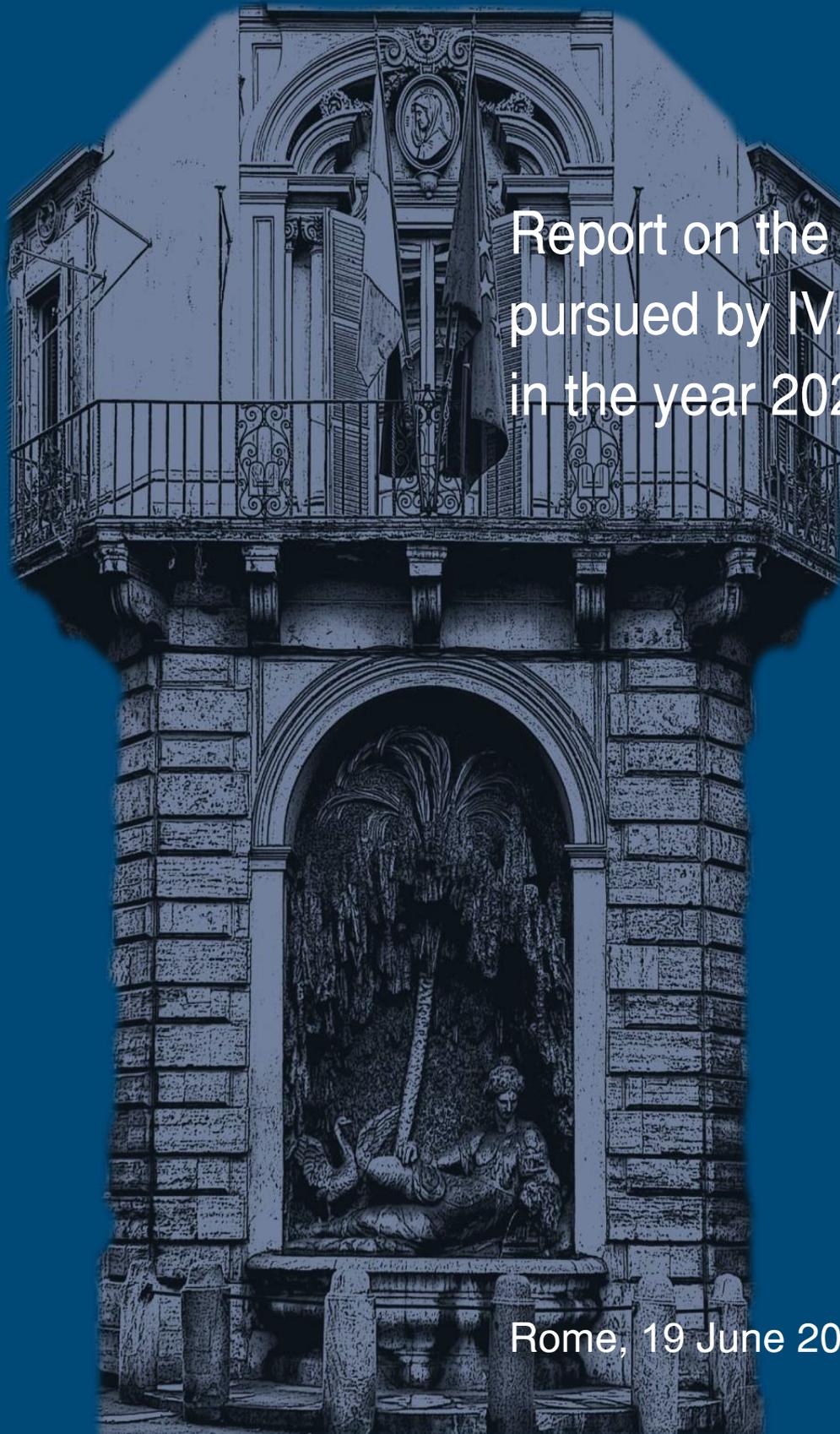




**IVASS**  
ISTITUTO PER LA VIGILANZA  
SULLE ASSICURAZIONI



Report on the activities  
pursued by IVASS  
in the year 2024

Rome, 19 June 2025





# Report on the activities pursued by IVASS in the year 2024

Roma, 19 June 2025

**IVASS, 2025-06-19**

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## *I. - THE INSURANCE MARKET*

As at 31 December 2024, in Italy there were 89 undertakings authorised to pursue insurance and reinsurance business, subject to IVASS' prudential supervision. This number, which has remained unchanged compared to 2023<sup>1</sup>, includes 85 undertakings with head office in Italy and four branches of foreign undertakings with head office in non-EEA countries<sup>2</sup>. Compared to 2013, when there were 131 domestic companies, there has been a 35% decrease, mainly due to intra-group mergers and reorganisations.

EEA undertakings operating in Italy by way of free provision of services (f.o.s.) went from 897 in 2023 to 895<sup>3</sup> in 2024 while those operating in Italy through branches under the right of establishment are 85<sup>4</sup> (88 in 2023). 84% of these branches have their head office in France, Germany, Ireland, Luxembourg or Belgium<sup>5</sup>.

In 2024, premium income from Italian direct business of undertakings supervised by IVASS companies reached 151.4 billion euro, amounting to 6.9% of GDP. Life business accounts for 73% of this income.

