD countries, characterized by a generally lower ratio, reported improved performance in the non-life sector, with lower claims payments and operating expenses. In 2014, only Brazil, Argentina, South Africa, Russia and Latvia were above 100%.

Figure I.7 - Global market - Combined ratio for the non-life sector in 2013 and 2014 *(direct business)*



Non-life investments

In 2014 the non-life sector reported a prevalence of fixed-income assets in insurers' portfolios, albeit less markedly than in the life sector. In addition, compared with the life sector, a larger share of assets continued to be invested in equities.

Most insurers in the OECD countries continued to invest more than half of their resources in bonds. In countries such as Turkey, Hungary, Mexico, Italy and Estonia, the proportion was more than 75%. In other countries, such as Austria, Switzerland, the United Kingdom, Chile and Norway, a larger portion was invested in corporate bonds than in government securities. In the non-OECD countries as well, government securities generally made up the bulk of investments, exceptions being Peru, Puerto Rico, Russia and Indonesia, where corporate bonds prevailed.

With regard to non-OECD countries, only South African non-life insurers had more than 20% of their assets in equity securities.

The share invested in real property continued to be marginal also among non-life insurers in 2014.

Profitability in the non-life sector

Return on investment in the non-life sector grew moderately in 2014, remaining below that in the life sector. Two OECD countries, Ireland and Poland, reported levels of 5% or more. On the other hand, Turkey reported negative returns for the fifth consecutive year.

Among non-OECD countries, those in Latin America reported slightly higher returns on investment compared to 2013. In others, returns remained stable. In Indonesia and Russia, the rates of return on investment were negative (Russia's -9.1% is likely linked to the turbulence in financial markets in 2014).

In 2014, return on equity for the non-life sector remained basically unchanged compared to 2013. Among OECD countries, Norway, Greece, Switzerland and Finland reported an increase in ROE, as in previous years. In other countries, such as the United Kingdom and the United States, ROE fell in 2014, although it remained higher than in 2012. Unlike developments in the life sector, the average ROE observed in the non-life sector for the non-OECD countries was lower than for the OECD area, amounting to about 10%.

Worldscope - Insurance Sector

The Thomson Reuters[7] *Worldscope* database makes available economic indicators for firms, operating in all industries, traded on the main international stock exchanges. For the insurance industry, it contains data on 214 firms active in the life, non-life sector or both. Developments for Italian insurers were compared to those with insurers elsewhere, grouped into five geographical macro areas (Table I.1): 1. Italy; 2. Other countries in the euro area; 3. EU countries that have not adopted the euro; 4. OECD countries not belonging to the EU; 5. Rest of world. Average annual performances of a series of indicators from 2005 – 2014 are examined first.[8]

Aggregated indicators for the life and nonlife segments

Profitability. Italian firms' ROE (Figure I.8_1) was in line with other euro-area firms in the years 2005-07 preceding the crisis. In the first few years of the crisis, there was a sharp decrease in all geographical areas. Starting in 2010, for Italian undertakings the indicator remained correlated with those of undertakings in the euro area, albeit at lower levels. Since 2012, ROE for firms outside the euro area has been consistently higher than the level reported by firms in the euro area.

As with ROE, the return on assets (ROA) of Italian firms was also consistent with other firms a n the euro-area, though lower than before the crisis (Figure I.8_2). In all geographical areas, ROA fell between 2007-09 and returned to growth starting in 2011, with a new fall in 2014 for firms in the euro area and the rest of the EU.

Trends in premiums. Premium income for Italian firms was nearly stable in the years preceding the crisis (Figure I.8_3) and started to vary markedly from 2009, with a sharp decrease in 2010 and 2011. It then grew in 2012 and 2013, with a more pronounced increase in 2014. In the rest of the euro area, the variation in premium income was more limited than it was in Italy, while the indicator's variability was greater in other areas.

7 For details see https://www.rimes.com/data/thomson-reuters-worldscope/.

8 To lessen the effects of outliers, the annual distribution of the indicators was calculated. Values below the fifth percentile were set to the fifth percentile. Similarly, values above the ninety-fifth percentile were set to the ninety-fifth percentile. This technique, currently used for firm data, is known as Type 1 Winsorization.

Trends in reimbursements and claim payments. The outgoing payments for Italian firms (Figure I.8_4) showed limited variations, with the exception of a decrease in 2013. The trend for firms in other euro-area countries was similar, save in 2009 and 2013. The indicator displays variability in other geographical areas.

Reinsurance ratio[9]. Compared with international firms, Italian undertakings are characterized by a very limited use of reinsurance (Figure I.8_5). The highest levels of recourse to this instrument were reported by non-OECD countries. The use of reinsurance by OECD countries other than Italy falls between these two extremes.

Non-life indicators

Combined Ratio[10]. Italian firms reported moderate profitability up to 2008 (Figure I.8_6), negative profitability in the subsequent years until 2012, and a slight recovery in 2013 and 2014. Firms in other euro-area countries were characterized by lower levels of profitability, but the overall trend for the indicator was very similar to that for Italian firms. Profitability in the non-life sector for EU members not having adopted the euro was generally negative, while profitability for non-OECD countries remained at decisively higher levels, characterized by a combined ratio below 100.

Analysis of individual data

The aggregated trends mask significant heterogeneity in the individual data. For comparability, only firms in advanced OECD countries have been considered. Specific indicators have been compared for two years: 2006, before the economic crisis, and 2014, the most recent available data. The comparison captures changes in both the average correlation, summarized by a straight line of regression, and the dispersion of firms around this line.

Earning capacity *(*Figure I.9a - b*)*. The link between ROE and ROA was weakly positive in 2006 and it strengthened in 2014. The dispersion of firms around the average values diminished, with Italian firms not exhibiting large deviations. A group of euro-area firms reported higher ROAs than average in both years.

Profitability and premium income dynamics (Figure I.10 a and b). In this comparison, too, there was an increase in 2014 in the correlation between the two indicators considered, with two Italian firms reporting very high growth in premiums compared with profitability.

Indebtedness and earning capacity. The positive correlation found in 2006 between indebtedness and ROE turned negative in 2014. In the latter year, some Italian firms had a higher debt level than other firms, without major misalignments with respect to the corresponding ROE values.

Profitability and earning capacity. The average correlation between the combined ratio and ROE also showed the expected (negative) sign only in 2014. The dispersion around the average diminished between 2006 and 2014. In 2014, some non-Italian euro-area firms reported a ROE particularly high relative to their combined ratio.

Tab. I.1 – Listed Insurance Undertakings

Italy		7	
Other Euro Area countries		22	
Other EU countries		26	
Of which	*United Kingdom*		*21*
Other OECD countries		94	
Of which	*Canada*		*9*
	Japan		*8*
	Switzerland		*6*
	United States		*47*
Non-OECD countries		65	
Total		214	

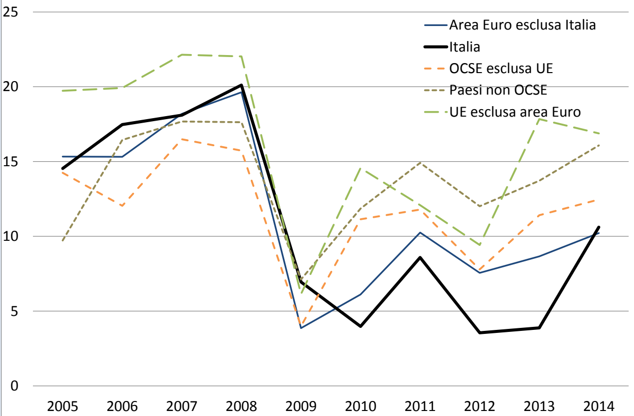
Source: Worldscope

9 Ratio of the net value of reinsured risks to the value of premiums. It represents the extent to which the insurance risk was transferred via reinsurance.

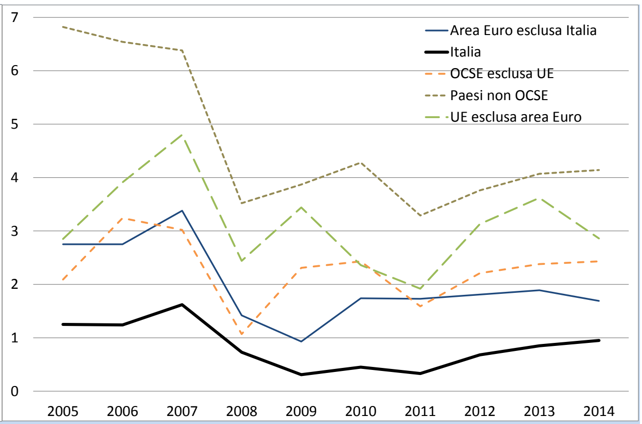
10 Ratio of incurred claims and operating expenses to earned premiums. Values above 100 indicate negative profitability, below 100 positive profitability.

Figure I.8 – Listed undertakings in the insurance sector: main trends (2005-2014)

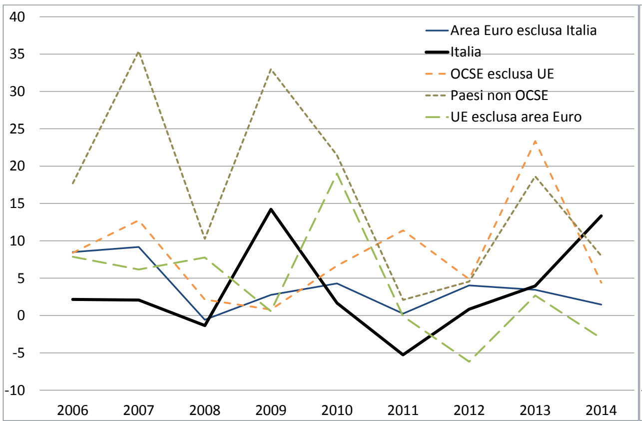
(1) ROE



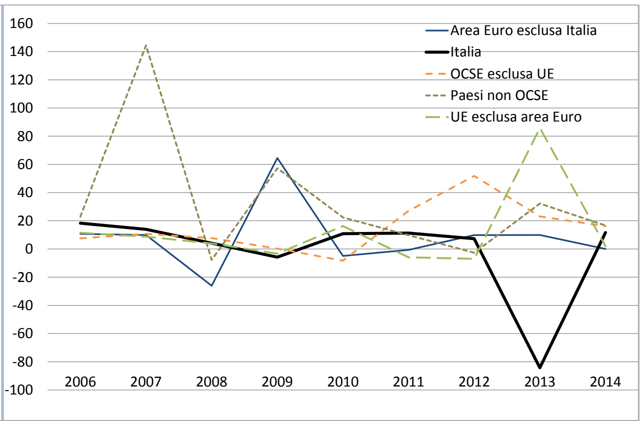
(2) ROA



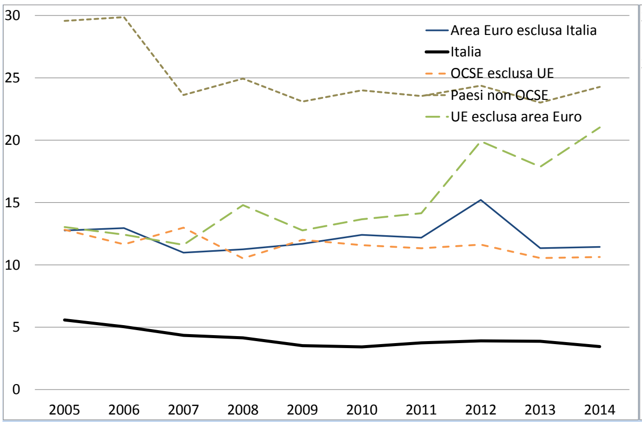
***(3) Trends in premiums** (% change on previous year)*



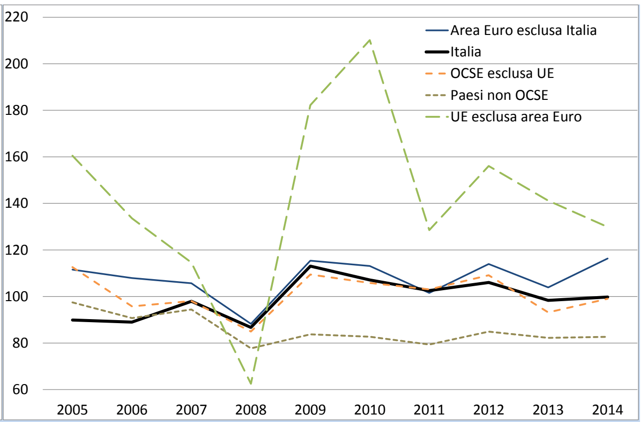
***(4) Trends in outgoings for reimbursements and claims** (% change on previous year)*



***(5) Reinsurance ratio** (%)*



***(6) Non-life sector: combined ratio** (%)*



Source: Worldscope.

ROA and ROE of listed insurance undertakings of OECD countries (1)

Figure I.9a (2006)

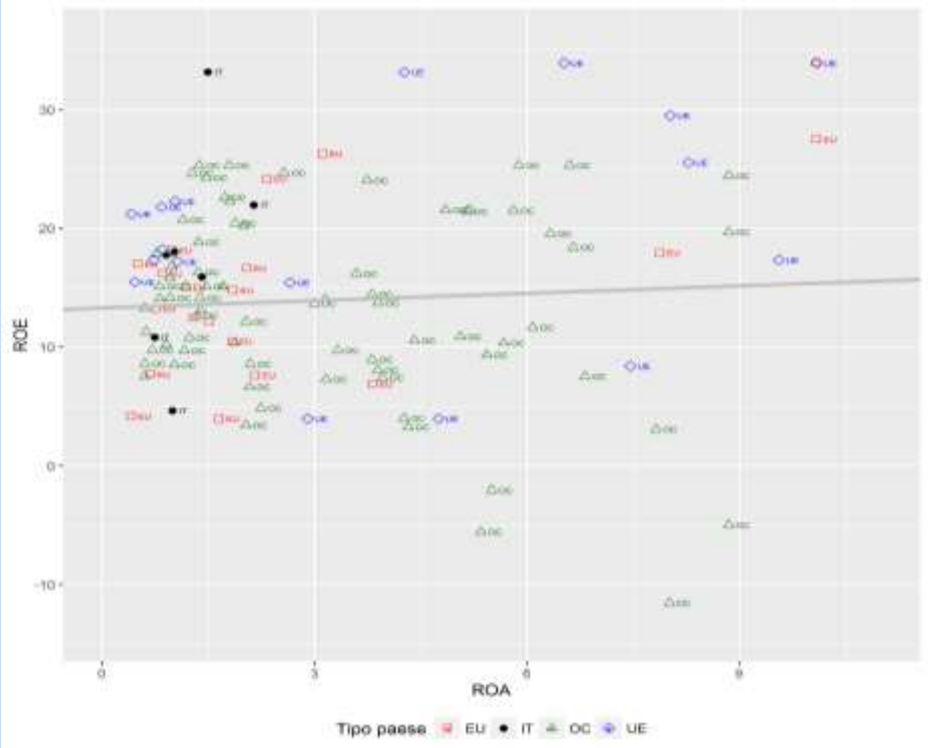
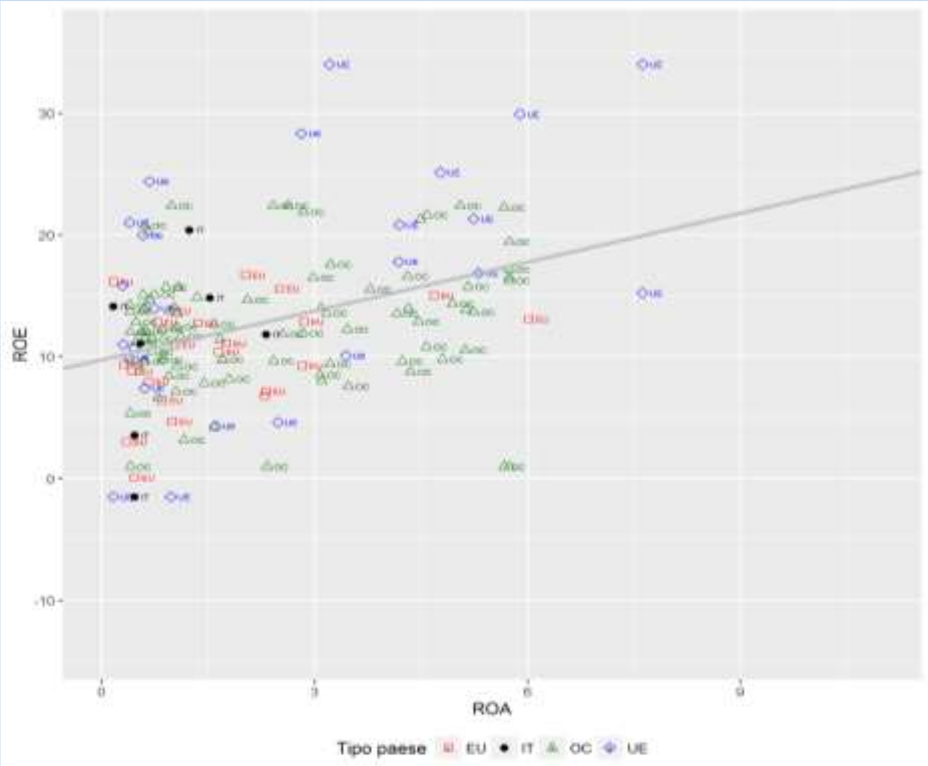


Figure I.9b (2014)



Source: Worldscope.

Combined Ratio and ROE of listed insurance undertakings in OECD countries (1)

Figure I.10a (2006)

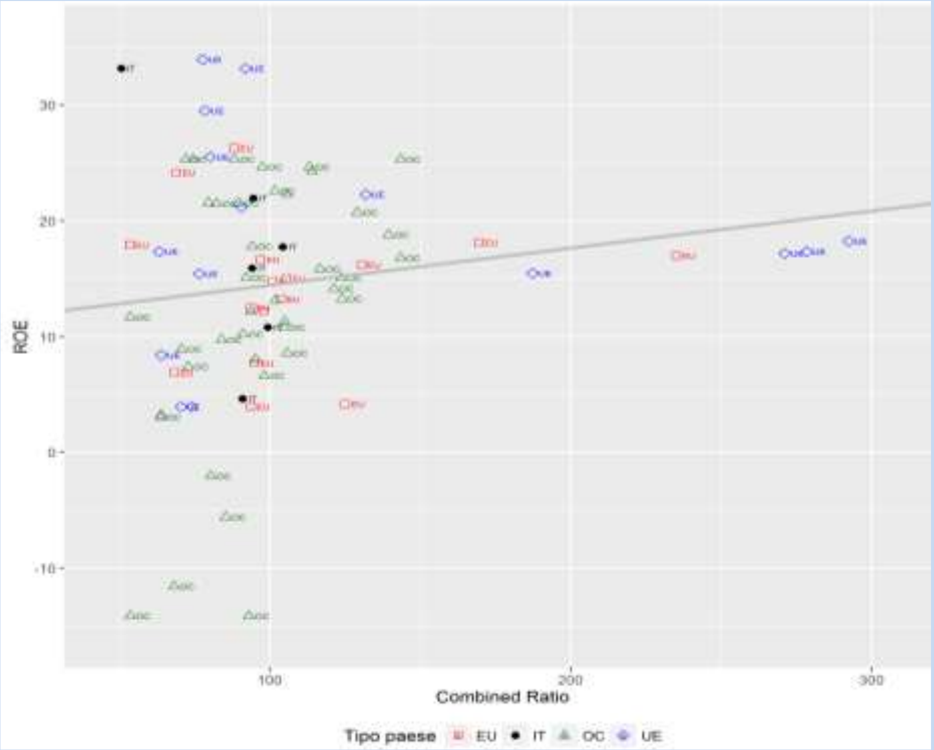
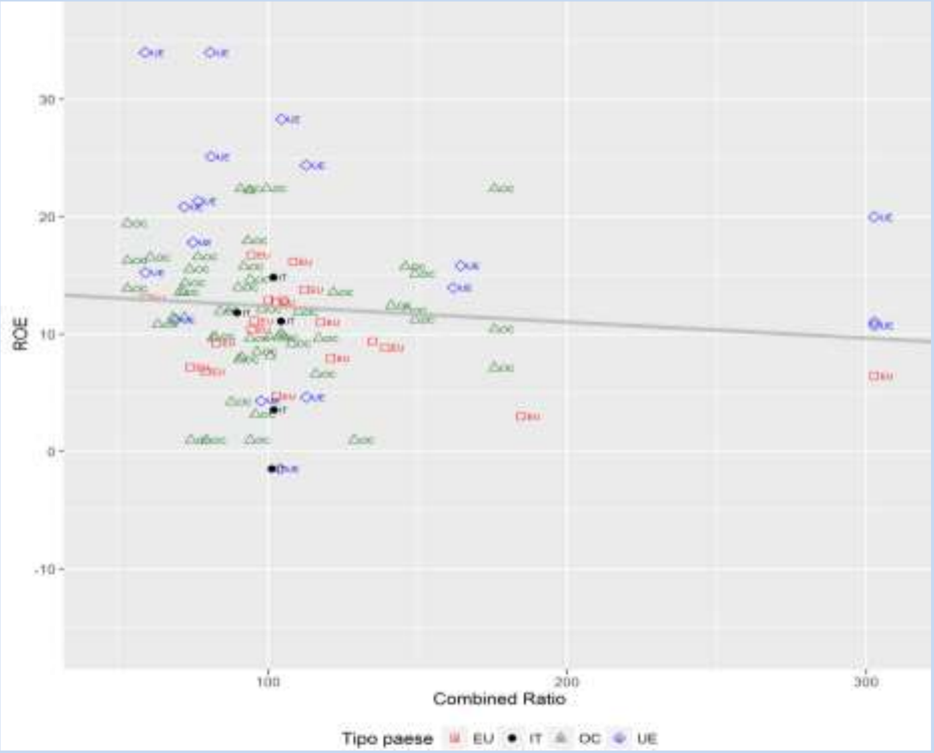


Figure I.10b (2014)



Source: Worldscope.

1.2 - The European insurance market

The largest risks in the European market are concentrated in the life sector, owing to the protracted period of low interest rates.

1.2.1. - Life insurance

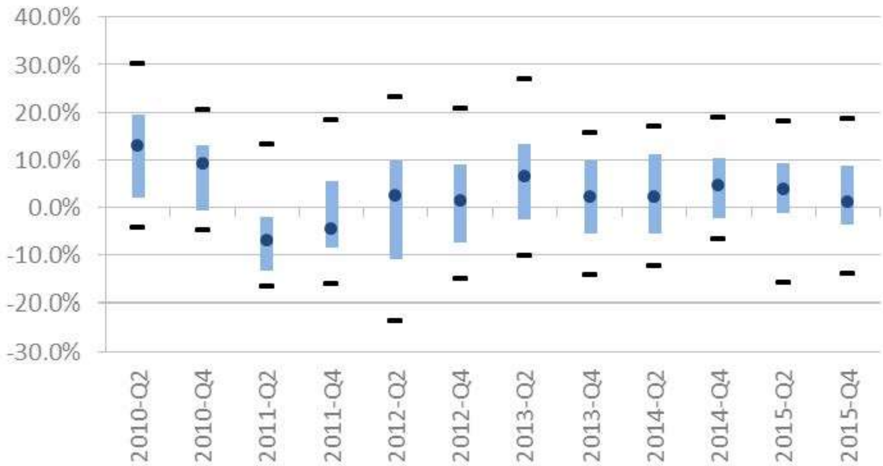
The current scenario of very low interest rates is a risk factor for insurance firms in the life sector, especially for those that had previously underwritten policies with guaranteed yields. Insurers could be induced to raise the risk profile of their investments in order to meet these commitments, beyond their actual management capacity.

Life premiums

Compared to the previous year, the growth in premium income was limited in 2015, with an increase in the dispersion around median values.

As illustrated in Figure I.11, life insurance undertakings reported a median increase of just over zero at the end of 2015, down from 5% the previous year. The interquartile range remained stable, but the difference between the 90th and 10th percentiles of the distribution widened.

Figure I.11 - European market - Changes in trends in the life market (gross premiums written)
Median, interquartile range, 10th and 90th percentile



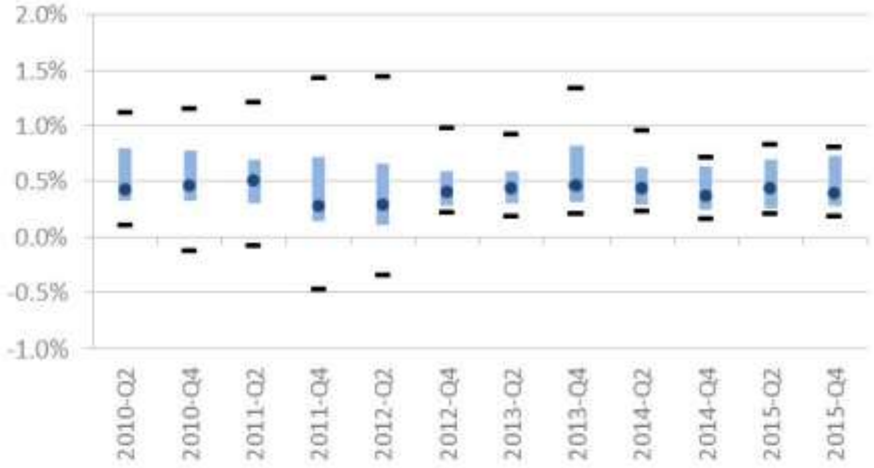
Source: EIOPA Financial Stability Report, June 2016

The growth of premium income for unit-linked products, with greater financial content, came to a halt in the second half of 2015. The general slowdown in the demand for life insurance products was in part due to worsening conditions in the financial markets and persistently high levels of unemployment.

Investments and Profitability in life insurance business

Return on assets in the life sector remained stable in 2015 but relatively low (between 0.4 and 0.5%; Figure I.12). The fall in the yield of bond portfolios has not yet translated into a fall in overall ROA owing to the positive developments in the stock market in the first half of the year. Other factors keeping profitability relatively stable were the proceeds of sales of derivative products in some countries and the liquidation of bond holdings.

Figure I.12 - European market - ROA in the life sector
Median, interquartile range, 10th and 90th percentile



Source: EIOPA Financial Stability Report, June 2016

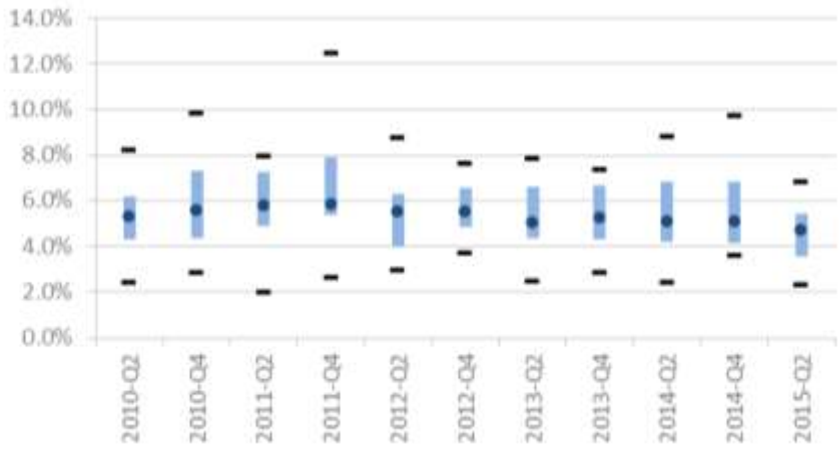
Capitalisation and solvency in the life sector

At the end of 2015, the median solvency ratio (Solvency I) was slightly below 200%. The ratio was stable in 2014 and 2015 and its value at the 90th percentile was relatively very high.[11]

Prospects in the life sector

The surrender rate for life policies with a savings component diminished slightly between the middle of 2014 and the middle of 2015, settling at just under 5% (Figure I.13). The riskiest scenario, namely a sudden sharp rise in interest rates inducing subscribers of low-yield policies to surrender them, is considered improbable.

Figure I.13 - European market - Surrender rates in life market
Median, interquartile range, 10th and 90th percentile



Source: EIOPA Financial Stability Report, December 2015

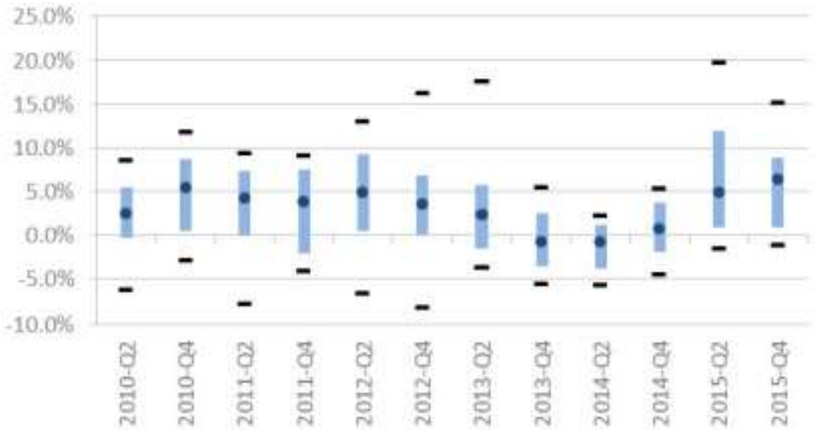
1.2.2. - Non-life insurance

[11] The Solvency I regime remained in place until the end of 2015 and was superseded by the Solvency II regime in 2016.

Non-life premiums

The annual growth in premiums increased in the latter part of 2015 for the third consecutive semester (Figure I.14), as non-life insurance continued to outperform the life branch. Part of the growth was due to the expansion of compulsory insurance segments, such as motor vehicle liability, where competition among insurers is intense. Between 2014 and 2015 there was an improvement in premium income for firms in the first decile, those with the worst trends.

Figure I.14 - Changes in trends in the non-life market sector (gross premiums written)
Median, interquartile range, 10th and 90th percentile



Source: EIOPA Financial Stability Report, June 2016

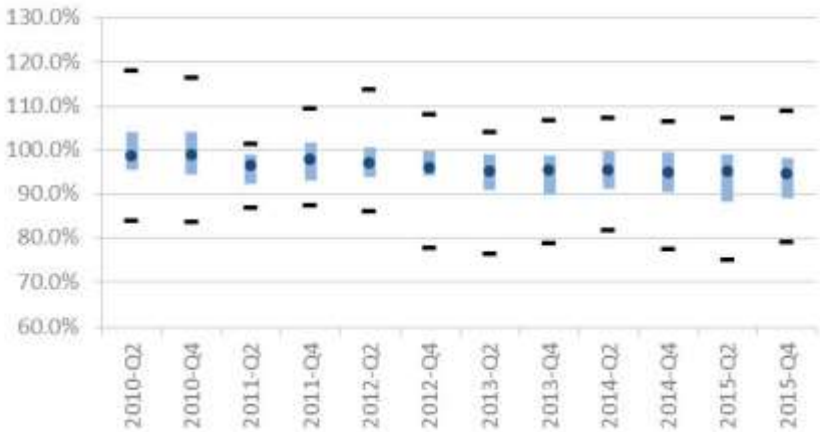
Investments and profitability in non-life business

Notwithstanding most non-life companies having shorter-duration investments than those in the life sector, thus being capable of adapting more quickly to changes in interest rates, some segments reported long-term liabilities (for example, credit protection), which can be more strongly affected by the current low interest rates.

The combined ratio (Figure I.15) did not register significant changes between 2014 and 2015, settling at around 95% for the median company. This favourable result was also due to the absence of natural catastrophes.

Figure I.15 - European market - Combined ratio, non-life market

Median, interquartile range, 10th and 90th percentile



Source: EIOPA Financial Stability Report, June 2016

Capitalisation and solvency in non-life business

The median solvency ratio under Solvency I is in general higher than that for the life sector, but it declined during 2015 to about 220% at the end of the year.

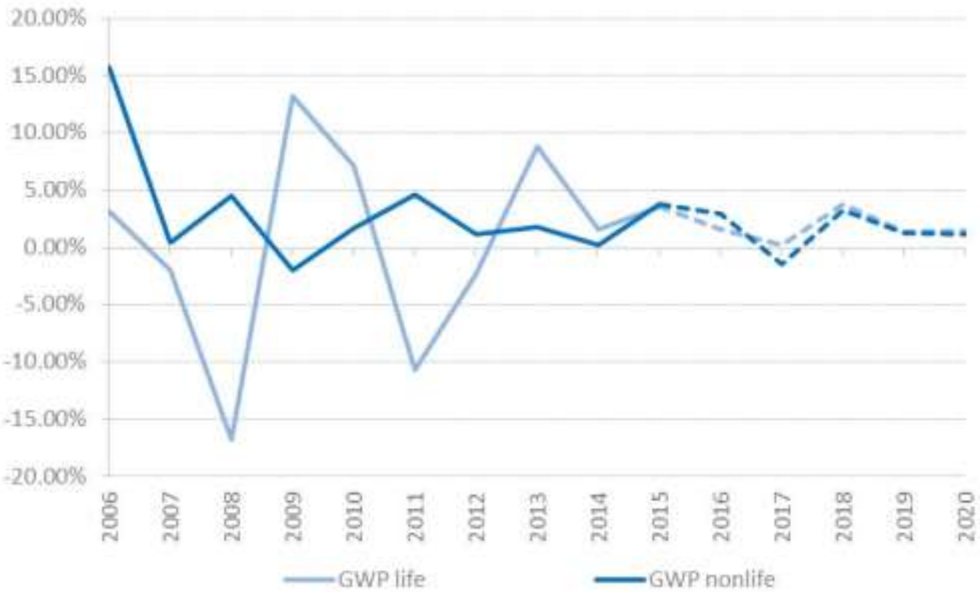
Prospects in the non-life sector

Low interest rates may necessitate cost-cutting and foster the process of consolidation in the sector, which is also favoured by the increase in capital requirements, stiffer competition and continuing weak economic growth.

1.2.3. - Market outlook

Growth in Europe remains weak and uneven notwithstanding the expansionary monetary policy measures by the ECB. This scenario affected the insurance sector, spurring forecasts of an overall decrease in underwriting activity (Figure I.16). In the forecasts, European insurers will respond by increasing production outside the euro area. Growth will come primarily in the life sector, while in the short term the non-life sector will be affected by the slowdown in economic growth in emerging markets.

Figure I.16 – Gross written premiums– forecasts for the euro area



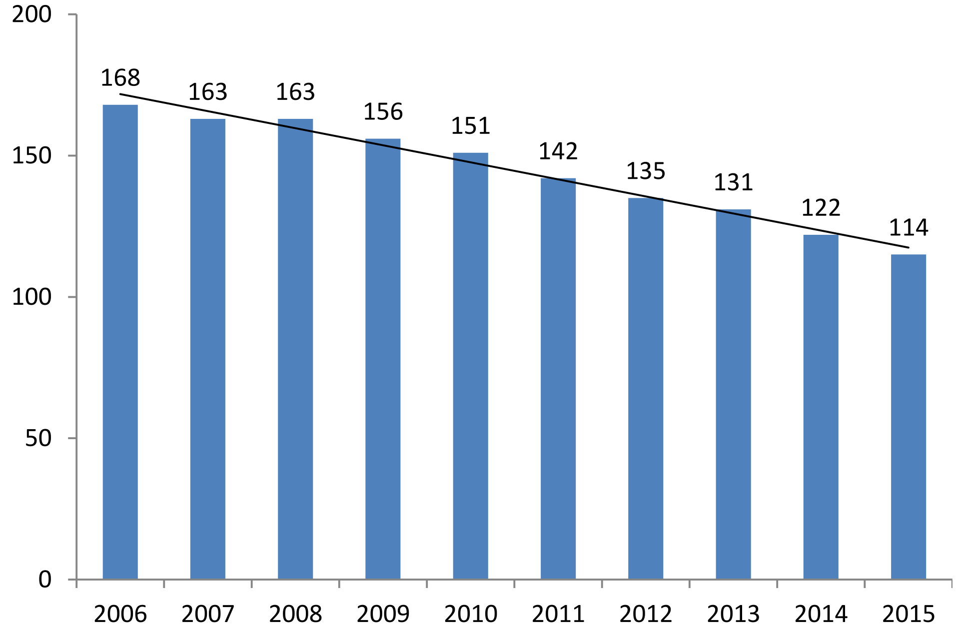
Source: EIOPA Financial Stability Report, June 2016

2. - The Italian insurance market: structural aspects

2.1 - Market structure

Between 2006 and 2015 the number of companies operating in the Italian insurance market gradually declined by 32%.

Figure I.17 - Domestic undertakings



There are no longer any Italian undertakings specialized in reinsurance either in the life or the non-life sectors.

As of 31 December 2015, 117 undertakings were licensed under the prudential supervision of IVASS (124 in 2014), of which 114 domestic companies and three branches of foreign firms with head offices in non-EEA countries.

Of the 114 domestic companies, 12 are 'composite' insurers, authorized and booking premiums in both the life and non-life sectors, 58 companies are authorized to operate solely in the non-life sector and 44 only in the life sector (of which nine offer supplemental accident and sickness coverage).[12] The three foreign branches all engage in the non-life business.

Compared with the end of 2014, eight undertakings ceased their insurance business: six were involved in mergers (five non-life and one life insurer), two companies (one in each sector) as a result of the complete transfer of their portfolios following the sale of a business unit and one life insurance company that partially transferred its term life insurance portfolio.

Two new authorizations were issued to undertakings to extend their insurance lines: one issued to a domestic life insurance company allowing it to offer supplementary insurance (accident and sickness), the other to a non-life foreign branch under the right of establishment.

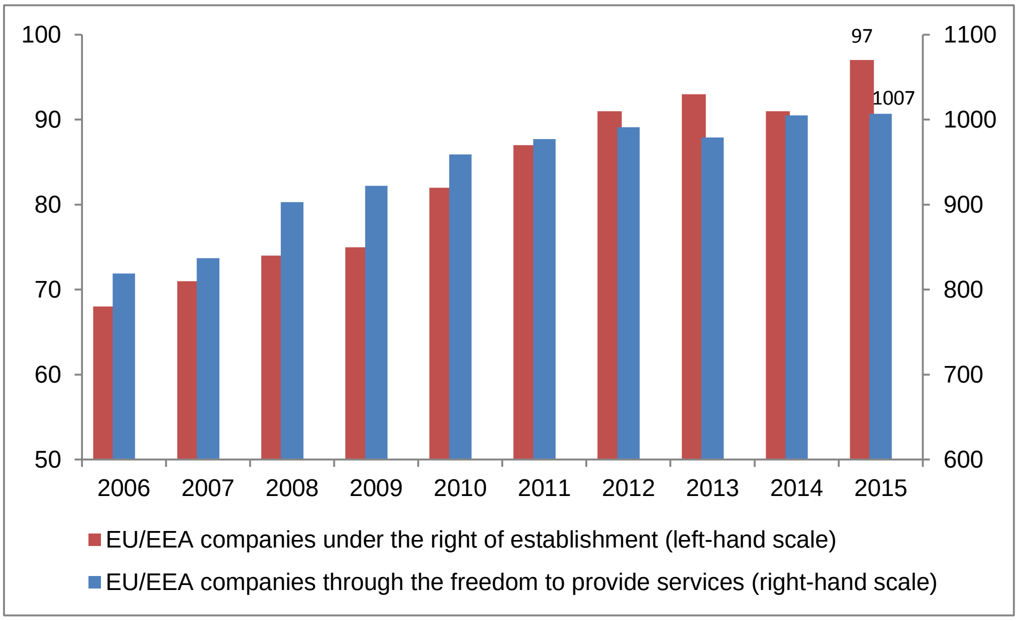
[12] These are firms authorized to provide accident and sickness insurance; of these only seven collected premiums in this segment.

Many companies with head offices in another EU or European Economic Area (EEA) country continued to operate in Italy with branches or under the freedom to provide services regime (FPS) and were supervised by their respective home-country supervisory authorities.

96 branches of undertakings with head offices in other EU member states (23 life insurance, 60 non-life insurance and 14 composite insurance companies) carried out business under the right of establishment and 1,007 undertakings with their head offices in another EU member state or in an EEA country were allowed to do business in Italy under the freedom to provide services (187 in life insurance, 764 in non-life insurance, 56 composite insurers and three reinsurers of which two non-life and one life insurance companies)..

Figure I.18 shows the increase in EU and EEA undertakings operating in Italy under the right of establishment and under the freedom to provide services. Between 2006 and 2015 the number of undertakings increased by 43% (29 firms) for companies operating under the right of establishment and 23% (188 firms) for companies through the freedom to provide services.

Figure I.18 - EU/EEA undertakings operating in Italy (2006-2015)



Around 32% of the branches allowed to operate in Italy have their head office in the United Kingdom, 18 in France, 13 in Ireland and Germany.

Table I.2 - Breakdown of EU/EEA undertakings conducting business under the right of establishment by home country		
	2014	2015
Number of undertakings	91	97
Head office:		
United Kingdom	34%	32%
France	16%	18%
Ireland	14%	13%
Germany	11%	13%
Belgium	5%	5%
Luxembourg	7%	6%
Austria	4%	4%
Spain	4%	4%
Other	3%	4%

In 2015 nine new branches were authorized to operate in Italy: three from Germany and the United Kingdom, two from France and one from Liechtenstein. The number of branches of specialist reinsurers based in the EU was seven, the same as in 2013 (one non-life and six composite insurers).

Of the 764 companies authorized to write non-life policies in Italy under the freedom to provide services, 14.1% are based in the United Kingdom, 9.9% in Germany, 9.7% in Ireland, 6.9% in France and 4.2% in the Netherlands.

Of the 187 companies authorized to write life insurance policies in Italy under the freedom to provide services, 16% are based in the United Kingdom, 17.6% in Luxembourg, 13.9% in Ireland, 10.2% in Liechtenstein, 10.7% in France and 8% in Germany. The remaining 23.5% have their head office in the other EU and EEA countries, notably the Netherlands (3.2%).

The 56 composite insurers have their head office mainly in Austria (33.9%), France (10.7%), Belgium and the United Kingdom (7.1% each), Spain and the Czech Republic (5.4% each). The remaining 42.9% are divided among the other EU and EEA countries.

In 2015, 45 companies or branches with head offices in other EU/EEA member states were licensed to conduct business under the freedom to provide services; of these, seven were from the Netherlands, five from Ireland, four from the United Kingdom and four from Germany.

Table I.3 shows the premium income booked in Italy under the right of establishment in the period 2012-14 by undertakings with head offices in other EU/EEA member states. The largest shares of premium income were recorded by companies with head offices in Ireland, the United Kingdom, Luxembourg (up sharply) and France.

Table I.3 - Premiums earned in Italy by EU/EEA undertakings under the right of establishment

(millions of euros)

Country	Financial year 2012			Financial year 2013			Financial year 2014		
	Non-life	Life	Total	Non-life	Life	Total	Non-life	Life	Total
Austria	255	12	267	179	3	183	88	3	90
Belgium	167	4	170	209	0	208	212	0	203
Bulgaria	0	0	0	0	0	0	0	0	0
Cyprus	0	0	0	0	0	0	0	0	0
Croatia (a)				0	0	0	0	0	0
Denmark	3	0	3	0	0	0	0	0	0
Estonia	0	0	0	0	0	0	0	0	0
Finland	0	0	0	0	0	0	0	0	0
France	601	206	808	549	261	810	617	286	903
Germany	282	0	282	291	0	291	291	0	291
Greece	0	0	0	0	0	0	0	0	0
Ireland	1,389	1,973	3,363	1,374	2,647	4,022	1,329	2,902	4,232
Italy	0	0	0	0	0	0	0	0	0
Latvia	0	0	0	0	0	0	0	0	0
Lithuania	0	0	0	0	0	0	0	0	0
Luxembourg	13	262	275	26	464	489	36	1,040	1,076
Malta	0	0	0	0	0	0	0	0	0
Netherlands	76	0	76	48	0	48	89	0	89
Poland	0	0	0	0	0	0	0	0	0
Portugal	0	0	0	0	0	0	0	0	0
United Kingdom	812	40	853	1,466	42	1,508	1,611	46	1,657
Czech Republic	0	0	0	0	0	0	0	0	0
Slovakia	0	0	0	0	0	0	0	0	0
Romania	0	0	0	0	0	0	0	0	0
Slovenia	0	0	0	0	0	0	0	0	0
Spain	100	169	269	235	129	364	221	185	406
Sweden	0	0	0	0	0	0	0	0	0
Hungary	0	0	0	0	0	0	0	0	0
EU Total	**3,698**	**2,667**	**6,365**	**4,376**	**3,546**	**7,923**	**4,495**	**4,461**	**8,956**
Liechtenstein	0	312	312	0	346	346	0	359	359
Iceland	0	0	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0	0	0
EEA Total	**3,698**	**2,979**	**6,677**	**4,376**	**3,892**	**8,269**	**4,495**	**4,820**	**9,315**

Source: IVASS calculations based on statistical data provided by the insurance industry supervisory authorities of the other EU/EEA countries. - (a) Croatia joined the European Union on 1 July 2013. - N.B. – Any discrepancies are due to rounding.

Table I.4 shows the premiums collected in Italy in 2012-14 under the freedom to provide services by undertakings with head offices in other EU/EEA member states. The bulk of this premium income went to companies based in Ireland and, to a lesser extent, the United Kingdom and Luxembourg.

Table I.4 - Premiums earned in Italy by EU/EEA undertakings under the freedom to provide services

(millions of euros)

	Financial year 2012			Financial year 2013			Financial year 2014		
Country	Non-life	Life	Total	Non-life	Life	Total	Non-life	Life	Total
Austria	55	9	65	53	11	64	76	12	88
Belgium	5	0	5	8	0	9	18	0	18
Bulgaria	0	0	0	0	0	0	0	0	0
Cyprus	0	0	0	0	0	0	0	0	0
Croatia (a)				0	0	0	0	0	0
Denmark	1	0	1	0	0	0	7		7
Estonia	0	0	0	0	0	0	0	0	0
Finland	0	0	0	1	0	1	0	0	0
France	80	6	87	94	3	97	182	2	185
Germany	29	4	32	27	3	30	26	3	29
Greece	0	0	0	0	0	0	0	0	0
Ireland	180	8,194	8,374	232	10,841	11,073	224	15,231	15,455
Italy	0	0	0	0	0	0	0	0	0
Latvia	4	0	4	0	0	0	2	0	2
Lithuania	0	0	0	0	0	0	0	0	0
Luxembourg	13	2,261	2,274	18	2,163	2,180	27	2,734	2,761
Malta	28	33	61	32	33	65	31	36	67
Netherlands	9	0	9	46	2	48	18	0	18
Poland	0	0	0	0	0	0	0	0	0
Portugal	35	35	70	0	0	0	0	0	0
United Kingdom	436	0	436	655	4	659	1,788	3	1,791
Czech Republic	0	0	0	0	0	0	0	0	0
Slovakia	0	0	0	0	0	0	0	0	0
Romania	56	0	56	52	0	52	34	0	34
Slovenia	0	0	0	0	0	0	0	0	0
Spain	33	0	33	21	7	28	40	0	40
Sweden	10	0	10	10	1	11	10	1	11
Hungary	3	0	3	1	0	1	0	0	0
EU Total	**976**	**10,542**	**11,518**	**1,250**	**13,068**	**14,318**	**2,484**	**18,023**	**20,506**
Liechtenstein	3	525	529	8	211	219	12	173	185
Iceland	0	0	0	0	0	0	0	0	0
Norway	24	0	24	25	0	25	22	0	22
EEA Total	**1,004**	**11,067**	**12,071**	**1,282**	**13,279**	**14,561**	**2,517**	**18,196**	**20,713**

Source: IVASS calculations based on statistical data provided by the insurance industry supervisory authorities of the other EU/EEA countries. - (a) Croatia joined the European Union on 1 July 2013. - N.B. – Any discrepancies are due to rounding.

Figures I.19 and I.20 show the distribution of non-life and life premiums earned in Italy during the year, broken down between domestic companies and non-EEA branches on the one hand (subject to IVASS's prudential supervision) and EU/EEA companies on the other, showing the premiums both under the right of establishment and the freedom to provide services.

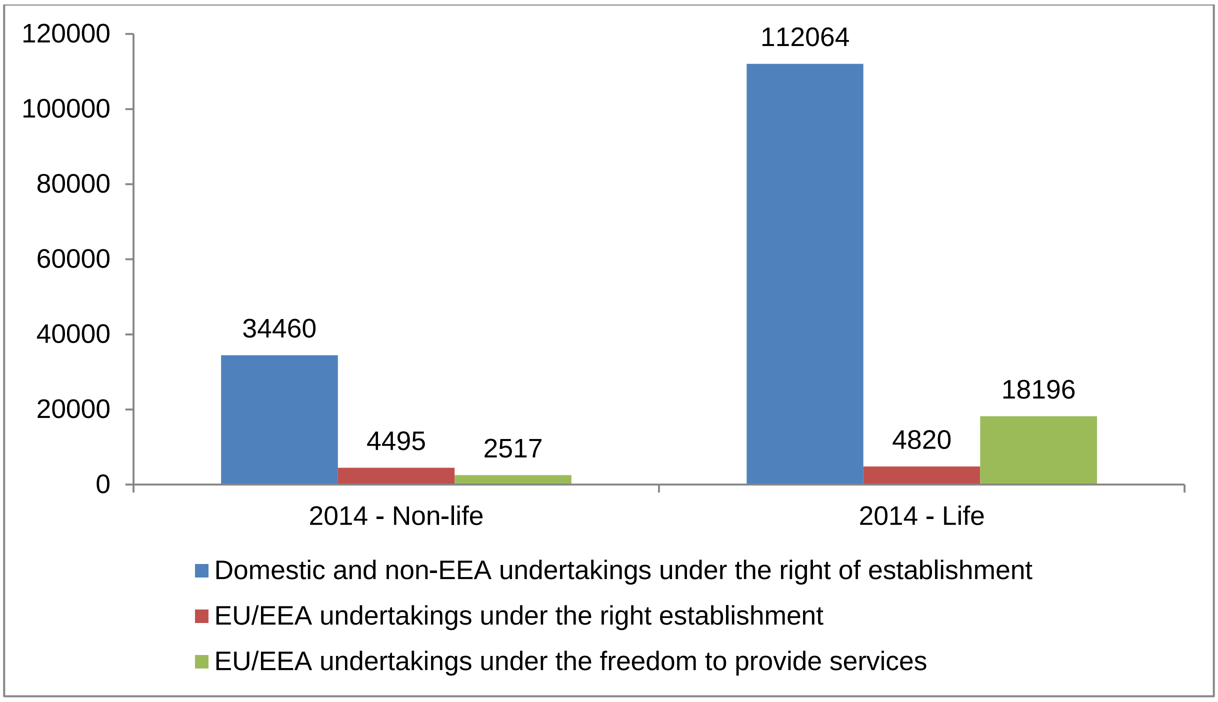
In particular, in 2014 Italian companies and branches of non-EEA companies accounted for 83.1% of non-life premium income (86.2% in 2013) and EU/EEA companies for 16.9% (13.8% in 2013), of which 10.8% (10.7% in 2013) under the right of establishment and 6.1% (3.1% in 2013) under the freedom to provide services in Italy. During the same period, Italian and non-EEA companies accounted for 83% of life premium income (83.1% in 2013) and EU/EEA companies for 17% (16.9% in 2013), of which 3.6% (3.7% in 2013) under the right of establishment and 13.5% (13.1% in 2013) under the freedom to provide services in Italy.

Table I.5 - Total premium income in Italy broken down between domestic/non-EEA and EU/EEA undertakings (2011-13)

(billions of euros)

	2011	2012	2013	2014
Domestic insurers and non-EEA undertakings operating under the right of establishment	113,519	108,362	122,180	146,525
EU/EEA undertakings operating under the right of establishment	5,953	6,677	8,269	9,315
EU/EEA undertakings operating under the freedom to provide services	11,824	12,071	14,561	20,713
Total domestic and foreign undertakings	**131,296**	**127,110**	**145,010**	**176,553**
Shares of domestic and non-EEA undertakings/Total	**86.5%**	**85.3%**	**84.3%**	**83.0%**

Figure I.19 - Total life and non-life premium income in Italy broken down between domestic/non-EEA and EU/EEA undertakings (2014) (billions of euros)



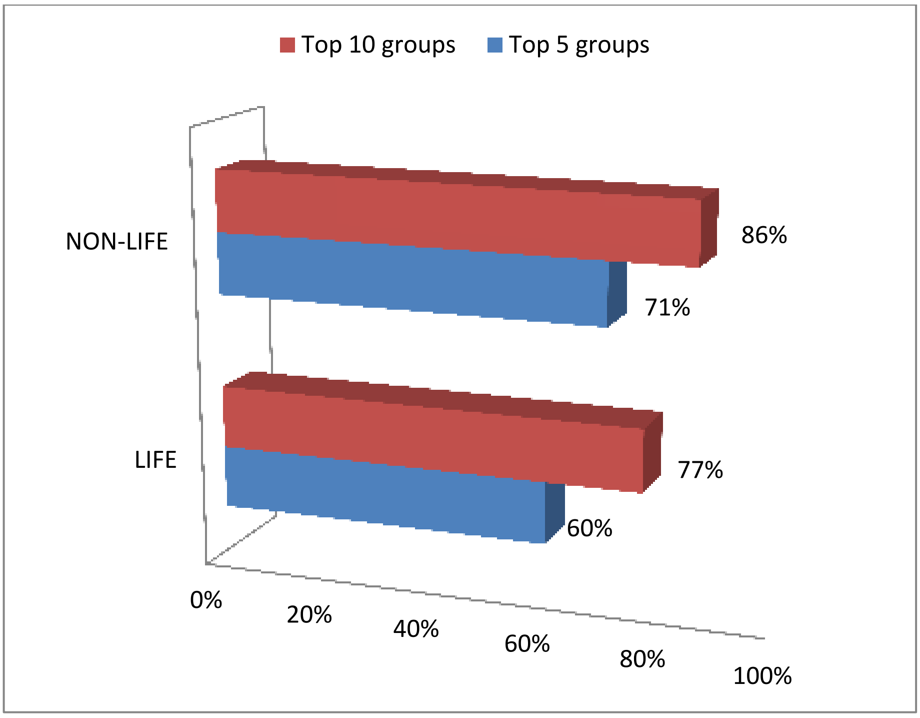
2.2 - Market concentration

The Italian insurance market continues to be highly concentrated. The concentration ratio for groups, measured separately for the life sector and non-life sector as a percentage of the income of the top five and ten groups out of total income (Figure I.20), gives us the following picture: in the life sector the market share held by the top five groups is 60%, rising to 77% for the top ten groups; in the non-life sector the market shares of the top five and top ten insurance groups are, respectively, 71% and 86%.

Table I.6 - Concentration ratios for the top 5 groups in the life and non-life sectors 2006-2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Non-life	73.0%	71.0%	70.1%	68.3%	70.1%	68.8%	73.0%	72.5%	71.7%	70.7%
Life	50.4%	53.0%	56.4%	56.2%	53.2%	62.6%	66.1%	65.3%	58.6%	60.0%

Figure I.20 - Premiums written –Concentration ratios



As to the concentration of premium income of the individual undertakings, changes in the market shares compared with the previous two-year period mostly derive from mergers and/or portfolio transfers: the top five life insurance undertakings collected 47.6% of the premiums in 2015 (45.1% in 2014), while the share of the top five non-life companies came to 59.8% (60.5% in 2014).

2.3 - Premium income and investments based on ownership structure and on the main activity of the parent group

The market profile based on the nationality and the economic sector of the controlling entity is shown in Table I.7.

Table 1.7 - Premium income and assets with respect to ownership structure and parent group - Year 2015

(thousands of euros)

	Premiums (Italian direct business)	%	Class C investments	%
Undertakings controlled by foreign EU entities	34,752,231	23.6%	122,434,359	21.7%
Undertakings controlled by non-EU entities	5,006,008	3.4%	20,354,273	3.6%
Non-EU branches	472,814	0.3%	1,428,241	0.3%
Undertakings controlled by the State and by Italian public entities	19,030,848	13.0%	86,766,931	15.4%
Undertakings controlled by Italian private entities of which:	81,650,397	55.6%	323,770,600	57.4%
industrial and service sectors	*443,160*	*0.5%*	*172,199*	*0.1%*
insurance sector	*51,937,955*	*63.6%*	*241,835,345*	*74.7%*
banking and financial sector	*29,269,282*	*35.8%*	*81,763,056*	*25.3%*
Undertakings owned on a 50/50 basis by banks and insurance undertakings, of which:	6,041,340	195.9%	9,644,881	1.7%
Italian insurance undertakings	*188,928*	*3.1%*	*342,150*	*3.5%*
foreign EU insurance undertakings	*5,852,412*	*96.9%*	*9,302,731*	*96.5%*
Total	***146,953,638***	***100.0***	***564,399,285***	***100.0***

At end-2015 private Italian entities accounted for 55.6% of the premium income and 57.4% of the Class C investments, down from 57.2% and 59.5% respectively in 2014. By contrast, foreign EU entities accounted for, respectively, 23.6% and 21.7% of premium income and Class C investments (22.5% and 18.9% in 2014). Among private Italian entities, those in the banking and financial sector accounted for the second-largest share, after the insurance sector, in terms of both premiums and investments. Undertakings owned by banks were responsible for 35.8% of the premium income and 25.3% of the Class C investments (respectively 29.8% and 25.7% in 2014). The share attributable to parent entities in the industry and service sectors was negligible.

2.4 - Insurance and reinsurance intermediaries

2.4.1. - Intermediaries registered in the Single Register

At 31 December 2015, there were 244,688 Italian intermediaries listed in the Single Register of Intermediaries (244,235 at end-2014), plus 7,914 foreign intermediaries recorded in the List of EEA Intermediaries (7,833 in 2014).

Table I.8 - Number of intermediaries reported in each section of the Single Register at end-2015

		Number of registered intermediaries		
Section	**Type of intermediary**	**Natural persons**	**Companies**	**Total**
A	Agents	25,011	9,405	34,416
B	Brokers	4,136	1,616	5,752
C	Independent sales agents	6,121		6,121
D	Banks, financial intermediaries, securities investment firms and Poste Italiane S.p.A. - Bancoposta services division		611	611
E	Collaborators and employees of intermediaries registered under Sections A, B or D for whom they conduct business off site	185,582	12,206	197,788
List of EEA intermediaries	Intermediaries having their residence or head office in another EEA member state		7,914	7,914
Total		**220,850**	**31,752**	**252,602**

There are 40,168 agents and brokers listed in the Single Register, slightly down from the 40,621 registered in 2014.

Table I.9 - Distribution across Italy of agents and brokers listed in the Single Register

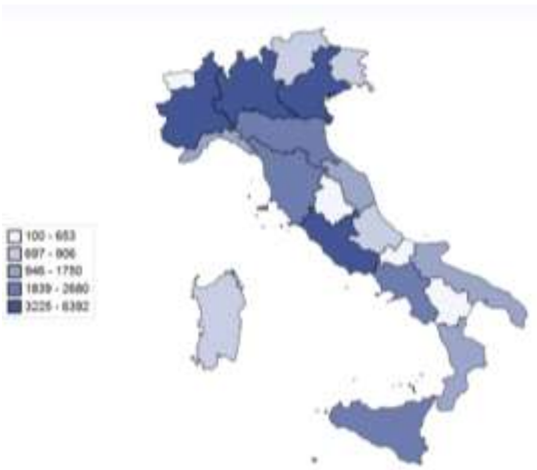
Region	Agents	% of total	Brokers	% of total	Agents and Brokers per 10,000 inhabitants*
Valle D'Aosta	95	0.3	11	0.2	8.3
Piedmont	3,169	9.2	424	7.4	8.1
Liguria	1,180	3.4	308	5.4	9.4
Lombardy	6,290	18.3	1,411	24.5	7.7
Veneto	3,146	9.1	442	7.7	7.3
Trentino-Alto Adige	698	2.0	89	1.6	7.5
Friuli-Venezia Giulia	744	2.2	133	2.3	7.1
Emilia-Romagna	2,623	7.6	351	6.1	6.7
North	***17,945***	***52.2***	***3,169***	***55.1***	***7.6***
Tuscany	2,566	7.5	357	6.2	7.8
Marche	971	2.8	80	1.4	6.8
Umbria	614	1.8	67	1.2	7.6
Lazio	3,514	10.2	892	15.5	7.5
Abruzzo	850	2.5	65	1.1	6.9
Molise	185	0.5	12	0.2	6.3
Centre	***8,700***	***25.3***	***1,473***	***25.6***	***7.4***
Puglia	1,744	5.1	180	3.1	4.7
Basilicata	322	0.9	30	0.5	6.1
Campania	1,810	5.3	520	9.0	4.0
Calabria	944	2.7	51	0.9	5.0
South	***4,820***	***14.0***	***781***	***13.6***	***4.5***
Sicily	2,088	6.1	283	4.9	4.7
Sardinia	863	2.5	46	0.8	5.5
Islands	***2,951***	***8.6***	***329***	***5.7***	***4.9***
Total for Italy	***34,416***	***100.0***	***5,752***	***100.0***	***6.6***

*Source: ISTAT, Italian resident population as of 1 January 2015

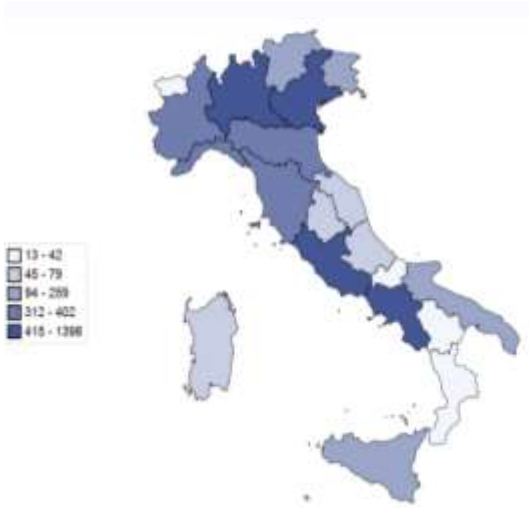
The intermediaries are mainly concentrated in the North, which accounts for over half of those registered, followed by the Centre, with around 25% of those listed.

Figure I.21 - Distribution across Italy of agents and brokers registered in the Single Register

Distribution of agents



Distribution of brokers



Insurance intermediaries are largely male, but the quota of women under 40 years of age in the field has grown.

Table I.10 – Breakdown by age of intermediaries registered in Sections A and B of the Single Register				
	MEN		WOMEN	
Age group	Number	% of total M+W	Number	% of total M+W
Up to 40 years	2,409	8.3	1,174	4.0
41 to 55 years	11,723	40.2	3,862	13.3
56 to 65 years	5,202	17.8	1,468	5.0
Over 66 years	2,823	9.7	486	1.7
Total	**22,157**	**76.0**	**6,990**	**24.0**

2.4.2. - Register proceedings in 2015

The proceedings of the Single Register in the course of 2015 are reported in Table I.11

Table I.11 – Proceedings concluded in 2015 by type							
	Sect. A	Sect. B	Sect. C	Sect. D	Sect. E	List of EEA Intermediaries	Total
Registrations	466	146	7,843	13	34,461*	289	**43,218**
Removals	886	164	3	44	138**	206	**1,441**
Reinstatements	25	8	298				**331**
Transfers from one section to another	633	119	2,392		623		**3,767**
Extensions of business abroad	12	854					**866**
Non-operating/operating	494	200		16			**710**
Registrations following disciplinary proceedings	68	48			164		**280**
Changes in personal data	2,353	1064	5	121	1,503	50	**5,096**
Total	**4,937**	**2,603**	**10,541**	**194**	**36,889**	**545**	**55,709**

3. - PREMIUM INCOME

In 2015 gross written premiums collected in Italy and abroad came to €150.4 billion, with an increase of 2.6% compared with 2014 (€146.5 billion). Premiums of the insurance and reinsurance portfolio in Italy amounted to €147.9 billion (+2.6% compared with 2014).

Premiums from Italian direct business alone amounted to €146.9 billion (+2.5% compared with 2014): of this, 78.2%, or €114.9 billion, was for life business (+4% compared with 2014), while 21.8%, or €32 billion, consisted in non-life business (-2.4% compared with 2014).

Italian direct business in the motor insurance sector (motor vehicle liability and land vehicles) accounted for 11.3% of the total insurance market and 52.1% of the non-life sector (respectively 12.3% and 53.6% in 2014).

The ratio between the premiums of the Italian direct insurance portfolio and GDP increased slightly from 8.9% in 2014 to 9% in 2015.[13]

[13] ISTAT, GDP at market prices. The data for 2014 and 2015 are provisional.

Table I.13 - Premiums of the Italian direct insurance portfolio					
					(millions of euros)
	2006	**2007**	**2008**	**2009**	**2010**
Life	69,377	61,439	54,565	81,116	90,114
% var.	-5.6%	-11.4%	-11.2%	48.7%	11.1%
Non-life	37,125	37,656	37,453	36,685	35,606
% var.	2.2%	1.4%	-0.5%	-2.1%	-2.9%
of which: motor insurance	21,583	21,492	20,814	20,094	19,831
% var.	1.2%	-0.4%	-3.2%	-3.5%	-0.8%
of which: other non-life classes	15,542	16,164	16,640	16,591	15,775
% var.	3.7%	4.0%	2.9%	-0.3%	-4.9%
Life and non-life Total	106,502	99,095	92,018	117,801	125,719
% var.	-3.0%	-7.0%	-7.1%	28.0%	6.9%
	2011	**2012**	**2013**	**2014**	**2015**
Life	73,869	69,715	85,100	110,518	114,947
% var.	-18.0%	-5.6%	22.1%	29.9%	4.0%
Non-life	36,358	35,413	33,687	32,800	32,007
% var.	2.1%	-2.6%	-4.9%	-2.6%	-2.4%
of which: motor insurance	20,652	20,190	18,644	17,598	16,674
% var.	3.6%	-2.2%	-7.7%	-5.6%	-5.3%
of which: other non-life classes	15,706	15,223	15,223	15,202	15,333
% var.	-0.4%	-3.1%	-1.2%	-0.1%	0.9%
Life and non-life Total	110,227	105,128	118,787	143,318	146,954
% var.	-12.5%	-4.6%	13.0%	20.7%	2.5%

3.1 - Life business

In 2015 growth in life insurance premium income (direct Italian business) slowed sharply to 4% from 29.9% in 2014. In 2015 Class III products maintained the previous year's pace, recording an increase of 45.8% (2014: +40.8%); class VI – pension funds – also grew (+17%), while the other classes recorded a generalized fall compared with 2014.

Table I.14 - Life insurance - Premium income by insurance class (Italian direct business)										
										(millions of euros)
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
class I	32,746	27,166	31,430	64,741	67,844	56,698	51,191	64,959	82,578	77,875
var. %	*-3.3%*	*-17.0%*	*15.7%*	*106.0%*	*4.8%*	*-16.4%*	*-9.7%*	*26.9%*	*27.1%*	*-5.7%*
class II	0	0	0	0	0	0	0	0	0	0
var. %	-	-	-	-	-	-	-	-	-	-
class III	27,385	29,053	18,558	9,732	15,409	12,496	13,800	15,514	21,837	31,838
var. %	*3.8%*	*6.1%*	*-36.1%*	*-47.6%*	*58.3%*	*-18.9%*	*10.4%*	*12.4%*	*40.8%*	*45.8%*
class IV	23	30	25	26	27	32	44	52	67	74
var. %	*-2.4%*	*32.8%*	*-17.1%*	*4.3%*	*4.1%*	*16.6%*	*36.8%*	*19.0%*	*28.9%*	*9.7%*
class V	8,938	4,469	3,196	5,078	5,154	3,131	2,815	3,282	4,622	3,508
var. %	*-29.6%*	*-50.0%*	*-28.5%*	*58.9%*	*1.5%*	*-39.3%*	*-10.1%*	*16.6%*	*40.8%*	*-24.1%*
class VI	285	720	1,356	1,539	1,679	1,512	1,866	1,292	1,413	1,652
var. %	*-42.4%*	*152.5%*	*88.3%*	*13.5%*	*9.1%*	*-9.9%*	*23.4%*	*-30.7%*	*9.3%*	*17.0%*
total	**69,377**	**61,439**	**54,565**	**81,116**	**90,114**	**73,869**	**69,715**	**85,100**	**110,518**	**114,947**
	-5.6%	-11.4%	-11.2%	48.7%	11.1%	-18.0%	-5.6%	22.1%	29.9%	4.0%

There was a modest decline in net premium income (€43,751 million compared with €45,941 million in 2014).

Table I.15 – Premiums and Charges (surrenders, accrued capital and annuities)
Life business 2005-2014 - Italian direct business

(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
total premiums	69,377	61,439	54,565	81,116	90,114	73,869	69,715	85,100	110,518	114,947
claims incurred	-57,804	-74,316	-65,547	-57,198	-66,801	-73,971	-75,022	-66,788	-64,577	-71,196
of which surrenders	*-35,412*	*-48,765*	*-41,765*	*-32,053*	*-36,496*	*-46,496*	*-47,198*	*-40,353*	*-37,633*	*-42,795*
of which accrued capital and annuities	*-19,192*	*-22,447*	*-20,551*	*-21,563*	*-26,062*	*-22,945*	*-22,567*	*-21,031*	*-20,735*	*-20,958*
net income	11,573	-12,877	-10,982	23,918	23,313	-102	-5,306	18,312	45,941	43,751

Table I.16 shows that the ratio of incurred claims and surrenders to premiums in 2015 was roughly half the ratio registered in 2007-2008, years which were affected by the crisis in the financial markets.

The ratios were also much lower than in 2011-2012.

Table I.16 - Trends in claims and surrenders over premiums
Life business 2006-2015 - Italian direct business

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Claims incurred/premiums	83.3%	121.0%	120.1%	70.5%	74.1%	100.1%	107.6%	78.5%	58.4%	61.9%
Surrenders/premiums	51.0%	79.4%	76.5%	39.5%	40.5%	62.9%	67.7%	47.4%	34.1%	37.2%

Table I.17 shows the ratio between premium income and the cost of claims, both net of surrenders. The market had excess net liquidity expressed in terms of the ratio between incoming liquidity (premiums net of surrenders) and outgoing liquidity (liabilities net of surrenders).

Table I.17 - Liquidity ratio - Ratio between premium income and claims, net of surrenders

(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
net income (a)*	33,965	12,674	12,800	49,063	53,619	27,377	22,517	44,747	72,885	72,152
net expenses (b)**	22,392	25,551	23,782	25,145	30,306	27,474	27,824	26,436	26,944	28,401
Ratio (a)/(b)	1.52	0.50	0.54	1.95	1.77	1.00	0.81	1.69	2.71	2.54

* net income: premium income net of surrenders
** net expenses: claims cost net of surrenders

3.1.1. - Life products

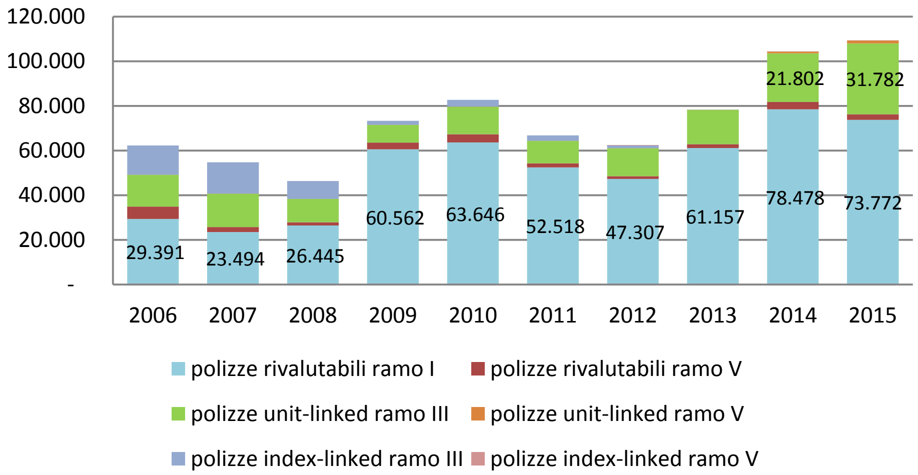
In 2015 there was a significant reallocation of life products from class I products to class III products . At the end of 2015 traditional policies accounted for 70% of all individual products (down from 78% in 2014), while unit- and index-linked policies rose from 21% to 29%.

Table I.18 - Life insurance - individual policies - Premium income by type of product (Italian direct business)						
						(millions of euros)
		2006	**2007**	**2008**	**2009**	**2010**
with-profits policies	class I	29,391	23,494	26,445	60,562	63,646
	class V	5,522	2,267	1,465	3,049	3,710
	total with-profits	34,913	25,761	27,910	63,611	67,356
	annual % variation	**-12.3%**	**-26.2%**	**8.3%**	**127.9%**	**5.9%**
	incidence of with-profits policies over total individual policies	55%	46%	58%	85%	80%
unit-linked policies	class III	14,252	14,964	10,439	7,925	12,339
	class V	10.1	16.7	2.7	12.4	2.6
index-linked policies	class III	13,111	14,075	8,060	1,773	3,058
	class V	-	-	-	-	0.01
	total for policies with high financial content	27,373	29,056	18,501	9,710	15,399
	annual % variation	**2.3%**	**6.1%**	**-36.3%**	**-47.5%**	**58.6%**
	incidence of policies with high financial content over total individual policies	43%	52%	38%	13%	18%
	total individual policies *	**63,413**	**55,915**	**48,442**	**74,654**	**84,556**
		2011	**2012**	**2013**	**2014**	**2015**
with-profits policies	class I	52,518	47,307	61,157	78,478	73,772
	class V	1,788	1,268	1,735	3,310	2,505
	total with-profits	54,306	48,575	62,892	81,788	76,277
	annual % variation	**-19.4%**	**-10.6%**	**29.5%**	**30.0%**	**-6.7%**
	incidence of with-profits policies over total individual policies	79%	76%	79%	78%	70%
unit-linked policies	class III	10,097	12,496	15,383	21,802	31,782
	class V	5.1	1.6	1.1	0.8	1.3
index-linked policies	class III	2,385	1,291	120	24	48
	class V	-	66.7	-	-	-
	total for policies with high financial content	12,487	13,856	15,505	21,827	31,831
	annual % variation	**-18.9%**	**11.0%**	**11.9%**	**40.8%**	**45.8%**
	incidence of policies with high financial content over total individual policies	18%	22%	19%	21%	29%
	total individual policies *	**68,405**	**63,916**	**79,690**	**104,920**	**109,672**

* Until 2009 the data for total individual policies did not include class VI policies, data on which were not available; class VI has been included since 2010.

In 2015 the upward trend in with-profit policies was reversed, whereas unit and index-linked policies continued to expand, recording an increase of 45.8% (+40.8% in 2014).

Figure I.23 - Breakdown of individual policies (millions of euros)



3.2 - Non-life business

Non-life premium income (direct Italian business) showed a marked downward trend, with a contraction of 2.4% last year following that of 2.6% in 2014. The decline in premium income was mainly due to motor insurance (-5.3%), which represented 52.1% of direct Italian non-life premium income.

Table I.19 - Non-life premium income (written premiums, direct Italian business)

(thousand euro)

Sector	Insurance class	2014	Percentage %	2015	Percentage %	Δ%
Health sector	*Accident*	2,973,552	9.1%	2,962,523	9.3%	-0.4%
	Sickness	2,056,412	6.3%	2,142,612	6.7%	4.2%
	Total	**5,029,964**	**15.3%**	**5,105,135**	**16.0%**	**1.5%**
Motor insurance	Motor liability	15,179,672	46.3%	14,186,550	44.3%	-6.5%
	Marine liability	31,567	0.1%	31,468	0.1%	-0.3%
	Land vehicles	2,386,564	7.3%	2,455,495	7.7%	2.9%
	Total	**17,597,803**	**53.7%**	**16,673,513**	**52.1%**	**-5.3%**
Transport	*Railway rolling stock*	4,064	0.0%	4,050	0.0%	-0.3%
	Aircraft	17,932	0.1%	18,361	0.1%	2.4%
	Ships	239,443	0.7%	230,180	0.7%	-3.9%
	Goods in transit	171,331	0.5%	166,869	0.5%	-2.6%
	Aircraft liability	14,354	0.0%	10,266	0.0%	-28.5%
	Total	**447,124**	**1.4%**	**429,726**	**1.3%**	**-3.9%**
Property sector	*Fire and natural forces*	2,295,208	7.0%	2,290,812	7.2%	-0.2%
	Other damage to property	2,777,130	8.5%	2,725,285	8.5%	-1.9%
	Financial loss	512,972	1.6%	550,831	1.7%	7.4%
	Total	**5,585,310**	**17.0%**	**5,566,928**	**17.4%**	**-0.3%**
General liability	*General liability*	**2,830,894**	8.6%	**2,878,396**	9.0%	**1.7%**
Credit/Suretyship	*Credit*	70,390	0.2%	72,598	0.2%	3.1%
	Surety-ship	383,907	1.2%	349,980	1.1%	-8.8%
	Total	**454,297**	**1.4%**	**422,578**	**1.3%**	**-7.0%**
Legal expenses/Assistance	*Legal expenses*	307,318	0.9%	326,801	1.0%	6.3%
	Assistance	547,493	1.7%	603,464	1.9%	10.2%
	Total	**854,811**	**2.6%**	**930,265**	**2.9%**	**8.8%**
	Total Non-life	**32,800,203**	**100.0%**	**32,006,541**	**100.0%**	**-2.4%**

There was also a significant decrease in credit and suretyship insurance (-7% compared with -2.3% in 2014); all the other sectors recorded a marginal percentage increase.

3.3 - Life and non-life insurance distribution and an analysis of the relative costs

3.3.1. - The distribution and costs of life business

Banks and post offices continued to be the leading distribution channel in the life sector, with a slightly larger share than in 2014 (63.1% as against 62%), although the gain was smaller than in the previous three years, as a result of the slowdown in the traditional policies sector, only partially offset by the sharp increase in unit-linked policies. More specifically, there was an increase in the importance of the banking channel, especially as regards the share of income from class I products (69.9%; 68.6% in 2014) and class III products (55%; 45.9% in 2014).

The percentage of life insurance products distributed by financial salesmen remained substantially stable (16.3% in 2015; 16.8% in 2014) but the increase in premiums came to a halt, with growth of 0.8% compared with 30% in 2014. There was also a reversal of the pattern whereby financial salesmen had been the leading channel for the distribution of class III products. In 2015 the biggest market share was collected by banks and post offices: 55% of the class III income, compared with 38.54% for financial salesmen).

The agency channel recorded a modest reduction in market share, from 20.2% in 2014 to 19.8% in 2015; above all this involved the premium income collected by subsidiary agencies, which closed 2015 with a decrease in the new business portfolio of 2.3% against an increase of 4% in the business done by agencies with a mandate.

Table I.20 - Distribution channels life business (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
banks and post offices	59.5	58.0	53.7	58.8	60.3	54.7	48.6	59.1	62.0	63.1
agencies	30.7	31.0	34.3	23.7	22.6	25.6	26.6	23.0	20.2	19.8
financial salesmen	8.3	9.0	10.1	16.3	15.8	18.3	23.3	16.7	16.8	16.3
direct sales and brokers	1.5	2.0	1.9	1.2	1.3	1.4	1.5	1.2	1.0	0.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Together with the partial change in the market shares of the various channels, between 2011 and 2014 the expenditure for contract acquisition slowed down, both in terms of remunerating sales promoters , and with reference to the remuneration to insurance intermediaries for the collection of annual premiums subsequent to the first year. However, this downward trend essentially came to a halt in 2015 as regards acquisition commissions ,[14] and there was an upturn in the index of commissions for the collection of annual premiums subsequent to the first year.

Table I.21 – Cost indicators/life premiums (%)

	2011	2012	2013	2014	2015
acquisition commissions/ life premiums	20.1	18.7	17.0	14.1	14.0
other acquisition costs/ life premiums	7.1	8.0	6.5	4.7	4.4
collection commissions/ life premiums	1.9	1.8	2.0	1.9	2.3

The index for the other acquisition costs on written premiums highlights the importance, in policy issuance costs, of medical visits where they are at the insurer's expense, and of advertising expenditure and incentives linked to achieving sales targets. This indicator too declined in 2015, but much less sharply, given that it had almost halved between 2012 and 2014.

[14] The 'acquisition commissions on written premiums' index is based on first-year premiums plus one tenth of the premiums of single-premium policies.

With regard to the intermediation costs for the life sector, acquisition and collection commissions play a leading role. They peaked in 2014 but then stalled in 2015 at 69.3% and 8.8% respectively. The decrease in the share of other acquisition costs continued with a reduction of over 5 percentage points since 2012 to fall below 22% in 2015

Table I.22 - Costs in life business (percentage shares)

	2011	2012	2013	2014	2015
acquisition commissions	67.6	64.0	65.9	69.2	69.3
other acquisition costs	24.0	27.1	25.2	22.9	21.9
collection commissions	8.4	8.9	9.0	8.0	8.8
	100.0	**100.0**	**100.0**	**100.0**	**100.0**

A more detailed examination of the two most common classes in Italy – class I, traditional policies and class III, unit-linked policies – shows that in 2015 acquisition commission costs were more than 5 percentage points higher in class III compared with the traditional policies sector, although this difference was only half that of the previous year.

Table I.23 - Acquisition commission share of costs - comparison between life classes (%)

	2010	2011	2012	2013	2014	2015
acquisition commissions class I	72.2	67.9	63.5	65.7	68.5	68.1
acquisition commissions class III	74.7	71.2	70.5	73.3	78.7	73.9

For other acquisition costs, however, the opposite pattern holds, given that in this area traditional policies are more important than unit-linked contracts: the share of other acquisition costs increased for traditional policies compared with 2014 and decreased for class III policies. The costs for policy issuance, for acquiring the contract and for medical visits are factored into the technical risk assessment in the case of traditional contracts, a risk that clearly does not exist in contracts in which the policyholder directly bears both the financial and the demographic risk.[15]

Table I.24 - Other acquisition costs share, class I and III (%)

	2010	2011	2012	2013	2014	2015
other acquisition costs class I	19.9	23.8	27.7	25.2	23.0	23.5
other acquisition costs class III	15.2	19.8	19.8	17.6	15.7	14.6

[15] Class III contracts provide insurance policies that almost never include a financial guarantee on the part of the insurer. With regard to demographic guarantees, the company pays out a very modest amount of capital in the event of the policyholder's death, generally just the premiums paid in by the policyholder or slightly more.

3.3.2. - The distribution and costs of non-life business

Table I.25 disaggregates non-life insurance business according to distribution channel over time. Compared with 2014, the portion of premium income produced by agencies decreased very marginally last year, from 81.7% to 81.1%, while sales via brokers and via bank branches came to respectively 8.2% and 4.9% of the total. The business done by financial salesmen remained at 0.2%, and that of the other forms of direct sales also remained unchanged, at 5.8%.

During the ten-year period 2006-2015, there was progressive, albeit slow, growth in the direct sales and sales through bank branches, eroding the agencies' share.

Table I.25 - Distribution channels, non-life business (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
agencies	87.1	87.0	86.4	85.1	84.4	83.7	84.1	83.2	81.7	81.1
brokers	7.3	7.0	7.5	8.4	8.0	8.0	7.4	7.6	8.5	8.2
direct sale	3.9	4.0	3.8	3.9	4.1	4.7	5.2	5.5	5.7	5.8
banks and financial salesmen	1.7	2.0	2.3	2.6	3.5	3.6	3.3	3.7	4.1	4.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

With regard to the motor vehicle liability policies, the market shares of the various distribution channels remained unchanged compared with 2014. The agency share for this class was even higher than for non-life business overall, at 86.5%.

The breakdown of distribution costs (Table I.26) showed a generalized rise in proportion to premiums last year. Especially notable was the 1.5-point increase from 2014 in acquisition commissions as a ratio to written premiums. There was also an increase in 'other acquisition costs', which include advertising, productivity bonuses and employee remuneration not linked to policy acquisition, whose ratio to premiums increased by over one percentage point between 2011 and 2015. This result depended in part on the general reduction in premiums.

Table I.26 – Cost indicators/non-life premiums (%)

	2011	2012	2013	2014	2015
acquisition commissions/non-life premiums	13.3	12.8	13.2	13.6	14.3
other acquisition costs/non-life premiums	3.7	4.0	4.4	5.0	5.0
collection commissions/non-life premiums	2.6	2.8	2.8	2.7	2.5

Table I.27 shows the incidence of costs for lines of business with premium income for 2015 of over €2 billion for the period 2011 – 2015. The deductions made for this type of expenditure in the most important non-life classes are increasing progressively.

In motor insurance (motor liability and land vehicle insurance), the most important business in terms of premiums, accounting for over 53% of all non-life business, the incidence of these expenditures continued to rise in 2015, bringing the ratio in the motor liability class from 12.7% in 2011 to 14.8% last year (while the motor vehicle liability portfolio contracted from €20.7 billion to €14.2 billion). For land vehicle insurance the ratio rose from 20.4% to 23% over the period. The expansion of business done through other banking, post office, telephone and internet channels to over 10% of the motor portfolio in 2015 had no significant cost-reduction effect.

There was an upward tendency of the cost ratio in the other classes as well, with rises of more than two percentage points between 2011 and 2015, except for sickness insurance, where expenses fell from 19% of premiums in 2011 to 16.9% in 2015.

Table I.27- Incidence of commissions and other acquisition costs in the main non-life classes (%)

	2011	2012	2013	2014	2015
Accidents	23.0	22.9	23.9	24.5	25.2
Sickness	19.0	16.9	16.4	16.7	16.9
Land Vehicles	20.4	20.2	20.8	22.4	23.0
Fire	21.0	20.6	21.5	21.8	23.3
Motor liability	12.7	12.8	13.7	14.7	14.8
General liability	20.3	20.2	20.7	21.3	22.6
Other damage to property	19.5	19.7	20.3	20.2	22.9

Insurance products in the Bank of Italy's Survey on Household Income and Wealth

The Bank of Italy has been conducting a sample survey on the income and wealth of a representative sample of Italian households every two years since the mid-1960s, including the diffusion of insurance among households.[16]

This analysis focuses on the propensity to hold life insurance, non-life insurance (excluding motor vehicle insurance) and/or health insurance , as reported in the latest editions of the survey between 2006 and 2014 (Table I.28). The timeframe makes it possible to verify any changes occurring during the recent economic crisis.

Holdings of three types of insurance by households have undergone significant changes during the period. In particular, 13.7% of Italian households had life insurance policies in 2006, but this declined over the years to 8.5% in 2014. In the same period premium income in the life sector for Italian insurers rose from €70 billion to €111 billion. Part of this increase is explained by the rise in the value of the capital and in the average premium per policy. No decline in the holding of non-life or medical insurance policies occurred until the last two surveys (2012 and 2014): the share of households holding non-life insurance policies fell from 25.7% in 2010 to 20.1% in 2014, while the share with health insurance fell from 5.4% to 3.3%.

Against this sharply decreasing trend, there have been no significant changes in the correlations between policy holding and the socio-income characteristics of the sample families:

- as far as the head of household's level of education is concerned, the diffusion of policies has become progressively higher over the years for those with higher levels of education;
- in terms of geography, diffusion is consistently higher for households in the North compared with those in the Centre and higher in the Centre compared with the South and Islands. In particular, households in the South hold very few non-life or health insurance policies;
- the correlation with household income and the holding of at least one insurance policy has remained stable over the years, policy-holding increasing gradually as income level rises.[17] For non-life policies, the difference between the share of households with policies in the highest and lowest income quintiles is large (41.2% percentage points on average), while the difference is much smaller for accident and sickness policies (13.1%). Between 2006 and 2014, there was a substantial fall in the number of policy-holding households in the lowest

[16] For further details on the survey see the Bank of Italy's Supplement to the Statistical Bulletin which summarizes the results of the latest survey for 2014, conducted through interviews in 2015 (http://www.bancaditalia.it/pubblicazioni/indagine-famiglie/bil-fam2014/suppl_64_15.pdf).

[17] The income groups are equivalent to the income quintiles for the year under survey. For each year the 1st quintile is the income value below which there is the lowest-income 20% of households, the 2nd quintile is the value above which there is the next 20% of households, and so on.

income group (Figure I.24). In the highest income group, this decline was limited for life and health insurance, while the number of households holding non-life insurance increased.

- households have been divided into four categories for an analysis of the link between holding insurance policies and owning financial instruments,:

1) households only owning liquid instruments, such as current accounts or postal deposits;
2) households with an unsophisticated financial portfolio, owning at least one of the following instruments: certificates of deposit, repos, postal savings certificates and Italian government bonds;
3) households with a fairly sophisticated financial portfolio, owning at least one of the following instruments: bonds, investment funds and/or shares and other equity;
4) households with a sophisticated financial portfolio, owning at least one of the following instruments: portfolio management schemes, foreign securities, loans to cooperatives and other financial assets.[18]

Overall, the tendency to hold insurance policies increases with the sophistication of the financial portfolio up to level (3).[19] Households in the fourth category do not always hold more insurance policies than the other categories, with a reversal of this trend in the survey for 2014.

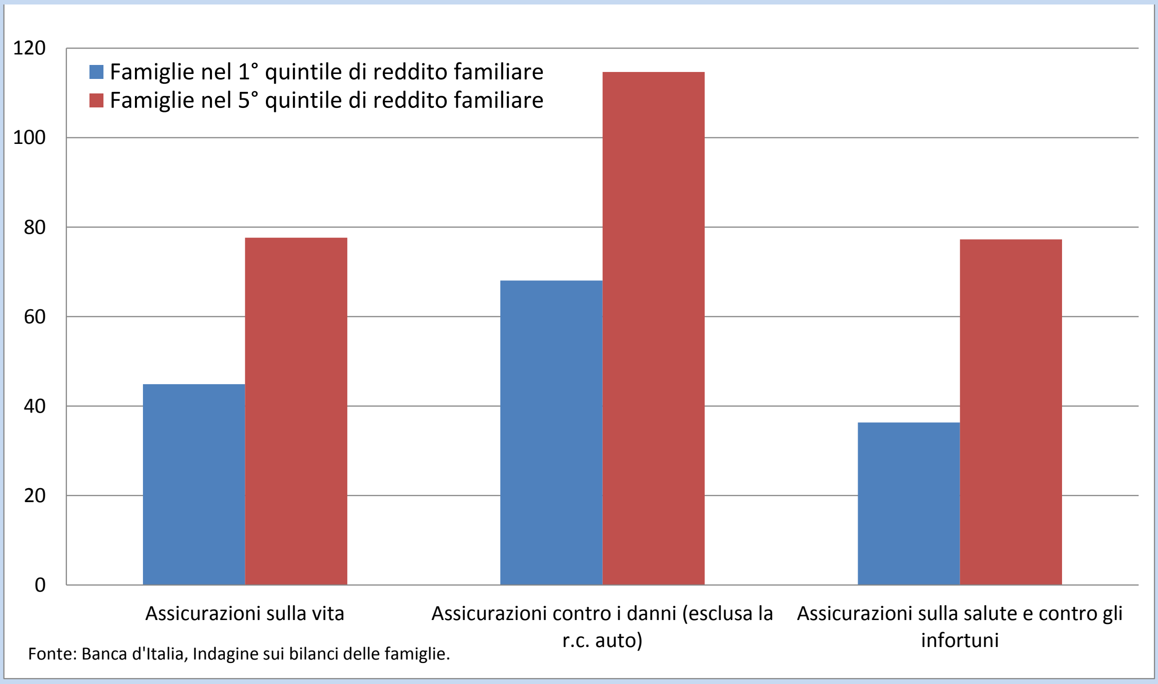
Tavola I.28 – Diffusione delle principali forme assicurative tra le famiglie italiane
(percentuali di famiglie)

		Assicurazioni sulla vita					Assicurazioni contro i danni[a]					Assicurazioni sulla salute e contro gli infortuni				
		2006	**2008**	**2010**	**2012**	**2014**	**2006**	**2008**	**2010**	**2012**	**2014**	**2006**	**2008**	**2010**	**2012**	**2014**
Titolo di studio[b]	Senza titolo	0,3	0,7	0,7	1,0	0,1	3,2	1,9	3,0	1,2	1,6	0,1	0,3	0,1	0,0	0,4
	Licenza di scuola elementare	5,2	4,3	3,2	2,7	1,9	13,7	12,8	15,6	14,6	10,4	2,2	0,7	1,1	1,8	1,0
	Licenza di scuola media	13,8	11,6	9,2	7,7	6,4	18,9	19,2	21,3	18,6	17,4	4,2	2,4	2,4	2,8	1,9
	Diploma di scuola secondaria	20,1	19,4	15,8	13,7	11,3	26,1	29,2	31,9	28,0	25,9	7,5	6,2	8,3	4,8	3,7
	Laurea	21,5	26,1	22,5	16,2	17,5	30,9	41,9	44,0	34,3	30,3	13,7	16,0	13,4	10,2	9,7
Area geografica	Nord	17,4	15,9	13,2	10,9	9,5	31,2	36,6	36,9	36,8	34,8	8,4	6,1	7,6	5,6	4,9
	Centro	12,3	12,3	10,7	9,1	9,2	20,0	18,2	34,1	17,9	14,1	6,0	6,1	6,8	5,8	3,6
	Sud e isole	9,0	10,0	9,3	7,6	6,5	3,6	3,1	3,5	2,4	2,5	0,6	0,8	1,2	0,7	0,8
Quintili di reddito familiare	1° quintile	3,8	3,0	3,0	1,9	1,6	4,4	5,9	4,9	3,6	2,7	1,0	0,4	1,2	0,7	0,3
	2° quintile	6,2	6,8	5,9	4,5	3,4	9,6	11,9	15,8	8,9	8,2	1,2	0,8	1,5	1,3	0,8
	3° quintile	12,4	10,6	9,2	7,7	7,2	18,3	19,5	24,5	17,5	18,2	3,1	2,4	2,9	2,0	2,1
	4° quintile	18,4	17,3	14,2	12,6	10,3	27,6	29,2	32,8	33,9	28,2	6,9	4,2	4,9	3,8	2,9
	5° quintile	27,7	29,1	24,9	20,8	19,8	41,2	45,4	50,5	46,9	43,5	15,0	14,6	16,5	12,5	10,7
Complessità portafoglio finanziario	Possesso di soli strumenti liquidi	10,5	10,4	8,5	6,7	6,0	14,6	15,8	20,1	15,6	14,7	3,4	2,5	2,8	2,2	1,4
	Portafoglio poco complesso	20,7	19,2	15,8	17,1	12,5	33,6	40,3	35,7	38,3	29,0	10,9	9,5	10,3	8,3	8,1
	Portafoglio mediamente complesso	30,3	29,0	26,7	20,7	20,0	47,6	52,9	52,8	52,0	47,1	15,1	12,4	17,7	11,7	10,5
	Portafoglio complesso	16,6	27,6	27,0	19,7	23,0	30,2	46,2	54,1	43,3	48,3	10,0	21,3	17,4	12,8	11,7
Totale		**13,7**	**13,4**	**11,4**	**9,5**	**8,5**	**20,2**	**22,4**	**25,7**	**22,2**	**20,1**	**5,4**	**4,5**	**5,4**	**4,0**	**3,3**

[18] This residual category includes: derivatives, hedge funds and so on.
[19] During the period examined, the shares of families which according to the survey fall into the four categories on average are the following: 11.8% hold unsophisticated financial instruments, 9.6% those with fair sophistication, and 1.6% highly sophisticated.

Figure I.24 – Households with an insurance policy in the top and bottom quintiles of household income in 2014

(Index: 100=number of families with an insurance policy in 2006)



Source: Bank of Italy's Survey on Household Income and Wealth

4. - THE FINANCIAL POSITION

4.1 - Assets and investments

At the end of 2015, the volume of investments of the entire insurance market (excluding reinsurance companies) came to €692.6 billion, of which €608.4 billion (87.8%) for the life sector and €84.2 billion (13.8%) for the non-life sector. Investments were up by 13.8%, compared with an increase of 11.8% for the previous year.

"Class C" investments, for which life insurers bear the risk, rose from by 8.9% from €441.1 billion in 2014 to €480.1 billion in 2015.

Bonds and other fixed-income securities accounted for 77.5% of the total investment by the life and non-life sectors (78.8% in 2014), with the value of such holdings up by 6.7%.

The value of shares in insurers' investment portfolios rose by 1.1% compared with the previous year, when they had declined by 1.6%, although as a proportion of total investments they declined from 10.8% in 2014 to 10.1% in 2015.

Investment in the real estate sector remained unchanged at 1.2%, while the portion of assets held in the form of investment funds and SICAVs rose from 6.8% in 2013 to 8.9% in 2015.

Table I.29 below shows the variations in the composition of investments (except those where the risk is borne by policyholders) for financial years 2007 through 2015.

Table I.29 - Life (Class C) and non-life sector investments

(millions of euros)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real estate	1.9%	2.0%	1.8%	1.6%	1.7%	1.6%	1.4%	1.2%	1.2%
Shares	17.1%	17.3%	16.0%	14.0%	13.2%	11.6%	12.3%	10.8%	10.1%
Bonds	72.0%	71.4%	73.5%	75.8%	76.6%	78.1%	78.0%	78.8%	77.5%
Investments funds and SICAVs	4.6%	4.6%	4.6%	4.8%	5.2%	5.3%	5.6%	6.8%	8.9%
Other investments	4.5%	4.7%	4.1%	3.8%	3.3%	3.4%	2.7%	2.5%	2.3%
Total investments	**329,075**	**317,696**	**372,268**	**404,870**	**412,472**	**429,454**	**466,147**	**520,798**	**564,399**

Specifically, in the life insurance sector, investment in bonds remained high, rising by 7.3% to €395.3 billion from €368.5 billion in 2014, although bonds edged down as a percentage of the total life-sector portfolio to 82.3% in 2015.

The portion of investment in shares fell from 6.8% in 2014 to 6.1% in 2015, while that in investment funds and SICAVs grew significantly, rising from 6.9% to 9.2%.

Table I.30 - Life (Class C) investments

(millions of euros)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real estate	0.4%	0.5%	0.4%	0.3%	0.3%	0.2%	0.1%	0.1%	0.1%
Shares	11.0%	10.5%	10.0%	8.8%	8.0%	7.2%	7.7%	6.8%	6.1%
Bonds	79.0%	78.5%	79.8%	81.6%	82.4%	83.7%	83.4%	83.5%	82.3%
Investments funds and SICAVs	4.5%	4.8%	4.8%	4.9%	5.3%	5.4%	5.7%	6.9%	9.2%
Other investments	5.0%	5.7%	5.0%	4.4%	4.1%	3.5%	3.1%	2.7%	2.2%
Total investments	**251,185**	**241,225**	**293,616**	**330,429**	**338,436**	**353,734**	**387,087**	**441,090**	**480,161**

Investments relating to index-linked and unit-linked products and those deriving from the management of pension funds (whose risk is borne by the policyholder – "Class D"), amounting at the end of 2015 to €128.3 billion (€108.8 billion in 2014), rose by 17.9% following a 12.4% increase the previous year. Of the total, 89.4% of the investments referred to unit-linked and index-linked products and 10.6% derived from pension fund management.

With regard to the non-life sector, investments in bonds reached 50.2% in 2015 (52.4% in 2014). The portion of investments in shares and other equity decreased, going from 33.1% to 32.7%, while those in investment funds and SICAVs rose from 6.3% to 7.5%. Investment in real estate as a whole showed a recovery in 2015, amounting to 7.3% of the total investments for the sector (up from 6.9% in 2014).

Table I.31 - Non-life investments

(millions of euros)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real estate	6.0%	6.7%	6.8%	7.5%	8.0%	8.2%	7.5%	6.9%	7.3%
Shares	36.0%	38.4%	38.1%	37.1%	35.8%	32.4%	35.0%	33.1%	32.7%
Bonds	49.0%	48.8%	50.0%	49.9%	50.4%	52.0%	51.7%	52.4%	50.2%
Investments funds and SICAVs	5.0%	3.8%	4.1%	4.2%	4.6%	4.6%	4.8%	6.3%	7.5%
Other investments	4.0%	2.3%	1.0%	1.3%	1.2%	2.7%	1.0%	1.2%	2.3%
Total investments	**77,890**	**76,471**	**78,652**	**74,441**	**74,037**	**75,720**	**79,059**	**79,709**	**84,239**

4.1.1. - Assets covering technical provisions

For the life and non-life insurance sectors taken together, assets covering Class C technical provisions increased by 7.7% (€513.1 billion). As regards the composition of securities allocated to cover Class C technical provisions at the end of 2015,[20] insurers continued to gravitate towards debt securities, whose share of the total investments in this category remained large at 83% in 2015 (83.8% in 2014).

Table I.32 - Composition of assets covering technical provisions (Class C) - life and non-life total

(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Government securities	180,780	161,111	141,716	173,377	204,617	221,787	241,326	265,793	293,147	302,879
Bonds	61,449	70,344	81,274	93,275	96,841	88,848	85,488	89,305	106,679	123,014
Shares	22,038	23,671	19,986	20,137	18,008	15,534	12,704	12,122	12,008	11,160
Harmonised UCITS	8,481	10,989	9,754	10,897	11,239	13,357	12,277	15,598	24,017	37,160
Real estate	9,616	10,125	11,941	12,209	14,023	15,414	15,263	14,980	15,331	15,575
Loans and receivables	9,833	9,979	12,763	11,962	11,680	12,652	12,899	10,967	9,469	9,434
Deposits	4,471	4,029	8,681	6,209	5,716	10,565	10,280	9,818	6,334	4,260
Alternative investments	-	123	323	851	1,158	1,186	1,666	1,399	2,743	3,647
Other assets	841	731	639	544	516	530	490	455	559	580
Other categories	3,805	3,627	4,746	5,359	6,708	5,290	4,760	5,030	5,442	5,426
Total assets	**301,313**	**294,727**	**291,823**	**334,819**	**370,508**	**385,163**	**397,153**	**425,468**	**475,728**	**513,136**

[20] The data shown are based on information on allocated assets annexed to the 2014 financial statements. For 2015 the data are drawn from the fourth quarter supervisory reports.

4.1.2. - Debt securities portfolio

In 2015 the debt securities portfolio registered an increase in listed and unlisted government securities (+3.5%), accounting for 59% of total assets (61.4% in 2014). In the life and non-life insurance sectors, government securities represented 72.5% and 57.1%, respectively, of total debt securities (74.8% and 59.4% in 2014).

The share of the portfolio composed of corporate bonds rose 15.5%, following an increase of 19.3% in the previous year. Corporate bonds made up 28.9% of total debt securities (26.7% in 2015) and accounted for 24% of total assets covering technical provisions (22.4% in 2014). They made up 27.5% of total debt securities for the life sector and 42.9% for the non-life sector (respectively 25.2% and 40.6% in 2014).