In the life sector, an upswing in premium income is observed (+21.2%) after two years of decline. The reduction in interest rates has led to the decrease in unrealised capital losses (-41%). There was an increase in the assets of separately managed accounts with a profit fund<sup>6</sup> from €16.6 to €27.7 billion.

Premium income in classes I and V increased by 11.4%, while surrenders of contracts linked to separately managed accounts were down (-13.2%), although their number is still high compared to the past. Premium income in class III increased by 59.1% compared to 2023, partly due to the incorporation of a foreign company into an Italian company on December 1, 2023<sup>7</sup>. Surrenders in the two insurance classes equalled the premiums collected, with a growth of 38.8% year-on-year. The expansion of collected premiums continued in Q1 2025, with a particularly high growth in class III.

The economic improvement that started in the last quarter of 2023 contributed to a positive operating result in the life segment amounting to €6 billion (€5.5 billion in 2023). The ROE climbed from 12.6% to 13.3%, partially thanks to the extension of the regulatory exemption that allows for the sterilisation of capital losses on circulating securities, for a total amount of € 4,369 million.

---

<sup>1</sup> In 2024, two non-life domestic undertakings terminated business and were incorporated into two undertakings belonging to the same insurance group. Two domestic companies specializing in offering reinsurance in certain non-life lines of business were authorised to pursue business and registered in Section IV of the Register of Undertakings kept by IVASS. These last two specialist reinsurers are captive companies, as they provide reinsurance cover exclusively to the risks of the industrial group to which they belong. Since 2009, there have been no supervised specialist reinsurers in Italy.

<sup>2</sup> Table 2.1.1 in the Appendix.

<sup>3</sup> In 2024, 21 undertakings or branches with head office in another EEA state (24 in 2023) were licensed to carry on business under fos, of which 4 from France, 3 from Belgium 3 from Malta, 2 from Germany, the Netherlands and Spain.

<sup>4</sup> In addition to these, there are 7 EEA reinsurance companies licensed to pursue business in Italy. In 2024, one undertaking with head office in Ireland was licensed to carry on business under foe.

<sup>5</sup> Table 2.1.3 in the Appendix.

<sup>6</sup> Separately managed accounts with a profit fund, introduced by IVASS Order No. 68 of 14 February 2018, allow, initially for new contracts only, a new rate of return to be determined. Companies are allowed to sell an asset, with the net capital gains being allocated to the financial result for up to eight years. IVASS Order No. 151 of 26 November 2024 provided for the application of the profit fund to existing policies. Separately managed accounts with a profit fund enable a more effective response to market fluctuations because they allow capital gains realised in favourable periods to be set aside and progressively allocated to policyholders in less favourable periods, thereby stabilising the returns of separately managed accounts over time. No company has made use of this option.

<sup>7</sup> Data on premium income in 2023 are minimally affected by the extraordinary transaction (for only one month), while the effects fully materialised in 2024. Within homogeneous undertakings operating in life insurance in 2023 and 2024, the change in class III can be estimated at 48% and at 19.3% for the entire life sector.

In non-life insurance, which accounts for 27% of premium income from Italian direct business, we observe a growth of 7.5% (non-motor +6.8%, motor +8.3%). The percentage on GDP was 1.9%, slightly up compared to 1.8% in 2023. The ROE shows a marked increase, reaching 13% (7.8% in 2023).

In the insurance classes other than motor vehicle liability, premium income grew in the land vehicles (+14%), health (+12.1%), general liability (+3.5%) and property (+8.4%) segments. The line of business fire and natural forces grew by 11.2% and saw its loss ratio (gross of reinsurance) fall to 61.9%; this indicator had reached an all-time high of 214.6% in 2023 as a result of the adverse natural events that had mainly affected Northern Italy and which did not recur in number and severity in 2024. In the first quarter of 2025, growth in direct premium income accelerated (+8.5% compared to the same quarter of 2024).

The increase in profitability in the non-life sector is mainly attributable to classes other than motor liability insurance, which show a technical profit of €3 billion, more than doubled compared to 2023 (€1.3 billion). Motor liability insurance reports a profit of €0.4 billion, slightly down from €0.6 billion in 2023. The regulatory exemption that extended the sterilisation of capital losses on circulating securities had a limited impact, amounting to €58 million.

The average solvency ratio of supervised companies is 259.4%, virtually unchanged from 2023. Life insurance companies recorded an increase of 9 p.p., while non-life and composite companies fell by 4 and 2 p.p. respectively.

## 1. - THE LIFE INSURANCE MARKET

### 1.1. - Premium income

*Premium income of undertakings supervised by IVASS* – In 2024, premiums of the Italian direct and indirect portfolio of undertakings supervised by IVASS amounted to a total of €110.6 billion, of which 110.5 billion relating only to the Italian direct portfolio<sup>8</sup>, up by 21.2% compared to the previous year (fig. I.1).

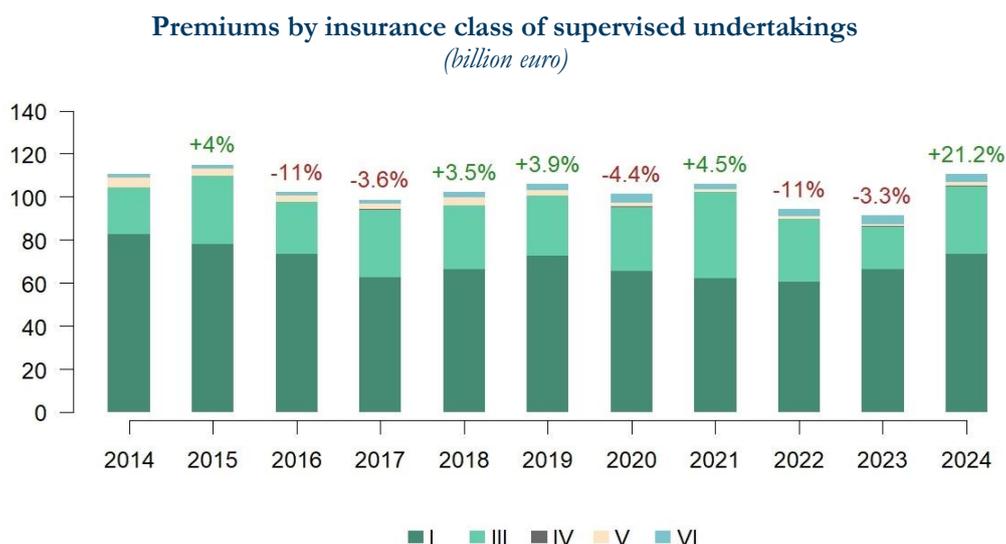
The increase in premium income is mainly attributable to the expansion of the unit-linked portfolio of class III, which grew from €19.8 billion to €31.5 billion (+59.0%), and to the increase in the traditional class I portfolio, which reached €73.4 billion in premiums (+10.9%). Consequently, the share of class III policies in total premium income increased from 21.7% to 28.5%. This trend is also influenced by the incorporation in December 2023 of an undertaking operating in Italy under the free provision of services into a company supervised by IVASS. With profit policies also increased, albeit to a lesser extent, thanks to the higher premium income linked to separately managed accounts with profit funds.

Income from capital redemption products (class V) reached €1.4 billion, recording a marked increase of 44.5%. Long-term care policies (class IV) had a marginal impact, amounting to €323 million, slightly up on 2023 (+€47 million). Income for class VI (pension fund management) stood at €3.9 billion, down 1.9%.

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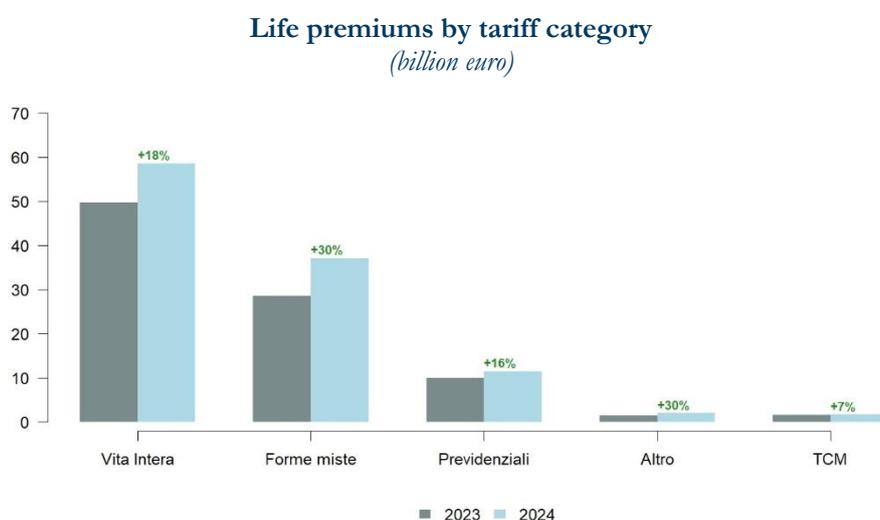
<sup>8</sup> Premium income of the Italian direct portfolio is gross of reinsurance cessions.

Figure I.1



Whole-life policies (fig. I.2) without a defined maturity date account for 53% of total premium income; followed by hybrid policies (33%), pension policies (10%), term life insurance (TCM, 2%) and other forms (2%) such as Long-Term Care (LTC), critical illness policies (dread disease) and Credit Protection Insurance (CPI). Premiums written are up across all categories: +30% for hybrid policies (+8.5 billion), +18% for whole life policies (+8.9 billion), +16% for pension plans, +7% for term life insurance, and +30% for other forms.

Figure I.2



Source: Solvency II annual data.

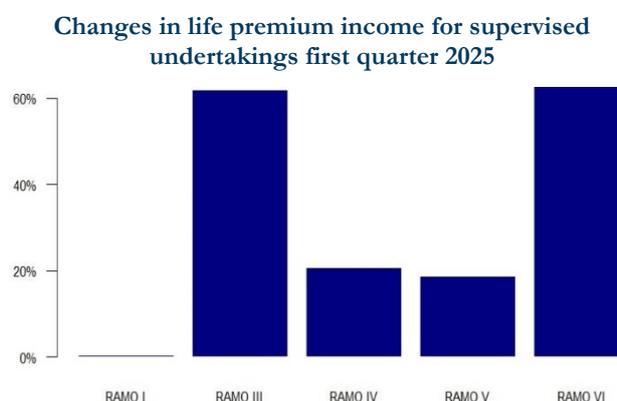
Premium income from individual policies amounted to €103.9 billion, or 94.3% of total life business. The incidence of individual policies is high in all the insurance classes: 95.5% in class I, 99.9% in class III, 84.9% in class IV, 47.9% in class V, and 43.7% in class VI.