Table I.33 - Debt securities covering technical provisions

(millions of euros)

Life and non-life sectors	2008		2009		2010		2011	
	Amount	% of total debt securities	Amount	% of total debt securities	Amount	% of total debt securities	Amount	% of total debt securities
Listed government securities	140,110	62.8%	171,831	64.4%	202,406	67.1%	219,428	70.6%
Unlisted government securities	1,606	0.7%	1,546	0.6%	2,211	0.7%	2,359	0.8%
Total	**141,716**	**63.5%**	**173,377**	**65.0%**	**204,617**	**67.9%**	**221,787**	**71.4%**
Other listed bonds	76,903	34.5%	88,452	33.2%	91,555	30.4%	82,490	26.6%
Other unlisted bonds	4,386	2.0%	4,823	1.8%	5,286	1.8%	6,359	2.0%
Total	**82,289**	**36.9%**	**93,275**	**35.0%**	**96,841**	32.1%	**88,849**	28.6%
Total debt securities	**223,005**	**100%**	**266,652**	**100%**	**301,458**	**100%**	**310,636**	**100%**
Total assets allocated	**291,823**	**-**	**334,819**	**-**	**370,508**	**-**	**385,163**	**-**

Life and non-life sectors	2012		2013		2014		2015	
	Amount	% of total debt securities	Amount	% of total debt securities	Amount	% of total debt securities	Amount	% of total debt securities
Listed government securities	236,533	72.4%	263,315	74.2%	290,948	72.8%	300,384	70.5%
Unlisted government securities	4,793	1.5%	2,478	0.7%	2,199	0.6%	2,495	0.6%
Total	**241,326**	**73.8%**	**265,793**	**74.9%**	**293,147**	**73.3%**	**302,879**	**71.1%**
Other listed bonds	80,002	24.5%	85,623	24.1%	103,139	25.8%	119,983	28.2%
Other unlisted bonds	5,487	1.7%	3,675	1.0%	3,503	0.9%	3,006	0.7%
Total	**85,488**	26.2%	**89,298**	25.1%	**106,642**	26.7%	**122,989**	28.9%
Total debt securities	**326,814**	**100%**	**355,091**	**100%**	**399,789**	**100%**	**425,868**	**100%**
Total covering	**397,153**	**-**	**425,468**	-	**475,728**	-	**513,136**	-

The breakdown of debt securities based on type of interest rate indicates a strong propensity for fixed-income securities (increase of 4.7%, including zero-coupon bonds), which made up 84% of the total investment in bonds in 2015 (85.5% in 2014; 85.9% in 2013; 85.0% in 2012).

The increase in investment in fixed-income securities involved the life sector, where the value increased by 5.5% on 2014, representing 85.6% of all debt securities (87.1% in 2014). On the non-life side, investment in these securities decreased by 4.9% to account for 67.7% of total debt securities (70.8% in 2014).

Table I.34 - Bonds by type of rate - Life and non-life (% of total)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fixed rate	69.9%	70.6%	73.6%	75.0%	77.1%	79.4%	80.3%	79.1%	78.2%
Zero coupon	3.6%	3.6%	5.1%	4.9%	5.2%	5.7%	5.6%	6.5%	5.8%
Fixed-income total	**73.5%**	**74.2%**	**78.7%**	**79.9%**	**82.4%**	**85.0%**	**85.9%**	**85.5%**	**84.0%**
Floating rate	25.9%	25.2%	21.0%	19.8%	17.2%	14.7%	13.9%	14.2%	15.9%

Tables I.35 and I.36 show the breakdown by residual maturity of fixed-income securities in the portfolio.

Table I.35 - Securities by residual maturity - life sector									
Maturity	2007	2008	2009	2010	2011	2012	2013	2014	2015
< 2 years	25.6%	24.8%	20.3%	20.9%	23.7%	25.6%	21.4%	21.8%	18.6%
between 2 and 5 years	18.1%	19.1%	23.8%	21.9%	23.0%	19.6%	19.5%	23.6%	25.2%
> 5 years	56.3%	56.1%	55.9%	57.3%	53.3%	54.8%	59.1%	54.7%	56.1%

Table I.36 - Securities by residual maturity - non-life sector									
Maturity	2007	2008	2009	2010	2011	2012	2013	2014	2015
< 2 years	49.1%	42.4%	38.1%	43.8%	40.8%	39.3%	31.0%	31.6%	30.6%
between 2 and 5 years	18.6%	23.3%	28.4%	27.6%	31.7%	25.1%	24.0%	27.8%	30.4%
> 5 years	32.3%	34.3%	33.5%	28.6%	27.5%	35.6%	45.1%	40.6%	39.0%

The data for the non-life sector indicate a slight decline compared with 2014 in the share of securities with long maturities, an increase in those with intermediate maturities and a small drop in those with short maturities. By contrast there was an increase in the percentages of securities with long and intermediate maturities for the non-life sector, but a decrease in the share of those with short maturities compared with 2014.

More specifically, in the life sector, securities with long maturities (more than five years) accounted for the largest portion, that is 56.1%, compared with 54.7% in the prior year. The share of intermediate securities (between two and five years) increased by 13%, from 23.6% to 25.2%, while that of the shortest maturities fell from 21.8% to 18.6%, down 9.6% compared with 2014.

With regard to the non-life sector, there was a decline in the percentage of securities with a residual maturity of more than five years (39% in 2015, compared with 40.6% in 2014) and of those with a residual maturity of less than two years (31.6% in 2014; 30.6% in 2015), while the percentage of securities with intermediate maturities increased (27.8% in 2014; 30.4% in 2015).

4.2 - Technical provisions, shareholders' equity and solvency margin

Technical provisions

At 31 December 2015, the overall life and non-life insurance technical provisions amounted to €647.5 billion (€591.7 billion at the end of 2014). More specifically:

- in the life insurance segment, total technical provisions equalled €585.5 billion (€528.4 billion in 2014), with traditional insurance reserves amounting to 78.1% (the remaining 21.9% consisted in provisions for unit- and index-linked contracts and pension fund management);

- in the non-life sector, technical provisions amounted to €62 billion (€63.4 billion in 2014), 76.4% of which for outstanding claims reserves.

The following tables show the performance of the total technical provisions (Table I.37), life Class C (Table I.38) and non-life (Table I.39) for the period 2006-2015.

Table I.37 - Technical provisions for Italian and foreign insurance and reinsurance portfolio

(millions of euros)

	2006	2007	2008	2009	2010
Traditional life insurance – Class C (1)	244,056	237,967	234,915	276,151	314,441
Life – Class D (2) = (3) + (4)	139,614	137,001	116,837	116,910	111,852
of which Class D.I (unit- and index-linked) (3)	*138,113*	*134,682*	*113,375*	*111,725*	*105,494*
of which Class D.II (pension funds) (4)	*1,501*	*2,319*	*3,463*	*5,185*	*6,358*
Total Life (5) = (1) + (2)	**383,671**	**374,968**	**351,753**	**393,061**	**426,293**
Total Non-life (6)	**67,900**	**68,316**	**68,194**	**68,701**	**65,859**
Total (7) = (5) + (6)	**451,571**	**443,283**	**419,947**	**461,762**	**492,151**
	2011	**2012**	**2013**	**2014**	**2015**
Traditional life insurance – Class C (1)	329,099	339,880	369,555	419,805	457,495
Life - D (2) = (3) + (4)	98,651	97,349	96,585	108,573	128,023
of which Class D.I (unit- and index-linked) (3)	*91,320*	*88,885*	*87,205*	*96,046*	*114,464*
of which Class D.II (pension funds) (4)	*7,331*	*8,464*	*9,380*	*12,527*	*13,559*
Total life (5) = (1) + (2)	**427,751**	**437,229**	**466,141**	**528,378**	**585,518**
Total non-life (6)	**66,697**	**66,838**	**64,764**	**63,368**	**62,002**
Total (7) = (5) + (6)	**494,448**	**504,067**	**530,905**	**591,746**	**647,520**

Table I.38 - Class C life sector technical provisions - Italian and foreign portfolio, insurance and reinsurance

(millions of euros)

	2006	2007	2008	2009	2010
Mathematical reserves	238,253	231,081	228,800	269,639	306,530
Ancillary risks - Unearned premium reserve	73	68	66	65	74
Reserve for amounts payable	3,512	4,503	3,930	4,447	5,952
Provision for bonuses and rebates	71	111	134	134	128
Other technical provisions	2,147	2,204	1,986	1,865	1,757
Total life sector	**244,056**	**237,967**	**234,915**	**276,151**	**314,441**
	2011	**2012**	**2013**	**2014**	**2015**
Mathematical reserves	322,463	333,174	362,681	412,639	448,675
Ancillary risks - Unearned premium reserve	87	98	93	94	110
Reserve for amounts payable	4,730	4,854	5,087	5,401	7,075
Provision for bonuses and rebates	152	151	152	141	145
Other technical provisions	1,667	1,603	1,543	1,531	1,490
Total life sector	**329,099**	**339,880**	**369,555**	**419,805**	**457,495**

Table I.39 - Non-life sector technical provisions - Italian and foreign portfolio, insurance and reinsurance

(millions of euros)

	2006	2007	2008	2009	2010
Unearned premium reserve	15,249	15,698	15,981	15,994	15,748
Outstanding claims reserve	52,336	52,308	51,937	52,413	49,821
Provision for bonuses and rebates	36	36	64	66	47
Other technical provisions	75	78	77	78	71
Equalization reserves	204	197	135	150	172
Total non-life sector	**67,900**	**68,316**	**68,194**	**68,701**	**65,859**
	2011	**2012**	**2013**	**2014**	**2015**
Unearned premium reserve	16,197	15,532	14,751	14,412	14,278
Outstanding claims reserve	50,217	51,017	49,720	48,649	47,370
Provision for bonuses and rebates	26	29	23	24	57
Other technical provisions	70	68	65	64	65
Equalization reserves	188	191	205	218	233
Total non-life sector	**66,697**	**66,838**	**64,764**	**63,368**	**62,002**

Tables I.40 and I.41 show the performance of the technical provisions for individual non-life classes (direct insurance business in Italy) in 2014 and 2015.

Table I.40 - Non-life classes - Breakdown of the technical provisions of the Italian direct insurance portfolio - Year 2014

(millions of euros)

	Unearned premium reserve (1)	Outstanding claims reserve (2)	Other technical provisions (3)	Total technical provisions (4) = 1 + 2+ 3
Accident	1,403	1,945	42	3,389
Sickness	846	1,065	84	1,995
Land vehicles	999	639	44	1,681
Railway rolling stock	1	5	0	6
Aircraft	7	31	0	39
Ships (sea, lake and river and canal vessels)	100	430	3	533
Goods in transit	25	231	13	268
Fire and natural forces	1,630	1,950	81	3,661
Other damage to property	1,340	1,768	23	3,132
Motor vehicle liability	4,955	23,263	0	28,218
Aircraft liability	7	38	0	45
Liability for ships (sea, lake and river and canal vessels)	14	85	0	99
General liability	1,153	13,124	4	14,281
Credit	155	119	4	278
Suretyship	557	1,544	0	2,100
Miscellaneous financial loss	574	352	5	932
Legal expenses	115	408	0	523
Assistance	190	65	3	257
Total non-life classes	**14,071**	**47,062**	**306**	**61,439**

Table I.41- Non-life classes - Breakdown of the technical provisions of the Italian direct insurance portfolio - Year 2015

(millions of euros)

	Unearned premium reserve (1)	Outstanding claims reserve (2)	Other technical provisions (3)	Total technical provisions (4) = 1 + 2+ 3
Accident	1,409	1,915	44	3,368
Sickness	821	1,097	108	2,026
Land vehicles	1,045	597	46	1,689
Railway rolling stock	1	4	0	5
Aircraft	5	22	0	27
Ships (sea, lake and river and canal vessels)	85	395	3	483
Goods in transit	25	210	9	244
Fire and natural forces	1,684	1,814	90	3,587
Other damage to property	1,306	1,650	28	2,985
Motor vehicle liability	4,713	22,391	0	27,104
Aircraft liability	4	23	0	27
Liability for ships (sea, lake and river and canal vessels)	14	92	0	106
General liability	1,128	12,693	4	13,824
Credit	160	118	6	284
Suretyship	553	1,149	0	1,702
Miscellaneous financial loss	581	337	6	923
Legal expenses	123	417	0	540
Assistance	204	72	9	285
Total non-life classes	**13,861**	**44,994**	**353**	**59,209**

Table I.42- Life classes - Breakdown of the technical provisions of the Italian direct insurance portfolio - Year 2015

(millions of euros)

Italian direct portfolio technical provisions	**Insurance class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**	**Total**
Mathematical reserves for pure premiums (incl. unearned premiums)	412,150	0	142	82	27,027	29	439,430
Extra premium reserve for medical and professional liability insurance	22	0	0	0	0	0	22
Additional reserve for guaranteed interest rate risk	490	0	0	0	19	0	509
Additional reserve for time lag (rate reduction)	26	0	0	0	1	0	27
Additional reserve for demographic risk	823	0	0	0	46	0	869
Other additional reserves	342	0	0	0	6	0	347
Additional reserve as per Art. 41(4) Leg. Decree 209/2005	0	0	504	0	0	62	566
Total mathematical reserves for Class C.II.1	**413,853**	**0**	**647**	**83**	**27,098**	**91**	**441,771**
Reserve for future expenses (C.II.5)	1,268	0	88	3	85	7	1,451
Additional reserves for general risks (C.II.5)	28	0	0	0	0	0	28
Other technical provisions (C.II.5)	0	0	0	0	0	0	0
Provision for bonuses and rebates (C.II.4)	45	0	0	7	0	0	51
Reserve for amounts payable (C.II.3)	4,126	0	1,613	42	276	17	6,073
Supplemental insurance premiums reserve (C.II.2)	78	0	2	0	0	0	80
Total technical provisions for Class C	**419,397**	**0**	**2,349**	**134**	**27,459**	**116**	**449,456**
Class D.I product reserves provided for in Article 41 (1) of Leg. Decree 209/2005	0	0	102,635	0	**0**	**0**	**102,635**
Class D.I product reserves provided for in Article 41 (2) of Leg. Decree 209/2005	0	0	8,253	0	**32**	**0**	**8,286**
Total reserves for Class D.I products linked to an index or fund or other benchmark	**0**	**0**	**110,888**	**0**	**32**	**0**	**110,921**
Total reserves for Class D.II products relating to pension fund management	**0**	**0**	**0**	**0**	**0**	**13,559**	**13,559**
TOTAL TECHNICAL PROVISIONS FOR ITALIAN DIRECT INSURANCE BUSINESS	**419,397**	**0**	**113,238**	**134**	**27,491**	**13,675**	**573,936**

Shareholders' equity and subordinated liabilities

At the end of 2015, the total shareholders' equity for the life and non-life sectors amounted to €66.2 billion (€64.4 billion in 2014).[21] Companies' own funds amounted to €57.1 billion. More specifically, capital reserves represented 73.2% of insurance companies' own funds, while the remaining 26.8% was composed of their share capital and endowment and guarantee funds.

Subordinated liabilities over the ten-year period considered in the following tables (2006-2015) more than tripled, increasing from €4.5 billion to €14.9 billion.

Table I.43 – Equity and subordinated liabilities - Life sector

(millions of euros)

	2006	2007	2008	2009	2010
Subscribed capital or equivalent funds	7,502	7,249	7,477	7,646	8,209
Capital reserves	15,546	14,996	15,627	19,173	19,731
Retained earnings (loss carried forward)	598	543	694	-586	1,066
Operating profit (loss)	2,686	2,490	-1,813	3,807	296
Total shareholders' equity	**26,332**	**25,277**	**21,986**	**30,040**	**29,302**
Subordinated liabilities	**2,825**	**3,296**	**3,468**	**3,740**	**4,191**
	2011	**2012**	**2013**	**2014**	**2015**
Subscribed capital or equivalent funds	8,572	8,910	9,410	9,168	9,411
Capital reserves	21,609	20,640	24,242	23,585	23,716
Retained earnings (loss carried forward)	687	-1,026	1,313	1,587	2,033
Operating profit (loss)	-2,636	5,129	3,105	3,498	3,755
Total shareholders' equity	**28,232**	**33,653**	**38,070**	**37,893**	**38,915**
Subordinated liabilities	**4,142**	**4,193**	**5,420**	**6,991**	**6,938**

* excluding specialist reinsurers

Table I.44 – Equity and subordinated liabilities - Non-life sector

(millions of euros)

	2006	2007	2008	2009	2010
Subscribed capital or equivalent funds	5,565	3,949	3,995	4,289	3,739
Capital reserves	15,125	13,569	14,839	17,442	18,100
Retained earnings (loss carried forward)	351	85	279	-31	117
Operating profit (loss)	2,430	2,802	-167	63	-998
Total shareholders' equity	**23,471**	**20,406**	**18,946**	**21,763**	**20,957**
Subordinated liabilities	**1,695**	**2,584**	**3,456**	**4,634**	**4,562**
	2011	**2012**	**2013**	**2014**	**2015**
Subscribed capital or equivalent funds	3,891	4,435	5,419	5,399	5,909
Capital reserves	16,874	15,092	17,937	18,083	18,025
Retained earnings (loss carried forward)	271	479	356	643	1,415
Operating profit (loss)	-1,016	640	2,125	2,446	1,962
Total shareholders' equity	**20,019**	**20,646**	**25,836**	**26,571**	**27,316**
Subordinated liabilities	**4,609**	**5,876**	**5,055**	**5,718**	**7,924**

* excluding specialist reinsurers

[21] The considerable increase in equity registered by the market in 2013 (around €9.6 billion) was essentially due to the revaluation of assets within the scope of the reorganisation of the Generali Group.

Table I.45 – Equity and subordinated liabilities - Life and non-life sectors					
					(millions of euros)
	2006	2007	2008	2009	2010
Subscribed capital or equivalent funds	13,067	11,198	11,472	11,925	11,985
Capital reserves	30,672	28,564	30,467	36,625	37,808
Retained earnings (loss carried forward)	948	628	973	-617	1,170
Operating profit (loss)	5,116	5,292	-1,980	3,870	-703
Total shareholders' equity	**49,803**	**45,683**	**40,932**	**51,803**	**50,260**
Subordinated liabilities	**4,520**	**5,881**	**6,924**	**8,374**	**8,753**
	2011	2012	2013	2014	2015
Subscribed capital or equivalent funds	12,463	13,345	14,828	14,567	15,320
Capital reserves	38,484	35,732	42,178	41,668	41,742
Retained earnings (loss carried forward)	958	-547	1,669	2,230	3,448
Operating profit (loss)	-3,653	5,770	5,231	5,945	5,717
Total shareholders' equity	**48,252**	**54,299**	**63,906**	**64,410**	**66,231**
Subordinated liabilities	**8,751**	**10,070**	**10,475**	**12,709**	**14,861**

* excluding specialist reinsurers

The solvency margin [22]

Table I.46 shows the required and actual solvency margins (Solvency I) under the regulations in force until 31 December 2015 for the life and non-life insurance sectors over the last five years.

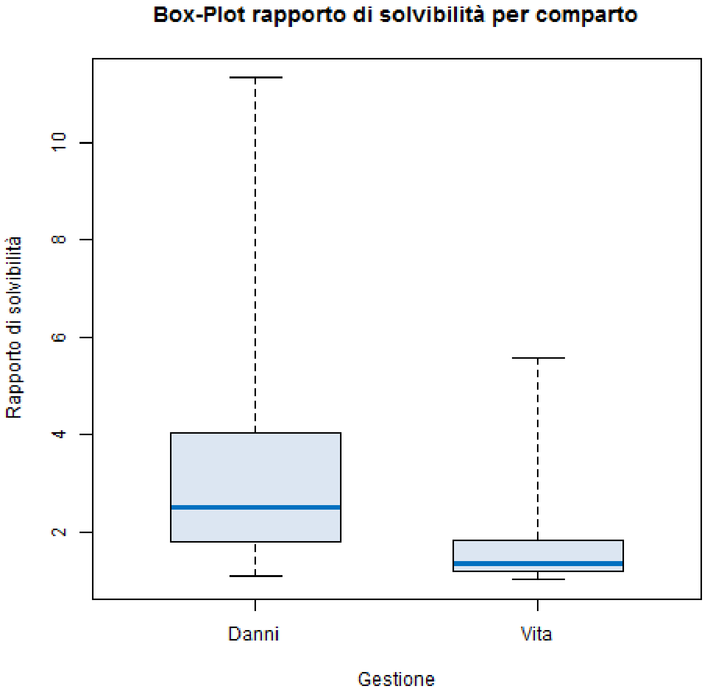
Table. I.46 - Life and non-life solvency margins									
									(millions of euros)
	2010			2011			2012		
	Actual (a)	Minimum required (b)	Solvency ratio (a/b)	Actual (a)	Minimum required (b)	Solvency ratio (a/b)	Actual (a)	Minimum required (b)	Solvency ratio (a/b)
Non-life	19,018	6,599	2.88	18,465	6,786	2.72	18,542	6,748	2.75
Life	27,362	14,668	1.87	26,825	15,400	1.74	31,624	15,980	1.98
Total	**46,380**	**21,267**	**2.18**	**45,290**	**22,186**	**2.04**	**50,166**	**22,728**	**2.21**
	2013			2014			2015		
	Actual (a)	Minimum required (b)	Solvency ratio (a/b)	Actual (a)	Minimum required (b)	Solvency ratio (a/b)	Actual (a)	Minimum required (b)	Solvency ratio (a/b)
Non-life	16,446	6,349	2.59	16,886	6,169	2.74	16,893	6,089	2.77
Life	28,635	16,583	1.73	29,666	18,562	1.60	30,616	20,176	1.52
Total	**45,081**	**22,931**	**1.97**	**46,551**	**24,731**	**1.89**	**47,509**	**26,265**	**1.81**

The excess with respect to the required margin amounted to €10.4 billion in the life sector, equal to a coverage ratio of 1.52 (1.60 in 2014), and to €10.8 billion in the non-life sector, for a coverage ratio of 2.77 (2.74 in 2014).

Figure I.25 reports the descriptive statistics for the solvency situation at the end of 2015.

[22] The analysis does not include two undertakings that are extreme outliers in excess (one in the life sector and the other in both life and non-life).

Figure I.25 - Solvency ratio by segment
Median, interquartile range, minimum and maximum



The figures show that half of the companies in the non-life sector have solvency ratios at or below 2.50 and in the life sector at 1.34.

Solvency ratios by premium income, with the life and non-life sectors shown separately, are reported in Tables I.47 and I.48.

Table I.47 - Solvency ratios by premium income - life insurance companies

	2011		2012		2013		2014		2015	
Premium income (€ mil.)	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**
<103	18.00	1.52	15.00	1.98	13.00	2.02	12	1.74	10	2.06
103-260	14.00	3.06	18.00	2.58	11.00	1.96	6	1.35	3	1.49
>260	39.00	1.70	33.00	1.94	39.00	1.72	41	1.60	42	1.51
Total	**71.00**	**1.74**	**66.00**	**1.98**	**63.00**	**1.73**	**59**	**1.60**	**55**	**1.52**

* The life insurance sector is composed of life insurance and composite companies

Table I.48 - Solvency ratios by premium income - non-life insurance companies

	2011		2012		2013		2014		2015	
Premium income (€ mil.)	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**	**Number of companies***	**Solvency ratio**
<103	59	2.58	56	3.03	54	3.24	54	2.76	49	2.74
103-260	18	1.65	16	1.71	15	1.97	12	2.76	9	3.17
>260	23	2.82	23	2.81	21	2.60	21	2.74	22	2.76
Total	**100**	**2.72**	**95**	**2.75**	**90**	**2.59**	**87**	**2.74**	**80**	**2.77**

* The non-life business of non-life companies, composite companies and life insurance companies (risk of bodily injury).

4.3 - Solvency II – initial results from "day-one" reporting

Starting with the 20 May deadline, Italian insurance undertakings began reporting to the supervisory authority the information required under the Solvency II Directive and the related Implementing Technical Standards. Following a long preparatory phase, which began last year with the submission of preliminary data, the initial reports focused on the situation of the undertakings at 1 January 2016 ("day one"). Additional data was sent in subsequent weeks in a quarterly report as of end of March 2016 and, for a limited sample of large insurance groups and companies, for financial stability purposes.

Most of the companies submitted the information promptly and complied with the deadlines (95% reported on time and only one was significantly late). Data quality was validated first by the automated data acquisition procedures; a detailed examination by the Prudential Supervision Directorate followed. The submission of the data to EIOPA and the ECB, for different purposes, added a further layer of checks on the quality of the information transmitted by the undertakings.

In conjunction with European authorities, IVASS is developing a reporting system for analysing Solvency II data, which will closely track the level and variability of the main indicators in view of the new rules for fair value accounting and monitor correct representation of risk profiles. Individual insurance companies and groups will be compared with domestic and European peers.

The Solvency Capital Ratio (SCR) assesses whether insurance undertakings' own funds are adequate to cover the usual risks facing the insurance and financial industry. Based on provisional data, the median for the new SCR under Solvency II was 1.9 at 1 January 2016, which is just above the 1.8 solvency margin at 31 December 2015 under the old system. The weighted mean is 2.4, also slightly above the 2.3 under the previous rules. In 25% of the cases the new indicator is less than half the old one, and in 19% it is more than double (see Table A9).

The distribution of the two solvency indicators demonstrates that in the first two quartiles the Solvency II indicator is generally higher than that required under the previous regulations for life insurance companies, while for non-life and composite companies, the new solvency ratio is lower than before.

The ratio between the Solvency I technical provisions (reported in the 2015 financial statements) and the same technical provisions calculated on the basis of the Solvency II accounting rules (indicated in the day-one reporting as of 1 January 2016) shows how the new accounting rules have affected the amount of the technical provisions. This 'provision ratio' diminished by 10% for undertakings in the first quartile and increased by 3% in the third quartile. In 1.8% of the cases the Solvency II provisions were less than half the value reported in the Solvency I financial statements, and in 0.9% of the cases they were more than double (see Table A9).

Finally, the indicator shows that for non-life companies the Solvency II reserves are lower at book value than at fair value, while the opposite occurs in the life insurance sector.

5. - Economic and financial performance

In 2015 insurance undertakings posted profits of about €5.7 billion (compared with €5.9 billion in 2014), equal to 3.8% of gross premiums written (4.1% in 2014).

Both the life and non-life sectors ended the year with an overall profit. Specifically:

- the life sector recorded profits of €3.8 billion in 2015, up from €3.5 billion in the previous year and equal to 3.2% of gross premiums written, compared with 3.1% in 2014;
- the non-life sector recorded profits of €2 billion, down from €2.4 billion in 2014 and equal to 5.8% of gross premiums written, compared with 7.1% in 2014.

Table I.49 - Profit or loss for the financial year - life and non-life business

(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Non-life business	2,430	2,802	-167	63	-998	-1,016	640	2,125	2,446	1,962
as % of premiums	6.5%	7.4%	-0.4%	0.2%	-2.8%	-2.8%	1.8%	6.0%	7.1%	5.8%
Life business	2,686	2,490	-1,813	3,807	296	-2,636	5,129	3,105	3,498	3,755
as % of premiums	3.9%	4.1%	-3.3%	4.7%	0.3%	-3.6%	7.4%	3.6%	3.1%	3.2%
Life and non-life business	**5,116**	**5,292**	**-1,980**	**3,870**	**-702**	**-3,652**	**5,770**	**5,231**	**5,945**	**5,717**

Table I.50 gives the ten-year time series of the ROE.

Table I.50 - ROE - life and non-life business

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Non-life business	10.4%	13.7%	-0.9%	0.3%	-4.8%	-5.1%	3.1%	8.2%	9.2%	7.2%
Life business	10.2%	9.9%	-8.3%	12.7%	1.0%	-9.3%	15.2%	8.2%	9.2%	9.6%
Total	**10.3%**	**11.6%**	**-4.8%**	**7.5%**	**-1.4%**	**-7.6%**	**10.6%**	**8.2%**	**9.2%**	**8.6%**

The ROE in 2015 remained comfortably positive (8.6%), although lower than in 2014 (9.2%).[23] In the life sector, the ROE reached 9.6%; in non-life the figure was lower, at 7.2%. The ROE for both sectors in 2014 was above 9%.

5.1 - Life business

Life business (Italian and foreign portfolios, direct and indirect) showed a positive balance on the technical account of €2.8 billion (compared with €2.9 billion in 2014). This was equal to 48.4% of total life and non-life operating income (48% in 2014).

[23] The decrease in the ROE is mainly due to the substantial reduction in the profit recorded in the non-life sector.

Table I.51 - Profit and loss account - life business - (domestic undertakings and branches of non-EU undertakings)* (Italian and foreign portfolios – insurance and reinsurance business)

(millions of euros)

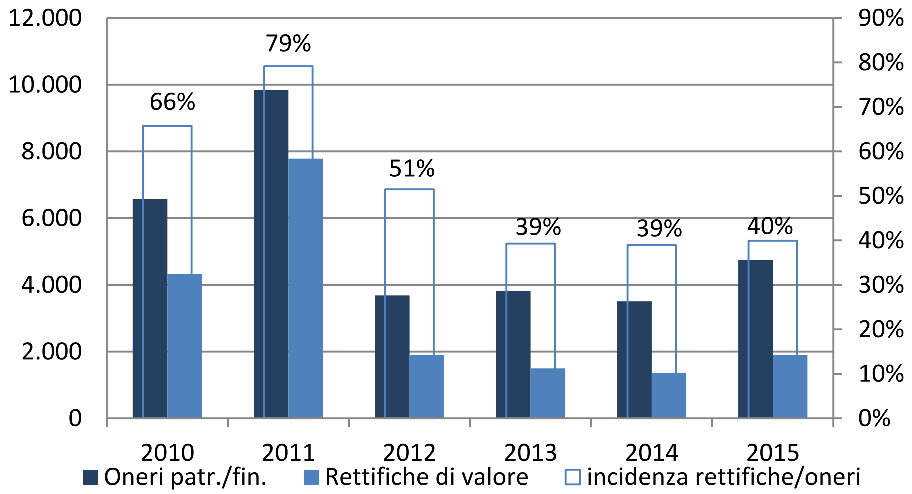
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premiums for the financial yea (net of premiums ceded)	70,815	61,554	54,829	81,409	90,592	74,368	70,376	85,756	110,963	115,504
Investment income net of charges	10,397	10,030	4,785	12,554	9,279	6,404	18,248	15,390	16,717	16,558
Income and capital gains (unrealised)	3,858	-346	-14,965	13,029	4,574	-2,801	9,197	4,860	6,366	1,748
Other technical items	615	438	154	-88	-146	-240	-322	-391	-443	-402
Claims costs	-58,913	-74,376	-65,684	-57,342	-66,999	-74,177	-75,296	-66,999	-64,651	-71,239
Change in technical provisions - item C	-15,364	7,362	2,038	-40,865	-37,359	-15,794	-9,996	-30,426	-49,913	-37,087
Change in of technical provisions - item D	-3,197	2,735	20,468	-109	5,030	13,150	-129	283	-10,374	-16,429
Operating expenses	-4,979	-4,744	-4,111	-4,169	-4,399	-3,961	-3,521	-3,684	-3,884	-4,063
Profit transferred **to the non-technical account**	-1,238	-980	-462	-1,177	-839	-265	-1,626	-1,444	-1,917	-1,823
TECHNICAL ACCOUNT RESULT	**1,995**	**1,672**	**-2,948**	**3,242**	**-266**	**-3,316**	**6,931**	**3,344**	**2,864**	**2,765**
Returns transferred **from the technical account**	1,238	980	462	1,177	839	265	1,626	1,444	1,917	1,823
Other income (net of expenses)	-201	-395	-913	-83	-578	-603	-627	-828	-563	-636
RESULT ON ORDINARY OPERATIONS	**3,032**	**2,257**	**-3,399**	**4,336**	**-5**	**-3,654**	**7,930**	**3,960**	**4,219**	**3,953**
Extraordinary income (net)	303	650	427	807	396	93	-29	841	511	938
Income tax	-649	-417	1159	-1336	-96	925	-2,772	-1,696	-1,231	-1,136
PROFIT/LOSS FOR THE FINANCIAL YEAR	**2,686**	**2,490**	**-1,813**	**3,807**	**296**	**-2,636**	**5,129**	**3,105**	**3,498**	**3,755**

* Excludes specialist reinsurers

Income from ordinary operations, net of financial charges, remained below the previous year's level (€16.6 billion in 2015 versus €16.7 billion in 2014); financial charges rose by 35.6% (from €3.5 billion in 2014 to €4.7 billion in 2015), with an increase by 39.1% in value adjustments on investments, which went from €1.4 billion in 2014 (equal to 38.9% of the total) to €1.9 billion in 2015 (40% of the total).

Figure I.26 - Trend of financial charges and value adjustments

(millions of euros)



The cost of claims amounted to around €71 billion, up by 10% from the previous year, and equal to 61.2% of gross premiums written (against 57.7% in 2014).

Specifically, 60.1% of the claims burden of the Italian direct insurance portfolio was attributable to surrenders (compared with 58.3% in 2014), while 29.4% was due to capital and annuities accrued (against 32.1% in 2014).

In 2015, the expense ratio (operating expenses to premiums for the year) remained stable at 3.5% (the same as in 2014). Acquisition commissions accounted for 60.3% of operating expenses (compared with 59% in 2014); the incidence of other acquisition costs was 17.6% (17.9% in 2014) while that of collection commissions was 6.9% (6.2% in 2014).

Mathematical reserves and Class C provisions decreased by €37 billion in 2015 compared with the previous year (€49 billion in 2014).

Class D technical provisions, which had decreased sharply by around €5 billion and €13.2 billion in 2010 and 2011 respectively, did not undergo any significant change in the following two years. The increase by €12 billion in 2014 was followed by a further rise of nearly €20 billion in 2015.

The result on ordinary operations was positive in 2014 at around €4.2 billion, and remained so in 2015 at €4 billion. However, its ratio to premiums earned decreased in 2015 by almost half a percentage point compared with 2014, going from 3.8% in 2014 to 3.2% in 2015.

Net extraordinary income was positive at €938 million (versus €511 million in 2014).

During the financial markets and sovereign debt crises of 2007-08 and 2011, the class I technical account balance fell sharply into negative territory, while it was robustly positive in the period 2012-15, especially as the recovery of the financial markets led to a substantial contribution of profits from investment into the technical account.

As for class III, after the poor results of 2007 and 2011, technical profit recovered in the last three years, owing both to the growth in premium income, which was particularly strong in 2015 (up by 45.8%), and the positive contribution of profits from investment.

Class V displayed a trend similar to that of class I: income fell sharply in 2015, dropping by 24.1% compared with the previous year, and the technical account result was positive only in 2005, 2009 and in 2012-15, that is, during the periods of recovery that followed the financial crisis and the sovereign debt crisis.

Long-term-care coverage (class IV) and pension fund management (class VI) continue to represent a negligible share of the domestic insurance market (0.1% and 1.4% of total life premiums, respectively).

5.1.1. - Segregated funds

Life policies connected to segregated funds[24] ('with-profit policies'), divided between classes I and V, make up the bulk of the life business, together with class III policies. New life insurance investment policies amounted to €76.5 billion in 2015, against total new life business of €114.9 billion. Most life insurance investment policies were whole-life or endowment policies. Based on preliminary data, Class

[24] Segregated funds are governed by ISVAP Regulation No. 38/2011, which draws on ISVAP Circular No. 71/1987. ISVAP Regulation No. 21/2008, which confirmed ISVAP Order No. 1801/1999, introduced the obligation to perform an analysis of the deterministic foreseeable return for the four or five following financial years.

C technical provisions amounted to €457 billion in the 2015 balance sheets, almost all attributable to endowment policies.

The idea behind life policies connected to segregated funds is that the benefits increase in value based on the returns on the assets included in the segregated fund.[25]

Assets are evaluated at their book value in the latest balance sheet. Assets may only exit the segregated fund by sale. It is not possible to replace the assets in the fund with other assets in the possession of the insurance company. Conversely, it is possible, although only in exceptional cases and where specifically provided for in the legislation governing segregated funds,[26] to add extra assets to the fund, choosing from those possessed by the company.

The value of the assets is adjusted annually or when the death of the insured occurs (if it is an endowment policy), based on the returns of the segregated fund (which are normally calculated using a moving average); depending on the contract, accrued gains in benefits may be consolidated annually (this applies mainly to products offered in the past).

The management rule that makes it possible to recognize capital gains and losses (only after they have been realised) in the financial statements of the segregated fund also gives insurance companies latitude in deciding which assets to sell. Recording assets in the segregated fund at book value enables insurers to adjust the returns of the segregated fund (including the portion transferred to the insured) to market trends more slowly compared with other forms of investments ('smoothing').

To reduce the risks connected to the minimum return clause, prudential regulation set a limit on the maximum guaranteed rate firms are allowed to pay, anchoring it to a percentage of the 10-year BTP yield of the reference month. Since 1 January 2016, however, the limit is no longer in place. The new legislation, which transposed the Solvency II Directive, stipulates that it is now the individual insurance company that must set the guaranteed interest rate in life insurance contracts, in keeping with its investment and risk management policies and adhering to prudential criteria. The average return of segregated funds in the last six years has not been influenced by the performance of the Rendistato index, which has instead been affected by the steep decrease in yields underway since 2011.

The management of life insurance investment policies and, consequently, that of segregated funds is marked by the possibility of early surrenders,[27] which automatically terminate the contract. Surrender values are paid out provided that the firm is obliged to disburse early benefits even if the amount is yet to be determined. Pure life insurance policies and endowment policies (term life insurance, immediate life annuity, pure endowments without return of premiums) do not feature the possibility of surrenders to avoid adverse selection (e.g. the holder of an immediate life annuity in poor health would always request a surrender, thereby substantially changing the nature of the contract).

A clause stipulating that the insured may request an early surrender value implies the need for the insurer to maintain suitable levels of liquidity, based on appropriate statistical methods that take account of its portfolio of policies and tested on the historical time series of surrenders.

Looking at the asset composition of the segregated funds, government securities and, to a lesser degree, corporate bonds still account for a sizeable proportion (86.0%, compared with 87.9% in 2014), as shown in Table I.52.

[25] The rules for the inclusion of assets in segregated funds (for the sole purpose of calculating the return payable to the insured through an adjustment of the benefits) are different from those governing the allocation of assets covering the technical reserves (to ensure that, at any given moment, the insurer can discharge its contractual obligations regarding the payment of benefits). In actual fact, the two types of assets are often the same, as an excessive difference in asset composition could lead to higher capital costs for the insurer.

[26] Article 10 of ISVAP Regulation No. 38/2011.

[27] Former Article 1925 of the Civil Code.

Table I.52 - Asset composition of the segregated funds (euro-denominated; book values) Market total											
											(billions of euros)
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013***	**2014***	**2015***
Fixed-income securities and bonds	181.2	196.6	188.9	179.2	214.7	252.6	267.9	280.7	290.7	340.9	370.8
of which: euro-denominated corporate bonds	*44.8*	*46.4*	*50.1*	*58.9*	*70.2*	*73.7*	*67.0*	*64.4*	*84.2*	*87.7*	*108.0*
Equities	11.3	11.9	13.6	13.3	10.9	10.9	10.2	11.3	12.8	13.8	8.1
Other assets	12.2	13.3	14.6	19.4	22.5	22.1	27.3	29.2	28.5	33.3	51.7
of which: units of UCITS	*7.1*	*7.2*	*9.5*	*10.1*	*12.6*	*14.3*	*16.4*	*17.3*	*17.1*	*20.4*	*41.7*
Total assets	**204.6**	**221.8**	**217.1**	**211.9**	**248.1**	**285.5**	**305.3**	**321.2**	**331.9**	**388.0**	**430.6**
											** estimate*
% of fixed-income securities and bonds	88.5%	88.6%	87.0%	84.6%	86.5%	88.5%	87.7%	87.4%	87.6%	87.9%	86.1%
% variation of total assets (book values)	-	8.4%	-2.1%	-2.4%	17.1%	15.1%	6.9%	5.2%	3.3%	16.9%	11.0%

The rate of growth of the asset portfolio in the segregated funds slowed from 16.9% in 2014 down to 11.0% in 2015. Such a high proportion of government bonds is primarily a direct consequence of insurers' need to replicate the interest rate guarantees stated in policies, the maximum value of which was, until the end of 2015, determined on the basis of government securities yields, as previously mentioned. A second factor is the need to ensure the safety of the investment in the interest of the beneficiaries listed in the policy and, at the same time, the profitability and the liquidity of the assets. Government bonds can be seen as combining all these elements, given their profitability and the depth of their secondary market, which permits their easy liquidation in case of unexpected surrenders.

An analysis of the risks to which a life insurance undertaking with a segregated fund is exposed, viewed through the lens of Solvency II risk measures, narrows the focus to the risk of an early termination of the contract, the expense risk and the financial risks. As for the financial risk of the assets in the segregated fund, the most important is the market risk, whose most significant sub-categories are: interest rate risk, spread risk, concentration risk and equity risk.

The interest rate risk assesses the riskiness of the mismatch between the returns and the financial durations of assets and liabilities.

The spread risk[28] makes it possible to extend the sensitivity analysis to changes in the level or volatility embedded in the risk-free interest rate structure.

Table I.53 gives the time series from 2008 to 2015 of the average returns of segregated funds compared with the ten-year yields on government securities, the average yields on BTPs in the last twelve months, the maximum guaranteed rate of interest, and the index of managerial discretion.[29] The table shows that the profitability of segregated funds remained solid even as the yields on general government bonds fell sharply.

[28] The capital requirement for spread risk is given by the sum of the capital requirements for the spread risk of the following items: bonds and loan, securitisations and credit derivatives.

[29] The indicator is constructed as the ratio of the sum of portfolio book values plus net unrealized capital gains to the portfolio book values.

Table I.53 - Returns on segregated funds (euro-denominated)

	2008	2009	2010	2011	2012	2013	2014	2015
Gross average return	4.34%	4.03%	3.87%	3.84%	3.87%	3.91%	3.77%	3.56%
10-year benchmark return (long-term Treasury bonds)	4.47%	4.01%	4.60%	6.81%	4.54%	4.11%	1.99%	1.58%
Average rate of return on government bonds	4.47%	4.01%	4.04%	5.42%	4.54%	4.16%	1.99%	1.58%
Maximum guaranteed interest rate	3.25%	3.25%	3.25%	4.00%	4.00%	2.75%	1.50%	1.00%*
Index of managerial discretion	n.a.	1.052	1.054	1.11	1.063	1.059	1.137	1.117

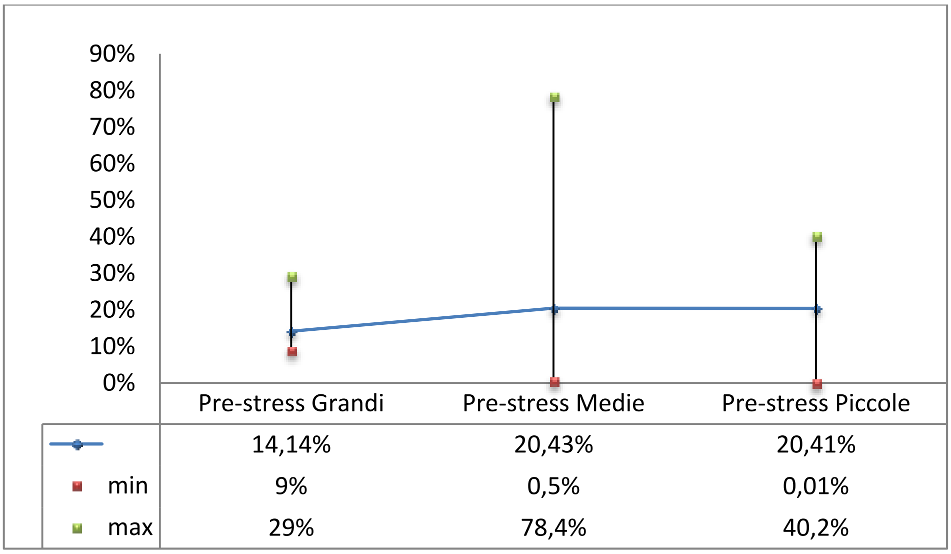
*The average rate of return on government bonds and the guaranteed maximum interest rate were calculated as at 31 December 2015.

Interest rate risk: liquidity

The degree of liquidity of European life insurance companies was assessed in a stress test conducted by EIOPA in 2014 based on 2013 data. The test gauged the consequences of two scenarios on the maturity structure of interest rates[30] with a view to analysing the pre- and post-stress asset-liability mismatch.[31] In Italy, the EIOPA stress test was carried out on the six largest life insurers.

IVASS subsequently extended the exercise to include 59 Italian life insurance providers.

Figure I.27 – Pre-stress mismatch ratio for Italian insurance companies taking part in the EIOPA stress test (2013 data)



The impact of the two stress scenarios on the mismatch ratio was overall very small (less than 60 basis points on the average ratio) but the high variability of the indicator was already evident in the pre-stress assessment.

The issue of liquidity becomes particularly important given the significance of payments for surrenders, which has increased as a result of the spread of whole-life insurance policies, given the

30 The EIOPA 2014 stress test assessed the impact on capital requirements and cash flows of two scenarios concerning the maturity structure of interest rates (a scenario of low rates for all maturities, known as the 'Japanese scenario', and an inverted rate curve scenario, known as the 'inverted scenario'). For more details see https://eiopa.europa.eu/financial-stability-crisis-prevention/financial-stability/insurance-stress-test/insurance-stress-test-2014 and the IVASS Annual Report for 2014.

31 The mismatch is calculated as $\frac{(\sum_{t=1}^{n}|L_t-A_t|v^t)}{TP}$ where L are cash outflows, A are cash inflows and TP are technical provisions.

lighter contract termination penalties they carry. The pay-out of surrender values has an impact on the profitability of the assets that make up the segregated fund, which can be estimated by looking at unrealised capital gains and losses. This must be done taking into account future management measures, now governed by Commission Delegated Regulation (EU) 2015/35 (Article 23), which calls for their approval by the insurance company's board of directors and their submission to the Supervisory Authority.

The assessment of future management actions must consider the two different types of surrenders regulated by the Solvency II Directive in terms of calculating capital requirements:[32]

- surrender values requested for objective reasons (e.g. sickness or loss of employment);
- surrender values requested based on dynamic hypotheses deriving from developments in the markets.

To reduce the risk stemming from excessive surrenders, insurers implemented measures such as:

- lower minimum guaranteed rates which in recent years have only been applied at the expiration of the contract, with no year-to-year consolidation of accrued gains;
- development of advanced Asset-Liability Management (ALM) models, shifting from deterministic to stochastic solutions that incorporate the insured parties' future behaviour by calculating the frequencies of surrenders for a time horizon defined by the insurer in terms of both the output variables historically recorded in the policy portfolio and of additional variables identified by looking at the performance of the assets included in the segregated fund. This strategy is consistent with the calculation rule prescribed by the Solvency II Directive to obtain the best estimate of technical provisions.

While improving in the last three years, the ratio of surrenders to premiums in 2015 continued to incorporate substantial amounts of surrenders in Class I, followed by Class III.

Table I.54 - Surrenders and premiums for with-profit policies (2015)

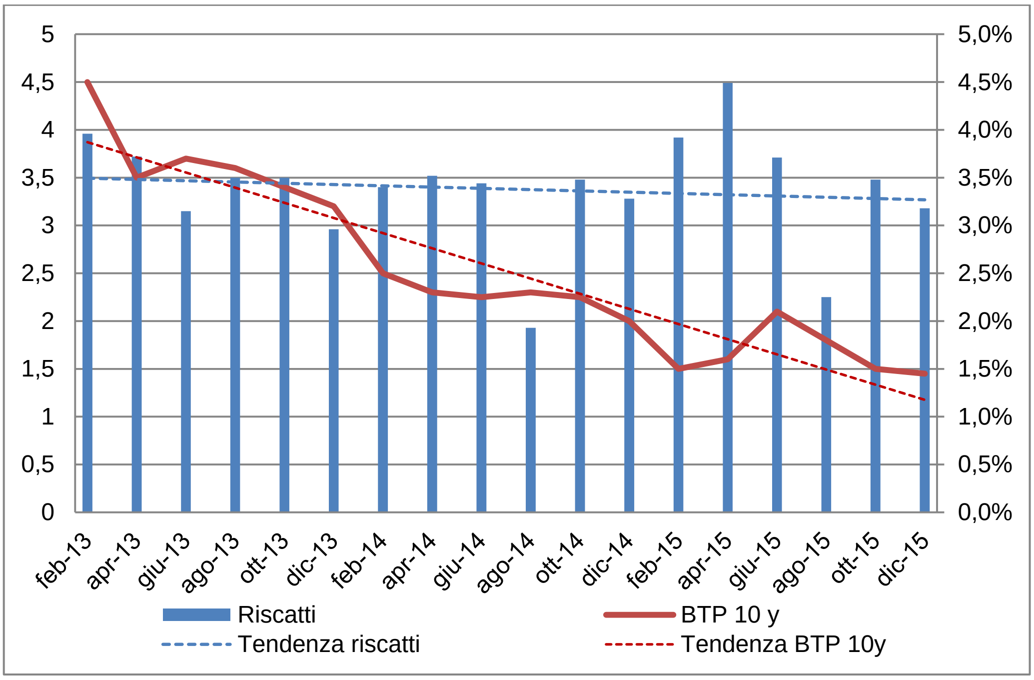
(millions of euros)

	Surrenders	Premiums	Surrenders-to-premiums ratio (%)
Class I	28,748.7	77,746.0	37.0
Class III	11,336.8	31,930.5	35.5
Class V	1,841.8	3,508.1	52.5
Total	42,629.8	114,901.1	37.1

The trend in surrenders does not appear to be affected by the performance of the ten-year Treasury bond: while BTP yields decreased in the period in question, surrenders remained stable, with only some peaks, especially in 2015, partially attributable to a reduction in BTP yields occurring in previous months.

32 The solvency capital ratio includes the underwriting life risk of lapse risk, i.e. the risk of incurring a loss or adverse changes in the value of insurance liabilities stemming from changes in the volatility levels of policy lapses, maturities, renewals and surrenders.

Figure I.28 – Surrenders of with-profit policies (billions of euros; left-hand scale) and yields on 10-year Treasury bonds (per cent; right-hand scale)



5.2 - Non-life business

Table I.55 provides a summary of the profit and loss account of non-life business.

Table I.55 - Profit and loss account - non-life business - (domestic undertakings and branches of non-EU undertakings)* - (Italian and foreign portfolios – insurance and reinsurance businesses)

(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premiums earned	33,868	33,992	34,063	33,811	32,458	33,590	33,257	32,241	31,353	30,675
Profit transferred from the non-technical account	1,922	2,015	829	2,439	1,095	640	1,660	1,262	1,346	1,288
Claims costs	-24,390	-24,217	-25,403	-26,865	-25,106	-25,199	-23,480	-21,323	-20,187	-19,290
Other technical items	-638	-633	-723	-680	-662	-588	-651	-581	-509	-586
Variation in other technical provisions	-6.6	-4.2	0.4	3.0	5.3	0.2	0.5	2	1	0
Operating expenses	-8,094	-8,456	-8,462	-8,465	-8,141	-8,322	-8,018	-8,041	-8,245	-8,318
Variation in equalisation provisions	-55	6	61	-16	-23	-18	-4	-14	-12	-15
TECHNICAL ACCOUNT RESULT	**2,605**	**2,702**	**365**	**228**	**-375**	**106**	**2,765**	**3,546**	**3,747**	**3,754**
Investment income (net of expenses)	2,729	2,914	413	3,378	1,296	-93	1,754	2,087	2,270	2,150
Profit transferred to the technical account	-1,922	-2,015	-829	-2,439	-1,095	-640	-1,660	-1,262	-1,346	-1,288
Other net income	-803	-522	-688	-1,161	-1,185	-948	-1,295	-1,354	-1,502	-1,469
OPERATING INCOME	**2,610**	**3,080**	**-739**	**6**	**-1,359**	**-1,576**	**1,563**	**3,018**	**3,170**	**3,146**
Extraordinary income (net)	640	823	324	33	218	386	1	473	511	75
Income tax	-820	-1,101	248	-24	143	174	-924	-1,365	-1,231	-1,259
PROFIT/LOSS FOR THE FINANCIAL YEAR	**2,430**	**2,802**	**-167**	**63**	**-998**	**-1,016**	**640**	**2,125**	**2,450**	**1,962**

* Excludes specialist reinsurers

In 2015, the non-life business (Italian and foreign portfolios, direct and indirect) made profits for the financial year of €2 billion (compared with €2.5 billion in 2014) and recorded a positive result on the technical account of €3.8 billion (versus €3.7 billion in 2014). This was equal to 57.6% of the total life and non-life operating income (versus 65.7% in 2014).

Premium income fell by 2.2%, while claims costs went down by 4.4% (following a decrease of 5.3% in 2014); the contribution of profit from the non-technical account in 2015 was €1.3 billion (practically the same as in the previous year).

Thanks to the positive performance of the financial markets, ordinary financial operations recorded net investment profit equal to €2.2 billion (compared with €2.3 billion in 2014). The result on ordinary operations was only €34 million lower than in 2014 and equal to €3.1 billion.

As a result, the loss ratio (the ratio of claims costs to premiums earned) decreased further from 64.4% in 2014 to 62.8% in 2015.

Operating expenses remained basically stable at €8.3 billion, although they increased as a proportion of premiums earned, from 26.3% in 2014 to 27.1%, mainly owing to the reduction in premium income.

The contribution of net extraordinary income to the result for the financial year was positive at €75 million (against €511 million in 2014).

5.2.1. - Motor vehicle and marine liability insurance

In 2015 premiums written in the compulsory civil liability classes (motor vehicles and ships), which were equal to €1.45 billion, fell for the third consecutive year, by 7.1%, after decreasing by 6.5% in 2014 and 7% in 2013. At the end of 2015, premium income accounted for 44.4% of the non-life total.

The composition of the distribution channels for motor vehicle liability insurance remained practically unchanged and confirmed the gradual erosion in the share of premiums earned through agencies (86.8% in 2015 versus 90.5% in 2009) in favour of direct sales, including those by telephone and online (8.5% in 2015 versus 5.2% in 2009); sales through brokers held stable at 2.5% while those through bank and post office branches increased to 2.4%.

Table I.56 summarizes the technical account for motor vehicle and marine liability insurance pertaining to the Italian portfolio in the period 2006-2015.

Table I.56 - Profit and loss account – motor vehicle and marine liability ships - (domestic undertakings and branches of non-EU undertakings)* - (Italian portfolio – insurance and reinsurance business)

(millions of euros)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premiums earned	direct insurance	18,350	18,250	17,804	16,999	16,607	17,495	17,697	16,835	15,559	14,450
Claims costs		-14,588	-14,732	-14,672	-15,106	-14,467	-14,791	-13,110	-11,563	-10,818	-10,421
of which: claims incurred in the financial year		-14,940	-14,794	-14,761	-14,912	-13,865	-13,444	-12,108	-11,539	-11,176	-11,042
Balance of other technical items		-231	-226	-290	-267	-244	-202	-272	-248	-143	-127
Operating expenses		-3,276	-3,346	-3,275	-3,208	-3,116	-3,236	-3,233	-3,167	-3,187	-3,060
Technical balance on direct insurance business		**256**	**-55**	**-433**	**-1,583**	**-1,221**	**-735**	**1,084**	**1,857**	**1,410**	**842**
Profit/loss from outward reinsurance	direct insurance and reinsurance	39	17	-3	21	-20	-26	-29	-44	-4	12
Net profit/loss on indirect business		-3	-2	-7	-48	-6	3	26	-7	0	-8
Variation in equalisation provisions		-31	30	6	0	0	0	0	0	0	0
Part of profit on investment transferred from the non-technical account		996	967	346	1,228	504	275	802	617	657	607
Technical account result net of reinsurance		**1,257**	**957**	**-91**	**-381**	**-744**	**-482**	**1,883**	**2,423**	**2,063**	**1,452**

* Excludes specialist reinsurers

The technical balance of the direct insurance business in 2015 was positive at €842 million (compared with €1.4 billion in 2014); the result on the technical account, net of reinsurance, was also positive (€1.5 billion in 2015 and €2.1 billion in 2014).

The contribution of the portion of investment profit transferred from the non-technical account fell by 7.6% compared with the previous year, from €657 million to €607 million.

Operating expenses were practically the same as in 2014 (€3.1 billion).

Table I.56 shows that there was an improvement in the loss ratio (claims costs to gross premiums earned) between 2011 and 2013, with the ratio trending downwards from 84.5% in 2011 to 74.1% in 2012, 68.7% in 2013 and 69.6% in 2014. In 2015 the trend reversed and the ratio increased to 72.1%. The expense ratio, i.e. the ratio of operating expenses for the entire market to premiums written, increased in the year from 21.2% to 21.5% as premiums fell, and the combined ratio (loss ratio plus expense ratio) consequently rose from 90.5% in 2014 to 93.6% in 2015, compared with 88.2% in 2013, 92.5% in 2012 and 102.7% in 2011. With regard to 2015 claims, the loss ratio increased from 71.8% to 76.4% in 2015, influencing the combined ratio, which rose from 92.8% to 97.6% mainly owing to the increase in the expense ratio.

Table I.57 presents the time series of the combined ratio and the saving/shortfall index of the provisions for outstanding claims, both gross and net of the balance of sums recovered at year end (recourses etc.). The saving/shortfall index gross of the balance of recoveries is an indicator of the sufficiency/insufficiency of the provisions for outstanding claims as a result of payments and revaluations of the residual provisions at year end. The same index, net of the balance of sums recovered, by contrast includes the positive contribution of recoveries.

The algebraic sum of the combined ratio and the saving/shortfall index of the provisions for outstanding claims net of the balance of the sums recovered gives the combined ratio for the year in which the claims occurred.

Table I.57 - Performance of the combined ratio and of the ratio of provisions for claims outstanding (PCO) to premiums earned

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PCO saving/shortfall - gross of balance of sums recovered	0.6%	-3.7%	-2.1%	-4.2%	-7.4%	-14.4%	-6.5%	-0.9%	0.9%	3.3%
PCO saving/shortfall - net of balance of sums recovered	1.9%	0.3%	0.5%	-1.1%	-3.6%	-7.7%	-5.7%	-0.1%	2.3%	4.3%
Combined ratio	**97.3%**	**99.1%**	**101.0%**	**107.7%**	**105.5%**	**102.7%**	**92.5%**	**88.2%**	**90.5%**	**93.6%**

The data for 2015 show that the balance of the provisions for claims incurred in previous years improved significantly compared with 2014, and is positive in percentage terms with respect to premiums earned.

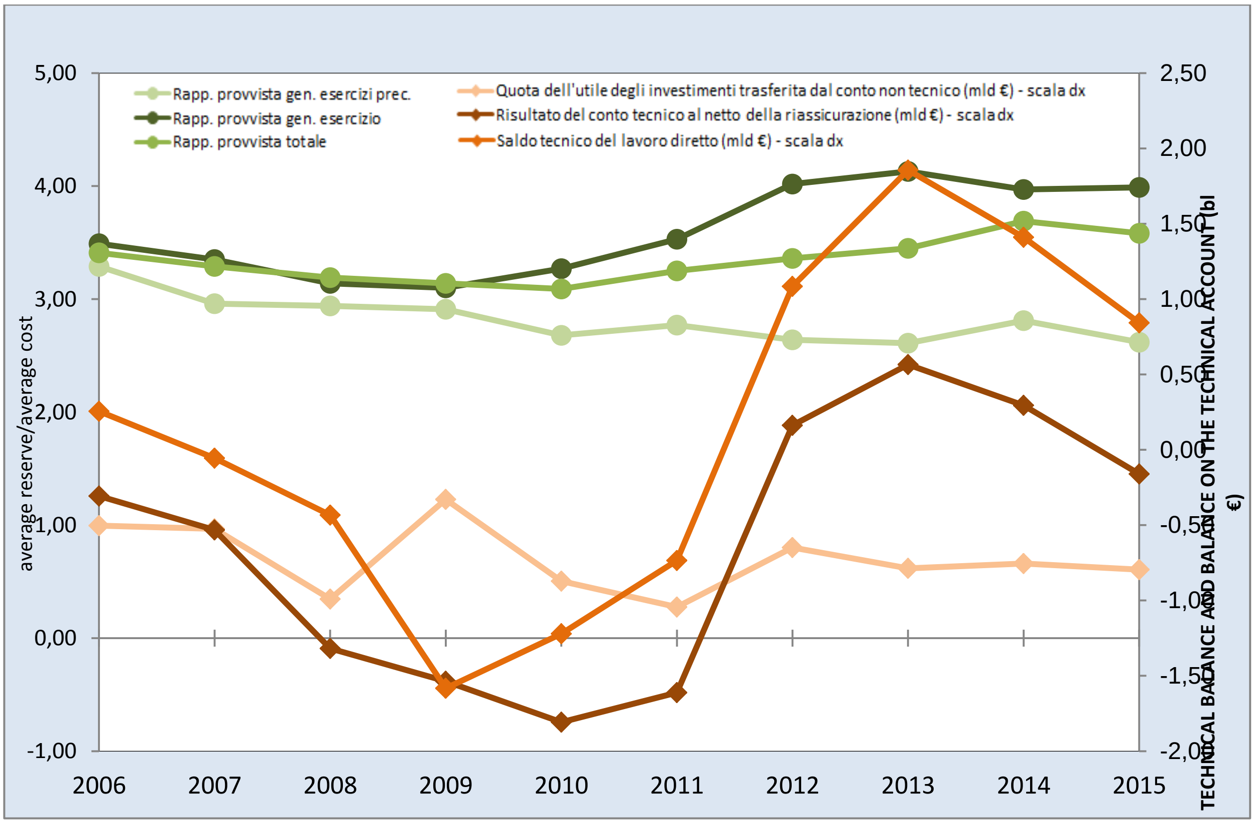
Table I.58 and Figure I.29 give the time series of the ratio of the average provisions to the average cost of claims, which indicates by what multiple (also considering the time necessary for the payment and any possible future increase in costs) the average cost of the claims paid in the year would be covered by the average provisions estimated at the end of the financial year. The time series are broken down by year of generation of the claims (current versus previous years).

Table I.58 - Ratio of average provisions to average cost of the claims*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Claims generated in previous financial years	3.29	2.96	2.94	2.91	2.68	2.77	2.64	2.61	2.81	2.62
Claims generated in the current financial year	3.49	3.35	3.14	3.10	3.27	3.53	4.02	4.13	3.97	3.99
Total	**3.41**	**3.29**	**3.19**	**3.09**	**3.09**	**3.25**	**3.36**	**3.45**	**3.69**	**3.58**

** Excludes IBNR claims*

Figure I.29 – Ratios of average provisions to average cost and technical account balances



The overall ratio of average provisions to average cost of claims reserved was equal to €3.6 billion in 2015 and to €3.7 billion in 2014, although this does not substantially modify the upward trend of the last few years. A considerable decrease in the ratio is observed, however, when only claims generated in previous years are considered; conversely, an increase is observed when those generated in the current year are considered. Figure I.29 shows that variations in the pattern of the two components do not affect the overall long-term level of the ratio, which has hovered around €3.5 billion in the last three years.

5.2.2. - The other non-life insurance classes

In 2015, the non-life insurance classes other than motor liability reported a positive result on the technical account of €2.1 billion, up from €1.5 billion in 2014. Table I.59 provides detailed information for the various segments.

Table I.59 - Technical performance of other non-life classes - Italian portfolio

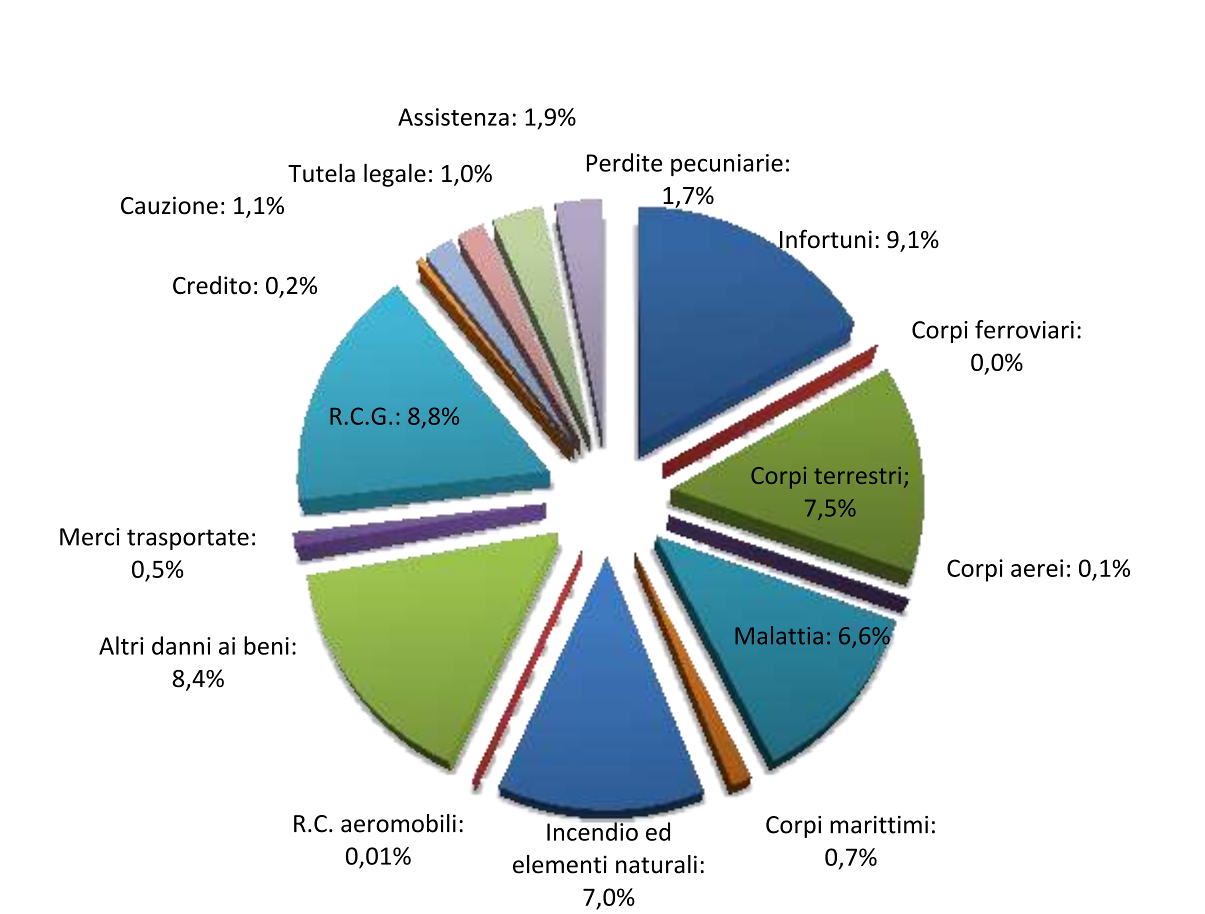
(thousands of euros)

	Ratio of claims to premiums earned		Ratio of operating expenses to premiums earned		Combined Ratio		Technical balance of direct insurance business		Technical account balance (direct insurance and reinsurance)	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Health sector										
Accident	43.8%	41.4%	34.7%	35.0%	78.5%	76.5%	572,667	612,704	617,310	634,370
Sickness	67.9%	67.6%	23.0%	23.1%	91.0%	90.7%	144,155	121,545	158,749	141,764
Total							**716,822**	**734,249**	**776,059**	**776,134**
Automobile sector - land vehicles only										
Land vehicles	60.8%	58.2%	28.9%	30.5%	89.7%	88.7%	238,218	261,259	249,173	261,423
Transport										
Railway rolling stock	-312.1%	20.1%	19.4%	22.7%	-292.7%	42.7%	15,830	2,386	13,147	2,481
Aircraft	24.0%	39.6%	17.6%	16.8%	41.6%	56.5%	12,044	8,732	1,607	9,460
Ships	94.4%	85.1%	17.6%	16.9%	112.0%	102.0%	-32,472	-7,793	-8,760	-22,517
Goods in transit	46.8%	41.9%	30.2%	29.2%	77.0%	71.2%	29,950	42,113	11,990	26,232
Aircraft liability	72.1%	-79.9%	15.6%	11.6%	87.7%	-68.2%	888	23,010	-4,843	12,425
Total							**26,240**	**68,448**	**13,141**	**28,081**
Property sector										
Fire and natural forces	54.2%	56.3%	32.9%	33.4%	87.1%	89.8%	220,746	155,993	61,985	122,966
Other damage to property	69.7%	60.5%	29.2%	31.3%	98.9%	91.8%	-19,081	169,961	-127,841	58,254
Miscellaneous financial loss	42.8%	34.4%	42.0%	44.3%	84.7%	78.7%	64,985	99,476	74,824	114,657
Total							**266,650**	**425,430**	**8,968**	**295,877**
General liability										
General liability	67.4%	54.7%	30.9%	31.4%	98.3%	86.1%	-14,787	319,355	219,373	556,728
Credit / Suretyship										
Credit	102.0%	74.8%	33.5%	35.1%	135.5%	109.9%	-24,675	-10,247	-19,970	-8,323
Suretyship	73.7%	76.7%	35.6%	33.8%	109.2%	110.5%	-68,417	-73,093	-38,138	-17,521
Total							**-93,092**	**-83,340**	**-58,108**	**-25,844**
Legal expenses / Assistance										
Legal expenses	22.3%	26.7%	37.9%	37.9%	60.2%	64.5%	115,719	108,207	108,243	99,906
Assistance	28.4%	32.0%	33.8%	33.4%	62.2%	65.4%	191,836	186,046	155,779	140,229
Total							**307,555**	**294,253**	**264,022**	**240,135**
Total							**1,447,606**	**2,019,654**	**1,472,628**	**2,132,534**

Among the classes that are significant with regard to premium income, Figure I.30 shows the health sector (accident and sickness) with a positive technical result of €776 million, legal expenses and assistance with €240 million, the land vehicle class with €261 million and general liability insurance with €557 million. The property sector grew strongly, reaching €296 million.

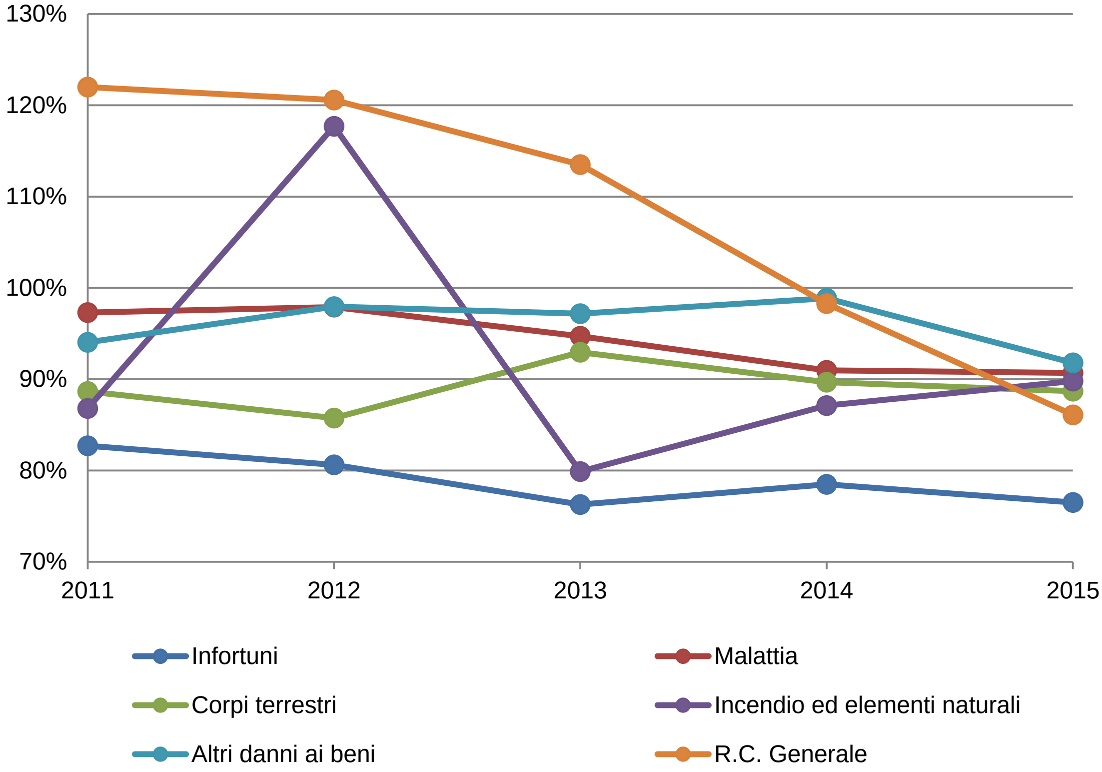
Figure I.30 - Other non-life classes

Share of premiums in total non-life premium income (per cent; 2015)



The combined ratios (Figure I.31) for the following classes were particularly high: credit (109.9%), ships (sea vessels; 102%) and suretyship (110.5%). The combined ratio stood at 76.5% for the accident class, at 90.7% for the sickness class, at 91.8% for other damage to property and at 89.8% for fire and natural forces. The combined ratio of the general liability class (86.1%) decreased compared with the previous year.

Figure I.31 – Performance of the balance-sheet combined ratio in the main other non-life classes



6. - MOTOR VEHICLE LIABILITY INSURANCE: PREMIUMS, CLAIMS AND PRICES

6.1 - Administrative simplification: digitization of insurance documents and real-time claim history certificates

The administrative simplification of the motor vehicle liability insurance segment continues, and the contract subscription phase already relies on databases that collect information on coverage previously available solely in paper form.

The process of streamlining the subscription process continued in 2015 with the use of electronic risk status certificates, the effective dematerialization of windscreen stickers, and the digitization of insurance documentation:

- Regulation no. 9/2015 established a new protocol relating to the claim history certificate database, and ISVAP Order no. 35/2009 outlined the technical obligations. The information contained in the claim history certificate is reported by insurance undertakings to ANIA, which manages the ATRC Database on the basis of instructions issued by IVASS.As of 1 July 2015, insurance undertakings operating in the Italian motor vehicle insurance sector no longer have to produce a paper version of the claim history certificate but are obligated to transmit all the necessary information to the database and are accountable for any errors or omissions.
- as of October 2015, drivers are no longer required to display the insurance sticker that previously the insurer had to deliver to the insured with the certificate of insurance and the remaining documentation. Law enforcement bodies can perform distance checks on whether

the car is insured, accessing the insurance coverage database managed by the Ministry of Infrastructure and Transport, and, if the coverage is not listed in the database, verify any insurance certificate available to the driver before taking restrictive measures;
- Order no. 41/2015, relating to advertising and distance subscription of insurance policies, removed regulatory barriers, in the stipulation of motor vehicle liability policies, to the transmission of the insurance certificate on different durable medium, including via email, where the policy holder has expressed consent. The certificate is then printed by the policy holder and kept in the vehicle to be exhibited in case of a control.

With Regulation no. 9/2015, the first phase in the project to create virtual claim history certificates was completed. Currently, insurance undertakings, at the end of the annual observation period, update their claim history certificates and transmit the data at least thirty days before the expiration of the policy to the database.

A database will soon be available that allow for continuously updated claims history certificates by means of real-time reportingof information on 'principal responsibility' claims and the real-time updating of the risk profile associated with each policy holder.

6.2 - Motor vehicle liability insurance: comparing premiums and costs in Italy and selected EU countries

A comparison was made for the period 2010-2014 between the motor vehicle liability insurance premiums paid by policyholders in four major EU countries (Italy, France, Spain, Germany) and costs (cost of claims, expenses and margin). The data was obtained from the National Supervisory Authorities and supplemented, where necessary, with other available official information.

The comparison focused solely on motor vehicle liability insurance. As a result, prices in the United Kingdom were not included because data on motor vehicle liability insurance separate from coverage for ancillary risks such as theft and fire was not available.[33] The four countries above mentioned made up 63% of the EU population and 61% of the vehicles in circulation in 2014 and the average values can be seen as representative of the average for the EU.

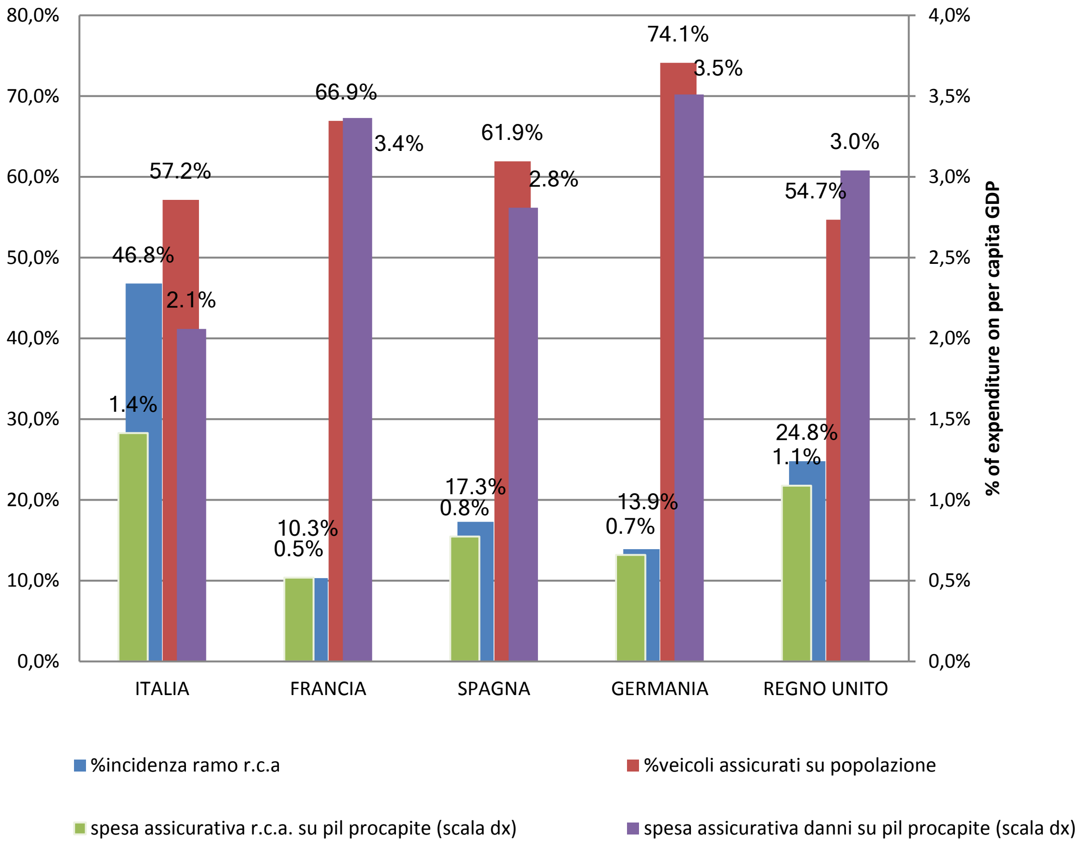
The price of motor vehicle liability insurance in different markets is influenced by important structural factors. First, the variability of per capita income and the cost of living is reflected in the level of damage compensation. Second, the roles played by national specificities, such as the indemnification, healthcare and welfare systems, differ in importance, especially with regard to the treatment of personal injury claims (physical and pecuniary harm).[34]

Lastly, the different degrees of non-life policies penetration in the insurance market must be considered. It is possible that higher premium income in the non-auto sector allows insurers to offer lower rates in the auto sector transferring the higher profits from other non-life segments. In this regard, Italy ranks last among the five countries (in this case, including the UK) in per capita spending on non-life policies, but first in motor vehicle liability insurance.

[33] For information purposes, the price paid in the United Kingdom for a motor-comprehensive policy in 2014 was €461 for a private car. The estimated cost of motor vehicle liability insurance is about €360 assuming an average 70% of the cost of the comprehensive premium is attributable to the liability component.

[34] See Quaderno Ivass n. 1 "Il ramo r.c. auto: raffronto tra l'Italia e alcuni paesi della Ue su premi, sinistri e sistemi risarcitori del danno alla persona".

Figure I.32 - Other non-life insurance and motor vehicle liability policies (automobiles, mopeds, and motorcycles): incidence and average insurance expenditure over per capita GDP)



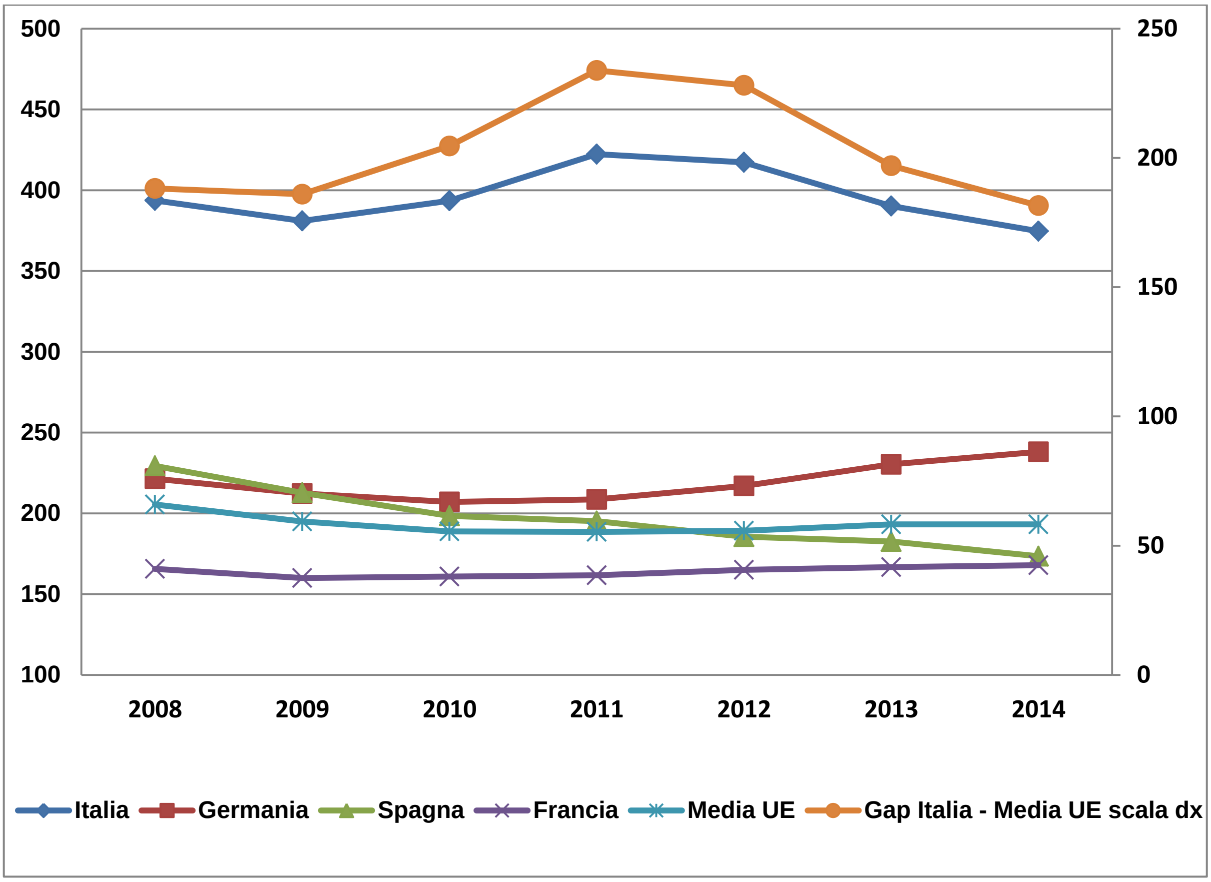
Source: EUROSTAT and Insurance Europe, 2015

Composition of motor vehicle liability insurance prices

During the period 2010-2014, in Italy the premium paid was €209 higher (110%) than the EU average (€400 compared to €191). Specifically, in pure premiums (the cost of claims) Italian policyholders paid €305, or 79% more than the EU average of €170; in addition, acquisition costs and administrative expenses taken together were 93% higher (€77 compared with €40).

As seen in Figure I.33, which shows the average trend for each year from 2008 to 2014, premiums in Italy peaked in 2011 at €422, and so did the difference above the EU average, at €234. The gap between Italy and the EU average then declined until 2014 as a result of the steady reduction in prices.

Figure I.33 – Average motor vehicle liability insurance premium in Italy and in the main EU countries (in euros)

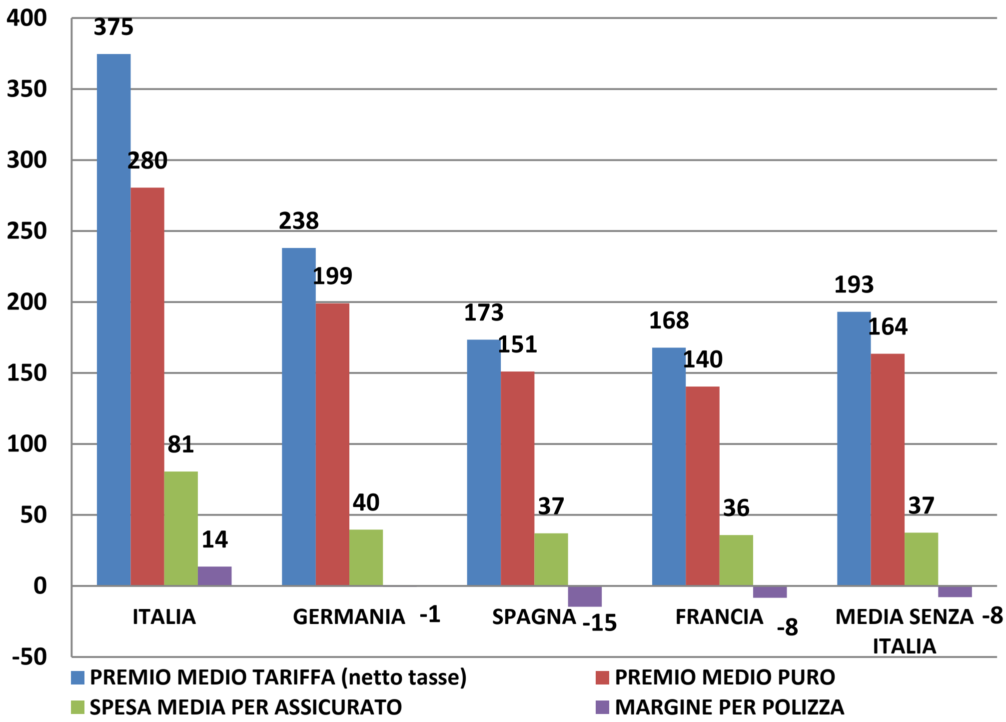


Source: Supervisory authorities and EIOPA

Accordingly, in 2014 the price gap fell to €182 and the corresponding percentage differential was down to 94%, about 30 points lower than the 2011 peak of 124%.

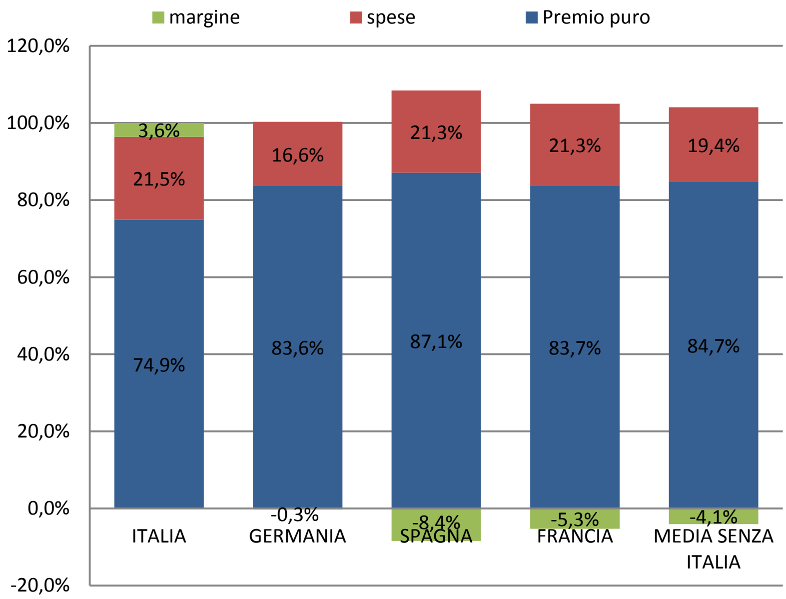
Figures I.34 and I.35 show a comparison between premiums and the related cost structure and the percentage composition, respectively, for 2014.

Figure I.34 – Motor vehicle liability insurance - average premium in euros and its components in 2014



Source: Supervisory authorities and EIOPA

Figure I.35 – Composition of the average premium for motor vehicle liability insurance in 2014



Source: Supervisory authorities and EIOPA

In 2014, the price differential can be explained by:

- the cost of claims (the pure premium), €117 or 71% higher,
- the level of expenses (acquisitions and administration expenses), €81 against €37,

- the technical margin per policy (net of financial proceeds), up by €22 (€14 against a negative result of -€8).

In relative terms:

- the cost of claims (pure premium) accounts for 74.9% of the policy price in Italy, more than 80% in Germany and France and 87% Spain, compared with an EU average of 85%;
- the incidence of acquisition commissions and administration costs is 21.5% in Italy – due in part to the decline in premium income – and 16.6% in Germany, 21.3% in Spain and France (EU average 19.4%);
- the technical margin is approximately 4% for Italian undertakings while in the other European countries it is negative (from -0.3% for German to -8.4% for Spanish undertakings).

6.3 - Performance of the key indicators

Tables I.60, I.61and I.62 show, for the motor vehicle liability insurance sector as a whole and separately for the *automobile, moped and motorcycle* segments, trends in the frequency and average cost of claims (further subdivided between paid and reserved claims), the pure premium (frequency multiplied by total average cost) and the gross average premium (pure premium plus expenses, taxes, contributions and profit margin). The data on the cost of claims include the estimate for the IBNR claims (numbers and amounts). The tables show the averages for the years 2005-2015, the annual variation and the overall variation between 2005-2015 and 2012-2015.

Table I.60 - Motor vehicle liability insurance and marine insurance

	Claims frequency	% Variation	Claims paid		Claims reserved		Total claims		Pure premium		Gross average premium	
			Average cost	% Variation	Average cost	% Variation	Average cost	% Variation	Value	% Variation	Value	% Variation
2005	8.6%	-3.2%	2,029	3.6%	6,521	6.5%	3,949	3.2%	342	-0.1%	550	-0.9%
2006	8.6%	-0.2%	2,064	1.7%	6,565	0.7%	3,973	0.6%	343	0.4%	558	1.5%
2007	8.9%	3.4%	2,170	5.2%	6,241	-4.9%	3,766	-5.2%	336	-2.0%	553	-0.9%
2008	8.7%	-2.0%	2,376	9.5%	6,541	4.8%	3,915	4.0%	342	1.8%	533	-3.7%
2009	8.8%	0.6%	2,362	-0.6%	6,538	0.0%	3,934	0.5%	346	1.1%	513	-3.7%
2010	8.3%	-5.2%	2,427	2.8%	7,010	7.2%	4,087	3.9%	341	-1.6%	536	4.4%
2011	7.4%	-11.5%	2,500	3.0%	7,901	12.7%	4,435	8.5%	327	-4.0%	566	5.6%
2012	6.4%	-13.4%	2,411	-3.5%	8,628	9.2%	4,612	4.0%	295	-10.0%	568	0.3%
2013	6.2%	-3.5%	2,415	0.2%	8,913	3.3%	4,711	2.2%	291	-1.4%	542	-4.4%
2014	6.0%	-1.9%	2,455	1.7%	8,676	-2.7%	4,641	-1.5%	281	-3.4%	506	-6.7%
2015	6.2%	2.9%	2,452	-0.1%	8,631	-0.5%	4,556	-1.8%	281	0.1%	479	-5.4%
Variation 2005-2015		-28.2%		20.8%		32.4%		15.4%		-17.7%		-13.0%
Variation 2012-2015		-3.5%		1.7%		0.0%		-1.2%		-4.6%		-15.7%

Table I.61 - Automobiles

	Claims frequency	% Variation	Claims paid		Claims written in the provisions		Total claims		Pure premium		Gross average premium	
			Average cost	% Variation	Average cost	% Variation	Average cost	% Variation	Value	% Variation	Value	% Variation
2005	8.2%	-1.1%	2,164	5.5%	6,856	2.7%	4,204	1.5%	347	0.4%	599	0.0%
2006	8.3%	0.1%	2,190	1.2%	6,919	0.9%	4,220	0.4%	348	0.4%	588	-1.8%
2007	9.4%	13.6%	2,134	-2.6%	6,217	-10.2%	3,629	-14.0%	340	-2.3%	576	-2.0%
2008	9.3%	-0.7%	2,321	8.7%	6,517	4.8%	3,765	3.7%	351	3.0%	548	-4.8%
2009	9.5%	2.0%	2,302	-0.8%	6,484	-0.5%	3,767	0.1%	358	2.1%	527	-3.9%
2010	9.1%	-4.3%	2,360	2.5%	6,852	5.7%	3,882	3.1%	353	-1.4%	542	2.8%
2011	8.1%	-11.4%	2,435	3.2%	7,661	11.8%	4,192	8.0%	338	-4.3%	578	6.6%
2012	7.0%	-13.5%	2,334	-4.2%	8,405	9.7%	4,323	3.1%	301	-10.8%	573	-0.9%
2013	6.6%	-4.5%	2,350	0.7%	8,593	2.2%	4,396	1.7%	292	-2.9%	533	-6.9%
2014	6.5%	-1.6%	2,380	1.3%	8,390	-2.4%	4,365	-0.7%	286	-2.3%	507	-4.9%
2015	6.6%	2.3%	2,386	0.3%	8,338	-0.6%	4,274	-2.1%	284	-0.7%	478	-5.7%
Variation 2005-2015		-18.9%		10.3%		21.6%		1.7%		-18.1%		-20.2%
Variation 2012-2015		-5.0%		2.2%		-0.8%		-1.1%		-5.6%		-16.6%

Table I.62 - Mopeds and motorcycles

	Claims frequency	% Variation	Claims paid		Claims written in the provisions		Total claims		Pure premium		Gross average premium	
			Average cost	% Variation	Average cost	% Variation	Average cost	% Variation	Value	% Variation	Value	% Variation
2005	3.8%	-2.3%	1,513	7.0%	6,903	9.8%	3,945	7.2%	148	4.7%	243	3.8%
2006	3.8%	2.5%	1,608	6.3%	6,940	0.5%	4,086	3.6%	157	6.2%	245	1.1%
2007	4.9%	27.4%	2,533	57.5%	7,579	9.2%	5,018	22.8%	246	56.5%	250	2.1%
2008	5.1%	4.2%	3,036	19.8%	7,651	1.0%	5,294	5.5%	270	9.9%	260	3.6%
2009	5.3%	3.4%	3,067	1.0%	7,590	-0.8%	5,406	2.1%	285	5.5%	267	2.7%
2010	4.8%	-9.7%	3,177	3.6%	8,037	5.9%	5,675	5.0%	271	-5.2%	282	5.8%
2011	4.4%	-8.6%	3,195	0.6%	8,769	9.1%	6,047	6.6%	264	-2.6%	301	6.8%
2012	3.6%	-17.9%	3,064	-4.1%	9,511	8.5%	6,414	6.1%	230	-12.9%	294	-2.4%
2013	3.4%	-4.2%	3,131	2.2%	10,275	8.0%	6,900	7.6%	237	3.1%	276	-6.1%
2014	3.4%	-0.4%	3,285	4.9%	10,127	-1.4%	6,824	-1.1%	233	-1.5%	293	6.0%
2015	3.5%	3.7%	3,222	-1.9%	9,716	-4.1%	6,501	-4.7%	229	-1.6%	283	-3.4%
Variation 2005-2015		-7.2%		112.9%		40.7%		64.8%		54.9%		16.4%
Variation 2012-2015		-2.0%		5.1%		2.2%		1.3%		-0.3%		-3.8%

The above data reveal that:

- *claims frequency*, in the period 2012-2015, fell from 6.4% to 6.2% for *the entire motor vehicle liability insurance sector* (-28.2% in the period 2005-2015). In particular, in the automobile segment claims frequency fell from 7.0% to 6.6%; in the motorcycle/moped segment, from 3.6 to 3.5%;
- *total average claims cost (paid and reserved)* in the period 2012-2015, fell for the overall sector from €4,612 to €4,556, or 1.2% (+15.4% in the period 2005-2015). In the same period, the ratio between the average reserved and the average paid ('cover ratio') was unchanged, equal to 3.5 times the average paid. Similar trends were seen in the automobile segment, respectively -1.1, +2.2% and -0.8%, and the motorcycle/moped segment, +1.3%, +5.1% and +2.2%;
- the *pure premium* decreased by €14, or 4.6%, in the period 2012-2015 for the entire motor vehicle liability insurance sector, less than the €61 decline for the entire period 2005-2015. Specifically, with regard to automobile, the drop was equal to €17, or 5.6%, while it fell by €17, or 5.6%, for motorcycles/mopeds;

- the *gross average premium*, in the period 2012-2015, decreased by 15.7% (€89) for the entire motor vehicle liability insurance sector; 16.6% (€95) for automobiles and 3.8% (€11) for motorcycles/mopeds.

6.3.1. - The system of direct indemnity

The share of claims covered by the CARD agreement (Table I.63), set up in 2007, increased progressively in terms of numbers (from 65.7% in 2007 to 81.2% in 2015) and, more moderately, in terms of amount (from 41.0% in 2007 to 45.7% in 2015). With regard to this latter indicator, the drop registered in the last five years was significant, reflecting the decrease in compensation for minor disabilities due to the provisions of Decree Law 1/2012 (converted into Law No. 27/2012), the 'competition' decree.

Table I.63 - CARD and non-CARD claims over TOTAL claims (net of IBNR)

	CARD		Non-CARD	
Year of generation	Numbers	Amounts	Numbers	Amounts
2007	65.7%	41.0%	34.9%	59.0%
2008	73.0%	47.9%	27.6%	52.1%
2009	79.6%	52.3%	21.0%	47.7%
2010	80.6%	53.1%	20.1%	46.9%
2011	79.7%	50.5%	21.1%	49.5%
2012	79.3%	47.0%	21.5%	53.0%
2013	79.2%	46.3%	21.6%	53.7%
2014	80.0%	45.9%	20.7%	54.1%
2015	81.2%	45.7%	19.4%	54.3%

Source: IVASS 2007-2014 financial statements and 2015 provisional balance sheet data

Table I.64a depicts the percentage in number and amounts of claims paid in the year of occurrence over claims without indemnification, calculated in reference to the motor vehicle liability insurance sector in its entirety and separately for the two compensation regimes in force.

Table I.64a - Claims paid in the year of occurrence over claims without indemnification (handled)

Year of generation	NET OF IBNR		GROSS OF IBNR	
	Numbers	Amounts	Numbers	Amounts
2007	60.0%	32.8%	60.0%	32.8%
2008	62.7%	36.0%	62.7%	36.0%
2009	62.6%	35.4%	62.6%	35.4%
2010	64.0%	36.4%	64.0%	36.3%
2011	65.2%	36.6%	65.1%	36.5%
2012	65.4%	34.7%	65.2%	34.6%
2013	66.0%	34.3%	65.8%	34.0%
2014	67.0%	34.9%	66.3%	34.3%
2015	72.7%	40.0%	66.0%	35.5%

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data

With regard to the CARD system, the data shown in table I.64b, net of the estimated final reserve for IBNR claims, highlights a steady shortening of settlement time which, as regards numbers in particular, has been uninterrupted since the introduction of the system. The progression is evident, though less markedly so, when considering the final estimate for late claims (gross of IBNR).

Table I.64b - Claims paid in the year of occurrence over claims with indemnification (CARD)				
Year of generation	NET OF IBNR		GROSS OF IBNR	
	Numbers	Amounts	Numbers	Amounts
2007	65.5%	50.7%	65.5%	50.7%
2008	68.7%	55.8%	68.7%	55.8%
2009	68.7%	54.7%	68.7%	54.7%
2010	70.6%	56.4%	70.5%	56.4%
2011	72.0%	58.2%	72.0%	58.1%
2012	72.4%	58.1%	72.4%	58.1%
2013	73.2%	57.7%	73.1%	57.7%
2014	73.5%	57.3%	73.2%	57.1%
2015	78.5%	62.5%	73.7%	58.5%

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data

The number of claims paid in the year of occurrence in the non-CARD system differs somewhat (both in terms of number and amount; see Table I.64c) depending on whether the claims are net or gross of the final provisions estimated for IBNR claims. Net of IBNR, a significant improvement can be seen, while gross of IBNR the modest increase in speed of handling by number of claims contrasts with a slight decrease in terms of amount. This trend, though less pronounced than in the CARD system, can be explained by the greater complexity of the claims that occur in the ordinary system, which include payments for serious disability to the driver (10 to 100 permanent disability points).

Table I.64c - Claims paid in the year of occurrence over claims with indemnification (NO CARD)				
Year of generation	NET OF IBNR		GROSS OF IBNR	
	Numbers	Amounts	Numbers	Amounts
2007	48.8%	21.8%	48.8%	21.8%
2008	46.3%	20.7%	46.3%	20.7%
2009	39.3%	17.8%	39.3%	17.8%
2010	38.8%	18.2%	38.7%	18.2%
2011	40.2%	18.4%	40.0%	18.4%
2012	40.7%	17.1%	40.4%	17.1%
2013	41.5%	17.0%	40.9%	16.9%
2014	42.4%	17.8%	40.8%	17.4%
2015	47.8%	21.1%	37.8%	17.9%

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data

Tables I.65a and I.65b show the residual reserves as a percentage of the claims closed with payment (paid and reserved) at the end of 2015, broken down by numbers and amounts; the two tables also differ in the inclusion (or omission) of the final reserve estimated for IBNR claims.

The CARD system is characterised by the rapid resolution of claims, both with or without IBNR claims. Net of IBNR claims (table I.65a), after three years (e.g. claims generated in 2012) 1.6% of the CARD claims are still outstanding, in terms of numbers and 7% by amount. For the non-CARD system, claims still outstanding represent, respectively, 9 and 22.6%.

A similar trend can be seen for claims gross of the IBNR component (table I.65b).