In class I, individual with profit policies amounted to €68.9 billion (97.7% of total individual policies in the class), unchanged from 2023. In class III, premium income from individual policies (€31.4 billion)

consisted entirely of unit-linked policies. Individual class V capital redemption operations (€0.7 billion) consist of 98.5% of with-profit policies and 1.5% of unit-linked policies<sup>9</sup>.

In the first quarter of 2025, the life business of supervised companies (Italian direct portfolio, gross of reinsurance cessions) reached €32 billion, up year-on-year (+16.7%). Class III premium income amounted to €10.2 billion, recording a sharp increase (+61.8%), while Class I premiums remained constant (+0.2%) at €19.8 billion. The insurance classes with lower premiums written also increased: IV (+18.6%, 0.1 billion), V (+20.5%, 1.4 billion), and VI (+65.2%, 0.6 billion).

Figure I.3



*Distribution channels* – Life products are mainly distributed through banks and post offices, which account for 56.6% of premiums. They are followed by insurance agents (24.7%), financial advisors (16.9%), and brokers (1.8%).

Table I.1

Composition life premium income by distribution channel				
	Banks and post offices	Agencies	Financial advisors	Brokers and direct sale
2014	62.0%	20.2%	16.8%	1.0%
2015	63.1%	19.7%	16.3%	0.9%
2016	62.3%	22.1%	14.4%	1.2%
2017	61.0%	22.4%	15.3%	1.3%
2018	60.8%	22.8%	14.3%	2.2%
2019	60.7%	23.8%	13.6%	1.9%
2020	59.0%	25.1%	13.9%	2.1%
2021	55.4%	24.3%	18.0%	2.3%
2022	56.9%	26.1%	15.0%	2.0%
2023	57.4%	27.4%	13.6%	1.6%
2024	56.6%	24.7%	16.9%	1.8%

*The international activity of Italian undertakings*– Life premiums collected abroad by Italian undertakings or undertakings belonging to Italian-owned groups<sup>10</sup> totalled 31.1 billion euro in 2023<sup>11</sup>, up by 1.5% year-on-year. The degree of international openness, defined as the ratio between premiums collected abroad and total premiums, was 32.0%.

<sup>9</sup> See Table 3.1.2 in the Appendix.

<sup>10</sup> Undertakings with head office in Italy and undertakings of Italian groups with head office in other EEA and non-EEA states (Table 2.2.2 in the Appendix)

<sup>11</sup> 2024 data on premiums collected in Italy by foreign undertakings operating under the freedom to provide services are not available as of the date of publication of this Report.

*Premium income of foreign undertakings in Italy* – Companies with head offices in a EEA country operating in Italy under the right of establishment<sup>12</sup> collected direct insurance premiums of €3.8 billion<sup>13</sup> (-2.6% compared to 2023), broken down as in the previous year between class III (2.6 billion) and class I (1.2 billion). In the first quarter of 2025, premium income for these companies fell further to 0.8 billion (-26,6% versus 2024).

## 1.2. - Product offerings

*Market supply from Italian undertakings by product type*<sup>14</sup> – As of 31 December 2024, Italian companies offer 502 individual IBIPs<sup>15</sup> (insurance-based investment products, with-profit, unit-linked and hybrid), down compared to 561 in the previous year.

Table I.2

IBIPs – number and type														
	2021		2022				2023				2024			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Number of products</b>	525	523	536	526	516	502	484	496	525	561	504	506	523	502
<b>% With-profit</b>	36	37	34	35	34	34	34	34	35	35	35	37	37	38
<b>% unit-linked</b>	20	21	21	21	21	22	21	22	21	21	23	23	22	21
<b>% hybrid</b>	44	42	45	44	45	44	45	44	44	44	42	40	41	41

Most unit-linked and hybrid products have more than one underlying investment option (multi-option), with an average of 94 and 59 underlying options respectively. With-profit products, almost all of them, are linked to a single separately managed account.

The majority of the products available are single-premium policies (390 out of 502), with the option of making additional payments; the remaining 112 are policies with periodic premiums. Unit-linked and hybrid products are mainly whole-life policies (93% and 76% respectively), while for with-profit policies, the number of whole-life products is roughly similar to those with a defined maturity.

<sup>12</sup> IVASS Statistical Communication no. 3 of May 2024. Premium income of the direct portfolio collected in Italy by insurance companies with head office in another EEA state licensed to pursue business in Italy under the right of establishment is gross of any reinsurance cessions.

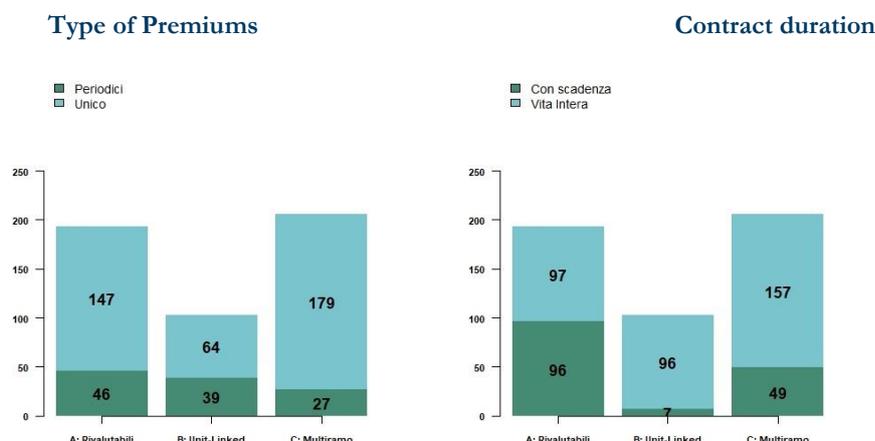
<sup>13</sup> 3.4% of the overall total life business of the Italian direct portfolio.