Table I.65a - Percentage of residual provisions as at 31 December 2015 over claims with indemnification (net of IBNR)						
Year of generation	**TOTAL HANDLED**		**CARD**		**Non-CARD**	
	Numbers	**Amounts**	**Numbers**	**Amounts**	**Numbers**	**Amounts**
2007	0.4%	3.6%	0.2%	1.0%	0.9%	5.1%
2008	0.6%	4.6%	0.3%	1.4%	1.5%	7.0%
2009	0.9%	6.0%	0.4%	2.0%	2.8%	9.7%
2010	1.3%	8.1%	0.6%	2.8%	4.1%	12.9%
2011	2.0%	10.9%	1.0%	4.0%	5.8%	16.8%
2012	3.2%	15.9%	1.6%	7.0%	9.0%	22.6%
2013	5.1%	23.0%	2.6%	11.6%	13.7%	31.4%
2014	8.7%	34.6%	5.1%	17.9%	22.8%	47.3%
2015	27.3%	60.0%	21.5%	37.5%	52.2%	78.9%

Table I.65b - Percentage of residual provision as at 31.12.2015 over claims with indemnification (gross of IBNR)						
Year of generation	**TOTAL HANDLED**		**CARD**		**Non-CARD**	
	Numbers	**Amounts**	**Numbers**	**Amounts**	**Numbers**	**Amounts**
2007	0.4%	3.6%	0.2%	1.0%	0.9%	5.2%
2008	0.6%	4.6%	0.3%	1.4%	1.6%	7.1%
2009	1.0%	6.1%	0.4%	2.0%	2.9%	9.8%
2010	1.4%	8.2%	0.6%	2.8%	4.3%	13.1%
2011	2.1%	11.1%	1.0%	4.0%	6.2%	17.0%
2012	3.4%	16.2%	1.6%	7.0%	9.6%	23.0%
2013	5.4%	23.5%	2.7%	11.7%	14.9%	32.1%
2014	9.7%	35.6%	5.4%	18.3%	25.7%	48.6%
2015	34.0%	64.5%	26.3%	41.5%	62.2%	82.1%

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data

Table I.66a shows the average cost of claims handled, calculated with reference solely to claims settled in the year of occurrence: from 2013 to 2015 the average cost of paid claims grew a moderate 2.2% as a result of the new indemnity regime, after a 4% fall between 2011 and 2012. This positive trend was confirmed in 2015 with an increase of just 0.2%. The cost of the average reserved claim net of IBNR between 2013 and 2015 declined by 1.2%, but in 2015 alone it went up by 0.5%.

With reference to the average total cost (paid and reserved, gross of IBNR claims), between 2013 and 2015 there was a decrease of 2.4%; in 2015 alone, the decrease came to 1.4%.

Table I.66a - Average cost of claim generation				
	Claims managed			
Year of generation	Paid *	Reserve (net of IBNR)	Paid+Res. (net of IBNR)	Paid+Res. (gross of IBNR)
2007	2,228	7,438	3,909	3,873
2008	2,371	7,472	3,919	3,928
2009	2,356	7,289	3,890	3,922
2010	2,428	7,939	4,058	4,091
2011	2,497	8,827	4,340	4,431
2012	2,396	9,647	4,494	4,600
2013	2,406	9,932	4,564	4,689
2014	2,455	9,759	4,532	4,641
2015	2,459	9,811	4,466	4,575

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data - * Partial payments included

With regard to CARD claims, the trend in average costs (Table I.66b), again calculated with reference solely to claims settled in the year of occurrence, there was a slight increase in the average cost of payments (0.45%) between 2013 and 2015 (-0.3% in 2015 alone). The cost of the claims reserved net of IBNR fell by 11.9% between 2013 and 2015, and 5.4% in 2015 alone. Average total cost gross of IBNR claims declined by 5.6% between 2013 and 2015 and by 3.1% in 2015 alone.

Table I.66b - Average cost by generation of claims				
	CARD			
Year of generation	Paid *	Reserve (net of IBNR)	Paid+Res. (net of IBNR)	Paid+Res. (gross of IBNR)
2007	1,827	4,166	2,441	2,434
2008	2,024	4,267	2,570	2,570
2009	2,011	4,168	2,555	2,574
2010	2,052	4,650	2,671	2,667
2011	2,097	4,930	2,751	2,754
2012	1,996	4,905	2,661	2,674
2013	1,994	4,968	2,666	2,674
2014	2,010	4,626	2,597	2,607
2015	2,003	4,376	2,514	2,525

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data - * Partial payments included

In reference to non-CARD claims, there was a sharp increase of 16.3% in the cost of payments between 2013 and 2015, and 6.5% in 2015 alone. The cost of claims reserved increased as well, by 8% between 2013 and 2015 and 5.2% in 2015 alone. In the same three-year period, the average total cost, gross of IBNR claims, grew by 8%, and by 4.6% in 2015.

Table I.66c - Average cost of generation				
	NO CARD			
Year of generation	Paid *	Reserve	Paid+Res. (net of IBNR)	Paid+Res. (gross of IBNR)
2007	3,188	10,974	6,607	6,355
2008	3,630	11,665	7,388	7,126
2009	4,423	12,592	8,841	8,283
2010	4,822	13,567	9,499	8,971
2011	4,857	14,924	10,165	9,841
2012	4,680	16,909	11,066	10,508
2013	4,739	17,446	11,337	10,750
2014	5,176	17,907	11,854	11,104
2015	5,510	18,843	12,471	11,610

Source: IVASS 2007-14 financial statements and 2015 provisional balance sheet data - * Partial payments included

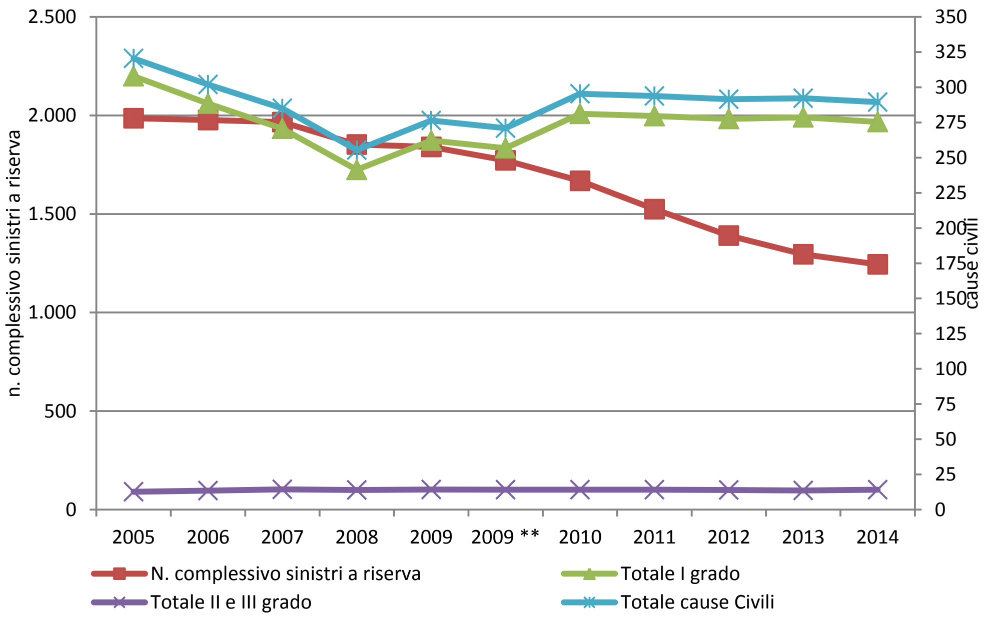
Therefore, the direct indemnity procedure basically attains its objective of lowering costs, and hence prices, in the motor vehicle liability insurance market in Italy (see section 6), even though it is still not fully efficient. The situation should improve over the next few years, following the entry into force of IVASS Order no. 18/2004, which establishes incentives for firms adhering to the CARD system to eradicate opportunism and managerial anomalies (see the 2014 Annual Report, page 93). Moreover, for further cost containment, it would be beneficial to intervene on the regulatory and management front for claims that are either still outside or exiting the CARD system, which include cases of serious personal injury.

6.3.2. - Motor vehicle liability insurance litigation

IVASS has processed the data on the state of litigation for the period 2010 to 2014 in connection with claims arising from motor vehicle liability insurance policies acquired by domestic insurance undertakings and by undertakings outside the European Economic Area with offices in Italy.

Figure I.36 shows the trends and some of the causes.

Figure I.36 –Motor vehicle liability claim disputes – civil cases



At the end of 2014 the number of cases pending in all levels of the court system was 293,341, 0.9% higher than the 290,797 registered in 2010 but 3.6% lower than in 2013, the year with the highest number of cases in the period (304,148). In the same period, the increase in the number of cases contrasted with the 25.4% decrease in the number of reserved claims, from 1,667,939 at the end of 2010 to 1,244,192 at the end of 2014 (-3,9% compared to 2013).

With regard to the number of disputed claims that were paid, 94,642 instances were reported in 2014 compared to 103,860 instances in 2010, representing a decrease of 8.9%. Meanwhile, the ratio of disputed to total reserved claims grew for the fifth consecutive year, settling at 23.6% (17.4% in 2010).

Between 2010 and 2014, the average value of disputed claims reserved increased by 11.3%, to €29,137, 0.9% more than in 2013.

Approximately 80% of the pending cases as of 31 December 2014 consisted of civil proceedings in the lower courts presided over by justices of the peace.

Observing the distribution of the number of disputed claims reserved, litigation builds up mostly in the three years following the generation of the claim, with a peak in the third year. The claims relating to the three years preceding the reference year (2014) represent 56.6% of the general total. This amount demonstrates the progressive build-up of the body of litigation, given the deadline of two years for filing claims. The disposal of disputed claims reserved is also concentrated in the three preceding years, with claims representing 37.8% of the general total. In 2014 dispute claim payments were principally for those generated in the second year after occurrence (14.2% of the total) and the third year (12.4%), for 26.6% of the total. The data is indicative of the slow elimination of disputed motor vehicle liability insurance claims.

Confirming the presence of potential problems in the system is the low elimination rate of contested motor vehicle liability insurance claims in the five-year period 2010-2014. In 2014, case disposals came to 24.4% by number and 21.1% by amount, even worse than the already low levels recorded in 2010 (26.3 and 23.1%).

Moreover, in 2014 the ratio between the amount of the disputed claims paid during the year and in the previous years and the disputed claims generated (paid + reserved for the last three years of occurrence) was 70.2%, down from 88.3% in 2010. By number, the index was 57.2% (54.9% in 2010).

The low value of the ratio shows the tendency towards potential increase in the risk of reserved claims.

The trend is attributable to lower efficiency on the part of firms operating in the market in the reference period and depends on the low claims amounts paid, which may have been caused by the increase in the time needed to reach a verdict, probably in part attributable to the conduct of their attorneys. There is a need to understand why the outcome of the contested claims is principally in favour of the policyholders, without prejudice to the desirability of reducing the number of pending cases to avoid incurring higher costs.

The problem is aggravated by the fact that these developments have come at a time when the number of claims reserved is contracting overall.

The situation regarding disputed motor vehicle liability insurance claims highlighted above reflects firms' internal inefficiencies, owing to corporate structure and by errors of evaluation, as well as the critical state of the Italian judicial system. Both have an impact on the process of liquidation of motor vehicle liability insurance claims and on the slowness of dispute lodging and disposal.

From this follows the need to adopt measures to contain 'litigation risk'.

Weighing on firms is the burden of assessing the adequacy of the safeguards against the risk of litigation in terms of both prevention and reduction. Moreover, the anomalies and weaknesses which emerged from the analyses call for a reflection on how to eliminate then, on the need to strengthen the organizational structures dedicated to the claims area and on improving the process of claim settlement through the courts.

Proof in point is the fact that the sentences issued by judges have meaning and consequences that are not only economic, especially in the event that, over the course of a long litigation, an unfavourable outcome is taking shape. It is therefore useful that the firms involved in a dispute, intervening with regard to their own attorneys, develop rigorous rules of conduct for interpreting and correctly managing their position efficiently while fully respecting the insured's right to a rapid settlement.

Furthermore, legal proceedings cannot be initiated on the grounds of a generic action against fraud. Rather, the undertaking must be capable of showing that it has promptly initiated procedures aimed at preventing, detecting and combatting fraud consistent with primary and secondary legislation.

Litigations in the motor vehicle liability insurance segment must be the subject of constant analysis and monitoring on the part of the undertaking's internal control system. Improper recourse to legal action or the use of dilatory tactics create inefficiencies within the undertaking itself that have repercussions on the entire industry as well as on the judicial system.

For its part, IVASS will enrich the current survey system by providing for a more thorough periodic reporting on legal proceedings involving motor vehicle liability, also in order to monitor the correct measurement, assessment and management of risks, in line with the principles laid down by Solvency II.

In light of the above, hopefully a greater effort will be directed to achieving the most efficient possible use of private and social resources to manage motor vehicle insurance litigation.

6.4. The automobile segment: comprehensive monitoring

IVASS conducts two investigations in the automobile sector. The two surveys, IPER and the new *Dati Tecnici* survey on motor vehicle and marine liability insurance (focusing on technical data) serve different functions. Considered together, the results offer a comprehensive overview of the segment in Italy; on the supply side (sales prices, average discounts, contract clauses, etc.), on the demand side (the behaviour of the insured, switching between insurers, black boxes, etc.) and the typical technical parameters of accident claims.

In particular, IPER, launched in 2013, collects information on a wide sample of policies covering passenger cars owned by individuals (therefore it does not include motorcycles, mopeds, lorries and fleets. The survey examines the premiums effectively paid by policyholders and the main components which contribute towards determining the final price of the policies. The scope of the survey is limited to policies entered into or renewed during the quarter (including those of policyholders that switch to a difference insurer). Specifically, the survey contains data on about 2 million contracts (or 30% of the contracts in the reference period), allowing for punctual monitoring of price trends.

The new *Dati Tecnici* survey, started in March 2015, relates to the entire universe of contracts in the motor vehicle liability insurance market, subdivided by price segment (automobile, motorcycle, moped, lorry, etc.) both with regard to firms supervised by IVASS and for EEA or EU firms operating under freedom of establishment or freedom to provide services. This survey has provided IVASS with a database that is similar to that of the former consortium account, or *Conto Consortile,* that was managed by INA pursuant to Law 990/69, during the administered price regime. The new database contains province-level data not only on premiums but also on number of policies, number of claims relative to the current accident generation (subdivided into CARD and non-CARD), plus average data on personal injuries, material damage to vehicles and transported objects, mixed claims, etc.

In the sections that follow (6.4.1 and 6.4.2) the results of the two surveys are reported, with the caveat that the *Dati Tecnici* survey calculates the average annual premium net of taxes and tax-related charges while IPER reports gross premiums actually paid. Therefore, the average gross premium reported in the *Dati Tecnici* survey by definition corresponds to IPER's average net premium, equal to the average value of the distribution of the prices actually paid less average tax and tax-related charges.

IVASS publishes IPER's official data in the quarterly Statistical Bulletin while for the *Dati Tecnici* survey, in its second edition this year, the results (for the automotive segment only) are published for the first time in this report.

The following province-level analysis of the ratio between prices paid for insurance coverage and the cost of claims uses information drawn from both surveys as well as information acquired pursuant to ISVAP Regulation 44 (anti-fraud).

6.4.1. Motor vehicle insurance: frequency, cost of claims, pure and average premium, and prices actually paid in 2015, by province

The Appendix contains a series of tables (1-8), for Italy's 20 regions and 110 provinces, that report trends in premium income, the cost of claims and the projected technical margin gross of policy management costs (and net of financial proceeds) for passenger cars only, which accounted for 75% of motor liability premium income in 2015. The premiums only refer to undertakings supervised by IVASS and, as mentioned, are net of tax and tax-related charges.

At the individual policy level, the average gross premium is given net of taxes and social contributions ('average net price'), paid in the same year by the insured and the related industrial components: claims frequency, average total cost, pure premium and expected technical margin gross of expenses and commissions (the 'technical margin').

With regard to the 21 main provinces, Tables I.67 and I.70 summarize the data in the Appendix.

Table I.67 - Variation 2014-15, premiums written, cost of claims and expected gross technical margin					
Region	**Gross premiums written**	**Total amount of claims handled, net of IBNR**	**Estimated amount of IBNR claims**	**Total amount of claims handled, gross of IBNR**	**Expected gross technical margin**
Turin	-7.7%	2.8%	-9.2%	1.7%	-43.0%
PIEDMONT	**-7.8%**	**0.4%**	**-4.4%**	**0.0%**	**-31.6%**
Aosta	-4.4%	-15.0%	-10.5%	-14.6%	11.2%
VALLE D'AOSTA	**-4.4%**	**-15.0%**	**-10.5%**	**-14.6%**	**11.2%**
Genoa	-6.2%	-0.2%	3.2%	0.3%	-33.1%
LIGURIA	**-8.5%**	**0.0%**	**-5.0%**	**-0.5%**	**-31.8%**
Milan	-7.6%	-3.4%	-10.0%	-4.1%	-17.2%
LOMBARDY	**-5.6%**	**-0.9%**	**-4.2%**	**-1.3%**	**-16.4%**
Trento	-7.6%	9.7%	30.4%	11.5%	-35.6%
Bolzano	-3.8%	16.5%	-7.0%	14.1%	-26.7%
TRENTINO-ALTO ADIGE	**-5.9%**	**12.7%**	**12.6%**	**12.6%**	**-31.4%**
Venice	-4.1%	-1.1%	-26.9%	-3.3%	-6.3%
VENETO	**-5.4%**	**-2.3%**	**-14.4%**	**-3.3%**	**-11.8%**
Trieste	3.2%	-7.1%	43.9%	-3.3%	36.8%
FRIULI-VENEZIA GIULIA	**-2.9%**	**-12.2%**	**30.1%**	**-9.4%**	**20.9%**
Bologna	-4.8%	-5.0%	5.6%	-4.2%	-7.0%
EMILIA ROMAGNA	**-5.9%**	**-2.7%**	**10.4%**	**-1.8%**	**-20.8%**
Ancona	-7.6%	5.9%	-24.9%	2.9%	-80.1%
MARCHE	**-5.0%**	**6.6%**	**-16.3%**	**4.5%**	**-42.6%**
Florence	-4.0%	-0.9%	-26.6%	-3.7%	-5.0%
TUSCANY	**-6.4%**	**-2.7%**	**-4.8%**	**-2.8%**	**-18.3%**
Perugia	-5.4%	-5.8%	-3.5%	-5.6%	-4.4%
UMBRIA	**-5.3%**	**-7.9%**	**-1.9%**	**-7.4%**	**7.0%**
Rome	-8.1%	2.5%	-13.3%	0.3%	-31.5%
LAZIO	**-8.8%**	**2.2%**	**-12.5%**	**0.2%**	**-34.3%**
Naples	-8.1%	4.7%	-13.8%	-1.1%	-22.9%
CAMPANIA	**-7.5%**	**2.1%**	**-13.1%**	**-1.9%**	**-19.4%**
L'Aquila	-6.0%	-18.9%	-4.1%	-17.6%	25.6%
ABRUZZO	**-9.5%**	**-6.7%**	**0.2%**	**-6.0%**	**-17.8%**
Campobasso	-9.0%	-21.8%	-17.2%	-21.1%	576.8%
MOLISE	**-8.6%**	**-12.8%**	**-10.8%**	**-12.6%**	**23.5%**
Bari	-10.0%	-18.9%	-21.7%	-19.2%	12.5%
PUGLIA	**-8.8%**	**-7.1%**	**-7.6%**	**-7.2%**	**-11.7%**
Potenza	-4.3%	6.6%	4.1%	6.3%	-34.2%
BASILICATA	**-3.1%**	**5.2%**	**-4.4%**	**4.2%**	**-26.4%**
Reggio Calabria	-5.9%	-11.7%	2.3%	-10.1%	1.6%
CALABRIA	**-4.7%**	**-5.6%**	**-17.1%**	**-7.1%**	**0.1%**
Palermo	-6.7%	1.0%	7.3%	1.8%	-26.8%
SICILY	**-7.9%**	**4.7%**	**-7.3%**	**3.3%**	**-28.5%**
Cagliari	-9.9%	-3.8%	-6.9%	-4.0%	-21.8%
SARDINIA	**-5.4%**	**-2.6%**	**-3.8%**	**-2.7%**	**-11.2%**
All regions	**-6.8%**	**-0.9%**	**-7.6%**	**-1.7%**	**-20.1%**

Table I.68 - Loss ratio, claims frequency, average cost, premium and expected gross technical margin									
Region	**Loss ratio gross of IBNR (proxy)**	**Claims frequency net of IBNR**	**Claims frequency gross of IBNR**	**Average cost net of IBNR**	**Average cost gross of IBNR**	**Average pure premium net of IBNR**	**Average pure premium gross of IBNR**	**Average premium paid***	**Expected gross technical margin**
Turin	87.1%	7.6%	8.2%	3,828	3,905	292	319	366	12.9%
PIEDMONT	**81.6%**	**6.6%**	**7.0%**	**3,705**	**3,787**	**244**	**267**	**327**	**18.4%**
Aosta	54.1%	4.0%	4.4%	3,597	3,633	144	159	294	45.9%
VALLE D'AOSTA	**54.1%**	**4.0%**	**4.4%**	**3,597**	**3,633**	**144**	**159**	**294**	**45.9%**
Genoa	86.2%	9.2%	10.1%	3,209	3,322	294	335	389	13.8%
LIGURIA	**81.1%**	**7.8%**	**8.5%**	**3,409**	**3,505**	**266**	**298**	**367**	**18.9%**
Milan	75.8%	6.7%	7.2%	3,584	3,709	242	268	354	24.2%
LOMBARDY	**74.5%**	**6.2%**	**6.6%**	**3,680**	**3,800**	**228**	**250**	**336**	**25.5%**
Trento	71.7%	4.9%	5.2%	3,919	4,093	193	214	299	28.3%
Bolzano	66.6%	5.0%	5.4%	3,764	3,849	190	207	311	33.4%
TRENTINO-ALTO ADIGE	**69.3%**	**5.0%**	**5.3%**	**3,848**	**3,981**	**191**	**211**	**305**	**30.7%**
Venice	75.6%	4.8%	5.1%	5,138	5,173	248	266	351	24.4%
VENETO	**77.6%**	**5.0%**	**5.3%**	**4,645**	**4,704**	**232**	**252**	**324**	**22.4%**
Trieste	78.5%	5.4%	5.9%	3,900	4,004	210	237	301	21.5%
FRIULI-VENEZIA GIULIA	**73.0%**	**4.5%**	**4.9%**	**4,059**	**4,161**	**183**	**202**	**277**	**27.0%**
Bologna	78.5%	6.2%	6.6%	4,449	4,550	275	300	382	21.5%
EMILIA ROMAGNA	**81.8%**	**5.7%**	**6.1%**	**4,631**	**4,731**	**266**	**290**	**355**	**18.2%**
Ancona	97.3%	5.9%	6.4%	5,422	5,419	323	347	357	2.7%
MARCHE	**87.8%**	**5.6%**	**6.0%**	**5,146**	**5,151**	**288**	**310**	**353**	**12.2%**
Florence	74.2%	7.5%	8.1%	4,112	4,176	310	339	457	25.8%
TUSCANY	**79.9%**	**6.7%**	**7.3%**	**4,424**	**4,502**	**298**	**327**	409	20.1%
Perugia	82.1%	5.4%	5.8%	4,138	4,224	222	244	297	17.9%
UMBRIA	**83.5%**	**5.4%**	**5.8%**	**4,240**	**4,313**	**228**	**250**	**300**	**16.5%**
Rome	80.2%	8.0%	8.9%	3,926	4,032	316	359	447	19.8%
LAZIO	**81.2%**	**7.4%**	**8.2%**	**4,159**	**4,256**	**308**	**349**	**430**	**18.8%**
Naples	73.3%	7.9%	10.3%	3,985	4,180	314	432	590	26.7%
CAMPANIA	**72.0%**	**6.6%**	**8.3%**	**4,313**	**4,475**	**286**	**371**	**515**	**28.0%**
L'Aquila	64.1%	5.6%	6.1%	3,320	3,401	185	207	322	35.9%
ABRUZZO	**73.3%**	**5.6%**	**6.1%**	**4,090**	**4,192**	**229**	**255**	**348**	**26.7%**
Campobasso	84.8%	4.9%	5.6%	4,141	4,265	204	238	281	15.2%
MOLISE	**85.0%**	**4.9%**	**5.5%**	**4,394**	**4,488**	**214**	**248**	**292**	**15.0%**
Bari	63.5%	5.6%	6.1%	4,252	4,365	239	268	422	36.5%
PUGLIA	**64.8%**	**5.2%**	**5.8%**	**4,730**	**4,789**	**247**	**276**	**426**	**35.2%**
Potenza	82.0%	4.5%	5.0%	5,084	5,198	230	259	315	18.0%
BASILICATA	81.7%	4.7%	5.1%	**5,132**	**5,192**	**241**	**265**	325	18.3%
Reggio Calabria	61.3%	4.5%	5.1%	5,788	5,928	261	301	492	38.7%
CALABRIA	**64.4%**	**4.7%**	**5.2%**	**5,099**	**5,227**	**240**	**271**	**421**	**35.6%**
Palermo	76.8%	6.8%	7.4%	3,853	4,039	262	299	390	23.2%
SICILY	**72.5%**	**6.0%**	**6.6%**	**4,169**	**4,271**	**251**	**280**	**386**	**27.5%**
Cagliari	71.3%	7.2%	7.6%	3,245	3,341	234	255	357	28.7%
SARDINIA	**70.8%**	**6.0%**	**6.4%**	**3,596**	**3,715**	**216**	**237**	**336**	**29.2%**
All regions	***76.1%***	***6.0%***	***6.6%***	***4,177***	***4,279***	***253***	***283***	***372***	***23.9%***

* net of taxes and tax-related charges.

Table I.69 - Loss ratio, claims frequency, average cost, premium and expected gross technical margin: % Variation 2014-15									
Region	Loss ratio gross of IBNR (proxy)	Claims frequency net of IBNR	Claims frequency gross of IBNR	Average cost net of IBNR	Average cost gross of IBNR	Average pure premium net of IBNR	Average pure premium gross of IBNR	Average premium paid	Expected gross technical margin
Turin	10.1%	4.0%	3.7%	2.7%	1.9%	6.8%	5.6%	-4.1%	-38.3%
PIEDMONT	**8.5%**	**3.2%**	**2.9%**	**0.2%**	**0.1%**	**3.4%**	**2.9%**	**-5.1%**	**-25.8%**
Aosta	-10.6%	-9.1%	-8.3%	-7.6%	-8.0%	-16.0%	-15.6%	-5.6%	16.4%
VALLE D'AOSTA	**-10.6%**	**-9.1%**	**-8.3%**	**-7.6%**	**-8.0%**	**-16.0%**	**-15.6%**	**-5.6%**	**16.4%**
Genoa	6.9%	-3.2%	-2.0%	-0.2%	-1.0%	-3.4%	-3.0%	-9.3%	-28.6%
LIGURIA	**8.7%**	**-1.5%**	**-0.8%**	**1.6%**	**0.3%**	**0.1%**	**-0.5%**	**-8.4%**	**-25.5%**
Milan	3.8%	-4.4%	-4.7%	-0.4%	-0.8%	-4.8%	-5.5%	-8.9%	-10.3%
LOMBARDY	**4.6%**	**-1.2%**	**-1.4%**	**-0.6%**	**-0.7%**	**-1.8%**	**-2.1%**	**-6.4%**	**-11.4%**
Trento	20.7%	-2.3%	-1.7%	12.1%	13.2%	9.5%	11.3%	-7.8%	-30.2%
Bolzano	18.6%	1.0%	0.9%	16.7%	14.4%	17.9%	15.5%	-2.6%	-23.8%
TRENTINO-ALTO ADIGE	**19.7%**	**-0.8%**	**-0.5%**	**14.1%**	**13.7%**	**13.2%**	**13.2%**	**-5.5%**	**-27.1%**
Venice	0.8%	-0.9%	-1.1%	-3.8%	-5.8%	-4.7%	-6.8%	-7.6%	-2.4%
VENETO	**2.2%**	**-0.4%**	**-0.1%**	**-2.9%**	**-4.2%**	**-3.3%**	**-4.4%**	**-6.4%**	**-6.8%**
Trieste	-6.3%	-6.5%	-4.3%	-12.2%	-10.7%	-17.9%	-14.5%	-8.8%	32.5%
FRIULI-VENEZIA GIULIA	**-6.8%**	**-1.4%**	**-0.2%**	**-15.3%**	**-13.7%**	**-16.4%**	**-13.8%**	**-7.5%**	**24.5%**
Bologna	0.6%	0.6%	0.4%	-8.5%	-7.6%	-8.0%	-7.2%	-7.8%	-2.3%
EMILIA ROMAGNA	**4.4%**	**0.8%**	**1.0%**	**-4.1%**	**-3.4%**	**-3.4%**	**-2.4%**	**-6.5%**	**-15.8%**
Ancona	11.3%	2.7%	2.1%	3.8%	1.5%	6.7%	3.7%	-6.9%	-78.4%
MARCHE	**10.0%**	**2.7%**	**3.0%**	**2.2%**	**-0.1%**	**4.9%**	**2.9%**	**-6.5%**	**-39.6%**
Florence	0.3%	0.3%	0.2%	-1.9%	-4.5%	-1.6%	-4.4%	-4.7%	-1.0%
TUSCANY	**3.8%**	**-1.0%**	**-1.3%**	**-2.5%**	**-2.4%**	**-3.4%**	**-3.6%**	**-7.2%**	**-12.7%**
Perugia	-0.2%	-6.0%	-5.4%	-8.8%	-9.1%	-14.2%	-14.1%	-13.9%	1.1%
UMBRIA	**-2.2%**	**-4.5%**	**-3.9%**	**-11.4%**	**-11.5%**	**-15.4%**	**-14.9%**	**-13.0%**	**13.0%**
Rome	9.2%	6.3%	5.0%	1.4%	0.5%	7.8%	5.5%	-3.4%	-25.5%
LAZIO	**9.9%**	**4.8%**	**3.6%**	**1.8%**	**1.0%**	**6.7%**	**4.6%**	**-4.8%**	**-28.0%**
Naples	7.5%	9.3%	4.1%	-2.1%	-2.9%	7.0%	1.1%	-6.0%	-16.1%
CAMPANIA	**6.1%**	**9.3%**	**4.9%**	**-4.1%**	**-3.8%**	**4.9%**	**0.8%**	**-5.0%**	**-12.9%**
L'Aquila	-12.3%	3.3%	3.9%	-22.3%	-21.5%	-19.7%	-18.4%	-7.0%	33.5%
ABRUZZO	**3.8%**	**4.7%**	**4.6%**	**-6.6%**	**-5.8%**	**-2.2%**	**-1.4%**	**-5.1%**	**-9.2%**
Campobasso	-13.4%	-1.3%	1.3%	-20.2%	-21.6%	-21.2%	-20.6%	-8.3%	643.4%
MOLISE	**-4.4%**	**-1.9%**	**0.3%**	**-10.1%**	**-11.9%**	**-11.9%**	**-11.6%**	**-7.5%**	**35.1%**
Bari	-10.3%	3.4%	3.4%	-20.5%	-20.8%	-17.8%	-18.1%	-8.7%	24.9%
PUGLIA	**1.8%**	**5.5%**	**5.6%**	**-12.4%**	**-12.5%**	**-7.6%**	**-7.6%**	**-9.2%**	**-3.1%**
Potenza	11.1%	-4.1%	-4.7%	3.0%	3.4%	-1.2%	-1.4%	-11.3%	-31.2%
BASILICATA	**7.6%**	**-3.1%**	**-4.1%**	**-0.8%**	**-0.7%**	**-3.9%**	**-4.8%**	**-11.5%**	**-24.0%**
Reggio Calabria	-4.4%	-0.5%	-0.7%	-12.6%	-10.7%	-13.0%	-11.4%	-7.2%	7.9%
CALABRIA	**-2.6%**	**4.7%**	**3.3%**	**-12.5%**	**-12.7%**	**-8.4%**	**-9.8%**	**-7.4%**	**5.0%**
Palermo	9.0%	2.6%	1.9%	-1.2%	0.2%	1.4%	2.1%	-6.3%	-21.5%
SICILY	**12.3%**	**3.6%**	**3.3%**	**2.4%**	**1.2%**	**6.0%**	**4.6%**	**-6.8%**	**-22.3%**
Cagliari	6.5%	2.9%	1.8%	-5.6%	-4.9%	-2.9%	-3.1%	-9.1%	-13.2%
SARDINIA	**2.8%**	**1.2%**	**0.7%**	**-6.8%**	**-6.5%**	**-5.7%**	**-5.8%**	**-8.4%**	**-6.1%**
All regions	**5.5%**	***1.7%***	***1.2%***	***-2.4%***	***-2.7%***	***-0.8%***	***-1.6%***	***-6.7%***	***-14.3%***

Table I.70 - Claim settlement time								
	NUMBER OF CLAIMS				AMOUNTS			
Region	Total	Only personal injury	Only material damage	Both	Total	Only personal injury	Only material damage	Both
Turin	74.6%	27.8%	81.3%	37.5%	49.1%	12.2%	77.1%	34.8%
PIEDMONT	**77.7%**	**31.4%**	**83.6%**	**41.5%**	**48.4%**	**12.8%**	**78.6%**	**33.1%**
Aosta	83.9%	28.1%	87.8%	58.0%	53.9%	41.4%	82.0%	29.2%
VALLE D'AOSTA	**83.9%**	**28.1%**	**87.8%**	**58.0%**	**53.9%**	**41.4%**	**82.0%**	**29.2%**
Genoa	73.5%	23.2%	77.3%	35.8%	56.0%	13.4%	75.7%	36.5%
LIGURIA	**76.1%**	**27.4%**	**80.5%**	**40.4%**	**52.3%**	**13.5%**	**77.7%**	**32.2%**
Milan	75.6%	26.9%	81.7%	39.0%	44.0%	12.7%	74.7%	27.3%
LOMBARDY	**78.1%**	**30.4%**	**84.1%**	**43.1%**	**45.5%**	**12.8%**	**78.4%**	**30.0%**
Trento	82.2%	30.7%	86.4%	47.8%	51.1%	7.4%	82.0%	41.8%
Bolzano	77.9%	30.0%	81.5%	39.2%	45.8%	7.5%	75.2%	27.0%
TRENTINO-ALTO ADIGE	**80.2%**	**30.4%**	**84.1%**	**44.4%**	**48.7%**	**7.5%**	**78.6%**	**37.1%**
Venice	72.9%	21.6%	84.9%	27.4%	41.5%	12.0%	78.8%	34.5%
VENETO	**75.8%**	**21.4%**	**84.9%**	**31.5%**	**42.7%**	**11.2%**	**80.2%**	**29.8%**
Trieste	75.4%	18.6%	83.3%	29.2%	43.4%	9.1%	79.4%	25.9%
FRIULI-VENEZIA GIULIA	**77.7%**	**21.1%**	**85.0%**	**34.0%**	**43.4%**	**9.0%**	**80.4%**	**26.7%**
Bologna	76.9%	22.5%	85.1%	37.3%	42.6%	11.7%	80.9%	30.1%
EMILIA ROMAGNA	**78.6%**	**27.0%**	**86.1%**	**42.8%**	**40.2%**	**12.9%**	**81.6%**	**25.6%**
Ancona	75.1%	28.4%	85.4%	39.9%	43.5%	11.3%	82.7%	35.3%
MARCHE	**76.3%**	**27.5%**	**86.3%**	**39.6%**	**41.9%**	**12.7%**	**82.7%**	**32.9%**
Florence	75.8%	25.7%	81.9%	38.1%	51.8%	13.1%	79.7%	40.2%
TUSCANY	**76.7%**	**31.5%**	**83.4%**	**42.4%**	**49.3%**	**14.3%**	**80.0%**	**36.5%**
Perugia	79.1%	34.6%	87.2%	42.6%	49.4%	15.5%	82.3%	43.0%
UMBRIA	**78.5%**	**31.7%**	**86.9%**	**41.1%**	**47.3%**	**14.4%**	**82.0%**	**38.2%**
Rome	70.5%	19.0%	76.9%	30.1%	44.1%	10.0%	72.1%	28.6%
LAZIO	**70.9%**	**21.4%**	**77.9%**	**32.5%**	**42.2%**	**10.0%**	**72.8%**	**28.3%**
Naples	56.3%	13.7%	61.9%	24.1%	33.7%	7.7%	55.6%	15.0%
CAMPANIA	**59.9%**	**21.2%**	**66.6%**	**32.5%**	**34.2%**	**10.3%**	**58.3%**	**21.9%**
L'Aquila	77.9%	33.5%	84.8%	46.3%	49.8%	18.0%	78.6%	38.1%
ABRUZZO	**76.2%**	**34.7%**	**84.6%**	**46.6%**	**43.6%**	**13.5%**	**76.7%**	**37.2%**
Campobasso	76.7%	29.4%	83.7%	47.6%	43.2%	20.5%	73.2%	37.6%
MOLISE	**75.7%**	**30.7%**	**82.8%**	**44.8%**	**38.4%**	**16.7%**	**72.4%**	**29.2%**
Bari	70.4%	33.5%	78.2%	52.1%	38.4%	12.1%	70.0%	32.4%
PUGLIA	**69.0%**	**30.6%**	**79.0%**	**45.0%**	**36.9%**	**12.1%**	**71.5%**	**30.9%**
Potenza	75.0%	30.1%	83.7%	39.0%	33.5%	25.7%	76.8%	14.6%
BASILICATA	**74.5%**	**28.6%**	**83.9%**	**38.2%**	**32.7%**	**17.2%**	**77.7%**	**15.8%**
Reggio Calabria	70.8%	30.3%	81.7%	43.0%	36.7%	12.8%	77.8%	23.0%
CALABRIA	**72.1%**	**30.4%**	**82.7%**	**44.4%**	**36.2%**	**11.8%**	**76.8%**	**27.4%**
Palermo	73.0%	25.0%	80.9%	36.1%	37.7%	14.1%	73.5%	23.8%
SICILY	**74.2%**	**29.9%**	**82.4%**	**40.7%**	**37.7%**	**13.5%**	**75.5%**	**26.0%**
Cagliari	79.8%	22.0%	87.2%	31.4%	48.8%	9.2%	82.9%	26.0%
SARDINIA	**79.7%**	**26.7%**	**87.1%**	**37.8%**	**48.0%**	**13.8%**	**82.9%**	**30.5%**
All regions	**74.6%**	**27.6%**	**81.9%**	**39.6%**	**42.7%**	**12.3%**	**76.3%**	**29.3%**

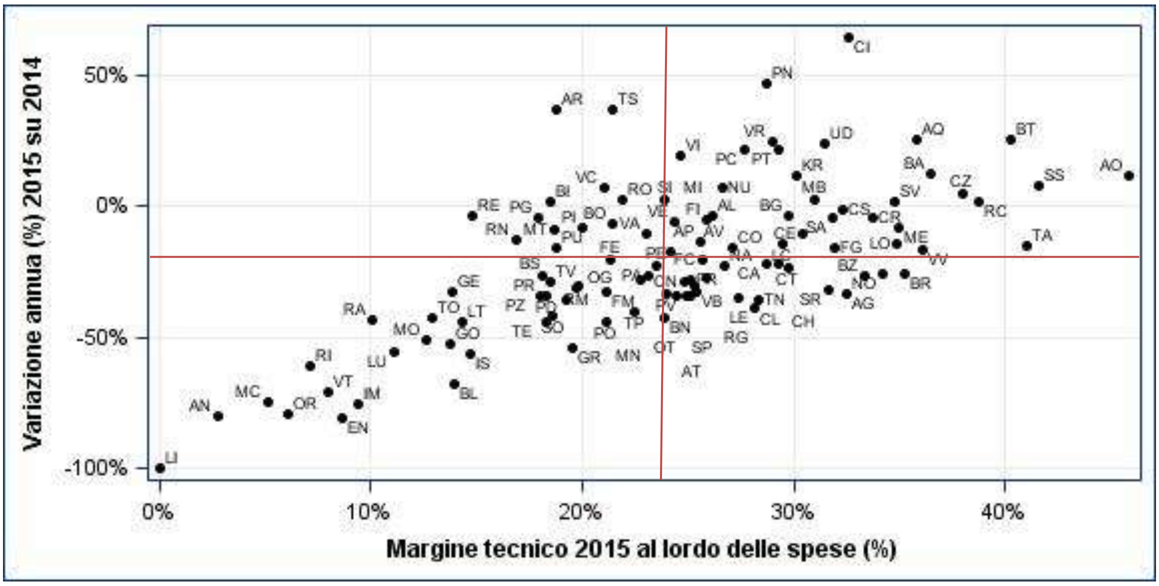
Looking at Tables I.67 to I.69 collectively, nationwide premium income from passenger car insurance fell by 6.8% in 2015, owing mostly to a decline in the expected technical margin (-20.1%). In fact, the overall margin fell from €3,180 million in 2014 to €2,544 million, or about 24% of the premiums recorded for all the regions in 2015.

The reduction in the average net price paid in 2015 (from €398 to €372) was also attributable chiefly to the decline of 14.3% in the expected gross technical margin per policy, as well as in to a reduction in the total cost of claims. Nationwide, claims frequency in the passenger car sector increased slightly in 2015, from 6.5 to 6.6%, while the total average cost of claims (including the estimate for IBNR) fell by 2.7%. Further, the pure premium (industrial cost of claims or claims ratio) fell by 1.6% while the average net premium shrank by 6.7%, owing largely to the fall in the technical margin.

In other words, the results of the survey show that the insurers under supervision lowered their average car insurance prices between 2014 and 2015, prevalently to the detriment of the expected technical margin, after having increased premium discounts from 19 to 25% (see IPER survey, section 6.4.2).

The following figure demonstrates both the variation in the expected gross total margin between 2014 and 2015 and the expected gross margin per policy registered in 2015 in percentage terms for each province.

Figure I.37 – Expected gross total margin
Variation of 2015 over 2014 and per-policy level in 2015*



* Some provinces whose values are outliers were excluded.

As seen in Figure I.37, the technical margin fell in almost all the provinces. Again the after the decline in 2015, Southern Italy still reports higher per-policy technical margins by virtue of similarly high average premiums. In 2015 the expected gross margin for passenger cars was 23.9% (27.8% in 2014) which, excluding average policy management costs (21.5% for acquisitions and administration), falls to 2.4% (a proxy for contingency loading or profit margin) of the average net premium paid per policy.[35]

In particular:

– the largest decreases in premium income and the technical margin were in the provinces of Bari (10%), Cagliari (9.9%), Campobasso (9%), Naples and Rome (8.1%); for the cities of Bari and Campobasso, this decrease is attributable to a sharp fall in claim costs; in Cagliari, Rome and Naples, to a significant tapering of the technical margin;

– a sharp decline in the technical margin was also reported in Ancona, Turin, Trento, Genoa, Palermo and Milan;

– the unusual situation in Bologna, Florence, Venice and Perugia, where the reduction in the expected technical margin was caused by a negative variation in the average net premium paid.

[35] With respect to the financial margin, in 2015 investment profits transferred from the non-technical account came to 4.3% of the premiums recorded in the non-marine motor vehicle liability insurance segment (class 10).

Furthermore:

- the province that reported the lowest average net premium in 2015 was Verbano-Cusio-Ossia at €272, while the highest was paid in Naples, despite its sharp decrease from €627 in 2014 to €590 in 2015;

- high premiums were paid predominantly in the Centre-South, in cities such as Caserta (€523), Reggio Calabria (€492), Prato (€487), Taranto (€473), Florence (€457), Foggia and Brindisi (€452) and Rome (€447);

- moderate premiums were paid in Aosta (€294), Trento (€299), Perugia (€297) and Trieste (€301);

- at the regional level, the highest average premium was paid in Campania (€515) and the lowest in Friuli-Venezia-Giulia (€277): high net average prices were also paid in Puglia (€426) and Calabria (€421) while more modest prices were seen in Valle d'Aosta (€294), Umbria (€300), Piedmont (€327), Lombardy and Sardinia (€336).

Claims frequency, average cost of claims, loss ratio and technical margin

Table I.68 illustrates the loss ratio[36] gross of the IBNR estimate, claims frequency, average cost of claims, average premium paid, pure premium (net and gross of the estimate for late claims) and the per-policy technical margin in 2015.

The data indicate:

- high loss ratios are set against technical margins that are lower than the national average, with possible underwriting losses (Ancona, Turin, Genoa, Campobasso, Trieste, Bologna, Perugia and Rome);

- in contrast, the provinces of Aosta, Taranto, Sassari, Reggio Calabria and Bari have loss ratios that are significantly lower than the national average and corresponding technical margins that are among the highest in the country.

Claims portfolio profile and claim settlement time

Table A5 in the Appendix shows the percentage composition of the claims incurred and reported in 2015, as well as the number of claims and the amount, by province and type of claim (only personal injury, only property damage, or both). Table I.70 shows the claim settlement time, by number and amount, both overall and for each type of claim.

The data in the table indicate the following:

- in Italy, based on the average composition of the motor vehicle claims portfolio, for every 100 claims settled, 1.4% involved personal injury (7.1% by amount), 92% property damage (66.7% by amount) and 6.6% were mixed claims (26.2% by amount).

- on the regional level, Calabria shows a percentage of personal injury claims settled that is two and a half times the national average and a percentage of mixed claims that is one and a half times as high. The same differential is found for the incidence on total claims payments. Puglia too is

[36] A proxy for the exact value of the loss ratio (based on earned premiums) since the *Dati Tecnici* survey does not report premium reserves by province.

overexposed to personal injury claims (including mixed claims) as are Abruzzo and Sicily, albeit to a lesser extent.

With regard to settlement times for passenger car claims, in 2015:

- on average in Italy, 74.6% of the claims paid (by number) were settled within the year of occurrence, and 42.7% by amount: the settlement time varies with type of claim: 27.6% (12.3% by amount) paid within the year for personal injury claims, 81.9% (76.2%) for property damage claims, and 39.6% (29.3%) for mixed claims;

- the province with the shortest settlement time is Aosta (83.9% by number and 53.9% by amount) while the slowest remains Naples (56.3 and 33.7% respectively) where the settlement times for personal injury claims are very long (13.7% and 7.7%), as they are in general in the region of Campania (59.9% and 34.2%);

- the Campania region also holds the record for claims incurred but not reported (IBNR, which account for 22.8% of the total cost of claims (27.3% in Naples) against a national average of 10.7%, probably owing to the long-time taken by the insured or damaged parties to submit their claims, causing them to reach the insurers more than a year after their occurrence. This delay requires undertakings to allocate more funds to their reserves at the end of the year for unreported claims at an amount that is twice the national average.

6.4.2. IPER - Trends in actual prices in 2015

The average premium paid by policyholders for contracts signed or renewed between 1 October and 31 December 2015 was €439, with 50% paying more than €397 and 10% more than €679; only 10% paid less than €247.

Analysis of the price trend on a quarterly basis (Figure I.38) shows an uneven downward movement. The average premium fell by 7.6% in 2015 and the median by 7.3%. In the same period the net tariff[37] decreased only by 2.2%. The price reduction is therefore principally caused by an increase in the discount (Figure I.39). In fact, the percentage of the discount on the net tariff grew by 6 percentage points in 2015 (from 19% in the fourth quarter of 2014 to 25% in the fourth quarter of 2015.

[37] The net tariff is defined as the sum of the pre-tax premium and any discount. The premium/price is the difference between the tariff and the discount.

Figure I.38 – Price and net tariff
Average quarterly data

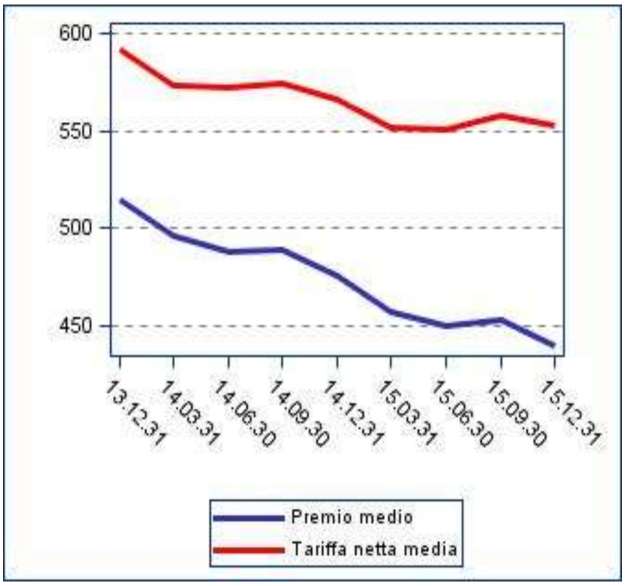


Figure I.39 – Average premium and percentage discount on net tariff

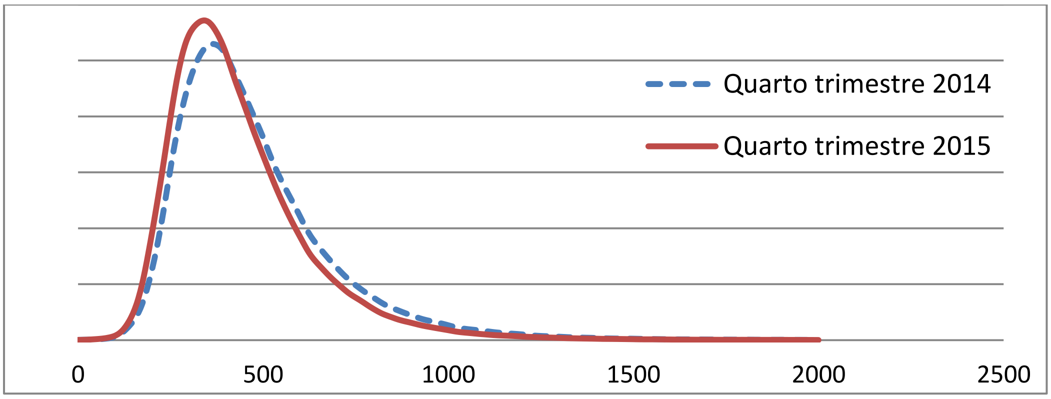
Source: IPER

Change in price dispersion

In 2015, price dispersion, while still high, was attenuated somewhat (Figure I.40), with a consequent bunching of mean and median prices around average central values with a lower occurrence of the most costly policies. In particular, values at the 75th and 90th percentiles fell more sharply (by 7.87% and 8.2% respectively) than those for lower percentiles (6.8% for the 10th percentile).

The disparities in motor vehicle liability insurance premiums paid by Italian policy holders tended to shrink, then, as did the diffusion of more costly policies. And the policyholders who paid higher premiums benefitted more from a fall in prices than those whose premiums were lower.

Figure I.40 – Premium distribution



Source: IPER

In 2015 the price distribution asymmetry[38] (mean higher than median) decreased, recording a slight fall in each quarter over the corresponding quarter of the previous year (for example, between the 4th quarter of 2014 and the 4th quarter of 2015 the difference between the mean and the median fell by €7.50 and the asymmetry index went from 0.219 to 0.213).

[38] Measured by an index given by the ratio of the difference between the mean and the median to the standard deviation.

6.4.3. *Prices at provincial level*

Figure I.41 – Level of average premium[39]

(*contracts signed in Q4 2015*)

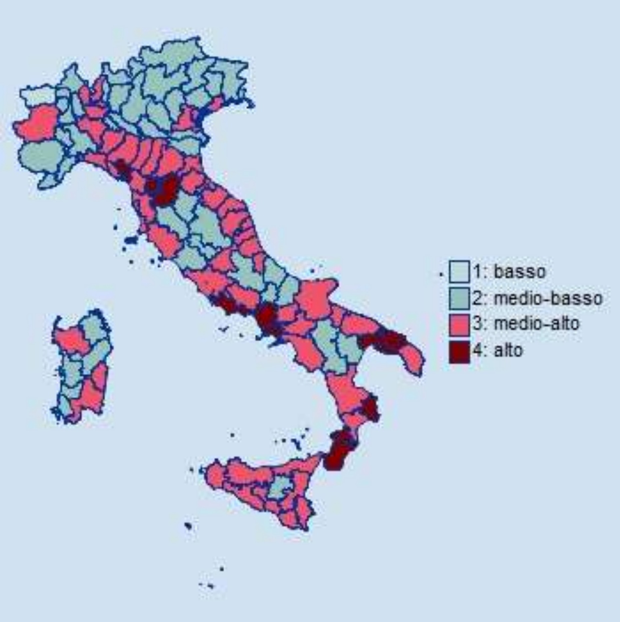
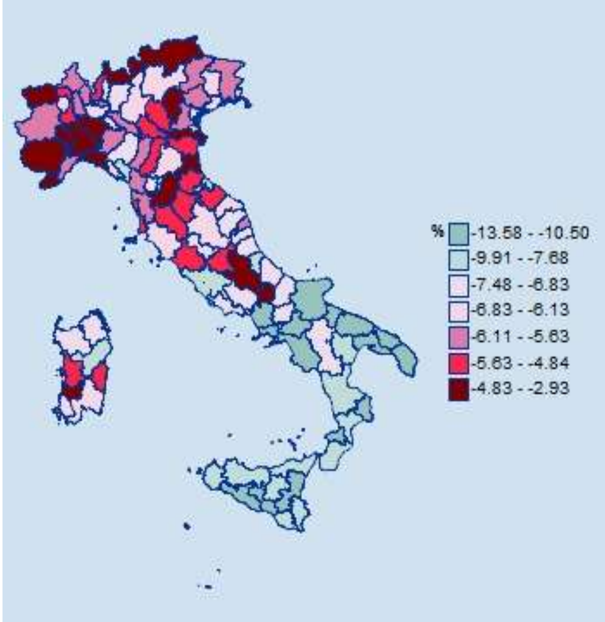


Figure I.42 – Annual variation of the average premium
(Q4 2015 over the corresponding quarter in 2014)



Source: IPER

Figure I.41 shows the average premium by province in the 4th quarter of 2015 classified with respect to the quartiles of the national premium distribution.

The geographical variability of prices remains ample, with a prevalence of high prices in the South and Centre: there was a difference of €370 between the province with the highest prices (Naples) and the lowest (Aosta).

Among the 10 most expensive provinces are the Tuscan provinces of Florence, Massa-Carrara, Pistoia and Prato, in Calabria the provinces of Crotone, Vibo Valentia and Reggio Calabria, the province of Taranto in Puglia and the provinces of Naples and Caserta in Campania. Naples is the province with the highest average price (€657), followed by Prato and Caserta at €621 and €595, respectively.

Eight of the 10 provinces with the lowest average prices were in the North (Aosta, Belluno, Biella, Cuneo, Gorizia, Pordenone, Udine, and Vercelli).

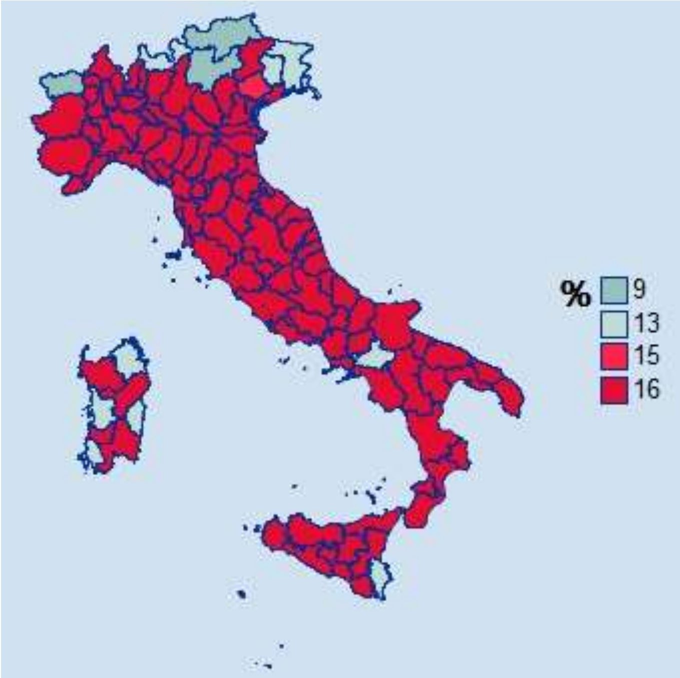
In 2015 the average premium (Figure I.42 and *Statistical Bulletin*, No. 2, 2016, Table A14) fell in all provinces by amounts ranging from 2.9% (in Vicenza) to 13.6% (in Barletta-Andria-Trani). In 79 provinces the annual premium variation was less than the national average (7.6%), in the remaining 31 provinces, mostly in the South and in Sicily, it was greater.

[39] The premium was discretized in four categories (low, medium-low, medium-high, high) using the quartiles of the national price distribution.

Analysis of price components

On average, taxes absorbed 15.8% of the net premium, and another 10.5% went to the NHS as a contribution to the cost of care for persons injured in road accidents. Lastly, the contribution to the Road Accident Victims Guarantee Fund, net of deductions for management costs,[40] amounted to 2.4% of the net premium.

Figure I.43 – Motor vehicle liability insurance tax rate (contracts signed in Q4 2015)



Source: IPER

It follows that the premium paid for risk coverage, including commissions, management costs and any profit of the undertaking, is on average 77.4% of the premium paid by policyholders (€340 out of €479).

IPER data was used to calculate the average ratio of taxation to net premium, a proxy for the tax rate on motor vehicle liability insurance premiums, determined each year at provincial level: this rate ranges from 9 to 16%.

Figure I.43a shows this proxy for the motor vehicle liability insurance tax rate in the various provinces (Table A.14). Most (95 out 110) apply the maximum allowed (16%), 10 apply the base rate of 12.5%, and only 3 apply the minimum rate of 9%.

Black boxes

IPER contains information on the use in motor vehicle insurance policies of price-reducing 'black box' clauses, i.e. telematics systems mounted on the insured vehicle (Article 132, para. 1 of the Private Insurance Code). For the sake of brevity, the term 'black box policy' indicates the presence of such a clause in the motor vehicle insurance policy.

[40] In 2015 it amounted to 4.4% of gross premiums.

Figure I.44 on the use of black boxes in the insurance market shows uneven growth. Black boxes are present in 15.8% of the policies stipulated in the 4th quarter of 2015. In 2015 the percentage of policies with a black box grew by 2.2 percentage points.

Figure I.44 – Percentage of policies with black boxes

(% values)

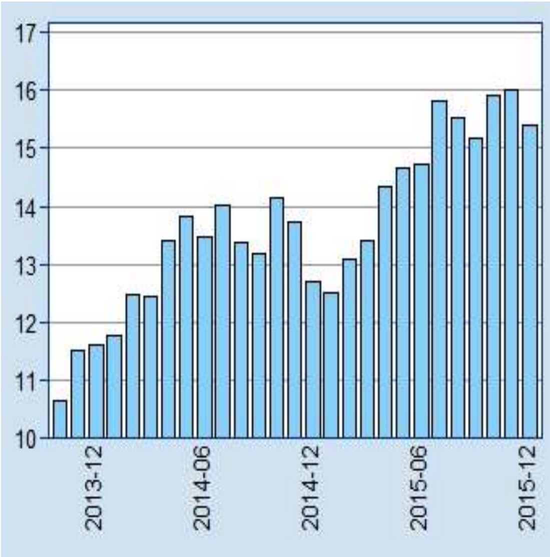
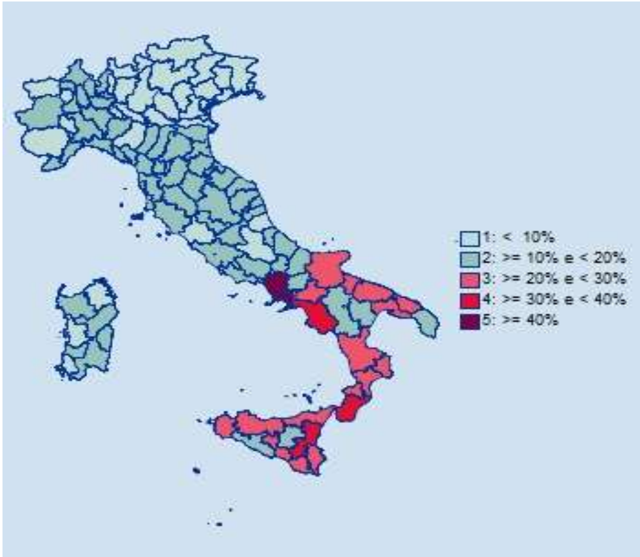


Figure I.45 – Percentage of contracts with black boxes

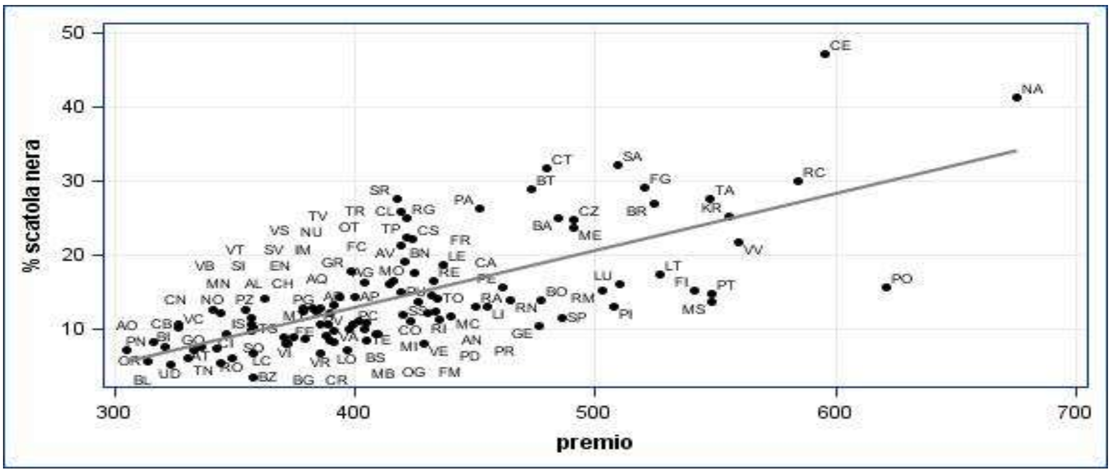
(contracts signed in the Q4 2015)



Source: IPER

The diffusion of black boxes varies considerably by region (Figure I.45). In the southern provinces (in Calabria, Campania, Puglia and Sicily) more than 20% of the policies had black box clauses, while the lowest rates (less than 10%) were found in the North-East. In central Italy, the North-West and Sardinia, their use is moderate, between 10 and 20%. The provinces that reported the highest use of black boxes were Caserta, Naples, Salerno, Catania and Reggio Calabria, at 47, 41, 32, 32, and 30%, respectively. The percentage of policies with black box clauses and the average premium are positively correlated (Figure I.46): in provinces with higher premiums there is greater use of black boxes.

Figure I.46 – Average premium and percentage of contracts with black boxes (contracts signed in Q4 2015)



Source: IPER

Mobility of policyholders between companies

In 2015, 12% of policyholders changed insurer.[41]

The mobility rate rose with the policyholder's Bonus-Malus class (Figure I.47): in the first class (the best), the rate of change was equal to the national average of 12%, while it rises to 18% in the highest classes. The average Bonus-Malus class of policyholders who change company is worse than that of those who do not (2.4 compared with 2.1).

Figure I.47 – Mobility rate by Bonus-Malus class – 2015 vs 2014

(policies entered into in Q4)

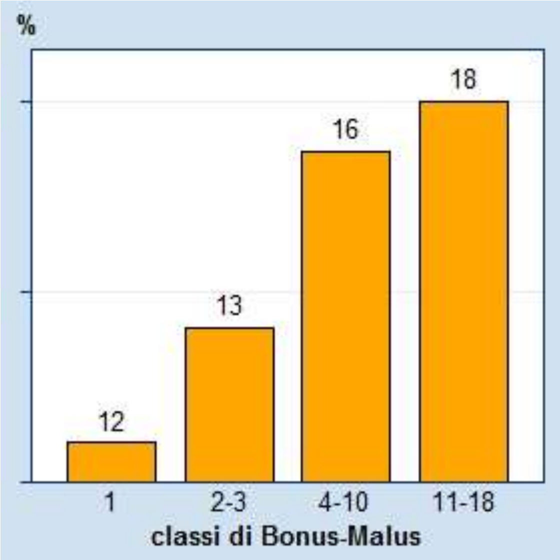
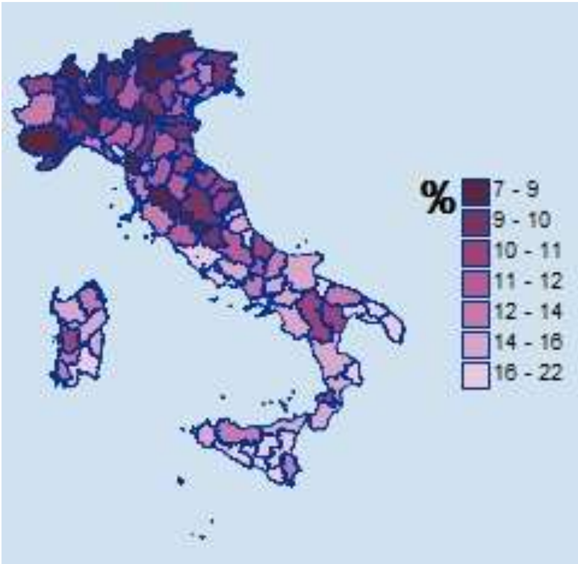


Figure I.48 – Mobility rate 2015 vs 2014

(policies entered into in Q4)



Source: IPER

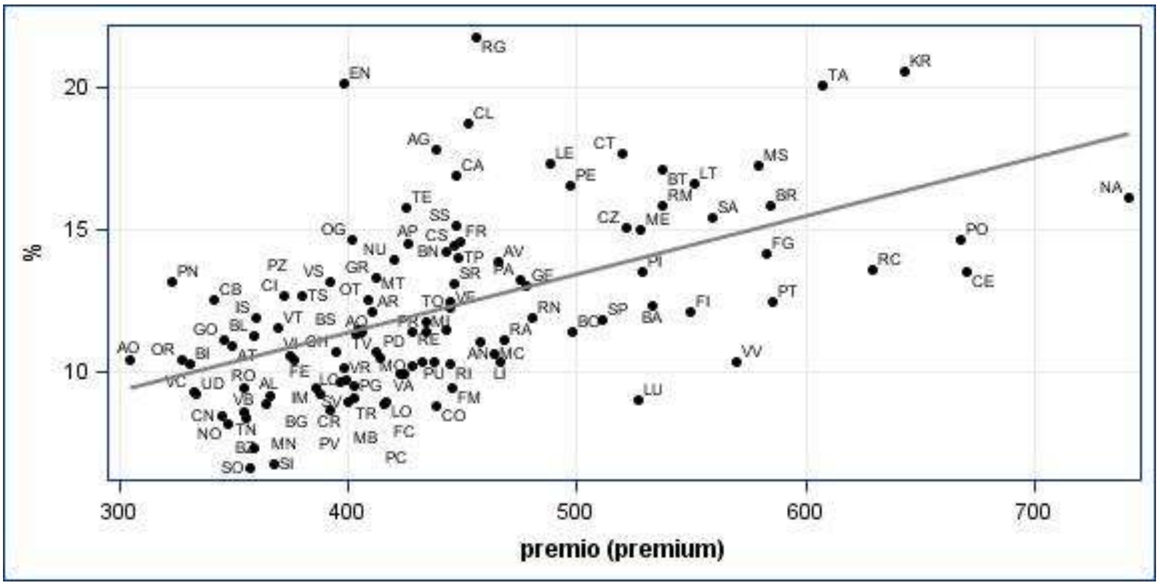
Figure I.48 shows the mobility of policyholders in Italy. The highest mobility was seen in the southern and island provinces, which numbered 12 of the 17 provinces that reported mobility rates over 15%: Agrigento, Caltanissetta, Catania, Enna and Ragusa in Sicily, Barletta-Andria-Trani, Brindisi, Lecce and Taranto in Puglia, Crotone in Calabria, and the provincial capitals in Campania and Sardinia. Mobility rates in central Italy are very mixed: high mobility rates can be found in 5 provinces (Latina, Massa-Carrara, Pescara, Rome and Teramo) where rates are above 15%; however, there are also provinces with low mobility rates and others with rates that are in line with the national average. In the northern provinces, mobility was more contained with most rates falling below the national average.

The data in Figure I.49 show the direct correlation between mobility and average premium (a Pearson coefficient of 0.56): in the provinces where the premium was higher, policyholders made greater recourse to mobility in order to save on their policy costs.

These statistics show that consumers search actively for the best prices, and that higher premiums result in more intensive searches: higher-risk policyholders (higher Bonus-Malus class/provinces with more claims) have a greater propensity to change.

[41] The annual rate of mobility was calculated as the average of the four quarterly rates.

Figure I.49 – Average premium and mobility rate (policies signed in Q4 2014)



Source: IPER

6.4.4. Relationship between prices and costs by province

Utilizing the *Dati Tecnici* data on the number of claims and the amounts paid, provincial indicators were calculated for average claim cost and claim frequency. The total average cost per claim takes into account the amounts paid, including those paid in part, for every type of damage (personal injury, property and vehicle damage), amounts placed in reserve (amounts set aside to cover future costs of claims incurred in the current year) both in relation to claims filed in 2014 and late claims (IBNR).[42] From an economic perspective, the sum of these items is a measure of the average cost of expected claims. The total claims frequency refers to this same set of claims, i.e. those incurred in 2014 and handled that year or afterward, which after 31 December 2014 were either in reserve or already settled definitively.

To better understand the relationship between prices and costs, proxies for insurance frauds were considered. Pursuant to Regulation 44, undertakings must supply IVASS with information pertaining to claims that were i) filed within the reference year, ii) exposed to the risk of fraud, iii) subjected to further inquiry, iv) closed without payment and v) the subject of a civil or criminal complaint. This information enables us to formulate, as a measure of the risk of fraud, a variable that depicts the relationship between claims subject to fraud investigation and the total number of claims.

The variables used in the econometric analysis are the following:

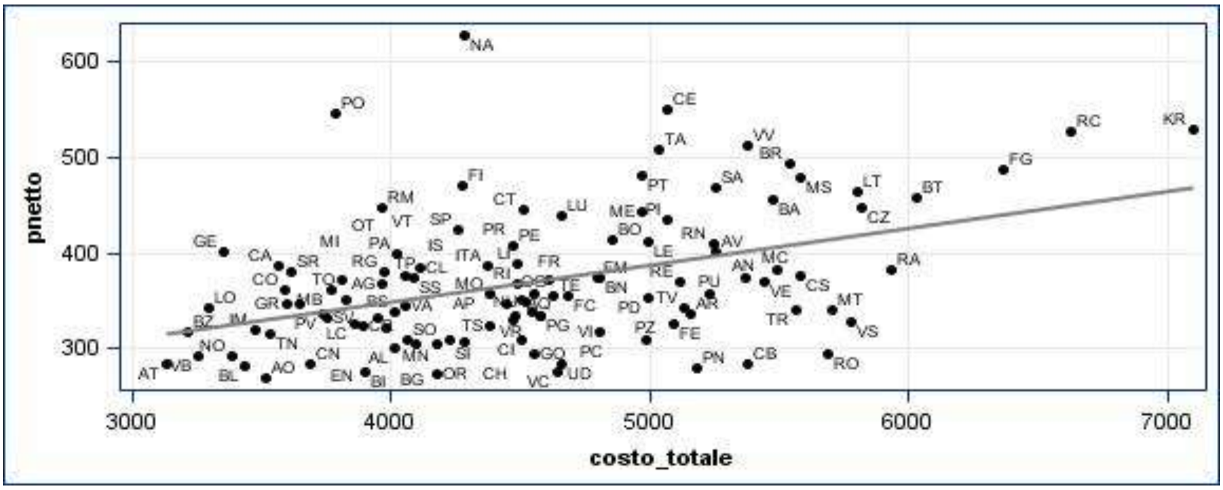
- the net price, calculated by subtracting taxes and the NHS contribution from the actual average price paid for policies entered into in 2014;
- the Herfindahl-Hirschman concentration index, calculated using IPER data for the average of the values in the index in the four quarters of 2014;
- the average cost per claim in relation to the managed claims incurred in 2014, filed within the year or in the following year. The variable takes into account the amounts paid and those set aside in the reserves at the end of the year;

[42] Late claims are those incurred in one year but reported in a later year.

- claims frequency calculated as the ratio of the number of claims in 2014, reported in 2014 or 2015, that as of 31 December 2014 were listed as 'definitively settled' or in the reserves, to the number exposed to fraud risk[43];
- the fraud index, calculated as the ratio of the number of claims at risk of fraud to total claims filed in 2014.

The analysis covers the year 2014 (the most recent for which all the data are available). The average cost per claim and claims frequency are calculated on the basis of claims incurred in 2014 while the prices relate to the contracts entered into in 2014. This implies that, in part, the costs utilized in the analysis are drawn from claims covered by policies whose start date preceded that of the policies used in calculating the average prices. Insofar as the link between prices and costs among the provinces is constant over the period 2013-2014, this approximation should not undermine the analysis.

Figure I.50 – Average net price of policies signed in 2014 and average cost of claims incurred in 2014



Source: IPER and *Dati Tecnici* survey

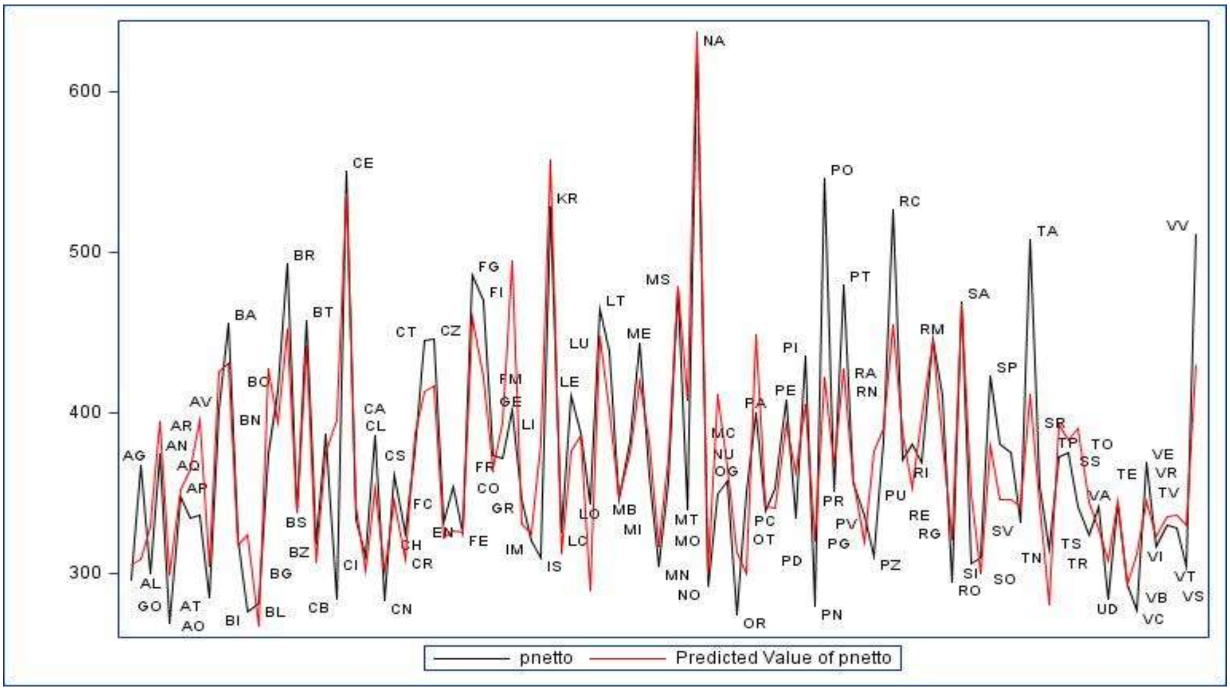
Figure I.50 plots the relationship between average price and average claim cost by province. The two variables are positively correlated: in the provinces where costs are higher, so are prices. However, there are notable differences in the correlation between prices and costs. Some provinces with similar average costs have drastically different prices, and conversely. For example, in Caserta and Prato the net average price in 2014 was €550 and €546, respectively, but the average claim cost in Prato was €3,788, while in Caserta it was €5,063. Similarly, Vibo Valentia and Campobasso had similar average costs (respectively €5,377 and €5,373) but sharply differing average net prices of €512 and €284 respectively.

To explain these differences, an OLS regression was used in which the dependent variable was the province's average price and the independent variables included average claim cost (only for policyholders who filed at least one claim), claims frequency, the fraud indicator and the concentration index. Even though the cost (expected or actual) of fraud is already included in the cost of claims (realized or reserved), the fraud indicator was included among the regressors in order to capture another component of 'risk' or 'uncertainty'. The concentration index, while it does not credibly measure competitive pressures in local markets, is nonetheless a measure of the market structure.

[43] The number of insured vehicles in proportion to the coverage period of the reference year (or fraction of a year for vehicles insured for less than 12 months in the reference year).

The intercept is not statistically significant. This result is reassuring because it indicates that the fixed cost components tied to prices are well explained by the variables included among the regressors. Both the frequency and the average cost are statistically significant at a confidence level of 99%: an increase in claims means an increase in prices. Taking into account the risk of fraud, the heterogeneity of provincial market shares does not explain the price variability between provinces.[44] The model, though parsimonious in terms of explanatory variables, explains a large part of the variability in prices among the provinces (R-squared is 0.7358). To see how far the model explains the prices for each province, the prices reported in IPER were compared with those predicted by the model (Figure I.51).

Figure I.51 – Average net price for policies signed in 2014 and average claims cost for claims incurred in 2014



Source: IPER *Dati Tecnici* Survey for motor vehicle liability insurance and marine insurance

The model does a good job of explaining the exorbitant prices of some provinces (Naples and Caserta), while in other provinces it generated prices that were lower than the actual prices (Prato, Reggio di Calabria, Taranto) or higher (Palermo, Avellino). Once can definitively infer that the varying risk profiles of the insured and the uncertainty tied to future claims payments are the determinants of the price differentials among provinces.

6.4.5. Prices and the Bersani Law

The "Bersani" Law (Law 40/2007) laid down measures to protect consumers, promote competition, develop economic activity and create new undertakings. With regard to motor vehicle liability insurance, the law made it possible, when purchasing a vehicle, to subscribe the insurance policy with the same Bonus-Malus class as another vehicle already owned by the same person or by a household member.

More specifically, the Bersani Law is applicable under the following conditions:

– the insurance policy from which the Bonus-Malus class is being taken is still active;

[44] The concentration index is statistically significant only if the fraud index is not included among the regressors.

– the vehicle to be insured was recently purchased by a member of the household;

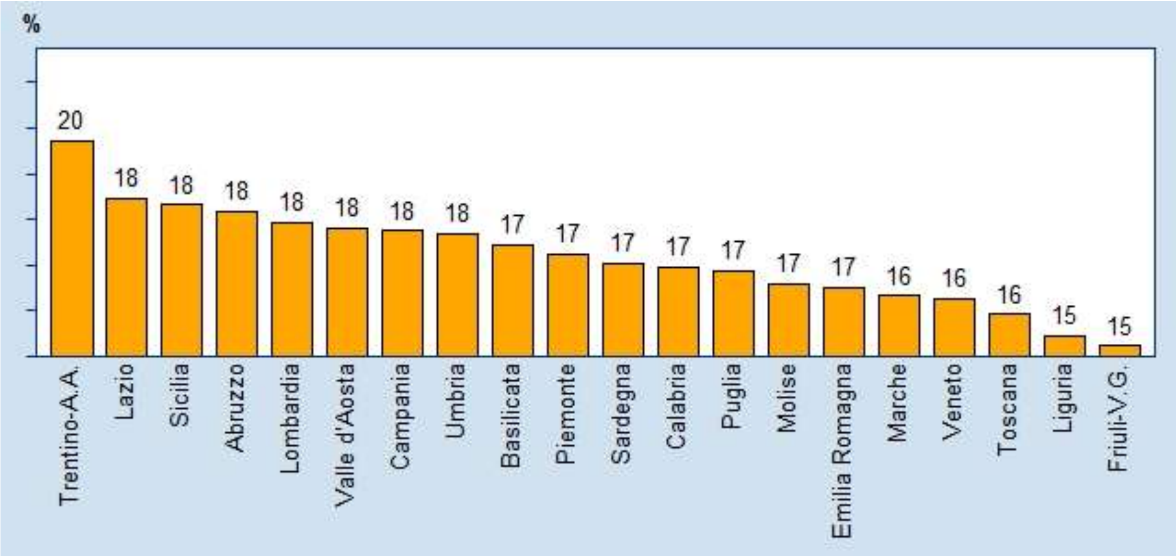
– the household member (vehicle owner) from whom the Bonus Malus class is being inherited and the owner of the new vehicle have the same residence;

– the purchaser of the vehicle is a natural person;

– the Bonus-Malus class applies only to vehicles in the same category: car-car, motorcycle-motorcycle.

In the fourth quarter of 2015, 17.7% of policies made use of the Bersani Law, 78.8% did not (for the remaining 3.5%, no data are available). The use of the Bersani law was fairly uniform throughout the country (Figure I.52): 7 regions registered percentages in line with the national average, and only 3 regions reported percentages above 18% (Trentino-Alto Adige) or below 16% (Liguria and Friuli-Venezia Giulia).

Figure I.52 – Percentage of policies signed with the Bersani Law in Q4 2015



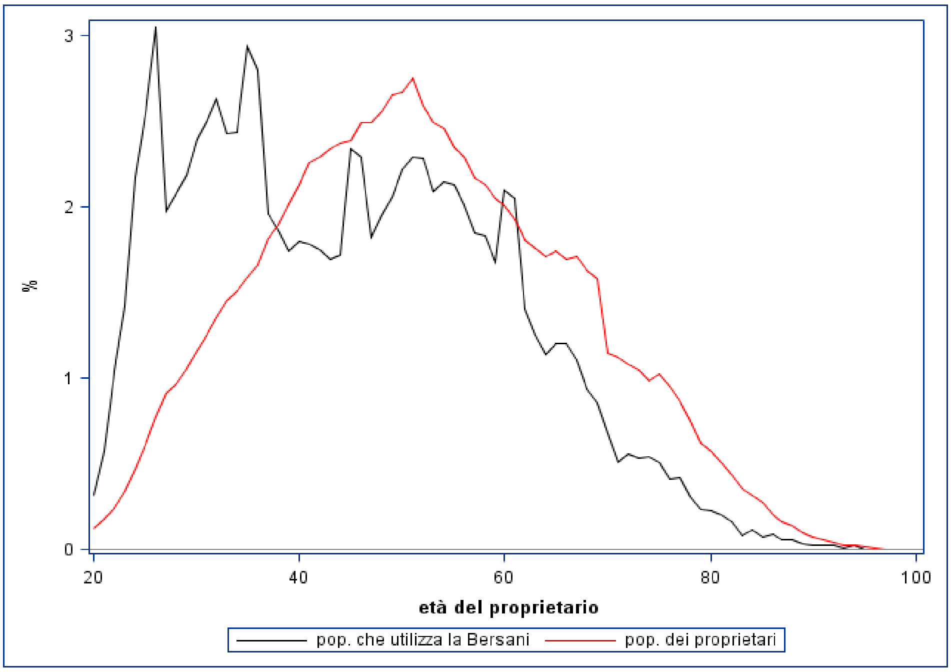
Source: IPER SITA-ATRC

The policyholders that made use of the law were younger than those with a Bonus Malus class that reflects their own claims level (the average age was 45 against 53). Figure I.53 plots the ages of those who benefitted from the law against the age distribution of car owners in general.

Recourse to the Bersani law increases uniformly up to age 26. This age group, which comprises the upper age limit at which the penalty pricing used by most insurers for newly licensed drivers is no longer applied, is the modal value for the distribution. Use of the law remains widespread until age 60, with a slight decrease between ages 37 and 44, and begins to decrease at age 61.

Figure I.53 – Bersani Law by vehicle owner's age

(contracts signed in Q4 2015)



Source: IPER SITA-ATRC.

6.5. Anti-fraud action

6.5.1. IVASS anti-fraud action and the integrated anti-fraud database

IVASS activities

IVASS's action against insurance fraud has developed in a number of directions. Apart from the core functions, such as management of the claims data base (*Banca Dati Sinistri*, BDS) and exchanges with undertakings and Authorities on reports of possible fraudulent activity, in 2015 specific activities and functions were enhanced and new ones were developed:

- the dematerialization of electronic claim history certificates[45] represents a concrete measure aimed at administrative simplification in the motor vehicle liability insurance sector, and at the same time, an important safeguard against counterfeit insurance documents;
- digitization of the insurance certificate[46] allows for the transmission of the insurance documentation via email, subject to the explicit consent of the insured, producing time and cost savings;
- the entry into force of the motor vehicle insurance coverage data base. Cooperative action together with the Transport and Infrastructure Ministry and the Traffic Police Division of the Ministry of the Interior dealt with the potential problems deriving from the end of windscreen insurance certificate stickers and the beginning of remote checks by law enforcement personnel;
- drafting of new regulations for the claims database. The proposed text was submitted for public consultation in order to take into account the regulatory history of anti-fraud legislation

45 Governed by IVASS Regulation 9 dated 19 May 2015.
46 Provided for by IVASS Regulation 41 dated 22 December 2015.

and the creation of the Integrated Anti-Fraud Database (*Archivio informatico integrato antifrode,* AIA);

- setting a new sanction regime for violations of the rules of the certificates database. Sanctions for late entries are justified by the need for the claim history certificate to be made available to the insured at least 30 days before the expiration of the policy as provided by law. IVASS monitors the entries on a bi-monthly basis and processes late entry violations;
- working with Public Prosecutors to assist the judicial authorities in combatting insurance fraud;
- developing data quality procedures for the claims database and identifying a statistical analysis system for the communications made by the undertakings.

Data Quality Analysis on the BDS

IVASS has launched a project to create a system for statistical analysis of the data transmitted to the claims database (BDS). The results will be available to insurers as of 2016; the related communication will be generated and transmitted automatically.

The report will be issued monthly and will be sent to firms via the same electronic channel used for transmission of data to the BDS, through which AIA indicators will also be received.

Report 1.0, in its first version, is subdivided into 10 sections: the user, with the help of dashboards and graphics, can immediately assess whether the data transmitted, mostly within the last month, contain certain types of errors (quality analysis) and whether they fail to come up to the market-wide average (quantity analysis). The system provides for a rapid identification of the claims that contains anomalies, and in some cases, of the type of error detected.

IVASS thus provides insurers with a tool to identify problem areas in the quality and quantity of the data in the BDS flows. It is from this data that AIA launches its searches among the other interlinked databases, and the proper functioning of IVASS's early warning system depends on the accuracy and completeness of the data transmitted to the BDS.

Both the report and the attachment detail the claims that were discarded by AIA: in general, claims that present serious anomalies in the data transmitted. This last point will be particularly scrutinized, as some anomalies may be due to defects ascribable to the insurer while others may signal a fraudulent claim that contains intrinsically inaccurate data.

The reports provided by individuals, undertakings and Authorities help in carrying out many anti-fraud actions. In 2015 IVASS received 49 reports from individuals and 7 from undertakings regarding alleged illegal conduct. It processed 16 requests for information and 150 requests to verify policy documentation, requesting the insurance company to lodge a civil or criminal complaint.

With regard to entries in the electronic archives, in 2015 IVASS received 77 reports from the Authorities for verification of insurance coverage after they were unable to find data on existing policies in the database of the Transport and Infrastructure Ministry (MIT). This problem emerged following the dematerialization of the insurance windscreen sticker. Similarly, after the launch of the claim history certificate database, IVASS received 14 reports of missing or erroneous entries.

IVASS received 85 reports involving suspect cases, and most were followed up with requests for further information from the undertakings involved. In one case, after a full investigation, a report was submitted to the judicial authorities.

In 2015, access authorization management involved: the insurance companies, with 442 new authorizations and 228 deactivations of users; agencies, with 11 new authorizations. There was also an increase in the number of users requesting technical assistance, including requests for passwords or user ids.

During 2015, 48 sanctioning procedures were commenced against insurance companies that did not correctly update the claims database or the new database of claim history certificates. With regard to the latter, for the first two months following the law's entry into force (July-August 2015), IVASS elected not to impose sanctions, in view of possible misinterpretations of the new law. In the next two-month period, IVASS noted a high degree of responsiveness on the part of undertakings to the reporting obligations but on average 1.3% of certificates were transmitted late.

Six undertakings have been under inspection since they presented problem areas which emerged following the examination of their annual anti-fraud reports or after checks on entries in both the policies and the certificates database.

A significant increase in requests by eligible parties to access data in the claims database was reported again in 2015, a sign that the tool is becoming more and more well known among users in the motor vehicle liability insurance sector.

Data access requests numbered 267, of which 154 from the 'data subject', i.e. the person to whom the data referred (an increase of 32% over 2014), 48 from the judicial authorities and law enforcement agencies and 65 from attorneys and justices of the peace. The latter concerned, mostly, requests for access to data relating to parties other than the applicant, which the existing regulatory framework governs with particular rigor. The access requests by the justices of the peace are often motivated by needs that go beyond the intended purpose of the law, namely preventing and combating insurance fraud.

The claims database contains a large amount of information considered 'sensitive', such as health records, that require special protection of privacy. For this reason, particular attention is given in adjudicating these requests for access. In fact, not infrequently these requests are denied.

Access to BDS data

From a legal perspective, particular attention has been paid to requests for access to the data of third parties made by attorneys motivated by the need for defensive investigations relating to penal proceedings involving their clients.

A public entity's treatment of sensitive data, which are very common within the claims database, is of great public interest and access to them is allowed only if the right that is being asserted or defended is at least equal in importance to that of the other party concerned.

The first evaluation to be made is thus a comparison between the rights involved to verify that legal rights that are being protected with the request for access are at least equal to the rights of the data subject.

Further to that, it must be ascertained, even with a view to only partial access, whether the data requested are actually needed in order to enforce or defend those equivalent rights in a litigation, in accordance with the principle of relevance and non-excess in the data treatment, laid down as far as public entities are concerned by Article 22 of the Privacy Code.

Moreover, whenever the request for access involves sensitive information, such as health records, the consent of the data subject is required pursuant to Article 26 of the Privacy Code. Since the information needed is never provided in full, owing to confidentiality requirements for events under judicial investigation, as a rule, these requests for access are denied due to the impossibility to conduct a thorough and adequate assessment of observance of the principles in the Privacy Code.

When the request is denied, the requesting party is informed that, in the case of a criminal proceeding, the same request for access can be sent to the Judge court, which can order the release of the data in question also by means of the judicial police, referred to in Article 56 of the Code of penal procedure, who have direct access to the claims database by virtue of a specific agreement between the Department of Public Safety, the Internal Affairs Ministry and IVASS.

The integrated anti-fraud database

In the course of 2015, the pieces of the puzzle that comprise the first phase of the new anti-fraud procedures were put in place. This has contributed greatly to the full phasing-in of the integrated anti-fraud database (*Archivio Integrato Anti-frode*, AIA) in the first few months of this year.

The definition of the regulatory framework took a major step forward after the Decree 108/2015 of the Ministry for Economic Development entered into force on 30 July 2015. The Decree regulates the AIA's operations, identifies the databases that are to be linked in the first phase of the project, covers the anomaly indicators and consultations of the database, provides for the stipulation of agreements between IVASS and data providers, and tasks IVASS with issuing operational instructions on the anomaly indicators and the specific techniques needed for IT linking.

During the summer, activities for the issuance of the instructions and the stipulation of the agreements with the data providers were initiated; the rules contained in the Decree enabled the latter to put at the disposal of AIA, between 2015 and 2016, more complete files than those used in the early testing phases of the procedure; this has allowed for the carrying out of more effective trials under operating conditions more closely resembling those of the ordinary operation of AIA.

The activities preparatory to the completion of Phase 1 have not prevented progress on planning for Phase 2.

Phase 2 of AIA consists of three main pillars: additional links to external databases; the creation of an AIA portal with online services for law enforcement agencies, insurance companies and IVASS; and fine-tuning and augmenting the claims analysis tools, thanks in part to network analysis methodologies.

With regard to the progressive integration of IVASS's IT structures and applications into those of the Bank of Italy, it was decided that the planning and implementation of the first two pillars, i.e. additional database links and the AIA portal, will be achieved via a joint IVASS-Bank of Italy project, making use of the Bank of Italy's personnel and structures in accordance with the methodological standards adopted by the Bank.

At the end of 2015, a first document on the AIA Phase 2 user requirements was completed. In the first few months of 2016 activities were begun for the drafting of the feasibility study, a reference document for the preparation of the specifications of the tender.

The network analysis applications (the third pillar) will be developed directly by IVASS, with the theoretical and methodological support of academic experts.

As part of the Phase 2 design work, due consideration is being given to the parliamentary process for the 'competition decree'. The text currently before Parliament provides for significant innovations for AIA that would have an immediate impact on the project's functionality and characteristics; in particular it refers to the additional databanks to be interlinked, the greater role envisioned for the AIA indicators in anti-fraud action, and the possibility of services and data processed by AIA to combat fraud in the risk underwriting phase.

History of the anti-fraud database – from BDS to AIA

Article 21 of Decree Law 179/2012 assigns new anti-fraud powers to insurers and IVASS and provides for the creation of the EARLY WARNING SYSTEM

Data archive of the CLAIMS DATABASE

The interconnected data archives of the INTEGRATED ANTI-FRAUD INFORMATION ARCHIVE–AIA

Since 2001, the year the BDS was created, IVASS has collected data on motor vehicle liability insurance claims.

Since 2003 the BDS web portal has been available, enabling all undertakings, when settling a claim, to access useful information on any prior claims and on the type of damage sustained, including claims handled by other insurers.

The first years were devoted above all to ensuring completeness and higher quality of the data collected.

Starting in 2011, in addition to the capability for analysis of detailed data on past claims, the BDS web portal has provided firms with composite risk indicators called ‘significance parameters’, calculated in relation to a specific individual or vehicle.

In 2012 the law conferred new anti-fraud powers on IVASS and on the insurance undertakings. It provided that IVASS create the Integrated Anti-Fraud Database (AIA) to initiate an early warning system against the risk of fraud and which is no longer limited to the insurance world but also other Authorities (at present the Ministry of Transportation and Infrastructure, the motor vehicle bureau and Consap), the proprietors of data on the vehicles and the parties involved in claims.

AIA compares the claims data with those in the databases interlinked with the BDS to determine the validity of the data that the parties involved communicated to the undertakings in their requests for compensation. It also analyses recurrences and calculates the analytical anomaly indicators (with reference to the parties, vehicles, professionals, or contractual elements), and accordingly assigns a composite risk index to the claim.

6.5.2. Undertakings' anti-fraud action

The measures taken by insurance undertakings to prevent and combat motor vehicle liability fraud have made steady progress, first and foremost on the data provided to IVASS with the annual anti-fraud report pursuant to ISVAP Regulation 44/2012.

These advances were made possible in part by the dematerialization of claim history certificates in 2015 and the creation of the claim history certificate database, whose functionality makes available more tools to the insurance industry to deal with the risk of fraud in the underwriting phase.

Equally fundamental was the completion of the last phase of the digital insurance certificate project, concluded in October 2015 with the creation of a dedicated database at the Directorate General for Motorization of the Transportation and Infrastructure Ministry (MIT).

Even where it is not directly involved, as in the case of the MIT's coverage database, IVASS monitored and encouraged undertakings in making the necessary upgrades to the IT processes and structures that are required for the proper functioning of the database.

In this respect, it could be affirmed that Italy's integrated system of anti-fraud databases, managed directly by the industry's supervisory authority, is the only one of its kind in Europe.

There are still important issues to be confronted and resolved, and numerous initiatives remain to be carried through to completion in order to reach the desired results (network analysis, real-time claim history certificates, and AIA Phase 2, just to name the key ones).

Anti-fraud action by insurance undertakings in 2014

In 2015, pursuant to ISVAP Regulation 44/2012, IVASS received the 2014 annual reports from 49 Italian companies and 19 EU undertakings operating in the Italian motor vehicle liability insurance sector (10 under the freedom of establishment and 9 under the freedom to provide services).

The number of Italian undertakings fell as a result of mergers and acquisitions (they numbered 52 in 2014) while the number of EU undertakings that underwrote motor vehicle liability insurance policies increased from 17 in 2013, with an overall market share, in terms of insurance policies, that grew to almost 6.5% of the national total, compared to 6.1% the previous year.

Data verification and standardization activities confirmed the total number of claims reported in 2014 as 2,683,728, and the total number of risk units (hereinafter RU) insured during the year as 40,572,428.

The data transmitted by the market show a significant decline of about 7% in the number of claims filed in 2014, a decrease of 207,714 from 2,891,442 in 2013.

Extending the comparison to 2012 shows that in the three years 2012-14, the nationwide decrease in claims came to more than 10%, with the sharpest drop coming between 2013 and 2014.

The decrease over the three years was geographically uneven, with the sharpest declines coming in the Island regions (15%) and the peninsular South (13%), while the improvement in the North and Centre was more moderate, at about 9%.

The number of RUs insured in 2014, equal to 40,572,428, also declined with respect to 2013, but much less, in percentage terms, than claims, with a nationwide decrease of about 160,000 units, or 0.39%.

However, a comparison between 2013 and 2014 shows that the trend in RUs is much more sharply differentiated throughout the country than the trend in claims. In the North, in fact, in contrast with the national values, there was an increase of 134,550 units, or 0.66%, while the rest of Italy reported a decrease, especially in the South (186,673 units or more than 2.5%) and the Islands (79,154 units or 2%) and to a lesser extent in the Centre (28,575 units or 0.3%).

Moreover, extending the reference period to the three years 2012-14, the number of RUs insured decreased by 2.9% nationally.

At the provincial level, again for 2012-14, other notable points emerge. Some provinces, such as Aosta and Trento, reported three-year increases in RUs of 30.5% and 17%, respectively, for a total of 112,398. In contrast, in the same period the province of Naples reported a 10% decrease in URs, or 123,558 units.

From the specific anti-fraud standpoint, the question is whether one factor in these figures may be the insured's use of counterfeit residency documents during the underwriting phase, a phenomenon that has been detected in practice and reported by various firms.

Italy's anti-fraud statistics

Given the fall in claims (amounting to about 10% in the three-year period), the data obtained show a significant increase in anti-fraud action in the settlement phase.

Claims subjected to anti-fraud inquiry. In 2014, the number of claims identified as at risk of fraud numbered 518,089 (478,394 in 2013, 400,901 in 2012). In three years this number increased by nearly 30%.

A similar trend was seen for claims that were subjected to investigation. In 2014 anti-fraud investigations were conducted on 265,095 claims, an increase of 14.3% from 231,865 in 2012.

Claims closed without payment. With regard to claims that were closed without payment following a fraud investigation, the data for 2014 show an increase of more than 26% over the previous year, from 30,256 to 38,162. However, this follows a significant decrease of more than 10% between 2012, when there were 33,739, and 2013.

These claims represent the most obvious quantification of cases where anti-fraud activities result in the avoidance of undue compensation, obtaining concrete results in terms of lower costs to firms and to society.

However, given the volumes handled, the number of positive outcomes following investigations, by means of the identification and rejection of claims with demonstrated signs of fraud, is still below expectations. In 2014, claims closed without payment thanks to anti-fraud action represented 14.4% of all the claims investigated, not very far from the levels reported in 2013 (12%) and 2012 (14.5%).

While taking into account the factors that justify these outcomes, at least in part (the significant increase in the number of claims, anti-fraud timelines that are necessarily longer, etc.) it must be underscored that these values are still far from those expected according to standard measures of operational efficiency.[47]

Claims subject to civil or criminal complaint. A still less favourable picture is painted by the data on claims against which insurers lodged civil or criminal complaints, a category in which, like that referred to above, the anti-fraud action produces conclusive outcomes.

In 2014, the claims giving rise to complaints by insurers numbered 4,670, reflecting a decrease of roughly 33% compared with the previous year, notwithstanding the fact that in 2013, with 7,007 such claims, there was a 33.1% increase over 2012, which had only 5,263 such claims.

Like claims investigated for possible fraud and subsequently closed without payment, in the three-year period claims with subsequent civil or penal complaints also moved unevenly. There was an

[47] With regard to the principal parameters of claim cost and frequency of EU countries with characteristics that are similar to those of Italy.

inverse correlation between the two sets of claims. In fact, the decrease in claims investigated and then closed without payment in 2013 corresponded to an increase in claims giving rise to legal action, whereas the decrease in the latter in 2014 coincided with an increase in claims investigated for possible fraud.

Table I.71 - Regulation 44 data, 2014

Macro-area	Region	Risk units 2014	Claims reported in 2014	Claims exposed to the risk of fraud 2014	Claims investigated in relation to the risk of fraud 2014	Claims investigated in relation to the risk of fraud and closed without payment 2014	Claims subject to civil/criminal complaint 2014
NORTH	EMILIA ROMAGNA	3,369,280	193,474	31,170	14,371	2,013	223
	FRIULI-VENEZIA GIULIA	957,946	44,179	6,937	2,864	429	74
	LIGURIA	1,159,159	92,115	16,750	8,463	1,115	147
	LOMBARDY	6,988,508	476,218	65,312	26,045	3,877	234
	PIEDMONT	3,245,278	217,687	31,152	13,305	1,908	211
	TRENTINO-ALTO ADIGE	915,849	49,278	7,799	2,346	190	13
	VALLE D'AOSTA	163,142	8,346	1,056	550	94	22
	VENETO	3,785,151	195,252	25,036	9,997	1,340	137
	North - Total	**20,584,323**	**1,276,549**	**185,212**	**77,941**	**10,966**	**1,061**
CENTRE	LAZIO	4,195,072	368,238	70,146	35,566	5,773	483
	MARCHE	1,175,916	65,030	11,242	5,081	670	114
	TUSCANY	2,855,432	194,066	30,686	14,648	1,872	183
	UMBRIA	731,806	40,246	6,705	3,218	412	31
	Centre - Total	**8,958,226**	**667,581**	**118,779**	**58,513**	**8,727**	**811**
SOUTH	ABRUZZO	915,952	54,013	10,609	4,752	708	98
	BASILICATA	360,582	17,904	3,966	2,193	315	28
	CALABRIA	1,004,345	52,840	14,040	8,676	1,258	286
	CAMPANIA	2,523,062	228,822	99,597	62,231	9,278	1,678
	MOLISE	218,830	12,922	2,984	1,713	236	37
	PUGLIA	2,151,768	122,486	32,020	19,664	2,728	256
	South -Total	**7,174,539**	**488,987**	**163,216**	**99,229**	**14,523**	**2,383**
ISLANDS	SARDINIA	1,036,808	65,114	9,834	4,675	755	144
	SICILY	2,818,532	185,497	41,048	24,737	3,191	271
	Islands - Total	**3,855,340**	**250,611**	**50,882**	**29,412**	**3,946**	**415**
	Domestic Total	**40,572,428**	**2,683,728**	**518,089**	**265,095**	**38,162**	**4,670**

Criminal proceedings filed by undertakings in relation to the settlement phase

Each year data is gathered on the number of civil and criminal complaints filed by undertakings resulting from the anti-fraud action during the claim settlement phase. In 2014, such claims numbered 3,407, a decrease of more than 20% from 4,274 in 2013.

This attests to a loss of confidence on the part of the insurance industry in the usefulness of the criminal justice system in dealing with attempted fraud.