<sup>14</sup> Data contained in public pre-contractual information documents (KID).

<sup>15</sup> *Insurance-based Investment Products*.

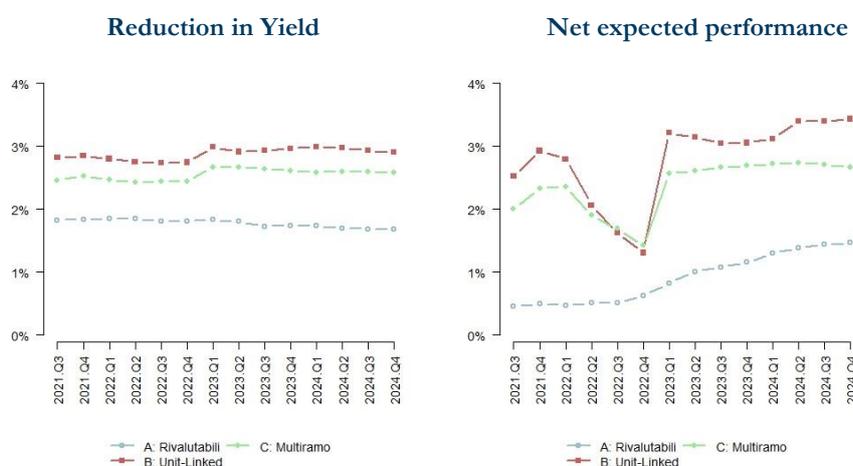
Figure I.4

### Classification of IBIPs as at 31 December 2024



The expected net performance was slightly up between the fourth quarter of 2023 and 2024 for with profit and unit-linked products (+0.3 p.p., reaching 1.5% and 3.4% respectively; fig. I.5<sup>16</sup>), while it remained stable for hybrid products (2.7%). The reduction in yield (RIY), a synthetic indicator of product cost, remained constant for with profit products (1.7%) and hybrid products (2.6%), and was slightly down for unit-linked products (2.9%, -0.1 p.p.).

Figure I.5



*Separately managed accounts* – In 2024, the average commission retained by companies on the gross returns of new with profit policies<sup>17</sup> increased slightly, from 1% to 1.1%, following the reduction between 2017 and 2023 (fig. I.6). The dispersion<sup>18</sup> of the rate of return retained among companies has increased since 2021.

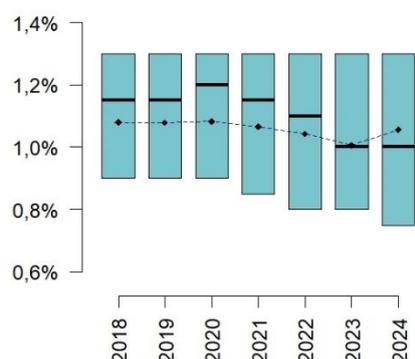
<sup>16</sup> The discontinuity in the first quarter 2023 is mainly due to changes in PRIIP regulations that modified some calculation rules rather than to a real increase in the performance of policies. One of the most significant changes consists in the extension of the time horizon from 5 to 10 years of the time series over which returns are calculated.

<sup>17</sup> In most cases, undertakings reduce the gross return realised by the separately managed account with a commission (in this case referred to as a "retained commission"). Only in residual cases undertakings apply a percentage rate directly to the gross return in order to determine the return to be paid to policyholders.

<sup>18</sup> In the graph, the interquartile difference is represented by the distance between the upper and lower extremes.

Figure I.6

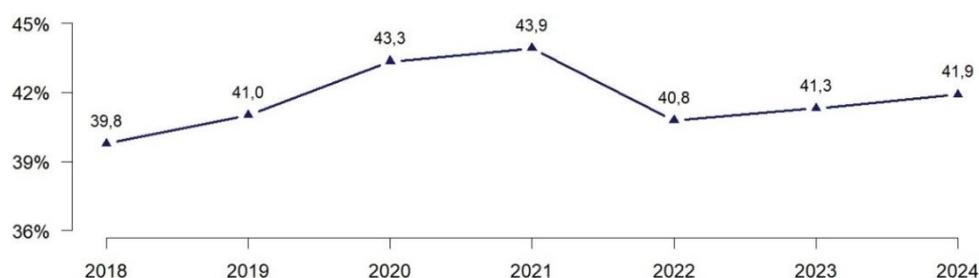
Distribution of the return withheld from with-profit premium rates<sup>19</sup>



Premium rates for guarantees applicable only in case of death account for 41.9% of with-profit policies with a technical zero rate, growing after a decline between 2021 and 2022 (from 43.9% to 40.8%; fig. I.7).

Figure I.7

Share of with-profit premium rates with technical zero rate with death-only guarantee



The average gross return of traditional separately managed accounts without profit fund (fig. I.8) stood at 2.8% (2.6% in 2023), lower than the rate of return on 10-year treasury bonds (3.7%) but higher than the inflation rate. The average rate of return retroceded to policyholders was 1.7%, on the rise.