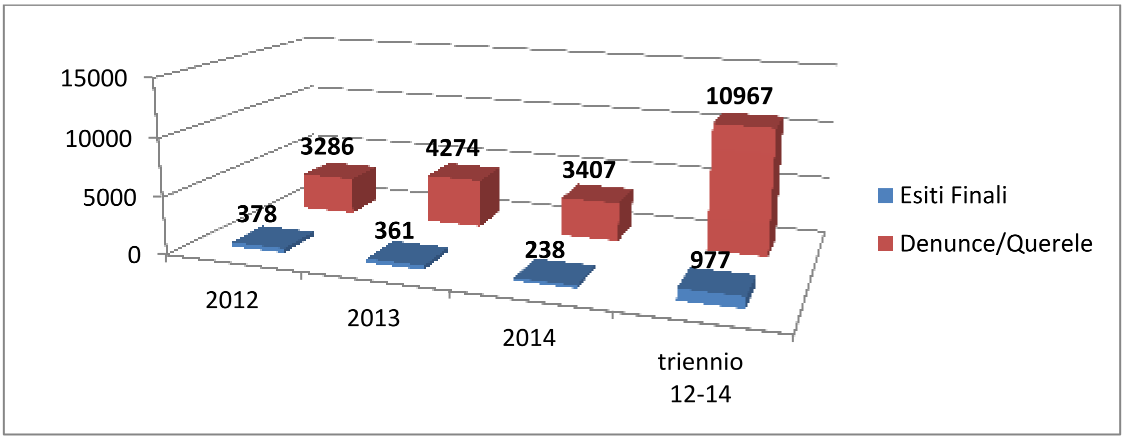
To get a more representative picture, the reference period extends to the three years from 2012 through 2014, looking at trial outcomes over a period longer than twelve months.

Table I.72 - Civil/criminal complaints in the settlement stage, 2012–14

Reference year	Complaints	Final outcome				No. decisions
		Dismissal	Acquittal	Conviction	Other	
2012	3,286	243	10	45	80	378
2013	4,274	223	8	29	101	361
2014	3,407	130	10	40	58	238
2012-14	**10,967**	**596**	**28**	**114**	**239**	**977**

Between 2012 and 2014, undertakings filed legal actions involving 10,967 motor vehicle liability claims in the settlement phase, giving rise to as many criminal cases. Among these, only 977, or 18.9%, reached final outcomes.

Figure I.54 – Criminal proceedings arising out of the settlement stage 2012–14

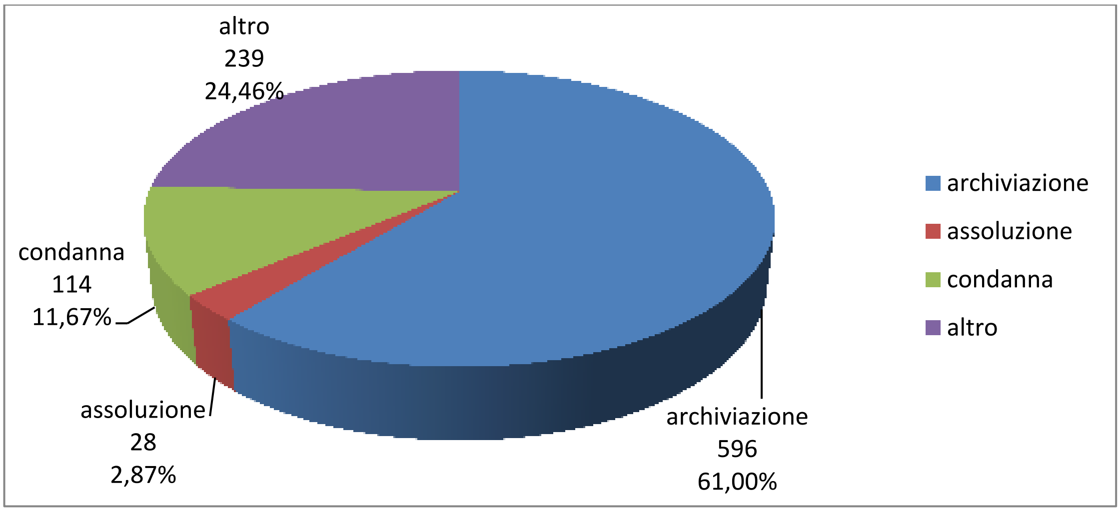


More specifically, only 114 legal proceedings ended with a conviction (1% of the total), 28 ended with an acquittal (0.3% of the total), and 596 were dismissed by the judge (5.4% of total). The remaining cases concluded, which include the withdrawal of the charge by the insurance company, numbered 239 (2.2% of the total).

The data show that in the three years under observation, the prevalent final outcome was dismissal of the criminal case by the judge. Dismissals represented 61% of legal proceedings with final outcomes. That being said, it must be underlined that dismissals occur in an interlocutory phase of the proceeding, during which it becomes clear that there are insufficient grounds for continuing with the case.

Instead, legal proceedings that ended with a conviction represented only 11.7% of the outcomes while acquittals represented 2.9%.

Figure I.55- Final outcomes of criminal proceedings arising out of the settlement stage, 2012–14



A three-year timespan is too short to expect substantive final outcomes to criminal proceedings. The duration of legal proceedings seems to be one of the reasons behind the decline in the number of insurers' complaints of fraud in the settlement phase, given that, after the encouraging increase of 30% reported between 2012 and 2013, from 3,286 to 4,272, they fell to 3,407 in 2014.

For these reasons, IVASS is in direct contact with the Prosecutor's Offices that are most active in these types of cases in order to reach, together with the insurance industry, operational understandings that can help to improve this fundamental phase of the fight against fraud.

Criminal proceedings initiated by undertakings during the underwriting phase (contracts, pre-contractual and contractual documentation)

The trend in the absolute number of lawsuits initiated by undertakings for fraudulent activity in the pre-contractual and contractual phases presents similarities to lawsuits initiated for possible fraud in the settlement phase.

Table I.73 –Legal actions in the underwriting stage 2012–14

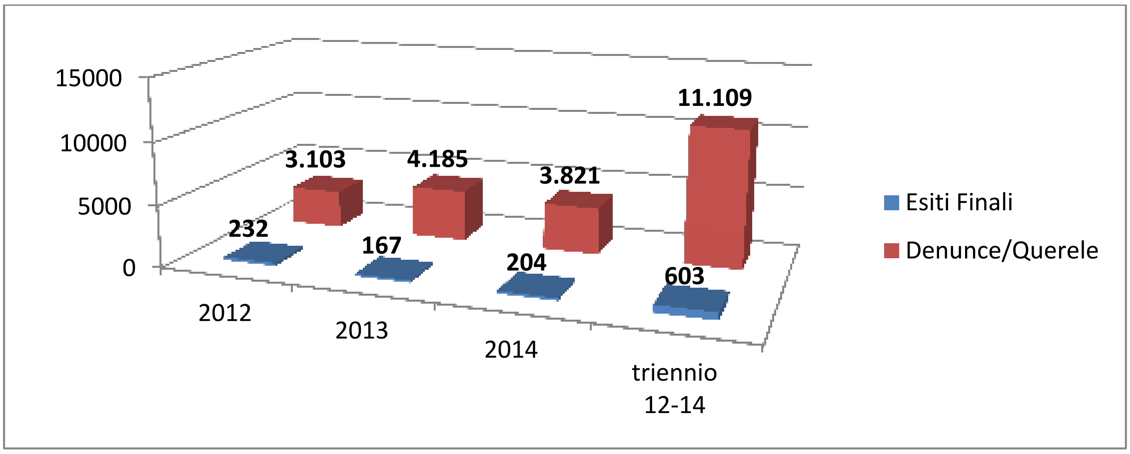
Reference years	Reports/legal actions	Final outcome				No. decisions
		Dismissal	Acquittal	Conviction	Other	
2012	3,103	135	6	54	37	232
2013	4,185	96	7	37	27	167
2014	3,821	117	9	36	42	204
Three-year period	**11,109**	**348**	**22**	**127**	**106**	**603**

The number of legal actions filed in the underwriting or pre-underwriting phases, which, had recorded a promising increase of 34.9% from 3,103 in 2012 to 4,185 in 2013, fell to 3,821 in 2014, a reduction of 8.7% for the year.

For the first time, in 2014 the number of lawsuits relating to the underwriting or pre-underwriting phase outnumbered those regarding the settlement phase, indicating the presence of greater safeguards in this area.

However, an examination of the number of legal actions filed in the underwriting and pre-underwriting phases in the three-year period 2012-14 does not provide indications that differ greatly from those on lawsuits in the settlement phase. In 2012-14, the number of criminal cases initiated for possible fraud in the underwriting or pre-underwriting phase numbered 11,109, of which 603, or 5.4%, with final outcomes, even fewer than those involving the settlement phase.

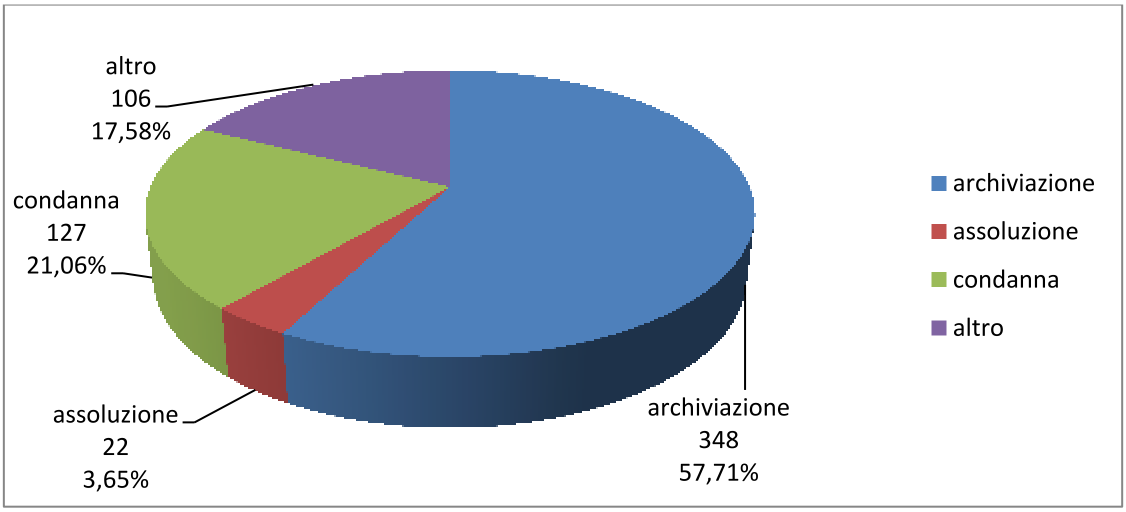
Figure I.56- Criminal proceedings arising out of the underwriting stage 2012–14



This result is partly due to the lower number of cases that were dismissed by the judge, which totalled 348 or 3.1% of all the criminal proceedings initiated, while the number of convictions, at 127 or 1.1%, and of acquittals, at 22 or 0.2%, are not too distant from the values recorded for proceedings involving the settlement phase.

Also for cases involving the underwriting or pre-underwriting phase the most common final outcome was dismissal, which accounted for 57.7% of the final outcomes, while convictions represented 21.1% and acquittals 3.6%.

Figure I.57- Final outcomes of criminal proceedings arising out of the underwriting stage, 2012–14



Undertakings' anti-fraud action in the underwriting stage

For the first time, in 2014 legal actions filed in the underwriting or pre-underwriting stages outnumbered those in the settlement stage.

This development is not by chance but is indicative of greater attention to the development of anti-fraud safeguards in the underwriting stage of motor vehicle liability insurance.

Over the last two years a series of meetings have been held with the undertakings that suffered most from fraudulent practices in the underwriting phase, nearly all being undertakings specialized in the distance selling of contracts via internet or phone, also known as 'telephone' insurance companies.

The market segment of the 'telephone' companies is growing more than that of the traditional companies, introducing more elements of competition and helping to diversify the supply.

Table I.74 – Risk units (RU) insured by 'telephone' insurance companies, 2012–14

Aggregate values for telephone insurance companies	RU 2012	Market share 2012	RU 2013	Market share 2013	RU 2014	Market share 2014	Δ 12/13	Δ%12/13	Δ 13/14	Δ%13/14
NORTH	1,998,778	9.56%	2,166,092	10.59%	2,324,715	11.29%	167,314	8.37%	158,623	7.32%
CENTRE	987,171	10.74%	1,125,026	12.52%	1,215,183	13.56%	137,855	13.96%	90,158	8.01%
SOUTH	323,094	4.25%	361,250	4.91%	354,958	4.95%	38,155	11.81%	-6,292	-1.74%
ISLANDS	310,552	7.61%	368,657	9.37%	376,332	9.76%	58,106	18.71%	7,675	2.08%
TOTAL ITALY	**3,619,595**	**8.66%**	**4,021,025**	**9.87%**	**4,271,188**	**10.53%**	**401,430**	**11.09%**	**250,163**	**6.22%**

In northern Italy, notwithstanding the nationwide decrease in URs, the market share held by these companies grew by 8.4% between 2012 and 2013 and by another 7.3% the following year, reaching 11.3% of all motor vehicle liability insurance policies in northern Italy in 2014.

In the same period, the other insurance undertakings experienced a decrease in their market share in the North of 3.3% in 2013 and 0.1% in 2014.

The pattern in central Italy was similar but even more pronounced: the 'telephone' companies reached a market share of 13.5%.

Table I.75 – Risk units (RU) for 'traditional' insurance companies 2012–14

Aggregate values traditional insurance companies	RU 2012	Market sha4e 2012	RU 2013	Q/M 2013	RU 2014	Q/M 2014	Δ 12/13	Δ%12/13	Δ13/14	Δ%13/14
NORTH	18,911,681	90.44%	18,283,681	89.41%	18,259,608	88.71%	-627,999	-3.32%	-24,073	-0.13%
CENTRE	8,207,528	89.26%	7,861,775	87.48%	7,743,043	86.44%	-345,753	-4.21%	-118,732	-1.51%
SOUTH	7,282,878	95.75%	6,999,961	95.09%	6,819,581	95.05%	-282,917	-3.88%	-180,380	-2.58%
ISLANDS	3,768,745	92.39%	3,565,837	90.63%	3,479,008	90.24%	-202,909	-5.38%	-86,829	-2.44%
TOTAL FOR ITALY	**38,170,832**	**91.34%**	**36,711,254**	**90.13%**	**36,301,240**	**89.47%**	**-1,459,578**	**-3.82%**	**-410,014**	**-1.12%**

Only in southern Italy was the upward trend less pronounced, the market share of 'telephone' companies reaching 4.9% of all motor vehicle liability insurance policies in 2014 (up from 4.2% in 2012).

In concluding a distance contract, either by internet or phone, the law requires that the operational processes used by undertakings have extremely short turnaround times with respect to the need to verify the data provided by potential policyholders before writing the policy.

The falsification of contractual documents – such as past insurance policies, claim history certificates, vehicle ownership or proof of residence of the potential policyholder – is just one of the fraudulent acts that undertakings must combat in the policy underwriting stage; and when policies are written without the involvement of a professional agent in the territory, the risk of being unable to prevent and combat such attempts to defraud is higher.

Accordingly, the most effective tool to remove the causes that hinder the swift and correct issue of distance contracts is the use of IT connectivity to exploit the full potential of information sources such as the databases currently operational in Italy.

The claim history certificate database, the MIT coverage database, and the driver's license registry and vehicle registry also maintained by the Ministry, as well as the database managed by the Association of Insurance Companies (ANIA), are undoubtedly excellent support tools available to insurers.

To better avail oneself of these tools it is necessary to reach an elevated standard of connectivity achievable only through the adoption of systems that are correctly integrated and reasonably well supported by adequate IT structures that have the capability to carry out the necessary consultations in the limited time allowed by law for concluding the insurance contract.

The wide range of controls currently available through the databases can translate into formidable tools to prevent and suppress fraud, but only if the architecture of the various operating systems within an undertaking's IT structure is capable of managing the continuous flow of information, guaranteeing the quality of the data gathered and exchanged.

High connectivity operating models can be used both by undertakings involved in distance contracts and by 'traditional' undertakings, and are therefore able to strengthen the preventive tools of the entire motor vehicle liability insurance system, not only for the underwriting stage but also for the settlement stage.

The adequacy of corporate organisation and the claims settlement system in fighting fraud: score, 2014

An assessment of the fraud prevention measures employed by undertakings shows an overall positive trend. Problem areas remain in the transition that many undertakings have had to face in order to redesign and modernize their IT structures and procedures, sometimes of unprecedented complexity.

The results summarized in the five assessment brackets listed below[48] are considered against this backdrop.

These brackets show the rankings resulting from the overall score which is a composite of various indices that measure different aspects of the activities under review.

[48] No score was calculated for 6 of the 68 companies examined (with a total market share of about 0.01%) since their volumes were negligible.

In 2014, the first bracket contained 14 undertakings, two fewer than the previous year.

However, a more detailed look at the indices that contribute to calculating the final score reveals that in 2014 the efficiency indicators were positive for 23 undertakings, up from 15 the previous year.

The larger concentration of undertakings in the second bracket, many of which were in the third or fourth bracket the previous year, shows a general improvement in the level of anti-fraud activities.

This finding is confirmed by the lower number of undertakings falling in the fifth and final bracket, not only in absolute terms (9 undertakings from 12 in 2013) but also in terms of market share.

In this regard, it is worth remembering that in 2012 the fifth bracket contained 18 undertakings.

Table I.76 - Assessment brackets by final score - 2013

Assessment bracket	Number of undertakings	Total RUs per assessment bracket	RU market share per assessment bracket	Claims reported	% over total claims reported in Italy	Claims ratio per assessment bracket
I	16	28,295,652	69.47%	1,885,299	65.20%	6.66%
II	11	4,504,660	11.06%	401,756	13.89%	8.92%
III	12	5,112,690	12.55%	335,950	11.62%	6.57%
IV	11	1,526,490	3.75%	125,719	4.35%	8.24%
V	12	1,290,079	3.17%	142,531	4.93%	11.05%

Table I.77 - Assessment brackets by final score - 2014

Assessment bracket	Number of undertakings	Total RUs per assessment bracket	RU market share per assessment bracket	Claims reported	% over total claims reported in Italy	Claims ratio per assessment bracket
I	14	10,930,429	26.94%	758,839	28.28%	6.94%
II	16	23,006,056	56.70%	1,441,156	53.70%	6.26%
III	10	2,656,061	6.50%	162,980	6.07%	6.14%
IV	13	3,173,464	7.82%	235,754	8.78%	7.43%
V	9	802,016	1.98%	84,719	3.16%	10.56%

Finally, with regard to the reduction in the cost of claims resulting from anti-fraud actions as reported by the insurance companies, the estimated amount increased to €188.7 million on a national basis, up from €183.5 million in 2013, or an increase of almost 3%, a rise that is all the more significant considering the fall in claims.

Table I.78 - Assessment brackets and estimated reduction in the cost of claims resulting from anti-fraud activities 2013						
Assessment bracket	**Number of undertakings**	**Claims reported**	**% over total claims reported in Italy**	**Claims ratio per assessment bracket**	**Estimated amount**	**Estimated market share**
I	16	1,885,299	65.20%	6.66%	145,519,615	79.28%
II	11	401,756	13.89%	8.92%	19,791,094	10.78%
III	12	335,950	11.62%	6.57%	12,875,572	7.01%
IV	11	125,719	4.35%	8.24%	3,861,016	2.10%
V	12	142,531	4.93%	11.05%	1,503,593	0.82%

Table I.79 - Assessment brackets and estimated reduction in the cost of claims resulting from anti-fraud activities 2014						
Assessment bracket	**Number of undertakings**	**Claims reported**	**% over total claims reported in Italy**	**Claims ratio per assessment bracket**	**Estimated amount**	**Estimated market share**
I	14	758,839	28.28%	6.94%	78,919,495	41.81%
II	16	1,441,156	53.70%	6.26%	92,634,346	49.07%
III	10	162,980	6.07%	6.14%	7,490,197	3.97%
IV	13	235,754	8.78%	7.43%	9,066,637	4.80%
V	9	84,719	3.16%	10.56%	657,736	0.35%

While these figures are not used in the performance assessment as indices of efficiency, the table shows that almost 42% of the total savings recorded in 2014 was reported by the 14 undertakings in the first bracket who handled only 28.3% of the claims.

Provisional data on anti-fraud action in 2015

The following is provisional data for 2015 provided by the undertakings on or before 31 May pursuant to Regulation 44/2012.

IVASS received the annual reports of 47 Italian undertakings and 21 EU undertakings (11 under the right of establishment and 10 under the freedom to provide services) operating in Italy in motor vehicle liability insurance.

The preliminary results show a general increase in the estimated reduction in the cost of claims resulting from anti-fraud action, as reported by insurance companies; the total amount for 2015 was more than €217.6 million, up from €188.7 million in 2014, indicating an increase of more than 15% in the economic value of the anti-fraud activities.

This figure is particularly significant both because it is considerably higher than the increase of 3% reported between 2012 and 2014 and because the average cost of claims seems to have fallen slightly in 2015. This would appear to bear out the thesis that the results of anti-fraud activities can only be observed in the medium-term.

In 2015, while there were slight variations in the number of risk units and reported claims, there was a significant increase in other types of claims in general.//??//

In particular, risk units were substantially unchanged at about 40,700,000, increasing by only 0.3% on a national level over 2014, when 40,572,428 were reported. The number of reported claims increased by 3% from 2,683,728 to just under 2,800,000.

Table I.80 –Regulation 44 data, 2014								
Macro-area	**Region**	**Risk units 2015**	**Claims reported in 2015**	**Claims exposed to the risk of fraud 2015**	**Claims investigated in relation to the risk of fraud 2015**	**Claims investigated in relation to the risk of fraud and closed without payment 2015**	**Claims subject to legal action 2015**
NORTH	EMILIA ROMAGNA	3,339,450	208,355	41,656	20,110	2,594	272
	FRIULI-VENEZIA GIULIA	972,796	45,022	7,817	3,521	526	71
	LIGURIA	1,156,363	100,245	19,003	8,457	1,263	255
	LOMBARDY	6,988,881	485,746	78,645	30,306	4,526	367
	PIEDMONT	3,210,112	224,341	40,816	15,875	2,165	255
	TRENTINO-ALTO ADIGE	948,509	50,750	9,505	2,697	301	49
	VALLE D'AOSTA	173,840	8,611	1,257	548	149	37
	VENETO	3,744,370	199,603	30,435	13,288	1,502	152
	North - Total	**20,534,321**	**1,322,673**	**229,134**	**94,802**	**13,026**	**1,458**
CENTRE	LAZIO	4,207,039	380,244	77,877	38,150	6,238	665
	MARCHE	1,168,431	67,940	13,359	6,697	764	89
	TUSCANY	2,830,403	201,100	37,485	17,666	2,116	291
	UMBRIA	767,449	42,073	7,501	3,665	440	90
	Centre - Total	**8,973,322**	**691,357**	**136,222**	**66,178**	**9,558**	**1,135**
SOUTH	ABRUZZO	906,483	55,235	12,138	5,556	770	67
	BASILICATA	360,548	18,250	4,291	2,314	327	85
	CALABRIA	1,021,633	55,731	15,662	9,500	1,384	354
	CAMPANIA	2,605,694	244,430	104,811	65,678	10,110	2,275
	MOLISE	227,934	13,202	3,894	2,266	442	31
	PUGLIA	2,164,205	128,503	36,018	21,195	2,716	402
	South -Total	**7,286,497**	**515,351**	**176,814**	**106,509**	**15,749**	**3,214**
ISLANDS	SARDINIA	1,036,420	66,353	11,407	5,162	1,108	97
	SICILY	2,864,578	194,517	44,280	24,809	3,621	268
	Islands - Total	**3,900,998**	**260,870**	**55,687**	**29,971**	**4,729**	**365**
	Total Italy	**40,695,139**	**2,790,250**	**597,857**	**297,460**	**43,062**	**6,172**

As noted, the stepped-up anti-fraud action is further confirmed by the rise in the number of claims suspected of fraud; in particular, claims considered suspect by companies numbered 518,089 in 2014 and nearly 600,000 in 2015, an increase of more than 15%.

The number of claims investigated for possible fraud shows the same pattern: about 300,000 in 2015, with an increase of about 12%.

The most encouraging signs, however, come from the number of claims investigated and then closed without payment. In 2015 more than 43,000 such claims were reported, up 13% from 38,162 in 2014.

With regard to the efficacy of the anti-fraud action, last year's data confirm the trend seen in the three years 2012-14. Given the increase in claims investigated and closed without payment and the total number of claims investigated for fraud, the percentage ratio of 14.5% between the two does not deviate from previous years (14.4% in 2014, 12% in 2013, 14.5% in 2012).

Finally, there was an increase in the number of claims subjected to legal action. In 2014, such claims numbered 4,670, and over 6,100 in 2015, an increase of more than 32%. The inverse correlation observed in 2012-14 between claims investigated and closed without payment and those giving rise to legal action thus vanished.

Accidents per kilometre at province level

In addition to fraud, the claims ratio depends on a number of other factors, including road safety, population density, and the state and the number of vehicles on the road.

Again last year, for all parties interested for various reasons in the problem (the insurance industry, government institutions, local agencies), a province-level 'accidents ratio' has been calculated. This ratio, whose name was chosen to avoid confusion with the 'claims ratio', is calculated as the ratio of claims[49] in a given province to the number of kilometres of roadway in that province.

The results of the calculations are presented below in tabular and graphical form, covering the period 2013-15.

Table I.81 – Provincial accidents ratio, 2013-15

Provincia	Sinistri per Km stradale 2013	2014	2015
Valle d'Aosta			
Aosta	1,29	1,26	1,20
Piemonte			
Alessandria	1,40	1,39	1,50
Asti	1,39	1,42	1,49
Biella	2,09	2,17	2,23
Cuneo	1,31	1,31	1,42
Novara	2,37	2,47	2,64
Torino	4,62	4,87	5,24
Verbano-Cusio-Ossola	1,64	1,71	1,73
Vercelli	1,23	1,23	1,30
Liguria			
Genova	5,65	5,90	6,26
Imperia	1,50	1,53	1,73
La Spezia	2,26	2,28	2,31
Savona	2,06	2,05	2,10
Toscana			
Arezzo	2,37	2,39	2,52
Firenze	4,87	4,99	5,22
Grosseto	1,71	1,66	1,75
Livorno	3,79	3,91	3,99
Lucca	3,27	3,30	3,33
Massa-Carrara	2,61	2,58	2,47
Pisa	3,46	3,51	3,68
Pistoia	3,52	3,44	3,55
Prato	8,91	9,11	9,71
Siena	2,02	2,04	2,07
Campania			
Avellino	0,65	0,68	0,68
Benevento	0,66	0,69	0,73
Caserta	2,36	2,39	2,27
Napoli	17,49	17,03	15,54
Salerno	1,49	1,52	1,52
Sardegna			
Cagliari	2,80	2,77	2,89
Carbonia-Iglesias	1,39	1,33	1,41
Medio Campidano	0,59	0,60	0,68
Nuoro	1,29	1,30	1,20
Ogliastra	0,78	0,71	0,83
Olbia-Tempio	1,56	1,59	1,71
Oristano	0,81	0,84	0,87
Sassari	1,79	1,73	1,74
Totale Italia	**2,36**	**2,37**	**2,44**

Provincia	Sinistri per Km stradale 2013	2014	2015
Trentino Alto Adige			
Bolzano	1,24	1,23	1,29
Trento	1,46	1,48	1,47
Friuli Venezia Giulia			
Gorizia	2,38	2,39	2,41
Pordenone	1,43	1,46	1,47
Trieste	5,77	5,70	6,01
Udine	1,47	1,45	1,47
Emilia Romagna			
Bologna	3,40	3,43	3,58
Ferrara	1,31	1,32	1,35
Forlì-Cesena	2,18	2,15	2,15
Modena	2,08	2,05	2,14
Parma	2,16	2,15	2,23
Piacenza	1,53	1,48	1,52
Ravenna	1,85	1,86	1,95
Reggio nell'Emilia	2,00	2,01	2,07
Rimini	3,88	3,81	3,91
Umbria			
Perugia	1,24	1,25	1,31
Terni	1,30	1,28	1,31
Lazio			
Frosinone	1,54	1,55	1,59
Latina	2,91	2,90	3,00
Rieti	1,00	0,96	1,02
Roma	9,49	9,19	9,61
Viterbo	1,34	1,31	1,40
Molise			
Campobasso	0,39	0,40	0,38
Isernia	0,35	0,36	0,34
Puglia			
Bari	1,74	1,83	1,82
Barletta-Andria-Trani	1,16	1,25	1,34
Brindisi	0,91	0,93	0,93
Foggia	0,74	0,77	0,78
Lecce	1,84	1,91	2,07
Taranto	1,40	1,48	1,46
Reggio Calabria			
Catanzaro	1,01	0,98	1,02
Cosenza	0,73	0,72	0,78
Crotone	0,80	0,81	0,83
Reggio di Calabria	1,22	1,22	1,23
Vibo Valentia	1,22	1,21	1,22

Provincia	Sinistri per Km stradale 2013	2014	2015
Lombardia			
Bergamo	4,00	4,06	4,25
Brescia	3,48	3,52	3,65
Como	4,54	4,68	4,93
Cremona	2,08	2,05	2,14
Lecco	3,93	3,89	4,06
Lodi	2,55	2,54	2,68
Mantova	1,80	1,77	1,81
Milano	11,86	12,06	12,67
Monza e Brianza	8,04	8,24	8,75
Pavia	2,32	2,27	2,42
Sondrio	1,53	1,56	1,56
Varese	4,90	5,04	5,22
Veneto			
Belluno	1,12	1,12	1,07
Padova	2,60	2,62	2,65
Rovigo	0,92	0,93	0,95
Treviso	2,01	2,06	2,18
Venezia	2,40	2,47	2,52
Verona	2,10	2,14	2,17
Vicenza	1,97	1,99	2,03
Abruzzo			
Chieti	1,10	1,10	1,14
L'Aquila	0,86	0,83	0,91
Pescara	2,16	2,09	2,14
Teramo	1,30	1,29	1,32
Marche			
Ancona	2,57	2,55	2,64
Ascoli Piceno	2,22	2,25	2,19
Fermo	2,50	2,51	2,58
Macerata	1,08	1,08	1,09
Pesaro e Urbino	1,23	1,20	1,20
Basilicata			
Matera	0,52	0,52	0,52
Potenza	0,48	0,47	0,48
Sicilia			
Agrigento	1,26	1,31	1,41
Caltanissetta	1,72	1,82	1,92
Catania	2,23	2,31	2,47
Enna	0,61	0,65	0,70
Messina	1,44	1,41	1,45
Palermo	3,36	3,44	3,61
Ragusa	1,27	1,33	1,41
Siracusa	2,19	2,23	2,30
Trapani	2,00	2,10	2,17

[49] In this case only paid claims were considered, that is, claims reported and communicated by the undertakings to the claims database that were not closed without payment.

The claims in the numerator were taken from the Claims Database, while the length of the provincial road network, the denominator, was obtained from calculations made by the CINECA Consortium, using official data that include all municipal roads.

It is worth underscoring that, for the purposes of the index, what counts is the province where the accident occurred, not the province of residence of the person liable.[50] This indicator represents the level of risk associated with the roads of the province, and the index is accordingly very high in correspondence with the great population density of metropolitan areas.

In 2015, the indicator was also calculated on the municipal level. In the following table, the first column contains the municipalities with the lowest values (generally those that are scarcely populated, as evidenced by the data on resident population;[51] the second column contains the 25 municipalities with the highest values among those that are not provincial capitals. The riskiest municipalities in terms of road accidents are nearly all in the provinces of Naples and Milan with the exception of Orio al Serio (whose value is not related to the number of residents but to traffic density) and Aversa.

Table I.82 – Accidents ratio by municipality, 2015

I 25 comuni con i valori più bassi dell'indice	indice	Popolazione residente	I 25 comuni con i più alti indici (non capoluogo di provincia)	indice	Popolazione residente
Civitacampomarano (Cb)	0,006	424	Melito Di Napoli (Na)	26,566	38.064
Carbone (Pz)	0,007	651	San Giorgio A Cremano (Na)	25,560	45.779
Sorbo San Basile (Cz)	0,009	809	Melegnano (Mi)	24,396	17.537
Senerchia (Av)	0,010	841	Portici (Na)	22,854	55.537
Nocara (Cs)	0,011	403	Casavatore (Na)	22,835	18.706
Alessandria Del Carretto (Cs)	0,011	484	Casoria (Na)	22,515	77.874
Carpineto Della Nora (Pe)	0,013	667	Villaricca (Na)	22,104	31.157
Armungia (Cg)	0,014	488	Arzano (Na)	21,467	35.033
Monte Cavallo (Mc)	0,015	149	Orio Al Serio (Bg)	21,135	1.791
Ripabottoni (Cb)	0,015	517	Frattamaggiore (Na)	20,933	30.522
Gallo Matese (Ce)	0,016	589	Sesto San Giovanni (Mi)	20,684	81.490
Morrone Del Sannio (Cb)	0,016	612	Gragnano (Na)	17,359	29.310
Roccaforte Del Greco (Rc)	0,016	492	Cormano (Mi)	16,783	20.173
Cirigliano (Mt)	0,016	380	Pomigliano D'arco (Na)	16,719	39.977
Casteldelci (Rm)	0,017	436	Mugnano Di Napoli (Na)	16,679	34.759
Roghudi (Rc)	0,018	1.137	Bresso (Mi)	16,660	26.255
Casalciprano (Cb)	0,018	571	Castellammare Di Stabia (Na)	16,434	66.681
Sant'Eufemia A Maiella (Pe)	0,018	284	Assago (Mi)	16,142	8.754
Brindisi Montagna (Pz)	0,018	904	Cesano Boscone (Mi)	16,118	23.535
Castroregio (Cs)	0,020	309	Carugate (Mi)	15,622	14.977
Carrega Ligure (Al)	0,020	84	Baranzate (Mi)	15,529	11.865
Umbriatico (Kr)	0,020	883	Corsico (Mi)	15,118	35.233
San Giovanni In Galdo (Cb)	0,021	594	Aversa (Ce)	15,030	53.215
Caporciano (Aq)	0,022	225	Casalnuovo Di Napoli (Na)	14,521	50.046
Provvidenti (Cb)	0,022	120	Cinisello Balsamo (Mi)	14,443	75.191

[50] It should be noted that the accidents ratio and claims frequency are taken from the financial statements based on the classification of claims according to the place of residence of the responsible vehicle owner.

[51] ISTAT.

7. - SPECIFIC ISSUES

7.1 - Medical professional liability insurance

Medical professional liability (or medical malpractice) insurance plays an important role in society because it contributes indirectly to safer medical care and treatments, an aspect of the protection of health, which is recognized as a fundamental right under Article 32 of the Italian Constitution.

The previous report on IVASS activities in 2014, based on the results of a survey conducted in May 2015, noted that the market is highly concentrated among a few operators and that premium income is progressively declining in the sector of insurance for public healthcare facilities, an area in which very few Italian insurance companies operate. In parallel to this, the National Health System is progressively shifting towards self-insurance, in part in response to the decline in the supply of insurance. A bill has been proposed to establish a systematic framework for the liability of healthcare facilities and personnel (see Part II, Section 4.2.4).

A broader survey was conducted in April 2016 to explore the topic in greater depth, to be repeated over the next few years. The survey involved all the undertakings operating in the general liability sector in Italy at the end of 2015 (103 in all),[52] focusing specifically on medical malpractice risk over the 2010-15 period.

Although almost three quarters of the undertakings interviewed collected medical malpractice insurance premiums during the period considered, the results nevertheless confirm that the sector is concentrated. For public healthcare facilities, the concentration has become particularly pronounced in recent years. Since 2014, Italian insurers have stopped renewing policies covering the medical liability of public healthcare facilities, while they continue to offer coverage to private healthcare facilities and healthcare personnel (Table I.83).[53]

Table I.83 – number of undertakings collecting 95% of medical malpractice insurance premiums by year for the 3 sectors (2010-2015)

	Public health-care facilities		Private health-care facilities		Healthcare personnel	
	Italian undertakings	Foreign undertakings[(a)]	Italian undertakings	Foreign undertakings[(a)]	Italian undertakings	Foreign undertakings[(a)]
2010	3	2	4	1	8	2
2011	2	3	3	3	8	2
2012	2	3	3	3	9	2
2013	1	2	3	4	10	3
2014	0	3	4	2	10	3
2015	0	2	5	2	10	3

(a) Undertakings operating in Italy by right of establishment or under the freedom to provide services

Premium income for public healthcare facility liability is in constant decline, while that for risks relating to healthcare personnel are rising (Figure I.58a). At the same time, the number of insured public healthcare facilities is dropping and the number of healthcare personnel covered by medical

[52] There were 63 undertakings with registered office in Italy, 38 foreign branches and 2 undertakings operating under the freedom to provide services.

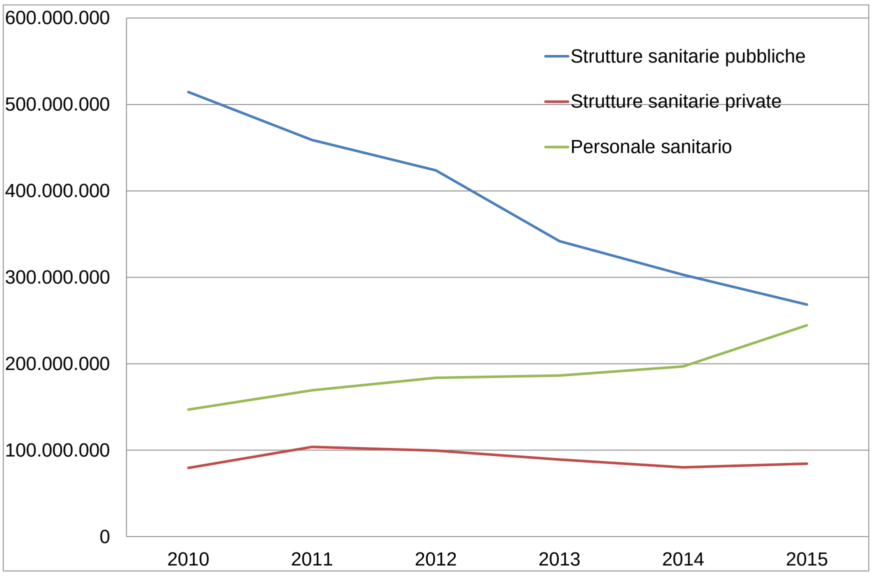
[53] The limited number of undertakings that offer medical malpractice insurance is also explained by the relatively modest amount of premiums collected (equivalent in 2015 to 5% of motor liability insurance premiums), as well as the sector-specific knowledge required to garner significant profits.

liability insurance is rising (Figure I.58b). By contrast, there is no regular trend in premium income for private medical liability insurance (and in the number of facilities insured).

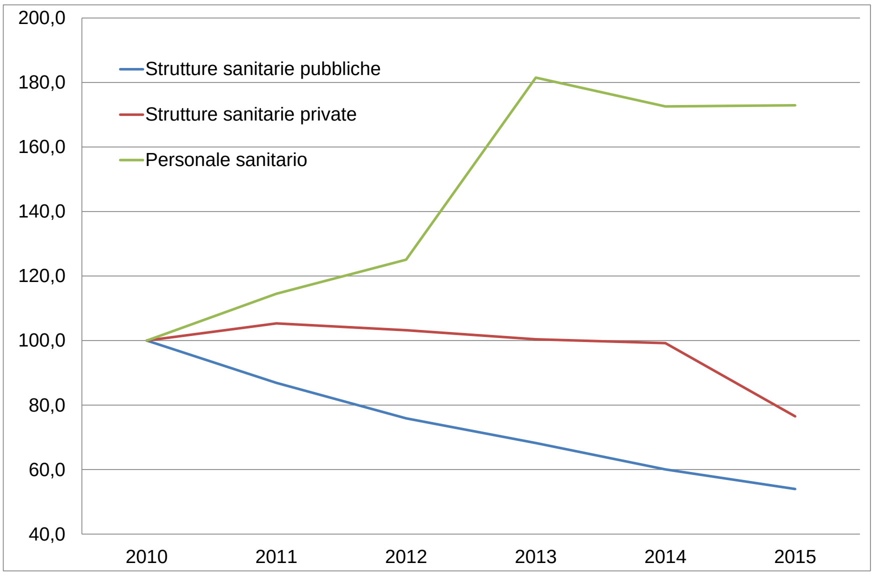
The average premium, calculated for the entire 2010-15 period, came to €385,885 for public facilities, €16,678 for private facilities and €669 for healthcare personnel.

Figure I.58 – Amount of premiums and number of policyholders of medical liability insurance for the 3 sectors (2010-2015)

(a) Premiums *(euros)*



(b) Policyholders *(100=number of policyholders in 2010)*



Insurance agencies and brokers are the exclusive distribution channels. Brokers operate mainly in the public or private healthcare facility liability sector, playing only a marginal role in intermediating contracts for healthcare personnel.

Medical malpractice claims management is characterized by a high number of claims that are closed without payment and relative slowness in settling claims. The number of claims reaching final settlement within a year of filing is relatively modest and the amount paid quickly is just a small fraction of the value of the reserves. The claim reserves are very high in order to cover the future costs of claims that have already been filed but are still being processed and the projected costs of future claims relating to events that have already occurred. These particular features of the sector, measured by a variety of sources,[54] are confirmed by the survey results. Only 26.6% of the claims filed in 2010 had been settled by the end of 2015 (Table I.84).

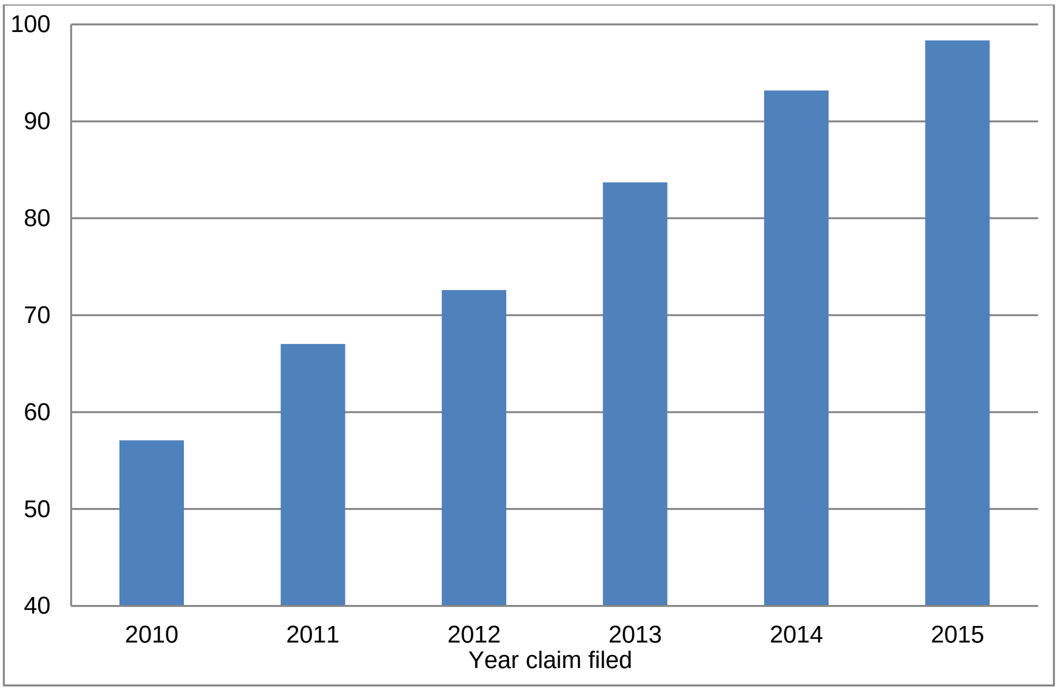
Table I.84 – Classification at the end of 2015 of medical malpractice claims filed between 2010 and 2015

Year of filing	Number of claims settled		Number of claims reserved		Number of claims closed without payment		Total number of claims filed	
		%[(a)]		%[(a)]		%[(a)]		%[(a)]
2010	8,090	26.6	10,615	34.9	11,703	38.5	30,408	100.0
2011	6,329	21.9	10,612	36.7	11,938	41.4	28,879	100.0
2012	5,055	19.1	10,229	38.6	11,212	42.3	26,496	100.0
2013	3,366	13.9	10,577	43.5	10,342	42.6	24,285	100.0
2014	2,222	10.8	12,775	62.0	5,615	27.2	20,612	100.0
2015	1,270	7.8	12,735	78.2	2,285	14.0	16,290	100.0

(a) Percentage of total claims filed.

The share of settled claims continues to decline over the years due to the length of time required to fully assess and pay compensation, which often requires complex legal proceedings. Conversely, there is an increase in the number of reserved claims, equal to 78.2% of those filed in 2015 (compared with 34.9% of those filed in 2010). The percentage of claims closed without payment stayed at around 40% until 2013; the decline over the subsequent two years is attributable to the length of time required to properly classify the claims filed. Looking at the sum of claims settled and claims reserved as an indicator of the cost of claims filed in a given year, the contribution of reserved claims rises sharply the closer the filing year is to the present (Figure I.59).

Figure I.59– Ratio of reserves to the cost of medical malpractice claims filed in years 2010-15[(a)]
(%)



[54] For further information see *Malpractice, il grande caos*, ANIA, July 2014 and *Medical Malpractice Claims Analysis*, Marsh Public Healthcare Clients, December 2014.

(a) Costs calculated as the sum of the settlements and of the reserves for claims filed during the year.

The terms and conditions applied in medical liability insurance contracts vary widely. More specifically, there are large differences between the minimum and maximum amounts of deductibles and of coverage ceilings applied in 2015 (Table I.85), which tend to be higher in contracts for healthcare facilities than in those for healthcare personnel.

Table I.85 – Average values in euros of minimum and maximum deductibles and ceilings in medical malpractice insurance contracts subscribed in 2015

	Deductibles		Ceilings	
	Minimum	Maximum	Minimum	Maximum
Public health care facilities	19,792	637,065	1,011,458	3,980,435
Private health care facilities	15,334	410,900	600,000	4,460,000
Healthcare personnel	344	64,910	572,038	2,538,846

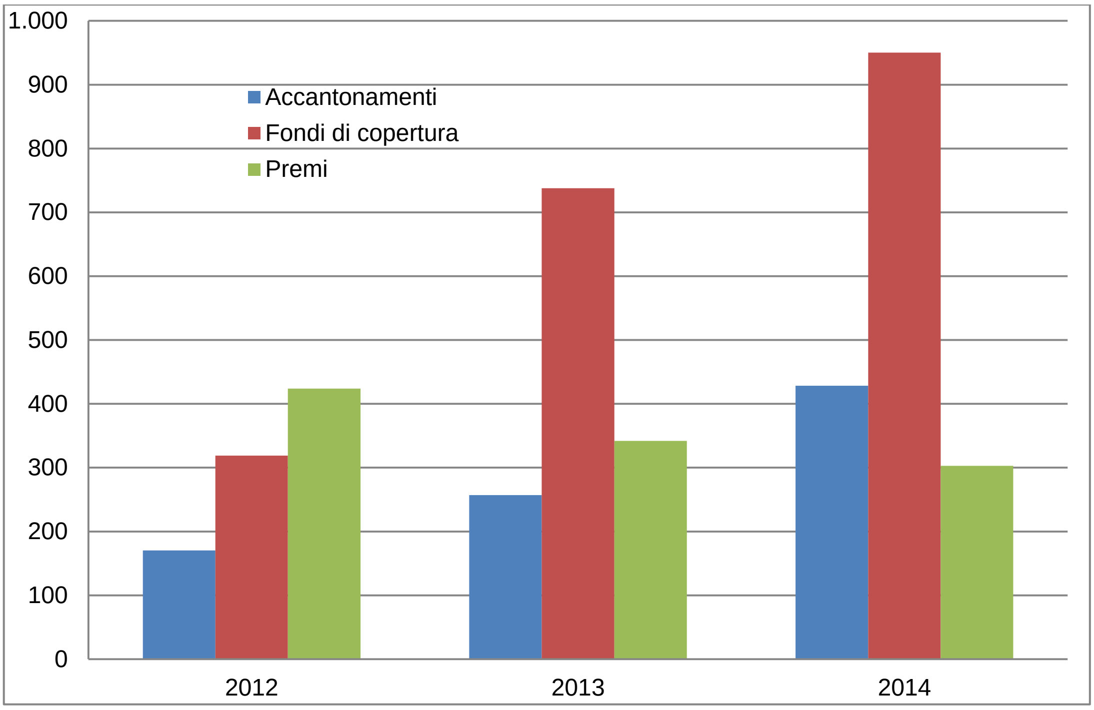
A variety of factors hindered undertakings in the sector during the 2010-15 period. The survey revealed concerns about uncertainty as to court decisions and in the quantification of risk in the sector, which contribute to making it unprofitable. The lack of effective policies for managing medical liability is a less significant obstacle, but becomes of greater importance for the operations of public healthcare facilities. As in the previous survey, the Solvency II capital requirements do not appear to be an impediment to operating in the sector.[55]

In part in response to the difficulty of obtaining insurance coverage at moderate cost, healthcare operators and hospitals have been moving towards self-insurance. This form of risk retention is often accompanied by taking out policies, which typically cover claims for compensation above a certain threshold (hybrid self-insurance).[56] Resources for self-insurance come from specific balance-sheet provisions to which annual allocations are made from the income statement. For the three-year period 2012-14, both allocations and reserves increased considerably, while spending on premiums fell (Figure I.60). Liguria, Tuscany and Basilicata report the lowest expenditure on insurance premiums in relation to allocations for self-insurance in 2014.

55 The capital requirements for insurance and reinsurance under Solvency II are higher than those under Solvency I, specifically because they also include reserve risk, which is particularly important for medical malpractice insurance.

56 For example, the Tuscan model envisages that self-insurance be managed essentially at the centralized regional level, with a residual role for insurance. The more complex, three-tiered model, adopted by Emilia-Romagna, calls for the use of healthcare operators' funds for compensation payments of less than €150,000, regional centralized funds for those above that threshold but less than €1,500,000, and insurance coverage for higher amounts.

Figure I.60– Medical malpractice insurance for public healthcare facilities: self-insurance (allocations and provisions) and premiums paid to insurance undertakings
(millions of euros)



Source: Ministry of Health and IVASS for data on premiums.

In 2014 all the regions of Italy had made allocations to self-insurance provisions, except for the Autonomous Provinces of Bolzano and Valle d'Aosta, which adopted a pure insurance model (Table I.86). Furthermore, half of the National Health System facilities reported provisions for self-insurance in their financial statements, more than twice as many as in 2012. The most dynamic regions in this transition include Veneto and Lombardy in the North, Umbria and Lazio in the Centre, and Sicily and Abruzzo in the South.

The transition to self-insurance against medical liability implies the need to improve healthcare risk prevention and management systems and upgrade IT systems for processing medical malpractice claims. Some regions, in moving away from the pure insurance model, have made considerable investment of this sort. This has led to the development of new competences, as well as to an improvement in users' healthcare experiences.[57] In the future, in addition to monitoring the organizational and medical aspects of healthcare risk management, it will be necessary for operators to improve their ability to assess the financial and actuarial adequacy of self-insurance provisions.[58]

Table I.86 – Number of National Health System facilities that allocate funds for medical malpractice self-insurance

Macro area	Region	Total number of facilities	of which: Facilities that began to allocate funds in 2013-14		Facilities that allocated funds in 2014	
				% of total		% of total
North	Emilia Romagna	19	4	21.1	5	26.3
	Friuli-Venezia Giulia	6	0	0.0	1	16.7
	Liguria	6	0	0.0	1	16.7
	Lombardy	51	21	41.2	33	64.7
	Autonomous province of	2	0	0.0	0	0.0

57 Whether savings for the National Health Service can be achieved through self-insurance is currently the topic of research and debate.
58 The importance of the diffusion of this expertise among healthcare management was already underscored in the IVASS Annual Report for 2014 (p. 131).

Table I.86 – Number of National Health System facilities that allocate funds for medical malpractice self-insurance

Macro area	Region	Total number	of which:			
	Bolzano					
	Autonomous province of Trento	1	1	100.0	1	100.0
	Piedmont	20	1	5.0	3	15.0
	Valle D'Aosta	1	0	0.0	0	0.0
	Veneto	25	15	60.0	18	72.0
	Total, North	*131*	*42*	*32.1*	*62*	*47.3*
Centre	Lazio	23	8	34.8	14	60.9
	Marche	4	0	0.0	1	25.0
	Tuscany	12	0	0.0	1	8.3
	Umbria	9	5	55.6	5	55.6
	Total, Centre	*48*	*13*	*27.1*	*21*	*43.8*
South and Islands	Abruzzo	4	2	50.0	4	100.0
	Basilicata	4	1	25.0	3	75.0
	Calabria	10	2	20.0	4	40.0
	Campania	17	4	23.5	10	58.8
	Molise	1	0	0.0	0	0.0
	Puglia	11	3	27.3	5	45.5
	Sardinia	12	1	8.3	2	16.7
	Sicily	19	14	73.7	18	94.7
	Total, South and Islands	*78*	*27*	*34.6*	*46*	*59.0*
	Total, Italy	**257**	**82**	**31.9**	**129**	**50.2**

Source: Ministry of Health

7.2 - Cyber risk

IVASS has begun an analysis of the impact of cyber risk on the insurance market, identifying the threats posed to the availability and integrity of information-sharing networks and infrastructure, as well as to data confidentiality. Cybercrime encompasses different types of activity where computers and IT systems are used to perpetrate crimes or are the target of crimes.

Technology presents new opportunities for the insurance market (cyber risk insurance), but is also a source of risks associated with the progressive digitalization of insurance services, which exposes insurance companies to the threat of cyber-attacks. The rising computer literacy of insurance customers has led to a demand for products with applications that can be used on PCs or mobile devices, requiring insurance companies to continually boost their investments in order to maintain a technologically up-to-date product line with secure and efficient systems.

In recent years, the threat of cyber-attacks and their impact on the financial system have risen in proportion to the growing use of electronic transactions and direct user access to online data and financial services. A large-scale cyber-attack could create serious problems for the stability of the major intermediaries, critical infrastructures and, through network connections, the entire system.

The industry is focusing on the issue, but a deeper understanding of it may be needed, which may be achieved by promoting system-wide projects to raise operators' awareness of the subject and pooling sector experience in a technological observatory or other information-sharing initiatives. The undertakings that take part in the survey on the vulnerabilities of the insurance sector (see Part III, Section 1.2.3) demonstrate an awareness of the need to mitigate cyber risk as a type of operational risk.

Among the main points to consider are the legal and operational risk profiles connected with complying with privacy laws and the vulnerabilities associated with online access to services and to sensitive data on insured persons and entities. It is necessary to identify critical systems and significant data so that the internal control functions can better protect and more closely monitor them. There is specific awareness of the consequences of denial-of-service attacks (i.e. overwhelming the resources of an IT system – e.g. the company's website – rendering it unable to provide services) and zero-day vulnerabilities (vulnerabilities that have not yet been discovered by software developers, but are known to hackers, who can exploit them to access or compromise programs, data or computer networks; the term 'zero-day' comes from the fact that, once the vulnerability is detected, the developer has zero days in which to plan and implement risk mitigation actions since the system is already vulnerable to attack). Existing vulnerabilities include remote connections by agents and other distribution channels whose security policies are not directly controlled by the insurance companies and the risks associated with cloud services.

Under the Solvency II framework, an undertaking's handling of cyber risk is considered an integral part of the assessment of its ability to manage operational risk, even when such functions are outsourced. Moreover, as part of their governance systems, insurance undertakings are required to ensure business continuity, including by developing contingency plans. They must employ appropriate and proportionate systems, resources and procedures to that end.

These initiatives must be combined with strong authentication measures, security measures to protect the confidentiality and integrity of credentials, and activation of the communication channels envisaged for electronic payments under the EU's Payment Services Directive II. Special attention should also be paid to the guidance on cyber resilience for financial market infrastructures published by CPMI-IOSCO, concerning the importance of factors of interconnection between the major operators and collaboration between operators (as well as vendors and service providers) and the authorities, including a clear strategy for the mandatory reporting of material events to national authorities. The guidelines, which can be extended to the main intermediaries active in financial markets, emphasize governance and internal organization, access to resources and competences, and management's contribution to fostering a corporate culture that values cyber resilience.

In addition to strengthened cyber security, insurance companies are interested in the development of cyber risk insurance products, bearing in mind that for some time now the value of companies has been shifting from tangible assets (usually plant and property used for business) towards intangible assets (trademarks, patents, copyrights, supply networks and digital information assets).

As part of its ongoing analysis of new products introduced in the Italian insurance market, IVASS conducted a review of non-life products designed to cover technological risks (e.g. system availability and integrity) or connected with the use of IT tools and systems (e.g. data confidentiality and digital identity protection). The Italian market for insurance against technological risks is still underdeveloped: 19 products are offered by 10 undertakings, 5 of which are Italian. The most sophisticated insurance solutions, representing just 9 of the 19 found, cover cyber risks. These are mostly offered by foreign undertakings, which probably have greater expertise in this sector.

Areas in the market for products covering cyber risk warranting further study in the future include the processes for assessing technological risk, taking into consideration possible risk mitigation organizational and technological tools, the determination of pricing and compensation amounts, and the legal problems connected with identifying the proper jurisdiction for cases of cyber-attacks conducted on a global scale or whose origin cannot be established easily.

II. THE EVOLUTION OF THE REGULATORY ENVIRONMENT

1. DEFINITION OF THE SOLVENCY II LEGAL FRAMEWORK

1.1. Preparation for the new regime

In 2015, letters to the market were issued to clarify a number of points:

i) in March 2015, on the prospective risk assessment and in light of the *Forward-Looking Assessment of Own Risks/Own Risk and Solvency Assessment* reports (see Part III, Section 2.1.3) to be produced by the undertakings and transmitted to IVASS;

ii) in July 2105, with regard to the actuarial function, clarifying the responsibilities relating to the constitution of the technical reserves, such as verification of data quality and reliability and of the consistency of the amounts calculated on the basis of the criteria applicable to the financial statements drawn up as required, respectively, by civil law and prudential regulations; indications were also provided on the possible consolidation of responsibilities and functions on the basis of proportionality, on outsourcing, including intra-group outsourcing, and on the fit and proper requirements, in order to foster the uniform application of the regulatory principles and to guarantee the adoption of neutral assessment criteria with respect to the different organizational structures;

iii) also in July 2015, pursuant to the EIOPA guidelines, additional information was provided on the pre-application process for the use of internal models, in particular, calling the undertakings' attention to the need to provide evidence of the adequate integration of the internal model in the context of the undertakings' corporate governance system and the reasons for which the undertaking or group believes that the internal model better captures the risk profile.

1.2. The new Private Insurance Code

Legislative Decree 74/2015, implementing Directive 2009/138/EC (Solvency II) and containing comprehensive changes to the Private Insurance Code, was published in the ordinary supplement to Official Gazette no. 136 of 15 June 2015. IVASS contributed to the transposition of the Directive by offering technical support to the competent legislative bodies and assisted in drafting the Decree.

Changes to the Private Insurance Code reflect the structures of Solvency II as amended by Omnibus II. The main amendments regard:

– the purpose of supervision: Article 3 clarifies, in conformity with the provisions of Article 27 of the Directive, that the primary objective of supervision is the protection of the insured and all those entitled to insurance services. This objective is pursued through controls on the sound and prudent management of undertakings (prudential supervision) and on their transparency and fairness towards customers (market conduct).

– the transparency and accountability of supervision and the strengthening of official secrecy obligations;

- the corporate governance system, including the key functions, among which internal auditing, risk management, compliance – already provided for under the secondary regulations issued by IVASS – and the actuarial function. The obligation for undertakings to perform periodic internal risk and solvency assessments (ORSA) was introduced, to determine their overall solvency requirements, taking into account their specific risk profiles, their risk tolerance levels and their business strategy;

- the regulatory technical provisions, based on criteria different from those used for the technical provisions in the financial statements prepared under civil law, that will continue to follow the previous rules. The long-term guarantee measures introduced by Omnibus II to mitigate market volatility are included in the above-mentioned framework, so that undertakings may continue, in the long term, to perform the role of institutional investor and to provide coverage at an affordable price;

- investments, now subject to the prudent person principle instead of quantitative limits set at the regulatory level; these must be in keeping with the nature and duration of insurance and reinsurance companies' liabilities and be in the best interest of the policyholders and beneficiaries, taking the undertaking's strategic objectives into account;

- the rules on capital requirements, based on:

    - the Solvency Capital Ratio (SCR) that the undertakings must calculate and communicate to the supervisory authority at least once a year, which corresponds to the economic capital needed to limit the probability of falling into financial ruin to one every 200 years, calculated with the value at risk method;

    - the Minimum Capital Ratio (MCR) is the minimum capital requirement below which IVASS' more stringent measures are triggered because risk has reached an unacceptable level;

- the rules on own funds, that is, the capital elements to be used to cover the requirements, classified in three tiers based on the nature and the extent to which they satisfy five fundamental characteristics (subordination, loss absorbency, permanent availability, perpetuity, absence of mandatory servicing costs);

- the public disclosure requirements and the supervisory reporting requirements, the contents of which are harmonized in detail at the European level by Commission Delegated Regulation (EU) 2015/35;

- the rules on local undertakings excluded from the Solvency II regime because they are below the parameters set by the Directive in terms of premium income and total technical provisions, and are not active in the liability, credit and suretyship sectors;

- group supervision and cooperation – in the context of the college of supervisors – with the other authorities involved in the supervision of groups active in at least two European countries. The change to the Private Insurance Code was aimed at preserving the country-specific nature of the insurance group registry while coordinating it with the Solvency II provisions on supervisory instruments (groups solvency, group governance system, group ORSA, risk concentration, intragroup operations) applicable to the group as a whole and to the various undertakings and entities that it consists of;

– the enforcement measures, in keeping with those in the original version of the Private Insurance Code, updated in accordance to the changes made by Solvency II (see Part V).

1.3. The secondary regulations issued by the European Commission

Commission Delegated Regulation (EU) 2015/35 integrates the primary regulatory framework established by the Directive and the Code with more detailed content, directly applicable in the member states, and amended in 2016 by Commission Delegated Regulation (EU) 2016/467 (published in the Official Journal of the European Union on 1 April 2016) aimed at facilitating investment in European infrastructure by lowering the related capital requirements.

In 2015, the directly applicable European regulatory framework was further integrated by several implementing provisions issued by the European Commission, upon a proposal from EIOPA (Implementing technical standards or ITS), that govern purely technical aspects:

– in March 2015, six technical standards were adopted relating to the procedures for approving, using and changing the internal models for individual undertakings (Regulation 2015/460/EC) and groups (Regulation 2015/461/EC), the approval procedure for establishing special purpose vehicles (Regulation 2015/462/EC), the approval procedure to use undertaking-specific parameters (Regulation 2015/498/EC), the approval procedures for the use of an ancillary own-fund items (Regulation 2015/499/EC), and the approval procedures for the use of the matching adjustment in calculating the technical provisions (Regulation 2015/500/EC);

– in November 2015, the European Commission issued seven implementing regulations concerning the prudential treatment of the exposures of regional governments and local authorities (Regulation 2015/2011/EC), capital add-ons (Regulation 2015/2012/EC), health risk equalization systems (Regulation 2015/2013/EC, to address an issue peculiar to the Netherlands), the submission of information to the group supervisor and the exchange of information between supervisory authorities in the group context (Regulation 2015/2014/CE), the assessment of external credit assessments (Regulation 2015/2015/EC), the equity index for the symmetric adjustment of the standard equity capital charge (Regulation 2015/2016/EC), and calculation of the capital charge for currency risk with the standard formula (Regulation 2015/2017/EC);

– in December 2015 the last three implementing regulations were issued, regarding, respectively, the submission of information to the supervisory authorities (Regulation 2015/2450/EC), the solvency and financial condition report (Regulation 2015/2452/EC), and the disclosure of information by supervisory authorities (Regulation 2015/2451/EC);

– in February the European Commission issued an implementing regulation on the calculation of the technical provisions and basic own funds for the period from 1 January to 30 March 2016 (Regulation 2016/165/EC).

This legislation is in an intermediate position between the Private Insurance Code and the IVASS regulations that have transposed or will transpose the EIOPA guidelines.

1.4. The EIOPA guidelines and national transposition

The Solvency II regulatory framework consists of 702 guidelines, collected in 29 documents issued by EIOPA to encourage uniform and consistent application of the new regime and its objectives. The first set of guidelines (Pillar 1) covering the financial requirements was published by EIOPA in

February 2015. The second set, mainly on the governance system and disclosure requirements (Pillars 2 and 3) was issued in September 2015.

Sharing the objective of harmonizing the European regulatory framework, IVASS has adhered to EIOPA's guidelines, implementing them by updating its internal supervisory procedures where the guidelines concerned the organization of supervisory activities (for instance, the guidelines on the functioning of the college of supervisors and the prudential control process); with regard to the guidelines containing obligations on the part of the undertakings, the national regime's conformity was ensured via the publication of letters to the market and the revision or issuing of regulations.

IVASS gave priority to completing the regulatory framework regarding the financial requirements of Solvency II, in particular, to the rules applicable to the calculation of the solvency capital requirement (SCR) with the standard formula. After public consultation, the following regulations were issued, incorporating and clarifying the EIOPA guidelines:

- Regulation no. 10 dated 22 December 2015 on the treatment of downstream participations, implementing the new provisions of Article 79, paragraph 3 of the Private Insurance Code and the EIOPA guidelines, detailing the acquisition of participations subject to prior communication or authorization and the conditions for the exercise of IVASS' powers;

- Regulation no. 11 dated 22 December 2015 on the use of specific parameters in calculating the SCR. Undertakings may, subject to IVASS' authorization, replace some parameters in the standard formula when they do not adequately reflect the business risks with undertaking-specific parameters. The regulation outlines the criteria for assessing the quality of the data used in calculating the USP, identifies the contribution expected from the actuarial function, and clarifies the information and assumptions used to calculate the technical provisions. Moreover, it extends some aspects of the Commission's Implementing Regulation (EU) 2015/498 to the group specific parameters (GSP), regarding the USP approval procedures (for example, the authorization procedure and the procedure for changing the parameters);

- Regulation no. 12 dated 22 December 2015 completes the framework on the use of internal models in determining the capital solvency requirements. The provisions specify the factors considered by IVASS in approving and authorizing the use of an internal model when such model is deemed more suitable to represent the specific characteristics of the individual undertaking and, in the case of a group model, of the group;

- Regulation no. 13 dated 22 December 2015, concerning ancillary own-funds items, specifies the authorization procedure and the assessment and classification of such items, as well as continuing compliance with the conformity criteria;

- Regulation no. 14 dated 22 December 2015, on the basis risk in calculating the SCR, provides criteria aimed at helping undertakings identify cases in which the basis risk generated by risk-mitigation techniques must be considered significant;

- Regulation no. 15 dated 22 December 2015, on life underwriting risk in calculating the SCR, covers the application of the sub-modules for the risks of mortality, longevity, and disability-morbidity, specifies the calculation method to be adopted under particular scenarios, and clarifies the criteria for the assessment parameters to be used in the calculation;

- Regulation no. 16 dated 22 December 2015 concerning market risk and counterparty default risk in determining the capital solvency requirement;

- Regulation no. 17 dated 19 January 2016, on calculating group solvency, implements Article 216-*ter* of the Private Insurance Code, with particular attention on the methods of calculation (consolidated accounts, deduction and aggregation, or a combination of the two). The regulation does not cover the capital adequacy requirements for financial conglomerates, addressed in Commission Delegated Regulation (EU) 342/2014;

- Regulation no. 18 dated 15 March 2016, on the valuation of technical provisions, transposes in a single text two sets of guidelines regarding contract boundaries and the valuation of technical provisions, specifying the elements to consider when calculating and validating the technical provisions; it also provides information aimed at identifying which future premium obligations must be taken into account. The regulation also analyses the segmentation and unbundling of the obligations assumed/underwritten by the undertaking for the purposes of the technical provisions and provides details on the tasks attributable to the actuarial function;

- Regulation no. 20 dated 3 May 2016, while not transposing specific EIOPA guidelines, is still included among in the Solvency II regulations because it implements Article 189(2) of the Private Insurance Code. It provides that, in conducting inspections to assess the internal models adopted by the undertakings, IVASS may employ external experts at the expense of the undertaking until 31 December 2016. In particular, it identifies the selection criteria and independence requirements of these external experts.

- Regulation no. 21 dated 10 May 2016, which transposes specific EIOPA guidelines and implements Articles 190 and 191 of the Private Insurance Code, covers the periodic quantitative information that must be submitted to IVASS for the purposes of financial stability and macro prudential supervision. It lays down the general criteria for identifying the undertakings and groups subject to the reporting requirements, which initially are to be identified on the basis of financial statement data (Solvency I), the general principles of the periodic quantitative information and the contents of the report, and the time limits and methods of transmitting the information to IVASS.

Public consultation has been closed on the following draft regulations:

- Consultation Paper no. 10/2015 – draft regulation on ring-fenced funds and the calculation of the SCR in the presence of such funds, to clarify, in implementing the guidelines on this topic, the key characteristics for identifying a fenced fund and the calculation of the necessary adjustments.

- Consultation Paper no. 17/2015 – draft regulation on adjustments for the loss-absorbing capacity of technical provisions and deferred taxes, implementing the provisions of Annex IV to the Directive and the relevant EIOPA guidelines; provides practical information on calculating the two adjustment components for the purposes of determining the SCR on an individual level and the applicable rules for determining group solvency using the consolidation-based method.

- Consultation Paper no. 18/2015 – draft regulation on the tiering of own funds, the authorization procedures, quantitative limits and the application of transitional rules.

- Consultation Paper no. 22/2015 – draft regulation on the treatment of health insurance catastrophic risk exposures for purposes of calculating the capital requirements with the standard formula;

- Consultation Paper no. 23/2015 – draft regulation on the application of the look-through method for calculating the capital requirements with the standard formula;

- Consultation Paper no. 26/2015, containing the rules on investments and assets covering the technical provisions that insurance undertakings will have to follow; it implements the EIOPA guidelines on the prudent person principle regarding investments;

- Consultation Paper no. 27/2015 – draft regulation concerning the legal framework for group supervision and transposing the EIOPA guidelines on the methods for assessing equivalence on the part of the national supervisory authorities;
- Consultation Paper no. 1/2016 – draft regulation on the Own Risk and Solvency Assessment that reiterates the indications already provided in the preparatory stage and provides cohesiveness and consistency to the terminology of the provisions relating to ORSA as a whole. The draft regulation identifies ORSA's mandatory components and the documentation to be prepared regarding the assessment process and the assessments performed; it clarifies the reference date and the reporting deadline for the submission to IVASS of the ORSA supervisory report;
- Consultation Paper no. 2/2016 – draft regulation transposing the EIOPA guidelines on long-term guarantee measures (LTG) and the transitional rules for the passage from Solvency I to Solvency II. It contains rules for a number of matters of detail, not governed by the relevant, directly-applicable EC regulations, focusing on the definition of the technical provision assessment profiles and the calculation of the risk margin and the SCR, affected by the application of the LTG and transitional measures;
- Consultation Paper no. 3/2016 – draft regulation on the valuation of assets and liabilities other than technical provisions for the solvency balance sheet; it clarifies the organizational and informational measures that undertakings must establish within their governance system, to safeguard the measurement and assessment of assets and liabilities;
- Consultation Paper no. 5/2016 – draft regulation on the supervision of local undertakings pursuant to former Article 51-*bis* and subsequent articles of the Private Insurance Code for firms excluded from Solvency II; for these firms, the previous regime was drawn upon, simplified, and condensed into a single regulation;
- Consultation Paper no. 6/2016 – draft regulation on public disclosure and supervisory reporting, implementing the pertinent EIOPA guidelines; clarifies the already detailed European regulations, and details the content required in the Solvency and Financial Condition Report (SFCR) and the Regular Supervisory Report (RSR) in accordance with the new regulatory framework, providing additional information where necessary; it also lays down that the RSR must be submitted at least once a year. It includes the provisions from other EIOPA guidelines on the limitations or exemptions from the quarterly quantitative reporting requirement or analytical reporting requirement (e.g. the list of assets).

Public consultation is open for the following:

- Consultation Paper no. 8/2016 – draft regulation on the supervision of intragroup operations and risk concentration, implementing the new provisions of Article 215-*quarter*, paragraph 2, and Article 216, paragraph 3, of the Private Insurance Code and two EIOPA guidelines on group governance. The draft regulation provides that the undertaking identify the transactions to be classified as 'significant', 'very significant' and 'to be reported in all circumstances' and outlines the manner of communicating the information to IVASS.
- Consultation Paper no. 9/2016 – draft regulation on the methods for quantifying the effect of risk mitigation in the assessment of catastrophic risks in the standard formula both at individual and group level, as a function of the characteristics of the undertaking's passive reinsurance programme. The regulation implements the pertinent EIOPA guidelines on the application of passive reinsurance contracts to the underwriting risk sub-module for non-life policies.

2. THE ACTIVITY OF THE INTERNATIONAL BODIES

2.1. The definition of a capital requirement for systemically important groups

During 2015, work continued within the International Association of Insurance Supervisors (IAIS) on the identification of Global Systemically Important Insurers (G-SIIs). The list, updated in November 2015, includes nine insurance groups, none of which is Italian (see Part III, Section 2.4). The series of supervisory measures envisaged for G-SIIs, in line with the recommendations of the Financial Stability Board (FSB) and with the provisions already envisaged for globally systemic important banks (G-SIBs), includes enhanced supervision, an effective resolution regime and a greater capacity to absorb losses.

The IAIS finished developing the additional capital requirement, or Higher Loss Absorbency (HLA) which will be applied to G-SIIs from 2019. The document was published on 5 October 2015 and is supported by the FSB. IVASS contributes various resources to this work and, since 2014, an IVASS Board member has chaired the IAIS's Financial Stability Committee.

Among the enhanced supervisory measures to be applied to G-SIIs, the main purpose of HLA is to reduce the probability of a G-SII crisis situation and its impact on the financial market. The additional capital requirement is an incentive for firms to reduce their systemic risk. The development of HLA is an important step towards a broader IAIS project for the definition of a risk-based capital standard applicable to all the insurance groups active at international level (Insurance Capital Standard - ICS), the adoption of which is expected by the end of 2019 (see Section 2.3). The first step towards this objective was the development of the Basic Capital Requirement (BCR) in 2014. The BCR, applicable to all the activities, including non-insurance activities, of a G-SII group, is currently the basis for applying the HLA requirement. From 2019, G-SIIs will have to hold capital amounting to at least the sum of the BCR and HLA requirements. The BCR is a simple, factor-based requirement that will be replaced as a basis for the application of HLA by the ICS, once its definition has been finalized.

As part of the G-SII project and under the guidance of the FSB, at the end of 2015 the IAIS published two consultation documents, one on the updating of the methodology for identifying G-SIIs and the other relating to the definition and characteristics of non-traditional non-insurance (NTNI) activities. The first document deals with the methodological modifications needed to ensure appropriate treatment of the insurance and reinsurance companies' various types of business. The aim of the NTNI proceedings (led by IVASS) is to provide explanations and draft guidelines on the nature and characteristics of activities considered non-traditional, which are currently of great importance in determining G-SIIs.

2.2. Work on an effective resolution regime

In 2015 the international work continued on the issue of resolution of insurance entities, starting from the common framework represented by the insurance appendix to the *Key Attributes of Effective Resolution Regimes for Financial Institutions* (KAs), finalized by the FSB in 2014. The appendix, based on the conclusions reached by the G20 in 2011, is an important step towards coordination of resolution in the various financial market sectors.

Together with other international initiatives, such as the setting up of Crisis Management Groups for systemically important insurance groups (GSIIs), new work began in 2015 within the IAIS and the European Insurance and Occupational Pensions Authority (EIOPA), and with the active participation of IVASS, to apply the contents of the FSB's recommendations to the insurance sector in an effective way.

Within the IAIS, analysis focused mainly on the changes to the Insurance Core Principles (addressed to all insurance entities) and to the Common Framework for the Supervision of Internationally Active Insurance Groups (IAIGs), necessary to bring their contents in line with the new resolution regime.

With regard to the EIOPA, following the Opinion on Sound Principles for Crisis Prevention, Management and Resolution preparedness of NSAs (National Supervisory Authorities), issued at the end of 2014, work on these subjects started in 2015 which, together with a review of the member states' regulatory systems, could flank proposals for introducing regulatory instruments suitable for the specific nature of the insurance sector in 2016.

2.3. Development of a global capital standard for groups operating at international level

The IAIS is working on the development of a risk-based global capital standard for IAIGs, known as the Insurance Capital Standard (ICS). This project is part of the development of the Common Framework, a set of supervisory principles and criteria applicable to IAIGs. The aim is to increase the capacity for coordination between supervisory authorities that are part of different legal systems, in order to better understand an insurance group's activities and risks.

In 2015 IVASS continued to take part in the IAIS's work on defining the technical elements on which the ICS is based, such as the criteria for assessing the significant aggregates for insurance operations, the calibration of risk-based standard parameters for risks considered significant and the definition and classification of the capital resources allocated to cover the requirement. This work is expected to produce a stable version of the ICS by the end of 2019.

A field testing exercise, in which IVASS took part, made it possible to estimate the impact of introducing the ICS on evaluating the solvency of the insurance groups concerned and to find relevant information to fine-tune the basic technical aspects, such as the classification of capital resources and of the approaches to assessing various types of risk. In 2016, field testing and public consultations on the key calculation components will continue to play a fundamental role in the process of defining the ICS.

2.4. Review of the Insurance Core Principles by the IAIS

IVASS continued to follow the work on the review of the Insurance Core Principles, aimed at increasing the convergence of insurance supervision on a worldwide basis by eliminating regulatory differences between jurisdictions as regards quantitative requirements and corporate governance and business organization. The review also follows processes of self-assessment and peer reviews, carried out within the IAIS since 2013.

2.5. International accounting standards

IVASS follows the IASB's standards-setting work at national level, cooperating with the various bodies involved (the Italian Accounting Organization, the Ministry for the Economy and Finance, and the supervisory authorities concerned), and at international level, by taking part in the work of the IAIS and the EIOPA.

The most important IASB project for the insurance sector deals with the accounting of insurance contracts (IFRS 4 – phase 2), for which a long period of work is now coming to an end, after the publication of three documents in the years 2007-2013 (a discussion paper in 2007, a first exposure draft in 2010 and a second one in 2013). The definitive standard should be issued by the end of 2016, and will be applied from 2020.

Two of the most widely debated topics in 2015 were accounting for participating contracts and the results of applying the new standard to financial instruments (IFRS 9). With regard to the former, the IASB has decided for now to abandon the mirroring approach proposed in the 2013 consultation, heavily criticized by the stakeholders, in favour of a variation on the general model, i.e. the variable fee approach, where the firms' commitment to the policyholder is seen as the difference between the value of the assets to which the benefits are linked and the variable fee payable to the company for supplying the service.

With regard to IFRS 9, the IASB published its exposure draft in December 2015 with proposals for amending IFRS 4 that aim to solve the drawbacks (e.g. greater volatility in economic performance) linked to the non-simultaneous entry into force of IFRS 9, the application of which is envisaged starting with the 2018 financial statements, and of the standard on insurance contracts which will be applied at a later date.

3. - THE EVOLUTION OF EUROPEAN REGULATIONS

3.1 - The Insurance Distribution Directive

Directive 2016/97 of 20 January 2016, the Insurance Distribution Directive (IDD), was published in the Official Journal of the European Union of 2 February 2016. IVASS had given impetus to the negotiation of the Directive during the Italian Presidency of the Council of the European Union (second half of 2014) and thanks to the Presidency of the Council Working Group during which the general approach to the text was decided. The IDD repealed Directive 2002/92/EC on insurance mediation (IMD 1) including the recent amendments (IMD 1.5) made by Article 91 of Directive 2014/65/EC (MIFID 2) regarding conflicts of interest in the distribution of insurance-based investment products. The new IDD brings a marked improvement in the level of consumer protection and in many ways integrates rules and principles already included in Italian regulations into the European system.

The innovative contents of the Directive include the following:

- broadening the scope, to ensure the same level of consumer protection regardless of the distribution channel chosen;

- obligation to place a product only if it responds to the customer's insurance needs (demands and needs test);

- new pre-contractual information obligations to allow the customer to make an informed decision; two separate documents are introduced:

  a) when advice is sought before the contract is concluded, a personalized recommendation should be provided to identify the reasons why one particular product would be more suitable than others to meet customers' needs;

  b) an easy-to-read, standardized information document on non-life products;

- obligation to structure the remuneration practices for intermediaries and company employees so as to ensure that distributors do not disregard the customer's interest; intermediaries are also obliged to provide information as to the nature of the remuneration;

- in the event of cross-border activities, strengthening the role of the host state with regard to unlawful activities carried out in the distribution of insurance products by an intermediary registered in another member state;

- broadening the provisions for insurance-based investment products (IBIPs) initially introduced under IMD 1.5 by completing the regulatory framework in three areas: conflicts of interest, pre-contractual information and incentives, and appraisal of the suitability and adequacy of products;

- reinforcing the sanctions system.

The new directive is based entirely on the concept of distribution rather than that of intermediation used by the previous directive, since the scope of its application includes all the parties that participate in various ways in the sale of insurance products. This includes not only intermediaries but also insurance companies, persons engaged in intermediation as an ancillary activity, such as travel agencies and car hire firms (provided there are no conditions for exemption based on the type of risk covered or on the size of the premium paid) and parties operating Internet comparison sites if such sites make it possible to directly or indirectly draw up an insurance contract. Distributors that use exempted parties are still responsible to customers for providing information notice on claims, setting up appropriate systems for compliance with transparency and conduct requirements as well as providing information documents relating to non-life insurance products.

3.2 - The measures under discussion

3.2.1. - The measures for implementing the distribution directive

The IDD provides for the issuing of secondary rules aimed at integrating and specifying certain provisions, the uniform application of which within the European Union would be appropriate. In particular the adoption of four delegated acts is planned, one regulatory technical standard, one implementing technical standard, as well as EIOPA guidelines (one obligatory set and two sets that are left to the discretion of the European authorities).

3.2.2. - Analysis of Directive 2009/103/EC on compulsory motor liability insurance in light of the case law of the Court of Justice

Following the ruling of the Court of Justice of 4 September 2014 (case C-162/13), which recognized the right to compensation of the victim of an accident that occurred in the courtyard of a farmhouse, the European Commission is considering the need to amend the motor vehicle liability directive to ensure legal certainty on the scope of application (i.e. whether compensation must be linked to the actual circulation of the vehicle or to its mere utilization, including in a private area).

3.2.3. - The Green Paper on retail financial services

On 10 December 2015 the European Commission issued a Green Paper analysing the causes which have so far prevented full exploitation of the possible advantages stemming from a single European market for retail financial services, an objective already included in the Commission's previous Green Paper of 18 February 2015 on the Capital Markets Union.

The European Commission document identifies possible regulatory measures at Community level:

- simplification and standardization of products or at least of the basic minimum conditions, so as not to undermine the innovative aspect of the products, especially the individual pension products of Pillar 3;

- standardization of the information to be provided to customers;
- elimination of differences in national regulations on insurance distribution so as to achieve maximum harmonization at Community level;
- review of the general good rules (i.e. national rule s for companies operating in the European Union under the freedom to provide services or freedom of establishment), by means of an update of the Communication of the European Commission of 2000 for reducing the obstacles to cross-border activity;
- strengthening alternative dispute resolution systems and the rules on cross-border claims;
- inclusion in motor vehicle liability of cases involving the obligatory use of guarantee funds to cover insurer insolvency.

3.2.4. - Revision of the EU regulation exempting certain agreements between insurers from the general prohibition of anticompetitive practices.

The European Commission recently published a report on the application of Regulation No. 267/2010, which exempts two kinds of agreements: a) on the exchange of data and information resulting from joint compilations, tables and studies produced by insurance companies, and b) co-insurance or co-reinsurance pools which do not exceed certain thresholds. This exemption will expire in 2017 and the Commission is assessing whether or not it needs renewing.

3.3 - The activity of the European supervisory authorities

3.3.1. - Consumer protection

In 2015 the EIOPA developed a new supervisory approach that supplements traditional prudential supervision with a preliminary market conduct check. Some of its initial effects were seen in the work on prior identification of retail risks and the identification of topics to be analysed in more detail by means of thematic reviews. A working group on market monitoring was set up within the Committee on Consumer Protection and Financial Innovation (CCPFI), which carried out an initial survey to identify the instruments used by individual authorities to monitor the market and will continue to explore the possible use for this purpose of the instruments available to the EIOPA, also outside of the works of the Committee.

A report on consumer protection in the sale of insurance policies for mobile phones was approved. The report includes recommendations for adequate and transparent information (with a particular focus on exclusions, the duration of the contract and claims settlement procedures) to be provided by parties that distribute these policies, usually other than insurance intermediaries. In line with what is envisaged in the IDD, the document also recommends that such parties acquire an appropriate and periodically updated knowledge of policies.

The CCPFI has started work on the opinions that the EIOPA will have to submit to the European Commission on the delegated acts envisaged by the IDD and has made the EIOPA's Preparatory Guidelines on Product Governance and Oversight available for public consultation. The final version of these guidelines was issued by the EIOPA in April 2016 and aims to bring the market closer to the new provisions of the IDD, by avoiding inconsistent national implementations, and to guarantee a level playing field with sectorial rules where the matter is already regulated. To this end both the product manufacturer and the distributor have organizational and information obligations.

The obligation of the manufacturer to identify a given target customer for each product and the relative distribution strategy is particularly important.

3.3.2. - Peer review

In 2015 a peer review was completed on the inspections and visits conducted jointly by various European authorities at both individual companies and other authorities. Its conclusions were drawn up based on the answers given by the supervisory authorities in the self-assessment questionnaire and highlighted some areas for improvement aimed at increasing the use of these practices. The peer review showed that cooperation between authorities when carrying out joint work in the field contributes to a better understanding and closer relationship between European authorities.

A report was also compiled on the peer review regarding supervision of the activities of companies operating under the freedom to provide services. The analysis of supervisory practices and the experience acquired in this field shows the need for closer cooperation between the authorities prior to the issuing of the authorization and in normal business activities, and emphasizes in particular that more consumer-oriented supervisory action would be appropriate. Recommendations were addressed to the EIOPA on the amendment to the General Protocol of cooperation between supervisory authorities in the insurance sector – currently under review – which favours the dissemination of common practices for areas that emerged in the review.

3.3.3. - Joint Committee of the European Supervisory Authorities

The Joint Committee, comprising EBA, EIOPA and ESMA, the European supervisory authorities, made proposals to the European Commission for the adoption of implementing provisions for Regulation No. 1286/2014/EC on packaged retail and insurance-based investment products. As examined in detail in the 2014 Report (see Part II, Section 2.2), the Regulation introduces a standardized pre-contractual information system to protect potential purchasers of highly complex products and provides for effective, proportionate and dissuasive sanctions.

4. - THE EVOLUTION OF NATIONAL REGULATIONS

4.1 - Transposition of PRIIPs and MiFid 2 (IMD 1.5)

Article 3 of the European delegation law for 2014 (Law 114/2015) delegates the powers for transposing the provisions of the Packaged Retail and Insurance-Based Investment Products (PRIIPs) Regulation (Regulation 1286/2014/EC) that required national implementation. The main parts of the PRIIPs Regulation are directly applicable: obligation to prepare and deliver a simplified prospectus, i.e. the key information document (KID), for packaged products including insurance-based investment products (IBIPs), attribution to the European Insurance and Occupational Pensions Authority (EIOPA) and to national authorities of the power to prohibit the sale of a IBIP under certain circumstances. Other matters, including the sanctions system, require national implementation.

Article 9 of the same law contained the criteria for delegating the transposition of the Markets in Financial Instruments Directive 2 (MIFID 2, Directive 2014/65/EC), including the transposition of Article 91, which makes changes to the insurance distribution rules (IMD 1.5). The subsequent repeal of IMD 1.5 by the IDD led to the implicit repeal of that criterion of delegation (see Section 3.1).

4.2 - National initiatives

4.2.1. - IVASS's proposals to the ministry of economic development for future regulatory action

IVASS, exercising its power under law to advise the Government, recommended to the Ministry of Economic Development further changes to the Private Insurance Code in the following areas:

- the sanctions system for undertakings to, among other things, better align it with the EU standards of effectiveness, deterrence and proportionality, to be achieved through greater convergence with the banking sector's system of sanctions and by reducing the number of sanction procedures;

- the sanctions system for insurance intermediaries, consistent with the measures envisaged by the IDD;

- the liquidation procedures for undertakings (particularly motor liability insurance companies) in order to streamline the winding-up process and to reduce the burdens placed on the taxpayers and to achieve costs savings to the benefit of creditors in the liquidation;

- out-of-court resolution of disputes, including introducing in the insurance sector a system analogous to that in place for the banking and financial sector;

- the transposition of the IDD, in the context of which solutions can be found to problems concerning the separation between the assets of insurance intermediaries and those of customers.

4.2.2. - Financial advisory activities performed by insurance agents

The Stability Law for 2016 (Law 208/2015) contains rules that regard insurance agents (natural persons listed in the Single Register of Intermediaries) who can, upon request, take a special examination to qualify as financial advisors. The content of the exam will be determined by resolution of the Body for the Single Register of Financial Salesmen, in accordance with the applicable European and Italian regulations and taking account of the professional requirements already met. By engaging in financial advisory activities agents will be required to comply with the new supervisory rules for financial advisors authorized to sell products door to door. The provisions of the law, to become operative, need to be supplemented by CONSOB regulations.

4.2.3. - Competition Draft law

The draft law, presented to Parliament in early April 2015, is the first legislative action taken by the Government to implement Article 47 of Law 99/2009, which envisages an annual law on the market and competition in order to remove regulatory and administrative obstacles to opening markets, promote the development of competition and guarantee consumer protection.

Title II of the draft law contains provisions intended to improve the competitive structures of the insurance sector in areas relating to motor liability insurance (obligation to negotiate, curbs on insurance rates, disclosure obligations of intermediaries, fighting fraud, limiting the cost of compensation), professional liability insurance, policies linked to loans and the related responsibilities of IVASS. Various other provisions recall the contents of Article 8 of Decree Law 145/2013, which had been excised during the conversion of that measure into law, while others arose as a result of the July 2014 report of the Italian Competition Authority to the Government and Parliament. The draft law is currently being examined by the Senate and, once approved, will be returned to the Chamber of Deputies for a second reading.

4.2.4. - Draft law on the professional liability of healthcare personnel

This draft law is intended to establish a systematic framework of rules governing the liability of healthcare facilities and personnel.

Among the measures contained in the draft law are:

- the requirement that all facilities providing healthcare services have insurance coverage;

- the requirement that healthcare personnel have insurance coverage to facilitate recourse by healthcare facilities against healthcare personnel;

- the determination of the minimum requirements for insurance policies for healthcare facilities by order of the Ministry of Economic Development, in agreement with the Ministry of Health and the Ministry of Economy and Finance, in consultation with IVASS, ANIA, the national federations of physicians and other professional associations and colleges in the healthcare sector and the trade unions that most widely represent the healthcare professions;

- the possibility of bringing a direct claim for compensation against the insurer, as is now allowed for motor liability insurance;

- the establishment under Consap of a guarantee fund for victims.

4.3 - Other IVASS regulations and measures

In 2015 other regulations and measures implementing or amending regulations already in force were adopted, as were letters to the market. More specifically:

- Regulation 8/2015 implements Article 22 (par.15-bis) of Decree Law 179/2012 containing 'Additional urgent measures for the growth of the country', converted, as amended, into Law 221/2012. It lays down that IVASS shall act, with regard to non-life insurance business, to establish measures for simplifying procedures and compliance requirements in contractual dealings between insurance undertakings, intermediaries and customers, promoting digital communications, the use of certified email and digital signatures and electronic and online payments. The regulatory intervention undertaken by IVASS, by virtue of the powers it has under the Private Insurance Code and in the absence of sector-dependent obstacles, has been extended to the life insurance sector by amending the regulations in force on insurance mediation and the distance selling of contracts.

- Regulation 9/2015 (see Part I, Section 6.5.1) governs the digitalization of the claims history certificate.

- Regulation 19/2016 updates the rules governing direct access to administrative documents assembled or held by IVASS.

- Measure no. 28 of 27 January 2015 made changes to IVASS Regulation no. 1/2013 concerning the procedure for imposing pecuniary administrative sanctions.

- Measure no. 29 of 27 January 2015 amended ISVAP Regulation no. 7 of 13 July 2007, concerning the formats of the financial statements of insurance and reinsurance undertakings required to comply with international accounting standards. The amendments to Regulation no. 7 transpose some of the provisions of IFRS 12 (Disclosure of Interests in Other Entities) adopted via Commission Regulation (EU) 1254/2012 and applicable starting with the 2014 financial year.

- Measure no. 30 of 24 March 2015 amended ISVAP Regulation no. 24 of 19 May 2008 concerning the procedure for filing complaints with ISVAP and the handling of complaints by insurance undertakings. These amendments brought the existing regulation into line with the new EIOPA 'Guidelines on Complaints-Handling by Insurance Undertakings' and shortened some of the time limits in IVASS's complaints-handling process to the benefit of consumers.

- Measure no. 31 of 24 March 2015 modified Regulation no. 17 of 11 March 2008 relating to the rules governing the composite insurance business pursuant to Articles 11 and 348 of the Private Insurance Code, raising to 20% the percentage of the increase in the amount of the net asset components allocated to the life or non-life operations indicated in the latest bylaws, above which it is obligatory to amend the bylaws, which must be approved by IVASS.

- Measure no. 41 of 22 December 2015 made changes to ISVAP Regulation no. 34 of 19 March 2010 on the distance selling of insurance contracts – referred to in Articles 183 and 191(1)(a) and (b) of the Private Insurance Code – as a result of changes relating to the digitization of insurance certificates and the transmission of contractual documents in electronic form.

- Measure no. 46 of 3 May 2016 made further changes to ISVAP Regulation no. 24 of 19 May 2006 concerning the procedure for filing complaints with ISVAP and the handling of complaints by insurance undertakings. The measure implemented EIOPA's 'Guidelines on Complaints-Handling by Insurance Undertakings', requiring intermediaries to adopt a complaints-handling policy, to establish a corporate unit specifically to handle complaints and to provide disclosures on the procedure for filing complaints; intermediaries are required to analyse the data of individual complaints in order to detect recurring and systemic problems and take the necessary corrective measures. The consultation process included a meeting with the intermediaries affected, a public consultation phase and a regulatory impact analysis. The guidelines were implemented in a manner consistent with proportionality, making a distinction between the kinds of intermediaries in imposing requirements and taking into account, for brokers, size as well; with a view to simplification, existing structures for handling complaints relating to banking or financial activity were taken into account for compliance by banks or financial intermediaries.

- The 19 March 2015 letter to the market on liability insurance for losses arising from tax preparers' declarations of conformity clarified that undertakings may provide coverage in the event of a false declaration made with respect to a pre-compiled Form 730 tax return, without infringing the prohibition on providing insurance against pecuniary administrative sanctions pursuant to Article 12 of the Private Insurance Code inasmuch as the amount that tax preparers are required to pay in the event of error is compensatory and not an administrative sanction.

The public consultations on the following measures have also been completed:

- Consultation Document no. 24/2015 – draft regulation concerning the rules governing the claims database and the claimant database pursuant to Article 135 of Legislative Decree 209/2005;

- Consultation Document no. 7/2016 – draft regulation amending ISVAP Regulation no. 5/2005 concerning the rules governing insurance and reinsurance intermediation activities. The measure modernizes the handling of relations between IVASS and intermediaries by digitalizing inputs and updates to the Single Register.

Document no. 10/2016 concerning the revision of ISVAP Regulation no. 35/2010 on the disclosure form for non-life policies is currently in the consultation phase.

The changes are designed to simplify both pre-contract disclosures to customers, making them easier to understand and useful in helping customers compare products, and corporate processes, allowing delivery methods other than in paper form and identification of situations in which delivery of the disclosure form is not necessary.

III. PRUDENTIAL SUPERVISION

1. MACRO-PRUDENTIAL SUPERVISION

1.1 - Risk overview for the Italian insurance industry – The Risk Dashboard

As part of its macro-prudential supervision, IVASS has implemented a new tool, the Risk Dashboard, to monitor the evolution of risks and vulnerabilities in the insurance industry on a quarterly basis. The Dashboard relies on a subset of the indicators used in a similar tool developed by EIOPA,[59] which were identified and calibrated in accordance with the specific features of the Italian domestic market.

Seven risk categories are considered:

– macroeconomic risk

– market risk

– credit risk

– liquidity risk

– profitability and solvency risk

– risks resulting from interlinkages

– insurance risk

The riskiness of each category is indicated by a composite risk score (level) and by the change with respect to the previous quarter (trend).

For insurance indicators, the calculations use the data bearing on the reference quarter,[60] while more recent data are used for market indicators. In some cases forward-looking estimates are used.

1.1.1. Risk Dashboard results for the fourth quarter of 2015

The results as of the fourth quarter show a heightening of risk in the economic environment (macroeconomic, market, and credit risks) attributable to the protracted scenario of low interest rates and to the rise in credit risk for Italian government securities and bonds.

At the macroeconomic level, indicators such as GDP growth expectations and the performance of the shares of listed domestic insurance companies worsened compared with the previous quarter.

Policy surrenders increased in the fourth quarter of 2015, thereby increasing liquidity risk, although the rise was in large part due to seasonal factors.

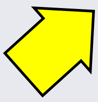
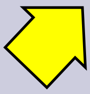
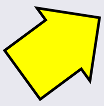
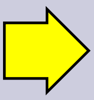
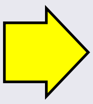
[59] EIOPA and the European Systemic Risk Board (ESRB) have been using their own Risk Dashboards for some years.
[60] For example, the Risk Dashboard as of 31 December uses data from the fourth quarter.

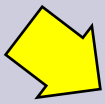
The other risk categories (profitability and interlinkages) remained stable. Year-end solvency indicators decreased slightly, especially in life insurance business, but remain well above the Solvency I regulatory requirements.

The more technical category (i.e., insurance risk) showed a slight improvement thanks to the slow recovery in life insurance premiums collected .

The main risks in the Italian market continue to be linked to the macroeconomic background (high public debt indicators, high unemployment, and low interest rates) and to significant levels of insurance leverage, especially for some life insurers.

Table III.1 - Risk Dashboard results for the fourth quarter of 2015, by risk category

Risk category	Level and trend*	Description of the risk**
Macroeconomic risk		Italy's macroeconomic conditions worsened compared with the previous quarter. GDP growth expectations declined from earlier estimates and listed Italian insurance companies as a whole underperformed in relation to the average of the other shares included in the FTSE MIB index (which itself declined). The other macroeconomic indicators remained stable at negative levels: interest rates continued to be low and to fall, in some cases significantly, from one quarter to the next. The indicators regarding national debt and the deficit-to-GDP ratio showed no improvement, and this was reflected in the negative score for this category.
Credit risk		Italian credit risk is growing, with a substantial deterioration in the value of credit default swaps both on government securities and, to an even greater degree, major corporate bonds (of both financial and non-financial firms).
Market risk		Market risk is on the rise. Swap rates decreased markedly in the last reference period, creating sustainability problems for life business and profitability problems for the insurance sector as a whole. On the other hand, the proportion of shares in Italian insurers' portfolios is not growing, so Italian insurance companies are less affected by the increased volatility of shares than are their European counterparts.
Liquidity risk		The score for this category increased again after the decrease of the previous quarter, which was due to the seasonal fall in surrenders. There was, in any case, a slight increase in insurance companies' liquid assets.
Profitability and solvency risk		Riskiness in this category is medium, in line with the levels observed in Europe. Italian insurers have a better combined ratio and higher profitability than their European competitors.
Risks resulting from interlinkages		This category is stable. The only risk increasing compared with the previous quarters is that from interlinkages with financial companies, owing to an increase in the credit default swaps. Big domestic players continue to retain a large share of their premiums, showing scant connection to the reinsurance market. The risk of having to resort to borrowing remains high, owing to the low level of shareholders' equity relative to total assets.

Insurance risk		This category is improving. Following the decrease of the previous quarter, premiums collected in the life business returned to moderate growth (about 3%, which is the median rate of growth for the market, weighted by market shares and seasonally-adjusted), although premiums collected for the overall insurance business are still declining. Insurance leverage (premiums retained over shareholders' equity) remains high compared with the main European insurance groups, especially for big life insurers.

* The level is identified by the following colours: green=low, yellow=medium, orange=high, red=very high. The trend or change compared with the previous quarter is indicated by the direction of the arrow:

=stable = increase = decrease = sharp increase = sharp decrease

** The comment refers to the comparison with the previous quarter.

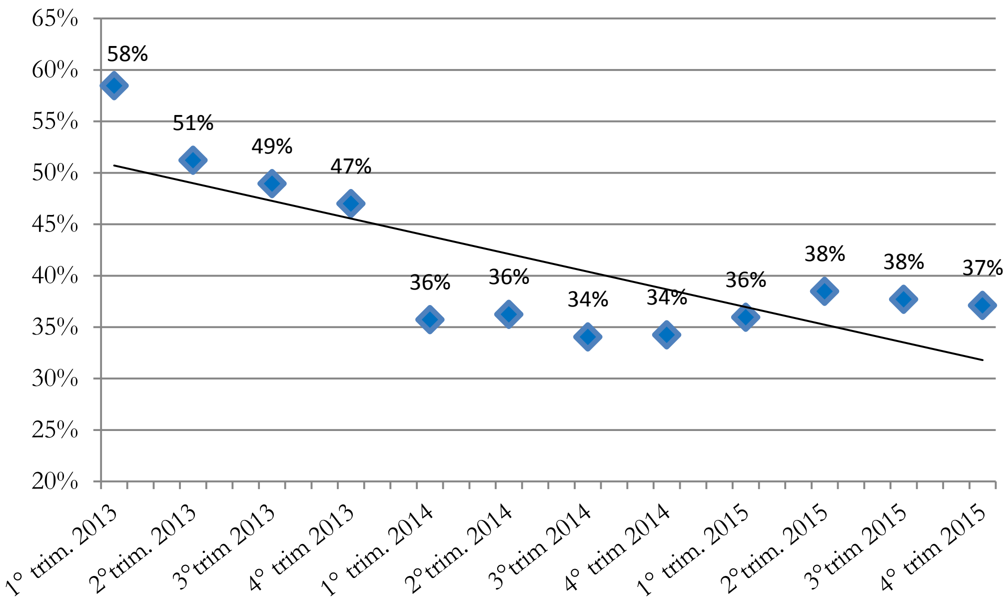
1.2 - Analysis of the insurance sector's risks and vulnerabilities

1.2.1. - Analysis of the market's liquidity position and monitoring of investments

Liquidity risk

The liquidity risk of life business decreased. Figure III.1 shows the value of the ratio of surrender expenses to premiums for the overall life business, which is an indicator of liquidity risk, from 2013 onwards.

Figure III.1 – Ratio of life insurance surrenders to premiums (per cent)

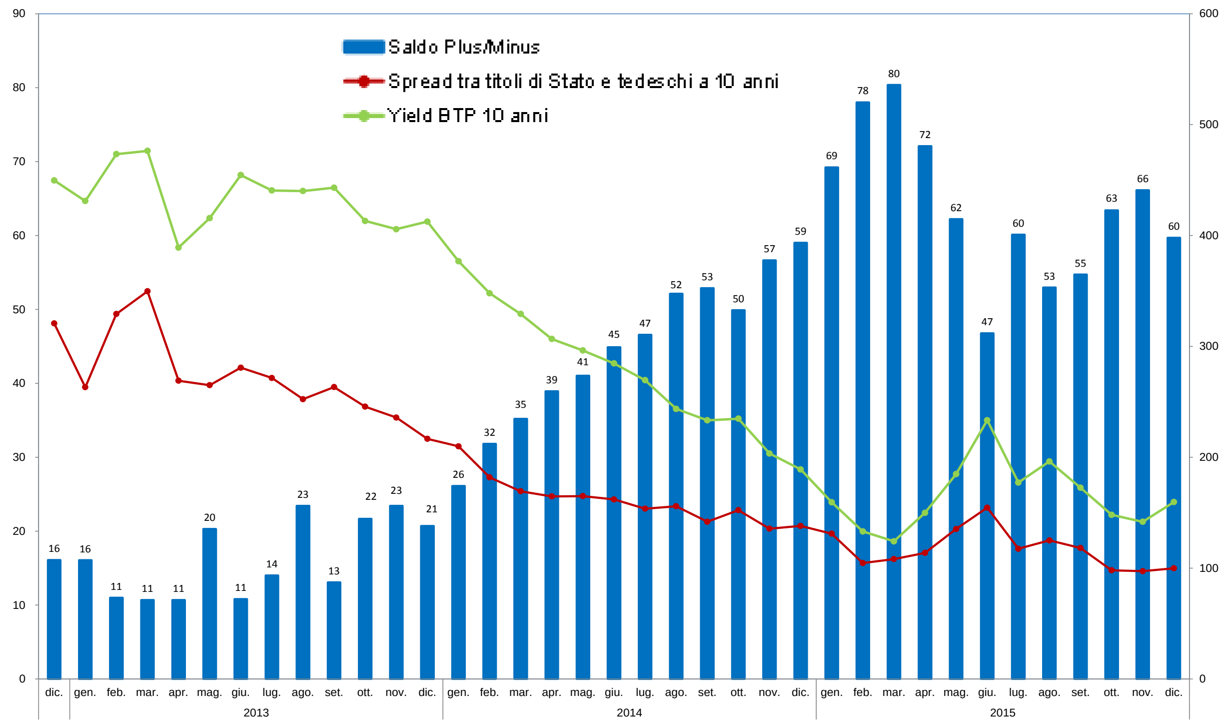


On a seasonally adjusted basis the indicator was stable in the last two years, ranging between 34.0% and 38.5%. The improvement starting in the second quarter of 2015 is mainly due to a decrease in surrender requests by policyholders.

Monitoring of investments (gain-loss balance)

Net unrealized capital gains remained high, though displaying significant volatility in connection with the performance of the financial markets in the three quarters of 2015. Figures III.2 and III.3 show net capital gains for Class C investments or connected to segregated funds compared with the spread between ten-year Italian Treasury bonds (BTPs) and German Bunds and the yield on the ten-year BTP.

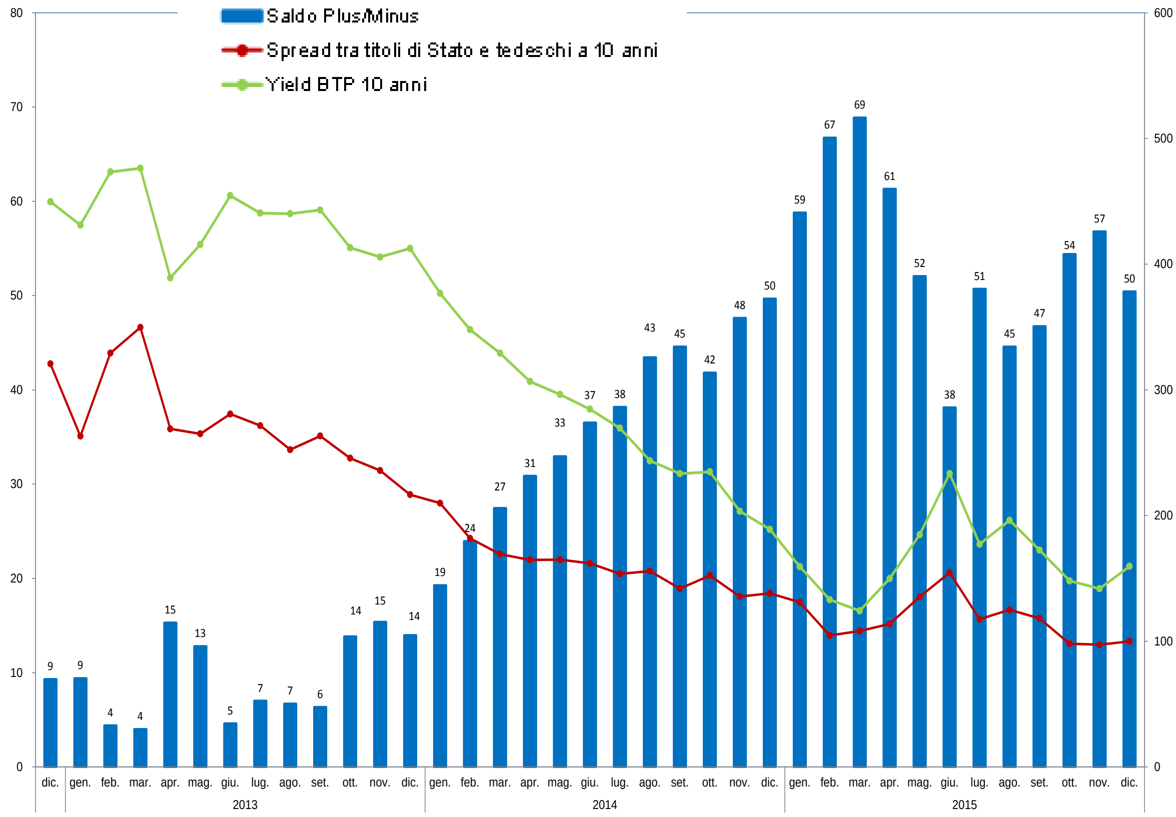
Figure III.2 - Net unrealized capital gains for total Class C investments and spread on 10-year Italian government securities (billions of euros, left-hand scale; basis points, right-hand scale)



At the end of 2015 Class C net capital gains were equal to €60 billion. Constant growth in 2014 gave way to significant volatility in 2015. Although at the end of 2015 capital gains stood at the same level of 2014, the year was marked by peaks (€80 billion) and troughs (€47 billion) resulting in a difference of over €30 billion between February and June.

The performance of net unrealized capital gains reflected the high volatility of markets in 2015, and particularly that of the credit spreads on the government securities held by life insurers.

Figure III.3 - Balance of net unrealized capital gains for total segregated funds and spread on 10-year Italian government securities (billions of euros, left-hand scale; basis points, right-hand scale)



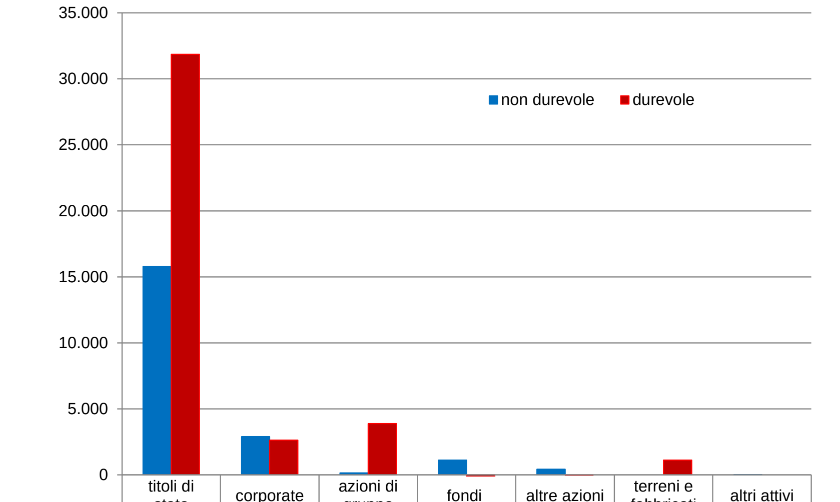
The performance of investments included in segregated funds showed a similar pattern: year-end net unrealized capital gains remained stable at €50 billion, but there were large fluctuations during the year.

Some 66% of Class C net capital gains related to assets held to maturity (Figure III.4); about half of total unrealized capital losses related to assets held for trade (€2.2 billion out of €4.3 billion).

Net capital gains on Class C investments were mostly concentrated in government securities held by life insurers (Figure III.4).

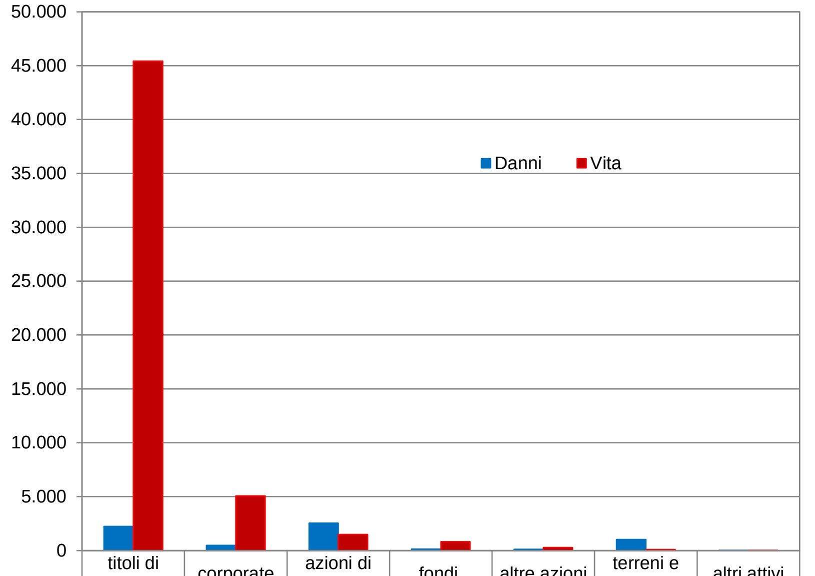
Figure III.4 - Net unrealized capital gains on Class C investments (millions of euros)

By purpose



	titoli di stato	corporate	azioni di gruppo	fondi	altre azioni	terreni e fabbricati	altri attivi
non durevole	15.781	2.899	140	1.116	423	0	14
durevole	31.865	2.630	3.884	-153	-34	1.117	0

By class



	titoli di stato	corporate	azioni di gruppo	fondi	altre azioni	terreni e fabbricati	altri attivi
Danni	2.229	471	2.532	136	106	1.030	9
Vita	45.417	5.058	1.492	828	282	87	5

1.2.2. - Action taken owing to the impact of the protracted phase of low interest rates

The periodic monitoring of life insurers' interest rate risk exposure carried out by IVASS following its letter to the market of 30 May 2013 indicates that the low level of interest rates is having a limited impact on the profitability of life insurance policies with a guaranteed return.

In this exercise, insurance companies estimate their additional technical provisions needed for the interest rate risk based on three scenarios (base/up/down) and calculate their current and foreseeable returns by:

– considering a 15-year time frame;

– using the forward structures derived from the euro swap rates (base scenario); and

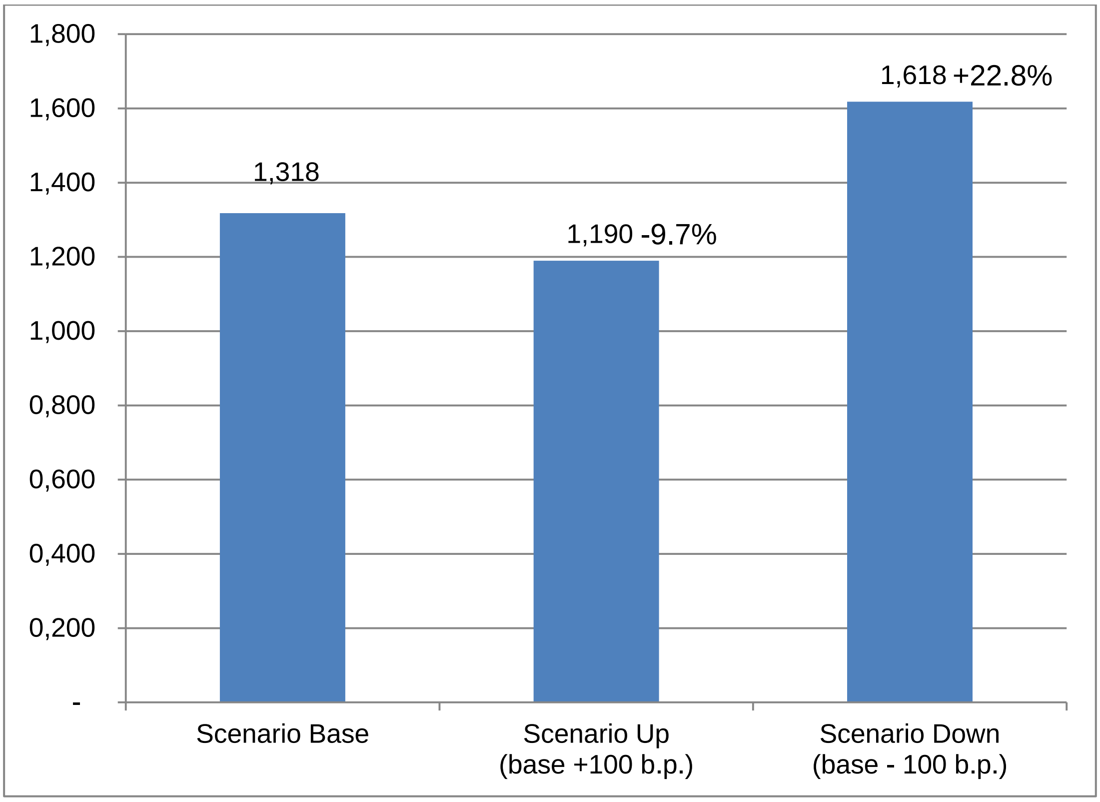
– applying an instantaneous and parallel shock of +/- 100 basis points to the base curve ('up' and 'down' scenarios).

At an aggregate level, the monitoring yielded the following findings (Figure III.5):

– A reduction of 100 basis points in interest rates (swap curve) would lead to an increase of approximately 23 percentage points in the additional provision necessary to cope with the guarantees that are implicit in the life policies (from €1.3 billion to €1.6 billion).

– An increase in the interest rate curve, on the other hand, would engender an overall reduction in the additional provision (10%).

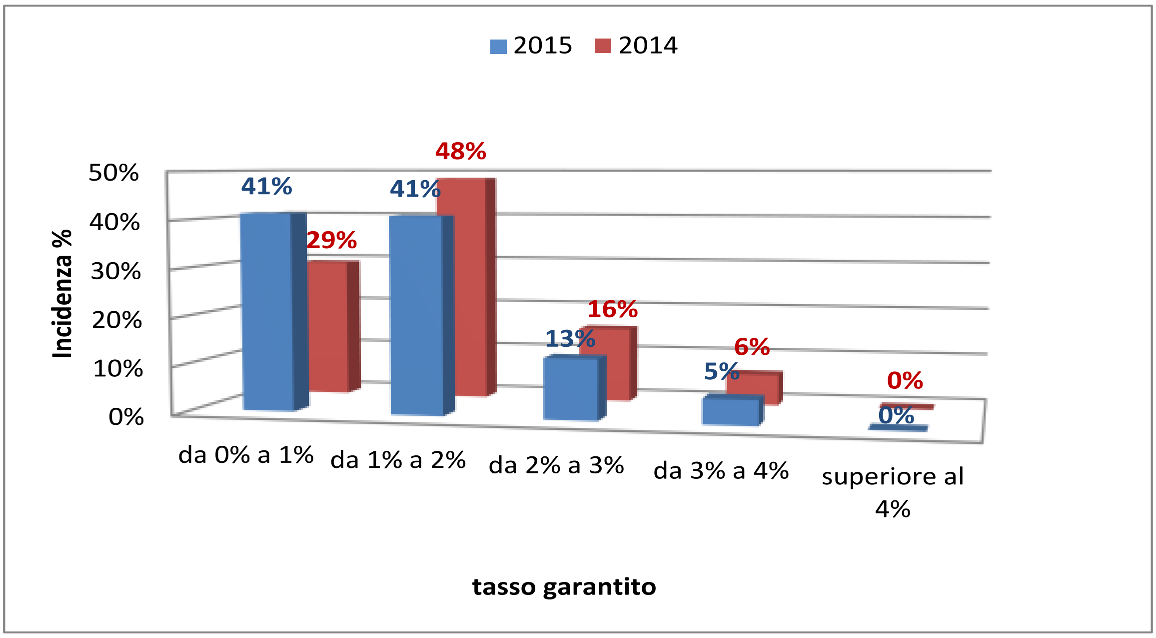
Figure III.5 - Additional technical provisions as at 31 December 2015



The weight of the additional provision is relatively low in all the scenarios considered: even under the hypothesis of a reduction in the yield curve, they would only account for about 0.4% of total technical reserves, indicating that the low level of interest rates has a limited impact on the profitability of the life sector. This is due to the investment policies that were followed, which in the past favoured Italian government securities that carried relatively high yields, and to supply policies seeking to limit guaranteed returns.

Compared with the values at the end of 2014, the portion of mathematical reserve for products with a guaranteed return of less than 1% increased its share in total reserves significantly, from 29% to 41%. For products with a guaranteed return between 2% and 3%, conversely, the portion decreased by 7% (Figure III.6). In addition, in 2015 there was an increase in the share of unit-linked and composite products, for which all or part of the investment risk is borne by policyholders.

Figure III.6 - Composition of the mathematical reserve by guaranteed rate of return



1.2.3. - Survey of the sector's main vulnerabilities

Every quarter IVASS conducts a qualitative and quantitative survey to obtain a risk assessment of some of the insurance sector's vulnerabilities, e.g.:

- exposure to government securities and to the banking sector;
- liquidity management (with a focus on activities connected to possible transfers of liquidity to and from the banking sector, e.g. liquidity swaps and short-term financing);
- recourse to contingency plans.

Building on the discussions taking place in international fora, the survey includes requests for information of a macro-prudential nature concerning certain aspects that merit deeper scrutiny (e.g. measures taken as a response to the protracted phase of low interest rates, marketing of composite products, cyber risk and products focusing on it, and the use of alternative risk transfer instruments). The survey participants provide an assessment of the main risks the insurance sector is facing, based on their own perception.

The information is collected from a sample of ten insurance groups and six stand-alone companies, representative of the insurance business in terms of both market share and assets.

The analyses performed as of the fourth quarter of 2015 show the situation is stable in terms of interlinkages and investment. The portion of total investments consisting of government securities is predominant and quite stable over time, with Italian government securities featuring prominently.

Non-domestic government securities are almost all euro-denominated. Exposures to government securities of European countries that have experienced or are going through a crisis remain marginal.

Exposure to the banking sector is mostly in the form of bonds. Exposure to non-financial firms is significant: cross-border groups are more exposed than domestic groups to this type of investment. The non-financial issuers of bonds are primarily European entities (mainly French and Italian).

The use of less traditional forms of investment such as liquidity swaps, alternative risk transfers and term-structured repos remains limited, and the same can be said for short-term funding and alternative risk transfer schemes (e.g. Cat Bonds).

The solvency and profitability of the insurance sector are influenced by the performance of life business and the evolution of macroeconomic conditions and appear positive. Developments in operating costs differed from entity to entity. The reduction in operating costs achieved through internal restructuring and changes in company processes was offset by investment in technology, resources and training for the new regulatory framework introduced by the Solvency II Directive.

The survey shows that the main vulnerabilities perceived at the international level are also a source of concern for the Italian insurance market. Insurers' attention is primarily directed at the management of the credit risk on investments in government securities and corporate bonds, equity risk, interest rate risk and the risks linked to the economic downturn. Among other factors, insurance companies appear increasingly aware of cyber risk (see Part I, Section 7.2)

1.3 - Macro-prudential activity in international fora: work at the ESRB

In 2015 the insurance industry was on various occasions the object of an analysis conducted by the ESRB on the risk and vulnerabilities of the financial sector, especially with respect to the ongoing debate on the industry's systemic importance and the impact on it of the protracted phase of low interest rates.

IVASS is an active participant in the Insurance Expert Group (IEG) created within the ESRB in 2013 with the mandate of analysing the systemic risk stemming from insurance and reinsurance activity in Europe.[61] The IEG has now completed its work and in December 2015 the ESRB published a report containing its main findings.[62] These include the important role played by the insurance sector in the economy[63] and its interlinkages with other parts of the economy. The insurance sector may be a source of systemic risk or contribute to its spread, specifically:

- by amplifying shocks through non-traditional and non-insurance activities (NTNI) such as speculation on derivatives;
- by implementing pro-cyclical measures that reinforce market trends, e.g. investment behaviour such as selling assets during a market low;
- via systemic effects stemming from the financial difficulties faced by insurance companies in a protracted phase of low interest rates accompanied by decreasing assets prices (a so-called double hit) so that the rescue and liquidation procedures and the guarantee funds to protect policyholders

[61] IVASS participates in the meetings of the Advisory Technical Committee (ATC), contributing to that body's work on insurance matters; it assists the Bank of Italy in its capacity as voting member for Italy in the General Board (GB).
[62] ESRB, Report on systemic risks in the EU insurance sector, December 2015.
[63] The report emphasizes how a sound and well-functioning insurance sector contributes significantly to economic growth and financial stability, as it plays a key role in households' and firms' risk-taking as well as in the collection of savings.

(where applicable) put in place in the various Member States might not be sufficient to cope with the situation;

– in cases of deliberate under-pricing not properly monitored by the relevant supervisory authorities, via a dearth of suitable alternative products in insurance business classes that are vital for the economic system.

To mitigate the systemic risk originating from the insurance and reinsurance sector, the competent authorities may use a combination of measures, some of which were already included in the Solvency II Directive. The report recommends further analyses of the effectiveness of specific macro-prudential tools and on the need for them as an addition to the recently implemented European regulatory framework.

Regarding the assessment of the impact of the protracted phase of low interest rates, the ESRB has set up a joint task force[64] charged with exploring the implications of the low interest rate environment for financial stability, including the impact on the insurance sector. The task force is expected to complete its work before the end of 2016 and to deliver proposals on possible measures to mitigate the potential systemic risks generated by the prolonged period of low yields.

Characteristics of the European Stress Test 2016

At the end of May 2016 EIOPA launched a new stress test to assess the vulnerability of the insurance sector to adverse market conditions.

Insurance companies are asked to assess the impact of two scenarios: the first, known as the 'Japanese scenario', considers the effect of a downward shock on the interest rate curve; the second, known as the 'double-hit scenario', features a more moderate shock on the interest rate curve compared to the first scenario, but assumes a simultaneous reduction in the value of the assets held by companies in the main investment classes. These scenarios differ from those of the previous stress test conducted in 2014 in that they only consider financial variables and disregard insurance variables, in order to relieve companies of some of the burden arising from the first year of implementation of the Solvency II regulatory framework. For the same purpose, the information requested of insurance companies is mostly based on the Solvency II Day-one reporting templates as of 1 January 2016. The stress test shows the situation as at the end of 2015.

The exercise focuses on stand-alone insurance companies exposed to interest rate risk – that is, in most cases, life insurance undertakings following a traditional business model – selected to cover a minimum of 75% of the domestic market share in terms of technical provisions in every Member State, with possible exemptions if the minimum threshold could only be achieved by including undertakings that are not significant. Compared with the 2014 exercise, the number of companies participating in the stress test increased, owing to both the higher minimum market share requirement (formerly 50%) and the inclusion, for the first time, of small and medium-sized undertakings.

First Forward-Looking Assessment of Own Risks applying Solvency II standards

In order to prepare for the launch of the Solvency II regulatory framework, on 15 April 2014 IVASS sent a 'letter to the market' asking Italian insurance groups and companies to carry out their first Forward-Looking Assessment of Own Risks (FLAOR) and to submit two reports on the findings before the new rules came into effect, namely by 31 October 2014 and 30 June 2015, respectively.

[64] The task force is composed of members of the Advisory Technical Committee (ATC), the Advisory Scientific Committee (ASC) and the Financial Stability Committee (FSC) of the ESRB.

The first FLAOR reports showed great variability in the forward-looking assessment of risks, making it necessary for IVASS to clarify the matter further. This was done through another 'letter to the market' issued on 24 March 2015.[65] While wishing to preserve the customised nature of the assessment, IVASS indicated areas of improvement in terms of the information quality of the FLAOR report.

The new indications have transposed the reference European regulatory framework, which in the meantime has been augmented with the publication, on 17 January 2015, of the recently amended Commission Delegated Regulation (EU) 2015/35.

In their second FLAOR report, insurers displayed an approach that was more oriented to risk management, gradually acquiring a better knowledge of risk assessment processes, procedures and techniques. The following findings emerged:

- a gradual and proportionate implementation of the risk management system, with an enlargement of the types of risk considered and a deeper analysis;
- growing effectiveness of the forward-looking risk assessment as a tool to confirm the trend validity (with three-year projections) of the business and strategic plans. Cross-border groups that have been implementing the FLAOR for some years show greater incorporation of the findings of these assessments into their decision-making process;
- a greater number of stress scenarios to assess the alert thresholds for certain variables and events that could compromise the solvency of the entity;
- the persistence of a high degree of heterogeneity in the methodologies used for the forward-looking risk assessment and the corresponding projections of solvency scenarios.

2. - MICRO-PRUDENTIAL SUPERVISION

2.1 - Compliance with the Solvency II regime

The entry into force of the Solvency II Directive (Directive 2009/138/EC) has had an extremely important impact on the operational structure, business model and strategic planning of insurance companies.

The new rules require insurance supervisory authorities to undertake a comprehensive review of their action for safeguarding the financial stability of undertakings. The authorities are required to make a more precise assessment of the risks facing insurance companies in order to more rapidly identify vulnerabilities and demand corrective measures.

The effort of complying with the new system is shared at the European level: both the shifting of the focal point of supervision onto insurance groups and the growing internationalization of the industry have smoothed the way for centralizing the work of updating supervisory practices and procedures within the European Insurance and Occupational Pensions Authority (EIOPA).

EIOPA's coordination does not, however, lessen the need for adapting national supervisory systems, since accounting rules, insurance products, supervisory powers, and rules for company resolution and recovery still differ from country to country. The full convergence towards a European

[65] In this letter, IVASS asked groups and stand-alone companies to use the template it provided with its first 'letter to the market', to focus on the aspects relating to forward-looking risk assessments, to adopt a Solvency II perspective, to choose a time horizon of at least three years in their forward-looking assessment, and to include in it a specific analysis of the risks connected to the composition of their asset portfolio, including those on investments in government securities, that could originate from various macroeconomic scenarios.

system of consolidated, shared supervisory standards and procedures is a complex process in which IVASS is an active and increasingly involved participant.

In 2015 the Italian insurance supervisory authority helped ensure a smooth transition in the adoption by the domestic market of new rules for calculating prudential requirements and made corporate governance bodies aware of the need for a comprehensive understanding of the new regulatory system. This system requires insurance companies to improve the financial and statistical skills employed in management, as well as to rethink the roles, competences and responsibilities of those who determine the company's strategies and organizational structure and of the key internal functions, which are called upon to identify, measure and manage the greater and more complex risks that European insurance companies are now authorized to take on.

The Prudential Supervision Directorate performed 29 on-site inspections in 2015 to examine the internal models proposed by companies and to review the use of undertaking-specific parameters (USP) within the standard formula.

2.1.1. - Adoption of internal models

In 2015 the Prudential Supervision Directorate focused on the challenging work involved in the pre-application process for internal models to be used in calculating capital requirements.

During the pre-application phase, supervisory authorities and insurance companies work together to assess whether the proposed internal model satisfies regulatory requirements. The internal model may be full or partial; a partial internal model is one that does not cover all the risks, entities, jurisdictions, lines of business or operations into which company activity is divided.

During this phase, which usually consists of document analysis and visits to the undertaking's premises, the focus of supervision is on confirming the organizational, procedural and methodological assumptions underlying the internal model as a whole and for each risk module and sub-module. Among the checks is the use test to assess the effective use of the model in operations, e.g. in assuming risk, in pricing or in setting risk mitigation policies, such as the transfer of portfolios or reinsurance.

Assessments look at both general aspects (including checking whether the modelling tool is appropriate and reflects actual business risks) and specific aspects (e.g. scope and plausibility of the scenarios used, accuracy of the modelling of individual risks, quality of the data entered and compliance with calibration standards).

Given that various large foreign insurance groups operate in Italy through subsidiaries, the pre-application process is often conducted by colleges of supervisors, composed of representatives of the supervisory authority responsible for the group as a whole (group supervisor) and of the national authorities of the countries where the insurance group operates (host supervisors), with different powers and levels of operational involvement. Under the new regulatory system, the college is expected to make a joint decision on the internal model, which necessarily involves close collaboration and an extensive exchange of information between the group and the host supervisors.

IVASS was involved in six pre-application processes for two Italian groups and four foreign groups that reported their plans to adopt an internal model for calculating the capital requirement in place of the standard formula.

In 2015 the pre-application phase for the Generali group, begun the previous year, was completed. This work, in which IVASS acted as the home supervisor, was carried out in close collaboration with the European supervisors that monitor the undertakings within the scope of the partial internal model used at the group and individual levels. The process was completed on 24 February 2016 when the partial internal model was approved for use.

The procedures for the Axa and Allianz groups, for which IVASS serves as host supervisor, were concluded on 17 and 18 November 2015, respectively, with the two group supervisors, ACPR and BaFin, approving the use of the internal models.

The Prudential Supervision Directorate was also involved in the pre-application process for the partial internal models of another Italian group (serving as home supervisor) and two foreign groups (as host supervisor).

2.1.2. - Undertaking-Specific Parameters (USP)

At the end of 2014 twelve undertakings had indicated their intention to exercise the option of replacing a subset of the standard parameters with undertaking-specific parameters when calculating some of the risk modules within the standard formula, subject to IVASS's approval.

Proposed USPs are assessed through analysis of documentation, meetings at IVASS's offices and on-site visits and inspections. Analysis concentrates on the coherence of the replacement parameters with company risk profiles, on the quality and representativeness of the data used for USP estimates and on verification of the assumptions underlying the data.

A methodological guide has been prepared to aid the Prudential Supervision Directorate in performing the tests required to determine whether the regulatory requirements for the use of USPs are met; it indicates the areas to be analysed in detail and the controls to be performed. This guide has been used productively in the colleges' work on USPs, helping to align the practices and methodologies of the European authorities.

An informal dialogue was conducted with eight undertakings to confirm that the technical and organizational requirements for presenting the request had been satisfied. In 2015 three undertakings submitted formal requests to use USPs. Only one group submitted a request to use group-specific parameters. In 2016 another undertaking submitted a formal request to use USPs. In February 2016 IVASS authorized the Unipol group to use USPs (pricing and underwriting risk in some segments of non-life insurance and reinsurance obligations) in calculating the solvency capital requirement for the group and individual companies starting 1 January 2016. The procedures for three undertakings ended in May 2016 with authorization for them to use UPSs in calculating the capital requirement at the individual level from 1 January 2016 onwards.

2.1.3. - Own risk and solvency assessment

The Solvency II rules require insurance and reinsurance undertakings to assess the risks to which they are exposed at least once a year or whenever circumstances suggest that their risk profiles could be altered, from a current and forward-looking viewpoint.

The process for conducting these assessments, which are central to the new regulatory system, is the own risk and solvency assessment (ORSA) and focuses on determining the overall capital needs deemed by the undertaking to be adequate for ongoing compliance with solvency capital requirement and the requirement for technical provisions. In performing the ORSA the undertaking must also analyse any differences between the solvency capital requirement calculated under Solvency II and the same requirements calculated based on the undertaking's internal assumptions. The undertaking's management body plays an active role in the ORSA process, integrating it into the shaping of corporate strategies.

As required by the preparatory phase for Solvency II, in 2015 undertakings again performed a simplified ORSA, called the forward-looking assessment of own risks (FLAOR). IVASS analysed 88 FLAOR reports submitted by supervised undertakings, providing – through letters to the market –

recommendations for drawing up these documents and clarifications in light of the delegated regulations and EIOPA guidelines published in the interim (see also Part II, Section 1.1).

2.1.4. - Solvency II Reporting

The Solvency II regime subjects European insurance undertakings to new, broader supervisory disclosure obligations to be performed annually and quarterly by individual companies and groups. EIOPA has set out detailed guidelines for the reporting system, which defines a common set of disclosures of prudential supervision information for European undertakings, governed by harmonized quality and data transmission standards. To support this new database both EIOPA and IVASS have set up dedicated IT platforms to collect, manage and maintain data. All the insurance companies subject to the new prudential rules in the Member States are required to comply with the Solvency II reporting obligations, with exemptions possible for undertakings whose size, complexity or types of risks faced make such reporting obligations too burdensome and unjustifiable. The data are gathered and checked by national supervisory authorities and sent to EIOPA.

IVASS and the Bank of Italy have formed a joint working group to organize the collection of Solvency II data from Italian undertakings. The preliminary data gathered in 2015 from 119 Italian undertakings were analysed in conjunction with the 88 FLAOR reports. Where inconsistencies were found between the two sets of disclosures or where doubts arose as to the accuracy of the data transmitted, the undertakings were asked for clarification and more information, in some cases leading to supervisory interventions and requests for corrective action.

2.2 - Balance sheet, financial and technical controls on insurance undertakings

Along with preparations for the new Solvency II system, traditional monitoring of the stability of groups and individual Italian companies continued in 2015 with the analysis of their risks and technical, financial and balance sheet profiles, mainly based on the supervisory reporting accompanying the financial statements submitted by the undertakings. As of the end of December, 117 insurance or reinsurance undertakings were under the supervision of IVASS (three of which were branches of third countries). Of these, 61 operate in the non-life sector, 44 in the life sector and 12 are composite insurers.

The standard reference for IVASS's action is the 'Guide to Supervisory Activities', which describes the supervisory review process (SRP) for identifying in advance, for each supervised undertaking, the risks that have not been adequately managed or imbalances in corporate profiles. The SRP produces a comprehensive assessment of the company and its technical and organizational structures which can guide supervisory action and possible corrective measures. The assessment of the companies permits comparisons between supervised undertakings and between profiles and risks, thereby helping to determine priorities in planning supervisory actions for individual undertakings and for the system as a whole.

The SRP findings led to reinforcement of the off-site monitoring of 22 undertakings, which were the targets of supervisory action in the form of periodic meetings with the undertakings' senior management, letters requesting corrective action and requests for additional information.

Off-site measures were also taken to address, beyond the usual balance sheet, technical and corporate governance profiles (see infra), exposure to financial and counterparty risk, the claims cycles and the accounting procedures for certain technical items, the value of investments and outward reinsurance.

The assessment cycle results have also been used to identify undertakings to be inspected (See also Chapter III).

Solvency margin and representation of technical provisions

Supervisory activity was also directed at monitoring insurance undertakings' and groups' capitalisation levels. Given the higher volatility of asset and liability values caused by taking the market-consistent approach underlying Solvency II, special attention has been paid to monitoring information submitted by undertakings during the period of transition to the new capital requirements.

In 2015 nineteen undertakings increased their own funds by a total of €608 million. The capital strengthening was in several cases supported and urged by the Prudential Supervision Directorate, in part for reasons related to the new methods for calculating capital requirements.

IVASS assessed in advance whether eight undertakings met the requirements for including subordinated loans in the available solvency margin. It also approved the subordinated loan repayment plans for eight companies. In one case authorization was granted subject to cancellation if a planned capital increase was not carried out; in another, authorization was granted pending subscription of a new subordinated loan at least up to the amount to be repaid. IVASS authorized an undertaking to modify three subordinated loan contracts. On the whole, as at 31 December 2015, the subordinated loans allocated to liabilities in the balance sheets of the Italian undertakings amounted to €12.7 billion, for the most part within individual and group solvency margins.

As a result of checks performed on assets covering technical provisions, two undertakings were notified of having failed to comply with the regulations. One undertaking was denied authorization to use technical receivables in excess of the regulatory ceiling.

During the year IVASS, in cooperation with the Bank of Italy, continued to monitor a financial conglomerate engaged mainly in insurance business in order to limit the concentration of risk and ensure systematic control of exposures.

Underwriting and pricing risk

Assessing underwriting risk involves checking the adequacy of the technical provisions in the annual financial statements and examining the pricing of life and non-life insurance products. This includes examining, among other things, reports and analyses prepared by auditing actuaries and the systematic communications sent by undertakings referring to the technical bases for determining premiums.

In addition, comments were presented about the adequacy of the technical provisions of two non-life undertakings.

IVASS continued to serve as an expert witness as ordered by the administrative judge in connection with the appeals submitted by 14 undertakings against which sanction proceedings were brought in 2011 for infringement of the legal obligation to issue motor liability policies (See Chapter VI, Section 1.1).

Guaranteed maximum interest rate for life insurance contracts

In 2015 the Prudential Supervision Directorate carried out monthly monitoring of life insurance contracts in order to determine the maximum interest rate that can be guaranteed for new life insurance and capital redemption contracts. This monitoring was conducted on the basis of the performance of 10-year treasury bonds (BTPs), the benchmark used by the mechanism to calculate the reference index for the financial guarantee level. The maximum interest rate applicable dropped only once in 2015, in February, for contracts for which undertakings hold generic or specific assets. More specifically, the maximum guaranteeable interest rate for contracts with generic assets went from 1.5% to 1%; there was a reduction for contracts with specific assets, going from 2% to 1.25%.

As of 1 January 2016 undertakings are no longer required to adhere to a maximum guaranteeable rate in setting prices and calculating the technical provisions for prudential supervision purposes. Pursuant to Article 33 (3) of the Private Insurance Code, which implemented the provisions of the Solvency II Directive, each undertaking sets the guaranteed rate of interest for life insurance contracts in accordance with its own investment strategies and risk management system, while adopting prudential criteria.

Segregated funds and internal funds

IVASS reviewed eight merger transactions, seven of which involved segregated funds and one of which internal funds.

2.3 - Controls on the corporate governance system

Solvency II is also changing the scope and depth of the supervisory controls on corporate governance because of the transformation of the role, duties and responsibilities of the actuarial function (See Part II, Section 1.1).

In 2015 the Prudential Supervision Directorate began surveying undertakings on the numerous implementation problems encountered regarding the organizational place, corporate status, duties and possible outsourcing of the actuarial function. IVASS is in intensive discussions with the supervised undertakings and with the other European authorities, which are involved in assessing whether the individual organizational solutions proposed by the companies satisfy the requirements set out in the EIOPA guidelines.

The launch of Solvency II also had an impact on the supervisory approach to the financial reporting and remuneration policies of corporate structures. In view of the closing of the accounts for the 2015 financial year and given the inherent variability of the capital requirements under the new system and the tensions reported in the Italian financial markets at the start of this year, IVASS called undertakings' attention to the need to adopt remuneration policies that demonstrate the utmost caution regarding dividend distributions and the variable components of executive pay, especially where the estimates relating to the new prudential requirements indicate a small excess of own funds over the mandatory amounts.

Also with regard to remuneration policies, in 2015 steps were taken against seven insurance groups, directing them to give due consideration to our observations in updating their remuneration polices. Most of the undertakings have already brought their polices into line with our recommendations, while the others are in the process of doing so.

Analysis of organizational structures involves the entire range of supervised companies and involves ongoing off-site and on-site controls. It was necessary, for a group of nine undertakings, to formally request that correctives measures be taken for organizational structures, procedures and processes that did not comply with the regulations. These measures addressed, among other things, deficiencies in the system of delegations, internal controls, procedures for hiring independent contractors and the limited functionality of the internal committees.

The Prudential Supervision Directorate examined 25 prior notifications from undertakings informing us of their plan to outsource internal audit, risk management or compliance functions and 46 notifications of intentions to outsource the actuarial function. IVASS also authorized the outsourcing of two activities for the insurance companies of one group to a provider resident outside the European Economic Area.

During the period under review the Prudential Supervision Directorate evaluated 52 proposals to amend company by-laws submitted to us for approval.

With respect to the regulations on interlocking directorates, IVASS continued to monitor potential conflicts of interest for members of the corporate boards, consistent with the memorandum of understanding signed with the Bank of Italy, CONSOB and the Italian Competition Authority.

In nine cases IVASS requested clarification and further information concerning whether the members of the management and control bodies satisfied integrity, professionalism and independence requirements.

2.4 - Coordination with other Authorities

For the supervision of international groups, in 2015 IVASS organized the meetings of nine Colleges of Supervisors in its capacity as group supervisor and, as host supervisor, took part in 21 meetings of colleges arranged by foreign authorities. It also participated in 28 college and sub-committee meetings on the pre-application and application process for internal models as group or host supervisor.

Within the Colleges, supervisors exchange information on group structure, governance, financial and economic situation, solvency, assessment of the main risk areas, stress test results, internal models, and the adequacy and proper allocation of capital within the group. For groups that develop internal models for calculating prudential requirements, the Colleges dedicated many meetings to discussions of joint decisions by group and host supervisors regarding the use, monitoring and changes to these models.

To assist the colleges in performing their work, IVASS has launched a web-based infrastructure tool for developing a secure platform for exchanging information with other authorities.

In 2015 coordination arrangements were signed for seven Colleges of groups for which IVASS acts as group supervisor and 15 colleges for which it is host supervisor. Work began on defining the coordination arrangements, signed in April 2016, for the colleges for two Swiss groups.

For the supplementary supervision of financial conglomerates, the related colleges, made up of European authorities in the banking and insurance sectors, continued their work. IVASS organized, as supplementary supervision coordinator, meetings of the colleges for the insurance conglomerates Generali and Unipol (primarily insurance conglomerates) and participated as a member of the conglomerate college meetings for Intesa San Paolo (primarily a banking conglomerate) coordinated by the Bank of Italy.

The Prudential Supervision Directorate was engaged in work involving global systematically important insurers (G-SIIs) identified by the Financial Stability Board (FSB). It served as the group supervisor for the Generali group and as host supervisor for the Allianz group (for which BaFin is the group supervisor). Similarly to what is envisaged for systematically important banks (G-SIBs), the FSB recommends enhanced supervision for these insurance companies.

Although the Generali group was not included in the list of global systematically important insurers published in 3 November 2015 by the FSB (see Part II, Section 2.1), IVASS decided to continue to apply the enhanced supervision measures to the group, given the review currently being conducted by IAIS of the methodology for identifying systemically important entities, and the undoubted usefulness of the work within the Crisis Management Group (CMG) on the

Systemic Risk Management Plan (SRMP), the Liquidity Risk Management Plan (LRMP) and the Recovery Plan (RP). The Higher Loss Absorbency (HLA) requirement will not apply if, when it comes into effect as scheduled in 2019, the Generali group is not on the G-SII list.

In line with the FSB's recommendations, a special CMG, composed of the national supervisors of the main countries involved, as well as representatives of those undertakings affected in certain sessions, continued to operate for systemically important groups. During these meetings annual updates to the SRMPs, LRMPs and RPs introduced last year were shared.

The CMG also began work to assist the supervisory authorities in drawing up Resolution Plans for ensuring that crises involving systemically important insurers can be resolved while respecting the objectives of financial stability and policyholder protection. Regarding the Generali group, in accordance with the FSB's guidelines on resolution strategies, IVASS has prepared, in collaboration with the other supervisory authorities in the CMG (Italy, Germany and France), the Coordination Agreement (COAG), containing the key attributes for facilitating cooperation among supervisors and for promoting unified crisis management. This document was signed by the authorities involved (IVASS, BaFin and ACPR) at the end of 2015.

In 2015 IVASS submitted to the Ministry of Economy and Finance (MEF) eight opinions on whether the State should issue guarantees for 'non-market' transactions carried out by SACE. The entry into force of the provisions implementing Article 32 of Decree Law 91/2014 requires IVASS to submit to the MEF an opinion on the appropriateness of the division of the premium due to the State and to SACE. IVASS took part – as a non-voting expert member – in the meetings of the committee to analysis and monitor SACE's portfolio, established pursuant to Article 3 of the Prime Minister's Decree of 19 November 2014.

2.5 - Controls on extraordinary operations

2.5.1. - Mergers

Most of the mergers carried out during the year were undertaken as part of rationalization efforts by insurance groups.

The following mergers were approved:

- the merger of Liguria Assicurazioni SpA, Europa Tutela Giudiziaria SpA, Systema Compagnia di Assicurazioni SpA, Sai Holding Italia SpA, UnipolSai Real Estate Srl and UnipolSai Servizi Tecnologici into UnipolSai Assicurazioni SpA. Specifically, the operation merged three non-life insurers, one life insurer, a holding company and two instrumental companies. These transactions are part of a broader group reorganization plan that has been under way since 2014 to simplify its organizational structure;

- the merger of Ala Assicurazioni SpA into Sara Assicurazioni SpA, both non-life insurers belonging to the same group;

- the merger of Zuritel, an Italian non-life insurance company, into its Swiss parent Zurich Insurance Company Ltd;

- the merger of two instrumental companies (Simgenia SpA with Alleanza Assicurazioni SpA and Acif SpA with Allianz SpA).

In particular, the merger between Liguria Assicurazioni and Liguria Vita permitted the Unipol group to comply with the conditions imposed in 2012 by the Italian Competition Authority in approving the acquisition of control of the

Fondiaria-Sai group. The Competition Authority, with its measure of 19 June 2012 approving the acquisition of control of Fondiaria-Sai by Unipol, required that a number of assets be sold, including the stakes in Liguria Assicurazioni and Liguria Vita. In 2014 the Unipol group, faced with being unable to sell the two subsidiaries at acceptable market terms, requested and received permission from the Italian Competition Authority to merge the two companies into their immediate parent company UnipolSai Assicurazioni.

2.5.2. - Portfolio transfers

IVASS authorized the transfers of the entire portfolios of Linear Life to UnipolSai Assicurazioni and of Dialogo Assicurazioni to Compagnia Assicuratrice Linear through the sale of the companies. These transactions, part of Unipol's streamlining, resulted in the forfeiture of the sellers' licenses to operate in the life and non-life segments, respectively.

In addition, IVASS authorized the partial sale of the life business portfolio of Genertellife to Aviva, a company belonging to a different insurance group.

2.6 - Shareholdings and intragroup transactions

2.6.1. - Acquisition of shareholdings

In 2015 IVASS approved four acquisitions of controlling interests in insurance undertakings (as per Article 68 of Legislative Decree 209/2005) and four acquisitions by insurance undertakings of controlling interests in other companies (Article 79 of the legislative decree).

During the year, IVASS completed the process of approving the acquisition of the interests held by Banca Carige in the insurance sector (Carige R.D. Assicurazioni e Riassicurazioni and Carige Vita Nuova) by companies attributable to the American private equity fund Apollo Global Management LLC. The purchaser's legal status and complex ownership structure made it necessary for IVASS to involve other European and non-European supervisory authorities in its inquiries.

2.6.2. - Inclusion in the Register of Insurance Groups

IVASS issued two orders of entry in the Register of Insurance Groups and one order of reassessment of the composition of an insurance group.

Legislative Decree 53/2014, implementing the Financial Conglomerates Directive n. 89 of 2011, expanded the scope of insurance and banking groups to include mixed financial holding companies, with registered office in Italy, that control at least one insurance company and one bank headquartered in Italy. Following these regulatory changes, Mediolanum, a mixed financial holding company at the head of a financial conglomerate of the same name, has become the ultimate parent company of both the Mediolanum banking and the insurance groups included in the conglomerate, and as such it was entered in both the Register of Banking Groups and the Register of Insurance Groups. After Mediolanum merged with Banca Mediolanum, the insurance group was deleted from the Register.

2.6.3. - Intragroup transactions

IVASS conducted preliminary examinations of 28 intragroup transactions, largely concerning loan renewals, bond subscriptions or redemptions, the issuance of guarantees, the purchase or sale of shareholdings, sales of securities and real estate leasing.

In all the cases IVASS verified that the operation did not violate the principles of sound and prudent management and that it did not harm the interests of insured persons and entities and others with rights to insurance services, ascertaining, where required, that the transactions were carried out at market prices.

2.7 - Supervision of access to insurance business

2.7.1. - Authorization to pursue business

During the year authorization was granted to a life insurance company to extend its business to accident and sickness.

IVASS declared lapse of the authorizations for one life insurance company and one non-life insurer following the transfer of their entire portfolios to other companies belonging to the same group. It also declared that the authorization for a non-life undertaking had lapsed since it failed to carry on business for a period exceeding six months.

Within the context of a merger through incorporation of an Italian company into its Swiss parent, the parent company was authorized under the right of establishment to operate in non-life business.

IVASS received 10 notifications by Italian undertakings of their plans to operate under the freedom to provide services, five for access in Member States and five in third Countries.

2.8 - Safeguards, reorganization and winding-up measures

IVASS intervened in one case, requiring an undertaking to present a financial recovery plan to restore it to operating condition.

3. - On-site Inspections

3.1 - Insurance undertakings

In 2015, 19 inspections were carried out on insurance companies, compared with 16 the previous year, plus one of a company under compulsory administrative liquidation. The inspections were carried out using the methodological criteria and reporting system specified in the inspection guidelines adopted in February 2013, as part of the convergence with the standards applied in banking supervision. Apart from the focus on risks, the main innovations concerned the way in which inspection results are presented, with comments and observations on the inspection reports being presented at a special meeting of the Board of Directors, the Statutory Board of Auditors and the CEO.

The inspections were carried out at companies selected on the basis of a programme that serves supervisory purposes, resulting from off-site analyses, and the guideline calling for systemic coverage, with reference to certain topics. There were also some unscheduled inspections on grounds of urgency.

The inspection phase was also important for the impending implementation of Solvency II, with two inspections with a view to authorization of Undertaking Specific Parameters (see Section 2.1.2) and with assessments of the functionality of a company's Board with regard to effective risk management, as required by the new regime. Three inspections dealt with calculating the Solvency Capital Requirement and determining the best estimate of the technical provisions.

More generally, as regards the purpose of on-site interventions, five checks were broad-spectrum (four on small companies and one on a medium-sized company); one check was a follow-up to assess whether the shortfalls in the motor liability claims provisions detected during a previous inspection had been made good.

In the second half of the year checks were carried out to monitor the procedures established by companies for entering data into the motor liability insurance cover database (at ANIA/SITA) instituted by the 'liberalization decree'[66] and including, from 18 October 2015, the complete dematerialization of motor insurance stickers. Four companies, with a market share of just over 22%, were checked.

Two inspections checked the correct entering of data into the claims database and a further four also verified the effectiveness of the measures to prevent motor liability insurance fraud.

The remaining interventions analysed specific areas of risk or specific company functions and concerned:

- governance and control systems;
- market risks, with particular reference to the analysis of investments and financial operations;
- the procedures for the non-life claims management and settlement;
- compliance with the provisions protecting policyholders and injured parties in medical malpractice insurance and the management and settlement of malpractice claims (see Part IV, section 1.3.2);
- transactions with connected parties and intra-group transactions, with particular reference to loans to companies connected to shareholders;
- the underwriting and settlement of insurance covers combined with loans.

As a new development compared with the previous year, IVASS applied the powers of inspection provided for by the law regarding supplementary supervision to an insurance holding company which is not the ultimate parent company of the insurance group; the compliance of the management of a company under compulsory administrative liquidation with the rules of conduct issued by IVASS for liquidators was also verified.

The investigations produced negative assessments for 11 of the companies inspected, often due to shortcomings in corporate governance and weaknesses in risk control, with a consequent need for timely intervention to strengthen the guidance function of the board of directors and the control functions and to make the organizational structure more robust in terms of resources and methodology.

For three of these companies, IVASS sent a post-inspection letter highlighting shortcomings and anomalies found, together with the results of the inspection report, notifying the request for prompt corrective measures. In detail:

- for one company, the letter reported the guidelines and recommendations necessary to deal with the problems detected and asked the company to take greater account in its strategic planning and risk self-assessment of the very substantial weight of one specific risk profile in relation to the insurance business;

[66] Legislative Decree 1/2012 converted into Law 27/2012.

- for the remaining two cases, the ultimate parent company was required to make capital increases to guarantee the future solvency of the subsidiary, while the latter was asked to present a financial recovery plan to rebalance its capital structure using more liquid, profitable and diversified assets and to progressively reduce the debt of group companies in part by eliminating loans with related parties.

3.2 - Insurance Intermediaries

On-site inspections were directed at 10 insurance intermediaries registered in the RUI: six brokers (section B of the RUI), two banks/financial companies (section D) and two collaborators (section E).

These inquiries were focused on consumer protection, with regard to the following aspects:

- insurance coverage combined with mortgage loans, other loans and funding (PPI - Payment Protection Insurance) where the methods for placing these products used by banks and financial companies involved common practices of failure to acquire the information necessary to assess the suitability of the policies offered to individual customers;

- the correct functioning of the comparison engine used by two motor liability insurance comparators;

- checks on compliance with the obligation to keep segregated accounts and with the rules for the correct conduct of intermediaries towards clients.

In detail, one inquiry was a follow-up to evaluate progress in overcoming the shortcomings detected by a previous inspection with regard to the sale of policies linked to mortgages or other loans. The remaining interventions were to verify the compliance of an intermediary's operations or of individual areas of activity with the primary and secondary legislation on insurance mediation.

This concerned:

- verifying the actual assignment of brokerage activities to parties registered in section B of the RUI;

- compliance with the provisions on the obligation to keep segregated accounts;

- correct conduct towards customers with regard to the risk of IT distortion of the estimate service;

- the corporate procedures and instructions for safeguarding the correct performance of intermediation activities in large-scale, nationwide distribution networks.

3.3 - Money laundering

Under the policy introduced in 2014, IVASS has continued to submit all life insurance companies inspected to checks of their anti-money-laundering and counter financing of terrorism procedures (AML-CFT). In 2015 there were inspections of this kind on five companies (see paragraph 3.1), which accounted for 9% of life assurance premiums in Italy. The following shortcomings were detected:

- at three companies, insufficient information acquired for the performance of customer due diligence, resulting in an incomplete profile and an inadequate risk assessment;

- at one company, the failure to carry out continuous controls during the relationship on customers with lower risk profile;

- in one case, shortcomings in the administrative organization for controlling money-laundering risk, with functions lacking adequate human and/or technical resources;

- in three cases, problems in the internal control system, which is unable to assess the completeness and effectiveness of company procedures or to identify problems in risk management;

- at one company, delays in the evaluation of potential suspicious transactions;

- in one case, shortcomings in procedures for identifying positions characterized by anomalous transactions; following the further analyses required in the course of the investigations, the company made the appropriate reports to the FIU.

As a result of the observations made to companies, IVASS requested interventions to restore compliance of the activities. IVASS also sent three letters of formal notice for violations subject to fines, relating to customer due diligence, administrative organization and the internal control system.

For one company, the mainly unfavourable evaluation of the AML systems necessitated a specific provision requiring prompt corrective measures (a simultaneous post-inspection letter).

The close cooperation between IVASS and the FIU continued.

4. - COMPULSORY LIQUIDATIONS

The compulsory liquidation procedures overseen by IVASS at the end of 2015 totalled 55 (42 insurance companies, 3 parent companies or subsidiaries and 10 companies from the Previdenza trust management group).

In 2015 IVASS oversaw the correct carrying out of liquidation operations, with particular reference to the realization of assets, the determination of liabilities and the distribution of sums to creditors, issuing 482 orders.

With regard to the bodies whose terms of office had expired, procedures for renewal were prepared and in some cases new liquidators and members of supervisory committees were appointed. Since 2013, when IVASS was established, liquidators involved in 37 procedures have been replaced.

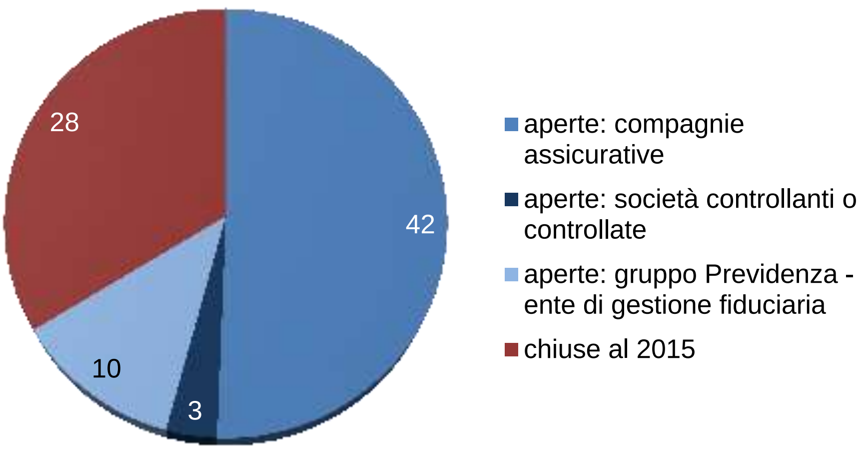
Particular attention was paid to speeding up the liquidation times, leading over the year to:

- the removal from the company register of the procedures regarding SIA Suditalia S.p.A. and Andromeda Immobilare s.r.l. (the latter is part of the Previdenza group);

- the submission of the final liquidation balance sheet, the financial statement and the final allocation plan for La Potenza s.m.a., Centrale S.p.A. and Sarp S.p.A., which accordingly initiated the final executive operations, effectively closing the liquidation phase;

– the removal, following a complex transaction which took note of some rulings of the Court of Cassation, of the compulsory liquidation of L'Edera Compagnia Italiana di Assicurazioni, with Consap, which took responsibility for paying the liabilities, recovering a sum of about €35 million.

Figure III.1 - Liquidation procedures at end-2015

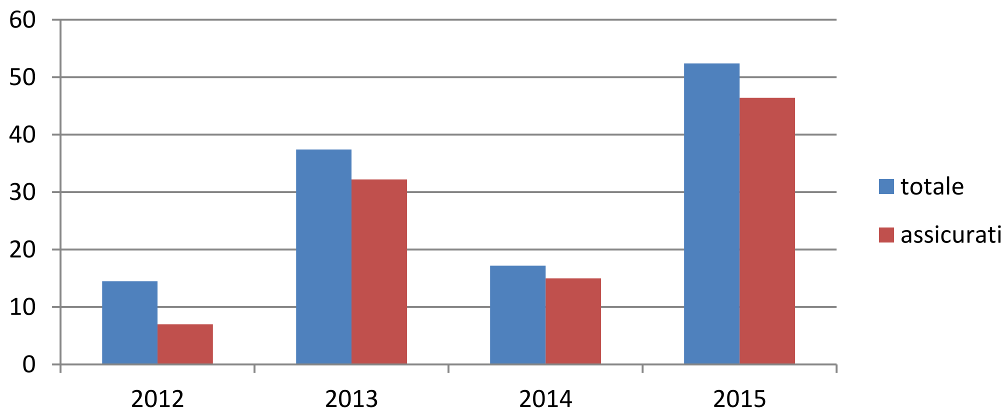


In relation to the companies placed under compulsory administrative liquidation that were engaged in motor liability business, based on the data provided by Consap - Fondo di Garanzia per le Vittime della Strada (the national guarantee fund for road accident victims), the Fund paid damages amounting to €62.9 million during 2015.

In 2015 IVASS also authorized the disbursement of sums to the creditors of 11 liquidated companies either as advances (Arfin S.p.A., Lloyd Nazionale S.p.A., Delta S.p.A., Progress S.p.A., Rhộne and Forte Filippo s.r.l. of the Previdenza group), for the implementation of partial allocation plans (Comar S.p.A. and Nitlloyd S.p.A.), or for final allocation plans (La Potenza s.m.a., Centrale S.p.A. and Sarp S.p.A.).

The authorizations of asset distribution to creditors during the year amounted to €52.4 million, €46.4 million of which in favour of insured and injured parties and of those (Consap and appointed companies) who, having paid compensation for the damages, are subrogated.

Figure III.2 - Authorized payments to creditors in millions of euros



IV. CONSUMER PROTECTION

1. - CONSUMER PROTECTION SUPERVISORY ACTION

1.1 - Consumer complaints

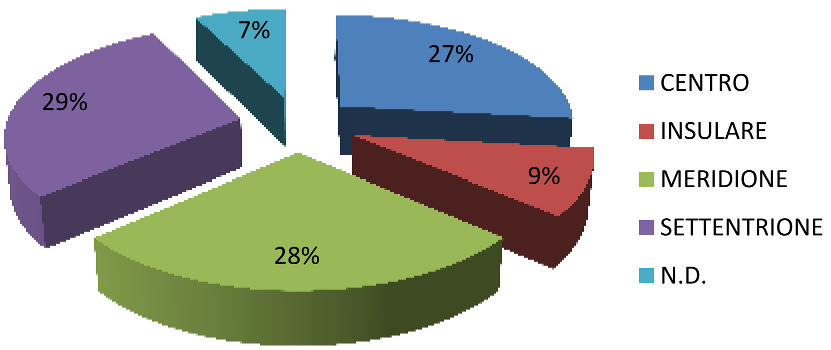
Consumer complaints play a very important role in orienting the supervision over transparency and correct conduct between insurers and customers.

In 2015 IVASS received a total of 22,644 complaints against companies, a decrease of 11.7% compared with 2014 and a sharper fall than the 3.7% drop recorded in 2014. The decrease was accounted for entirely by non-life business, and in particular by motor liability insurance; by contrast, the life sector recorded an increase of 11.9% in complaints.

Table IV.1 – Complaints: distribution by sector (2015)

	Number	% of total	% variation 2015 / 2014
Motor liability insurance	13,239	58.5	-19.6
Other non-life classes	6,473	28.6	-1.2
Total Non-life	**19,712**	**87.1**	**-14.3**
Life	2,932	12.9	11.9
Total	**22,644**	**100**	**-11.7**

Figure IV.1 – Distribution of complaints by region



More than half the reports received in 2015, a total of 15,576 complaints, were processed within the year, with the following outcomes:

Table IV.2 – Outcome of complaints to IVASS (year 2015)		
Outcome	**Number**	**% of total complaints**
Settled completely in favour of complainant	5,791	37.1
Settled partially in favour of complainant	3,189	20.5
Rejected	4,552	29.3
Referred to insurer for direct handling	2,044	13.1
Total	**15,576**	**100.0**

Taking into account the complaints received in the previous two years, in 2015 IVASS considered 22,515 cases to have been closed, with 35.8% resolved completely in favour of the complainants, 21.7% partially resolved and 31.4% rejected. The remaining 11.1% of the reports received, which the consumer had not sent to the insurance company in the first instance, were referred back to the companies for direct handling.

1.1.1. - Complaints in non-life insurance classes

Of the 19,712 complaints relating to non-life insurance received in 2015, 13,329 concerned motor liability insurance (accounting for 58% of the total, 6 percentage points less than in 2014); they mainly concerned slowness and inefficiency in claims processing and settlement.

In cases of ascertained violation of the deadline set by the Insurance Code for making an offer of compensation, or of lateness in replying to the request for access to the insurer's files of motor liability claims, companies were served with formal notice for the purpose of applying pecuniary administrative sanctions.

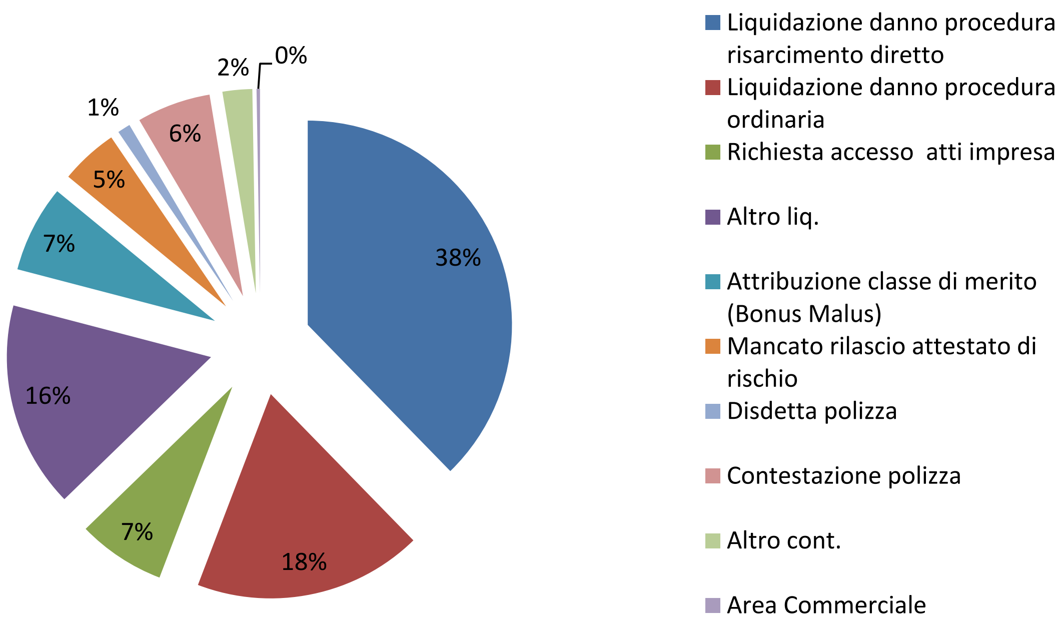
Complaints relating to claims handled by the designated companies and paid by the national guarantee fund for road accident victims decreased in number from 508 to 434; they accounted for 3.2% of all motor liability complaints (3% in 2014).

In 2015, interventions continued with regard to companies in cases of very serious motor liability claims, involving fatalities or severe bodily injury, where the inquiry brought to light shortcomings or inconsistencies in the settlement process. Following IVASS's interventions, in many cases companies agreed to reconsider the claims and to supplement compensation to the injured parties or other eligible parties. Consumer complaints of non-delivery or late delivery of claim history certificates or incorrect certificates were down both in number (from 952 to 603) and as a percentage of all motor liability claims (from 5.8% to 4.5%), thanks in part to the entry into force of the new legislation on electronic claim history certificates.

Table IV.3 - Motor liability insurance complaints: distribution by area/type (2015)		
Type	**Number**	**% Composition**
Complaints about claims	10,468	79.1
Of which: Direct compensation	*4,991*	*37.7*
Ordinary compensation	*2,397*	*18.1*
Request for access to the company's files	*920*	*6.9*
Other	*2,160*	*16.3*
Complaints about the contract	2,735	20.7
Of which: Assignment of the class (Bonus/Malus)	*911*	*6.9*
Failure to issue claim history certificate	*603*	*4.6*
Termination of insurance policy	*135*	*1.0*
Disputes on the policy	*775*	*5.9*
Other	*311*	*2.3*
Commercial Area	36	0.3
Total	**13,239**	**100.0**

The number of complaints concerning the ordinary compensation procedure declined considerably, by 1,096, compared with 2014, while those regarding the direct compensation procedure rose slightly, from 4,724 to 4,991.

Figure IV.2 – Percentage distribution of motor liability insurance complaints



In the other non-life insurance classes 6,473 complaints were received in 2015 (-1.2% compared with 2014), with an increase in general liability (2,068, +5%) and accident insurance (1,262, +8%), and a decrease in other damage to property and car theft (884, -20%), as well as in sickness insurance (421, -7%). There was also a 23% increase in reports relating to collective policies covering loss of employment.

Customer complaints are essentially about claims (70%), referring to slowness in settlement (47%) or disputes over the attribution of liability and the quantification of the damage (23%). The other complaints relate to contracts and mainly involve problems in the termination of contract, policy contents and failure to refund premiums.

With reference to contracts sold in conjunction with mortgages and loans, the main problems involve failure to activate the guarantee or to refund premiums, which have been the specific subject of a letter to the market (see section 1.3.2). There are also a significant number of cases of refusal of early termination of multi-year non-life policies and of those regarding policies sold in conjunction with motor liability insurance contracts (especially injuries to drivers), aspects which have been dealt with by requiring companies to implement corrective measures (see section 1.3.1).

Table IV.4 - Other non-life insurance complaints: distribution by area/type (year 2015)

Type	Number	% Composition
Complaints about claims	4,447	68.7
Of which: Slowness in determination of damage	*3,032*	*46.8*
Disputes over "an" and "quantum"	*1,240*	*19.2*
Other	*175*	*2.7*
Complaints about the contract	1,980	30.6
Of which: Termination of the policy	*903*	*14.0*
Disputes over the policy	*633*	*9.8*
Failure to refund premiums	*154*	*2.4*
Other	*290*	*4.5*
Commercial Area	46	0.7
Total	**6,473**	**100.0**

1.1.2. - Complaints in the life insurance classes

There were 2,932 complaints in the life insurance sector, an increase of 11.9% compared with 2014 and in contrast with the non-life classes.

As regards the settlement phase, which accounts for 55% of the complaints received, the main reason for consumer complaint, as in previous years, is slowness in paying the amounts due to the beneficiary, both at contract maturity or death and in case of policy surrender. The percentage of such complaints in the life classes increased by about 9 percentage points during the year (from 35% to 44%). In all the cases reported, interventions were made to request payment of the amounts owed plus interest on arrears. In two cases the numerous reports received referring to these problems made it necessary to take supervisory action vis-à-vis the companies concerned, to identify shortcomings in corporate processes and ask the corporate bodies to take adequate corrective measures (see section 1.3.1).

As to the complaints about contracts, the most common types of report concerned the failure to reimburse premiums on policies ancillary to mortgages and loans and failure to recognize the conditions required for activating the guarantee. Companies have been required to recognize the functional link between the policies and the underlying loans, and to reimburse the premium.

Table IV.5 - Life complaints: distribution by area/type (year 2015)		
Type	**Number**	**% Composition**
Complaints about claims settlement	1,627	55.5
Of which: Slowness in the payment of the surrender value	*769*	*26.2*
Slowness in capital payment	*521*	*17.8*
Calculation of surrender value	*161*	*5.5*
Calculation of capital at maturity	*90*	*3.1*
Other	*86*	*2.9*
Complaints about the contract	1,249	42.6
Of which: Doubts on the regularity of the contract	*305*	*10.4*
Failure to reply to policyholder's requests	*116*	*4.0*
Transfer of the policy	*93*	*3.2*
Refund of premiums/mortgages and loans	*366*	*12.5*
Other	*369*	*12.6*
Commercial Area	56	1.9
Total	**2,932**	**100.0**

1.1.3. - Handling of complaints by insurance undertakings

An examination of the companies' periodic reports on complaints shows that they received 106,900 complaints in 2015 (+14.1% compared with 2014), 77% of them relating to non-life and 23% to life classes (compared with 78% and 22% the previous year).

Table IV.6 - Complaints received by companies: distribution by sector (year 2015)			
	Number	**% over total**	**% variation 2015 / 2014**
Motor liability	52,150	48.8	14.5
Other non-life classes	29,895	27.9	10.1
Total Non-life	**82,045**	**76.7**	**12.9**
Life	24,863	23.3	18.2
Total	**106,908**	**100.0**	**14.1**

Motor liability insurance continues to generate the most complaints – 48.8% of the total, broadly the same as in 2014.

Again in 2015 complaints in the life sector concerned mixed pol5icies in particular; the causes of complaint were mainly to do with the settlement phase. The next largest group is complaints about pension plans.

Some 34% of the complaints received and examined by undertakings were upheld, 53% were rejected and 8% were concluded with an economic settlement; 5% were still under examination at the end of 2015. The share of complaints upheld increased by 6%.

The average response time to complainants was 21 days, slightly better than the 23 days registered in 2014.

1.2 - The Consumer Contact Centre

In 2015 the Contact Centre, IVASS's telephone consumer support and advice service, received 44,069 calls (43,550 in 2014), or an average of 139 a day.

Apart from serving the general public, the Contact Centre has also proved to be an important supervisory instrument since, thanks to daily contact with the public, it offers an immediate perception of the insurance market, thus permitting the prompt adoption of the necessary consumer protection initiatives. Thanks to the telephone reports received, IVASS made numerous interventions in 2015, including in the following areas:

- free motor liability insurance policies with car purchase, to make sure the policyholder does not lose the bonus class acquired or the benefits of Law 40/2007 (the Bersani Law);
- online motor liability policies, to guarantee observance of the deadlines for sending policyholders the documents necessary to circulate;
- counterfeit suretyship policies and motor liability policies, warning the general public about cases of counterfeiting;
- illegal insurance intermediation websites.

Table IV.7 – IVASS Contact Centre activities (year 2015)	
Total calls received	44,069
Total calls dealt with	35,250
dealt with/received (%)	78.0%
Calls dealt with per month	3,672
Calls dealt with per day	139
Average waiting time (minutes)	2.11
Average duration of telephone conversations (minutes)	3.25

In 2015 employee turnover at the Contact Centre made it difficult to maintain the high standards of past years, particularly in terms of the percentage of telephone calls and average waiting times. The problems encountered were gradually overcome in the last quarter of 2015, and the average waiting time came back down to the levels of previous years (25 seconds).

As in previous years, most of the calls were requests for information:

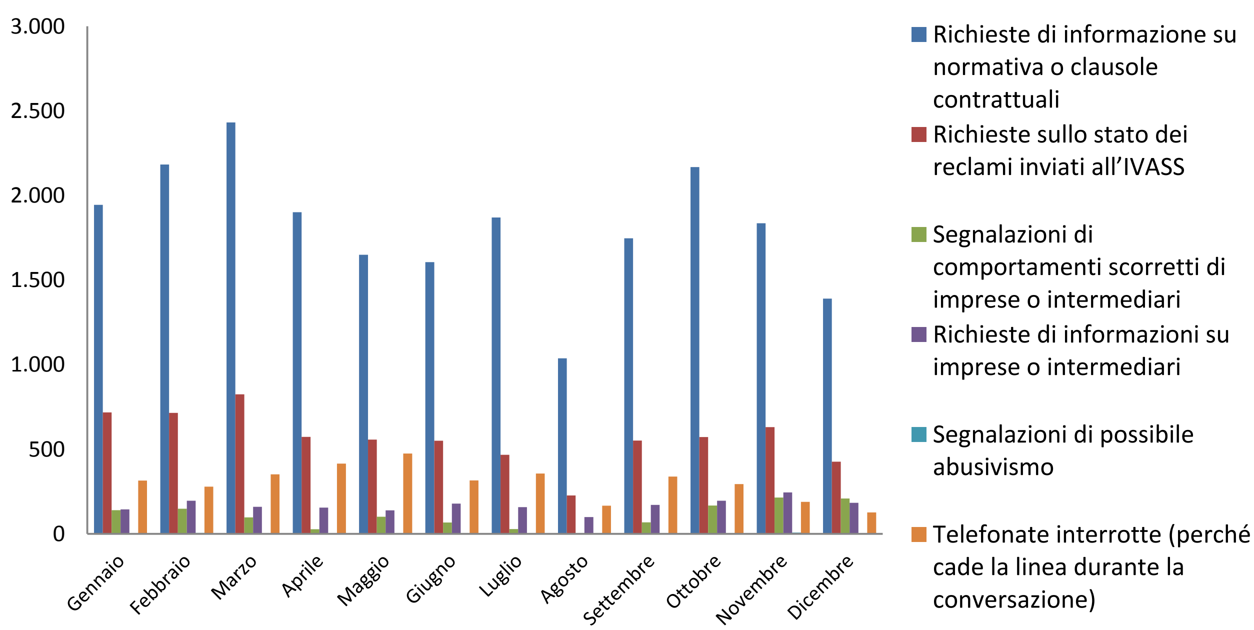
- in around 61% of cases, consumers contacted the Contact Centre for clarifications on the rights and obligations laid out under the regulations and the contract conditions subscribed, and information on the due authorization of insurance companies;

– 19% of the calls asked about the progress of the complaints submitted to IVASS;

– 6% wanted information about the proper authorization of insurance companies or intermediaries.

In particular, calls were received concerning: delays in the reimbursement of life insurance policies; failure to enter or incorrect entry of claim history certificates into the ANIA database; loss of Bonus-Malus class and the benefits of the Bersani Law after the conclusion of free motor liability policies with the purchase of a new vehicle; non-acceptance of the termination of multi-year policies; and companies' refusal to terminate contracts combined with motor liability insurance, not formally terminated by consumers who decide to take out insurance with another company when their contract expires.

Figure IV.3 - Type of consumer requests received - by month



The Contact Centre continues to receive calls from Police Forces to confirm the regularity of motor liability policies examined in on-road checks: this provided timely information on the issue of insurance cover by unlicensed parties and triggered the measures necessary to protect policyholders. Other consumer reports have made it possible to identify cases of illegal practices in insurance intermediation on websites that are not compliant with the rules governing intermediation. There have also been more calls from public bodies which, in their capacity as contracting authorities, have requested information regarding suretyship policies presented by bidders. These requests have made possible prompt detection of counterfeit suretyship polices being marketed, mostly registered in the name of foreign companies, for which IVASS has posted official notices on its website for the attention of the public (see section 1.6).

1.3 - Supervision of companies' correct and transparent conduct

Written complaints by citizens and telephone reports to the Contact Centre, together with the analysis of the data taken from the companies' half-yearly reports on complaints received, have been an essential tool to identify the causes of consumer dissatisfaction with insurance companies.

This analysis has made it possible to intercept emerging systemic problems and to identify – by means of a specific alert system – those companies that in particular classes (motor liability, other non-life and life classes) showed a trend in complaints significantly different from the market average; after in-depth analysis, supervisory action vis-à-vis these companies was initiated.

According to the type and severity of the problems, supervisory action was taken at different levels:

– summoning company representatives and sending letters to individual companies where there were recurrent problems, requesting the corporate bodies to take the necessary corrective measures;

– activation of inspections;

– letters to the market, in the event of widespread problems.

This approach serves to reduce the number of complaints by addressing the root causes of corporate dysfunctions, so as to reduce the reasons for consumer dissatisfaction.

1.3.1. - Interventions with regard to individual companies

Slowness in the settlement of life policy benefits was the subject of a good number of reports from consumers, with particular reference to two companies that were subjected to specific supervisory action resulting in corrective measures whose effects, however, have not yet been fully felt. The inquiry into the procrastination in benefit payments beyond the contractual deadline led to the sending of letters of formal notice, in accordance with Article 183 of the Private Insurance Code for violation of the principle of correctness in the execution of contracts.

Again with reference to the life sector, supervisory action continued against a company against which consumers continue to submit complaints over the management of the sales network, with problems in customer assistance in the pre- and post-contractual phases.

In the field of motor liability insurance there have been targeted interventions on two companies for non-compliance with the legal deadline for making offers of compensation to injured parties, as reported by many policyholders. The companies were asked to carry out an in-depth analysis of the underlying causes for the complaints to identify possible problems in settlement processes and to adopt, where necessary, the consequent correctives. Both companies undertook initiatives to remedy the organizational shortcomings in claim settlement.

Again in the area of motor liability insurance, action was taken against one company following complaints from users of failure to provide proper reasons in communications denying compensation, making it impossible for the user to initiate a valid dispute with the company. The problem arose in particular in claims for which the company's initial check found grounds for suspecting fraudulent behaviour. The company was asked to provide the damaged party with a clear statement of the reasons for denial, which it did, stating further that it was re-examining its communications with damaged parties.

As regards cover combined with motor liability policies (injuries to the driver; fire and theft of the vehicle; etc.) a radical intervention was carried out against a company about which there were several complaints from consumers relating to the refusal of requests to terminate the contract linked to motor liability insurance contracts, asking for corrective measures in favour of consumers. The company modified its policy by allowing policyholders already holding a contract to dissolve their contractual obligation and by providing for the elimination of the tacit renewal clause in newly issued contracts, thereby extending the regime of motor liability insurance contracts to ancillary contracts.

A further radical intervention was made against a foreign company with reference to entering data into ANIA's databases, management of claims and motor liability insurance complaints. The corrective measures taken led to a reduction in the number of complaints.

Action was taken against another foreign company in a case of suspected irregularities in the placement of policies connected with loans, which emerged from complaints by consumers to the Contact Centre with regard to a letter from the company which communicated the acquisition of another company's portfolio and provided indications on the management of the 'policy taken out'. Consumers reported that they were unaware of having taken out such policies and speculated that the issue might be linked to loan contracts stipulated in the past, to which the policy was probably linked. IVASS asked the company to review the portfolio acquired and to send a letter to all their customers informing them of the details of the insurance cover in force, the conclusion and expiry dates and the relative contractual conditions. The company was also asked, should policyholders not be aware of the cover, to allow the same policyholders to terminate their insurance contracts and have their premiums reimbursed.

After the letter to the market was issued, dealing with unfair clauses found in life policies (see paragraph 1.3.2), there were interventions against nine companies involved in specific complaints, and they were requested to adopt measures in line with IVASS' requirements. The companies reviewed their contractual contents and settlement processes, in line with the need to simplify policyholders' administrative obligations.

1.3.2. - Interventions on the entire market

Based on the reports made by consumers, either in writing or by telephone, the following letters were sent out to the market, in view of the recurring and cross-cutting critical issues.

Policies linked to mortgages and loans (Payment Protection Insurance - PPI)

The supervisory activity of IVASS and the Bank of Italy in their respective spheres has uncovered some critical issues in the supply of PPI policies, confirmed by the complaints of consumer groups, which have drawn IVASS's attention to the pressure exerted on customers by distribution networks, mainly banks and financial intermediaries, in marketing optional PPI policies.

The main problems involved are:

- forced sales of policies by banks and financial intermediaries and limited freedom of choice for customers;
- inadequacy of the product in relation to the customer's specific needs and standardized multi-risk packages with shifting guarantees, sold without distinction to all customers;
- contracts envisaging exclusions, limitations and waiting periods that reduce the extent of cover significantly;
- arrangements for proposing contracts that are not always transparent and fair, with customer insurability being verified only after an event occurs and not when the contract is stipulated;

- failure, in the case of early repayment of the loan, to refund the portion of the premium not used by the policyholder;
- high costs.

IVASS and the Bank of Italy met with consumer groups, bank and insurer associations and all the involved parties at a workshop in June 2015 to discuss strategies for joint intervention to protect consumers. The observations made during the meeting were included in a letter to the market (26 August 2015), in which IVASS and the Bank of Italy asked insurance intermediaries and companies to take steps to make their products truly adequate for customers' specific insurance needs and to improve marketing practices in this high-social-impact area.

On the production side, insurers were asked to redesign products according to the different target customers and to review contractual exclusions, limitations, waiting periods and deductibles so as to rebalance their contents in favour of the customer. On the distribution side, contract offers should be fair and transparent, and customers' insurability conditions should be checked when insurance coverage is agreed to.

Furthermore, to increase the level of consumer awareness on the products purchased, insurers are asked to send customers a letter after the policy has been taken out summarizing the features of the contract and granting the policyholder a "cooling-off period" of 60 days of signing the contract, in line with the self-regulatory initiative of ABI, ASSOFIN and consumer groups.

To guarantee adequate protection for consumers holding PPI policies, the letter stresses the need for practices to resolve the claims management problems observed.

Insurance company and bank boards of directors were therefore invited to adopt plans to realign products and sales practices, to be implemented by 22 February 2016 and aimed at bringing their products and contract offer and management modes into line with the authorities' indications.

There will also be a survey to acquire information on the level and structure of the PPI costs to policyholders (see section 1.4.3).

Unfair terms in life insurance contracts

Following numerous complaints by consumers regarding delays in settlement, often due to requests for beneficiaries to provide excessively onerous documentation, IVASS intervened by providing indications to the market, in the light, among other things, of a ruling by the Court of Cassation that recognized the vexatious nature of contractual provisions in a life policy concerning the obligations upon the beneficiary in order to obtain settlement in the event of a policyholder's death (sentence No. 17024/2015).

The letter to the market of 17 November 2015 pointed out to insurers the importance of suitable initiatives to implement the Court of Cassation's indications in drafting the relevant clauses in new life insurance policies and in handling claims under existing contracts that might contain clauses similar to those overturned by the Court of Cassation.

Free motor liability policies with purchase of a new vehicle

IVASS intervened with regard to free motor liability policies offered by various car manufacturers to buyers of new vehicles. A survey triggered by reports from consumer groups and individual policyholders showed that, at the end of the free insurance period, the terms and characteristics of the free policies entailed loss of the bonus class acquired by the insurer before the promotion, including the benefits recognized by the Bersani Law for policyholders and their family members. The cover, usually given for the purchase of a vehicle with a loan, was ordinarily a 'register' policy 'with deductible', not offering the claim history certificate in the policyholder's name and therefore with heavy penalties should a policyholder want to return to his old bonus-malus coverage when the promotional policy expires.

The letter to the market of 19 May 2015 provided indications to insurance undertakings for safeguarding the rights acquired by policyholders and enabling proper consideration of their accident record, in order to take into account their previous insurance history. These indications were directed both to the companies that offered the free policies and to those contacted by policyholders at the end of the promotion.

With regard to free policies already in being, companies were asked to issue claim history certificates when the policies expire, in the name of the vehicle owner, indicating the bonus class reached prior to the acceptance of the offer and specifying the policyholder's claims history over the last five years, including the promotional period. The entire market was then invited, with a view to assigning contracts to the right bonus class, to take account both of the insurance history prior to and the claims record during the promotional period, so as to avoid breaks in the policyholder's insurance history. With reference to free policies that have already expired, companies were invited to contact all their policyholders in order to issue an ad hoc claim history certificate and inform them that they need to contact the insurers who had subsequently covered the risk with a bonus-malus formula to restore the correct bonus class. At the same time, the companies contacted by policyholders whose free policies were expiring were called on to reconstruct the policyholder's insurance history, assign the bonus class on the basis of the ad hoc claim history certificate, and to refund any previous premium overpayments.

The solutions devised by IVASS were the focus of a workshop with the interested parties (consumer groups and insurance companies and intermediaries).

1.4 - Supervision of insurance products and marketing practices

1.4.1. - The supply of insurance products

In 2015 a semi-annual, structured analysis of life and non-life insurance products was launched with a view to capturing the trends on the supply side and the innovative features of the Italian insurance market.

The study drew on IVASS databases as well as external sources such as corporate websites, specialized web portals and the general press.

For 2015 the analysis of the life business showed:

- more widespread use of composite products, both whole life insurance and assurance on survival to a stipulated age or on earlier death;
- an increase in the supply of unit-linked products, while the marketing of index-linked policies has practically come to a halt;
- the offer of with-profit policies, almost always with a nil guaranteed return, and an increase in those with periodic coupons, featuring a guaranteed average return either at maturity or only for a certain number of years of coverage;

- a tendency not to charge upfront expenses to with-profit policies, i.e. not to apply the costs directly on the premiums, but rather to charge them indirectly by withholding the corresponding amounts from the returns of the segregated fund that go to the policy holders, broken down by level and variability over time. Other products that are becoming more widespread are those in which the share of profit retained by the insurance companies grows with the returns netted above a set threshold;

- modest signs of development in the market for long-term care, not as stand-alone policies but as covers ancillary to other insurance products, mainly workplace group insurance plans.

The survey of the non-life products being offered shows that companies are shifting to an approach by which they protect their assets in an innovative and dynamic way.

More and more insurance products tend to display new features based on technology and digitization as factors of competitiveness. Specifically, these products are able to provide additional services along with the insurance proper, shifting the competition between firms to a different plane, from the price variable to the supply of more sophisticated services, in order to win customers. Electronic devices and applications therefore become an integral part of the product, revolutionizing its design and enabling customers to reap the benefits of these associated services efficiently and instantaneously.

Technology has also played a role in revamping homeowner's insurance, as smart homes are the place where the needs of technology-savvy customers and the solutions provided by innovative firms naturally meet.

Business practices have arisen that provide various customer support packages to make it easier for policy holders to go through the necessary steps in case of a harmful event.

Finally, a tendency has emerged to provide cyber risk coverage to industrial and service companies (see Section I.7.2).

1.4.2. - Composite insurance products

Composite insurance products combine class I with-profit policies featuring a financial guarantee by the insurer and class III unit-linked policies where the financial risk continues to be borne by the insured.

These products owe their success to the current scenario of low interest rates, which undercuts the attractiveness of products linked to segregated funds, traditionally invested in government securities, and to the opportunity for higher yields thanks to diversified asset allocation and a higher risk/return profile. Leaving most of the investment risk on the insured, composite products suit insurance companies' need to meet the Solvency II capital requirements.

The information dossiers for all the composite products sold in 2015 by Italian insurers and available on their websites were examined and their technical features and transparency studied. Five companies were also asked to provide additional data for further scrutiny, as problems had emerged from the analysis; a sixth company was summoned to acquire detailed information on the products it marketed.

Among the main critical issues were:

- the complexity of the products, which do not appear sufficiently transparent and clear to policyholders. In some cases their design is highly complex and inaccessible to the average consumer, not only because of the combination of a number of quite diverse components but also because of the sophisticated financial engineering techniques underlying the management of the investment and the large number of external funds among which the insured must choose;

- the potential conflict of interest faced by the companies that market these products while being linked through group membership or partnership with the banks issuing them or the companies managing and placing the financial instruments that make up the funds' assets;

- the often very limited capital conservation guarantees on the portion of capital invested in segregated funds, which could induce policy holders – including those with the least propensity for risk – to take on risks of which they are not actually aware, owing, among other factors, to the frequent use of the phrase 'capital protection', which is in fact a mere financial management objective and not an actual guarantee;

- the presence of financial resources invested in underlying assets, sometimes very risky. In some cases the allocation of capital between classes I and III is very complex and basically delegated to the insurance company which, de facto, is given carte blanche by the insured;

- the cost of these products, not always low and not always specified clearly or completely;

- the presence of switching costs, sometimes very high, which are crucial for consumers' free choice;

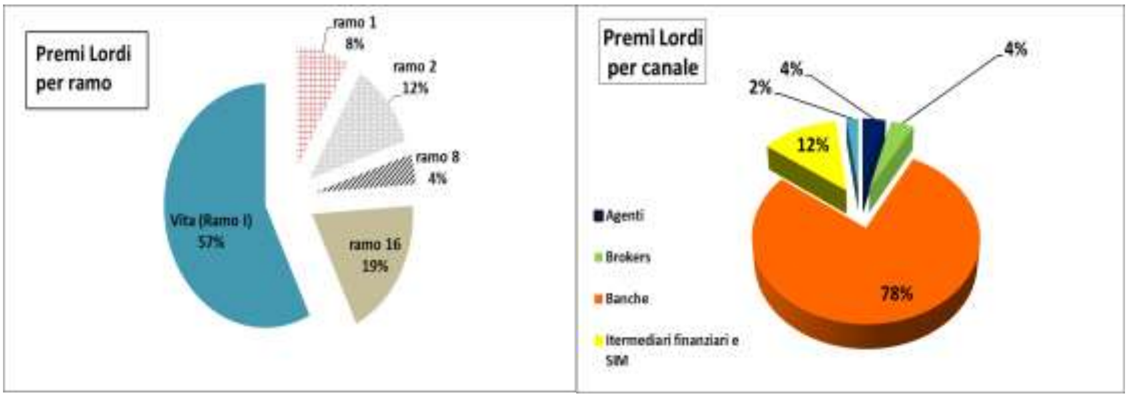
- shortcomings in the way the adequacy of the products is appraised.

With a view to protecting customers who are not fully aware of the risks taken, advice was published in the general press reminding consumers to read the information dossier for any product carefully, paying special attention to the level of risk they are willing to absorb, to the actual financial guarantees provided by the insurer, and to the level of costs. This advice was agreed upon with consumers' associations.

1.4.3. - Survey on the cost of Payment Protection Insurance (PPI) products

Following its letter to the market on PPI policies, published jointly with the Bank of Italy, IVASS launched a survey of the level and structure of the costs of the life and non-life covers sold together with loans. As regards each guarantee, insurers were asked to provide details on the loading charges applied to the premiums for a standard-profile policyholder. The survey was conducted on data from 2014 and its purpose was to collect information such as the size of this market segment in terms of premium income, number of policy holders, and the level and structure of the remuneration paid to their sales network. The data collected covered 642 insurance products, of which 509 were group insurance, subscribed by 5.9 million policyholders, producing new premium income equal to €1,532 million.

Early evidence shows that this market segment is fuelled mainly by premiums for life coverage (equal to 57% of the total) and loss of employment (class 16, accounting for 19% of the total). Some 78% of gross premiums were placed through the banking channel, 12% through other financial intermediaries, 4% each through agents and brokers, and 2% through post office branches.



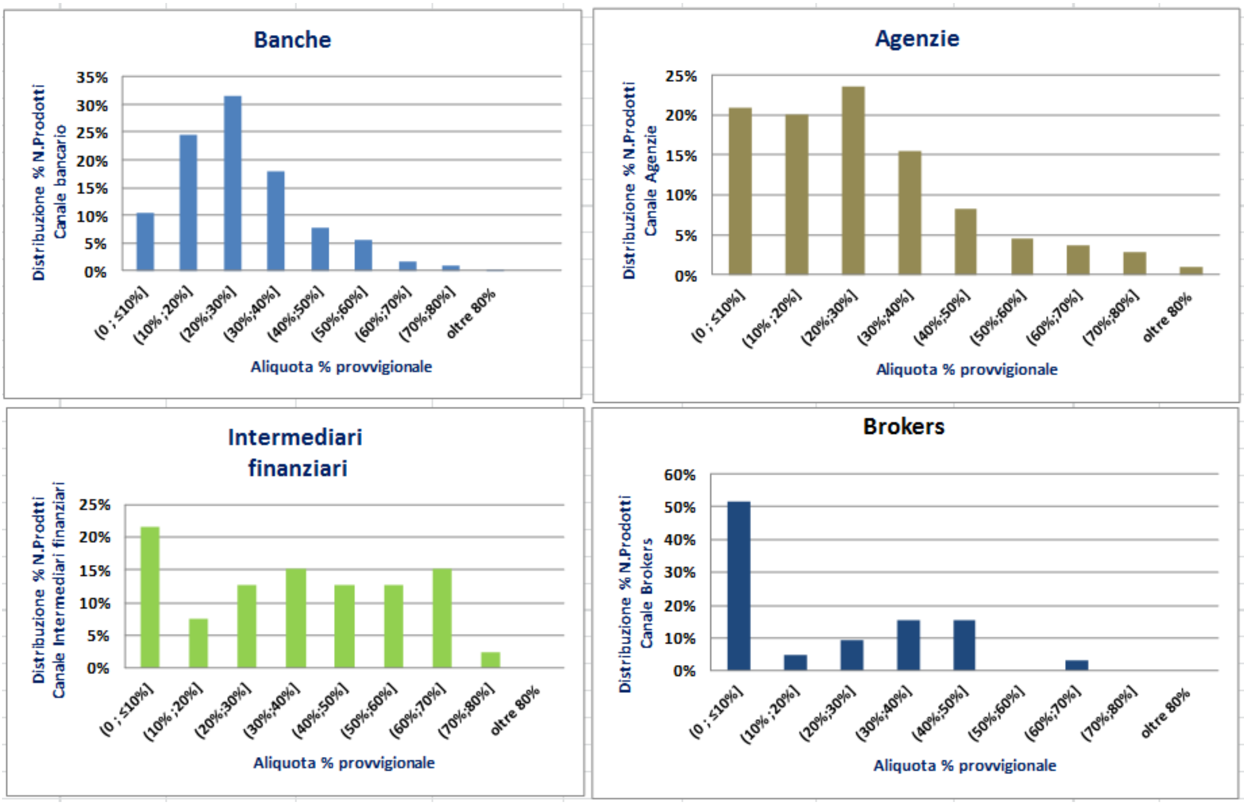
Insurance companies paid their distribution network about €679 million in fixed commissions, equal to 44.3% of premium income. The breakdown for the fixed commissions was as follows:

– for 65.2% of products, commissions were no greater than 30% of the gross premium;

– for 24.2% of products, commissions ranged between 31% and 49% of the gross premium;

– for 10.4% of products, commissions were 50% or more of the gross premium.

The banking sector, which is the dominant intermediation channel, received commissions ranging from 10 to 40% in about 76% of cases. The highest commissions, i.e. those above 50%, applied in 8% of cases. For financial intermediaries other than banks the commissions were more variable, while for agents and brokers they were mostly concentrated at levels below 50%.



In addition to commissions as a fixed percentage of the premium, insurance companies have often recognized extra fees, both fixed and variable, paid as certain production goals are met, as well as profit sharing as a percentage of the technical balance

The first findings were published on the IVASS website[67] and sent to the Bank of Italy for its own assessment.

1.4.4. - Policies linked to public utilities

As the findings of the 'You're insured and perhaps you have not realized it" survey on policies linked to public utilities became available, in March 2015 IVASS, together with the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato, AGCM) and the Italian Regulatory Authority for Electricity, Gas and Water (Autorità per l'energia elettrica, il gas e il sistema idrico, AEEGSI) sent joint letters to 21 pairs of entities (13 insurance companies in partnership with 19 energy and water utilities) following which further information was acquired on the agreements between these pairs. The focus was on issues related to consumer protection, particularly concerning the way the products are marketed and clients' actual awareness of the existence of the policy and, consequently, the coverage trigger.

In 2014 about two million consumers had an insurance policy linked to public utilities, amounting to a total premium income of €33 million, mostly in the energy sector (1.5 million policy holders and €28.1 million in premium income).

In the energy sector these policies provide home emergency assistance in case of breakdowns, arrange for the dispatch of a qualified repairman (e.g. plumber, locksmith or repairer of home appliances), refund hotel expenses where necessary, and reimburse the bills paid by the policy holder in a given period in case of involuntary loss of employment, disability or incapacity. In the water sector these policies reimburse abnormally high costs resulting from hidden water leaks, when they exceed pre-determined percentages calculated on the basis of historical average consumption ('deductibles').

The excessively small number of claims (only 14,120 out of two million policies underwritten) is indicative of consumers' scant awareness of the coverage. In the water sector, the premium for the policies is charged to the user, but the level of information provided in the water bill is often insufficient to make consumers aware of their rights. In the energy sector, where the policies are mainly free of charge, in most cases the bill does not report all the coverage provided; such information is provided only when the contract for the supply of the main service is signed.

About 32% of claims were dismissed. In the energy sector, the main reason for rejection was the non-inclusion of the damage among the events detailed in the coverage, largely a consequence of the wide-ranging exclusion clauses, not all of them always known to the consumer. In the water sector, instead, the main reasons were the deductible threshold and the user's failure to complete all the necessary, often very burdensome formalities.

The findings of the joint analysis were made public on 2 July 2015 through a joint press release, after which each authority launched the initiatives in its remit.

In the same month, IVASS took measures concerning five Italian companies and the Italian branch of an EU undertaking that are offering coverage for which the premium is charged to the policy holder; they were asked to:

[67] http://www.ivass.it/ivass_cms/docs/F8937/Report_indagine_costi_PPI.pdf

- revise the terms and conditions of the contract to remove provisions that weigh too heavily on the consumer in case of a claim and relax requirements for insurance when they are too strict;
- change the policies regarding underwriting and claims settlement, in order to increase clients' awareness of the existence and accessibility of the policy and facilitate the claims process;
- assume a pro-active role vis-à-vis the business partners to raise their awareness of significant consumer protection issues such as clearly detailing the premium in the bill as well as providing additional information on the insurance policy.

The measures adopted by IVASS have triggered a general review of the business relations between insurance companies and their partners, which have led to a recasting of the offers and the way policies are marketed and claims settled, pursuing greater transparency and fairness. As regards policies which have expired, insurers pledged to abide by IVASS guidelines in the future.

IVASS published a report on its website to summarize its activities and results in this area,[68] along with three tips for consumers to increase their awareness of the rights and duties stemming from the policy.

1.4.5. - Rates of return to use in examples of with-profit life policies

Regarding the transparency of life products, pending the European Regulation on packaged retail and insurance-based investment products (PRIIPs), IVASS decided to intervene to make sure that potential buyers of with-profit life policies do not continue to be presented with unrealistic yield hypotheses (4% under the previous regulatory framework). IVASS has therefore revised the rate of return of segregated funds to be used in the sample prospectuses for the products and in the calculation of the concise indicator of costs, bringing them into line with current market rates.

To this end, a new criterion was defined which calls for the adoption of a rate to be used in projections that is equal to the simple average, on an annual basis, of the gross yearly average yield of government securities and the gross average yield of all the segregated funds combined. Applying this standard, which although tied to market parameters considers the hidden capital gains of the current segregated funds, the interest rate has been brought down to 3% starting 1 March 2016, and subjected to periodical review as of 1 September every year.

1.4.6. - Simplification of the information dossier for non-life insurance

In 2015 the simplification of the information dossier for non-life insurance was launched. Its main features were shared with consumers' associations, insurance undertakings and intermediaries. These stakeholders were asked to contribute to the discussion on simplification, focusing on clearly identifying elements to which to call consumers' attention before they sign the contract, as well as the way the policy is written and presented. To this end, a task force was formed under the coordination of the Italian Association of Insurance and Reinsurance Brokers (Associazione Italiana Brokers di Assicurazione e Riassicurazione, AIBA) and with the participation of ANIA, associations of intermediaries, consumers' associations, and some insurance companies. The group presented an initial report on possible ways to simplify the information dossier, identifying the key points that must be made plain to consumers before the contract is subscribed and the way the note is to be drafted and presented.

[68] http://www.ivass.it/ivass_cms/docs/F27367/Esiti_indagine_polizze_abbinate_PU.pdf

IVASS worked on the suggestions made by the task force and by some insurance companies with a view to drafting a new regulatory framework while ensuring consistency with the European rules on pre-contractual information. The revision of the information dossier anticipated the main developments at European level laid down in the recent directive on insurance distribution (Directive 2016/97/EU, called IDD), which provides for a new Product Information Document (PID).

On 25 May 2016 a public consultation was launched on the draft proposal for a new regulatory framework that would amend ISVAP Regulation 35/2008 by introducing two new templates of information dossier in the non-life business: one for motor liability, and one for the other types of insurance.

The information document will be standardized to make it easier for customers to compare products, it will be more streamlined and effective, it will contain only the information necessary for signing the contract, in a question and answer format, and it will be couched in plain language.

The objective is to simplify business processes, to smooth relations between insurance providers and consumers and reduce regulatory costs by devising paperless solutions (i.e. delivering electronic documents, with the consumer's consent) and to determine cases in which it is not necessary to deliver the information dossier.