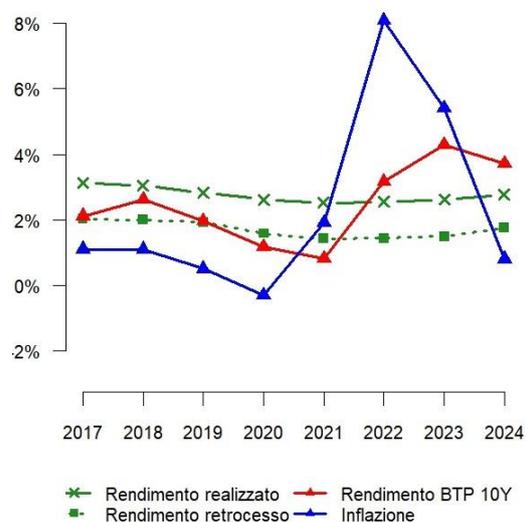
For separately managed accounts without profit fund, introduced in 2019, the average gross return went up to 3.6% (fig. I.8; 2.1% retroceded to policyholders), close to the return on 10-year treasury bonds and higher than inflation.

<sup>19</sup> With-profit premium rates other than rates for hybrid products, with a technical rate of 0% and percentage of the rate of return recognised to policyholders of 100%.

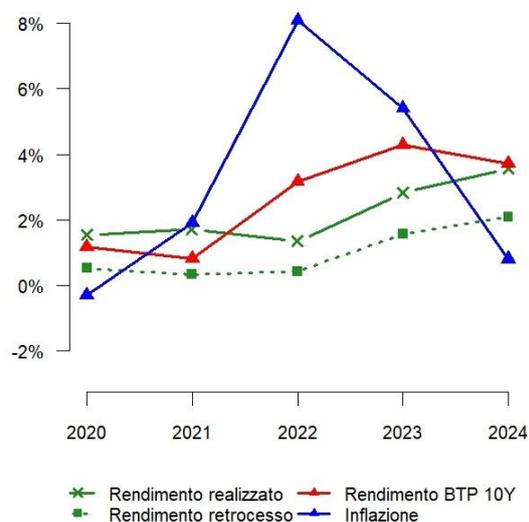
Figure I.8

Comparison between the average rate of return of separately managed accounts, BTP rate of return and inflation

Separately managed accounts without profit fund



Separately managed accounts with profit fund



Technical provisions of separately managed accounts amounted to € 559.6 million (+0.2%; they accounted for almost all the provisions in class C of the statutory financial statements), while total assets reached €580.5 billion. Accounts without profit fund held assets worth €552.8 billion, a slight decrease compared to 2023 (-9.3 billion). From 2017 to 2024, there was a reduction of the share invested in Italian Government bonds (-21.8%) and an increase in foreign government bonds (from 10.1% to 20.2%). The percentage of bond instruments remained stable (25%), while investments in UCITS increased (from 12.9% in 2017 to 17.2%; Table I.3).

Table I.3

**Composition of assets assigned to the separately managed accounts without profit fund**

(% and billion euro)

Year	Italian Government bonds	Foreign Government bonds	Bonds	Shares	Units of UCITS	Other assets	Total assets
2017	48.0%	10.1%	25.4%	1.7%	12.9%	1.9%	502.4
2018	45.8%	11.9%	24.7%	1.8%	14.0%	1.8%	526.6
2019	44.1%	13.2%	24.1%	1.9%	15.3%	1.5%	551.0
2020	41.5%	15.2%	23.9%	1.6%	16.0%	1.8%	567.7
2021	39.6%	16.2%	23.9%	1.6%	16.3%	2.3%	583.2
2022	37.6%	18.4%	24.0%	1.7%	16.4%	1.9%	590.5
2023	35.2%	19.7%	23.9%	1.6%	17.4%	2.2%	562.1
2024	34.1%	20.2%	24.5%	1.7%	17.2%	2.4%	552.8

Separately managed accounts with profit fund showed significant growth in assets, from €16.4 billion to €27.7 billion. Compared to traditional separately managed accounts, these funds tend to favour investments in Italian government bonds over foreign ones.

Table I.4

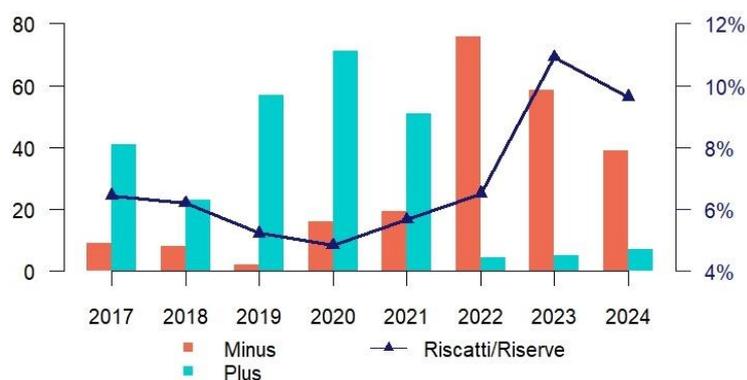
**Composition of assets assigned to the separately managed accounts with profit fund**

(% and billion euro)

Year	Italian Government bonds	Foreign Government bonds	Bonds	Shares	Units of UCITS	Other assets	Total assets
2019	36.6%	31.7%	25.3%	0.1%	4.1%	2.2%	1.5
2020	31.1%	32.1%	30.9%	0.2%	4.7%	1.0%	2.9
2021	35.1%	26.7%	25.8%	0.4%	11.6%	0.5%	4.3
2022	30.1%	31.2%	23.3%	0.4%	13.9%	1.1%	5.0
2023	33.6%	33.6%	22.0%	0.9%	7.4%	2.4%	16.5
2024	38.9%	27.1%	24.3%	0.9%	7.3%	1.5%	27.7

The balance of unrealised capital gains and losses improved in 2024, although it is still negative (-31 billion). A decline is observed in the surrender rate (ratio of surrenders to provisions), which fell from 10.9% to 9.6% (fig. I.9).