1.5 - Supervision of foreign undertakings operating in Italy

The supervision of foreign undertakings is carried out in close cooperation with home country authorities.

1.5.1. - Entry of new undertakings

In 2015 IVASS issued 45 new licences to enter the Italian market to EU companies operating under the freedom to provide services, and granted extensions to 43 undertakings already present in the Italian market. Furthermore, nine new branches of EU undertakings were authorized, while three were granted permission to extend their business to additional insurance classes.

In the framework of information exchange laid out by the Protocol relating to the collaboration of the EU supervisory authorities, when examining the entry of the new undertakings into the Italian market the focus was on the cases of insurance providers seeking authorization in socially important sectors, e.g. motor vehicle liability, medical malpractice and suretyship insurance, considering the problems present in this sector and the problem of counterfeited suretyship policies. In line with the Protocol of collaboration, in six cases additional information was requested concerning the ownership structure and the corporate boards, and enhanced reporting requirements were activated for companies operating in Italy.

Contacts with other supervisory authorities have enabled IVASS to acquire greater information on undertakings and their business in Italy, also with a view to preventively stopping cases of "foreign-clothed" undertakings or regulatory arbitrage and monitoring developments on the domestic market. In turn, IVASS had the opportunity to provide its foreign counterparts with information on some of the defining features of the Italian market and, hence, the potential risks of cross-border activity.

In particular, cooperation and exchange of information with the Romanian Financial Supervision Authority (ASF) were very intense, in relation to the persistence of serious problems at several Romanian insurance companies operating in Italy, which in the previous four years had prompted IVASS on four occasions to adopt a ban, still in force, on their taking on new business in Italy. The information given to the ASF prompted it to issue a temporary ban on insurance activity on another Romanian insurer operating in Italy in February 2015.

On 18 April 2016 the ASF initiated financial recovery proceedings for serious capital shortfall against City Insurance S.A., one of the Romanian undertakings that IVASS had already banned from commencing new business in Italy on 2 July 2012, a measure which is still in force. The ASF asked City Insurance S.A. to submit a financial recovery plan and, in addition to the IVASS ban, forbade it to underwrite new contracts in the suretyship business.

1.5.2. - Supervision after an undertaking has entered the Italian market

Supervision on the market conduct of foreign undertakings operating in Italy takes also into account the findings that emerge when processing complaints. In addition to measures tackling the ‘root causes’ (see Section 1.3.1), in five cases, seeking a definitive solution, IVASS summoned the insurance companies’ representatives and asked for corrective measures to be taken, while also involving the home country supervisors.

Regarding international cooperation, IVASS held bilateral meetings and conference calls with its foreign counterparties and participated in three colleges of supervisors for cross-border groups with significant establishments in Italy. IVASS also issued opinions to other EU supervisory authorities on 31 ‘extraordinary’ portfolio transfers between foreign undertakings operating in Italy under the freedom to provide services or the freedom of establishment.

1.6 - Supervision of unauthorised operators

In 2015 there were a number of reports of forged suretyship policies issued using the brand and company name of undertakings, mostly EU, listed in the IVASS Register but not licensed to pursue suretyship business in Italy, or that are licensed but not yet operational.

IVASS published three alerts on its website, and publicized them in the press, concerning cases of forged suretyship policies, uncovered thanks to the insurers victimized or to foreign supervisory authorities. The cases involved two British undertakings, Assured Guaranty (UK) Ltd. and FGIC UK Limited, and a Danish one, Alpha Insurance A/S.

In order to provide consumers, market players and investigating authorities with a quick reference document in cases of forgery, IVASS maintains an updated black list of the reported cases and the undertakings involved on the home page of its website.

With a view to stepping up the fight against forgery, in cooperation with the other EU supervisory authorities IVASS checked instances where the cessation of operations by foreign undertakings authorized to do suretyship business in Italy had not been notified to IVASS. This led to the full removal of 19 undertakings from the IVASS Register and to the removal of seven more from the list of those authorized to pursue suretyship insurance.

IVASS also began work with the National Anti-Corruption Authority (Autorità Nazionale Anticorruzione, ANAC) and the Bank of Italy to tackle problems in the issue of guarantees and suretyship policies in the public sector. In January 2016 a task force was convened, bringing together IVASS, ANAC, the Bank of Italy and the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato, AGCM), to identify the best tools to prevent and combat fraud in suretyship insurance.

During the year the IVASS Contact Centre received reports of unauthorized insurance intermediation by some websites, mainly in the motor liability business. The reports were immediately forwarded to the Insurance Intermediaries Supervision Directorate for action; this led to the publication of four press releases on the matter on the IVASS website.

Finally, there was a report of a case of unauthorized motor insurance business in which the company name of the purported undertaking was completely fictitious ('Propontis-Merimna').

1.7 - Supervision of insurance intermediaries

In the field of consumer protection, supervision of insurance and reinsurance intermediaries checks their compliance with the rules of conduct and the requirements for the legitimate exercise of business; particular attention is paid to the fight against unauthorized insurance business, which, since it is a criminal offence, must be reported to the legal authorities.

To enhance consumer protection, IVASS also issues guidelines for insurance operators on best practices and intervenes on individual cases, by means of institutional contacts with trade associations and regulatory interventions to implement the guidelines or best practices defined at European level.

The supervisory action and the resulting sanctions, where applicable, mainly stem from the processing and examination of external reports received by IVASS from insurance companies, intermediaries, consumers, CONSAP - Guarantee Fund for insurance brokers, the police and other public authorities.

In 2015 a total of 720 reports were received, down by 6.5% compared with 770 in 2014; 820 reports were received in 2013. Of all the reports received, 88 (12% of the total) concerned the lawful revocation of agency mandates communicated to IVASS by insurance companies; this represented an increase of 15.8% compared with 2014 (76 cases).

Table IV.6 – Reports received by type of intermediary

Intermediary	Reports received in 2015	%	Reports received in 2014	%
Agents (section A)	260	36.1	263	34.2
Brokers (section B)	118	16.4	125	16.2
Canvassers (section C)	1	0.1	1	0.1
Banks/other (section D)	18	2.5	11	1.4
Collaborators (section E)	277	38.5	300	39
Unauthorized/not registered	33	4.6	50	6.5
Other operators	13	1.8	20	2.6
TOTAL	**720**	**100.0**	**770**	**100.0**

The breakdown by category of intermediaries shows an increase in reports on agents and banks.

Together with 'on request' supervision, in 2015 IVASS set up a periodic, systematic supervision programme for a sample of intermediaries (mainly brokers) by means of requests for information and documentation. The requests aim to create a structured flow of elements useful in defining the activity of the intermediaries in the sample in terms of scope, turnover, type of contract and policyholder, business models and relationships with companies.

Supervision has also continued vis-à-vis Italian intermediaries that distribute insurance products on behalf of EU companies operating in Italy under the freedom to provide services. This work includes exchanging information with the home country Supervisory Authorities and, where necessary, with the Italian Financial Intelligence Unit and the finance police.

IVASS also continued with the sampled monitoring of those registered on the RUI to check the self-certifications issued during registration for the fulfilment of the good repute requirements, their professional qualifications and professional indemnity cover, as well as for freedom from insolvency proceedings.

In terms of the sanctions imposed as a result of supervisory activity, episodes of misconduct detected by IVASS lead to pecuniary and/or disciplinary proceedings (see Section V for the sanctions imposed on intermediaries on completion of the relative proceedings). In 2015 off-site supervision and on-site inspections of intermediaries (see Section III.3.2) led to a total of 242 pecuniary proceedings, with a decrease of about 30% compared with 2014 (347 proceedings).

1.7.1. - Types of infringement

The main types of infringement detected confirm the prevalence of irregularities involving non-compliance of registered intermediaries with the rules of conduct: they are mainly infringements of the obligation to keep separate accounts or of the correct and timely registration of insurance contracts. Infringements of pre-contractual information requirements and IVASS' notification requirements were less frequent. There have also been frequent cases of unauthorized practices by unregistered parties nevertheless doing business.

Main infringements detected and actions taken

Infringement of the obligations to keep separate accounts and the rules of conduct

Some of the most frequent infringements of the obligation to keep separate accounts are:

– failure to deposit the premiums collected by intermediaries into the separate current account, in most cases linked to the failure to register those premiums;

– the improper use of the account for personal transactions, for reasons other than those allowed and with a resulting incapacity to pay the remittances owed to companies (or to the relevant intermediaries) for premiums allocated to them.

IVASS also detects infringements, in relation to the nature of the relationship between the intermediary and the company or between the intermediaries concerned and their collaborator (subagent or employee), by means of a request for the principals to make the checks for which they are responsible on the distribution networks that they use. For more serious infringements the investigation frequently brings the company's internal audit function into play, among other reasons to heighten the awareness of insurance companies of the need to monitor the subscription process, in the interests of the consumer.

When charged with infringement of the obligation to keep separate accounts, intermediaries have often justified their modus operandi by pointing out that they have commission credits with the company to be offset against the premiums collected. In this regard IVASS's unswerving approach – stemming from the principle agreed in the European Community and from an interpretation of the legislation for this sector – is to exclude, without prejudice to the possibility to pay premiums into a separate account, net of commission if allowed by the insurance company, that amounts due to the intermediary from the company can be offset against the premiums paid into a separate account, especially if they are already net of the related commissions. This also applies to offsets claimed by intermediaries registered in section E of the RUI vis-à-vis their intermediaries.

Sale of forged policies, on-line and otherwise - unauthorized mediation

In 2015 the serious problem of the marketing of forged policies, already encountered in previous years, persisted; they were sold chiefly:

- by unauthorized market participants, who use generic or non-existent names or appropriate and alter the names of duly registered Italian or foreign intermediaries;
- online, through 'phantom' websites, by Italian and foreign market participants who are found to be unauthorized.

These are generally temporary motor liability insurance or suretyship policies, apparently issued by companies with head office in the EU, which are revealed by checks to be mostly inexistent or not licensed to operate in Italy (at least in that insurance class).

Given the seriousness of these cases, which are of a criminal nature, they have been reported to the judicial authority or, in the event of on-line sales, to the Postal and Telecommunications Police. If foreign parties were involved, the cases were reported to the competent supervisory authority.

In order to strengthen the protection of Italian consumers and minimize this type of fraud, IVASS issues press releases specifying the name of the unauthorized market participant and warning users. The releases can be found on IVASS's website.

Other cases of counterfeiting policies or essential contractual elements

There have also been cases of counterfeiting by Italian intermediaries, sometimes traceable to the management of a parallel portfolio – above all in the life sector – by the intermediary who collected premiums without remitting them to the company and, in order to prolong this illegal conduct, periodically paid coupons and interest on policies and also settled contracts.

As soon as IVASS became aware of the situation, which involved an extensive network of criminal co-responsibility currently under investigation by the Italian judiciary, it undertook initiatives to protect customers that had had good faith relationships with the intermediary, and called the company for a meeting to ask it to make precise and systematic checks on the network and to reconstruct and make an inventory of all its outstanding insurance policies. Following the investigations, sanctioning proceedings against those responsible were initiated.

Forged signatures of policyholders on contractual and extra-contractual forms

There have been other cases of falsification, not involving policies issued by insurers but the signatures of contracting parties. The cases detected involved life and non-life policies, and were brought to light by consumers who noticed sums corresponding to premium instalments debited to their current accounts.

The intermediaries, having available all the policyholders' personal data from previous contracts, put false signatures on the contractual forms and payment arrangements, authorizing debits to the current accounts of subjects to whom contracts had been wrongly attributed.

With regard to counterfeiting, mainly aimed at increasing commission earnings, the audit and anti-fraud offices of insurance companies have been involved. Policyholders and insurers filed complaints with the judicial authorities against the intermediaries responsible. The victims of such conduct, having suffered financial losses, obtained the annulment of the contracts and consequent reimbursement.

Distribution of unit or index-linked policies without adequate customer information

There are increasingly numerous reports of policyholders and contracting parties of proposals of new policies to replace previously stipulated ones (with the same or with another company), without correct information on the new product or on any penalties for substitution.

This has been particularly noticeable in EU companies operating in Italy under the freedom to provide services, with intermediaries throughout the country who have a large network of collaborators who are not always adequately monitored by their principals.

The objective of the supervisory action was to remind insurance companies and intermediaries of the need to strengthen their checks on distribution channels, for which they are directly responsible, and to introduce effective systems for monitoring salesmen. This will provide greater protection for policyholders in terms of their knowledge of the product purchased. Operators have been made aware of the need for special attention, in network audit and compliance checks, to the indicators of such conduct and for proper monitoring of the underwriting and remuneration policies for placing new products so that they do not translate into misleading incentives.

Information on the websites of registered intermediaries or other non-registered parties

The widespread use of the web by consumers, either to search for information or to purchase insurance cover, highlights the need for close attention to the accuracy of their information content.

The main cases feature both incomplete or inaccurate information on the websites of duly registered intermediaries (data identifying the intermediary, RUI registration number), and the more serious cases of on-line proposals or marketing of insurance products to the general public by non-registered parties. In the first case, IVASS acted to have the website information supplemented or corrected in compliance with laws and regulatory provisions (clear indication of the business pursued, details of RUI registration, indication of supervision by IVASS, and so on). In cases of offers of insurance products via the Internet by parties not registered in the RUI, the market participant was enjoined to suspend business activities or take down the websites, and where unauthorized marketing of insurance products was ascertained, the case was reported to the judicial authority.

1.7.2. - Collaboration with the Authorities of other member States

Close collaboration with the Authorities of other member states continues, both in the exchange of information about intermediaries registered in the RUI that have notified their intention to take up top management positions in insurance or financial companies established in the member states concerned, and with regard to intermediaries registered in the list attached in relation to the mediation carried out in Italy.

1.7.3. - Queries and requests for opinions

The number of queries and requests for opinions from operators rose from 93 to 196 in 2015.

The sharp increase is mainly attributable to the entry into force of IVASS Regulations No. 6 of 2 December 2014 on professional training for intermediaries and No. 8 of 3 March 2015 on administrative simplification.

To give wider coverage to the views expressed by IVASS on individual topics and to foster the uniform application of the regulations, the queries received and the answers given have been organized and published on the website.

The FAQ section on ISVAP Regulation 5/2006 – also in light of the rules on free collaborations pursuant to Article 22(10) of Law No. 221/2012 and the rules on administrative simplification – have been updated and incorporated.

Answers to some important queries

Some queries were about compliance with the ***prohibition in the insurance contract on taking on the dual role of intermediary and beneficiary/lienholder*** (Article 48(1-bis) of ISVAP Regulation. 5/2006) of business models that include the possibility for a banking intermediary, as part of its selling of receivables (provision of advances of liquidity or loans against disposals of credit to the bank by the parties being financed) guaranteed by insurance policies, to be a lienholder of the policies stipulated by the financed party, following a report by the bank.

The legitimacy of this type of organizational model was confirmed, provided that the bank carries out no other advisory or assistance activity with a view to marketing the insurance product, bearing in mind that infringement of the prohibition on taking on a dual role only occurs if the activity undertaken by the bank can be interpreted as insurance intermediation activity and that simply referring names to an insurance company, even if it is remunerated, is not part of the concept of insurance intermediation.

With reference to the **stipulation of a single bank suretyship by a multi-firm agent** for all the companies for which he works, it has been noted that Article 54-bis of ISVAP Regulation 5/2006 grants this possibility.

However, the suretyship – similar to the guarantees provided for also when there is a single separate account in cases of non-exclusive mandates (provision for procedures to distinguish which transactions are to be attributed to the companies and which to the various customers) – must take into account the premiums collected separately for each principal company, since it cannot be stipulated with an unspecified reference to the entire financial capacity of the intermediary, based on the overall amount of the premiums produced for all the principals. This is to protect customers against the inability of the insurance intermediary to transfer premiums to the insurance company or to transfer the amount of the insurance benefit (claim settlement) or return premiums to the policyholder. If, in cases of non-exclusive mandates, it were permissible to enforce the suretyship on each policyholder or each company for the entire sum guaranteed and not for the relevant sub-limits, the enforcement by only one of those with a right to the entire sum or to a significant part of it would deprive the other parties of the guarantee.

With regard to the correct preparation of Annex 7B to ISVAP Regulation No. 5/2006 (**pre-contractual information document that summarizes the essential data of intermediaries and their activity**) in the event of cooperation between intermediaries pursuant to Article 22 of Law No. 221/2012, queries have been submitted in relation to the following hypotheses:

– if the proposing agent merely suggests a customer to the issuing agent that is involved in the mediation and finalization of the contract, and there is no presentation or proposal of insurance products or assistance or consultation involved, then this does not constitute a cooperation pursuant to Article 22 of Law No. 221/2012. Therefore, the obligations of pre-contractual information are the sole responsibility of the issuing agent, who is the only party to undertake contractual relations with the customer, while the reporting agent is under no such obligation;

– if the proposing agent carries out mediation activities and finalizes the contract issued by the issuing agent with the customer, the obligations of pre-contractual information and to present or propose contracts adequate for the insurance and pension requirements of the customer fall to the proposing agent. The document compliant with Annex 7B provides the customer with correct and complete information to the effect that the mediation is carried out on the basis of cooperation agreements between several intermediaries, pursuant to the Article 22 of the abovementioned Law, stating the identity, the membership section and the role of each intermediary, together with details about the principal companies (of the issuing and proposing agents). Once the contract has been concluded, the proposing agent shall submit the pre-contractual and contractual documentation to the issuing agent, keeping a copy for his files.

– if the proposing agent is a multi-firm one, with several existing agreements of free cooperation with various agents, Annex 7B contains the identification data of the proposing intermediary, the companies that have given a mandate to the proposing intermediary, the identification data of the intermediaries with whom the proposer has a working relationship pursuant to the abovementioned Article 22 and the relative principal companies. The proposing intermediary provides details on the issuing intermediary (and of the relative principal company) once the customer has chosen which product to purchase.

In view of the ***raising of the limit on the use of cash*** from €1,000 to €3,000, introduced by Article 1(898) of Law 208/2015 (2016 Stability Law), it has been asked if a change is expected to Annex 7A to ISVAP Regulation No. 5/2006, the pre-contractual information document which summarizes the obligations of insurance intermediaries.

According to the rules governing this sector (Article 47(3) of ISVAP Regulation No. 5/2006) insurance intermediaries cannot be paid in cash for insurance premiums:

- in the life sector, regardless of the amount of the premium;
- in the non-life sector – other than motor liability insurance – for premium amounts that exceed the limit of €750 a year for each contract.

This prohibition shall not apply to motor vehicle liability insurance coverage or to ancillary coverage, insofar as they relate to the same insured vehicle; for these guarantees (principal and ancillary) the limit on acceptance of cash by the intermediary depends on the general anti-money-laundering provisions. Therefore, raising the amount for which traceable means of payment are compulsory means that the maximum threshold for the use of cash indicated in model 7A for the motor liability insurance sector can be increased up to €2,999. This change is not permitted for non-life sectors other than motor liability insurance or for the life sector. There is no need to change the model if no specific sum for the use of cash is indicated.

Upon the entry into force of IVASS Regulation 8/2015 on the simplification of relations between companies, intermediaries and customers, questions were asked about compulsory compliance with the ***pre-contractual information or with the adequacy assessment for group policies*** where policyholders do not bear the cost of the premium.

IVASS has made it clear that, in accordance with Article 56 of ISVAP Regulation 5/2006, amended by IVASS Regulation 8/2015, an assessment of adequacy is also envisaged for those taking out a group policy. The regulation aims to guarantee that the contract complies with the real needs of the consumers and to ensure that those taking out a pre-prepared group policy are no less protected than individual policyholders.

The need to protect the customer differs according to whether the customer, even when not the policyholder, bears the cost of the premium or not. The existence of a partial or total sum to be paid by the beneficiary of the coverage entails the need to check the adequacy of that coverage with respect to the policyholder's insurance needs. Conversely, if the insured party does not bear the cost of the premium, in terms of proportionality and reasonableness, such a check is unnecessary. The mere fact that the insured party has an interest in the service will mean that the intermediary is obliged to provide the customer with pre-contractual information.

It has been asked whether there are impediments to the ***payment of insurance premiums by third parties***, other than the policyholder, by means of credit transfers, cheques, credit cards or postal current account deposit forms. On this point it has been made clear that the intermediary with whom the customer has insurance dealings cannot allow the payment of premiums by a third party, who is not a household member, for reasons of traceability and AML provisions. This matter is governed by Article 47(3) of ISVAP Regulation 5/2006, which establishes that intermediaries may accept the following means of payment of insurance premiums from the policyholder:

- non-transferrable bank cheques, postal cheques or bankers' drafts, made out or endorsed to the company for whom they are acting or whose contracts are marketed, or specifically to the intermediary in his capacity as such;
- payment orders, other means of bank or mail transfer, or electronic payment systems, where the beneficiary is one of the persons stipulated under a) above.

This provision also prohibits intermediaries from receiving cash payments for life insurance premiums; for non-life insurance contracts the prohibition applies to premiums exceeding €750 per year for each contract. This prohibition does not apply to motor vehicle liability insurance or ancillary coverage.

1.7.4. - Management of the Register and the dematerialization of RUI requests and communications

The implementation of the 2014 plan to deal with those members who have not paid the supervisory fee and/or have been non-operational for more than three years continued in 2015. This plan is ongoing and provides for the ex-officio cancellation of parties who fail to meet the requirements for maintaining membership.

Over the course of the year the certified email addresses of the intermediaries registered in sections A and B of the RUI were acquired. Out of a group of 40,000 parties, over 70% provided a valid address. This activity allows IVASS to make regular use of certified email for its communications, with a substantial saving on postal costs and a gain in promptness.

In 2015 a project for the dematerialization of the applications entered into the RUI was begun, and it should be operational in the second half of 2016. This system will produce a considerable reduction in paperwork for IVASS, with less need to keep documentation, lower postal costs for applicants and speedier and more efficient handling of requests from operators; and the data entry currently carried out by an outsourcer can be dispensed with.

The qualifying examination for registration in Sections A and B of the Register - 2014 session - was concluded in September 2015; 3,664 candidates of the 5,677 admitted to the examination actually took part: 427, or 11.7%, passed.

The qualifying examination for the 2015 session was announced by measure 40 of 15 December 2015: 5,864 applications were received compared with 5,716 in the previous edition.

Table IV.7 – Qualifying examination for RUI membership –2015 session – distribution of applications per form

Form	Applications	%
Insurance	5,408	92.2
Reinsurance	64	1.1
Insurance and Reinsurance	392	6.7
Total	**5,864**	**100**

An analysis of the applications received shows a significant prevalence of male participants (3,903 candidates, 66.6% of the total) compared with females (1,961 candidates, 34.4%, a slight increase compared with 32% in the previous year). As in the 2014 edition, candidates mainly come from four regions (Lombardy, Lazio, Campania and Sicily) and are mostly aged 31 to 35.

1.8 - Opinions delivered to other Institutions

In 2015 IVASS delivered five opinions to the Antitrust Authority on proceedings initiated for unfair trade practices against certain insurance companies pursuant to Article 27(1-bis) of the Consumer Code.

2. - MEETINGS WITH CONSUMERS' ASSOCIATIONS

The four meetings that were held with consumers' associations in 2015 focused on matters of interest to policy holders and elicited suggestions on regulatory and supervisory action. Namely:

– During the meeting of 21 January consumers' associations were brought up to date on the supervisory action resulting from IVASS's survey of comparison websites and on measures regarding insurance and public utility companies, which were taken in cooperation with the Regulatory Authority for Electricity, Gas and Water and the Competition Authority (Autorità Garante della Concorrenza e del Mercato, AGCM); discussion continued with the National Association of Insurance Companies (Associazione Nazionale fra le Imprese Assicuratrici, ANIA) on the Joint Settlement Procedure concerning motor vehicle liability claims and on the actions that could be implemented to increase consumer awareness of this out-of-court mechanism and facilitate access to it; finally, the main guidelines for a simplification of the Information Dossier for non-life insurance policies were illustrated (see Section 1.4.6).

– The meeting of 25 March was devoted to discussion of free-of-charge motor liability policies, an issue raised by the consumers' associations themselves, the main problems these policies present, and the solutions devised by IVASS to protect consumers. Other matters that were addressed were the trends in the selling practices of insurance products through digital distance selling as well as long-term care policies and the actions that could promote their development as a response to the social problem of dependency.

– In the meeting of 16 July consumers' associations, ANIA, insurance intermediaries and other market players gave their initial assessments of the action pillars of IVASS's plan for simplifying the non-life Information Dossier.

– The meeting of 4 November, held in an expanded format to include ANIA and insurance companies and intermediaries, was given over to the presentation of the results of the simulation carried out by the task force that produced a revised version of the simplified Information Dossier for two non-life insurance products (a motor liability policy and a home insurance policy) based on the criteria set out by IVASS.

This last issue was addressed again in the meeting of 3 February 2016, in which IVASS, taking account of the task force's work and the suggestions of other players, illustrated its position on the processes, contents and method of presentation of pre-contractual information and provided a sample motor liability information dossier that gives the essential content in just three pages, written in plain and direct language in a question and answer format. The meeting also featured discussion with consumers' associations on the problems emerging from IVASS's preliminary survey of composite insurance products. On that occasion, the text of a press release containing advice for consumers was agreed on with the consumer groups (see Section 1.4.2).

3. - INSURANCE EDUCATION

The Bank of Italy, CONSOB, IVASS and the Pension fund supervisory authority (Commissione di vigilanza sui fondi pensione, Covip) launched a joint survey of the financial education programmes run by public and private entities and organizations preparatory to developing a national strategy for fostering greater economic and financial knowledge among Italian citizens.

The survey, conducted by Fondazione Rosselli, produced an accurate and up-to-date picture of the number and types of programmes available and of the entities running them, highlighting best practices and identifying the most effective tools and possible synergies between them.

The findings, which were reported in 2016, show the limited effectiveness of the numerous existing programmes, due to their dispersal over time and in location, lack of coordination, their narrow target audiences, and limited resources. All this confirms the need for a National Strategy on Financial Education to ensure that information and training services are provided continuously over the longer term.

Pending decisions concerning the Strategy, which was the subject of legislative initiatives in the first months of 2016, IVASS has revamped its insurance education web portal, publishing a revised version of the motor liability educational pamphlet and of the practical guides on motor liability insurance (accompanied by a self-assessment test), on life insurance and on how to file a complaint, as well as the entire 'Regulations' section, to take account of the recent additions and amendments to the rules and regulations governing the sector.

Finally, as part of the Programme on Financial Education in Schools run by the Bank of Italy in cooperation with the Ministry of Education, Universities and Research, IVASS participated in workshops in many Italian towns and cities, helping to train teachers on the subject of motor liability insurance. IVASS stressed the importance of promoting a better understanding of insurance so that students too can see the need for security and become aware of the main risks to which everyone is exposed owing to their lifestyle and daily activities, and of giving young people the tools that are indispensable to informed and effective insurance choices. The encounters underscored the need for principled conduct, civic virtue and fairness in business dealings as necessary prerequisites to attenuating information asymmetry and improving the information on the insurance system available to consumers.

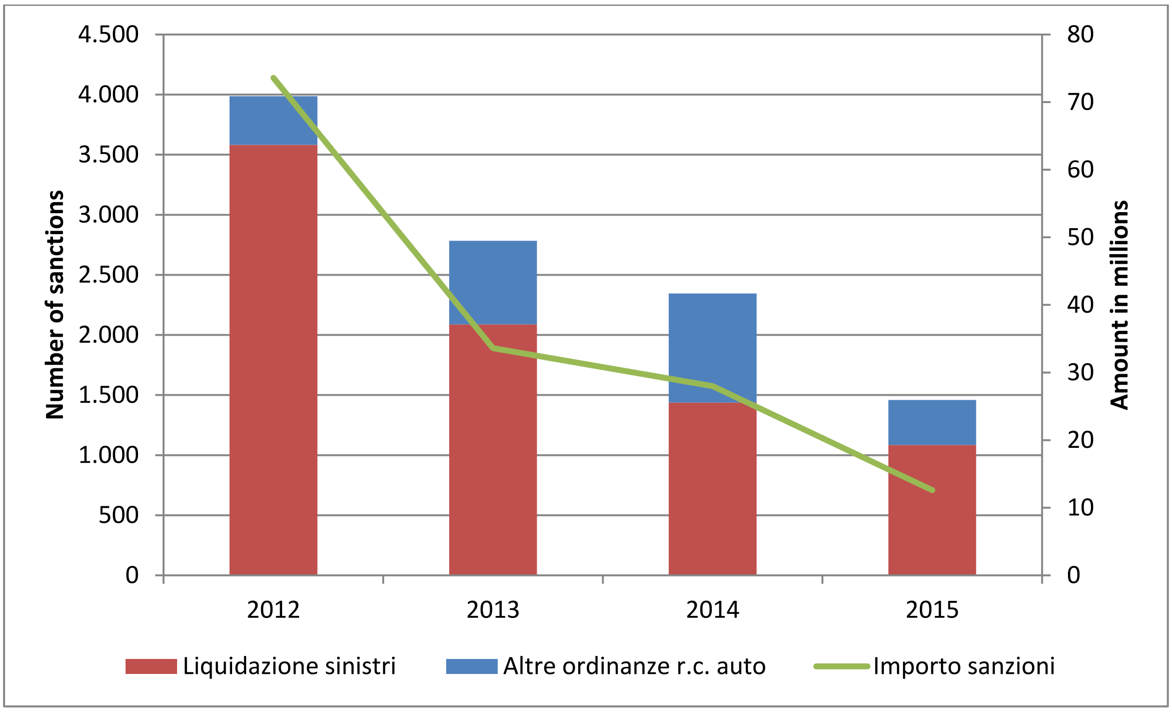
V. SANCTIONS

The imposition of sanctions by IVASS mainly concerned conduct by market operators that violates the rules directly protecting the rights of policyholders and injured parties and, more generally, protecting consumers.

Most of the pecuniary sanctions levied, both in terms of number and amount, involved failure to comply with motor vehicle liability insurance regulations and, in particular, the payment of claims (e.g. late or omitted offers of compensation or denials of claims), owing to structural and functional inefficiencies of the claims settlement departments of undertakings throughout Italy.

However, in recent years there has been a progressive and significant reversal of the trend. In 2012 a total of 3,987 injunctions were issued for the motor vehicle liability segment, with penalties amounting to €42.7 million; 3,582 of these injunctions, with penalties totalling €30.9 million, regarded the payment of claims. In 2015 a considerable decrease was reported: the number of orders fell by 63.4% to 1,459 and the amount of penalties by 83.1% to €7.2 million; those involving claims settlement fell by 69.7% in number to 1,085 and by 82.5% in amount to €5.4 million. The data show that undertakings have been placing greater emphasis on the smoothness of the operational processes that govern the service offered to the user, particularly claims settlement, as IVASS has been requesting for some time.

Figure V.1 - Number of orders in Motor vehicle liability segment and amount of sanctions



The broad sphere of consumer protection was involved in sanction measures, including those imposed for irregular conducts by companies and banks acting as insurance intermediaries in placing payment protection insurance (PPI) products. These are group policies sold in combination with mortgages, loans and other financing granted to the individual participants, in which the lender is also the policyholder. Sanctions were applied in cases where the intermediary bank failed to obtain, during the pre-contractual phase, the information needed to assess whether the insurance contracts would be appropriate for customers applying for loans, in some instances also not disclosing potential conflicts of interest when the intermediary belonged to the same group as the insurance company.

Sanctions were also imposed on banking intermediaries that systematically tied the granting of loans or financing to the taking out of an insurance policy, even though such policies were optional, thereby making the loans dependent de facto on the purchase of insurance coverage. In the cases examined, the penetration rate for policies signed exceeded 80%.

The irregular practices involved in the distribution of PPI products, ascertained in the course of inspections, were punished by IVASS through the special procedure provided for by Article 327 of the Private Insurance Code (serial violation). Multiple infringements were found arising from a multiplicity of acts or omissions, repetition of which stemmed from the same organizational dysfunction linked to an erroneous but culpable application of the regulation (non-applicability to group policies of the rules on the adequacy of contracts offered and pre-contractual disclosures). In assessing the severity of the sanctions imposed, consideration was given to whether the intermediaries in question have taken remedial steps to correct the irregularities found and to avoid their repetition in the future. In 2015, the five sanctions imposed amounted to €500 thousand.

In the field of intermediation, sanctions were imposed for irregularities found in the activity of agents, brokers and their collaborators: 89% of the injunctions (271 out of 305) were for infringements of the regulations on the obligation to keep separate accounts (failure to deposit premium payments to a dedicated account and non-remittance to the principal firm or agency) and the code of conduct (mainly failure to register premiums received). These infringements were often addressed concurrently with both disciplinary actions and with sanctions that frequently involved being stricken from the Single Register; the sanctions for these violations totalled €4.7 million, 94% of all of those that were imposed on intermediaries (about €5 million). These are very serious irregularities of conduct that indirectly affect policyholders, for they clearly conflict with the trust upon which the firm/intermediary relationship is based; they threaten the financial equilibrium on which the technical insurance procedure rests; and, ultimately, they undermine the certainty of the benefits deliverable to policyholders.

Although the current regulatory system envisages pecuniary sanctions that are in theory sufficiently punitive, a large percentage are not paid by intermediaries. In 2015, just over €731 thousand in sanctions were paid out of a total of around €5 million imposed (14.6%), up slightly compared with 2014, when only €291 thousand out of €4 million were paid (7.4%). This led IVASS to initiate enforcement proceedings for recovery through Equitalia: during the three-year period 2013-15 assessments for non-payment reached a total of €12.9 million, a broad indication of the scant ability of the current sanction system based on pecuniary penalties to deter violations.

A final note regards the sanctions imposed for violation of legislation and regulations on the adequacy of companies' internal control systems and procedures for combatting money laundering and the financing of terrorism, as well as business processes regarding registrations in the Single Electronic Archive, customer due diligence, identification of suspicious transactions, the activity of the internal audit functions and implementation of distribution agreements with sales networks for the introduction of codes of conduct bearing on anti-money-laundering practices. Based on the inspection reports and the related notifications, four injunctions were issued in 2015, amounting to €249 thousand. Here, too, the amounts of the sanctions were reduced in light of the corrective measures taken by companies regarding their processes and procedures.

The high number of pecuniary sanctions imposed each year and the need for a system that is more in keeping with the principles of efficiency, deterrence and proportionality recently prompted IVASS to propose to the Minister for Economic Development that a technical committee be established to modify the sanctions system provided for by the parts of the Private Insurance Code not affected by Legislative Decree 74/2015, transposing the Solvency II Directive (Directive 2009/138/EC).

The broad lines of the new arrangement envisage the applicability of sanctions also to natural persons (directors and managers or holders of key functions) with specific statutory restrictions, revision of the statutory minimums and maximums for legal persons, identification of ancillary measures and alternatives to pecuniary sanctions and, especially for, but not limited to, motor vehicle liability insurance, simplification of procedures, replacing the current approach of applying a separate sanction for each infraction.

The review of the system of sanctions undertaken by IVASS will also be affected by the implementation, with regard to insurance intermediation, of the Insurance Distribution Directive (IDD) approved in December 2015 by the EU Council and published in February 2016. The directive establishes innovative principles regarding the recipients of the sanctions, the criteria to be considered in applying the severe measures envisaged (in addition to pecuniary sanctions, 'other measures' may be imposed) and the publication of the decisions made by the competent authority, while leaving ample discretion to the member states in establishing applicable 'sanctions in the broad sense'.

1. - Pecuniary administrative sanctions

1.1 - Orders issued

In 2015 there was a decline in the number and the amount of sanctions imposed, as well as a substantial decrease in dismissals of proceedings.

Table V.1 - Orders issued

(amounts in millions of euros)

	2015			2014			Change			
	No.	% of total	Amount	No.	% of total	Amount	No.	%	Amount	%
Sanctions	1,818	92.0	13.5	2,792	86.9	23	-974	-34.9	-9.6	-41.7
Dismissals	158	8.0		419	13.1		-261	-62.3		
Total orders	**1,976**	**100.0**	**13.5**	**3,211**	**100.0**	**23**	**-1,235**	**-38.5**	**-9.6**	**-41.7**

Table V.2 – Sanction orders in 2015 according to sanctioned party

(amounts in millions of euros)

	Undertakings	Intermediaries	Total
Number	1,513	305	1,818
%	83.2	16.8	100.0
Amount	8.5	5.0	13.5
%	62.9	37.1	100.0

Sanctions were imposed on 62 companies and 293 intermediaries.

Table V.3 - Appeals of sanction orders (2015 and 2014)					
2015			2014		
Sanctions issued	Appeal to Regional Administrative Court or extraordinary appeal to the Head of State		Sanctions issued	Appeal to Regional Administrative Court or extraordinary appeal to the Head of State	
	No.	% of total issued		No.	% of total issued
1,818	25	1.4	2,792	31 (*)	1.1 (*)

* These figures, which differ from those in last year's report (27), take account of the additional appeals received following publication of the 2014 Report.

Of these appeals, 44% were presented by a single company that appealed against 11 sanction orders regarding the settlement of motor vehicle liability claims.

1.2 - Types of violations

There was a significant decrease in sanctions for motor liability insurance violations, a large portion of which related to claims settlement.

Table V.4 - Violation of motor vehicle liability insurance provisions										
(amounts in millions of euros)										
	2015				2014		Change			
	No.	% total	Amount	% total	No.	Amount	No.	%	Amount	%
Sanction orders	1,459	80.3	7.2	53.7	2,345	16.5	-886	-37.8	-9.2	-56.1

Table V.5 - Violation of rules on claims settlement times										
(amounts in millions of euros)										
Sanction orders	No.	% of total motor liability claims	% of total claims	Amount	% of total motor liability claims	% of total claims	of which direct compensation procedure			
							No.	% of total claims settlement	Amount	% of total claims settlement
2015	1,085	74.4	59.7	5.5	75.8	40.7	428	39.4	1.6	28.7
2014	1,438			11.6			485	33.7	2.6	22.4

In 2015, sanctions were issued against 42 companies concerning the settlement of motor vehicle liability insurance claims.

Table V.6 - Other violations of motor vehicle liability insurance provisions									
(amounts in millions of euros)									
2015								2014	
Claim history certificates		Databank		Other motor vehicle liability insurance infringements		Total		Total	
No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
163	0.6	10	0.2	201	0.9	374	1.7	907	4.8

Table V.7 - Violation of other provisions										
(amounts in millions of euros)										
	2015			2014			Change			
	No.	% of total market	Amount	% of total market	No.	Amount	No.	%	Amount	%
Sanction orders	359	19.7	6.2	46.3	447	6.6	-88	-20	-0.4	-5.7

Orders issued for violations other than those relating to motor vehicle liability insurance regard infringements of supervisory reporting obligations, violations of rules on management (including for inadequacies or deficiencies found in systems and procedures for combatting money laundering and the financing of terrorism) and violations involving intermediation (including irregularities committed in the distribution of PPI products).

The intermediation area accounted for the majority of the sanctions in non-motor vehicle liability insurance segments (85% by number and 80% by amount). Sanctions totalling around €5 million were imposed, through 305 orders, on agents, brokers and their collaborators, representing a significant increase over 2014, when there were 330 orders totalling about €4 million in sanctions.

1.3 - Sanctions paid

The amounts of sanctions paid in 2015 refer to orders issued by IVASS in the previous three-year period.[69] In some cases, they refer to penalties for exceeding the 30-day payment deadline, or to orders that allowed monthly instalment payments under Article 26 of Law 689/1981.

Table V.8 – Sanctions paid in 2015					
(amounts in thousands of euros)					
	2015		2014		2015/2014
Amount paid	9,136.00		22,157.80		-58.80%
by year in which the sanction order was issued					
	2015	2014	2013	2012	Total
Amount paid	8,506.20	590.2	39.1	0.371	9,136.00
by beneficiary of the sanction payment					
Consap – FGVS (Violation of motor vehicle liability insurance legislation)		Tax authorities (Other violations)		Total	
Amount paid	% of total	Amount paid	% of total		
7,200.50	78.8	1,935.40	21.2	9,136.00	

69 In addition to orders issued in 2015, the amounts collected refer to injunction orders handed down between 2012 and 2014 for payments accrued or with payment deadlines in 2015.

2. - DISCIPLINARY SANCTIONS

2.1 - Preliminary investigation of disciplinary proceedings and activities of the Guarantee Committee

The Guarantee Committee on disciplinary proceedings, made up of two sections and assisted by the Secretariat of the Intermediaries Supervision Directorate, evaluates the results of the preliminary investigations, examines the defences presented by the parties concerned, schedules the hearing and recommends to the competent IVASS bodies whether to impose a disciplinary sanction or terminate the procedure.

In 2015, the Guarantee Committee held a total of 63 meetings (as in the previous year) relating to 353 possible disciplinary infringements. Of these, 195 disciplinary proceedings were initiated; the remaining 158 positions did not justify initiating proceedings as the cases were below the threshold of minor misconduct.

As to the proceedings initiated, 258 disciplinary measures (345 in 2014) were adopted on the basis of the decisions made by the two sections of the Guarantee Committee.

Table V.9 – Outcomes of proceedings initiated – by type of measure and by section of registration of intermediaries (2015)

	Sec. A	Sec. B	Sec. E	Total	% in 2015	% in 2014
Reprimand	13	11	26	50	19.4	11.6
Censure	34	11	56	101	39.1	42.3
Removal from register	25	13	37	75	29.1	32.7
Dismissal of action	16	5	11	32	12.4	13.4
Total	**88**	**40**	**130**	**258**	**100.0**	**100.0**

As compared with 2014, the number of reprimands issued rose significantly, while censures and removals from the register represented more than 68% of the disciplinary actions taken, compared with 75% in 2014.

4.1. TYPES OF INFRINGEMENTS PUNISHED

Removals from the register were mainly ordered for:

– not transferring premiums collected to the appropriate undertakings or intermediaries, often also involving failure to record the amounts received;

– violation of the obligation to maintain segregated accounts by failing to establish such accounts or mismanaging them;

– falsifying contractual documentation;

– forging the signatures of parties to contracts;

- communicating untrue information to policyholders, or issuing false statements at the time of offer.

Censures related to:

- violation of the disclosure, diligence, fairness and professional conduct obligations vis-à-vis policyholders;

- acceptance of cash in violation of the laws on permitted means of payment;

- violation of the provisions on the adequacy of proposed contracts and pre-contractual disclosure.

In some cases, consistent with the established approach of the Guarantee Committee and in application of Article 62(3) of ISVAP Regulation no. 5/2006, the immediately less severe sanction was imposed in the light of subjective and objective factors, such as the modest scale of the infraction in terms of number or amount or the corrective action taken by the intermediary to remedy the irregularities found.

IVASS continued to follow the established approach of initiating disciplinary action and adopting disciplinary measures against intermediaries that are no longer registered in the Single Register of Intermediaries at the time a violation is reported, either because they have been deleted upon request or as a result of a previous order to remove them from the register, inasmuch as they were listed in the Single Register at the time the violation was committed.

VI. LEGAL ADVICE

1. - ADVICE

In 2015, the Legal Services Office issued 210 opinions to IVASS's management bodies and departments, offering legal assistance concerning the related activities and to ensure the consistency of choices made with the sector's regulations.

Table VI.1 - Breakdown of advisory papers by applicant (2015)	
Opinions issued to bodies within IVASS	200
Opinions given to external bodies	10
Total	**210**

Table VI.2 - Subject matters of internal advisory papers (2015)		
	Number	**% over total**
Supervision of undertakings	54	25.7
Supervision of intermediaries	41	19.5
Consumer protection	24	11.4
Internal administration	36	17.1
Sanctions	29	13.8
Winding-up	4	1.9
Other	22	10.5
Total	**210**	**100.0**

2. - LITIGATION

In accordance with the provisions of the Articles of Association, the Legal Services Office represented and defended IVASS in legal matters; its attorneys are registered as civil servant lawyers with the Bar Association of Rome. Legal representation of IVASS by the Attorney General is increasingly limited to proceedings initiated before the entry into force of IVASS's Articles of Association.[70]

In 2015, the Legal Services Office handled 79 new cases, including extraordinary petitions to the President of the Italian Republic and appeals.

[70] Articles 326(7) and 331(6) of the Private Insurance Code already tasked ISVAP's attorneys with defending ISVAP in proceedings involving the imposition of pecuniary sanctions.

Table VI.3 - Litigation by subject matter (2015)	
Supervisory measures	9
Pecuniary administrative sanctions	21
Disciplinary sanctions	19
Access to documents	1
Personnel	3
Winding-up	10
Other	16
Total	**79**

Table VI.4 - Appeals against pecuniary administrative sanctions by recipient (2015)	
Sanctions imposed on undertakings	10
Sanctions imposed on intermediaries	11
Total	**21**

Some of the administrative judgements issued in 2015 established significant legal principles in subject areas pertinent to IVASS's institutional activity; the following is an overview of those judgements.

2.1 - Appointments of liquidators: highly fiduciary and non-cumulable

In three compulsory opinions to extraordinary petitions to the President of the Italian Republic, the Italian Council of State held that liquidators do not have the subjective right to renew their appointment because such renewal is not automatically derived from the deed of appointment.

Renewal of the appointment is discretionary in view of the highly fiduciary nature of the position. The ban on holding multiple appointments imposed by the IVASS guidelines is consistent with both the legal system as a whole and the relevant regulations.

The publication of the guidelines on IVASS's website is an effective means of communicating its positions, since specialized operators have a professional obligation to keep themselves up to date including by consulting the Internet.

2.2 - "Foreign-clothed" undertakings

At the end of 2015, the Council of State upheld the decision of the Regional Administrative Court (TAR) recognizing the legitimacy of the order issued by IVASS as competent host-country authority, pursuant to Article 193(4) of the Private Insurance Code, to prohibit an EU undertaking operating in Italy under the freedom of services from commencing new business. The prohibition was based on clear and serious evidence of regulatory arbitrage and on irregularities and problems found in the organization and the management of the undertaking.

The novelty and delicacy of the various elements of Community law involved in the case led the Council of State to grant the appellant's petition for a preliminary ruling from the European Court of Justice on the interpretation of the European regulation directly applicable to the pending Italian judgment (pursuant to Article 267 of the Treaty on the Functioning of the European Union).

The Council of State asked the European Court of Justice to confirm that, according to Community law, the host state has the power to adopt bans against an undertaking operating under the freedom of services on the grounds of a failure, whether pre-existing or supervening, to satisfy a subjective precondition – that of good repute - needed for the authorization to engage in insurance business.

2.3 - Sanctions for the circumvention of the legal obligation to provide coverage for compulsory motor vehicle liability insurance

Following a 2010 statistical survey on tariffs and claims in the motor vehicle liability insurance sector – which, in some cases, were inconsistent with actuarial calculations, in that premiums were especially high and unjustified for specific categories of policyholders and geographical areas – IVASS sanctioned 14 undertakings pursuant to Article 314(2) of the Private Insurance Code for failing to meet the legal obligation to provide insurance coverage.

Between the end of 2015 and the start of 2016, following complex hearings involving, among other things, testimony by court-appointed experts, 12 of the appeals filed by the sanctioned firms with the Lazio Regional Administrative Court reached adverse outcomes for IVASS.

A central issue in those judgments was the difficulty in identifying a circumvention of the obligation to insure, in part because of the loose definition provided in Article 314(2) of the Private Insurance Code (vaguely defining the legal concept of circumvention), which would have made it appropriate for there to be secondary legislation indicating the criteria according to which a tariff may be deemed ‘significantly high’. This would have made it possible to more objectively identify instances of conduct potentially harmful to the good safeguarded by the sanction. However, the same judgments recognize that such criteria would be difficult to establish in a European framework of pricing freedom and prohibition of administrative impositions.

Under this framework, the Lazio Regional Administrative Court found that IVASS had to satisfy a heavy and complex burden of investigative proof and reasoning to demonstrate precisely and exhaustively why the premiums charged by the sanctioned undertakings were inconsistent.

2.4 - The ‘Extended’ Adversarial Process and the Right to Participate

In two 2015 decisions[71] regarding sanctions imposed by IVASS, the Lazio Regional Administrative Court – despite a recent innovative interpretation by the Council of State[72] regarding CONSOB’s sanctioning procedures[73] - continued to follow the unvaried interpretation employed by administrative or ordinary courts, including the Court of Cassation, *en banc*,[74] on the matter of supervisory authorities’ sanctioning procedures. The Lazio Regional Administrative Court held that the secondary legislation on the imposition of fines by IVASS is legitimate even though it does not provide that the party

71 Lazio Regional Administrative Court, Second Section *ter*, 9 September 2015, no. 11115/2015 and Second Section, 13 October 2015, no. 11633/2015 following the previous decision of the Court, Second Section, 27 November 2014, no. 11887 regarding the imposition of a CONSOB sanction. Decision no. 11115/2015 concerned an ISVAP sanction, decision no. 11633/2015 an IVASS sanction issued under Regulation 1/2013.

72 Italian Council of State, Section VI, no. 1596/2015 dated 26 March 2015 according to which the CONSOB regulation on sanctions – in the version preceding the recent amendments – conflicted with the right to a fair hearing and the right to be informed of the charges pursuant to Article 24 of Law 262/2005 in that it did not require that the final report of the sanction procedure be provided to the interested party prior to the Commission’s decision, thus depriving the interested party of the opportunity to directly communicate with the decision-making body.

73 According to the Council of State, CONSOB’s regulation on sanctions – in the version preceding the recent amendments – conflicted with the right to a fair hearing and the right to be informed of the charges pursuant to Article 24 of Law 262/2005 in that it did not require that the final report of the procedure be provided to the interested party prior to the Commission’s decision, thus depriving the interested party of the opportunity to directly communicate with the decision-making body.

74 For example, the Court of Cassation, *en banc*, 30 September 2009, no. 20935.

charged under the sanction procedure may submit a written or oral defence before the competent decision-making body. Participation in the judicial process is amply guaranteed during the preliminary steps of the trial and the failure to make provision for a hearing of the petitioner before the decision-making body does not conflict with the principles established by Article 24 of Law 262/2005.

Therefore, the Lazio Regional Administrative Court finds that there is no obligation within the insurance legislation or the European principles for IVASS to provide the party charged with sanctions an opportunity to contest them during the adoption of the final measure.

In this regard, the Court notes the ontological and functional differences between the sanctions imposed by IVASS on legal persons with respect to those imposed by CONSOB on natural persons, including in terms of their severity.

VII. ORGANIZATION

1. - ORGANIZATIONAL CHANGE AND OPTIMISATION

1.1. - The strategic planning process

An important step forward in changing IVASS was the launch in 2015 of its first strategic planning exercise. The plan seeks to foster the organization's development, identify its objectives clearly, and involve all the staff in their achievement by activating the best professional skills and energies at its disposal.

The plan was approved by the Joint Directorate on 13 October 2015 and outlines IVASS's mission and strategic goals as follows:

- five strategic goals, in turn divided into 15 second-level goals, whose realization is entrusted to the individual Directorates/Offices and, in some cases, requires cooperation between multiple units;
- twenty-two action plans to attain those goals;
- identification of different deadlines in relation to the complexity of the objectives and the resources required;
- identification of quantitative indicators to measure the results obtained and of suitable elements for qualitative assessment of the work accomplished.

The plan covers the three years 2015-17 and the Secretary General is directly responsible for its implementation.

Based on the assignment of individual goals consistent with the Strategic Plan, IVASS reviewed its system for appraising its top management, with a view to:

- measuring the results achieved and the managing style adopted;
- increasing motivation and involvement in pursuing strategic objectives;
- ensuring agreement and transparency in identifying and assigning goals;
- streamlining assessment procedures and internal management.

1.2. - Action regarding the organizational structure

The work of organizational rationalization begun with the establishment of IVASS in 2012 is proceeding. In 2015 further changes were made to the Organization Regulations and the organizational structure with a view to optimizing the management of IVASS's databases and maximizing the alignment between its mission and the tasks actually performed by its organizational units.

Specifically:

- The Data Collection and Management Division was set up in the Research and Data Management Directorate and was assigned the whole process of gathering, processing and disseminating data of interest to IVASS. The Division is the system owner of the data and is charged with improving their qualitative standards. At the same time, the tasks of the Information Technology (IT) and Systems Division were reviewed, focusing its mission on surveying the IT needs of IVASS, developing planned projects, maintaining internal data bases (of which the Division is the system owner), and managing the information systems and the communications network.

- The remit of the renamed Foreign Undertakings Division (previously Branches and Freedom-to-Provide-Services Business of EU Undertakings Division), belonging to the Consumer Protection Directorate, was extended to cover non-EU undertakings.

- The area of responsibility of the Organization Division, belonging to the Resource Management Directorate, was reviewed to ensure the full correspondence between its official tasks and the activities it actually performs. Among others, the task of coordinating the strategic planning system and providing support in monitoring the attainment of goals was made explicit.

1.3. - Paperless office and streamlining of work processes

On 26 March 2015 a system for electronic document filing and management (known as CAD) was launched, in compliance with current regulatory requirements, especially those governing the use of electronic filing numbers and those set by the Electronic Administration Code (Codice dell'Amministrazione Digitale, CAD). The innovation was the result of cooperation between the organizational units of IVASS and the Bank of Italy, especially the latter's IT Development and General Affairs Directorates.

At the end of the first quarter of 2016, out of the 174,285 incoming documents filed (the figure was 141,483 as at 31 December 2015), 100,728, or 57.8 per cent, were in electronic form from the start (compared with 83,127 in 2015). Of the 102,256 outgoing document (75,168 in 2015), 99.8 per cent originated as digital (in line with 2015).

The launch of CAD had a positive impact on work organization in terms of:

- streamlining internal processes for the production, management and archiving of documents;

- reducing the costs connected with managing paper-based correspondence and archives;

- facilitating the circulation of information within the organization.

Furthermore, increased use of Certified Email (known in Italy as Posta Elettronica Certificata, or PEC) and digital signature instead of the traditional and more costly paper-based system had a positive impact on IVASS's external relations.

As at 31 March 2016 some 57 per cent of outgoing documents had been sent by certified email and 54 per cent had been received through that channel. This led to a 75 per cent decrease in paper-based archiving.

1.4. - Cost containment policies

The policies to curb operating costs begun in previous years were continued. The main measures adopted in 2015 involved:

- decreasing the annual rent for the main office by 15 per cent (with a saving of €230,000);

- not renewing a consulting contract and reducing compensation for members of the Guarantee Committee (saving €91,000);

- relying less on temporary work agencies (which saved €600,000);

- decreasing the expenses on services (e.g. postal services, physical security of the premises, insurance premiums, collection of insurance contributions, and qualifying examinations, with an aggregate saving of €110,000).

Despite the attention paid to curbing costs, the IVASS financial statement for 2015 showed an increase of about €5 million in overall spending compared with the previous year, mostly due to investment in ICT needed to manage the flow of information stemming from the entry into force of the Solvency II Directive ('preliminary reporting') and to set up the electronic document filing and management system (the CAD).

1.5. - Mapping of internal processes

A mapping of IVASS's internal work processes was undertaken for the launch, by December 2017, of an Operational Risk Management (ORM) system.

Identification of the processes was completed in November; it involved all of IVASS's organizational units and was carried out along the following lines:

- recalling the institutional tasks as presented in the Organization Regulations;

- surveying the processes based on the way the units are organized;

- adopting uniform criteria to achieve the same level of detail in all of the information collected.

A total of 108 processes were identified, most of them in the Resource Management Directorate (20), the Prudential Supervision Directorate (16), the Research and Data Management Directorate (13) and the Secretariat to the Directorate (8).

The next step will be to profile these processes in accordance with the guidelines for their mapping, using a dedicated graphics tool to ensure the processes are represented and described in a consistent fashion by all the units involved, with a view to correctly implementing the operational risk management system.

The mapping will serve other management purposes, e.g. business continuity, collection of the organizational units' working data, identification of the processes where corruption risk is present, and establishment of a more structured management control system.

1.6. - Three-year anti-corruption plan and transparency programme

IVASS considers the prevention and fight against corruption and the promotion of transparency as fundamental values that inform its action.

In order to fully implement the 2014-2016 anti-corruption plan, which includes the transparency and integrity programme, IVASS checked compliance with the time limits for procedures and with the provisions of laws, regulations and internal rules, and took specific measures regarding conduct, staff and organizational safeguards.

The measures implemented in 2015 include:

- adopting two codes of conduct, one for top management and one for staff;
- publishing on the IVASS website self-certification statements attesting to the absence of disqualifying causes for those in top management positions, as required by Legislative Decree No. 39/2013 on incompatibility and ineligibility,
- activating an internal procedure to obtain self-certification statements of no criminal record when an appointment to certain positions specified by the laws and regulations is made, and envisaging an obligation for the appointees to report any situation of ineligibility that may arise during their term;
- continuing the job rotation policy for 39 per cent of managerial positions and 8 per cent of non-managerial positions;
- implementing the three-year training plan on preventing and fighting corruption. All non-managerial staff attended a course on ethical and lawful conduct in 2015; in the first quarter of 2016 the person in charge of the prevention of corruption and the top managers and officials working in the areas most exposed to corruption risk underwent specific training on the implementation of the risk management system and the management and handling of corruption risk.

2. - Staff

2.1. - Number and composition of staff

As at 31 December 2015 the IVASS staff numbered 361, of which nine with a fixed-term contract. Permanent staff numbered 352, compared with an endowment of 355 set by the law.

Table VII.1 – Composition of IVASS staff

	Permanent staff	Fixed-term staff	Total
Top management	21	2	23
Managerial career stream	253	6	259
Administrative career stream	78	1	79
Total	**352**	**9**	**361**

IVASS also availed itself of eight temporary workers, as in the previous year.

As part of its growing cooperation with the Bank of Italy, IVASS continued to employ staff seconded from the Bank, namely 12 persons, of which five top managers, six employees in the managerial career stream and one in the administrative career stream.

In 2015 more internships and traineeships were offered in cooperation with leading universities in Rome. These programmes, lasting six months, facilitate contact with universities and offer on-the-job learning opportunities to new graduates; despite their short duration, they continue to be popular among interns and the organizational units accepting them.

A public competition for ‘grade 2 officers’ was held and led to the hiring of 11 university graduates, of whom five in statistics and six in law.

IVASS continued the job rotation policy it has followed since its establishment, believing it can foster the development of both the organization and its employees’ individual skills.

In 2015 job vacancy procedures were launched to select suitable candidates to cover the managerial positions that had become available. Thirteen officers were given temporary responsibility over a division, and two over a sector. The same procedure was used to cover two vacant positions as Head and Deputy Head of Directorate.

2.2. - Training

IVASS continued to invest in professional training, attaching strategic importance to it in connection with continuous institutional and organizational change.

This policy will be reinforced in 2016 thanks to greater allocations in the budget.

In 2015, some 290 employees, accounting for more than 80 per cent of total staff, were involved in training events and programmes. Of these, 18 were top managers, 245 were staff in the managerial career stream and 27 staff in the administrative career stream. Overall, around 12,200 hours of training were provided (compared with 11,200 in 2014).

The specialized technical training focused primarily on issues related to Solvency II, to respond to the need for professional growth of the staff involved in supervisory activities and to disseminate knowledge of the new insurance supervision framework. To facilitate the largest possible participation in such activities and to tailor them to individual needs, while at the same time reducing expenses, the courses were mostly held in house, with the services of highly-regarded domestic and international consultancies and university professors.

For more specialized training aimed at a narrower audience (e.g. for those working in communication, management control or tendering), IVASS continued to use the services of external providers through participation to workshops.

In March 2015 IVASS resumed its language courses, with 16 group classes catering to the needs of 112 employees, for a total of 3,900 hours. In addition to group courses, 42 employees attended one-to-one lessons for a total of 777 hours.

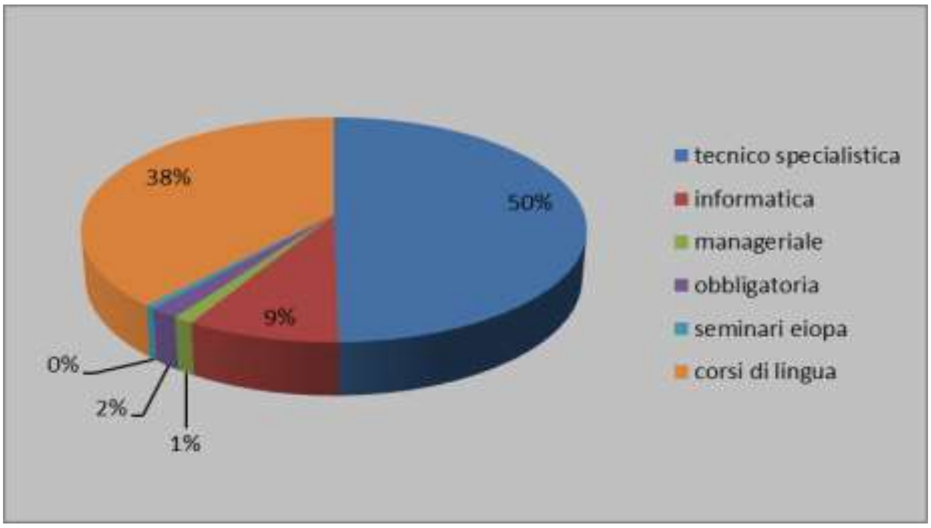
Regarding IT skills, courses were offered on the Microsoft Office package and on the main statistical programming coding languages (e.g. SAS and Stata). The courses were organized taking into account the organizational units’ varying needs and in cooperation with the Bank of Italy, with IVASS bearing no direct costs.

In the early months of 2015 IVASS completed its wide-ranging programme, launched in 2014 and involving all of its employees, to abide by the legislation on mandatory occupational health and safety training.

IVASS continued to promote the sharing of technical and professional knowledge within the organization through periodical meetings with in-house trainers: to this end, six information workshops and three training courses were held.

Finally, three workshops on insurance law and six to mark the ten years since the enactment of the Private Insurance Code were organized. These were open to lawyers and to representatives of insurance companies and professional corporations.

Figure VII.1 - Breakdown of training activity



2.3. - Organizational and operational requirements concerning occupational health and safety

In January 2015 IVASS appointed University of Rome Tor Vergata to run its workplace health and safety service.

The Risk Assessment Document (RAD) prepared in accordance with Article 28 of Legislative Decree 81/2008 was updated and the following ancillary documents prepared:

– Report on lighting conditions

– Report on thermal comfort

– Supplementary report on thermal comfort

– Microbiological analysis for the presence of Legionella bacteria

– Report on compliance with the requirements of video display terminals workers' workstations

– Risk assessment for new and expectant mothers

– Emergency plan

– Work-related stress risk assessment

In order to prepare the work-related stress risk assessment, University of Rome Tor Vergata was asked to conduct an online survey, which was divided into two sections: the first to be filled in by the employer and focusing on the work environment (74 questions), the second asking employees about their working conditions (35 questions). To improve working conditions, the survey incorporated a general health questionnaire (12 questions) and an additional section devoted to the broader topic of organizational well-being (36 questions), given its strong connection with work-related stress.

Participation in the survey was higher than expected: 321 employees, or 89 per cent, completed the section on work-related stress, 284 (78 per cent) the general health questionnaire and 276 (76 per cent) the section on organizational well-being.

The data, which were anonymized before being analysed by University of Rome Tor Vergata, indicated that the situation was generally positive for the three profiles under examination.

3. - IT SYSTEMS

The process of integrating the ICT systems of IVASS with those of the Bank of Italy was spurred by the signing in September 2014 of an agreement governing cooperation between the two organizations on IT matters and outlining a general schedule of the activities to be carried out in the period 2015-2017.

The business plan on IT development identified the implementation of the electronic document filing and management system as an organizational priority. On the institutional front, it assigned priority to setting up the IT systems necessary to process Solvency II reports through the Bank of Italy's Infostat platform.

As regards the Solvency II project, in 2015 the main infrastructure for the processing of reports in the preliminary reporting stage was developed. Subsequently, the annual and quarterly reports submitted by individual insurance companies and the annual reports at consolidated level were collected. All the information flows requested by EIOPA were supplied on schedule.

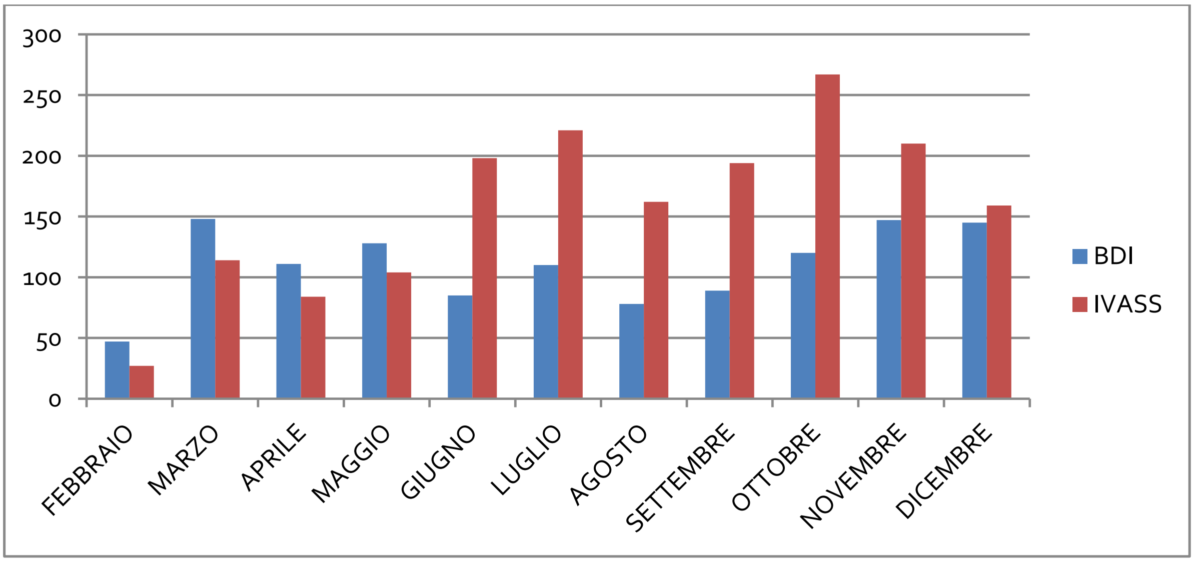
The prerequisite for launching the IT development programme is the integration of the IVASS network and systems into the Bank of Italy's data centre and the extension to IVASS employees of the ICT services already available to Bank of Italy employees, e.g. user authentication, email, and software distribution.

In 2015 the integration of the IVASS data centre into the Bank's network was all but completed as regards connectivity, the physical location of IVASS infrastructure at the Bank's Centro Donato Menichella data centre, interoperability with IVASS procedures and implementation of IT security measures on the workstations.

The full integration of IVASS servers for the operational aspects of management tasks will be achieved through a complex schedule of interventions, to be completed by 2016.

About 3,000 support requests were processed from mid-February through December 2015, of which 60 per cent by IVASS and the remaining 40 per cent by the Bank of Italy.

Figure VII.2 - Support requests in 2015



Finally, regarding the changeover to digital technology and the enhancement of communication tools, in 2015 the following steps were taken: IVASS's first Intranet, a real-time collaboration and conferencing platform, and video conference terminals integrated with the Bank of Italy's ICT infrastructure.

4. - INTERNAL AUDIT

In 2015 the Internal Audit Office took action to improve the quality of internal auditing and continue to bring it into line with international standards through staff development and training.

In planning the audits for 2015, the criteria and principles used in risk assessments were adopted, starting from the data available to the Office and from the self-assessments provided by the heads of the organizational units on the basis of their experience and awareness. The information thus acquired, along with that provided by the top management, formed the information source for the planning model used to prepare the audit plan.

In 2015 three general audits were carried out in three organizational units. Except for one audit conducted with the participation of a Bank of Italy employee, the others were performed independently by the IVASS Internal Audit Office.

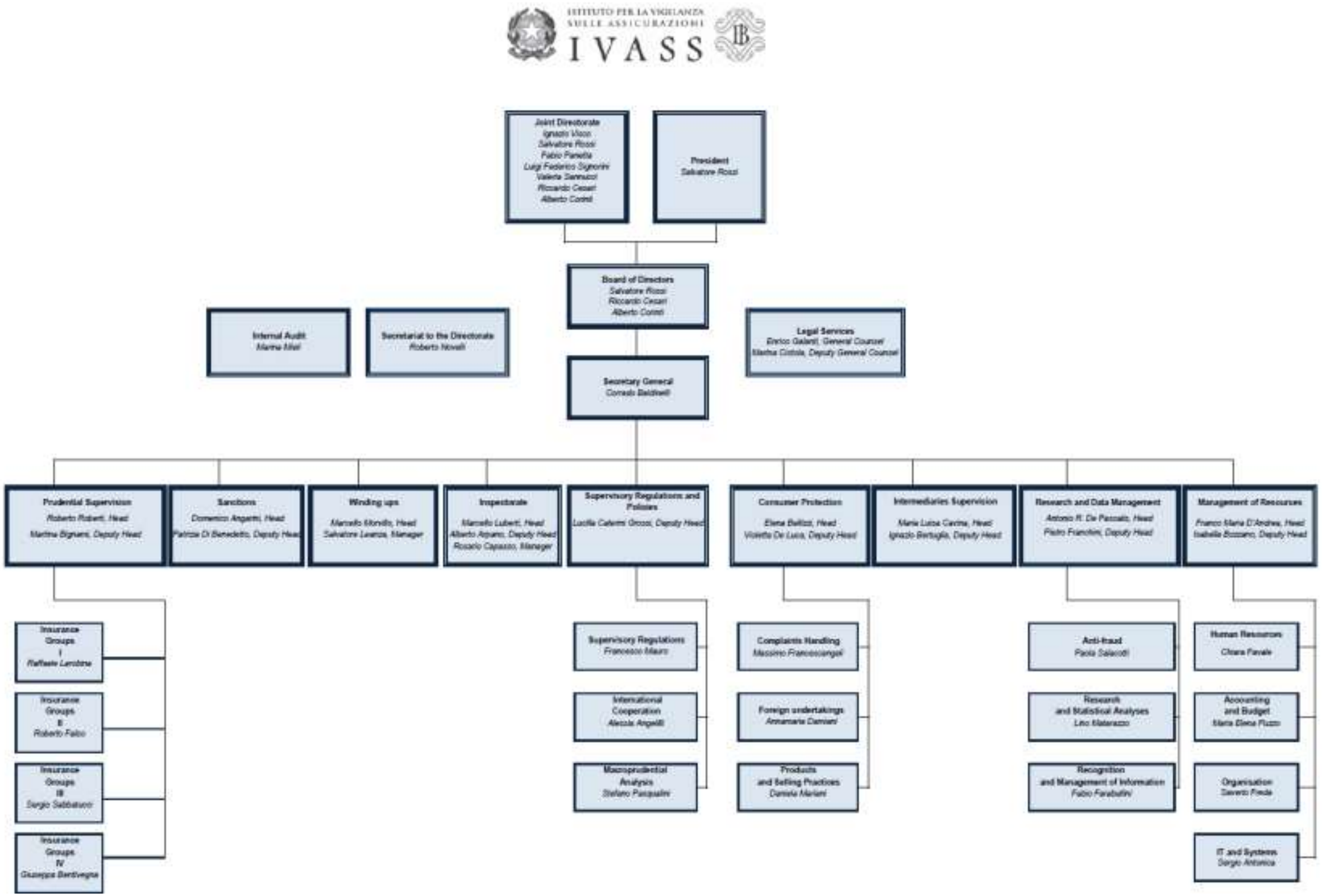
The audits focused on assessing the adequacy of internal controls and the functioning of the organizational structure as a whole, namely the effectiveness and efficiency of the work processes, the reliability and security of the IT system, the ability to manage risk, and compliance with rules and regulations. The process was carried out with the utmost transparency vis-à-vis the organizational units being audited, based on the conviction that a full disclosure of the findings accompanied by open and constructive discussion can improve the ability to detect phenomena, increase the level of involvement of the units being audited and, therefore, expedite the solution of the problems that may emerge.

Together with on-site audits, in the first six months of 2015 the Internal Audit Office asked the organizational units it had audited in previous years to submit an update of the actions taken to tackle critical issues found during the audits. In the final months of the year systematic follow-up reports were initiated, with a view to acquiring from the organizational units useful elements for the solution of problems found during the audit.

At the end of the year, drawing on the experience gained, the Office revised its internal audit regulation, a new version of which was published in early 2016, and added a methodological guideline for the follow-up process to its body of operational documentation. The changes and additions are intended to make the auditing process more effective and incisive, in order to pursue continuous quality improvement and compliance with international standards.

Finally, in the last months of 2015 the Office launched a mapping of its work processes in cooperation with the Resource Management Directorate as part of the operational risk assessment, which was set as a priority for organizational and management development by the IVASS Strategic Plan 2015-2017.

ORGANISATION CHART AS AT 15 JUNE 2016



APPENDIX

The Tables marked by the letter A are mentioned within the Report.

Statistical Tables

TAB. A1 - GROSS PREMIUMS, CLAIMS AND GROSS EXPECTED MARGIN

(amounts in million euro)

Province	Gross premiums written	Total amount of claims handled, net of IBNR	Estimated amount of IBNR claims	Total amount of claims handled, gross of IBNR	Expected gross technical margin	Incidence of claims handled net of IBNR over total claims handled	incidence of estimated IBNRs over total claims handled
Turin	424.7	338.2	31.8	370.0	54.7	91.4%	8.6%
Cuneo	87.4	61.6	4.2	65.7	21.7	93.7%	6.3%
Alessandria	68.4	45.6	4.9	50.5	17.9	90.3%	9.7%
Novara	49.8	30.2	2.5	32.8	17.0	92.3%	7.7%
Asti	32.7	22.7	2.0	24.7	8.0	91.7%	8.3%
Vercelli	30.9	22.0	2.3	24.4	6.5	90.4%	9.6%
Biella	25.8	19.2	1.8	21.0	4.8	91.2%	8.8%
Verbano-Cusio-Ossola	23.1	15.6	1.6	17.2	5.9	90.6%	9.4%
TOTAL PIEDMONT	**742.7**	**555.1**	**51.3**	**606.3**	136.4	91.5%	8.5%
Aosta	28.2	13.9	1.4	15.3	12.9	90.9%	9.1%
TOTAL VALLE D'AOSTA	**28.2**	**13.9**	**1.4**	**15.3**	12.9	90.9%	9.1%
Genoa	140.2	105.9	14.9	120.8	19.4	87.7%	12.3%
Savona	47.2	27.9	2.9	30.8	16.4	90.5%	9.5%
La Spezia	37.2	25.8	2.2	28.0	9.3	92.2%	7.8%
Imperia	28.2	23.5	2.1	25.5	2.6	91.9%	8.1%
TOTAL LIGURIA	**252.8**	**183.0**	**22.1**	**205.1**	47.7	89.2%	10.8%
Milan	558.1	380.8	42.1	422.9	135.1	90.1%	9.9%
Brescia	202.8	149.4	13.1	162.5	40.2	91.9%	8.1%
Bergamo	161.7	104.3	9.3	113.5	48.2	91.8%	8.2%
Varese	158.3	111.5	10.4	121.9	36.4	91.5%	8.5%
Monza and Brianza	138.9	88.8	7.1	95.9	43.0	92.6%	7.4%
Como	98.8	65.3	6.7	72.0	26.8	90.7%	9.3%
Pavia	85.3	58.3	6.5	64.8	20.4	89.9%	10.1%
Mantua	66.4	46.7	4.7	51.3	15.1	90.9%	9.1%
Cremona	64.8	39.1	3.8	42.9	21.9	91.1%	8.9%
Lecco	53.2	34.8	2.7	37.5	15.7	92.7%	7.3%
Lodi	37.1	20.2	3.9	24.1	12.9	83.7%	16.3%
Sondrio	29.8	23.0	1.3	24.3	5.6	94.6%	5.4%
TOTAL LOMBARDY	**1,655.2**	**1,122.1**	**111.7**	**1,233.8**	421.3	90.9%	9.1%
Trento	85.2	54.8	6.2	61.0	24.1	89.9%	10.1%
Bolzano	73.3	44.8	4.0	48.8	24.5	91.7%	8.3%
TOTAL TRENTINO-ALTO ADIGE	**158.5**	**99.6**	**10.2**	**109.9**	48.6	90.7%	9.3%
Padua	169.1	126.3	11.8	138.1	31.0	91.4%	8.6%
Treviso	153.5	116.6	8.6	125.2	28.3	93.1%	6.9%
Verona	153.7	98.5	10.6	109.1	44.6	90.3%	9.7%
Vicenza	143.1	99.2	8.7	107.9	35.3	92.0%	8.0%
Venice	130.8	92.4	6.5	98.9	31.9	93.5%	6.5%
Rovigo	36.4	26.5	1.9	28.4	7.9	93.4%	6.6%
Belluno	31.3	25.4	1.6	27.0	4.4	94.1%	5.9%
TOTAL VENETO	**817.8**	**584.9**	**49.6**	**634.5**	183.3	92.2%	7.8%
Udine	87.7	54.6	5.5	60.1	27.6	90.9%	9.1%
Pordenone	48.3	31.5	2.9	34.4	13.9	91.6%	8.4%
Trieste	38.7	27.0	3.4	30.4	8.3	88.9%	11.1%
Gorizia	19.5	15.2	1.6	16.8	2.7	90.6%	9.4%
TOTAL FRIULI-VENICE GIULIA	**194.1**	**128.3**	**13.3**	**141.7**	52.4	90.6%	9.4%
Bologna	188.6	136.0	12.1	148.1	40.5	91.8%	8.2%
Modena	127.9	103.2	8.7	111.8	16.1	92.3%	7.7%
Reggio Emilia	94.4	74.3	6.2	80.5	13.9	92.3%	7.7%
Ravenna	83.5	68.4	6.7	75.1	8.4	91.1%	8.9%
Parma	82.1	62.7	4.6	67.3	14.8	93.2%	6.8%
Forlì-Cesena	72.8	48.2	5.9	54.1	18.7	89.0%	11.0%
Rimini	61.2	46.9	4.0	50.9	10.3	92.1%	7.9%
Ferrara	62.9	44.4	5.1	49.5	13.4	89.7%	10.3%
Piacenza	50.7	34.0	2.7	36.7	14.1	92.6%	7.4%
TOTAL EMILIA ROMAGNA	**824.1**	**617.9**	**55.9**	**673.9**	150.2	91.7%	8.3%
Ancona	89.4	80.9	6.1	87.0	2.4	93.0%	7.0%
Pesaro and Urbino	71.7	54.2	4.1	58.2	13.5	93.0%	7.0%
Macerata	63.1	56.1	3.8	59.9	3.2	93.6%	6.4%
Ascoli Piceno	41.2	27.7	3.0	30.7	10.5	90.4%	9.6%
Fermo	29.4	21.2	2.0	23.2	6.2	91.6%	8.4%
TOTAL MARCHE	**294.9**	**240.1**	**18.9**	**259.0**	35.9	92.7%	7.3%
Florence	217.6	147.8	13.6	161.4	56.2	91.6%	8.4%
Pisa	79.1	58.1	5.2	63.3	15.8	91.7%	8.3%
Lucca	80.8	66.4	5.4	71.8	9.0	92.5%	7.5%
Arezzo	68.9	51.0	5.0	56.0	12.9	91.1%	8.9%
Pistoia	67.3	42.5	5.1	47.6	19.7	89.3%	10.7%
Livorno	63.2	57.4	5.7	63.2	0.0	90.9%	9.1%
Prato	59.1	42.7	3.9	46.6	12.5	91.7%	8.3%
Siena	44.8	29.3	4.8	34.1	10.7	86.0%	14.0%
Massa-Carrara	39.3	28.5	2.3	30.8	8.5	92.5%	7.5%

Province	Gross premiums written	Total amount of claims handled, net of IBNR	Estimated amount of IBNR claims	Total amount of claims handled, gross of IBNR	Expected gross technical margin	Incidence of claims handled net of IBNR over total claims handled	incidence of estimated IBNRs over total claims handled
Grosseto	39.6	29.3	2.6	31.9	7.7	91.9%	8.1%
TOTAL TUSCANY	**759.7**	**553.0**	**53.6**	**606.6**	153.1	91.2%	8.8%
Perugia	123.3	92.1	9.2	101.2	22.1	91.0%	9.0%
Terni	36.1	29.1	2.7	31.8	4.3	91.4%	8.6%
TOTAL UMBRIA	**159.4**	**121.1**	**11.9**	**133.1**	26.4	91.1%	8.9%
Rome	930.3	657.4	89.2	746.6	183.8	88.1%	11.9%
Latina	118.8	88.2	13.5	101.8	17.0	86.7%	13.3%
Frosinone	95.3	64.6	6.8	71.4	23.9	90.5%	9.5%
Viterbo	52.3	43.5	4.6	48.1	4.2	90.5%	9.5%
Rieti	29.3	24.9	2.4	27.2	2.1	91.3%	8.7%
TOTAL LATIUM	**1,225.9**	**878.6**	**116.4**	**995.0**	230.9	88.3%	11.7%
Naples	526.7	280.8	105.3	386.1	140.6	72.7%	27.3%
Salerno	187.9	107.2	20.9	128.1	59.8	83.7%	16.3%
Caserta	153.0	86.0	20.4	106.5	46.5	80.8%	19.2%
Avellino	69.9	42.7	9.1	51.8	18.1	82.5%	17.5%
Benevento	56.4	35.5	7.4	42.9	13.5	82.8%	17.2%
TOTAL CAMPANIA	**993.9**	**552.3**	**163.1**	**715.3**	278.6	77.2%	22.8%
Chieti	58.1	36.3	4.8	41.1	17.0	88.4%	11.6%
Pescara	57.8	39.6	4.6	44.2	13.6	89.6%	10.4%
Teramo	50.7	37.5	3.9	41.4	9.3	90.5%	9.5%
L'Aquila	50.6	29.1	3.3	32.4	18.1	89.7%	10.3%
TOTAL ABRUZZO	**217.2**	**142.5**	**16.6**	**159.1**	58.0	89.6%	10.4%
Campobasso	33.3	24.2	4.1	28.3	5.0	85.6%	14.4%
Isernia	15.2	11.4	1.6	13.0	2.2	87.6%	12.4%
TOTAL MOLISE	**48.5**	**35.5**	**5.7**	**41.2**	7.3	86.2%	13.8%
Bari	233.8	132.3	16.3	148.5	85.3	89.0%	11.0%
Lecce	139.9	90.4	10.1	100.5	39.4	89.9%	10.1%
Taranto	112.7	57.9	8.6	66.5	46.2	87.1%	12.9%
Foggia	102.7	62.6	7.3	69.9	32.8	89.5%	10.5%
Brindisi	74.8	44.6	3.8	48.4	26.3	92.1%	7.9%
Barletta-Andria-Trani	65.7	35.3	3.9	39.2	26.4	90.1%	9.9%
TOTAL APULIA	**729.6**	**423.0**	**50.0**	**473.1**	256.5	89.4%	10.6%
Potenza	62.6	45.6	5.7	51.3	11.3	88.8%	11.2%
Matera	38.2	29.1	1.9	31.1	7.1	93.8%	6.2%
TOTAL BASILICATA	**100.8**	**74.7**	**7.7**	**82.4**	18.4	90.7%	9.3%
Cosenza	116.0	70.5	8.1	78.5	37.5	89.7%	10.3%
Reggio Calabria	99.1	52.5	8.2	60.7	38.4	86.5%	13.5%
Catanzaro	75.7	43.1	3.8	47.0	28.7	91.9%	8.1%
Vibo Valentia	26.4	14.7	2.2	16.9	9.5	87.2%	12.8%
Crotone	23.8	13.6	3.0	16.6	7.2	82.1%	17.9%
TOTAL CALABRIA	**341.0**	**194.4**	**25.3**	**219.7**	121.3	88.5%	11.5%
Palermo	198.6	133.3	19.3	152.6	46.0	87.4%	12.6%
Catania	174.4	109.9	12.7	122.6	51.8	89.6%	10.4%
Messina	114.1	67.1	7.1	74.2	40.0	90.5%	9.5%
Trapani	69.8	49.3	4.8	54.1	15.7	91.1%	8.9%
Siracusa	65.1	40.9	3.6	44.5	20.6	92.0%	8.0%
Agrigento	60.6	37.8	3.1	40.9	19.7	92.5%	7.5%
Ragusa	58.6	39.1	4.7	43.8	14.8	89.3%	10.7%
Caltanissetta	40.0	26.4	2.7	29.1	11.0	90.9%	9.1%
Enna	24.8	19.9	2.9	22.7	2.1	87.4%	12.6%
TOTAL SICILY	**806.2**	**523.7**	**60.7**	**584.3**	221.8	89.6%	10.4%
Cagliari	100.9	66.0	5.9	71.9	29.0	91.8%	8.2%
Sassari	60.2	31.9	3.2	35.2	25.1	90.8%	9.2%
Nuoro	25.9	17.1	1.9	19.0	6.9	89.8%	10.2%
Olbia-Tempio	24.6	17.2	1.3	18.4	6.2	93.2%	6.8%
Oristano	22.5	17.7	3.4	21.1	1.4	83.9%	16.1%
Ogliastra	14.8	11.4	0.6	12.0	2.9	95.0%	5.0%
Carbonia-Iglesias	18.0	11.3	0.8	12.1	5.9	93.5%	6.5%
Medio Campidano	15.5	9.5	0.7	10.1	5.4	93.2%	6.8%
TOTAL SARDINIA	**282.5**	**182.1**	**17.8**	**199.9**	82.6	91.1%	8.9%
TOTAL all the regions	10,632.8	7,226.0	863.1	8,089.2	*2,543.7*	*89.3%*	*10.7%*
GRAND TOTAL	*10,656.5*	*7,244.9*	*865.9*	*8,110.9*	*2,545.6*	*89.3%*	*10.7%*

TAB. A2 - VARIATION 2015-2014, PREMIUMS WRITTEN AND EXPECTED GROSS TECHNICAL MARGIN

Province	Gross premiums written	Total amount of claims handled, net of IBNR estimate	Estimated amount of IBNR claims	Total amount of claims handled, gross of IBNR estimate	Expected gross technical margin
Turin	-7.7%	2.8%	-9.2%	1.7%	-43.0%
Cuneo	-9,9%	0,3%	-19,7%	-1,3%	-28,6%
Alessandria	-7,5%	-10,0%	4,6%	-8,7%	-4,1%
Novara	-14,9%	-8,3%	-4,3%	-8,0%	-25,7%
Asti	-4,8%	10,9%	16,1%	11,3%	-34,1%
Vercelli	-2,5%	-7,7%	37,7%	-4,7%	6,7%
Biella	-1,3%	-3,6%	20,1%	-1,9%	1,6%
Verbano-Cusio-Ossola	-4,8%	7,8%	49,3%	10,7%	-32,5%
TOTAL PIEDMONT	**-7,8%**	**0,4%**	**-4,4%**	**0,0%**	-31,6%
Aosta	-4,4%	-15,0%	-10,5%	-14,6%	11,2%
TOTAL VALLE D'AOSTA	**-4,4%**	**-15,0%**	**-10,5%**	**-14,6%**	11,2%
Genova	-6,2%	-0,2%	3,2%	0,3%	-33,1%
Savona	-6,5%	-7,8%	-27,7%	-10,2%	1,3%
La Spezia	-16,4%	-9,3%	8,7%	-8,1%	-34,3%
Imperia	-11,1%	28,6%	-24,9%	21,6%	-75,3%
TOTAL LIGURIA	**-8,5%**	**0,0%**	**-5,0%**	**-0,5%**	-31,8%
Milan	-7,6%	-3,4%	-10,0%	-4,1%	-17,2%
Brescia	-5,6%	2,5%	17,9%	3,6%	-30,4%
Bergamo	-8,4%	-10,5%	-6,9%	-10,3%	-3,6%
Varese	-7,2%	-5,0%	-16,1%	-6,0%	-11,0%
Monza e della Brianza	-6,2%	-7,8%	-26,3%	-9,5%	2,0%
Como	-5,6%	1,0%	-15,6%	-0,8%	-16,3%
Pavia	-2,6%	12,5%	31,7%	14,2%	-33,5%
Mantova	0,4%	15,5%	-0,2%	13,9%	-28,5%
Cremona	10,8%	17,7%	55,0%	20,3%	-4,1%
Lecco	-9,9%	-7,2%	-16,3%	-7,9%	-14,3%
Lodi	14,3%	30,0%	117,1%	39,1%	-14,2%
Sondrio	-2,5%	18,3%	-16,7%	15,7%	-42,2%
TOTAL LOMBARDY	**-5,6%**	**-0,9%**	**-4,2%**	**-1,3%**	-16,4%
Trento	-7,6%	9,7%	30,4%	11,5%	-35,6%
Bolzano	-3,8%	16,5%	-7,0%	14,1%	-26,7%
TOTAL TRENTINO-ALTO ADIGE	**-5,9%**	**12,7%**	**12,6%**	**12,6%**	-31,4%
Padova	-7,4%	1,9%	0,9%	1,8%	-34,0%
Treviso	-6,0%	4,5%	-26,5%	1,6%	-29,3%
Verona	-4,2%	-13,1%	-6,0%	-12,4%	24,4%
Vicenza	-3,3%	-8,6%	-11,1%	-8,8%	19,0%
Venice	-4,1%	-1,1%	-26,9%	-3,3%	-6,3%
Rovigo	-11,2%	-11,5%	-42,0%	-14,4%	2,7%
Belluno	-3,9%	45,1%	9,5%	42,4%	-68,1%
TOTAL VENETO	**-5,4%**	**-2,3%**	**-14,4%**	**-3,3%**	-11,8%
Udine	-0,5%	-11,2%	26,9%	-8,7%	24,0%
Pordenone	-12,2%	-26,9%	19,6%	-24,4%	46,9%
Trieste	3,2%	-7,1%	43,9%	-3,3%	36,8%
Gorizia	1,1%	21,7%	36,4%	22,9%	-52,2%
TOTAL FRIULI-VENICE GIULIA	**-2,9%**	**-12,2%**	**30,1%**	**-9,4%**	20,9%
Bologna	-4,8%	-5,0%	5,6%	-4,2%	-7,0%
Modena	-10,1%	3,0%	-6,0%	2,3%	-51,2%
Reggio Emilia	-4,4%	-5,9%	15,3%	-4,6%	-3,7%
Ravenna	-6,0%	-1,3%	40,5%	1,4%	-43,2%
Parma	-5,2%	3,1%	-18,4%	1,3%	-26,4%
Forlì-Cesena	-3,9%	1,0%	29,4%	3,5%	-20,5%
Rimini	-8,4%	-7,8%	-2,2%	-7,3%	-13,0%
Ferrara	-5,0%	-4,5%	74,8%	0,2%	-20,2%
Piacenza	-3,1%	-10,9%	1,8%	-10,1%	21,4%
TOTAL EMILIA ROMAGNA	**-5,9%**	**-2,7%**	**10,4%**	**-1,8%**	**-20,8%**
Ancona	-7,6%	5,9%	-24,9%	2,9%	-80,1%
Pesaro e Urbino	0,3%	7,8%	-22,1%	5,0%	-16,2%
Macerata	-6,7%	11,6%	-18,0%	9,1%	-74,8%
Ascoli Piceno	-3,9%	-0,1%	0,5%	0,0%	-13,7%
Fermo	-6,9%	2,7%	20,4%	4,0%	-33,1%
TOTAL MARCHE	**-5,0%**	**6,6%**	**-16,3%**	**4,5%**	**-42,6%**
Florence	-4,0%	-0,9%	-26,6%	-3,7%	-5,0%
Pisa	-10,9%	-11,3%	-14,0%	-11,5%	-8,3%
Lucca	-7,9%	5,9%	13,4%	6,5%	-55,7%
Arezzo	-12,0%	-17,0%	-32,6%	-18,7%	36,8%
Pistoia	-0,1%	-9,7%	25,5%	-6,9%	21,4%
Livorno	1,6%	22,3%	58,8%	24,9%	-100,0%
Prato	-7,8%	10,9%	22,6%	11,8%	-44,3%
Siena	-7,5%	-16,0%	55,0%	-10,2%	2,1%
Massa-Carrara	-14,4%	-27,4%	-27,2%	-27,4%	142,1%

Province	Gross premiums written	Total amount of claims handled, net of IBNR estimate	Estimated amount of IBNR claims	Total amount of claims handled, gross of IBNR estimate	Expected gross technical margin
Grosseto	-5,9%	29,4%	4,1%	26,9%	-54,5%
TOTAL TUSCANY	**-6,4%**	**-2,7%**	**-4,8%**	**-2,8%**	**-18,3%**
Perugia	-5,4%	-5,8%	-3,5%	-5,6%	-4,4%
Terni	-5,0%	-14,0%	3,6%	-12,7%	176,5%
TOTAL UMBRIA	**-5,3%**	**-7,9%**	**-1,9%**	**-7,4%**	**7,0%**
Rome	-8,1%	2,5%	-13,3%	0,3%	-31,5%
Latina	-13,9%	-5,1%	-6,9%	-5,4%	-44,1%
Frosinone	-11,2%	0,0%	-28,9%	-3,7%	-27,8%
Viterbo	-9,8%	9,6%	17,8%	10,3%	-70,9%
Rieti	2,8%	19,6%	0,3%	17,6%	-61,2%
TOTAL LATIUM	**-8,8%**	**2,2%**	**-12,5%**	**0,2%**	**-34,3%**
Naples	-8,1%	4,7%	-13,8%	-1,1%	-22,9%
Salerno	-6,4%	-5,2%	-15,7%	-7,1%	-4,9%
Caserta	-3,7%	3,6%	-14,6%	-0,5%	-10,3%
Avellino	-10,4%	1,7%	-16,6%	-2,1%	-27,8%
Benevento	-12,1%	2,5%	25,1%	5,8%	-42,9%
TOTAL CAMPANIA	**-7,5%**	**2,1%**	**-13,1%**	**-1,9%**	**-19,4%**
Chieti	-13,3%	-10,4%	1,9%	-9,1%	-22,0%
Pescara	-8,5%	-2,8%	-2,9%	-2,8%	-23,0%
Teramo	-9,3%	5,5%	6,2%	5,5%	-44,3%
L'Aquila	-6,0%	-18,9%	-4,1%	-17,6%	25,6%
TOTAL ABRUZZO	**-9,5%**	**-6,7%**	**0,2%**	**-6,0%**	**-17,8%**
Campobasso	-9,0%	-21,8%	-17,2%	-21,1%	576,8%
Isernia	-7,7%	15,1%	11,1%	14,6%	-56,7%
TOTAL MOLISE	**-8,6%**	**-12,8%**	**-10,8%**	**-12,6%**	**23,5%**
Bari	-10,0%	-18,9%	-21,7%	-19,2%	12,5%
Lecce	-12,5%	7,0%	-7,1%	5,4%	-38,9%
Taranto	-5,9%	1,4%	6,6%	2,0%	-15,3%
Foggia	-6,0%	-2,5%	19,8%	-0,6%	-15,9%
Brindisi	-10,0%	1,3%	4,7%	1,6%	-25,6%
Barletta-Andria-Trani	-4,0%	-17,3%	-15,6%	-17,1%	25,3%
TOTAL PUGLIA	**-8,8%**	**-7,1%**	**-7,6%**	**-7,2%**	**-11,7%**
Potenza	-4,3%	6,6%	4,1%	6,3%	-34,2%
Matera	-1,2%	3,0%	-23,2%	0,9%	-9,3%
TOTAL BASILICATA	**-3,1%**	**5,2%**	**-4,4%**	**4,2%**	**-26,4%**
Cosenza	-5,9%	-4,1%	-30,4%	-7,7%	-1,7%
Reggio Calabria	-5,9%	-11,7%	2,3%	-10,1%	1,6%
Catanzaro	0,2%	-0,4%	-21,3%	-2,5%	5,0%
Vibo Valentia	-6,2%	3,2%	-12,6%	0,9%	-16,5%
Crotone	-6,5%	-12,1%	-14,4%	-12,5%	11,2%
TOTAL CALABRIA	**-4,7%**	**-5,6%**	**-17,1%**	**-7,1%**	**0,1%**
Palermo	-6,7%	1,0%	7,3%	1,8%	-26,8%
Catania	-12,0%	-2,3%	-28,2%	-5,8%	-23,9%
Messina	-5,1%	-0,7%	-21,6%	-3,1%	-8,6%
Trapani	-11,1%	3,2%	7,0%	3,6%	-40,2%
Siracusa	-8,2%	10,2%	2,5%	9,6%	-32,0%
Agrigento	-7,6%	18,0%	-20,9%	13,8%	-33,5%
Ragusa	-3,3%	6,8%	74,6%	11,5%	-30,4%
Caltanissetta	-8,5%	12,9%	-23,2%	8,2%	-35,1%
Enna	-0,9%	78,8%	1,9%	63,4%	-80,8%
TOTAL SICILY	**-7,9%**	**4,7%**	**-7,3%**	**3,3%**	**-28,5%**
Cagliari	-9,9%	-3,8%	-6,9%	-4,0%	-21,8%
Sassari	-6,4%	-14,6%	-12,3%	-14,4%	7,6%
Nuoro	-16,4%	-25,6%	20,6%	-22,6%	7,2%
Olbia-Tempio	-0,7%	27,5%	-33,5%	20,0%	-34,3%
Oristano	0,5%	37,7%	21,4%	34,8%	-79,5%
Ogliastra	-5,6%	5,3%	32,2%	6,4%	-35,8%
Carbonia-Iglesias	17,0%	1,8%	18,4%	2,7%	64,2%
Medio Campidano	20,3%	-3,2%	-36,2%	-6,5%	163,3%
TOTAL SARDINIA	**-5,4%**	**-2,6%**	**-3,8%**	**-2,7%**	**-11,2%**
TOTAL all the regions	**-6,8%**	**-0,9%**	**-7,6%**	**-1,7%**	**-20,1%**
GRAND TOTAL	**-7,0%**	**-1,3%**	**-7,9%**	**-2,0%**	**-20,0%**

TAB. A3 - LOSS RATIO, FREQUENCY, AVERAGE COST, PREMIUM AND EXPECTED GROSS TECHNICAL MARGIN

Province	Loss Ratio gross of IBNR estimate	Claims frequency net of IBNR estimate	Claims frequency gross of IBNR estimate	Average cost of claims handled net of IBNR estimate	Average cost of claims handled gross of IBNR estimate	Average pure premium for claims handled net of IBNR estimate	Average pure premium for claims handled gross of IBNR estimate	Average premium paid *	Expected gross technical margin
Turin	87.1%	7.6%	8.2%	3,828	3,905	292	319	366	12.9%
Cuneo	75.2%	5.5%	5.8%	3,815	3,854	208	222	295	24.8%
Alessandria	73.9%	5.4%	5.9%	3,480	3,581	189	209	284	26.1%
Novara	65.8%	5.5%	5.9%	3,162	3,240	175	190	288	34.2%
Asti	75.6%	6.1%	6.4%	3,306	3,399	201	219	289	24.4%
Vercelli	79.0%	5.2%	5.5%	3,849	4,003	199	220	279	21.0%
Biella	81.5%	6.1%	6.5%	3,398	3,501	206	226	277	18.5%
Verbano-Cusio-Ossola	74.6%	5.2%	5.5%	3,519	3,655	184	203	272	25.4%
TOTAL PIEDMONT	**81.6%**	**6.6%**	**7.0%**	**3,705**	**3,787**	**244**	**267**	**327**	**18.4%**
Aosta	54.1%	4.0%	4.4%	3,597	3,633	144	159	294	45.9%
TOTAL VALLE D'AOSTA	**54.1%**	**4.0%**	**4.4%**	**3,597**	**3,633**	**144**	**159**	**294**	**45.9%**
Genoa	86.2%	9.2%	10.1%	3,209	3,322	294	335	389	13.8%
Savona	65.3%	6.0%	6.4%	3,191	3,308	192	212	326	34.7%
La Spezia	75.1%	7.0%	7.5%	4,079	4,116	284	308	409	24.9%
Imperia	90.6%	6.1%	6.5%	4,162	4,222	253	275	304	9.4%
TOTAL LIGURIA	**81.1%**	**7.8%**	**8.5%**	**3,409**	**3,505**	**266**	**298**	**367**	**18.9%**
Milan	75.8%	6.7%	7.2%	3,584	3,709	242	268	354	24.2%
Brescia	80.2%	6.1%	6.4%	4,052	4,169	245	267	333	19.8%
Bergamo	70.2%	5.7%	6.0%	3,530	3,635	200	217	309	29.8%
Varese	77.0%	6.1%	6.5%	3,875	3,982	238	260	338	23.0%
Monza and Brianza	69.0%	6.7%	7.1%	3,242	3,310	217	234	339	31.0%
Como	72.9%	6.6%	7.0%	3,492	3,614	230	254	348	27.1%
Pavia	76.0%	5.6%	6.0%	3,932	4,110	222	247	324	24.0%
Mantua	77.3%	5.0%	5.4%	4,101	4,203	207	228	295	22.7%
Cremona	66.3%	5.1%	5.4%	3,806	3,954	193	212	321	33.7%
Lecco	70.5%	5.9%	6.2%	3,549	3,630	209	225	319	29.5%
Lodi	65.1%	5.7%	6.1%	3,281	3,676	187	223	343	34.9%
Sondrio	81.4%	5.0%	5.3%	4,646	4,653	233	247	303	18.6%
TOTAL LOMBARDY	**74.5%**	**6.2%**	**6.6%**	**3,680**	**3,800**	**228**	**250**	**336**	**25.5%**
Trento	71.7%	4.9%	5.2%	3,919	4,093	193	214	299	28.3%
Bolzano	66.6%	5.0%	5.4%	3,764	3,849	190	207	311	33.4%
TOTAL TRENTINO-ALTO ADIGE	**69.3%**	**5.0%**	**5.3%**	**3,848**	**3,981**	**191**	**211**	**305**	**30.7%**
Padua	81.7%	5.1%	5.5%	4,959	5,004	253	277	339	18.3%
Treviso	81.6%	4.9%	5.2%	5,095	5,106	250	268	329	18.4%
Verona	71.0%	5.4%	5.8%	3,777	3,910	205	227	319	29.0%
Vicenza	75.4%	5.0%	5.3%	4,262	4,343	214	232	308	24.6%
Venice	75.6%	4.8%	5.1%	5,138	5,173	248	266	351	24.4%
Rovigo	78.1%	4.1%	4.4%	5,218	5,211	214	229	293	21.9%
Belluno	86.1%	4.5%	4.8%	4,937	4,937	221	235	273	13.9%
TOTAL VENETO	**77.6%**	**5.0%**	**5.3%**	**4,645**	**4,704**	**232**	**252**	**324**	**22.4%**
Udine	68.5%	4.3%	4.7%	3,857	3,945	167	184	268	31.5%
Pordenone	71.3%	4.3%	4.6%	4,207	4,322	182	198	278	28.7%
Trieste	78.5%	5.4%	5.9%	3,900	4,004	210	237	301	21.5%
Gorizia	86.3%	4.3%	4.6%	4,989	5,141	213	235	273	13.7%
TOTAL FRIULI-VENICE GIULIA	**73.0%**	**4.5%**	**4.9%**	**4,059**	**4,161**	**183**	**202**	**277**	**27.0%**
Bologna	78.5%	6.2%	6.6%	4,449	4,550	275	300	382	21.5%

Province	Loss Ratio gross of IBNR estimate	Claims frequency net of IBNR estimate	Claims frequency gross of IBNR estimate	Average cost of claims handled net of IBNR estimate	Average cost of claims handled gross of IBNR estimate	Average pure premium for claims handled net of IBNR estimate	Average pure premium for claims handled gross of IBNR estimate	Average premium paid *	Expected gross technical margin
Modena	87.4%	6.1%	6.4%	4,626	4,726	281	305	349	12.6%
Reggio Emilia	85.2%	5.8%	6.2%	4,865	4,960	284	308	362	14.8%
Ravenna	89.9%	5.3%	5.7%	5,469	5,593	290	318	354	10.1%
Parma	81.9%	6.0%	6.4%	4,254	4,296	256	275	336	18.1%
Forlì-Cesena	74.4%	5.0%	5.5%	4,461	4,597	225	253	340	25.6%
Rimini	83.1%	5.8%	6.2%	5,044	5,126	293	317	382	16.9%
Ferrara	78.7%	4.7%	5.0%	4,913	5,132	230	257	326	21.3%
Piacenza	72.3%	5.9%	6.3%	3,804	3,829	225	243	336	27.7%
TOTAL EMILIA ROMAGNA	**81.8%**	**5.7%**	**6.1%**	**4,631**	**4,731**	**266**	**290**	**355**	**18.2%**
Ancona	97.3%	5.9%	6.4%	5,422	5,419	323	347	357	2.7%
Pesaro and Urbino	81.2%	5.4%	5.8%	4,896	4,927	264	284	350	18.8%
Macerata	94.9%	5.7%	6.1%	5,834	5,772	330	353	371	5.1%
Ascoli Piceno	74.4%	5.1%	5.6%	4,280	4,366	220	243	327	25.6%
Fermo	78.9%	5.5%	6.0%	4,628	4,636	256	280	355	21.1%
TOTAL MARCHE	**87.8%**	**5.6%**	**6.0%**	**5,146**	**5,151**	**288**	**310**	**353**	**12.2%**
Florence	74.2%	7.5%	8.1%	4,112	4,176	310	339	457	25.8%
Pisa	80.0%	6.7%	7.2%	4,600	4,671	309	337	421	20.0%
Lucca	88.9%	6.7%	7.3%	5,054	5,058	340	368	414	11.1%
Arezzo	81.3%	5.8%	6.3%	4,375	4,418	253	277	341	18.7%
Pistoia	70.7%	6.8%	7.4%	4,156	4,319	285	319	451	29.3%
Livorno	100.0%	6.2%	6.7%	5,485	5,611	341	375	375	0.0%
Prato	78.9%	8.6%	9.2%	4,118	4,176	352	384	487	21.1%
Siena	76.1%	5.3%	5.7%	3,753	4,032	198	230	302	23.9%
Massa-Carrara	78.3%	7.1%	7.7%	4,569	4,545	325	351	449	21.7%
Grosseto	80.5%	5.4%	5.8%	4,485	4,547	242	264	328	19.5%
TOTAL TUSCANY	79.9%	6.7%	7.3%	**4,424**	**4,502**	**298**	**327**	409	20.1%
Perugia	82.1%	5.4%	5.8%	4,138	4,224	222	244	297	17.9%
Terni	88,1%	5,4%	5,9%	4.602	4.622	249	273	310	11,9%
TOTAL UMBRIA	**83,5%**	**5,4%**	**5,8%**	**4.240**	**4.313**	**228**	**250**	**300**	**16,5%**
Roma	80,2%	8,0%	8,9%	3.926	4.032	316	359	447	19,8%
Latina	85,7%	5,9%	6,6%	5.568	5.670	326	376	439	14,3%
Frosinone	74,9%	5,3%	5,9%	4.788	4.751	252	278	372	25,1%
Viterbo	92,0%	5,6%	6,1%	4.693	4.790	263	291	316	8,0%
Rieti	92,9%	6,4%	7,0%	4.812	4.807	308	338	363	7,1%
TOTAL LATIUM	**81,2%**	**7,4%**	**8,2%**	**4.159**	**4.256**	**308**	**349**	**430**	**18,8%**
Naples	73,3%	7,9%	10,3%	3.985	4.180	314	432	590	26,7%
Salerno	68,2%	5,5%	6,4%	4.638	4.784	256	306	449	31,8%
Caserta	69,6%	6,2%	7,4%	4.753	4.908	294	364	523	30,4%
Avellino	74,1%	4,8%	5,6%	4.883	5.020	234	283	383	25,9%
Benevento	76,1%	5,3%	6,1%	4.658	4.926	247	298	392	23,9%
TOTAL CAMPANIA	**72,0%**	**6,6%**	**8,3%**	**4.313**	**4.475**	**286**	**371**	**515**	**28,0%**
Chieti	70,7%	5,3%	5,8%	4.008	4.185	213	241	341	29,3%
Pescara	76,5%	6,3%	6,9%	4.227	4.295	266	297	388	23,5%
Teramo	81,7%	5,2%	5,6%	4.902	4.979	255	281	344	18,3%
L'Aquila	64,1%	5,6%	6,1%	3.320	3.401	185	207	322	35,9%
TOTAL ABRUZZO	**73,3%**	**5,6%**	**6,1%**	**4.090**	**4.192**	**229**	**255**	**348**	**26,7%**
Campobasso	84,8%	4,9%	5,6%	4.141	4.265	204	238	281	15,2%
Isernia	85,3%	4,8%	5,4%	5.048	5.065	240	274	321	14,7%
TOTAL MOLISE	**85,0%**	**4,9%**	**5,5%**	**4.394**	**4.488**	**214**	**248**	**292**	**15,0%**

Tab. A3 - Loss Ratio, Frequency, Average Cost, Premium and Expected Gross Technical Margin

Province	Loss Ratio gross of IBNR estimate	Claims frequency net of IBNR estimate	Claims frequency gross of IBNR estimate	Average cost of claims handled net of IBNR estimate	Average cost of claims handled gross of IBNR estimate	Average pure premium for claims handled net of IBNR estimate	Average pure premium for claims handled gross of IBNR estimate	Average premium paid *	Expected gross technical margin
Bari	63,5%	5,6%	6,1%	4.252	4.365	239	268	422	36,5%
Lecce	71,8%	5,0%	5,5%	5.014	5.038	249	276	385	28,2%
Taranto	59,0%	5,2%	5,8%	4.680	4.792	243	279	473	41,0%
Foggia	68,1%	4,9%	5,4%	5.681	5.678	276	308	452	31,9%
Brindisi	64,8%	4,9%	5,4%	5.512	5.432	270	293	452	35,2%
Barletta-Andria-Trani	59,7%	5,4%	6,0%	3.998	4.038	217	241	404	40,3%
TOTAL PUGLIA	**64,8%**	**5,2%**	**5,8%**	**4.730**	**4.789**	**247**	**276**	**426**	**35,2%**
Potenza	82,0%	4,5%	5,0%	5.084	5.198	230	259	315	18,0%
Matera	81,3%	5,0%	5,3%	5.209	5.182	260	277	341	18,7%
TOTAL BASILICATA	81,7%	4,7%	5,1%	**5.132**	**5.192**	**241**	**265**	325	18,3%
Cosenza	67,7%	4,7%	5,1%	4.744	4.874	223	248	367	32,3%
Reggio Calabria	61,3%	4,5%	5,1%	5.788	5.928	261	301	492	38,7%
Catanzaro	62,0%	4,8%	5,2%	4.822	4.828	231	252	406	38,0%
Vibo Valentia	63,9%	5,0%	5,5%	5.216	5.396	260	298	466	36,1%
Crotone	69,8%	5,0%	5,8%	5.575	5.890	279	340	487	30,2%
TOTAL CALABRIA	**64,4%**	**4,7%**	**5,2%**	**5.099**	**5.227**	**240**	**271**	**421**	**35,6%**
Palermo	76,80%	6,80%	7,40%	3.853	4.039	262	299	390	23,20%
Catania	70,30%	6,20%	6,80%	4.279	4.339	263	294	418	29,70%
Messina	65,00%	5,40%	6,00%	4.558	4.548	248	274	422	35,00%
Trapani	77,50%	6,30%	6,80%	4.115	4.214	260	285	368	22,50%
Siracusa	68,30%	6,00%	6,40%	3.860	3.882	230	250	366	31,70%
Agrigento	67,50%	4,90%	5,20%	4.465	4.477	217	234	347	32,50%
Ragusa	74,70%	6,00%	6,50%	4.052	4.233	245	274	367	25,30%
Caltanissetta	72,60%	5,60%	6,10%	4.255	4.315	239	262	362	27,40%
Enna	91,40%	4,80%	5,20%	5.352	5.693	256	293	321	8,60%
TOTAL SICILY	**72,50%**	**6,00%**	**6,60%**	**4.169**	**4.271**	**251**	**280**	**386**	**27,50%**
Cagliari	71,30%	7,20%	7,60%	3.245	3.341	234	255	357	28,70%
Sassari	58,40%	5,50%	5,90%	3.516	3.611	192	212	363	41,60%
Nuoro	73,30%	5,90%	6,40%	3.638	3.771	216	240	328	26,70%
Olbia-Tempio	74,90%	5,50%	5,80%	4.175	4.212	229	246	328	25,10%
Oristano	93,90%	4,90%	5,20%	4.665	5.284	230	274	292	6,10%
Ogliastra	80,70%	5,80%	6,10%	4.196	4.183	243	256	318	19,30%
Carbonia-Iglesias	67,40%	5,10%	5,40%	3.564	3.578	181	193	287	32,60%
Medio Campidano	65,50%	5,20%	5,40%	3.480	3.531	179	192	297	34,50%
TOTAL SARDINIA	**70,80%**	**6,00%**	**6,40%**	**3.596**	**3.715**	**216**	**237**	**336**	**29,20%**
TOTAL all the regions	**76,10%**	**6,00%**	**6,60%**	**4.177**	**4.279**	**253**	**283**	**372**	**23,90%**
GRAND TOTAL	**76,10%**	**6,00%**	**6,60%**	**4.177**	**4.279**	**253**	**283**	**372**	**23,90%**

* Net of taxes and parafiscal charges.