Figure I.9

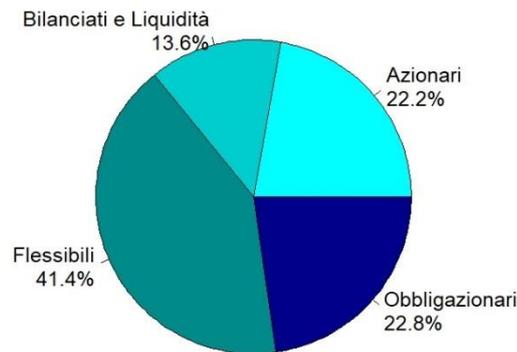
**Hidden capital gains and losses of separately managed accounts and surrender rate for classes I and V**


*Internal funds* – 54% of Italian insurance companies' investments in products providing unit- and index-linked benefits, amounting to €137.7 billion out of a total of €254.1 billion in class D.I, consists of internal funds underlying unit-linked products.

A sample of 3,001 internal funds<sup>20</sup> of Italian insurance companies was examined, whose assets, amounting to €122.4 billion, represent 90% of the assets of contracts linked to the value of units in internal funds.

**Figure I.10**

**Composition by category of Italian internal funds according to the assets under management**



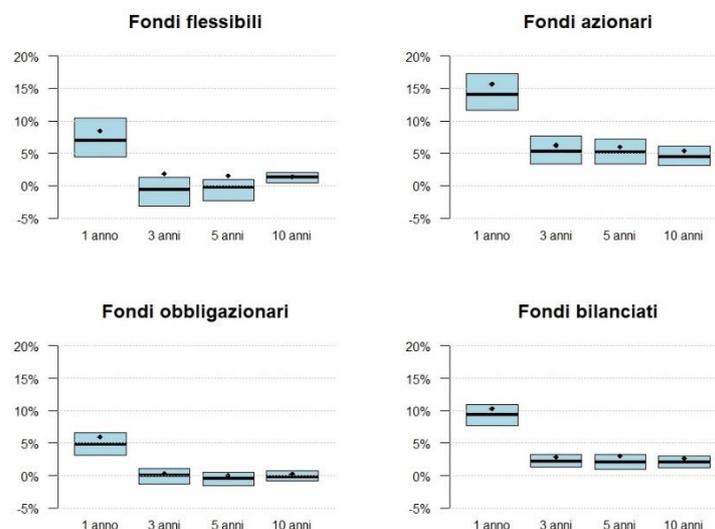
Source: IVASS statistics based on FIDA data

The historical returns of the sample annualised over 1, 3, 5 and 10 years are on average higher for equity funds than for the other categories in all periods considered. They are followed by balanced funds, which show higher average performance than flexible and bond funds over the same observation period; the latter show average returns close to zero for maturities longer than one year (fig. I.11).

The one-year returns of internal funds are high for all types, with average values of no less than 5% and peaks of more than 15% in equity funds.

**Figure I.11**

**Return realised by internal funds**



<sup>20</sup> Sampled from the Fida Rating database as of February 26, 2025.

### 1.3. - The technical/financial management

*Profitability and trends in key profitability indicators* – Life companies have continued to report a positive operating result, reaching 6 billion euro, up compared to 5.5 billion in 2023 (fig. I.12). The ROE of life business stood at 13.3%, remaining positive for the second year running, after the negative result of 2022 (-0.4%).

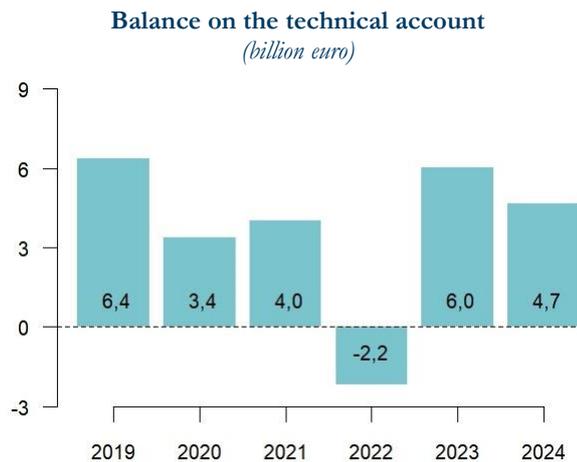
Figure I.12



The 2024 technical account closed with a profit of €4.7 billion<sup>21</sup> (fig. I.13), down from €6 billion in 2023<sup>22</sup>. This result is influenced by:

Figure I.13

- claims expenses of €114.4 billion (€112.9 billion in 2023), largely attributable to surrenders (€87.4 billion<sup>23</sup>);
- a premium income of €111 billion, lower than claims expenses;
- an increase in technical provisions of +€3.5 billion for class C and +€21.7 billion for class D.