TAB. A4 - VARIATIONS 2015/2014

Province	Loss Ratio gross of IBNR estimate	Claims frequency net of IBNR estimate	Claims frequency gross of IBNR estimate	Average cost of claims handled net of IBNR estimate	Average cost of claims handled gross of IBNR estimate	Average pure premium for claims handled net of IBNR estimate	Average pure premium for claims handled gross of IBNR estimate	verage premium paid	Technical margin gross of costs
Turin	10.1%	4.0%	3.7%	2.7%	1.9%	6.8%	5.6%	-4.1%	-38.3%
Cuneo	9.5%	5.3%	4.8%	4.1%	3.0%	9.7%	8.0%	-1.4%	-20.8%
Alessandria	-1.3%	-3.8%	-3.5%	-12.8%	-11.9%	-16.1%	-15.0%	-13.9%	3.8%
Novara	8.1%	2.0%	1.8%	-1.9%	-1.5%	0.0%	0.3%	-7.2%	-12.6%
Asti	16.9%	5.3%	4.3%	6.5%	8.0%	12.2%	12.6%	-3.6%	-30.8%
Vercelli	-2.2%	7.0%	6.4%	-18.5%	-15.4%	-12.8%	-10.0%	-7.9%	9.5%
Biella	-0.6%	4.6%	4.5%	-6.4%	-4.7%	-2.1%	-0.4%	0.3%	2.9%
Verbano-Cusio-Ossola	16.3%	-2.0%	-2.3%	7.3%	10.5%	5.1%	8.0%	-7.1%	-29.1%
TOTAL PIEDMONT	**8.5%**	3.2%	2.9%	0.2%	0.1%	3.4%	2.9%	-5.1%	-25.8%
Aosta	-10.6%	-9.1%	-8.3%	-7.6%	-8.0%	-16.0%	-15.6%	-5.6%	16.4%
TOTAL VALLE D'AOSTA	**-10.6%**	-9.1%	-8.3%	-7.6%	-8.0%	-16.0%	-15.6%	-5.6%	16.4%
Genoa	6.9%	-3.2%	-2.0%	-0.2%	-1.0%	-3.4%	-3.0%	-9.3%	-28.6%
Savona	-3.9%	-3.5%	-3.8%	-6.2%	-8.3%	-9.5%	-11.8%	-8.1%	8.3%
La Spezia	9.9%	2.7%	3.1%	0.0%	0.8%	2.6%	4.0%	-5.4%	-21.5%
Imperia	36.7%	2.2%	0.9%	29.2%	23.7%	32.0%	24.9%	-8.7%	-72.2%
TOTAL LIGURIA	**8.7%**	-1.5%	-0.8%	1.6%	0.3%	0.1%	-0.5%	-8.4%	-25.5%
Milan	3.8%	-4.4%	-4.7%	-0.4%	-0.8%	-4.8%	-5.5%	-8.9%	-10.3%
Brescia	9.7%	-0.4%	-0.4%	2.8%	3.9%	2.4%	3.5%	-5.6%	-26.3%
Bergamo	-2.0%	-0.1%	0.0%	-8.0%	-7.8%	-8.1%	-7.8%	-5.9%	5.2%
Varese	1.3%	-1.9%	-1.9%	-1.1%	-2.1%	-2.9%	-4.0%	-5.2%	-4.0%
Monza and Brianza	-3.5%	0.6%	-0.1%	-8.3%	-9.4%	-7.7%	-9.4%	-6.1%	8.8%
Como	5.0%	0.4%	0.1%	1.1%	-0.4%	1.5%	-0.3%	-5.1%	-11.4%
Pavia	17.2%	-0.3%	-0.4%	9.4%	11.1%	9.0%	10.6%	-5.6%	-31.7%
Mantua	13.5%	8.9%	9.2%	4.4%	2.6%	13.6%	12.0%	-1.3%	-28.8%
Cremona	8.6%	3.6%	3.0%	-0.5%	2.2%	3.0%	5.3%	-3.1%	-13.5%
Lecco	2.2%	3.7%	2.7%	-5.0%	-4.9%	-1.5%	-2.3%	-4.4%	-4.9%
Lodi	21.7%	9.6%	9.9%	3.8%	10.8%	13.8%	21.8%	0.0%	-25.0%
Sondrio	18.7%	-1.2%	-1.5%	13.9%	11.8%	12.6%	10.1%	-7.2%	-40.8%
TOTAL LOMBARDY	**4.6%**	-1.2%	-1.4%	-0.6%	-0.7%	-1.8%	-2.1%	-6.4%	-11.4%
Trento	20.7%	-2.3%	-1.7%	12.1%	13.2%	9.5%	11.3%	-7.8%	-30.2%
Bolzano	18.6%	1.0%	0.9%	16.7%	14.4%	17.9%	15.5%	-2.6%	-23.8%
TOTAL TRENTINO-ALTO ADIGE	**19.7%**	-0.8%	-0.5%	14.1%	13.7%	13.2%	13.2%	-5.5%	-27.1%
Padova	9,9%	-0,1%	1,0%	1,7%	0,5%	1,6%	1,5%	-7,6%	-28,7%
Treviso	8,0%	-0,3%	0,4%	3,9%	0,2%	3,6%	0,7%	-6,8%	-24,8%
Verona	-8,6%	1,2%	0,9%	-14,3%	-13,5%	-13,3%	-12,7%	-4,5%	29,9%
Vicenza	-5,8%	-1,6%	-1,7%	-9,6%	-9,7%	-11,0%	-11,2%	-5,8%	23,0%
Venice	0,8%	-0,9%	-1,1%	-3,8%	-5,8%	-4,7%	-6,8%	-7,6%	-2,4%
Rovigo	-3,7%	-3,8%	-2,7%	-3,3%	-7,5%	-6,9%	-10,0%	-6,6%	15,7%
Belluno	48,1%	-0,7%	-0,8%	44,4%	41,7%	43,3%	40,6%	-5,0%	-66,8%
TOTAL VENETO	**2,2%**	-0,4%	-0,1%	-2,9%	-4,2%	-3,3%	-4,4%	-6,4%	-6,8%
Udine	-8,3%	1,3%	2,6%	-17,7%	-16,5%	-16,7%	-14,3%	-6,6%	24,6%
Pordenone	-13,9%	-2,0%	-1,7%	-20,9%	-18,4%	-22,4%	-19,8%	-6,8%	67,3%
Tries te	-6,3%	-6,5%	-4,3%	-12,2%	-10,7%	-17,9%	-14,5%	-8,8%	32,5%
Gorizia	21,6%	-3,4%	-2,9%	9,6%	10,2%	5,8%	6,9%	-12,0%	-52,7%
TOTAL FRIULI-VENICE GIULIA	**-6,8%**	-1,4%	-0,2%	-15,3%	-13,7%	-16,4%	-13,8%	-7,5%	24,5%
Bologna	0,6%	0,6%	0,4%	-8,5%	-7,6%	-8,0%	-7,2%	-7,8%	-2,3%

Tab. A4 - Variations 2015/2014

Province	Loss Ratio gross of IBNR estimate	Claims frequency net of IBNR estimate	Claims frequency gross of IBNR estimate	Average cost of claims handled net of IBNR estimate	Average cost of claims handled gross of IBNR estimate	Average pure premium for claims handled net of IBNR estimate	Average pure premium for claims handled gross of IBNR estimate	verage premium paid	Technical margin gross of costs
Modena	13,8%	-0,1%	-0,2%	8,1%	7,4%	8,0%	7,2%	-5,8%	-45,7%
Reggio Emilia	-0,1%	-0,2%	-0,3%	-5,8%	-4,4%	-6,0%	-4,7%	-4,6%	0,8%
Ravenna	7,9%	-1,9%	-1,2%	-5,9%	-4,1%	-7,7%	-5,2%	-12,2%	-39,5%
Parm a	6,8%	2,5%	1,3%	-2,1%	-2,7%	0,3%	-1,5%	-7,7%	-22,3%
Forlì-Cesena	7,7%	-0,5%	1,7%	-1,8%	-1,5%	-2,3%	0,1%	-7,1%	-17,2%
Rimini	1,1%	1,4%	1,5%	-4,7%	-4,3%	-3,4%	-2,9%	-4,0%	-5,1%
Ferrara	5,5%	1,9%	2,8%	-5,4%	-1,6%	-3,6%	1,1%	-4,1%	-16,0%
Piacenza	-7,2%	7,1%	8,6%	-15,7%	-16,1%	-9,7%	-8,9%	-1,8%	25,3%
TOTAL EMILIA ROMAGNA	**4,4%**	0,8%	1,0%	-4,1%	-3,4%	-3,4%	-2,4%	-6,5%	-15,8%
Ancona	11,3%	2,7%	2,1%	3,8%	1,5%	6,7%	3,7%	-6,9%	-78,4%
Pesaro e Urbino	4,7%	4,9%	4,8%	-3,4%	-5,9%	1,3%	-1,4%	-5,8%	-16,4%
Macerata	16,9%	4,7%	5,8%	9,2%	5,5%	14,2%	11,7%	-4,5%	-73,0%
As coli Piceno	4,1%	-0,3%	0,5%	-3,5%	-4,1%	-3,7%	-3,7%	-7,4%	-10,2%
Fermo	11,7%	-1,3%	0,6%	1,8%	1,2%	0,6%	1,8%	-8,9%	-28,2%
TOTAL MARCHE	**10,0%**	2,7%	3,0%	2,2%	-0,1%	4,9%	2,9%	-6,5%	-39,6%
Firenze	0,3%	0,3%	0,2%	-1,9%	-4,5%	-1,6%	-4,4%	-4,7%	-1,0%
Pisa	-0,7%	3,0%	2,6%	-7,9%	-7,8%	-5,1%	-5,4%	-4,7%	2,9%
Lucca	15,6%	-1,4%	-1,3%	7,0%	7,5%	5,6%	6,1%	-8,2%	-51,9%
Arezzo	-7,6%	-5,6%	-7,2%	-15,7%	-16,0%	-20,5%	-22,1%	-15,7%	55,5%
Pistoia	-6,8%	0,3%	-0,7%	-16,9%	-13,5%	-16,7%	-14,1%	-7,8%	21,5%
Livorno	23,0%	-4,6%	-4,6%	19,2%	21,8%	13,8%	16,2%	-5,5%	-100,0%
Prato	21,3%	3,5%	3,4%	9,1%	10,0%	12,9%	13,8%	-6,2%	-39,6%
Siena	-2,9%	-3,0%	-3,4%	-12,3%	-5,9%	-14,9%	-9,1%	-6,4%	10,4%
Massa-Carrara	-15,2%	-4,9%	-4,7%	-18,7%	-18,9%	-22,7%	-22,7%	-8,8%	182,9%
Gros seto	34,9%	-0,3%	-0,1%	27,3%	24,6%	26,9%	24,5%	-7,7%	-51,6%
TOTAL TUSCANY	**3,8%**	-1,0%	-1,3%	-2,5%	-2,4%	-3,4%	-3,6%	-7,2%	-12,7%
Perugia	-0,2%	-6,0%	-5,4%	-8,8%	-9,1%	-14,2%	-14,1%	-13,9%	1,1%
Terni	-8,1%	0,8%	1,3%	-19,2%	-18,4%	-18,5%	-17,3%	-10,0%	191,0%
TOTAL UMBRIA	**-2,2%**	-4,5%	-3,9%	-11,4%	-11,5%	-15,4%	-14,9%	-13,0%	13,0%
Roma	9,2%	6,3%	5,0%	1,4%	0,5%	7,8%	5,5%	-3,4%	-25,5%
Latina	9,9%	-1,2%	-2,4%	-3,1%	-2,1%	-4,3%	-4,5%	-13,1%	-35,1%
Frosinone	8,4%	-3,1%	-3,9%	5,1%	2,1%	1,9%	-1,9%	-9,5%	-18,7%
Viterbo	22,3%	6,9%	6,6%	11,8%	12,9%	19,5%	20,3%	-1,6%	-67,8%
Rieti	14,4%	-0,2%	0,1%	11,1%	8,9%	10,8%	9,0%	-4,7%	-62,3%
TOTAL LATIUM	**9,9%**	4,8%	3,6%	1,8%	1,0%	6,7%	4,6%	-4,8%	-28,0%
Naples	7,5%	9,3%	4,1%	-2,1%	-2,9%	7,0%	1,1%	-6,0%	-16,1%
Salerno	-0,8%	9,2%	6,4%	-9,3%	-8,8%	-0,9%	-2,9%	-2,2%	1,7%
Caserta	3,3%	13,2%	6,2%	-6,2%	-3,9%	6,1%	2,0%	-1,3%	-6,8%
Avellino	9,2%	6,4%	5,7%	-1,6%	-4,6%	4,7%	0,8%	-7,7%	-19,4%
Benevento	20,4%	2,5%	1,8%	0,9%	4,9%	3,4%	6,7%	-11,3%	-35,0%
TOTAL CAMPANIA	**6,1%**	9,3%	4,9%	-4,1%	-3,8%	4,9%	0,8%	-5,0%	-12,9%
Chieti	4,8%	9,6%	7,9%	-6,2%	-3,3%	2,8%	4,3%	-0,5%	-10,0%
Pescara	6,2%	2,2%	2,7%	-5,0%	-5,4%	-2,8%	-2,8%	-8,5%	-15,8%
Teramo	16,4%	2,1%	2,4%	8,0%	7,8%	10,3%	10,4%	-5,2%	-38,5%
L'Aquila	-12,3%	3,3%	3,9%	-22,3%	-21,5%	-19,7%	-18,4%	-7,0%	33,5%
TOTAL ABRUZZO	**3,8%**	4,7%	4,6%	-6,6%	-5,8%	-2,2%	-1,4%	-5,1%	-9,2%
Campobasso	-13,4%	-1,3%	1,3%	-20,2%	-21,6%	-21,2%	-20,6%	-8,3%	643,4%
Isernia	24,1%	-3,5%	-2,1%	21,9%	19,5%	17,6%	17,1%	-5,7%	-53,1%
TOTAL MOLISE	**-4,4%**	-1,9%	0,3%	-10,1%	-11,9%	-11,9%	-11,6%	-7,5%	35,1%

Province	Loss Ratio gross of IBNR estimate	Claims frequency net of IBNR estimate	Claims frequency gross of IBNR estimate	Average cost of claims handled net of IBNR estimate	Average cost of claims handled gross of IBNR estimate	Average pure premium for claims handled net of IBNR estimate	Average pure premium for claims handled gross of IBNR estimate	verage premium paid	Technical margin gross of costs
Bari	-10,3%	3,4%	3,4%	-20,5%	-20,8%	-17,8%	-18,1%	-8,7%	24,9%
Lecce	20,4%	7,1%	6,9%	2,6%	1,3%	9,9%	8,2%	-10,1%	-30,2%
Taranto	8,4%	4,7%	5,0%	-5,4%	-5,1%	-1,0%	-0,4%	-8,1%	-10,0%
Foggia	5,8%	7,4%	8,0%	-9,7%	-8,4%	-3,1%	-1,1%	-6,6%	-10,5%
Brindisi	12,9%	6,2%	6,2%	-2,6%	-2,4%	3,4%	3,7%	-8,1%	-17,4%
Barletta-Andria-Trani	-13,6%	7,7%	8,1%	-33,4%	-33,5%	-28,3%	-28,1%	-16,8%	30,6%
TOTAL PUGLIA	**1,8%**	5,5%	5,6%	-12,4%	-12,5%	-7,6%	-7,6%	-9,2%	-3,1%
Potenza	11,1%	-4,1%	-4,7%	3,0%	3,4%	-1,2%	-1,4%	-11,3%	-31,2%
Matera	2,1%	-1,6%	-3,2%	-6,7%	-7,2%	-8,3%	-10,1%	-12,0%	-8,3%
TOTAL BASILICATA	**7,6%**	-3,1%	-4,1%	-0,8%	-0,7%	-3,9%	-4,8%	-11,5%	-24,0%
Cosenza	-2,0%	7,6%	5,7%	-9,8%	-11,6%	-3,0%	-6,6%	-4,7%	4,4%
Reggio Calabria	-4,4%	-0,5%	-0,7%	-12,6%	-10,7%	-13,0%	-11,4%	-7,2%	7,9%
Catanzaro	-2,7%	1,8%	0,2%	-17,8%	-18,2%	-16,3%	-18,0%	-15,7%	4,8%
Vibo Valentia	7,5%	7,5%	6,3%	-1,2%	-2,3%	6,2%	3,8%	-3,5%	-11,0%
Crotone	-6,4%	13,4%	11,1%	-16,6%	-15,3%	-5,4%	-5,9%	0,6%	18,9%
TOTAL CALABRIA	**-2,6%**	**4,7%**	**3,3%**	**-12,5%**	**-12,7%**	**-8,4%**	**-9,8%**	**-7,4%**	**5,0%**
Palermo	9,00%	2,60%	1,90%	-1,20%	0,20%	1,40%	2,10%	-6,30%	-21,50%
Catania	7,10%	3,70%	3,40%	-1,70%	-5,00%	1,90%	-1,80%	-8,30%	-13,50%
Messina	2,10%	3,40%	3,20%	-7,20%	-9,20%	-4,00%	-6,30%	-8,30%	-3,60%
Trapani	16,50%	3,80%	3,20%	2,20%	3,10%	6,00%	6,40%	-8,70%	-32,70%
Siracusa	19,40%	1,90%	3,10%	11,50%	9,60%	13,70%	13,00%	-5,30%	-25,90%
Agrigento	23,20%	5,20%	5,10%	16,10%	12,20%	22,20%	17,90%	-4,30%	-28,00%
Ragusa	15,20%	6,70%	7,00%	1,00%	5,10%	7,70%	12,40%	-2,50%	-28,10%
Caltanissetta	18,30%	2,10%	2,90%	10,70%	5,30%	13,00%	8,30%	-8,40%	-29,10%
Enna	64,80%	9,60%	8,50%	55,30%	43,20%	70,20%	55,40%	-5,70%	-80,60%
TOTAL SICILY	**12,30%**	**3,60%**	**3,30%**	**2,40%**	**1,20%**	**6,00%**	**4,60%**	**-6,80%**	**-22,30%**
Cagliari	6,50%	2,90%	1,80%	-5,60%	-4,90%	-2,90%	-3,10%	-9,10%	-13,20%
Sassari	-8,50%	-5,00%	-5,60%	-12,00%	-11,30%	-16,40%	-16,20%	-8,40%	15,00%
Nuoro	-7,40%	-7,20%	-5,40%	-15,50%	-13,70%	-21,60%	-18,40%	-11,80%	28,20%
Olbia-Tempio	20,80%	8,90%	7,30%	14,60%	9,40%	24,70%	17,40%	-2,80%	-33,90%
Oristano	34,10%	-1,10%	-2,20%	27,30%	26,00%	25,90%	23,20%	-8,10%	-79,60%
Ogliastra	12,70%	15,40%	16,10%	-8,40%	-8,10%	5,70%	6,80%	-5,20%	-32,00%
Carbonia-Iglesias	-12,20%	9,30%	11,10%	-20,10%	-20,60%	-12,60%	-11,80%	0,50%	40,30%
Medio Campidano	-22,30%	16,30%	14,80%	-37,90%	-39,20%	-27,70%	-30,20%	-10,10%	118,80%
TOTAL SARDINIA	**2,80%**	**1,20%**	**0,70%**	**-6,80%**	**-6,50%**	**-5,70%**	**-5,80%**	**-8,40%**	**-6,10%**
TOTAL all the regions	**5,50%**	**1,70%**	**1,20%**	**-2,40%**	**-2,70%**	**-0,80%**	**-1,60%**	**-6,70%**	**-14,30%**
GRAND TOTAL	**5,40%**	**1,40%**	**1,00%**	**-1,60%**	**-2,00%**	**-0,20%**	**-1,00%**	**-6,00%**	**-14,00%**

TAB. A5 - COMPOSITION OF CLAIMS MANAGED

	PAID						WRITTEN IN THE PROVISIONS					
	NUMBERS			AMOUNTS			NUMBERS			AMOUNTS		
Province	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Amount paid for claims handled with only PERSONAL INJURIES	Amount paid for claims handled with only DAMAGE TO VEHICLES	Amount paid for claims handled with MIXED DAMAGE	Number of claims written in the provisions with only PERSONAL INJURIES, net of IBNR	Number of claims written in the provisions with only DAMAGE TO VEHICLES, net of IBNR	Number of claims written in the provisions with MIXED DAMAGE, net of IBNR	Amount written in the provisions for claims with only PERSONAL INJURIES, net of IBNR	Amount written in the provisions for claims with only DAMAGE TO VEHICLES, net of IBNR	Amount written in the provisions for claims with MIXED DAMAGE, net of IBNR
Turin	1.0%	93.0%	6.0%	5.1%	70.3%	24.6%	7.8%	62.9%	29.3%	35.3%	20.2%	44.6%
Cuneo	1.3%	93.0%	5.7%	8.9%	70.2%	20.9%	10.2%	64.7%	25.1%	48.3%	13.5%	38.2%
Alessandria	1.4%	92.9%	5.7%	9.8%	69.9%	20.3%	10.1%	64.5%	25.4%	50.1%	13.6%	36.3%
Novara	1.1%	93.0%	5.9%	4.1%	71.1%	24.7%	9.4%	63.9%	26.7%	47.0%	18.7%	34.3%
Asti	1.5%	93.1%	5.4%	7.9%	72.2%	19.9%	11.2%	66.5%	22.2%	36.2%	16.9%	46.9%
Vercelli	0.9%	93.7%	5.4%	7.1%	65.2%	27.7%	9.0%	62.2%	28.8%	20.3%	13.4%	66.3%
Biella	1.0%	95.1%	3.9%	2.7%	83.1%	14.2%	8.4%	67.5%	24.1%	35.1%	16.1%	48.8%
Verbano-Cusio-Ossola	1.3%	95.2%	3.5%	4.6%	76.3%	19.1%	12.6%	63.4%	24.0%	24.6%	14.2%	61.2%
TOTAL PIEDMONT	**1.1%**	**93.2%**	**5.7%**	**5.9%**	**70.7%**	**23.3%**	**8.6%**	**63.5%**	**28.0%**	**37.8%**	**18.0%**	**44.2%**
Aosta	1.0%	94.1%	4.9%	21.3%	61.4%	17.3%	13.2%	68.1%	18.7%	35.3%	15.7%	49.0%
TOTAL VALLE D'AOSTA	**1.0%**	**94.1%**	**4.9%**	**21.3%**	**61.4%**	**17.3%**	**13.2%**	**68.1%**	**18.7%**	**35.3%**	**15.7%**	**49.0%**
Genoa	0.7%	96.3%	3.0%	4.0%	80.4%	15.6%	6.4%	78.5%	15.1%	32.6%	32.8%	34.5%
Savona	1.6%	93.4%	5.0%	8.7%	71.2%	20.1%	11.0%	62.6%	26.4%	38.3%	15.8%	45.9%
La Spezia	1.3%	92.2%	6.5%	4.8%	69.7%	25.5%	12.6%	56.4%	31.0%	27.9%	14.7%	57.4%
Imperia	0.8%	93.8%	5.4%	5.0%	76.5%	18.5%	8.6%	67.5%	23.9%	41.5%	13.3%	45.2%
TOTAL LIGURIA	**0.9%**	**95.0%**	**4.1%**	**4.9%**	**77.2%**	**17.9%**	**7.8%**	**73.2%**	**19.0%**	**34.3%**	**24.3%**	**41.4%**
Milan	1.0%	93.5%	5.5%	5.5%	69.8%	24.7%	8.2%	65.1%	26.7%	29.7%	18.6%	51.7%
Brescia	1.0%	93.0%	6.0%	3.6%	73.2%	23.3%	9.4%	65.9%	24.7%	43.4%	12.8%	43.9%
Bergamo	1.2%	92.4%	6.4%	10.3%	64.7%	25.0%	9.8%	64.0%	26.3%	36.3%	15.5%	48.2%
Varese	1.3%	93.0%	5.7%	5.0%	67.5%	27.5%	11.4%	60.0%	28.7%	37.2%	14.2%	48.6%
Monza and Brianza	1.3%	92.7%	6.0%	5.9%	70.1%	24.0%	9.3%	61.7%	29.0%	38.6%	18.5%	42.9%
Como	1.4%	93.5%	5.2%	9.5%	69.1%	21.4%	9.9%	61.7%	28.4%	38.2%	19.6%	42.3%
Pavia	1.6%	92.0%	6.4%	8.6%	65.8%	25.7%	12.5%	54.9%	32.6%	35.3%	9.7%	54.9%
Mantua	1.9%	92.4%	5.7%	5.5%	70.7%	23.8%	11.1%	62.3%	26.6%	43.5%	13.8%	42.6%
Cremona	1.4%	91.1%	7.5%	6.6%	67.9%	25.5%	12.3%	56.8%	30.9%	51.9%	12.0%	36.1%
Lecco	1.0%	93.6%	5.5%	9.1%	65.3%	25.5%	10.0%	60.7%	29.4%	42.5%	14.5%	43.0%
Lodi	1.4%	91.1%	7.4%	9.4%	64.6%	26.0%	11.9%	51.8%	36.3%	33.3%	16.3%	50.4%
Sondrio	0.8%	93.6%	5.6%	4.7%	72.5%	22.8%	8.3%	64.7%	27.0%	38.4%	11.9%	49.7%
TOTAL LOMBARDY	**1.2%**	**93.0%**	**5.9%**	**6.4%**	**69.0%**	**24.6%**	**9.5%**	**62.8%**	**27.6%**	**36.3%**	**15.9%**	**47.8%**
Trento	0,7%	94,6%	4,8%	3,0%	65,2%	31,8%	7,1%	68,8%	24,0%	38,7%	14,9%	46,4%
Bolzano	0.7%	96.1%	3.2%	4.5%	82.4%	13.1%	5.6%	77.0%	17.4%	47.1%	22.9%	30.0%
TOTAL TRENTINO-ALTO ADIGE	**0.7%**	**95.3%**	**4.1%**	**3.6%**	**72.5%**	**23.9%**	**6.4%**	**73.0%**	**20.6%**	**42.7%**	**18.7%**	**38.6%**
Padua	0.7%	94.4%	4.9%	5.4%	62.0%	32.6%	9.8%	48.5%	41.7%	41.1%	11.0%	47.8%
Treviso	0.5%	94.0%	5.5%	6.8%	61.4%	31.8%	9.5%	49.8%	40.7%	35.5%	10.4%	54.1%
Verona	1.3%	92.1%	6.6%	4.2%	71.3%	24.6%	9.2%	61.6%	29.2%	39.2%	15.5%	45.3%
Vicenza	0.7%	94.3%	5.0%	3.6%	72.3%	24.1%	9.5%	55.5%	35.0%	24.5%	13.0%	62.5%
Venice	1.1%	92.5%	6.4%	7.6%	55.6%	36.8%	10.5%	44.1%	45.4%	39.8%	10.6%	49.6%

	PAID						WRITTEN IN THE PROVISIONS					
	NUMBERS			AMOUNTS			NUMBERS			AMOUNTS		
Province	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Amount paid for claims handled with only PERSONAL INJURIES	Amount paid for claims handled with only DAMAGE TO VEHICLES	Amount paid for claims handled with MIXED DAMAGE	Number of claims written in the provisions with only PERSONAL INJURIES, net of IBNR	Number of claims written in the provisions with only DAMAGE TO VEHICLES, net of IBNR	Number of claims written in the provisions with MIXED DAMAGE, net of IBNR	Amount written in the provisions for claims with only PERSONAL INJURIES, net of IBNR	Amount written in the provisions for claims with only DAMAGE TO VEHICLES, net of IBNR	Amount written in the provisions for claims with MIXED DAMAGE, net of IBNR
Rovigo	1.0%	93.4%	5.6%	7.5%	65.3%	27.2%	12.7%	46.2%	41.1%	21.5%	8.8%	69.6%
Belluno	0.7%	95.2%	4.1%	15.2%	55.3%	29.5%	9.5%	60.5%	30.0%	45.1%	12.7%	42.3%
TOTAL VENETO	**0.9%**	**93.5%**	**5.6%**	**6.1%**	**64.1%**	**29.8%**	**9.8%**	**52.0%**	**38.2%**	**35.8%**	**11.8%**	**52.3%**
Udine	0.7%	94.4%	4.9%	6.4%	72.8%	20.7%	9.5%	58.9%	31.6%	36.1%	15.4%	48.5%
Pordenone	0.8%	94.2%	5.0%	4.6%	74.0%	21.4%	10.9%	55.7%	33.4%	42.1%	12.9%	45.0%
Trieste	0.7%	95.0%	4.3%	3.4%	69.1%	27.5%	10.0%	58.2%	31.7%	26.0%	13.8%	60.2%
Gorizia	0.8%	94.4%	4.8%	3.6%	75.9%	20.5%	9.0%	57.0%	34.0%	64.5%	9.5%	26.0%
TOTAL FRIULI-VENICE GIULIA	**0.8%**	**94.5%**	**4.8%**	**5.1%**	**72.6%**	**22.3%**	**9.9%**	**57.8%**	**32.3%**	**39.5%**	**13.6%**	**46.9%**
Bologna	0.9%	92.8%	6.3%	7.3%	64.9%	27.8%	10.8%	54.0%	35.1%	40.6%	11.3%	48.0%
Modena	1.1%	92.3%	6.7%	4.8%	71.1%	24.1%	10.3%	60.4%	29.3%	35.0%	9.5%	55.5%
Reggio Emilia	1.1%	91.8%	7.1%	8.7%	66.1%	25.2%	10.0%	56.6%	33.4%	32.1%	8.9%	59.1%
Ravenna	1.2%	90.9%	8.0%	7.3%	62.4%	30.2%	10.0%	52.9%	37.1%	32.1%	7.9%	59.9%
Parma	1.1%	92.9%	6.0%	15.3%	64.1%	20.6%	11.0%	58.4%	30.6%	50.0%	11.8%	38.1%
Forlì-Cesena	1.1%	90.8%	8.2%	7.0%	65.8%	27.2%	11.7%	52.4%	35.9%	32.8%	9.2%	57.9%
Rimini	1.3%	89.4%	9.3%	5.4%	59.9%	34.7%	11.9%	44.7%	43.4%	33.9%	8.0%	58.1%
Ferrara	1.0%	92.0%	6.9%	10.4%	57.8%	31.9%	11.6%	49.1%	39.3%	42.6%	8.9%	48.5%
Piacenza	1.8%	91.3%	6.9%	10.8%	66.1%	23.1%	14.6%	55.6%	29.8%	45.8%	13.2%	41.0%
TOTAL EMILIA ROMAGNA	**1.1%**	**91.9%**	**7.0%**	**8.3%**	**64.9%**	**26.8%**	**11.0%**	**54.5%**	**34.4%**	**37.7%**	**9.8%**	**52.5%**
Ancona	1.5%	89.2%	9.3%	6.1%	55.3%	38.6%	11.5%	46.1%	42.4%	36.7%	8.9%	54.4%
Pesaro and Urbino	1.3%	90.8%	7.8%	12.8%	58.5%	28.7%	11.5%	47.7%	40.8%	36.2%	10.0%	53.8%
Macerata	1.7%	90.0%	8.3%	7.1%	54.7%	38.2%	13.4%	44.3%	42.4%	44.5%	6.6%	48.9%
Ascoli Piceno	1.3%	91.1%	7.6%	8.3%	61.5%	30.2%	15.0%	44.6%	40.5%	47.9%	9.1%	43.0%
Fermo	1.4%	89.9%	8.6%	5.3%	59.5%	35.3%	13.4%	47.5%	39.1%	40.1%	8.8%	51.1%
TOTAL MARCHE	**1.5%**	**90.1%**	**8.4%**	**8.1%**	**56.9%**	**34.9%**	**12.5%**	**46.0%**	**41.4%**	**40.2%**	**8.6%**	**51.2%**
Firenze	0,9%	93,8%	5,3%	6,5%	72,3%	21,3%	8,4%	64,8%	26,8%	46,2%	19,8%	34,0%
Pisa	1.8%	90.7%	7.5%	8.8%	64.1%	27.1%	11.9%	55.7%	32.4%	34.2%	16.3%	49.5%
Lucca	1.9%	89.9%	8.3%	6.6%	62.9%	30.5%	12.4%	56.1%	31.5%	42.1%	14.5%	43.4%
Arezzo	2.3%	90.9%	6.9%	8.5%	68.3%	23.2%	15.3%	56.1%	28.6%	47.9%	13.0%	39.1%
Pistoia	1.8%	90.7%	7.5%	10.3%	65.5%	24.1%	10.4%	57.2%	32.5%	33.3%	20.4%	46.3%
Livorno	1.3%	92.5%	6.3%	8.8%	70.0%	21.2%	10.6%	59.0%	30.4%	53.5%	9.6%	37.0%
Prato	1.1%	93.3%	5.7%	3.4%	76.7%	19.9%	8.6%	64.2%	27.2%	47.0%	21.5%	31.5%
Siena	1.4%	92.8%	5.8%	5.9%	68.1%	26.0%	11.7%	68.7%	19.6%	45.4%	29.4%	25.2%
Massa-Carrara	2.8%	88.9%	8.2%	11.3%	63.8%	24.9%	12.3%	56.2%	31.5%	39.2%	19.5%	41.4%
Grosseto	1.2%	93.5%	5.3%	5.6%	73.5%	20.9%	12.0%	57.5%	30.5%	23.1%	9.9%	67.0%
TOTAL TUSCANY	**1.5%**	**92.1%**	**6.4%**	**7.4%**	**68.8%**	**23.7%**	**10.7%**	**60.5%**	**28.8%**	**43.1%**	**16.8%**	**40.2%**
Perugia	1.7%	91.0%	7.3%	9.3%	61.7%	29.0%	11.8%	50.7%	37.5%	49.4%	13.0%	37.6%
Terni	1.3%	92.4%	6.3%	6.2%	67.4%	26.4%	13.9%	49.3%	36.8%	37.6%	10.7%	51.7%
TOTAL UMBRIA	**1.6%**	**91.3%**	**7.1%**	**8.6%**	**62.9%**	**28.5%**	**12.3%**	**50.3%**	**37.3%**	**46.2%**	**12.4%**	**41.4%**
Rome	0.8%	94.9%	4.3%	5.2%	74.3%	20.4%	8.1%	68.2%	23.8%	37.1%	22.7%	40.2%
Latina	2.3%	86.8%	10.9%	8.8%	56.4%	34.8%	13.9%	51.6%	34.5%	43.6%	11.2%	45.3%
Frosinone	1.9%	89.1%	8.9%	10.6%	59.3%	30.1%	13.1%	50.5%	36.5%	37.5%	11.3%	51.2%

	PAID						WRITTEN IN THE PROVISIONS					
	NUMBERS			AMOUNTS			NUMBERS			AMOUNTS		
Province	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Amount paid for claims handled with only PERSONAL INJURIES	Amount paid for claims handled with only DAMAGE TO VEHICLES	Amount paid for claims handled with MIXED DAMAGE	Number of claims written in the provisions with only PERSONAL INJURIES, net of IBNR	Number of claims written in the provisions with only DAMAGE TO VEHICLES, net of IBNR	Number of claims written in the provisions with MIXED DAMAGE, net of IBNR	Amount written in the provisions for claims with only PERSONAL INJURIES, net of IBNR	Amount written in the provisions for claims with only DAMAGE TO VEHICLES, net of IBNR	Amount written in the provisions for claims with MIXED DAMAGE, net of IBNR
Viterbo	1.5%	94.9%	3.6%	6.6%	69.6%	23.8%	15.1%	61.0%	23.9%	59.8%	10.2%	30.0%
Rieti	1.5%	93.2%	5.3%	5.1%	70.7%	24.1%	11.7%	53.4%	34.9%	30.4%	12.7%	56.9%
TOTAL LATIUM	**1.0%**	**93.9%**	**5.1%**	**5.9%**	**71.6%**	**22.5%**	**9.1%**	**65.2%**	**25.7%**	**38.9%**	**19.5%**	**41.6%**
Naples	0.9%	94.8%	4.3%	3.7%	80.6%	15.7%	7.4%	75.2%	17.4%	22.2%	32.7%	45.0%
Salerno	3.1%	86.1%	10.8%	10.2%	54.4%	35.4%	14.0%	56.3%	29.7%	34.2%	16.6%	49.2%
Caserta	2.3%	90.5%	7.3%	8.0%	64.7%	27.3%	12.4%	62.9%	24.7%	29.2%	23.4%	47.4%
Avellino	2.9%	84.6%	12.5%	11.5%	52.9%	35.6%	16.5%	50.7%	32.8%	47.2%	13.5%	39.3%
Benevento	2.1%	88.2%	9.8%	6.0%	57.7%	36.2%	11.3%	60.1%	28.6%	45.0%	17.1%	37.9%
TOTAL CAMPANIA	**1.8%**	**91.2%**	**7.0%**	**6.4%**	**69.2%**	**24.4%**	**9.8%**	**68.4%**	**21.8%**	**29.0%**	**25.7%**	**45.3%**
Chieti	2.6%	86.8%	10.6%	7.5%	55.5%	37.0%	12.6%	48.8%	38.6%	31.1%	16.1%	52.8%
Pescara	2.1%	85.8%	12.1%	9.2%	48.6%	42.1%	13.1%	48.6%	38.3%	40.8%	12.1%	47.2%
Teramo	1.8%	89.1%	9.1%	7.4%	61.4%	31.3%	12.2%	50.8%	37.1%	50.6%	9.7%	39.7%
L'Aquila	2.1%	91.1%	6.8%	8.6%	64.2%	27.1%	14.6%	57.6%	27.8%	39.0%	17.4%	43.7%
TOTAL ABRUZZO	**2.2%**	**88.1%**	**9.7%**	**8.3%**	**56.7%**	**35.0%**	**13.1%**	**51.2%**	**35.7%**	**41.0%**	**13.3%**	**45.7%**
Campobasso	1.9%	90.6%	7.5%	14.3%	51.3%	34.5%	14.8%	57.8%	27.3%	42.2%	14.3%	43.5%
Isernia	2.4%	92.0%	5.6%	7.0%	71.6%	21.4%	13.0%	60.8%	26.2%	34.0%	11.7%	54.3%
TOTAL MOLISE	**2.0%**	**91.0%**	**7.0%**	**12.6%**	**56.0%**	**31.4%**	**14.3%**	**58.7%**	**27.0%**	**39.2%**	**13.3%**	**47.5%**
Bari	2.6%	82.5%	14.9%	7.7%	53.2%	39.1%	12.5%	54.9%	32.6%	34.9%	14.2%	50.9%
Lecce	2.2%	82.9%	14.9%	8.5%	51.6%	39.9%	9.5%	48.6%	42.0%	35.9%	10.9%	53.2%
Taranto	3.4%	84.3%	12.3%	11.0%	52.0%	37.0%	12.7%	47.6%	39.7%	30.7%	13.0%	56.3%
Foggia	2.4%	85.6%	12.0%	7.4%	49.8%	42.9%	18.3%	40.0%	41.6%	37.4%	9.5%	53.1%
Brindisi	2.0%	83.0%	15.0%	7.2%	50.1%	42.6%	12.4%	46.4%	41.2%	37.4%	10.0%	52.6%
Barletta-Andria-Trani	2.3%	85.7%	12.0%	10.9%	55.8%	33.4%	12.7%	50.8%	36.5%	47.3%	14.3%	38.4%
TOTAL APULIA	**2.5%**	**83.5%**	**13.9%**	**8.5%**	**52.1%**	**39.4%**	**12.7%**	**49.4%**	**37.9%**	**36.2%**	**12.2%**	**51.7%**
Potenza	2.0%	90.9%	7.1%	15.4%	61.4%	23.2%	14.0%	52.9%	33.1%	22.5%	9.3%	68.2%
Matera	2.0%	90.2%	7.8%	6.0%	67.5%	26.6%	15.7%	47.1%	37.2%	35.6%	8.3%	56.2%
TOTAL BASILICATA	**2.0%**	**90.6%**	**7.4%**	**11.9%**	**63.7%**	**24.5%**	**14.7%**	**50.6%**	**34.7%**	**27.7%**	**8.9%**	**63.4%**
Cosenza	3.2%	87.2%	9.6%	11.1%	57.0%	31.9%	19.2%	49.9%	31.0%	41.5%	9.7%	48.8%
Reggio Calabria	4.2%	86.6%	9.2%	9.6%	64.2%	26.2%	23.4%	47.0%	29.6%	38.3%	10.6%	51.1%
Catanzaro	3.1%	85.5%	11.4%	9.5%	56.1%	34.4%	16.9%	46.3%	36.9%	55.3%	9.5%	35.2%
Vibo Valentia	4.8%	84.5%	10.7%	13.8%	56.4%	29.8%	25.9%	41.0%	33.1%	51.8%	10.0%	38.2%
Crotone	3.0%	87.2%	9.8%	9.1%	63.3%	27.5%	24.5%	39.8%	35.7%	36.9%	12.9%	50.2%
TOTAL CALABRIA	**3.5%**	**86.5%**	**10.0%**	**10.4%**	**59.1%**	**30.4%**	**20.7%**	**46.8%**	**32.5%**	**44.1%**	**10.1%**	**45.8%**
Palermo	1.8%	92.8%	5.3%	10.9%	65.8%	23.3%	15.0%	59.4%	25.6%	40.4%	14.4%	45.3%
Catania	2.3%	89.3%	8.5%	12.3%	58.6%	29.1%	14.8%	54.1%	31.1%	38.3%	11.0%	50.7%
Messina	2.4%	88.2%	9.4%	7.4%	56.4%	36.2%	15.3%	52.3%	32.4%	37.4%	12.0%	50.6%
Trapani	2.1%	89.8%	8.1%	11.7%	56.2%	32.2%	11.8%	54.3%	33.9%	42.4%	11.2%	46.5%
Siracusa	1.6%	91.3%	7.1%	6.7%	60.4%	32.9%	9.6%	56.8%	33.6%	24.4%	12.2%	63.4%
Agrigento	2.1%	90.6%	7.4%	9.5%	61.2%	29.3%	12.8%	53.4%	33.8%	28.6%	11.3%	60.1%
Ragusa	1.4%	90.0%	8.5%	6.1%	63.9%	30.1%	9.2%	57.1%	33.7%	32.9%	11.7%	55.4%
Caltanissetta	2.7%	90.8%	6.5%	7.3%	64.1%	28.7%	13.4%	51.7%	34.9%	50.9%	11.2%	37.9%

	PAID						WRITTEN IN THE PROVISIONS					
	NUMBERS			AMOUNTS			NUMBERS			AMOUNTS		
Province	**Number of claims paid with only PERSONAL INJURIES**	**Number of claims paid with only DAMAGE TO VEHICLES**	**Number of claims paid with MIXED DAMAGE**	**Amount paid for claims handled with only PERSONAL INJURIES**	**Amount paid for claims handled with only DAMAGE TO VEHICLES**	**Amount paid for claims handled with MIXED DAMAGE**	**Number of claims written in the provisions with only PERSONAL INJURIES, net of IBNR**	**Number of claims written in the provisions with only DAMAGE TO VEHICLES, net of IBNR**	**Number of claims written in the provisions with MIXED DAMAGE, net of IBNR**	**Amount written in the provisions for claims with only PERSONAL INJURIES, net of IBNR**	**Amount written in the provisions for claims with only DAMAGE TO VEHICLES, net of IBNR**	**Amount written in the provisions for claims with MIXED DAMAGE, net of IBNR**
Enna	1.8%	90.7%	7.5%	7.5%	64.0%	28.6%	11.4%	52.2%	36.5%	34.6%	6.8%	58.6%
TOTAL SICILY	**2.0%**	**90.6%**	**7.4%**	**9.6%**	**61.1%**	**29.3%**	**13.6%**	**55.6%**	**30.8%**	**37.5%**	**12.0%**	**50.5%**
Cagliari	0,8%	95.3%	3.9%	3.7%	78.1%	18.1%	10.7%	55.5%	33.8%	35.3%	15.4%	49.3%
Sassari	1.7%	90.4%	7.9%	9.3%	62.9%	27.8%	11.7%	54.0%	34.3%	52.2%	14.4%	33.4%
Nuoro	1.0%	95.3%	3.7%	7.7%	78.7%	13.5%	13.9%	61.9%	24.2%	55.4%	20.7%	23.9%
Olbia-Tempio	0.8%	92.5%	6.7%	9.4%	61.0%	29.5%	10.4%	56.5%	33.2%	46.0%	10.2%	43.8%
Oristano	1.1%	93.8%	5.0%	11.4%	64.3%	24.3%	11.0%	57.7%	31.4%	27.9%	8.1%	64.0%
Ogliastra	1.2%	94.9%	4.0%	10.0%	71.1%	18.9%	14.1%	42.9%	42.9%	39.9%	11.0%	49.1%
Carbonia-Iglesias	1.5%	89.7%	8.8%	8.3%	62.4%	29.3%	10.3%	42.8%	46.9%	40.0%	9.9%	50.2%
Medio Campidano	1.1%	93.1%	5.8%	5.2%	73.0%	21.8%	11.5%	50.9%	37.6%	35.8%	12.6%	51.5%
TOTAL SARDINIA	**1.1%**	**93.6%**	**5.3%**	**7.0%**	**71.1%**	**21.8%**	**11.4%**	**54.2%**	**34.3%**	**40.6%**	**13.5%**	**45.9%**
GRAND TOTAL	***1.4%***	***92.0%***	***6.6%***	***7.1%***	***66.7%***	***26.2%***	***10.6%***	***59.9%***	***29.5%***	***37.4%***	***15.5%***	***47.1%***

TAB. A6 - CLAIMS SETTLEMENT TIME

	NUMBERS				AMOUNTS			
Provincie	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Amount paid for claims handled with only PERSONAL INJURIES	Amount paid for claims handled with only DAMAGE TO VEHICLES	Amount paid for claims handled with MIXED DAMAGE
Turin	74.6%	27.8%	81.3%	37.5%	49.1%	12.2%	77.1%	34.8%
Cuneo	82.4%	37.4%	87.1%	51.3%	45.6%	13.3%	81.3%	31.5%
Alessandria	82.9%	40.5%	87.5%	52.0%	46.4%	14.5%	81.6%	32.6%
Novara	80.9%	33.6%	86.0%	48.3%	50.6%	8.2%	79.6%	42.5%
Asti	82.1%	37.3%	86.5%	52.7%	51.6%	18.9%	82.0%	31.2%
Vercelli	81.2%	30.2%	86.7%	44.5%	48.6%	24.8%	82.1%	28.3%
Biella	80.9%	34.1%	85.6%	40.6%	44.7%	5.9%	80.7%	19.0%
Verbano-Cusio-Ossola	83.6%	34.1%	88.5%	42.8%	45.1%	13.3%	81.5%	20.3%
TOTAL PIEDMONT	**77.7%**	**31.4%**	**83.6%**	**41.5%**	**48.4%**	**12.8%**	**78.6%**	**33.1%**
Aosta	83.9%	28.1%	87.8%	58.0%	53.9%	41.4%	82.0%	29.2%
TOTAL VALLE D'AOSTA	**83.9%**	**28.1%**	**87.8%**	**58.0%**	**53.9%**	**41.4%**	**82.0%**	**29.2%**
Genoa	73.5%	23.2%	77.3%	35.8%	56.0%	13.4%	75.7%	36.5%
Savona	82.0%	39.3%	87.2%	46.4%	51.1%	19.2%	82.5%	31.4%
La Spezia	77.8%	25.9%	85.1%	42.3%	51.7%	15.7%	83.6%	32.2%
Imperia	79.9%	27.6%	84.6%	47.4%	37.8%	6.8%	77.8%	19.9%
TOTAL LIGURIA	**76.1%**	**27.4%**	**80.5%**	**40.4%**	**52.3%**	**13.5%**	**77.7%**	**32.2%**
Milan	75.6%	26.9%	81.7%	39.0%	44.0%	12.7%	74.7%	27.3%
Brescia	81.6%	31.9%	86.2%	52.1%	44.0%	6.1%	81.9%	29.4%
Bergamo	81.0%	34.9%	86.0%	51.0%	51.3%	23.1%	81.5%	35.4%
Varese	77.6%	28.1%	84.3%	40.9%	42.7%	9.1%	77.9%	29.7%
Monza and Brianza	78.6%	34.0%	84.7%	43.1%	48.5%	12.6%	78.1%	34.5%
Como	77.5%	32.0%	83.9%	38.5%	51.1%	20.6%	78.7%	34.7%
Pavia	80.1%	34.1%	87.1%	44.2%	40.0%	13.9%	81.9%	23.8%
Mantua	78.2%	37.4%	84.2%	43.6%	45.7%	9.7%	81.2%	32.0%
Cremona	79.0%	30.2%	85.8%	47.6%	44.2%	9.2%	81.8%	35.9%
Lecco	80.1%	28.0%	86.1%	42.8%	49.0%	17.1%	81.3%	36.3%
Lodi	76.4%	28.2%	85.1%	39.8%	51.3%	22.9%	80.7%	35.2%
Sondrio	80.3%	28.3%	85.5%	45.9%	42.8%	8.4%	82.0%	25.6%
TOTAL LOMBARDY	**78.1%**	**30.4%**	**84.1%**	**43.1%**	**45.5%**	**12.8%**	**78.4%**	**30.0%**
Trento	82.2%	30.7%	86.4%	47.8%	51.1%	7.4%	82.0%	41.8%
Bolzano	77.9%	30.0%	81.5%	39.2%	45.8%	7.5%	75.2%	27.0%
TOTAL TRENTINO-ALTO ADIGE	**80.2%**	**30.4%**	**84.1%**	**44.4%**	**48.7%**	**7.5%**	**78.6%**	**37.1%**
Padua	73.8%	16.7%	84.5%	25.0%	40.9%	8.4%	79.5%	32.1%
Treviso	75.2%	14.7%	85.1%	29.0%	42.8%	12.6%	81.5%	30.5%
Verona	78.9%	34.0%	84.8%	45.9%	46.1%	8.3%	79.7%	31.7%
Vicenza	76.3%	18.5%	84.5%	31.5%	42.7%	9.8%	80.6%	22.3%
Venice	72.9%	21.6%	84.9%	27.4%	41.5%	12.0%	78.8%	34.5%
Rovigo	76.9%	20.3%	87.1%	31.2%	36.5%	16.7%	80.9%	18.3%
Belluno	80.3%	23.8%	86.5%	35.8%	49.0%	24.4%	80.7%	40.1%
TOTAL VENETO	**75.8%**	**21.4%**	**84.9%**	**31.5%**	**42.7%**	**11.2%**	**80.2%**	**29.8%**
Udine	78.7%	22.2%	85.6%	36.5%	46.8%	13.6%	80.6%	27.3%

	NUMBERS				AMOUNTS			
Provincie	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Amount paid for claims handled with only PERSONAL INJURIES	Amount paid for claims handled with only DAMAGE TO VEHICLES	Amount paid for claims handled with MIXED DAMAGE
Pordenone	78.0%	20.7%	85.7%	34.7%	43.0%	7.6%	81.2%	26.4%
Trieste	75.4%	18.6%	83.3%	29.2%	43.4%	9.1%	79.4%	25.9%
Gorizia	76.9%	23.2%	84.7%	32.1%	32.1%	2.5%	79.1%	27.1%
TOTAL FRIULI-VENICE GIULIA	**77.7%**	**21.1%**	**85.0%**	**34.0%**	**43.4%**	**9.0%**	**80.4%**	**26.7%**
Bologna	76.9%	22.5%	85.1%	37.3%	42.6%	11.7%	80.9%	30.1%
Modena	80.5%	29.7%	86.3%	48.4%	36.6%	7.3%	81.2%	20.0%
Reggio Emilia	79.3%	30.2%	86.2%	45.0%	37.7%	14.1%	81.8%	20.5%
Ravenna	77.9%	29.0%	85.8%	43.1%	36.8%	11.8%	82.1%	22.7%
Parma	80.3%	28.1%	86.7%	44.5%	45.7%	20.5%	82.0%	31.2%
Forlì-Cesena	79.6%	26.1%	87.1%	47.1%	41.1%	12.9%	83.3%	24.7%
Rimini	76.4%	25.4%	86.6%	41.1%	36.9%	8.5%	81.4%	25.9%
Ferrara	76.7%	22.5%	86.1%	36.7%	39.6%	13.8%	81.0%	30.1%
Piacenza	79.4%	32.6%	86.3%	47.2%	48.0%	17.9%	82.2%	34.2%
TOTAL EMILIA ROMAGNA	**78.6%**	**27.0%**	**86.1%**	**42.8%**	**40.2%**	**12.9%**	**81.6%**	**25.6%**
Ancona	75.1%	28.4%	85.4%	39.9%	43.5%	11.3%	82.7%	35.3%
Pesaro and Urbino	75.9%	26.7%	85.7%	37.7%	45.0%	22.5%	82.8%	30.4%
Macerata	77.5%	30.7%	87.5%	40.2%	39.1%	9.3%	84.2%	33.5%
Ascoli Piceno	77.3%	22.8%	87.5%	39.1%	38.9%	9.9%	81.1%	30.9%
Fermo	77.1%	26.6%	86.4%	42.6%	38.7%	7.7%	81.0%	30.4%
TOTAL MARCHE	**76.3%**	**27.5%**	**86.3%**	**39.6%**	**41.9%**	**12.7%**	**82.7%**	**32.9%**
Florence	75.8%	25.7%	81.9%	38.1%	51.8%	13.1%	79.7%	40.2%
Pisa	76.1%	32.8%	83.8%	42.5%	52.5%	22.1%	81.3%	37.7%
Lucca	77.4%	34.1%	84.6%	47.4%	45.5%	11.6%	78.4%	37.0%
Arezzo	79.5%	36.6%	86.3%	48.3%	45.0%	12.7%	81.2%	32.7%
Pistoia	76.0%	35.0%	83.4%	42.4%	59.9%	31.6%	82.7%	43.8%
Livorno	77.1%	28.5%	84.1%	41.0%	36.8%	8.7%	81.0%	25.0%
Prato	75.2%	27.1%	81.5%	38.7%	53.2%	7.5%	80.2%	41.9%
Siena	78.0%	29.6%	82.7%	51.1%	50.0%	11.4%	69.8%	50.8%
Massa-Carrara	73.8%	39.1%	81.7%	42.4%	59.7%	29.8%	82.9%	47.1%
Grosseto	80.7%	30.0%	87.2%	42.0%	39.3%	13.5%	82.8%	16.8%
TOTAL TUSCANY	**76.7%**	**31.5%**	**83.4%**	**42.4%**	**49.3%**	**14.3%**	**80.0%**	**36.5%**
Perugia	79.1%	34.6%	87.2%	42.6%	49.4%	15.5%	82.3%	43.0%
Terni	76.4%	22.8%	85.9%	35.8%	40.7%	10.1%	81.2%	25.9%
TOTAL UMBRIA	**78.5%**	**31.7%**	**86.9%**	**41.1%**	**47.3%**	**14.4%**	**82.0%**	**38.2%**
Rome	70.5%	19.0%	76.9%	30.1%	44.1%	10.0%	72.1%	28.6%
Latina	70.0%	27.5%	79.7%	42.5%	35.5%	10.0%	73.6%	29.8%
Frosinone	71.1%	26.8%	81.3%	37.6%	35.4%	13.4%	74.2%	24.4%
Viterbo	79.0%	26.7%	85.4%	36.5%	35.2%	5.7%	78.8%	30.1%
Rieti	72.1%	24.6%	81.9%	28.1%	44.4%	11.9%	81.7%	25.3%
TOTAL LATIUM	**70.9%**	**21.4%**	**77.9%**	**32.5%**	**42.2%**	**10.0%**	**72.8%**	**28.3%**
Naples	56.3%	13.7%	61.9%	24.1%	33.7%	7.7%	55.6%	15.0%
Salerno	66.2%	30.2%	74.9%	41.7%	36.2%	14.5%	65.1%	29.0%
Caserta	60.8%	22.1%	69.1%	31.3%	33.0%	11.9%	57.7%	22.1%
Avellino	65.2%	25.1%	75.8%	41.6%	32.3%	10.4%	65.2%	30.2%
Benevento	66.2%	26.3%	74.2%	40.0%	37.8%	7.5%	67.2%	36.7%

Provincie	NUMBERS				AMOUNTS			
	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Amount paid for claims handled with only PERSONAL INJURIES	Amount paid for claims handled with only DAMAGE TO VEHICLES	Amount paid for claims handled with MIXED DAMAGE
TOTAL CAMPANIA	**59.9%**	**21.2%**	**66.6%**	**32.5%**	**34.2%**	**10.3%**	**58.3%**	**21.9%**
Chieti	77.7%	42.3%	86.1%	48.9%	44.6%	16.3%	73.5%	36.0%
Pescara	73.6%	31.1%	83.1%	46.9%	46.4%	16.4%	77.7%	43.6%
Teramo	75.6%	31.2%	84.5%	43.4%	34.8%	7.2%	77.2%	29.6%
L'Aquila	77.9%	33.5%	84.8%	46.3%	49.8%	18.0%	78.6%	38.1%
TOTAL ABRUZZO	**76.2%**	**34.7%**	**84.6%**	**46.6%**	**43.6%**	**13.5%**	**76.7%**	**37.2%**
Campobasso	76.7%	29.4%	83.7%	47.6%	43.2%	20.5%	73.2%	37.6%
Isernia	73.2%	33.9%	80.5%	36.8%	28.2%	7.5%	70.7%	13.4%
TOTAL MOLISE	**75.7%**	**30.7%**	**82.8%**	**44.8%**	**38.4%**	**16.7%**	**72.4%**	**29.2%**
Bari	70.4%	33.5%	78.2%	52.1%	38.4%	12.1%	70.0%	32.4%
Lecce	71.5%	36.5%	81.1%	47.1%	39.8%	13.6%	75.8%	33.1%
Taranto	62.2%	30.9%	74.5%	33.7%	34.5%	15.8%	67.7%	25.7%
Foggia	67.2%	21.4%	81.4%	37.1%	32.1%	8.5%	71.2%	27.6%
Brindisi	68.6%	26.0%	79.6%	44.2%	36.4%	10.0%	74.2%	31.6%
Barletta-Andria-Trani	70.7%	30.1%	80.2%	44.3%	37.4%	12.1%	70.0%	34.2%
TOTAL APULIA	**69.0%**	**30.6%**	**79.0%**	**45.0%**	**36.9%**	**12.1%**	**71.5%**	**30.9%**
Potenza	75.0%	30.1%	83.7%	39.0%	33.5%	25.7%	76.8%	14.6%
Matera	73.7%	26.4%	84.3%	37.0%	31.4%	7.1%	78.9%	17.8%
TOTAL BASILICATA	**74.5%**	**28.6%**	**83.9%**	**38.2%**	**32.7%**	**17.2%**	**77.7%**	**15.8%**
Cosenza	73.6%	31.6%	83.0%	46.4%	34.7%	12.5%	75.7%	25.8%
Reggio Calabria	70.8%	30.3%	81.7%	43.0%	36.7%	12.8%	77.8%	23.0%
Catanzaro	73.7%	33.8%	83.8%	46.5%	37.1%	9.2%	77.7%	36.5%
Vibo Valentia	70.6%	30.6%	83.2%	43.6%	38.4%	14.2%	77.9%	32.7%
Crotone	63.7%	17.4%	79.3%	32.6%	36.1%	12.3%	73.6%	23.7%
TOTAL CALABRIA	**72.1%**	**30.4%**	**82.7%**	**44.4%**	**36.2%**	**11.8%**	**76.8%**	**27.4%**
Palermo	73.0%	25.0%	80.9%	36.1%	37.7%	14.1%	73.5%	23.8%
Catania	72.6%	29.0%	81.4%	42.0%	33.6%	14.0%	72.9%	22.6%
Messina	71.6%	28.5%	80.9%	42.3%	39.5%	11.5%	75.5%	31.9%
Trapani	77.5%	38.1%	85.0%	45.0%	40.9%	16.0%	77.7%	32.4%
Siracusa	76.1%	34.8%	83.7%	40.2%	40.1%	15.5%	76.8%	25.8%
Agrigento	76.8%	35.0%	84.9%	41.8%	42.1%	19.4%	79.8%	26.2%
Ragusa	78.6%	36.4%	85.3%	48.3%	42.1%	11.8%	79.9%	28.3%
Caltanissetta	71.9%	33.7%	81.8%	32.4%	34.2%	6.9%	74.8%	28.2%
Enna	75.3%	32.5%	84.1%	38.5%	29.1%	8.1%	79.3%	16.7%
TOTAL SICILY	**74.2%**	**29.9%**	**82.4%**	**40.7%**	**37.7%**	**13.5%**	**75.5%**	**26.0%**
Cagliari	79.8%	22.0%	87.2%	31.4%	48.8%	9.2%	82.9%	26.0%
Sassari	78.4%	34.2%	85.9%	45.6%	50.7%	15.4%	81.8%	46.1%
Nuoro	79.2%	21.4%	85.4%	37.1%	54.7%	14.4%	82.1%	40.6%
Olbia-Tempio	81.8%	25.7%	88.0%	47.4%	45.6%	14.7%	83.3%	36.1%
Oristano	81.3%	31.0%	87.6%	41.0%	39.1%	20.8%	83.7%	19.6%
Ogliastra	76.9%	21.4%	88.1%	23.6%	47.0%	18.2%	85.2%	25.4%
Carbonia-Iglesias	79.9%	37.1%	89.3%	42.7%	45.9%	15.0%	84.3%	33.1%
Medio Campidano	80.5%	28.2%	88.3%	39.0%	45.2%	10.7%	82.6%	25.9%
TOTAL SARDINIA	**79,7%**	**26,7%**	**87,1%**	**37,8%**	**48,0%**	**13,8%**	**82,9%**	**30,5%**
GRAND TOTAL	**74.6%**	**27.6%**	**81.9%**	**39.6%**	**42.7%**	**12.3%**	**76.2%**	**29.3%**

TAB. A7 - AVERAGE COST OF CLAIMS HANDLED

	PAID				WRITTEN IN THE PROVISIONS			
Provincie	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE
Turin	2,518	12,416	1,903	10,374	7,679	34,541	2,462	11,688
Cuneo	2,113	14,382	1,595	7,804	11,776	55,720	2,465	17,888
Alessandria	1,946	13,571	1,464	6,952	10,929	54,456	2,309	15,577
Novara	1,978	7,222	1,513	8,279	8,164	40,821	2,388	10,486
Asti	2,079	11,295	1,612	7,648	8,933	28,787	2,267	18,820
Vercelli	2,304	18,085	1,602	11,910	10,511	23,747	2,264	24,222
Biella	1,878	4,947	1,642	6,824	9,829	40,967	2,340	19,930
Verbano-Cusio-Ossola	1,896	6,853	1,520	10,290	11,805	23,159	2,640	30,094
TOTAL PIEDMONT	**2,308**	**12,109**	**1,752**	**9,455**	**8,567**	**37,828**	**2,434**	**13,530**
Aosta	2,311	49,797	1,508	8,078	10,306	27,470	2,381	27,002
TOTAL VALLE D'AOSTA	**2,311**	**49,797**	**1,508**	**8,078**	**10,306**	**27,470**	**2,381**	**27,002**
Genoa	2,446	14,033	2,044	12,564	5,327	27,292	2,226	12,184
Savona	1,989	11,096	1,516	7,960	8,673	30,157	2,192	15,097
La Spezia	2,714	10,389	2,051	10,645	8,851	19,613	2,303	16,392
Imperia	1,970	11,977	1,607	6,726	12,864	62,486	2,531	24,312
TOTAL LIGURIA	**2,346**	**12,368**	**1,906**	**10,339**	**6,787**	**29,832**	**2,254**	**14,776**
Milan	2,085	11,834	1,556	9,340	8,238	29,747	2,353	15,945
Brescia	2,185	7,842	1,720	8,440	12,344	56,908	2,389	21,969
Bergamo	2,236	18,898	1,565	8,720	9,056	33,695	2,197	16,600
Varese	2,132	8,304	1,548	10,214	9,905	32,385	2,353	16,786
Monza and Brianza	2,003	9,098	1,515	8,016	7,790	32,382	2,338	11,513
Como	2,304	16,158	1,703	9,575	7,582	29,287	2,404	11,285
Pavia	1,963	10,459	1,404	7,867	11,879	33,487	2,106	20,024
Mantua	2,399	7,170	1,834	9,975	10,216	39,945	2,266	16,379
Cremona	2,131	9,909	1,587	7,289	10,101	42,517	2,136	11,802
Lecco	2,174	20,490	1,518	10,140	9,074	38,652	2,164	13,304
Lodi	2,202	14,287	1,561	7,734	6,771	18,901	2,132	9,409
Sondrio	2,476	14,400	1,918	10,055	13,501	62,378	2,484	24,839
TOTAL LOMBARDY	**2,142**	**11,689**	**1,591**	**8,976**	**9,168**	**34,886**	**2,319**	**15,851**
Trento	2,437	10,538	1,681	16,278	10,764	58,205	2,337	20,796
Bolzano	2,210	14,713	1,893	9,120	9,248	77,858	2,754	15,941
TOTAL TRENTINO-ALTO ADIGE	**2,336**	**12,390**	**1,777**	**13,773**	**9,986**	**67,094**	**2,563**	**18,693**
Padua	2,750	21,345	1,807	18,181	11,172	46,839	2,541	12,829
Treviso	2,903	36,558	1,898	16,739	11,728	43,745	2,453	15,579
Verona	2,209	7,237	1,710	8,165	9,626	41,039	2,429	14,896
Vicenza	2,385	12,679	1,829	11,482	10,305	26,549	2,409	18,431
Venice	2,927	20,538	1,759	16,900	11,086	41,796	2,672	12,128
Rovigo	2,477	19,189	1,732	12,014	14,360	24,355	2,750	24,325
Belluno	3,009	62,890	1,748	21,704	12,810	60,825	2,679	18,060
TOTAL VENETO	**2,617**	**18,583**	**1,795**	**13,913**	**11,002**	**40,193**	**2,506**	**15,071**
Udine	2,290	20,056	1,768	9,689	9,660	36,558	2,526	14,829
Pordenone	2,320	13,253	1,823	9,899	10,878	42,033	2,526	14,655
Trieste	2,245	10,212	1,634	14,449	8,976	23,237	2,125	17,031
Gorizia	2,079	9,160	1,672	8,852	14,699	105,830	2,437	11,251
TOTAL FRIULI-VENICE GIULIA	**2,268**	**15,186**	**1,743**	**10,564**	**10,281**	**40,940**	**2,420**	**14,933**
Bologna	2,463	19,033	1,724	10,909	11,072	41,577	2,326	15,128
Modena	2,102	9,525	1,620	7,605	15,043	50,983	2,370	28,518

	PAID				WRITTEN IN THE PROVISIONS			
Provincie	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE
Reggio Emilia	2,312	17,876	1,665	8,206	14,669	47,230	2,301	25,926
Ravenna	2,584	16,370	1,775	9,815	15,643	50,134	2,350	25,282
Parma	2,422	35,096	1,671	8,295	11,727	53,164	2,380	14,619
Forlì-Cesena	2,301	15,132	1,669	7,654	12,879	36,157	2,264	20,813
Rimini	2,435	10,408	1,632	9,056	13,501	38,397	2,425	18,074
Ferrara	2,539	25,723	1,593	11,673	12,724	46,708	2,311	15,700
Piacenza	2,300	13,533	1,665	7,696	9,597	30,089	2,282	13,201
TOTAL EMILIA ROMAGNA	**2,369**	**17,644**	**1,675**	**9,045**	**12,935**	**44,116**	**2,336**	**19,713**
Ancona	3,136	12,624	1,945	13,019	12,335	39,245	2,380	15,824
Pesaro and Urbino	2,903	27,924	1,870	10,607	11,174	35,155	2,339	14,727
Macerata	2,946	12,213	1,788	13,630	15,805	52,568	2,359	18,244
Ascoli Piceno	2,155	13,688	1,455	8,561	11,528	36,815	2,365	12,252
Fermo	2,323	8,512	1,536	9,503	12,387	37,051	2,299	16,174
TOTAL MARCHE	**2,822**	**15,515**	**1,784**	**11,692**	**12,631**	**40,509**	**2,356**	**15,614**
Florence	2,809	19,445	2,164	11,377	8,191	44,760	2,503	10,408
Pisa	3,172	15,317	2,243	11,434	9,148	26,333	2,677	13,980
Lucca	2,970	10,500	2,079	10,962	12,206	41,336	3,148	16,831
Arezzo	2,476	9,235	1,861	8,380	11,746	36,844	2,711	16,074
Pistoia	3,274	19,160	2,366	10,480	6,951	22,371	2,481	9,904
Livorno	2,615	18,366	1,979	8,875	15,171	76,439	2,461	18,468
Prato	2,914	9,329	2,397	10,245	7,769	42,534	2,607	8,973
Siena	2,406	10,116	1,765	10,826	8,520	32,935	3,645	10,967
Massa-Carrara	3,695	14,803	2,652	11,153	7,030	22,367	2,433	9,244
Grosseto	2,185	9,894	1,719	8,629	14,092	27,057	2,425	30,975
TOTAL TUSCANY	**2,843**	**14,148**	**2,126**	**10,478**	**9,634**	**38,825**	**2,671**	**13,427**
Perugia	2,584	14,519	1,753	10,189	10,025	41,854	2,568	10,051
Terni	2,448	11,962	1,784	10,246	11,594	31,297	2,521	16,288
TOTAL UMBRIA	**2,555**	**14,076**	**1,760**	**10,200**	**10,405**	**38,967**	**2,557**	**11,543**
Rome	2,454	16,246	1,921	11,729	7,448	34,237	2,483	12,608
Latina	2,828	11,023	1,836	9,022	11,958	37,373	2,586	15,702
Frosinone	2,383	13,065	1,585	8,025	10,712	30,740	2,400	15,035
Viterbo	2,091	9,478	1,534	13,640	14,479	57,370	2,409	18,225
Rieti	2,965	10,320	2,249	13,540	9,584	24,845	2,276	15,645
TOTAL LATIUM	**2,472**	**14,316**	**1,884**	**10,992**	**8,278**	**35,219**	**2,479**	**13,411**
Naples	2,386	9,553	2,030	8,696	6,042	18,120	2,631	15,623
Salerno	2,538	8,380	1,605	8,271	8,748	21,458	2,574	14,484
Caserta	2,576	9,078	1,842	9,704	8,137	19,139	3,023	15,617
Avellino	2,419	9,443	1,512	6,904	9,501	27,222	2,523	11,372
Benevento	2,661	7,774	1,742	9,892	8,562	34,049	2,438	11,334
TOTAL CAMPANIA	**2,464**	**8,907**	**1,869**	**8,587**	**7,075**	**20,845**	**2,660**	**14,722**
Chieti	2,297	6,542	1,470	8,016	9,986	24,684	3,292	13,640
Pescara	2,666	11,613	1,511	9,270	8,579	26,761	2,127	10,568
Teramo	2,257	9,325	1,555	7,717	13,104	54,522	2,500	14,030
L'Aquila	2,122	8,828	1,496	8,475	7,549	20,190	2,274	11,854
TOTAL ABRUZZO	**2,339**	**8,884**	**1,506**	**8,444**	**9,699**	**30,372**	**2,518**	**12,422**
Campobasso	2,334	17,776	1,321	10,652	10,086	28,689	2,491	16,053
Isernia	1,947	5,631	1,516	7,448	13,532	35,502	2,606	27,994
TOTAL MOLISE	**2,230**	**13,859**	**1,374**	**9,967**	**11,143**	**30,587**	**2,528**	**19,613**
Bari	2,317	6,728	1,495	6,086	8,857	24,677	2,292	13,829
Lecce	2,791	11,018	1,735	7,480	10,585	40,166	2,375	13,425

	PAID				WRITTEN IN THE PROVISIONS			
Provincie	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE
Taranto	2,591	8,257	1,598	7,825	8,125	19,619	2,223	11,516
Foggia	2,715	8,214	1,580	9,694	11,746	23,992	2,790	14,970
Brindisi	2,923	10,592	1,765	8,326	11,166	33,564	2,400	14,279
Barletta-Andria-Trani	2,117	10,111	1,378	5,865	8,530	31,657	2,403	8,993
TOTAL APULIA	**2,532**	**8,513**	**1,580**	**7,158**	**9,611**	**27,273**	**2,369**	**13,112**
Potenza	2,270	17,409	1,533	7,448	13,512	21,681	2,379	27,847
Matera	2,221	6,565	1,662	7,554	13,576	30,789	2,382	20,477
TOTAL BASILICATA	**2,252**	**13,280**	**1,582**	**7,491**	**13,538**	**25,541**	**2,380**	**24,718**
Cosenza	2,239	7,829	1,463	7,426	11,724	25,371	2,283	18,482
Reggio Calabria	3,005	6,883	2,226	8,556	12,529	20,499	2,830	21,654
Catanzaro	2,425	7,513	1,591	7,306	11,554	37,894	2,366	11,041
Vibo Valentia	2,839	8,210	1,895	7,909	10,914	21,863	2,655	12,594
Crotone	3,164	9,777	2,298	8,856	9,797	14,745	3,172	13,772
TOTAL CALABRIA	**2,558**	**7,627**	**1,750**	**7,751**	**11,663**	**24,857**	**2,526**	**16,436**
Palermo	1,990	11,752	1,410	8,701	8,899	23,946	2,152	15,762
Catania	1,981	10,721	1,300	6,824	10,377	26,901	2,110	16,922
Messina	2,517	7,688	1,610	9,686	9,702	23,668	2,218	15,168
Trapani	2,175	12,004	1,360	8,681	10,785	38,812	2,213	14,788
Siracusa	2,032	8,518	1,344	9,444	9,682	24,674	2,078	18,267
Agrigento	2,450	11,193	1,656	9,760	11,128	24,950	2,348	19,760
Ragusa	2,169	9,267	1,539	7,634	10,983	39,412	2,248	18,046
Caltanissetta	2,024	5,531	1,428	8,866	9,967	37,808	2,162	10,829
Enna	2,068	8,631	1,458	7,895	15,366	46,825	2,014	24,680
TOTAL SICILY	**2,120**	**10,114**	**1,429**	**8,427**	**10,048**	**27,701**	**2,165**	**16,482**
Cagliari	1,985	9,713	1,628	9,168	8,219	27,102	2,285	11,973
Sassari	2,272	12,595	1,581	7,987	8,036	35,871	2,145	7,826
Nuoro	2,510	19,484	2,075	9,090	7,933	31,561	2,650	7,839
Olbia-Tempio	2,327	27,379	1,535	10,323	12,455	55,130	2,259	16,451
Oristano	2,246	22,636	1,538	10,866	15,172	38,560	2,125	30,979
Ogliastra	2,561	22,222	1,919	12,149	9,654	27,320	2,463	11,044
Carbonia-Iglesias	2,045	11,082	1,423	6,813	9,604	37,096	2,214	10,283
Medio Campidano	1,952	9,228	1,530	7,346	9,801	30,451	2,437	13,425
TOTAL SARDINIA	**2,165**	**14,319**	**1,645**	**8,859**	**9,200**	**32,695**	**2,297**	**12,291**
Total all the regions	**2,390**	**12,267**	**1,733**	**9,512**	**9,430**	**33,214**	**2,440**	**15,039**
GRAND TOTAL	**2,391**	**12,294**	**1,733**	**9,518**	**9,425**	**33,254**	**2,440**	**15,026**

TAB. A8 - VARIATION AVERAGE COST OF CLAIMS HANDLED

Provincie	PAID				WRITTEN IN THE PROVISIONS			
	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE
Turin	2.2%	-20.7%	3.2%	4.6%	7.6%	-5.4%	4.7%	19.6%
Cuneo	3.2%	-11.4%	2.8%	11.9%	7.1%	8.7%	5.3%	10.9%
Alessandria	-2.5%	7.3%	1.2%	-8.3%	-7.1%	86.3%	8.8%	-48.3%
Novara	-1.7%	-31.4%	4.2%	-13.4%	5.0%	74.0%	-1.3%	-18.2%
Asti	3.6%	-12.5%	2.3%	7.7%	14.6%	15.2%	-0.8%	14.0%
Vercelli	4.2%	-35.7%	5.0%	43.6%	-32.1%	-66.5%	-4.0%	-7.7%
Biella	-7.7%	-73.8%	2.7%	-12.2%	1.1%	-21.0%	-32.6%	125.4%
Verbano-Cusio-Ossola	2.5%	-15.4%	0.8%	30.8%	25.1%	-51.5%	14.7%	189.5%
TOTAL PIEDMONT	**1.5%**	**-19.4%**	**3.0%**	**4.4%**	**4.2%**	**-0.1%**	**2.6%**	**9.3%**
Aosta	3.6%	-19.7%	-0.6%	12.2%	-10.7%	-64.0%	8.1%	131.8%
TOTAL VALLE D'AOSTA	**3.6%**	**-19.7%**	**-0.6%**	**12.2%**	**-10.7%**	**-64.0%**	**8.1%**	**131.8%**
Genoa	4.2%	-3.0%	3.4%	6.7%	-2.9%	5.2%	0.0%	-7.6%
Savona	7.2%	5.2%	6.9%	6.1%	-10.9%	-16.8%	4.6%	2.9%
La Spezia	0.5%	-20.6%	2.7%	15.8%	3.7%	-28.5%	-3.4%	37.2%
Imperia	-8.3%	-66.2%	5.4%	-1.1%	80.6%	160.9%	9.4%	47.1%
TOTAL LIGURIA	**2.6%**	**-21.4%**	**4.0%**	**8.0%**	**3.8%**	**6.7%**	**0.8%**	**9.2%**
Milan	0.1%	-19.2%	0.3%	12.3%	5.7%	-12.0%	2.2%	27.3%
Brescia	-0.3%	-53.1%	3.0%	16.3%	5.0%	0.4%	8.6%	24.0%
Bergamo	-0.5%	-13.6%	0.8%	0.6%	-10.1%	-14.7%	-3.3%	3.9%
Varese	1.0%	-38.0%	3.3%	20.0%	2.3%	-9.0%	8.2%	13.3%
Monza and Brianza	-2.7%	-45.4%	3.5%	6.9%	-9.7%	10.0%	9.5%	-19.3%
Como	4.6%	20.7%	3.0%	5.3%	-1.1%	-2.6%	4.4%	3.6%
Pavia	-2.0%	-7.0%	-1.9%	0.0%	32.1%	25.0%	-4.1%	48.1%
Mantua	-7.6%	-69.5%	1.1%	12.6%	16.8%	22.5%	-38.9%	45.0%
Cremona	-10.5%	-17.2%	1.4%	-34.5%	12.3%	46.1%	-8.5%	-16.2%
Lecco	14.9%	96.3%	4.3%	40.3%	-15.6%	-3.3%	5.9%	-33.8%
Lodi	7.8%	96.8%	7.0%	-9.9%	-0.1%	-11.7%	0.0%	-2.5%
Sondrio	-14.1%	-45.8%	0.5%	-37.3%	62.1%	142.3%	1.2%	63.3%
TOTAL LOMBARDY	**-0.4%**	**-24.9%**	**1.7%**	**7.5%**	**4.0%**	**-1.2%**	**0.9%**	**14.2%**
Trento	15.7%	-0.6%	-1.9%	88.0%	12.8%	12.1%	3.1%	51.1%
Bolzano	0.6%	73.3%	2.1%	-11.9%	36.5%	186.2%	5.4%	-0.6%
TOTAL TRENTINO-ALTO ADIGE	**8.8%**	**28.1%**	**0.0%**	**48.3%**	**22.4%**	**63.5%**	**4.5%**	**27.1%**
Padua	0.8%	-41.6%	1.3%	3.2%	5.4%	15.6%	-1.2%	-2.4%
Treviso	0.4%	32.5%	1.0%	7.6%	9.1%	3.5%	-4.4%	23.9%
Verona	-1.4%	-31.3%	3.1%	-0.1%	-20.7%	1.6%	-15.2%	-26.9%
Vicenza	-7.0%	-55.2%	0.1%	-3.5%	-12.3%	-43.6%	-8.8%	11.8%
Venice	-3.0%	-34.1%	-0.9%	4.0%	-0.1%	6.6%	11.4%	-12.0%
Rovigo	-11.0%	42.8%	3.6%	-33.0%	10.0%	-19.8%	16.6%	24.6%
Belluno	38.5%	178.3%	0.0%	124.1%	52.2%	115.5%	9.5%	22.8%
TOTAL VENETO	**-0.8%**	**-20.5%**	**1.1%**	**4.6%**	**-2.0%**	**-1.2%**	**-3.8%**	**0.1%**
Udine	-14.1%	52.1%	-0.4%	-48.6%	-17.8%	-26.0%	7.9%	-13.2%
Pordenone	-4.0%	-15.6%	0.5%	-22.9%	-22.4%	-29.7%	-17.0%	-17.3%
Trieste	4.6%	-42.9%	0.2%	26.6%	-19.0%	-25.3%	-1.5%	-23.8%
Gorizia	-4.5%	-50.3%	0.3%	-14.0%	21.7%	95.6%	-1.2%	-29.2%
TOTAL FRIULI-VENICE GIULIA	**-7.4%**	**0.0%**	**-0.1%**	**-30.0%**	**-16.1%**	**-15.6%**	**-2.9%**	**-18.4%**
Bologna	-2.7%	-26.1%	1.4%	-1.9%	-6.5%	-5.1%	4.3%	-3.4%

Provincie	PAID: Total	PAID: Number of claims paid with only PERSONAL INJURIES	PAID: Number of claims paid with only DAMAGE TO VEHICLES	PAID: Number of claims paid with MIXED DAMAGE	WRITTEN IN THE PROVISIONS: Total	WRITTEN IN THE PROVISIONS: Number of claims paid with only PERSONAL INJURIES	WRITTEN IN THE PROVISIONS: Number of claims paid with only DAMAGE TO VEHICLES	WRITTEN IN THE PROVISIONS: Number of claims paid with MIXED DAMAGE
Modena	-5.7%	-41.7%	2.3%	-4.6%	28.1%	38.6%	1.6%	53.8%
Reggio Emilia	-0.1%	24.7%	-0.1%	-4.7%	-1.5%	-28.8%	-8.2%	28.4%
Ravenna	-8.4%	-37.5%	0.7%	-2.3%	3.6%	-13.1%	2.0%	30.6%
Parma	8.9%	143.3%	3.1%	-10.0%	-2.2%	26.7%	-1.7%	-24.8%
Forlì-Cesena	-3.2%	-14.6%	-2.9%	-0.5%	-0.3%	-37.4%	-0.5%	50.6%
Rimini	-4.1%	-28.3%	-5.2%	0.7%	-0.6%	-34.7%	15.3%	29.2%
Ferrara	7.1%	62.8%	4.2%	11.7%	-9.9%	-10.1%	0.3%	-4.6%
Piacenza	4.0%	6.3%	5.2%	8.5%	-26.6%	-44.4%	-0.6%	1.3%
TOTAL EMILIA ROMAGNA	**-1.3%**	**-1.6%**	**1.2%**	**-1.4%**	**-0.1%**	**-10.7%**	**1.0%**	**16.5%**
Ancona	7.6%	-8.9%	1.2%	26.2%	-0.2%	5.6%	-1.9%	7.1%
Pesaro and Urbino	14.7%	119.5%	4.1%	9.1%	-16.0%	-32.6%	-1.9%	-3.1%
Macerata	-1.7%	-41.7%	0.0%	23.1%	26.6%	7.4%	1.0%	49.4%
Ascoli Piceno	-11.9%	-18.0%	2.1%	-23.4%	3.7%	13.4%	-1.5%	-14.9%
Fermo	-11.5%	-63.5%	0.6%	-2.7%	18.2%	16.5%	-1.4%	21.9%
TOTAL MARCHE	**2.6%**	**-8.2%**	**1.7%**	**12.2%**	**3.3%**	**-2.8%**	**-1.2%**	**10.8%**
Florence	-0.9%	2.0%	-1.1%	7.2%	-0.7%	17.2%	1.1%	-8.9%
Pisa	6.0%	-6.1%	10.1%	15.6%	-15.4%	-34.0%	8.2%	13.2%
Lucca	-2.4%	-12.4%	-1.5%	5.1%	24.8%	36.3%	23.0%	17.4%
Arezzo	2.6%	-1.7%	4.9%	-5.3%	-22.3%	-19.1%	15.8%	-32.7%
Pistoia	0.7%	30.3%	-0.3%	-0.9%	-32.1%	-33.9%	-2.9%	-27.9%
Livorno	-1.1%	-13.7%	-1.6%	-12.3%	28.1%	40.6%	1.0%	13.7%
Prato	-6.4%	-21.4%	-2.4%	-12.5%	35.9%	81.8%	6.2%	7.2%
Siena	-1.6%	-62.8%	6.2%	11.7%	-24.9%	-18.6%	34.1%	-55.6%
Massa-Carrara	-10.9%	-30.6%	-2.9%	-3.0%	-25.1%	-43.7%	-8.0%	13.4%
Grosseto	-5.7%	-39.9%	2.3%	-8.0%	62.8%	-24.0%	-1.6%	218.2%
TOTAL TUSCANY	**-1.4%**	**-13.6%**	**0.9%**	**1.4%**	**-1.2%**	**1.0%**	**6.9%**	**-0.3%**
Perugia	2.0%	-9.9%	2.4%	-3.0%	-16.7%	-10.4%	7.8%	-19.6%
Terni	-28.0%	-60.8%	-6.3%	-53.7%	-1.4%	1.0%	-1.5%	9.9%
TOTAL UMBRIA	**-5.7%**	**-23.8%**	**0.5%**	**-18.6%**	**-13.0%**	**-7.6%**	**5.4%**	**-12.2%**
Rome	2.6%	0.8%	4.1%	-3.3%	2.8%	12.2%	7.4%	-1.5%
Latina	-1.4%	20.8%	0.8%	-6.0%	-0.2%	13.2%	-2.8%	-1.9%
Frosinone	1.3%	16.8%	0.4%	6.7%	10.0%	5.1%	1.0%	21.8%
Viterbo	-5.4%	-44.7%	2.6%	2.3%	30.8%	19.9%	1.7%	30.7%
Rieti	6.3%	-24.4%	8.8%	26.8%	12.2%	48.6%	-4.5%	2.8%
TOTAL LATIUM	**2.0%**	**0.0%**	**3.8%**	**-1.2%**	**4.1%**	**13.4%**	**5.9%**	**1.3%**
Naples	0.9%	-12.7%	2.9%	-0.2%	-1.5%	-14.5%	1.6%	14.3%
Salerno	1.2%	-11.5%	-2.3%	14.9%	-11.9%	-18.2%	6.0%	-6.0%
Caserta	-6.7%	-30.0%	-5.7%	16.0%	1.2%	-2.4%	1.4%	3.0%
Avellino	-4.4%	-32.8%	-4.9%	19.3%	-0.1%	24.2%	-15.9%	-7.5%
Benevento	16.2%	-23.3%	7.2%	66.2%	-14.4%	-2.3%	-9.9%	-12.1%
TOTAL CAMPANIA	**0.4%**	**-19.7%**	**0.9%**	**13.9%**	**-4.0%**	**-8.6%**	**0.6%**	**4.5%**
Chieti	-0.5%	-38.9%	2.9%	14.8%	-5.5%	-11.1%	45.3%	-3.5%
Pescara	6.6%	-15.8%	2.9%	19.0%	-13.5%	-34.7%	1.6%	6.4%
Teramo	-1.3%	18.3%	1.7%	-4.1%	19.0%	56.2%	16.1%	-3.4%
L'Aquila	-4.3%	-37.5%	2.0%	8.2%	-30.9%	-32.5%	-1.4%	-31.5%
TOTAL ABRUZZO	**0.3%**	**-24.1%**	**2.4%**	**11.1%**	**-8.3%**	**-8.8%**	**14.3%**	**-8.6%**
Campobasso	16.8%	38.7%	0.1%	67.5%	-36.5%	-54.4%	-3.5%	-5.0%
Isernia	8.0%	-7.6%	2.2%	24.8%	19.9%	81.9%	-0.8%	-4.9%
TOTAL MOLISE	**14.7%**	**23.4%**	**0.5%**	**58.7%**	**-23.2%**	**-41.5%**	**-2.7%**	**-2.9%**

Provincie	PAID				WRITTEN IN THE PROVISIONS			
	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE	Total	Number of claims paid with only PERSONAL INJURIES	Number of claims paid with only DAMAGE TO VEHICLES	Number of claims paid with MIXED DAMAGE
Bari	-7.0%	-48.5%	-1.7%	3.8%	-25.3%	-31.2%	-5.3%	-12.4%
Lecce	3.0%	3.9%	1.3%	16.5%	5.9%	-4.9%	-6.5%	25.7%
Taranto	-10.2%	-24.3%	-6.9%	-4.7%	1.5%	-7.7%	-11.6%	20.8%
Foggia	-1.7%	-28.5%	-0.1%	10.8%	-8.0%	-32.0%	1.3%	33.2%
Brindisi	-4.7%	-22.3%	-5.3%	13.6%	1.7%	34.0%	-4.2%	-5.0%
Barletta-Andria-Trani	-5.9%	19.2%	0.3%	-2.5%	-36.9%	-37.6%	3.6%	-38.8%
TOTAL APULIA	**-4.5%**	**-27.5%**	**-1.9%**	**6.9%**	**-12.9%**	**-20.6%**	**-5.0%**	**1.8%**
Potenza	2.8%	91.1%	-1.0%	-3.9%	1.8%	-22.1%	4.3%	32.2%
Matera	-22.9%	-71.8%	4.3%	-30.0%	3.0%	-18.2%	-5.1%	57.0%
TOTAL BASILICATA	**-8.2%**	**-8.8%**	**1.1%**	**-15.7%**	**2.2%**	**-20.7%**	**0.5%**	**36.0%**
Cosenza	-11.0%	-16.5%	-2.3%	-9.2%	-5.7%	-11.7%	-3.4%	26.7%
Reggio Calabria	-3.7%	-24.0%	-3.4%	1.0%	-14.1%	-44.5%	-0.6%	65.4%
Catanzaro	-6.2%	-20.6%	1.3%	-1.1%	-9.7%	40.5%	-13.1%	-29.9%
Vibo Valentia	0.3%	3.1%	-0.2%	-3.3%	8.1%	-7.2%	-10.9%	50.0%
Crotone	-0.1%	14.8%	-1.8%	11.3%	-19.7%	-46.2%	-5.1%	17.4%
TOTAL CALABRIA	**-6.8%**	**-16.4%**	**-2.7%**	**-3.6%**	**-9.2%**	**-17.2%**	**-6.3%**	**19.1%**
Palermo	-2.2%	18.5%	-2.2%	4.9%	2.5%	-1.6%	2.7%	17.4%
Catania	-2.7%	5.5%	1.3%	0.1%	4.8%	-11.0%	-0.5%	34.5%
Messina	10.0%	-12.5%	4.0%	54.1%	-13.3%	-25.1%	-3.5%	29.9%
Trapani	10.7%	18.0%	3.0%	36.0%	-0.1%	23.9%	0.2%	-7.6%
Siracusa	10.8%	-29.9%	1.3%	63.8%	13.2%	-19.9%	-0.5%	58.2%
Agrigento	12.5%	31.0%	3.0%	24.4%	21.5%	-13.9%	-0.6%	95.4%
Ragusa	-5.7%	-47.1%	-0.3%	7.3%	12.8%	20.9%	7.1%	20.3%
Caltanissetta	-2.1%	-24.3%	2.7%	10.4%	21.5%	121.7%	11.9%	-14.5%
Enna	0.6%	-3.5%	0.5%	11.6%	113.3%	171.4%	-6.3%	130.3%
TOTAL SICILY	**2.4%**	**-0.2%**	**1.0%**	**19.3%**	**6.2%**	**-0.5%**	**1.1%**	**28.3%**
Cagliari	-0.1%	-55.1%	5.9%	11.3%	-8.6%	-21.3%	4.0%	14.7%
Sassari	2.3%	5.3%	2.1%	8.8%	-18.7%	3.9%	-1.0%	-36.2%
Nuoro	0.9%	12.0%	1.5%	10.9%	-31.2%	-35.0%	7.2%	-38.3%
Olbia-Tempio	13.2%	228.7%	-3.4%	25.5%	17.1%	127.7%	-3.5%	-12.8%
Oristano	2.5%	-30.0%	3.3%	0.3%	45.2%	40.9%	-3.9%	90.8%
Ogliastra	1.3%	-9.3%	-1.4%	6.6%	-18.9%	-12.5%	-6.0%	-30.0%
Carbonia-Iglesias	-14.9%	-87.4%	5.4%	6.4%	-32.9%	-35.2%	-4.2%	-9.0%
Medio Campidano	-10.7%	-80.1%	4.4%	-2.5%	-47.1%	-53.1%	20.5%	-57.4%
TOTAL SARDINIA	**0.1%**	**-32.3%**	**2.6%**	**9.2%**	**-11.4%**	**-11.6%**	**2.0%**	**-6.4%**
Total all the regions	**-0.1%**	**-15.3%**	**1.6%**	**4.9%**	**-0.8%**	**-3.8%**	**1.7%**	**7.6%**
GRAND TOTAL	**0.5%**	**-15.8%**	**1.5%**	**22.0%**	**0.2%**	**-4.0%**	**1.7%**	**12.1%**

TAB. A9 – COMPARISON BETWEEN SOLVENCY I AND SOLVENCY II: MARGIN VS. SCR AND TECHNICAL PROVISIONS – AVERAGE OF INDEXES

	Non-life		Life		Composites		Total	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
1st quartile	1.79	1.32	1.18	1.88	1.44	1.76	1.29	1.41
Median	2.56	1.63	1.29	2.35	2.13	2.20	1.81	1.91
3rd quartile	3.99	2.13	1.50	3.10	3.33	2.62	3.11	2.65
Ratio between technichal provisions and *fair value*								
1st quartile	0.83		1.01		0.97		0.90	
Median	0.90		1.04		1.01		0.99	
3rd quartile	0.97		1.07		1.02		1.03	

(1) *Solvency I* margin coverage coefficient
(2) Solvency Capital Ratio (Solvency II)
Preliminary data

TAB. 1 - UNDERTAKINGS PURSUING INSURANCE AND REINSURANCE BUSINESS IN ITALY

YEARS (situation as at 31.12)	NATIONAL UNDERTAKINGS				BRANCHES OF FOREIGN UNDERTAKINGS		
	companies limited by shares	Coope-rative companies	mutual compa-nies	Total	with head office in a non-EU or non-EEA country	with head office in a EU or EEA country subject to the supervision of their respective Home country supervisors (*)	TOTAL DOMESTIC AND FOREIGN UNDERTAKINGS
2009	152	1	3	156	3	82	241
2010	147	1	3	151	2	89	242
2011	138	1	3	142	2	95	239
2012	131	1	3	135	2	98	235
2013	125	1	5	131	2	100	233
2014	118	1	3	122	2	98	222
2015	110	1	3	114	3	103	220

(*) Italian branches of insurance and reinsurance undertakings with head office in other EU countries (or in other EEA countries).

As at 31.12.2015 there were 1,007 undertakings with head office in EU (or in EEA) countries pursuing business in Italy by way of free provision of services subject to the supervision of their respective home country supervisors.

TAB. 2 - PREMIUMS OF THE ITALIAN DIRECT INSURANCE PORTFOLIO (A)

(million euro).

NON LIFE BUSINESS	2010 (b)	2011	Annual percentage variation	Homogeneous annual percentage variation (c)	2012	Annual percentage variation	Homogeneous annual percentage variation (c)	2013	Annual percentage variation	Homogeneous annual percentage variation (c)	% over the total for 2013	2014	Annual percentage variation	% over the total for 2014	2015 (d)	Annual percentage variation	% over the total for 2015
Accidents	3,055.6	3,036.2	-0.6	-0.4	2,976.2	-2.0	-0.9	2,957.6	-0.6	-0.5	2.5	2973.6	0.5	2.1	2,962.5	-0.4	2.0
Sickness	2,193.0	2,171.8	-1.0	0.2	2,136.3	-1.6	-0.2	2,069.9	-3.1	-3.1	1.7	2056.4	-0.7	1.4	2,142.6	4.2	1.5
Land vehicles	2,961.9	2,891.2	-2.4	-2.0	2,648.5	-8.4	-8.4	2,413.2	-8.9	-8.6	2.0	2,386.6	-1.1	1.7	2,455.5	2.9	1.7
Railway rolling stock	7.0	6.9	-1.9	-1.7	8.6	24.9	24.9	3.8	-55.5	-55.5	0.0	4.1	6.6	0.0	4.1	0.9	0.0
Aircraft	49.6	41.7	-15.9	-15.6	36.7	-11.9	-11.9	22.4	-39.1	-39.1	0.0	17.9	-19.8	0.0	18.4	2.6	0.0
Ships (sea, lake and river and canal	322.6	314.8	-2.4	-2.0	259.0	-17.7	-17.7	244.1	-5.8	-5.8	0.2	239.4	-1.9	0.2	230.2	-3.9	0.2
Goods in transit	209.4	219.0	4.6	5.3	213.7	-2.4	-2.4	187.0	-12.5	-12.5	0.2	171.3	-8.4	0.1	166.9	-2.6	0.1
Fire and natural forces	2,352.0	2,343.1	-0.4	-0.2	2,306.5	-1.6	-1.6	2,283.7	-1.0	-1.0	1.9	2,295.2	0.5	1.6	2,290.8	-0.2	1.6
Other damage to property	2,617.6	2,645.4	1.1	1.2	2,610.9	-1.3	-1.2	2,663.3	2.0	2.0	2.2	2,777.1	4.3	1.9	2,725.3	-1.9	1.9
Motor vehicle liability	16,963.7	17,760.5	4.7	5.2	17,541.9	-1.2	-1.2	16,230.3	-7.5	-7.0	13.7	15,179.7	-6.5	10.6	14,186.6	-6.5	9.7
Aircraft liability	26.6	24.2	-9.1	-9.1	18.8	-22.1	-22.1	13.7	-27.3	-27.3	0.0	14.4	4.8	0.0	10.3	-28.2	0.0
Liability for ships (sea, lake and river and	32.0	33.1	3.4	3.5	34.1	3.0	3.0	32.4	-4.9	-4.9	0.0	31.6	-2.7	0.0	31.5	-0.2	0.0
General liability	3,072.1	2,932.8	-4.5	-1.1	2,939.1	0.2	0.2	2,847.9	-3.1	-3.1	2.4	2,830.9	-0.6	2.0	2,878.4	1.7	2.0
Credit	348.1	202.9	-41.7	2.8	84.4	-58.4	-16.6	85.5	1.3	1.3	0.1	70.4	-17.7	0.0	72.6	3.1	0.0
Suretyship	456.1	463.9	1.7	1.7	387.5	-16.5	-6.3	379.3	-2.1	-2.1	0.3	383.9	1.2	0.3	350.0	-8.8	0.2
Miscellaneous financial loss	480.8	524.3	9.1	9.1	459.9	-12.3	-11.1	456.9	-0.6	-0.6	0.4	513.0	12.3	0.4	550.8	7.4	0.4
Legal expenses	289.1	301.1	4.2	4.2	278.4	-7.5	2.6	291.0	4.5	4.9	0.2	307.3	5.6	0.2	326.8	6.3	0.2
Assistance	415.4	445.4	7.2	7.4	472.8	6.1	6.1	505.1	6.8	7.3	0.4	547.5	8.4	0.4	603.5	10.2	0.4
Total non-life	**35,852.4**	**36,358.1**	**1.4**	**2.5**	**35,413.4**	**-2.6**	**-1.9**	**33,687.2**	**-4.9**	**-4.6**	**28.4**	**32,800.2**	**-2.6**	**22.9**	**32,006.8**	**-2.4**	**21.8**
LIFE BUSINESS																	
Class I	67,844.4	56,698.5	-16.4	-16.4	51,191.3	-9.7	-9.6	64,959.4	26.9	26.9	54.7	82,578.4	27.1	57.6	77,875.3	-5.7	53.0
Class II	0	0			0			0				0			0		0.0
Class III	15,408.9	12,495.7	-18.9	-18.9	13,799.6	10.4	10.4	15,513.5	12.4	12.4	13.1	21,837.3	40.8	15.2	31,838.0	45.8	21.7
Class IV	27.4	32.0	16.6	16.6	43.8	36.8	36.8	52.1	19.0	19.0	0.0	67.2	28.9	0.0	73.7	9.7	0.1
Class V	5,153.7	3,130.5	-39.3	-39.3	2,814.9	-10.1	-10.1	3,282.1	16.6	16.6	2.8	4,622.4	40.8	3.2	3,507.7	-24.1	2.4
Class VI	1,679.2	1,512.4	-9.9	-9.9	1,865.6	23.4	23.4	1,292.4	-30.7	-30.7	1.1	1,412.7	9.3	1.0	1,652.4	17.0	1.1
Total life business . .	**90,113.6**	**73,869.1**	**-18.0**	**-18.0**	**69,715.1**	**-5.6**	**-5.5**	**85,099.6**	**22.1**	**22.1**	**71.6**	**110,518.0**	**29.9**	**77.1**	**114,947.1**	**4.0**	**78.2**
Grand Total . . .	**125,966.0**	**110,227.2**	**-12.5**	**-12.2**	**105,128.6**	**-4.6**	**-4.3**	**118,786.7**	**13.0**	**13.1**	**100.0**	**143,318.2**	**20.7**	**100.0**	**146,953.9**	**2.5**	**100.0**

(a) In addition to the premiums of the Italian direct insurance portfolio, Italian branches of insurance undertakings with head office in another EU or EEA member State collected premiums in non-life business for EUR 4,918.6 million in 2015 (EUR 4,671.2 million in 2014) and premiums in life business for EUR 5,724.2 million in 2015 (EUR 3,792.1million in 2014). The data are referred to undertakings of which information is available.

(b) Two companies placed under administrative compulsory winding up in 2011 are included.

(c) The percentage variations compared to the previous year were also recalculated net of the accounting effect caused by the exit from the direct Italian portfolio of the premiums of undertakings with head office in another EU or EEA member State which continue to write business into Italy via a branch.

(d) The figures relating to premiums have been taken from provisional balance sheet data furnished by undertakings.

Please note that totals may not tally due to rounding off of decimal numbers

TAB. 3 - PREMIUM INCIDENCE OVER THE GROSS DOMESTIC PRODUCT

(domestic undertakings and branches of non-EU or non-EEA undertakings; Italian direct insurance portfolio)

(million euro)

	2011	2012	2013	2014	2015 (b)
Life and non-life premiums	**110,227.2**	**105,128.6**	**118,786.6**	**143,318.2**	**146,178.4**
of which: Life premiums	73,869.1	69,715.1	85,099.6	110,518.0	115,503.9
Non-life premiums	36,358.1	35,413.4	33,687.0	32,800.2	30,674.5
of which motor liability premiums	17,793.6	17,576.0	16,262.7	15,211.2	14,218.0
Gross domestic product (a)	1,638,857.0	1,628,004.0	1,609,462.2	1,616,253.6	1,636,371.7
Cost of living index (basis 2010=100) (a)	102.7	105.8	107.0	107.2	107.1
	annual percentage variations				
Life and non-life premiums	**-12.5**	**-4.6**	**13.0**	**20.7**	**2.0**
Life premiums	-18.0	-5.6	22.1	29.9	4.5
Non-life premiums	1.4	-2.6	-4.9	-2.6	-6.5
Motor liability premiums	4.7	-1.2	-7.5	-6.5	-6.5
Gross domestic product	2.1	-0.7	-1.1	0.4	1.2
Cost of living index	2.7	3.0	1.1	0.2	-0.1
	percentage incidence over GDP (c)				
Life and non-life premiums	**6.7**	**6.5**	**7.4**	**8.9**	**8.9**
Life premiums	4.5	4.3	5.3	6.8	7.1
Non-life premiums	2.2	2.2	2.1	2.0	1.9
Motor liability premiums	1.1	1.1	1.0	0.9	0.9
	annual percentage variations in real terms (d)				
Life and non-life premiums	**-14.8**	**-7.4**	**11.7**	**20.4**	**2.1**
Life premiums	-20.2	-8.4	20.7	29.6	4.6
Non-life premiums	-1.3	-5.5	-5.9	-2.8	-6.4
Motor liability premiums	1.9	-4.1	-8.5	-6.6	-6.4
Gross domestic product	**-0.6**	**-3.6**	**-2.2**	**0.2**	**1.3**

(a) Source: ISTAT - Gross domestic product at the market prices. The data relating to the the four year period 2010-2013 were General index of consumer prices for families of clerical and manual workers (acronym: FOI), tobacco excluded.

(b) The figures relating to premiums have been taken from provisional balance sheet data furnished by undertakings.

(c) totals may not tally due to rounding off of decimal numbers

(d) Data deflated by the coefficient published by ISTAT

TAB. 4 - INSURANCE BUSINESS PURSUED ABROAD BY ITALIAN UNDERTAKINGS AND IN ITALY BY FOREIGN UNDERTAKINGS - YEAR 2014

(million euro)

	Premiums relating to direct insurance			Premiums relating to reinsurance		
	Non-life	Life	Total	Non-life	Life	Total
BUSINESS PURSUED ABROAD BY ITALIAN UNDERTAKINGS (*) AND THEIR FOREIGN SUBSIDIARIES						
Italian undertakings						
o Business pursued abroad by way of establishment	438.4	173.8	612.2	290.0	1.0	291.0
o Business pursued abroad by way of FOS (**)	250.6	7.9	258.5	637.3	1,060.5	1,697.8
Total Italian undertakings	689.0	181.7	870.7	927.3	1,061.5	1,988.8
Total foreign subsidiaries (and their branches)	14,132.1	34,168.3	48,300.4	2,678.1	3,182.2	5,860.3
Total	**14,821.1**	**34,350.0**	**49,171.1**	**3,605.4**	**4,243.7**	**7,849.1**
BUSINESS PURSUED IN ITALY BY FOREIGN UNDERTAKINGS AND THEIR ITALIAN SUBSIDIARIES						
Foreign undertakings						
o Business pursued in Italy by way of establishment	5,046.0	4,644.4	9,690.4	0.0	0.0	0.0
o Business pursued in Italy by way of FOS	2,341.2	18,371.5	20,712.7	N.A.	N.A.	N.A.
Total foreign undertakings	7,387.2	23,015.9	30,403.1	0.0	0.0	0.0
Total Italian subsidiaries	9,343.5	35,010.4	44,353.9	40.6	10.1	50.7
Total	**16,730.7**	**58,026.3**	**74,757.0**	**40.6**	**10.1**	**50.7**

(*) Italian undertakings controlled by foreign shareholders are not included.

(**) As regards reinsurance the figures refer to the business pursued by the Italian head office belonging to the foreign portfolio.

TAB. 5 - MARKET SHARES BY GROUPS – ITALIAN DIRECT INSURANCE PORTFOLIO – YEARS 2014-2015 *

(million euro)

AGGREGATION OF COMPANIES BY GROUPS	Non-life						Life						Total					
	2014			2015			2014			2015			2014			2015		
	Premiums		%	Premiums		%	Premiums		%	Premiums		%	Premiums		%	Premiums		%
Companies controlled by EU foreign entities (a) Companies	8,794		26.81	9,500		29.68	23,452		21.22	25,252		21.97	32,246		22.50	34,752		23.65
controlled by non-EU entities (a) Non-EU branches	287		0.88	512		1.60	2,410		2.18	4,494		3.91	2,697		1.88	5,006		3.41
Companies controlled by the State and by Italian public entities	375		1.14	473		1.48	0		0.00	0		0.00	375		0.26	473		0.32
	823		2.51	799		2.50	15,504		14.03	18,232		15.86	16,327		11.39	19,031		12.95
Companies controlled by Italian private entities subdivided by dominant economic sector of the group, of which:	**22,227**		**67.76**	**20,555**		**64.22**	**59,812**		**54.12**	**61,096**		**53.15**	**82,039**		**57.24**	**81,650**		**55.56**
- industrial and services sectors	418	(b)	1.88	433	(b)	2.11	1	(b)	0.00	10	(b)	0.02	420	(b)	0.51	443	(b)	0.54
- insurance sector	21,139	(b)	95.10	19,704	(b)	95.86	36,020	(b)	60.22	32,234	(b)	52.76	57,159	(b)	69.67	51,938	(b)	63.61
- banking and financial sector	670	(b)	3.01	417	(b)	2.03	23,791	(b)	39.78	28,852	(b)	47.22	24,460	(b)	29.82	29,269	(b)	35.85
Undertakings owned on a 50/50 basis by banks and insurance companies, of which:	**294**		**0.90**	**168**		**0.52**	**9,340**		**8.45**	**5,873**		**5.11**	**9,634**		**6.72**	**6,041**		**4.11**
- Italian insurance companies	32	(c)	10.79	31	(c)	18.69	192	(c)	2.05	158	(c)	2.68	223	(c)	2.32	189	(c)	3.13
- foreign EU insurance companies	262	(c)	89.21	137	(c)	81.31	9,148	(c)	97.95	5,716	(c)	97.32	9,411	(c)	97.68	5,852	(c)	96.87
TOTAL	**32,800**		**100.00**	**32,007**		**100.00**	**110,518**		**100.00**	**114,947**		**100.00**	**143,318**		**100.00**	**146,954**		**100.00**

* The figures regarding 2015 have been taken from provisional balance sheet data provided by undertakings.

(a) The groups to which these companies belong mainly carry on insurance business

(b) Percentages are calculated over total premiums of the Italian private sector.

(c) Percentages are calculated over total premiums relating to companies owned on a 50/50 basis by banks and insurance companies.

Please note that totals may not tally due to rounding off of decimal numbers

TAB. 6 - OUTWARD REINSURANCE PREMIUMS LIFE AND NON-LIFE BUSINESS - YEAR 2014

(million euro)

NON LIFE BUSINESS	Inward premiums	Outward premiums	Ratio Outward/inward
Accidents	2,973.6	189.9	6.4
Sickness	2,056.4	226.8	11.0
Land vehicles	2,386.6	114.3	4.8
Railway rolling stock	4.1	0.6	13.9
Aircraft	17.9	9.8	54.4
Ships (sea, lake and river and canal vessels)	239.4	127.1	53.1
Goods in transit	171.3	74.7	43.6
Fire and natural forces	2,295.2	366.4	16.0
Other damage to property	2,777.1	553.3	19.9
Motor vehicle liability	15,179.7	332.7	2.2
Aircraft liability	14.4	7.5	51.9
Liability for ships (sea, lake and river and canal	31.6	0.3	1.0
General liability	2,830.9	244.0	8.6
Credit	70.4	20.4	28.9
Suretyship	383.9	190.7	49.7
Miscellaneous financial loss	513.0	108.8	21.2
Legal expenses	307.3	97.3	31.7
Assistance	547.5	229.4	41.9
Total non-life business . . .	**32,800.2**	**2,893.7**	**8.8**
LIFE BUSINESS			
Class I	82,578.4	804.2	1.0
Class II			
Class III	21,837.3	8.7	0.0
Class IV	67.2	2.1	3.1
Class V	4,622.4	0.0	0.0
Class VI	1,412.7	0.0	0.0
Total life business . . .	**110,518.0**	**815.0**	**0.7**

TAB. 7 - LOSS RATIO - NON-LIFE BUSINESS

CLASSES	2010 (%)	2011 (%)	2012 (%)	2013 (%)	2014 (%)
Accidents	53.3	51.6	49.3	46.8	46.8
Sickness	73.8	72.6	74.0	74.5	72.7
Land vehicles	63.7	64.9	62.5	68.1	63.0
Railway rolling stock	84.9	66.9	266.5	83.0	8.3
Aircraft	101.2	120.2	15.9	185.2	51.2
Ships (sea, lake and river and canal vessels) . . .	71.5	70.2	99.3	77.5	102.4
Goods in transit	64.7	63.3	68.0	65.3	66.4
Fire and natural forces	63.1	62.6	96.9	61.7	62.3
Other damage to property	76.3	70.9	75.1	74.0	75.3
Motor vehicle liability	83.5	76.9	68.4	68.5	71.8
Aircraft liability	17.5	14.5	17.6	15.7	30.6
Liability for ships (sea, lake and river and canal	88.4	58.0	77.5	81.8	74.0
General liability	86.7	78.0	73.9	72.5	68.8
Credit	55.2	74.0	145.7	98.3	91.4
Suretyship	61.3	65.3	69.2	71.5	76.1
Miscellaneous financial loss	55.7	49.6	57.9	52.9	47.9
Legal expenses	32.5	33.5	33.2	32.1	28.3
Assistance	31.7	30.3	29.5	29.4	29.6
Total non-life	**74.8**	**70.7**	**69.1**	**66.5**	**67.2**

TAB. 8 - BALANCE SHEET - LIFE AND NON-LIFE BUSINESS

(domestic undertakings and branches of non-EU or non-EEA undertakings; Italian and foreign portfolio – insurance and reinsurance business)

(million euro)

ASSETS	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
A. AMOUNTS OWED BY SHAREHOLDERS FOR SUBSCRIBED CAPITAL NOT YET PAID IN	15.4	-62.3	2.7	-82.3	7.0	156.6		-100.0	
B. INTANGIBLE ASSETS									
1. Deferred acquisition commissions	630.5	1.7	668.6	6.0	687.2	2.8	733.8	6.8	839.8
a) life business	121.4	-23.8	94.9	-21.8	82.0	-8.9	76.4	-6.9	68.4
b) non-life business	0.7	75.0	7.2	944.2	41.8	478.2	40.0	-4.3	38.2
2. Other acquisition costs	3.7	-24.5	33.9	803.7	98.7	191.5	98.4	-0.3	98.8
3. Setting-up and enlargement costs	5,026.0	-9.2	4,664.3	-7.2	4,281.2	-8.2	4,603.2	7.5	5,083.4
4. Goodwill	527.7	1.0	531.7	0.9	556.4	5.7	642.6	17.2	778.3
5. Other deferred costs									
C. INVESTMENTS									
I - Land and buildings	1,246.1	5.7	1,292.0	4.1	1,311.9	3.4	1,256.9	-4.2	1,301.6
1. Occupied by the insurance undertaking for its own activities	5,002.6	2.4	5,252.2	5.0	5,207.1	-0.8	5,099.2	-2.1	4,640.3
2. Occupied by third parties	34.1	6.2	32.8	-3.8	29.2	-6.5	27.2	-6.9	25.8
3. Other real estate	5.2	0.0	5.2	0.7	3.8	-27.9	3.7	-0.1	3.5
4. Other property rights	225.1	-10.1	319.3	41.9	227.5	-28.8	71.5	-68.6	69.5
5. Buildings under construction and deposits paid									
II - Investments in group undertakings and other participating interests									
1. Shares in:	530.0	-9.6	332.7	-37.2	320.9	-3.5	14.6	-95.4	22.9
a) parent companies	39,042.2	-1.5	39,500.9	1.2	37,337.7	-5.5	44,023.8	17.9	43,796.5
b) subsidiaries	1,556.2	1.0	1,681.7	8.1	1,688.7	0.4	1,322.5	-21.7	1,452.2
c) associated undertakings	814.8	24.5	803.2	-1.4	685.5	-14.7	1,461.8	113.3	1,393.6
d) affiliated undertakings	3,767.9	-1.5	1,992.9	-47.1	1,904.0	-4.5	1,369.6	-28.1	934.0
e) other									
2. Debt securities issued by:	1,563.6	40.4	1,759.5	14.7	3,907.1	122.1	3,679.4	-5.8	3,756.3
a) parent companies	98.2	74.1	111.8	13.8	74.7	-33.2	277.3	271.1	272.3
b) subsidiaries	1,305.0	29.5	1,359.6	4.2	1,028.1	-24.4	398.1	-61.3	364.1
c) associated undertakings	68.6	48.8	78.6	14.5	92.5	17.7	108.8	17.6	121.4
d) affiliated undertakings	1,331.0	21.0	880.0	-33.9	934.2	6.2	970.0	3.8	1,041.5
e) other									
(continued)									

ASSETS	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
3. Loans to:									
a) parent companies	278.8	-57.1	270.4	0.6	270.3	0.0	270.3	0.0	270.3
b) subsidiaries	79.3	5.6	45.5	-42.7	45.9	0.9	54.8	19.5	46.4
c) associated undertakings	4.5	--		-99.7	6.7	53,319.6	4.5	-32.3	7.3
d) affiliated undertakings	5.8	-60.8	5.8	1.4	5.8	-1.4	6.5	13.5	6.4
e) other	3.4	-53.4	2.3	-31.0	2.3	0.0	2.2	0.0	0.2
III - Other financial investments									
1. Shares									
a) Listed shares	10,580.9	-14.5	9,525.6	-10.0	7,699.7	-19.2	8,029.8	4.3	7,773.9
b) Unlisted shares	201.1	-6.8	252.8	25.7	266.1	5.3	448.5	68.5	389.3
c) Units	257.7	4.1	257.2	-0.2	226.4	-12.0	626.2	176.5	624.8
2. Units in unit trusts	19,367.9	12.5	21,339.6	-9.1	22,566.6	-18.4	25,919.0	11.1	35,338.9
3. Debt securities and other fixed-income securities.									
a) listed	294,984.2	12.7	303,641.8	3.0	319,728.7	5.4	351,972.7	10.1	398,790.6
b) unlisted	6,752.1	19.4	7,430.4	10.0	9,400.0	26.5	5,943.5	-36.8	5,531.8
c) convertible securities	794.8	-5.4	767.1	-3.5	462.2	-39.7	476.0	3.0	391.0
4. Loans									
a) loans secured by a lien on property	63.7	3.6	63.3	-0.6	62.2	-1.7	60.4	-2.8	60.2
b) loans secured by the insurance policy	2,416.6	-1.2	2,397.7	-0.8	2,332.9	-2.7	2,214.9	-5.1	2,060.5
c) other loans	101.2	36.2	98.0	-1.8	190.8	95.2	153.4	-19.6	155.0
5. Participation in investment pools									
6. Deposits with credit institutions	1,022.1	130.7	1,134.1	11.0	2,351.2	107.3	1,242.0	-47.2	1,096.4
7. Sundry financial investments	2,014.5	27.2	361.1	-82.1	111.3	-69.2	147.5	32.5	450.1
IV - Deposits with ceding undertakings	9,350.5	-4.3	9,477.4	1.4	8,972.1	-5.2	8,489.8	-5.4	8,606.4
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE RISK AND ARISING FROM PENSION FUND MANAGEMENT									
I - Investments pertaining to unit- and index-linked benefits II - Investments relating to	105,786.4	-5.6	91,579.8	-13.4	89,056.2	-2.8	87,433.6	-1.8	96,243.8
pension fund management	6,358.1	22.6	7,331.3	15.3	8,464.9	15.5	9,380.1	10.8	12,527.4
(continued)									

ASSETS	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
D bis. REINSURERS' SHARE OF TECHNICAL PROVISIONS									
I - NON LIFE BUSINESS									
1. Provision for unearned premiums	1,418.4	2.7	1,429.0	3.5	1,410.2	-0.1	1,326.2	-5.9	1,208.6
2. Provision for claims outstanding	5,240.3	-0.1	4,780.6	-6.9	5,592.1	17.7	5,138.9	-8.1	4,549.3
3. Provision for bonuses and rebates	8.4	95.3	0.5	320.2	1.0	99.2	1.7	77.4	0.9
4. Other technical	1.9	18.8	3.3	66.8	2.6	-19.0	3.2	21.7	4.0
provisions II - LIFE									
BUSINESS	11,481.8	-2.8	10,835.6	-5.6	10,258.7	-5.1	9,510.3	-7.3	8,744.5
1. Mathematical provisions	10.0	-16.7	22.0	119.8	27.7	25.7	26.3	-5.0	25.3
2. Ancillary risks - Provision for unearned premiums	261.7	17.4	260.0	-0.7	292.5	16.4	337.4	15.4	378.9
3. Provision for amounts payable	4.4	-10.2	3.4	-21.1	2.6	-24.4	2.7	3.1	3.1
4. Provision for bonuses and rebates	12.4	-20.5	7.6	-38.4	7.2	-5.5	6.2	-14.4	4.6
5. Other technical provisions									
6. Technical provisions where the investment risk is borne									
by policyholders and provisions relating to pension fund	297.8	4.9	204.1	-31.5	173.3	-15.1	180.0	3.8	189.7
management									
E. DEBTORS									
I - Debtors arising out of direct insurance operations:									
1. Policyholders	4,873.0	-4.2	4,778.0	-1.8	4,649.2	-1.9	4,085.4	-12.1	4,003.8
a) per premiums for the current financial year	469.9	-0.1	439.0	-6.5	327.6	-25.1	343.0	4.7	301.7
b) per premiums for the previous financial years	4,596.3	4.5	4,388.7	-4.5	3,937.3	-10.1	3,966.0	0.7	3,877.6
2. Insurance intermediaries	963.4	3.2	882.3	-8.4	719.4	-18.2	586.2	-18.5	528.2
3. Insurance undertakings - amounts receivable	766.1	2.6	828.0	8.1	695.9	-15.5	624.1	-10.3	611.4
4. Policyholders and third parties - recoverable amounts									
II - Debtors arising out of reinsurance operations:	1,470.1	-10.1	1,419.8	-3.1	1,449.9	3.4	1,365.7	-5.8	1,327.9
1. Insurance and reinsurance undertakings	35.7	-39.9	36.0	0.9	22.3	-37.9	29.1	30.2	22.7
2. Reinsurance intermediaries III -	13,401.7	17.7	14,103.5	5.5	14,695.4	4.7	17,192.0	17.0	17,938.9
Other debtors									
F. OTHER ASSETS									
I - Tangible assets and stocks:									
(continued)									

ASSETS	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
1. Furniture, office equipment, internal means of transportation	108.1	-4.8	106.7	-0.9	96.8	-8.0	96.3	0.0	119.7
2. Movable goods entered in public registers	2.1	-8.7	1.9	-10.2	2.0	15.2	2.1	5.3	1.8
3. Plant and machinery	32.4	19.1	36.8	17.3	38.5	7.4	57.0	48.0	73.0
4. Stocks and sundry	9.4	-6.0	9.0	-4.8	8.8	-1.5	8.3	-6.1	8.4
assets II - Cash									
1. Deposits with credit institutions and post office accounts	9,588.3	-13.0	14,512.0	51.4	17,148.7	18.6	16,980.9	-0.8	13,177.8
2. Checks and cash in hand III -	16.1	-5.3	19.9	23.2	13.2	-33.6	14.7	11.8	28.4
Own shares	155.2	-8.4	130.3	-16.1	125.5	-3.7	17.1	-86.4	9.7
IV - Other assets									
1. Deferred reinsurance accounts receivable	32.7	-62.2	32.8	0.3	35.9	9.6	28.1	-21.9	19.3
2. Sundry assets	3,124.1	9.5	3,769.6	23.7	3,959.0	5.8	4,664.1	17.9	3,733.1
G. ACCRUALS AND DEFERRED INCOME									
1. Interest	4,803.8	6.4	4,966.5	3.5	4,918.7	-0.8	5,168.2	5.1	5,455.6
2. Rent	12.2	2.5							
3. Other prepayments and accrued income	277.0	-20.6	258.6	-6.6	354.9	37.5	304.5	-14.2	311.5
TOTAL ASSETS	**586,814.6**	**5.5**	**585,665.4**	**-0.1**	**603,706.4**	**3.2**	**641,230.4**	**6.2**	**641,230.4**

LIABILITIES AND EQUITY	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
A. EQUITY									
I - Subscribed capital or equivalent funds II -	11,985.2	5.0	12,462.8	4.2	13,344.9	7.7	14,828.3	11.2	14,567.5
Provision for share premium accounts	16,861.8	-1.5	17,874.6	6.1	17,340.4	-3.0	23,397.7	34.9	22,343.6
III - Revaluation provisions IV -	3,034.0	-7.7	3,026.2	-0.2	2,820.9	-6.6	2,860.8	1.4	2,857.7
Legal provision	1,715.8	13.9	1,700.2	-0.6	1,665.9	-1.8	1,766.4	6.0	2,405.4
V - Statutory provisions	24.2	15.2	15.9	-34.2	15.0	-6.0	29.3	95.6	40.0
VI - Reserves for own shares and for parent	681.2	-9.2	458.0	-32.8	442.2	-3.5	25.3	-94.3	35.6
company's shares VII - Other provisions	15,490.8	9.8	15,408.7	-0.5	13,628.1	-11.3	14,158.9	4.2	13,985.9
(continued)									

LIABILITIES AND EQUITY	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
VIII Profit or loss brought forward IX	1,169.5	269.4	957.8	-18.1	-547.3	-156.4	1,668.7	404.9	2,230.1
- Operating profit (loss)	-702.8	-119.1	-3,652.6	-413.6	5,588.5	253.0	5,170.8	-7.7	5,944.7
B. SUBORDINATED LIABILITIES	8,752.6	6.4	8,751.2	0.0	10,069.7	15.1	10,475.4	4.0	12,709.0
C. TECHNICAL PROVISIONS									
I - NON LIFE BUSINESS									
1. Provision for unearned premiums	15,747.9	3.6	16,196.7	3.3	15,532.3	-3.2	14,750.5	-4.7	14,412.4
2. Provision for claims outstanding	49,820.8	-0.4	50,217.1	1.3	51,017.5	2.1	49,719.9	-2.4	48,648.6
3. Provision for bonuses and rebates	46.9	-28.9	26.1	-16.7	29.4	12.5	22.7	-22.8	24.5
4. Other technical provisions	70.7	-5.2	69.6	-1.5	67.8	-2.6	65.2	-3.8	64.4
5. Equalisation provisions	172.3	15.6	188.0	10.8	191.5	1.8	205.5	7.3	217.9
II - LIFE BUSINESS									
1. Mathematical provisions	306,529.6	13.7	322,462.7	5.2	333,174.1	3.4	362,681.1	8.9	412,638.7
2. Ancillary risks - Provision for unearned premiums	74.2	13.6	86.9	17.1	98.0	12.7	92.5	-5.6	94.4
3. Provision for amounts payable	5,952.3	33.8	4,730.5	-20.5	4,853.6	3.1	5,087.3	4.8	5,400.9
4. Provision for bonuses and rebates	127.7	-5.1	151.6	18.7	150.8	-0.5	151.8	0.7	140.8
5. Other technical provisions	1,757.0	-5.8	1,667.5	-5.1	1,603.4	-3.2	1,542.6	-3.8	1,530.7
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PROVISIONS RELATING TO PENSION FUND MANAGEMENT									
I - Provisions relating to contracts whose benefits are linked to unit trusts or market indexes	105,494.0	-5.6	91,320.1	-13.4	88,885.3	-2.7	87,205.3	-1.9	96,045.6
II - Provisions relating to pension fund management	6,358.0	22.6	7,331.3	15.3	8,463.6	15.5	9,380.1	10.8	12,527.4
E. PROVISIONS FOR OTHER RISKS AND CHARGES									
1. Provisions for pensions and similar obligations	120.8	-0.2	117.0	-1.8	120.4	7.1	103.0	-14.4	102.2
2. Provisions for taxation	389.0	0.7	340.3	-12.5	655.8	93.6	786.8	20.0	615.3
3. Other provisions	1,261.0	10.7	1,156.2	-7.2	1,071.1	-7.0	1,405.2	31.2	1,533.8

(continued)

LIABILITIES AND EQUITY	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
F. DEPOSITS RECEIVED FROM REINSURERS	11,998.8	-3.2	11,279.2	-5.8	10,692.1	-5.0	9,926.7	-7.2	9,176.9
G. CREDITORS AND OTHER LIABILITIES									
I - Creditors arising out of direct insurance operations:									
1. Insurance intermediaries	1,314.7	-2.9	1,273.1	-3.1	1,007.6	-18.8	1,030.9	2.3	1,184.8
2. Insurance undertakings - amounts receivable	269.6	-9.6	241.5	-10.3	231.7	-3.2	224.3	-3.2	197.2
3. Policyholders – deposits and premiums	392.1	22.8	268.8	-31.2	222.6	-17.2	289.5	30.0	294.5
4. Guarantee funds for the benefit of policyholders	80.6	41.2	57.7	-28.5	47.3	-17.9	15.6	-65.9	13.1
II - Creditors arising out of reinsurance operations:									
1. Insurance and reinsurance undertakings	1,282.6	6.1	892.4	-29.9	960.7	9.8	980.3	2.1	842.8
2. Reinsurance intermediaries III -	57.8	-19.9	65.3	13.0	60.3	-7.6	48.4	-19.7	19.7
Bond issues	3,060.0	-28.0	3,060.0		3,011.1	-1.6	2,947.2	-2.1	3,383.3
IV - Debts towards banks and financial	179.3	31.2	54.1	-69.8	44.1	-18.5	258.1	485.3	868.1
institutions V - Debts secured by a lien on	0.4	-33.3	2.6	582.0	5.2	101.3	4.8	-8.6	7.3
property	5,547.1	-7.1	5,285.9	-4.7	5,132.9	-2.9	5,274.3	2.8	3,859.1
VI - Sundry loans and other financial creditors	386.0	-6.5	358.7	-5.9	333.0	-6.4	321.8	-3.4	299.6
VII - Staff leaving indemnity VIII - Other creditors									
1. Policyholders' tax due	621.5	3.8	632.8	1.8	603.6	-4.2	590.0	-1.9	605.0
2. Other taxes due	1,470.4	-0.4	1,609.4	9.5	3,222.5	101.6	2,954.2	-8.3	2,648.4
3. Social security contributions	115.9	-2.6	121.2	4.7	117.4	-2.0	108.2	-7.3	128.4
4. Sundry	3,022.0	-24.6	3,036.7	1.1	3,815.9	26.5	3,761.8	-1.2	3,801.2
creditors IX - Other									
liabilities	35.1	-53.1	36.4	3.5	33.3	-8.6	34.0	2.1	16.5
1. Deferred reinsurance accounts payable	751.7	-1.5	741.0	-1.3	676.9	-7.9	635.8	-6.1	625.9
2. Commissions on pending premiums	2,593.6	5.5	2,856.6	12.0	2,465.8	-13.4	3,562.9	44.6	3,370.2
3. Sundry liabilities									
H. ACCRUALS AND DEFERRED INCOME	496.2	-5.3	533.8	7.6	541.8	1.5	509.5	-6.0	514.9
1. Interest	5.3	17.8	11.7	120.0	21.5	84.3	14.2	-34.0	10.1
2. Rent	199.3	-19.5	182.1	-8.6	176.1	-3.0	156.6	-11.1	158.9
3. Other prepayments and accrued income	**586,814.6**	**5.5**	**585,665.4**	**-0.1**	**603,706.3**	**3.2**	**641,230.4**	**6.2**	**703,142.7**
TOTAL GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS	506,188.8	5.6	475,047.2	-6.1	489,238.7	3.1	513,339.2	4.9	580,832.4
of which Assets of **pension funds managed in the name and on behalf of third parties**	2,082.2	-39.9	2,371.5	13.9	3,684.8	55.4	3,003.8	-18.5	2,648.5

(a) Variations within homogeneous undertakings.

TAB 9 - PROFIT AND LOSS ACCOUNT - LIFE AND NON-LIFE BUSINESS

		2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS										
1. EARNED PREMIUMS, NET OF REINSURANCE										
a) Gross premiums written	+	36,793.5	2.4	37,751.8	3.0	36,738.1	-1.9	35,326.3	-3.6	34,460.2
b) Outward reinsurance premiums	-	3,839.9	1.0	3,699.9	-1.2	3,975.3	9.0	3,708.3	-6.6	3,389.1
c) Change in the gross provision for unearned premiums	-	564.7	2,593.5	529.0	-5.8	-486.8	-194.9	-738.7	-47.7	-369.0
d) Change in the provision for unearned premiums, reinsurers' share	+	68.6	19.3	66.8	18.8	7.6	-87.2	-115.7	-1,715.0	-87.1
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6)	+	1,094.6	-52.7	640.5	-41.2	1,659.9	160.2	1,262.0	-23.9	1,345.6
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE	+	440.4	1.7	451.0	2.9	469.0	4.5	428.9	-8.3	392.8
4. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE										
a) Amounts paid										
aa) Gross amount	-	28,265.2	-0.8	27,237.4	-3.2	26,161.1	-3.6	25,152.3	-3.7	23,679.8
bb) reinsurers' share	+	2,066.8	-14.1	2,071.5	2.6	2,366.9	15.0	2,567.2	8.5	2,361.5
b) Change in sums recoverable, net of reinsurers' share aa) Gross amount	+	660.0	-2.4	606.4	-5.8	512.3	-13.8	476.4	-7.2	482.2
bb) reinsurers' share	-	29.7	-11.0	29.5	29.3	23.5	-15.4	21.0	-10.6	18.0
c) Change in the provision for claims outstanding aa) Gross amount	-	-245.8	-189.9	701.2	507.3	1,084.9	60.7	-1,234.0	-217.1	-1,152.6
bb) reinsurers' share	+	216.1	-27.9	91.1	-62.2	910.7	971.9	-427.6	-147.0	-485.9
5. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE	-	-5.3	-89.2	-2.5	53.2	0.5	118.6	-2.2	-581.7	-1.5
6. BONUSES AND REBATES, NET OF REINSURANCE	-	14.7	-59.6	28.9	181.5	13.5	-50.1	15.7	15.7	23.7

		2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
7. OPERATING EXPENSES:										
a) Acquisition commissions	-	4,987.7	4.1	5,118.9	3.0	4,784.3	-4.8	4,725.8	-1.1	4,716.3
b) Other acquisition costs	-	1,395.4	3.9	1,380.1	1.3	1,441.6	5.5	1,500.1	5.3	1,648.2
c) Change in commissions and other deferred acquisition costs	+	-39.0	35.1	-26.8	31.3	-6.4	76.6	-6.5	-1.8	-10.5
d) Collection commissions	-	943.6	-1.6	932.1	-1.2	976.0	7.2	930.0	-4.7	895.4
e) Other administrative expenses	-	1,628.0	-2.9	1,662.4	3.0	1,607.0	-1.4	1,623.3	1.4	1,668.3
f) Reinsurance commissions and profit participation	+	853.0	3.3	798.0	-3.9	797.3	1.6	744.7	-6.5	694.1
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE	-	1,088.1	4.9	1,010.2	-6.5	1,106.4	10.3	993.8	-10.2	877.9
9. CHANGE IN THE EQUALIZATION PROVISION	-	23.4	48.2	17.6	-14.9	3.6	-79.6	13.9	289.1	12.4
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (item III. 1)		**-375.2**	**-185.0**	**105.5**	**127.5**	**2,764.5**	**2,510.4**	**3,546.4**	**27.6**	**3,746.9**
II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS										
1. EARNED PREMIUMS, NET OF REINSURANCE:										
a) Gross premiums written	+	92,060.8	11.0	75,767.0	-17.7	71,623.9	-5.4	86,854.1	21.3	112,064.4
b) Outward reinsurance premiums	-	1,468.6	-3.5	1,399.4	-4.7	1,247.8	-9.4	1,097.7	-12.0	1,101.0
2. INVESTMENT INCOME:										
a) Income from shares	+	890.2	-18.5	944.7	6.1	895.5	-5.2	1,006.4	12.4	1,719.5
b) Income from other investments:										
aa) land and buildings	+	36.1	-18.8	33.6	-7.0	32.8	-2.3	24.8	-24.4	21.7
bb) other investments	+	11,646.8	11.3	13,103.7	12.5	14,128.0	7.9	14,503.5	2.7	15,577.8
c) Value re-adjustments on investments	+	649.8	-70.6	490.8	-24.5	3,790.9	672.9	1,063.4	-71.9	722.1
d) Gains on the realization of investments	+	2,629.6	-2.0	1,669.7	-36.5	3,083.1	84.8	2,600.6	-15.7	2,183.8
3. UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE RISK AND ON INVESTMENTS RELATING TO PENSION FUND MANAGEMENT	+	7,697.9	-50.0	3,773.1	-51.0	10,778.3	185.7	7,543.6	-30.0	8,543.5

		2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE	+	1,134.6	5.3	1,097.0	-3.3	1,220.6	11.3	1,314.9	7.7	1,485.0
5. CLAIMS INCURRED, NET OF REINSURANCE:										
a) Amounts paid aa)										
Gross amount										
bb) Reinsurers' share										
b) Variation in the provision for amounts payable	-	67,225.1	15.0	77,096.8	14.7	76,906.1	-0.2	68,508.6	-10.9	66,130.5
aa) Gross amount	+	1,672.5	4.1	1,696.5	1.4	1,706.7	1.0	1,751.3	2.6	1,754.5
bb) Reinsurers' share										
	-	1,474.2	195.1	-1,217.2	-182.6	133.3	110.9	296.0	122.1	318.3
6. CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL	+	28.0	124.5	6.3	-77.4	36.3	851.4	54.0	49.0	43.6
PROVISIONS, NET OF REINSURANCE										
a) Mathematical										
provisions: aa) Gross										
amount										
bb) Reinsurers' share	-	37,114.0	-9.1	15,527.7	-58.2	9,563.1	-38.4	29,788.9	211.5	49,188.5
b) Provision for unearned premiums (supplementary	+	-327.4	-129.5	-351.1	-7.2	-484.5	-35.0	-695.6	-43.6	-739.2
insurance): aa) Gross amount										
bb) Reinsurers' share	-	8.1	1,043.6	12.6	55.2	11.0	-12.7	-2.0	-117.7	-0.2
c) Other technical	+	-2.1	-512.8	11.9	661.1	5.7	-52.0	0.6	-90.0	0.3
provisions aa) Gross										
amount	-	-95.5	26.4	-90.4	5.3	-57.1	36.6	-56.5	1.0	-15.3
bb) Reinsurers' share	+	-3.1	45.6	-4.8	-51.9	-0.4	91.1	-1.0	-144.8	-1.5
d) Technical provisions where the investment risk is borne by										
policyholders and provisions relating to pension fund management										
aa) Gross amount	-	-5,016.7	-3,404.3	-13,242.6	-164.0	113.0	100.9	-277.1	-345.2	10,383.4
bb) Reinsurers' share	+	13.5	-68.7	-93.0	-786.8	-16.0	82.7	6.1	138.2	9.2
7. BONUSES AND REBATES, NET OF REINSURANCE	-	90.3	-10.9	118.8	31.6	130.0	9.7	102.8	-20.9	96.7
8. OPERATING EXPENSES:										
a) Acquisition commissions										
b) Other acquisition costs	-	2,747.1	8.0	2,319.7	-15.6	1,888.8	-16.7	2,057.2	8.9	2,290.6
c) Change in commissions and other deferred acquisition costs	-	678.3	6.6	713.1	5.1	685.9	-3.4	689.8	0.6	695.8
	+	10.5	117.4	38.1	264.3	18.6	-51.2	46.9	152.4	106.0

		2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
d) Collection commissions	-	278.3	1.9	246.5	-11.4	218.9	-11.2	243.1	11.1	239.0
e) Other administrative expenses	-	952.0	4.3	945.9	-0.6	925.5	-1.9	903.5	-2.4	942.6
f) Reinsurance commissions and profit participation	+	246.3	-4.2	226.2	-8.2	179.7	-19.6	162.5	-9.6	178.2
9. FINANCIAL CHARGES:										
a) Investment management charges, including interests due	-	1,234.7	-5.4	1,282.7	3.9	1,335.5	4.2	1,490.8	11.6	1,540.8
b) Value adjustments on investments	-	4,324.3	219.5	7,786.6	80.1	1,895.8	-75.7	1,495.9	-21.1	1,366.9
c) Losses on the realisation of investments	-	1,014.5	-20.9	768.9	-24.2	451.3	-41.3	821.8	82.1	600.5
10. FINANCIAL CHARGES AND UNREALIZED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE RISK AND INVESTMENTS RELATING TO PENSION FUND MANAGEMENT										
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE	-	3,124.1	32.0	6,574.5	110.4	1,580.8	-76.0	2,683.2	69.7	2,177.4
	-	1,189.9	11.8	1,217.8	2.3	1,412.7	16.0	1,603.5	13.5	1,831.4
12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)	-	838.7	-28.8	265.2	-68.4	1,625.6	516.2	1,444.4	-11.1	1,917.3
13. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (item III. 2)		**-266.0**	**-108.2**	**-3,316.2**	**-1,146.8**	**6,931.2**	**308.8**	3,344.0	**-51.8**	2,863.8
III. NON TECHNICAL ACCOUNT										
1. BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS (item I. 10)	+	-375.2	-185.0	105.5	127.5	2,764.5	2,510.4	3,546.3	27.6	3,746.7
2. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (item II. 13)	+	-266.0	-108.2	-3,316.2	-1,146.8	6,931.2	308.8	3,344.0	-51.8	2,863.8
3. INVESTMENT INCOME - NON-LIFE INSURANCE BUSINESS: a) Income from shares	+	840.6	-6.7	644.0	-23.3	760.1	18.0	904.1	18.9	1,097.8
b) Income from other investments:	+	184.0	11.0	192.8	5.0	196.7	2.0	187.5	-4.7	173.0
aa) land and buildings	+	1,497.4	-8.0	1,663.4	11.7	1,727.2	4.4	1,675.1	-2.8	1,709.9
bb) other investments										
c) Value re-adjustments on investments	+	182.3	-79.3	295.5	62.1	573.4	94.1	297.3	-48.1	152.7
d) Gains on the realization of investments	+	658.2	-50.8	410.8	-37.5	753.1	84.8	532.1	-29.3	688.7

		2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
4. **(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE-ASSURANCE TECHNICAL ACCOUNT (item II. 12)**	+	838.7	-28.8	265.2	-68.4	1,625.6	516.2	1,444.4	-11.1	1,917.3
5. **FINANCIAL CHARGES IN NON-LIFE INSURANCE:**										
a) Investment management charges, including interests due	-	296.6	-10.0	313.2	5.9	363.1	16.3	363.9	0.3	348.3
b) Value adjustments on investments	-	1,381.8	118.2	2,671.1	93.8	1,642.3	-38.3	979.5	-40.3	1,009.9
c) Losses on the realisation of investments	-	388.6	-47.1	315.2	-18.5	251.2	-20.0	165.7	-34.0	193.6
6. **(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE INSURANCE TECHNICAL ACCOUNT (item I. 2)**	-	1,094.6	-52.7	640.5	-41.2	1,659.9	160.2	1,262.0	-23.9	1,345.6
7. **OTHER INCOME**	+	1,863.1	-14.9	1,880.0	1.3	1,637.3	-12.0	1,693.9	3.5	1,758.9
8. **OTHER CHARGES**	-	3,625.6	6.1	3,430.7	-5.2	3,559.2	4.1	3,875.8	9.1	3,822.9
9. **PROFIT OR LOSS ON ORDINARY ACTIVITIES**		-1,364.0	-130.1	-5,229.7	-280.6	9,493.4	281.2	6,977.8	-26.6	7,388.5
10. **EXTRAORDINARY INCOME**	+	1,261.0	-11.6	1,359.4	8.0	833.1	-38.7	2,199.1	164.3	1,707.3
11. **EXTRAORDINARY CHARGES**	-	647.3	12.8	880.9	36.3	861.0	-2.1	884.5	2.8	746.6
12. **EXTRAORDINARY PROFIT OR LOSS**		613.7	-28.1	478.5	-21.8	-27.9	-105.8	1,314.6	4,711.5	960.7
13. **PROFIT OR LOSS BEFORE TAX**		-750.2	-113.9	-4,751.2	-523.8	9,465.7	298.9	8,292.2	-12.6	8,349.4
14. **TAX ON PROFIT OR LOSS FOR THE FINANCIAL YEAR**	-	-47.4	-103.5	-1,098.6	-2,072.1	3,695.8	433.8	3,061.5	-17.2	2,404.7
15. **PROFIT OR LOSS FOR THE FINANCIAL YEAR (*)**		**-702.8**	**-117.5**	**-3,652.6**	**-413.6**	**5,769.9**	**258.0**	**5,230.7**	**-9.6**	**5,944.7**

(a) Variations within homogeneous undertakings.

TAB. 9.1 - BREAKDOWN OF THE PROFIT AND LOSS - LIFE BUSINESS

(million euro)

		2010	2011	2012	Homogeneous annual percent variation (a)	2013	2014
Balance on the technical account		**-266.0**	**-3,316.2**	**6,931.2**	**309.0**	**3,344.0**	**2,863.8**
Allocated investment return transferred from the technical account for life assurance business	+	838.7	265.2	1,625.6	513.0	1,444.4	1,917.3
Intermediate profit or loss		**572.7**	**-3,051.0**	**8,556.8**	**380.5**	**4,788.4**	**4,781.1**
Other income	+	818.5	689.8	607.7	-11.4	649.0	874.0
Other charges	-	1,396.0	1,292.4	1,234.3	-4.5	1,477.3	1,436.5
Extraordinary income	+	741.2	684.1	486.0	-29.0	1,249.9	833.4
Extraordinary charges	-	345.1	591.1	515.0	-12.9	408.5	322.2
Profit or loss before tax		**391.3**	**-3,560.7**	**7,901.3**	**321.9**	**4,801.5**	**4,729.8**
Tax on profit or loss for the financial year	-	95.6	-924.5	2,771.8	399.8	1,696.2	1,231.5
Profit or loss for the financial year		**295.7**	**-2,636.2**	**5,129.5**	**294.6**	**3,105.3**	**3,498.4**

(a) Variations within homogeneous undertakings.

TAB 9.2 - BREAKDOWN OF THE PROFIT AND LOSS – NON-LIFE BUSINESS

(million euro)

		2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013	Homogeneous annual percentage variation (a)	2014
Balance on the technical account		**-375.2**	**-185.0**	**105.5**	**127.5**	**2,764.5**	**2,510.4**	**3,546.3**	**27.6**	**3,746.7**
Investment income	+	3,362.6	-31.6	3,206.5	-4.3	4,010.6	25.6	3,596.1	-10.3	3,822.2
Financial charges	-	2,067.0	21.8	3,299.5	60.1	2,256.6	-31.4	1,509.1	-33.1	1,551.7
Allocated investment return transferred to the technical account for non-life	-	1,094.6	-52.7	640.5	-41.2	1,659.9	160.2	1,262.0	-23.9	1,345.6
Intermediate profit or loss		**-174.1**	**-112.9**	**-628.0**	**-242.1**	**2,858.7**	**556.3**	**4,371.2**	**52.2**	**4,671.6**
Other income	+	1,044.6	-5.4	1,190.2	14.8	1,029.7	-12.1	1,044.9	1.5	884.9
Other charges	-	2,229.6	-1.0	2,138.3	-3.8	2,324.9	9.3	2,398.6	3.4	2,386.4
Extraordinary income	+	519.7	21.6	675.3	30.5	347.1	-48.5	949.2	174.3	873.9
Extraordinary charges	-	302.1	-20.7	289.7	-3.8	346.0	19.8	476.0	37.8	424.4
Profit or loss before tax		**-1,141.5**	**-561.5**	**-1,190.6**	**-3.3**	**1,564.5**	**230.8**	**3,490.7**	**120.6**	**3,619.6**
Tax on profit or loss for the financial year	-	-143.0	-533.5	-174.1	-19.1	924.1	609.5	1,365.3	47.3	1,173.3
Profit or loss for the financial year		**-998.4**	**-565.9**	**-1,016.5**	**-1.0**	**640.4**	**163.1**	**2,125.4**	**224.4**	**2,446.3**

(a) Variations within homogeneous undertakings.

TAB. 10 - SHARE CAPITAL, CAPITAL PROVISIONS, SOLVENCY MARGIN LIFE BUSINESS

(excluding reinsurance undertakings)

(million euro)

ASSETS	2010	2011	2012	2013	2014
Share capital, initial fund, endowment fund dotazione (2)	8,209.3	8,571.9	8,910.2	8,319.9	8,078.6
Provision for share premium accounts (2)	10,610.2	11,363.4	11,503.6	12,773.6	12,313.1
Legal provision (2)	987.2	968.7	938.9	797.2	1,028.3
Statutory provisions (2)	18.4	8.9	6.8	16.7	19.3
Other solvency margin constituents (1) (2)	7,536.8	5,912.6	10,264.3	6,727.7	8,226.4
Available solvency margin (2)	**27,361.9**	**26,825.4**	**31,623.8**	**28,635.2**	**29,665.6**
Required solvency margin (2)	**14,667.7**	**15,399.6**	**15,980.1**	**16,582.7**	**18,562.3**
Surplus (deficit) (2)	12,694.2	11,425.8	15,643.7	12,052.5	11,103.3
Solvency index (2)	**1.9**	**1.7**	**2.0**	**1.7**	**1.6**

(a) Variations within homogeneous undertakings.

(1) Net of losses and intangible items.

(2) The 2013 and 2014 figures do not include Assicurazioni Generali S.p.A. since following the corporate reorganisation operation, in concurrence with the almost complete transfer of the portfolio and the considerable equity revaluation, an anomalous solvency ratio was registered, not significant economically.

TAB. 11 - SHARE CAPITAL, CAPITAL PROVISIONS, SOLVENCY MARGIN NON-LIFE BUSINESS

(excluding reinsurance undertakings)

(million euro)

ASSETS	2010	Homogeneous annual percentage variation (a)	2011	Homogeneous annual percentage variation (a)	2012	Homogeneous annual percentage variation (a)	2013 (2)	Homogeneous annual percentage variation (a)	2014
Share capital, initial fund, endowment fund	3,739.4	-1.0	3,890.9	4.8	4,434.8	15.4	4,951.5	11.8	4,932.0
Provision for share premium accounts	6,271.8	-1.4	6,511.2	4.0	5,836.8	-10.4	7,055.8	20.9	6,462.3
Legal provision	728.6	7.4	726.0	0.4	727.0	0.6	661.2	-9.0	1,065.8
Statutory provisions)	5.8	-65.1	7.0	20.0	8.1	16.2	13.3	63.2	23.5
Other solvency margin constituents (1)	8,272.2	7.2	7,330.0	-11.3	7,535.6	3.1	3,764.1	-50.0	4,402.3
Available solvency margin	**19,017.9**	2.5	**18,465.2**	-2.6	**18,542.4**	0.8	**16,446.0**	-11.2	**16,885.9**
Required solvency margin	**6,598.8**	2.2	**6,785.9**	3.2	**6,748.0**	0.1	**6,348.7**	-5.7	**6,168.8**
Surplus (deficit)	12,419.1	2.8	11,679.2	-5.7	11,794.3	1.2	10,097.3	-14.4	10,717.1
Solvency index	**2.9**	0.4	**2.7**	-5.6	**2.7**	0.7	**2.6**	-5.9	**2.7**

(a) Variations within homogeneous undertakings.

(1) Net of losses and intangible items.

(2) The 2013 figures do not include Assicurazioni Generali S.p.A. since following the corporate reorganisation operation, in concurrence with the almost complete transfer of the portfolio and the considerable equity revaluation, an anomalous solvency ratio was registered, not significant economically.

TAB. 12 - INVESTMENTS - LIFE BUSINESS

(Italian and foreign portfolio; excluding reinsurance undertakings)

(million euro)

ASSETS	2010	%	2011	%	2012	%	Homogeneous annual percentage variation (a)	2013	%	2014	%
Investments (C)											
Real estate	892,7	0,3	998,1	0,3	576,2	0,2	-42.3	510,8	0,1	506	0,1
Bonds	269.719,50	81,6	278.737,50	82,4	296.241,90	83,7	6.3	322.966,80	83,4	368.477,30	83,5
Shares	29.094,90	8,8	27.820,20	8,2	25.561,60	7,2	-8.1	29.658,00	7,7	30.036,30	6,8
Loans	2.563,70	0,8	2.544,60	0,8	2.473,70	0,7	-2.8	2.322,00	0,6	2.166,50	0,5
Units in unit trusts	16.289,80	4,9	17.908,80	5,3	19.045,40	5,4	6.3	22.125,20	5,7	30.281,20	6,9
Other investments	1.825,50	0,6	185,3	0,1	64,7	0	-65.1	98,3	0	367,7	0,1
Bank deposits	820,3	0,2	888,8	0,3	909,2	0,3	2.3	1.028,10	0,3	768,2	0,2
Deposits with ceding undertakings	9.222,90	2,8	9.352,30	2,8	8.860,80	2,5	-5.3	8.378,30	2,2	8.486,50	1,9
Total	**330.429,20**	**100**	**338.435,50**	**100**	**353.733,70**	**100**	**4.6**	**387.087,40**	**100**	**441.089,90**	100
Investments where the risk is borne by policyholders or investments resulting from the management of pension funds (D)											
- pertaining to unit- and index-linked benefits	105.786,40	94,3	91.579,80	92,6	89.056,20	91,3	-2.8	87.433,60	90,3	96.243,80	88,5
- resulting from the management of pension funds	6.358,10	5,7	7.331,30	7,4	8.464,90	8,7	15.5	9.380,10	9,7	12.527,40	11,5
Total	**112.144,40**	**100**	**98.911,20**	**100**	**97.521,00**	**100**	-1.4	**96.813,70**	**100**	**108.771,20**	100
Grand total	**442,573.7**		**437,346.7**		**451,254.7**		**3.2**	**483,901.2**		**549,861.1**	

(a) Variations within homogeneous undertakings.

TAB. 13 - INVESTMENTS - NON-LIFE BUSINESS

(Italian and foreign portfolio; excluding reinsurance undertakings)

(million euro)

ASSETS	2010	%	Homogeneous annual percentage variation (a)	2011	%	Homogeneous annual percentage variation (a)	2012	%	Homogeneous annual percentage variation (a)	2013	%	Homogeneous annual percentage variation (a)	2014	%
Real estate	5.620,40	7,6	8.8	5.903,50	8,0	5.2	6.203,40	8,2	5.5	5.947,80	7,5	-4.1	5.534,80	6,9
Bonds	37.178,20	49,9	0.0	37.291,30	50,4	0.9	39.385,50	52	6.4	40.859,00	51,7	4.0	41.791,70	52,4
Shares	27.656,10	37,2	-6.2	26.526,60	35,8	-4.1	24.567,30	32,4	-7.4	27.638,70	35	12.5	26.350,90	33,1
Loans	389,5	0,5	-0.4	338,4	0,5	-10.5	443	0,6	31.0	445	0,6	0.5	439,8	0,6
Units in unit trusts	3.078,10	4,1	-3.3	3.430,80	4,6	12.0	3.521,10	4,7	3.2	3.793,80	4,8	7.9	5.057,70	6,3
Other investments	189	0,3	264.8	175,9	0,2	-6.9	46,7	0,1	-73.5	49,2	0,1	5.5	82,4	0,1
Bank deposits	201,8	0,3	18.2	245,4	0,3	21.6	1.442,00	1,9	487.7	213,9	0,3	-85.2	328,2	0,4
Deposits with ceding undertakings	127,7	0,2	4.1	125,1	0,2	0.3	111,2	0,1	-0.6	111,5	0,1	0.3	119,9	0,2
Total	**74.440,70**	**100**	-1.8	**74.036,90**	**100**	-0.2	**75.720,20**	**100**	2.7	**79.059,10**	**100**	0.0	**79.705,30**	100

(a) Variations within homogeneous undertakings.

TAB. 14 - LIFE ASSURANCE PROVISIONS

(Italian and foreign portfolio - insurance and reinsurance business; excluding reinsurance undertakings)

(million euro)

YEARS	Life assurance provisions	Technical provisions where the investment risk is borne by the policyholder and provisions deriving from the management of pension funds		Total
		Unit- and index-linked contracts	Pension funds	
2010	314,440.8	105,494.0	6.358,00	**426.292,80**
2011	329,099.2	1,320.1	7.331,30	**427.750,50**
2012	339,879.9	8,885.3	8.463,60	**437.228,80**
Homogeneous annual percentage (a)	*3.3*	*-2.7*	*15,5*	*2,3*
2013	369,555.3	7,205.3	9.380,10	**466.140,80**
2014	419,805.4	6,045.6	12.527,40	**528.378,40**

(a) Variation within homogeneous undertakings.

TAB. 15 - NON-LIFE INSURANCE PROVISIONS

(Italian and foreign portfolio - insurance and reinsurance business; excluding reinsurance undertakings)

(million euro)

YEARS	Provisions for unearned premiums	Provisions for claims outstanding	Other technical provisions	**TOTAL**
2010	15,747.9	49,820.8	289.9	**65,858.5**
Homogeneous annual percentage variation (a)	*3.6*	*-0.4*	*0.1*	*0.2*
2011	16,196.7	50,217.1	283.7	**66,697.5**
Homogeneous annual percentage variation (a)	*3.3*	*1.3*	*4.4*	*1.8*
2012	15,532.3	51,017.5	288.6	**66,838.4**
Homogeneous annual percentage variation (a)	*-3.2*	*2.1*	*1.7*	*0.8*
2013	14,750.5	49,719.9	293.4	**64,763.8**
Homogeneous annual percentage variation (a)	*-4.7*	*-2.4*	*1.7*	*-2.9*
2014	14,412.4	48,648.6	306.9	**63,367.8**

(a) Variation within homogeneous undertakings.

TAB. 16 - ASSETS REPRESENTING TECHNICAL PROVISIONS - LIFE BUSINESS (ARTICLES 36 AND 41 (4) OF LEGISLATIVE DECREE 209/2005)

(Italian insurance portfolio)

(million euro)

DESCRIPTION	31/12/2013 (2)	Compos. %	*Variat. %*	31/12/2014 (2)	Compos. %	*Variat. %*	31/12/2015 (3)	Compos. %	*Variat. %*
Technical provisions to be covered (1)	**360,849**	**100.0**	***9.3***	**410,995**	**100.0**	***13.9***	**449,269**	**100.0**	***9.3***
A INVESTMENTS									
A.1 ***Debt securities and other securities equivalent to debt securities***									
A.1.1a Securities issued or guaranteed by EU member States or OECD States ... dealt in on a regulated market	238,011	66.0	*12.2*	268,081	65.2	*12.6*	278,592	62.0	*3.9*
A.1.1b Securities issued or guaranteed by EU member States or OECD States ... not dealt in on a regulated market	2,397	0.7	*-49.3*	2,145	0.5	*-10.5*	2,430	0.5	*13.3*
A.1.2a Bonds or other securities equivalent to bonds dealt in on a regulated market	73,244	20.3	*6.9*	88,032	21.4	*20.2*	104,092	23.2	*18.2*
A.1.2b Bonds or other securities equivalent to bonds not dealt in on a regulated market ...	3,290	0.9	*-33.6*	3,004	0.7	*-8.7*	2,450	0.5	*-18.4*
A.1.2c Bonds issued in line with article 157 (1) of legislative decree 163/2006 by project companies…..	1	0.0	-	0	0.0	*-100.0*	0	0.0	
A.1.2d Bonds, commercial papers and similar securities in accordance with article 32 (26-bis) of decree-law n. 83/2012	-	-	-	20	0.0	-	8	0.0	-
of which bonds not dealt in	-	-	-	0	0.0	-	0	0.0	-
A.1.2 Other bonds or securities equivalent to bonds other than those indicated above ...	0	0.0	*0.0*	0	0.0	-	0	0.0	-
A.1.3 Units of Italian and EU UCITS	11,040	3.1	*28.9*	17,350	4.2	*57,2*	28,758	6.4	*65,8*
A.1.4 Repurchase agreements ...	4	0.0	-	263	0.1	-	130	0.0	-
A.1.8 Accrued income from interests on securities covering technical provisions	4,338	1.2	*5.4*	4,513	1.1	*4.0*	4,573	1.0	*1.3*
A.1.9 Debt securities relating to securitisation operations also if they are not intended to be dealt in ...	-	-	-	10	0.0	-	10	0.0	-
A.1.9a Debt securities relating to securitisation operations of loans as per article 1, para1, of law n. 130/1999…	-	-	-	10	0.0	-	10	0.0	-
A1.9b Debt securities relating to securitisation operations realised through the subscription for or the purchase of	-	-	-	0	0.0	-	0	0.0	-
A1.9c Debt securities relating to securitisation operations of loans granted by securitisation companies...	-	-	-	0	0.0	-	0	0.0	-
of which bonds not dealt in	-	-	-	0	0.0	-	0	0.0	-
Total A.1	**332,325**	**92.1**	***9.7***	**383,418**	**93.3**	***15.4***	**421,043**	**93.7**	***9.8***
of which structured securities (a)	24,376	6.8	*1.9*	28,312	6.9	*16.1*	36,832	8.2	*30.1*
of which securitisations (b)	1,324	0.4	*-23.3*	1,499	0.4	*13.2*	1,389	0.3	*-7.3*
Total (a) + (b)	25,700	**7.1**	*0.2*	29,811	**7.3**	*16.0*	38,221	**8.6**	*28.2*
A.2 ***Loans***	**34**	**0.0**	***-2.9***	**30**	**0.0**	***-11.8***	**70**	**0.0**	***133.3***
A.2.1 Loans and interest-bearing loans secured by mortgages or by bank or insurance guarantees, or by other suitable guarantees ...	34	0.0	*-2.9*	30	0.0	*-11.8*	70	0.0	*-11.8*
A.2.2 Direct unsecured loans granted to entities other than natural persons and microenterprises.	-	-	-	0	0.0	-	0	0.0	-
A2.2a) Direct loans selected by a bank or a financial intermediary and having all the characteristics relating to the quality ...	-	-	-	0	0.0	-	0	0.0	-
A2.2b) Direct loans selected by a bank or a financial intermediary but not having only the characteristics relating to the quality ...	-	-	-	0	0.0	-	0	0.0	-
A2.2c) Direct loans selected by a bank or a financial intermediary but not having the characteristics relating to the quality ...	-	-	-	0	0.0	-	0	0.0	-
A2.2d) Direct loans not selected by a bank or a financial intermediary	-	-	-	0	0.0	-	0	0.0	-

DESCRIPTION		31/12/2013 (2)	Compos. %	Variat. %	31/12/2014 (2)	Compos. %	Variat. %	31/12/2015 (3)	Compos. %	Variat. %
A.3	***Equity securities and other securities equivalent to equity securities***									
A.3.1a	Shares dealt in on a regulated market	6,757	1.9	*2.8*	6,283	1.5	*-7.0*	6,100	1.4	*-2.9*
A.3.1b	Shares in Bank of Italy, cooperative companies, limited liability companies and not dealt in on a regulated market	1,542	0.4	*-9.2*	2,293	0.6	*48.7*	2,085	0.5	*-9.1*
A.3.3	Units of Italian and EU UCITS	2,935	0.8	*14.9*	4,243	1.0	*44.6*	5,626	1.3	*32.6*
A.3.4	Units of closed-end AIFs dealt in on a regulated market	75	0.0	*7.1*	68	0.0	*-9.3*	52	0.0	*-23.5*
	Total A.3	**11,309**	**3.1**	***3.8***	**12,887**	**3.1**	***14.0***	**13,863**	**3.1**	***7.6***
A.4	***Real estate***									
A.4.1	Land, buildings and right to use immovable properties, for the unencumbered shares	420	0.1	*-11.9*	412	0.1	*-1.9*	387	0.1	*-6.1*
A.4.2	Leased properties	0	0.0	-	0	0.0	-	0	0.0	-
A.4.3	Participations in real estate companies ...	171	0.0	*-13.6*	217	0.1	*26,9*	234	0.1	*7.8*
A.4.4	Units of real estate Italian AIFs	4,445	1.2	*6.6*	4,970	1.2	*11.8*	5,154	1.1	*3.7*
	Total A.4	**5,036**	**1.4**	***4.0***	**5,599**	**1.4**	***11.2***	**5,775**	**1.3**	***3.1***
A.5	***Alternative investments***									
A.5.1a	Shares of Italian and EU open AIFs which primarily invest in the bond sector	0	0.0	*0.0*	10	0.0	-	74	0.0	-
A.5.1b	Shares of Italian and EU open AIFs which primarily invest in the share market	20	0.0	*0.0*	25	0.0	*25,0*	60	0.0	*140,0*
A.5.2a	Shares of Italian and EU closed AIFs not dealt in on a regulated market and in Italian reserved AIFs	366	0.1	*4.9*	532	0.1	*45.4*	1,361	0.3	*155.8*
A.5.2b	Shares of other Italian and EU open AIFs other than the previous classes	592	0.2	*-35.8*	1,600	0.4	*170.3*	1,726	0.4	*7.9*
	Total A.5	**978**	**0.3**	***-24.2***	**2,167**	**0.5**	***121.6***	**3,221**	**0.7**	***48.6***
	TOTAL A	**349,682**	**96.9**	***9.2***	**404,101**	**98.3**	***15.6***	**443,972**	**98.8**	***9.9***

	DESCRIPTION	31/12/2013 (2)	Compos. %	*Variat. %*	31/12/2014 (2)	Compos. %	*Variat. %*	31/12/2015 (3)	Compos. %	*Variat. %*
B	**DEBTORS**									
B.1	Debts owed by reinsurers ... up to 90% of their amount	173	0.0	*-24.1*	118	0.0	*-31.8*	149	0.0	*26.3*
B.2	Deposits with and amounts owed by ... ceding undertakings ... up to 90% of their amount	0	0.0	*0.0*	0	0.0	-	0	0.0	-
B.3.1	Debtors: amounts owed by policyholders ... outstanding for less than 3 months	381	0.1	*6.1*	333	0.1	*-12.6*	311	0.1	*-6.6*
B.3.2	Debtors: amounts owed by intermediaries ... outstanding for less than 3 months	100	0.0	*-54.8*	87	0.0	*-13.0*	68	0.0	*-21.8*
B.4	Advances against policies	2,011	0.6	*-4.5*	1,877	0.5	*-6.7*	1,572	0.3	*-16.2*
B.5	Tax recoveries ...	1,284	0.4	*58.9*	1,562	0.4	*21.7*	2,071	0.5	*32.6*
B.6	Claims against guarantee funds ...	0	0.0	*0.0*	0	0.0	-	0	0.0	-
B.7	Debtors arising out of centralised management operations of the group's cash ...	0	0.0	*0.0*	0	0.0	-	0	0.0	-
	TOTAL B	**3,949**	**1.1**	***6.1***	**3,977**	**1.0**	***0.7***	**4,171**	**0.9**	***4.9***
C	**OTHER ASSETS**									
C.1	Tangible fixed assets, instrumental to the undertakings' activity, other than land and buildings ...	0	0.0	*0.0*	0	0.0	-	0	0.0	-
C.2	Tangible fixed assets, not instrumental to the undertakings' activity, other than land and buildings ...	0	0.0	*0.0*	0	0.0	-	0	0.0	-
C.3	Deferred acquisition commissions ... up to 90% of their amount	428	0.1	*2.4*	507	0.1	*18.5*	526	0.1	*3.7*
C.4	Accrued income from rent, up to 30% of its amount	0	0.0	*0.0*	0	0.0	-	0	0.0	-
C.5	Reversionary interests	0	0.0	*0.0*	0	0.0	-	0	0.0	-
	TOTAL C	**428**	**0.1**	***2.4***	**507**	**0.1**	***18.5***	**526**	**0.1**	***3.7***
D	Deposits with banks, deposits with other credit institutions ... net of debt items	**8,488**	**2.4**	***7.2***	**5,274**	**1.3**	***-37.9***	**3,553**	**0.8**	***-32.6***
E	Other categories of assets authorised by ISVAP according to art. 38 (4) of legislative decree 209/2005	**4**	**0.0**	***-42.9***	**2**	**0.0**	***-50.0***	**1**	**0.0**	***-50.0***
	GRAND TOTAL - REPRESENTATIVE ASSETS	**362,551**	**100.5**	***9.2***	**413,861**	**100.7**	***14.2***	**452,223**	**100.7**	***9.3***
	Sub-total A.1.1b+A.1.2b+A.1.2d+A.1.3+A.1.9+A.3.1b+A.5.2a+A.5.2b	8,187	2.3	*-35.3*	9,574	2.3	*16.9*	10,052	2.2	*5.0*

(1) These provisions do not include those pertaining to unit- and index-linked contracts (article 41 (1 and 2) of legislative decree 209/2005).

(2) Balance-sheet data

(3) The data pertaining to the technical provisions to be set up as at 31 December 2014 are taken from the quarterly supervisory reports. When the financial statements for 2014 are approved they may undergo changes, due to the re-calculation of the technical commitments to be covered and the consequent allocation of further representative assets.

(a) Variations within homogeneous undertakings.

Please note that totals may not tally due to rounding off of decimal numbers

TAB. 16.1 - ASSETS REPRESENTING TECHNICAL PROVISIONS PERTAINING TO UNIT- AND INDEX-LINKED CONTRACTS (ART. 41 OF LEGISLATIVE DECREE 209/2005)

(Italian insurance portfolio)

(million euro)

DESCRIPTION		31/12/13 (1)			31/12/14 (1)			31/12/15 (2)		
		Provisions	Assets	% comp.	Provisions	Assets	% comp.	Provisions	Assets	% comp.
1 Contracts linked to the value of units in UCITS		20,627	20,666	*23.6*	29,272	29,327	*30.5*	38,973	39,018	*35.1*
	Var. %	***33.7***	***33.8***		***41.9***	***41.9***		***33.1***	***33.0***	
2 Unit-linked contracts		49,383	49,429	*56.6*	54,834	54,864	*57.0*	63,661	63,748	*57.4*
	Var. %	***3.8***	***3.8***		***11.0***	***11.0***		***16.1***	***16.2***	
3. Index-linked contracts		17,159	17,295	*19.8*	11,877	11,985	*12.5*	8,286	8,384	*7.5*
	Var. %	***-33.7***	***-33.4***		***-30.8***	***-30.7***		***-30.2***	***-30.0***	
TOTAL		**87,169**	**87,390**	***100.0***	**95,983**	**96,176**	***100.0***	**110,920**	**111,150**	***100.0***
	Var. %	***-1.9***	***-1.8***		***10.1***	***10.1***		***15.6***	***15.6***	

(1) Balance-sheet data
(2) The data as at 31 December 2015 are taken from the quarterly supervisory reports. When the financial statements for 2015 are approved they may undergo changes, due to the re-calculation of the technical commitments to be covered and the consequent allocation of further representative assets.

TAB. 16. 2 - INVESTMENTS DERIVING FROM THE MANAGEMENT OF THE PENSION FUNDS (CLASS D.II)

(million euro)

DESCRIPTION	31/12/13 (1)			31/12/14 (1)			31/12/15 (2)		
	Provisions	Investments	% comp.	Provisions	Investments	% comp.	Provisions	Investments	% comp.
1 Open pension funds	5,556	5,556	*59.2*	8,299	8,299	*66.2*	9,128	9,128	*67.3*
Var. %	***18.1***	***18.1***		***49.4***	***49.4***		***10.0***	***10.0***	
2 Pension funds	3,825	3,825	*40.8*	4,228	4,228	*33.8*	4,431	4,431	*32.7*
Var. %	***1.7***	***1.7***		***10.6***	***10.6***		***4.8***	***4.8***	
TOTAL	**9,380**	**9,380**	***100.0***	**12,527**	**12,527**	***100.0***	**13,559**	**13,559**	***100.0***
Var. %	***10.8***	***10.8***		***33.6***	***33.6***		***8.2***	***8.2***	

(1) Balance-sheet data

(2) The data as at 31 December 2015 are taken from the quarterly supervisory reports. When the financial statements for 2015 are approved they may undergo changes, due to the re-calculation of the technical commitments to be covered and the consequent allocation of further representative assets.

TAB. 17 - ASSETS COVERING TECHNICAL PROVISIONS - NON-LIFE BUSINESS (ARTICLE 37 OF LEGISLATIVE DECREE 209/2005)

(Italian insurance portfolio)

(million euro)

DESCRIPTION	31/12/2013 (1)	Compos. %	Homogeneous annual percentage variation (b)	31/12/2014 (1)	Compos. %	Homogeneous annual percentage variation (b)	31/12/2015 (2)	Compos. %	Homogeneous annual percentage variation (b)
Technical provisions to be covered	**62,489**	**100.0**	***-3.3***	**61,129**	**100.0**	***-2.2***	**60,305**	**100.0**	***-1.3***
A INVESTMENTS									
A.1 ***Debt securities and other securities equivalent to debt securities***									
A.1.1a Securities issued or guaranteed by EU member States or OECD States dealt in on a regulated market	25,304	40.5	*4.1*	22,867	37.4	*-9.6*	21,792	36.1	*-4.7*
A.1.1b Securities issued or guaranteed by EU member States or OECD States not dealt in on a regulated market	81	0.1	*19.1*	55	0.1	*-32.1*	65	0.1	*18.2*
	12,379	19.8	*7.9*	15,107	24.7	*22.0*	15,890	26.3	*5.2*
A.1.2a Bonds or other securities equivalent to bonds dealt in on a regulated market	385	0.6	*-27.4*	499	0.8	*29.6*	557	0.9	*11.6*
A.1.2b Bonds or other securities equivalent to bonds not dealt in on a regulated market ...	5	0.0	-	0	0.0	-	0	0.0	-
A.1.2c Bonds issued in line with article 157 (1) of legislative decree 163/2006 by project companies…..	-	-	-	5	0.0	-	5	0.0	-
A.1.2d Bonds, commercial papers and similar securities in accordance with article 32 (26-bis) of decree-law n. 83/2012	-	-	-	0	0.0	-	0	0.0	-
of which bonds not dealt in	0	0.0	*0.0*	2	0.0	*0.0*	2	0.0	*0.0*
A.1.3 Other bonds or securities equivalent to bonds other than those indicated above ...	1,165	1.9	*50.3*	1,637	2.7	*40.5*	1,652	2.7	*0.9*
A.1.4 Units of Italian and EU UCITS	10	0.0	*233.3*	11	0.0	*10.0*	0	0.0	*-100.0*
A.1.5 Repurchase agreements ...	456	0.7	*4.8*	461	0.8	*1.1*	395	0.7	*-14.3*
A.1.8 Accrued income from interests on securities covering technical provisions	-	-	-	0	0.0	-	0	0.0	-
A.1.9 Debt securities relating to securitisation operations also if they are not intended to be dealt in ...	-	-	-	0	0.0	-	0	0.0	-
A.1.9a Debt securities relating to securitisation operations of loans as per article 1, para1, of law n. 130/1999…	-	-	-	0	0.0	-	0	0.0	-
A1.9b Debt securities relating to securitisation operations realised through the subscription for or the purchase of	-	-	-	0	0.0	-	0	0.0	-
A1.9c Debt securities relating to securitisation operations of loans granted by securitisation companies	-	-	-	0	0.0	-	0	0.0	-
of which bonds not dealt in	**39,785**	**63.7**	***5.8***	**40,644**	**66.5**	***2.2***	**40,358**	**66.9**	***-0.7***
Total A.1	4,577	7.3	*6.9*	6,078	9.9	*32.8*	6,650	11.0	*9.4*
of which structured	449	0.7	*13.1*	496	0.8	*10.5*	496	0.8	*0.0*
securities (a) of which	5,026	8.0	*7.5*	6,574	10.8	*30.8*	7,146	11.8	*8.7*

DESCRIPTION	31/12/2013 (1)	Compos. %	Homogeneous annual percentage variation (a)	31/12/2014 (1)	Compos. %	Homogeneous annual percentage variation (a)	31/12/2015 (2)	Compos. %	Homogeneous annual percentage variation (a)
A.2 ***Prestiti***	**9**	**0.0**	***12.5***	**4**	**0.0**	***-55.6***	**121**	**0.2**	***2925.0***
A.2.1 Loans and interest-bearing loans secured by mortgages / bank or insurance guarantees / other suitable guarantees ...	9	0.0	*12.5*	4	0.0	*-55.6*	121	0.2	*-55.6*
A.2.2 Direct unsecured loans granted to entities other than natural persons and microenterprises.	-	-	-	0	0.0	-	0	0.0	-
A2.2a Direct loans selected by a bank or a financial intermediary and having all the characteristics relating to the quality	-	-	-	0	0.0	-	0	0.0	-
A2.2b Direct loans selected by a bank or a financial intermediary but not having only the characteristics relating to the quality	-	-	-	0	0.0	-	0	0.0	-
A2.2c Direct loans selected by a bank or a financial intermediary but not having the characteristics relating to the quality	-	-	-	0	0.0	-	0	0.0	-
A2.2d Direct loans not selected by a bank or a financial intermediary	-	-	-	0	0.0	-	0	0.0	-
A.3 ***Equity securities and other securities equivalent to equity securities***									
A3.1a Shares dealt in on a regulated market.	2,119	3.4	*-14.9*	1,776	2.9	*-16.2*	1,292	2.1	*-27.3*
A.3.1b Shares in the the Bank of Italy, in cooperative companies, in limited liability companies and shares not dealt in on a regulated market …	1,704	2.7	*-12.1*	1,655	2.7	*-2.9*	1,683	2.8	*1.7*
A.3.3 Units of Italian and EU UCITS	458	0.7	*22.1*	787	1.3	*71.8*	1,124	1.9	*42.8*
A.3.4 Units of closed-end AIFs dealt in on a regulated market	101	0.2	*18.8*	91	0.1	*-9.9*	85	0.1	*-6.6*
	4,382	**7.0**	***-10.4***	**4,309**	**7.0**	***-1.7***	**4,184**	**6.9**	***-2.9***
A.4 ***Real estate***									
A.4.1 Land, buildings and right to use immovable properties, for the unencumbered shares	5,403	8.6	*-7.0*	5,166	8.5	*-4.4*	5,701	9.5	*10.4*
A.4.2 Leased properties	0	0.0	*0.0*	0	0.0	*0.0*	0	0.0	*0.0*
A.4.3 Participations in real estate companies ...	3,399	5.4	*0.6*	3,374	5.5	*-0.7*	2,918	4.8	*-13.5*
A.4.4 Units of real estate Italian AIFs	1,142	1.8	*-6.9*	1,192	1.9	*4.4*	1,181	2.0	*-0.9*
Total A.4	**9,944**	**15.9**	***-4.6***	**9,732**	**15.9**	***-2.1***	**9,800**	**16.3**	***0.7***
A.5 ***Alternative investments***									
A.5.1a Shares of Italian and EU open AIFs which primarily invest in the bond sector	0	0.0	*0.0*	0	0.0	*0.0*	0	0.0	*0.0*
A.5.1b Shares of Italian and EU open AIFs which primarily invest in the share market	5	0.0	*-50.0*	5	0.0	*0.0*	0	0.0	*-100.0*
A.5.2a Shares of Italian and EU closed AIFs not dealt in on a regulated market and in Italian reserved AIFs	308	0.5	*23.7*	293	0.5	*-4.9*	318	0.5	*8.5*
A.5.2b Shares of other Italian and EU open AIFs other than the previous classes	109	0.2	*-6.8*	278	0.5	*155.0*	108	0.2	*-61.2*
Total A.5	**422**	**0.7**	***12.2***	**576**	**0.9**	***36.5***	**426**	**0.7**	***-26.0***
TOTAL A	**54,542**	**87.3**	***2.4***	**55,265**	**90.4**	***1.3***	**54,889**	**91.0**	***-0.7***

	DESCRIPTION	31/12/2013 (1)	Compos. %	Homogeneous annual percentage variation (a)	31/12/2014 (1)	Compos. %	Homogeneous annual percentage variation (a)	31/12/2015 (2)	Compos. %	Homogeneous annual percentage variation (a)
B	**DEBTORS**									
B.1	Debts owed by reinsurers ... up to 90% of their amount	4,243	6.8	*-13.9*	3,368	5.5	*-20.6*	3,366	5.6	*-0.1*
B.2	Deposits with and amounts owed by ... ceding undertakings ... up to 90% of their amount	12	0.0	-	1	0.0	-	7	0.0	-
B.3.1	Debtors: amounts owed by policyholders ... outstanding for less than 3 months	1,311	2.1	*-36.3*	1,088	1.8	*-17.0*	835	1.4	*-23.3*
B.3.2	Debtors: amounts owed by intermediaries ... outstanding for less than 3 months	662	1.1	*-44.6*	489	0.8	*-26.1*	449	0.7	*-8.2*
B.4	Claims arising out of salvage and subrogation	49	0.1	*-38.8*	13	0.0	*-73.5*	27	0.0	*107.7*
B.5	Tax recoveries ...	123	0.2	*-57.4*	124	0.2	*0.8*	116	0.2	*-6.5*
B.6	Claims against guarantee funds ...	275	0.4	*-1.1*	334	0.5	*21.5*	349	0.6	*4.5*
B.7	Debtors arising out of centralised management operations of the group's cash ...	344	0.6	*-1.4*	76	0.1	*-77.9*	116	0.2	*52.6*
	TOTAL B	**7,019**	**11.2**	***-23.5***	**5,493**	**9.0**	***-21.7***	**5,265**	**8.7**	***-4.2***
C	**OTHER ASSETS**									
C.1	Tangible fixed assets, instrumental to the undertakings' activity, other than land and buildings ...	2	0.0	*-60.0*	2	0.0	*0.0*	0	0.0	*-100.0*
C.2	Tangible fixed assets, not instrumental to the undertakings' activity, other than land and buildings ...	0	0.0	-	0	0.0	-	0	0.0	-
C.3	Deferred acquisition commissions ... up to 90% of their amount	26	0.0	*-60.0*	50	0.1	*92.3*	54	0.1	*8.0*
C.4	Accrued income from rent, up to 30% of its amount	0	0.0	*-100.0*	0	0.0	-	0	0.0	-
	TOTAL C	**28**	**0.0**	***-60.6***	**52**	**0.1**	***85.7***	**54**	**0.1**	***3.8***
D	Deposits with banks, deposits with other credit institutions ... net of debt items	**1,330**	**2.1**	***-43.2***	**1,060**	**1.7**	***-20.3***	**706**	**1.2**	***-33.4***
E	Other categories of assets authorised by ISVAP according to art. 38 (4) of legislative decree 209/2005	**0**	**0.0**	**-**	**0**	**0.0**	**-**	**0**	**0.0**	**-**
	GRAND TOTAL - REPRESENTATIVE ASSETS	**62,919**	**100.7**	***-3.0***	**61,870**	**101.2**	***-1.7***	**60,914**	**101.0**	***-1.5***
	Sub-total A.1.1b+A.1.2b+A.1.2d+A.1.3+A.1.9+A.3.1b+A.5.2a+A.5.2b	2,587	4.1	*-10.9*	**2,782**	4.6	*7.5*	**2,733**	4.5	*-1.8*

(1) Balance-sheet data

(2) The data pertaining to the technical provisions to be set up as at 31 December 2015 are taken from the quarterly supervisory reports. When the financial statements for 2015 are approved they may undergo changes, due to the re-calculation of the technical commitments to be covered and the consequent allocation of further representative assets.

(a) Variations within homogeneous undertakings.

TAB. 18 - CONSOLIDATED BALANCE SHEET

(million euro)

ASSETS	2013	Compos. %	2014	Compos. %
1 INTANGIBLE ASSETS	**14,522**	**1.6**	**13,277**	**1.3**
1.1 Goodwill	10,716	1.2	10,185	1.0
1.2 Other intangible assets	3,806	0.4	3,092	0.3
2 TANGIBLE ASSETS	**7,731**	**0.8**	**7,810**	**0.8**
2.1 Real estate	5,534	0.6	5,660	0.6
2.2 Other tangible assets	2,197	0.2	2,150	0.2
3 REINSURERS' SHARE OF TECHNICAL PROVISIONS	**12,098**	**1.3**	**10,701**	**1.0**
4 INVESTMENTS	**807,116**	**87.7**	**905,967**	**88.3**
4.1 Investments in real estate	18,255	2.0	17,811	1.7
4.2 Participations in subsidiaries, associates and joint ventures	2,102	0.2	2,086	0.2
4.3 Held-to-maturity investments	9,299	1.0	7,224	0.7
4.4 Loans and receivables	85,162	9.3	71,322	7.0
4.5 Available-for-sale financial assets	497,388	54.0	606,738	59.2
4.6 Financial assets at fair value through profit or loss	194,910	21.2	200,786	19.6
5 SUNDRY RECEIVABLES	**20,545**	**2.2**	**21,549**	**2.1**
5.1 Receivables arising out of direct insurance operations	12,802	1.4	12,467	1.2
5.2 Debtors arising out of reinsurance operations.	1,600	0.2	1,633	0.2
5.3 Other debtors	6,143	0.7	7,449	0.7
6 OTHER ASSETS	**30,409**	**3.3**	**49,379**	**4.8**
6.1 Non-current assets or disposal groups held for sale	1,058	0.1	21,379	2.1
6.2 Deferred acquisition costs	2,239	0.2	2,233	0.2
6.3 Deferred tax assets	7,918	0.9	7,459	0.7
6.4 Current tax assets	9,238	1.0	8,577	0.8
6.5 Other assets	9,956	1.1	9,730	0.9
7 CASH AND CASH EQUIVALENTS	**28,107**	**3.1**	**16,894**	**1.6**
TOTAL ASSETS	**920,528**	**100.0**	**1,025,577**	**100.0**
EQUITY AND LIABILITIES				
1 EQUITY	**52,196**	**5.7**	**57,282**	**5.6**
1.1 attributable to the group	**40,682**	**4.4**	**45,868**	**4.5**
1.1.1 Capital	6,779	0.7	6,817	0.7
1.1.2 Other capital instruments	10	0.0	0	0.0
1.1.3 Capital buffers	10,718	1.2	10,840	1.1
1.1.4 Retained earnings and other capital reserves	16,219	1.8	15,705	1.5
1.1.5 (Own shares)	-20	0.0	-20	0.0
1.1.6 Provision for net exchange rate differences	303	0.0	-238	0.0
1.1.7 Profits or losses on available-for-sale financial assets	4,196	0.5	9,898	1.0
1.1.8 Other profits or losses recognised directly in equity	-876	-0.1	-938	-0.1
1.1.9 Parent shareholders' profit (loss) for the period	3,352	0.4	3,805	0.4
1.2 attributable to minority interest	**11,514**	**1.3**	**11,414**	**1.1**
1.2.1 Capital and reserves owned by third parties	9,798	1.1	8,631	0.8
1.2.2 Profits or losses recognised directly in equity	805	0.1	1,726	0.2
1.2.3 Operating profit (loss) pertaining to third parties	911	0.1	1,058	0.1
2 PROVISIONS	**3,579**	**0.4**	**3,440**	**0.3**
3 TECHNICAL PROVISIONS	**670,850**	**72.9**	**755,636**	**73.7**

4 FINANCIAL LIABILITIES	**159,305**	**17.3**	**154,960**	**15.1**
4.1 Financial liabilities at fair value through profit or loss	88,391	9.6	99,559	9.7
4.2 Other financial liabilities	70,915	7.7	55,401	5.4
5 PAYABLES	**15,844**	**1.7**	**14,070**	**1.4**
5.1 Creditors arising out of direct insurance operations.	4,419	0.5	4,796	0.5
5.2 Creditors arising out of reinsurance operations	976	0.1	863	0.1
5.3 Other creditors	10,449	1.1	8,411	0.8
6 OTHER LIABILITIES	**18,754**	**2.0**	**40,189**	**3.9**
6.1 Liabilities of a disposal group held for sale	732	0.1	19,700	1.9
6.2 Deferred tax liabilities	5,989	0.7	8,131	0.8
6.3 Current tax liabilities	3,592	0.4	3,150	0.3
6.4 Remaining liabilities	8,441	0.9	9,208	0.9
TOTAL EQUITY AND LIABILITIES	**920,528**	**100.0**	**1,025,577**	**100.0**

The companies' consolidated accounts, drawn up in compliance with the IAS/IFRS, were aggregated.

TAB. 19 - CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2013	2014
1.1 Net premiums	131,793	180,269
1.1.1 Gross premiums earned	*135,828*	*185,256*
1.1.2 Outward reinsurance premiums	*4,035*	*4,987*
1.2 Fee income	3,212	2,844
1.3 Gains and losses deriving from financial instruments at fair value through profit or loss	7,464	5,049
1.4 Gains from participations in subsidiaries, associates and joint ventures	235	264
1.5 Gains from other financial instruments and investments in real estate	28,447	35,540
1.5.1 Interest income	*20,119*	*23,567*
1.5.2 Other income	*2,516*	*3,191*
1.5.3 Profits made	*5,586*	*7,687*
1.5.4 Valuation gains	*226*	*1,095*
1.6 Other gains	3,754	6,865
1 TOTAL INCOME AND GAINS	**174,905**	**230,832**
2.1. Net losses from claims incurred	132,947	179,012
2.1.2 Amounts paid and changes in technical provisions	*135,358*	*182,153*
2.1.3 Reinsurers' share	*2,411*	*3,141*
2.2. Fee expense	1,735	1,704
2.3 Losses from participations in subsidiaries, associates and joint ventures	393	159
2.4 Losses from other financial instruments and investments in real estate	6,063	7,016
2.4.1 Interest payments	*2,099*	*2,184*
2.4.2 Other charges	*599*	*796*
2.4.3 Realised losses	*1,118*	*1,498*
2.4.4 Valuation losses	*2,248*	*2,537*
2.5 Operating expenses	19,850	24,608
2.5.1 Commissions and other acquisition costs	*14,165*	*18,033*
2.5.2 Investment management expenses	*358*	*626*
2.5.3 Other administrative expenses	*5,326*	*5,950*
2.6 Other costs	7,404	8,403
2 TOTAL EXPENSES AND LOSSES	**168,391**	**220,902**
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	**6,514**	**9,930**
3 Taxes	2,728	3,423
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	**3,785**	**6,507**
4 PROFIT (LOSS) OF DISCONTINUED OPERATIONAL ACTIVITIES	**478**	**-78**
CONSOLIDATED PROFIT (LOSS)	**4,264**	**6,429**
of which attributable to the group	**3,352**	**5,284**
of which attributable to minority interest	**911**	**1,145**

The companies' accounts, drawn up in compliance with the IAS/IFRS, were aggregated.

ACRONYMS

ACPR	*Autorité de contrôle prudentiel et de résolution (French supervisory authority)*
AEEGSI	Electricity, Gas and Water Supply Authority
AGCM	Antitrust Authority
AIBA	Italian Association of Insurance and Reinsurance Brokers
ANAC	National Anti-bribery and Corruption Authority
ANIA	National Association of Insurance Undertakings
ASC	Advisory Scientific Committee (ESRB)
ASF	*Autoritatea de Supraveghere Financiară* (Romanian supervisory authority)
ATC	Advisory Technical Committee (ESRB)
AUI	Single Computerised Data Bank (UIF)
BaFin	*Bundesanstalt für Finanzdienstleistungsaufsicht* (German supervisory authority)
BCR	Basic Capital Requirement
BTP	Long-term Treasury Bonds
CAD	Electronic Administration Code
CAP	Code of Private Insurance
CCPFI	Committee on Consumer Protection and Financial Innovation (EIOPA)
CdA	Board of directors
CDS	Credit Default Swaps
CMG	Crisis Management Group
COAG	Coordination Agreement
ComFrame	Common Framework for the Supervision of Internationally Active Insurance Groups
Consap	Concessionaire for Public Insurance Services
CONSOB	National Commission for Listed Companies and the Stock Exchange
CPMI	Committee on Payments and Market Infrastructures
CVT	Land Vehicles (insurance contract)
D.d.l.	Bill
D.lgs.	Legislative decree
DPCM	Decree of the President of the Council of Ministers
EBA	European Banking Authority
ED	Exposure Draft
EIOPA	European Insurance and Occupational Pensions Authority
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
FAQ	Frequently Asked Questions
FLAOR	Forward-Looking Assessment of Own Risks (Solvency II)
FSB	Financial Stability Board
FSC	Financial Stability Committee (ESRB)
FTSE MIB	Financial Times Stock Exchange Milano Indice di Borsa
GB	General Board (ESRB)
GHQ	General Health Questionnaire
G-SIBs	Global Systemically Important Banks
G-SIIs	Global Systemically Important Insurers
GSP	Group Specific Parameters (Solvency II)
GU	Official Journal of the Italian Republic.
GUUE	Official Journal of the European Union

HLA	Higher Loss Absorbency
IAIG	International Active Insurance Groups
IAIS	International Association of Insurance Supervisors
IASB	International Accounting Standards Board
IBIP	Insurance Based Investment Products
IBNR	Incurred But Not Reported (claims)
ICP	Insurance Core Principles
ICS	Insurance Capital Standard
ICT	Information and Communication Technology
IDD	Insurance Distribution Directive (directive 2016/97/EC)
IEG	Insurance Expert Group (ESRB)
IFRS	International Financial Reporting Standards
IMD	Insurance Mediation Directive (directive 2002/92/EC)
IOSCO	International Organization of Securities Commissions
ITS	Implementing Technical Standard
JC	Joint Committee of the European Supervisory Authorities
KAs	Key Attributes of Effective Resolution Regimes for Financial Institutions (FSB)
KID	Key Information Document (IDD)
LIRE	Low Interest Rate Environment (ESRB)
FOS	Freedom to provide services
LRMP	Liquidity Risk Management Plan
LTG	Long Term Guarantees measures (EIOPA)
MCR	Minimum Capital Ratio (Solvency II)
MEF	Ministry of Economy and Finance
MIFID2	Markets in Financial Instruments Directive 2 (directive 2014/65/EC)
MiSE	Ministry of Economic Development
MIT	Ministry of Infrastructure and Transport
MIUR	Ministry of Education, University and Research
NCA	National Competent Authority
NTNI	Non Traditional Non Insurance (activities)
OIC	Italian Accounting Standard Setter
ORM	Operational Risk Management
ORSA	Own Risk and Solvency Assessment (Solvency II)
PEC	Certified Electronic Mail
PID	Product Information Document (IDD)
PIL	Gross Domestic Product
PPI	Payment Protection Insurance
PRIIP	Packaged Retail and Insurance-based Investment
PSD2	Payment Systems Directive 2 (directive 2015/2366/EC)
MTPL	Motor Vehicle Liability (insurance contract)
RP	Recovery Plan
RSR	Regular Supervisory Report
RTS	Regulatory Technical Standard
RUI	Single Register of Intermediaries
SCR	Solvency Capital Ratio (Solvency II)
SEE	European Economic Area
SFCR	Solvency and Financial Condition Report
SIM	Stock brokerage company

Solvency I	Directive 73/239/EC, as amended by Directive 2002/13/EC (non-life)
	Directive 2002/83/EC (life)
Solvency II	Directive 2009/138/EC
SRMP	Systemic Risk Management Plan
SRP	Supervisory Review Process
TAR	Regional Administrative Court
TFUE	Treaty on the Functioning of the European Union
EU	European Union
UIF	Financial Intelligence Unit
USP	Undertaking Specific Parameters (Solvency II)

ADMINISTRATION OF IVASS

	PRESIDENT
Salvatore ROSSI	Director General Bank of Italy
	BOARD OF DIRECTORS
Salvatore ROSSI	President
Riccardo CESARI	Board Member
Alberto CORINTI	Board Member
	JOINT DIRECTORATE
Ignazio VISCO	Governor Bank of Italy
Salvatore ROSSI	Director General Bank of Italy
Fabio PANETTA	Deputy Director General Bank of Italy
Luigi Federico SIGNORINI	Deputy Director General Bank of Italy
Valeria SANNUCCI	Deputy Director General Bank of Italy
Riccardo CESARI	Board Member
Alberto CORINTI	Board Member