*Composition of investments and technical provisions* – Investments, valued according to local gaap principles, are 897.9 billion euro (+3.3% compared to 2023). Of these, 615.5 billion relate to class C (+1.2%) and 282.4 billion to class D (+8.3%).

<sup>21</sup> The balance on the 2024 technical account, which is down compared to 2023, is mainly affected by the positive change in class C and D technical provisions, whereas last year there was a positive change in class D provisions and a reduction in class C provisions. Premium income, which was higher in 2024, still suffers from the impact of claims expenses.

<sup>22</sup> The positive result of the technical account was affected by the exercise, by some companies, of the option, granted by Law No. 131/2023 and the consequent IVASS Order 143/2024, amending IVASS Regulation 52/2022, to sterilise capital losses on non-durable securities. In 2024, companies sterilised potential capital losses of €4.4 billion (€6.8 billion in 2023).

<sup>23</sup> Surrenders in class I amounted to €52.4 billion, slightly down on 2023 (€59.9 billion), while in class III they amounted to €31.1 billion, up from €22.7 billion. This figure was influenced by the transfer of the portfolio from a company operating in the EU to a supervised company at the end of 2023. In the first quarter of 2025, based on data sent with the Monitoring of Investments, surrenders amounted to 14.4 billion for classes I and V and 8.6 billion for class III. Compared to the first quarter of 2024, there was a downward trend for classes I and V (-2.6%), while surrenders in class III increased by 3.0% (+0.2 billion).

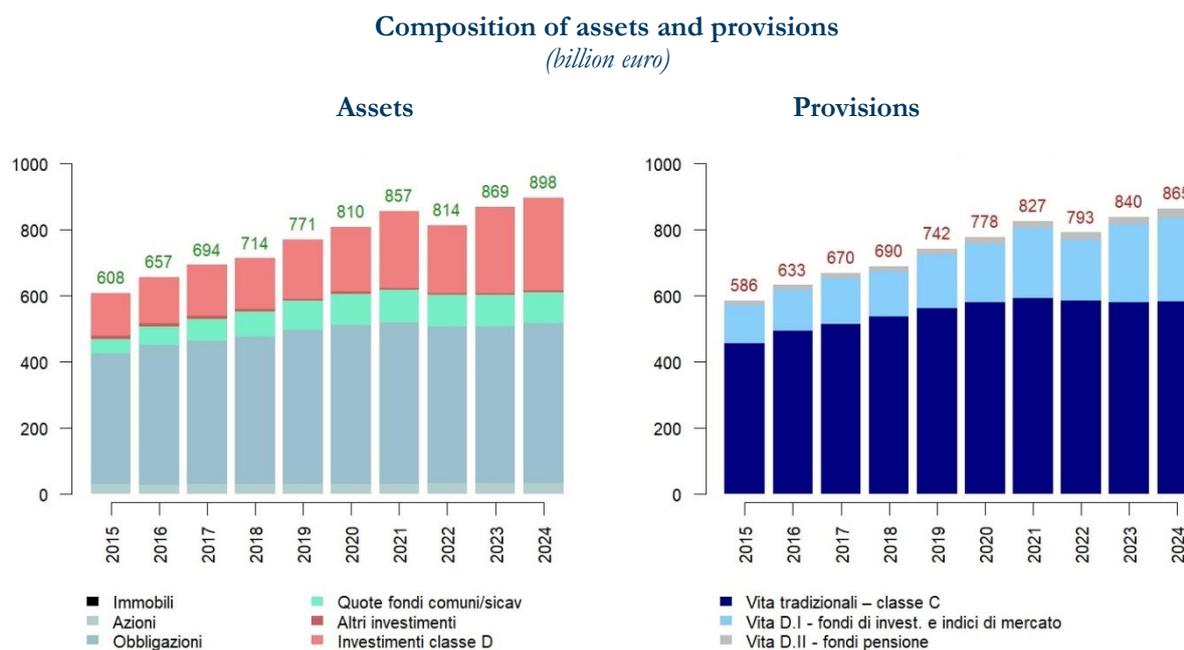
Assets for class C provisions (traditional policies that are largely with-profit) rose slightly, driven by the increase in class I premium income (+74.9 billion euro), which offsets exits from the policy portfolio, mainly due to surrenders and maturity (75.1 billion).

Assets in class D funds show a recovery in value, which began in the second half of 2023 and continued in 2024. Premium income grew by 31.5%, which enabled to offset exits for surrenders, which were lower than in 2022 and 2023.

Technical provisions were as follows:

- class C: 583.2 billion (+0.6%), reflecting the expansion of the policy portfolio and the reduction in claims expenses;
- class D: 282 billion, up by 8.3% when compared with 2023.

Figure I.14



## 2. - THE NON-LIFE INSURANCE MARKET

### 2.1. - Premium income

*Premiums written by IVASS supervised companies* – In 2024, gross premiums written<sup>24</sup> amounted to 47.3 billion euros (+8.8% compared to 2023). The Italian portfolio, worth 43.6 billion, represents the largest component, while the foreign portfolio (3.7 billion) consists of 68% of indirect business. The percentage of non-life premium income on GDP for the Italian direct portfolio was 1.9%, slightly up compared to 1.8% in 2023.

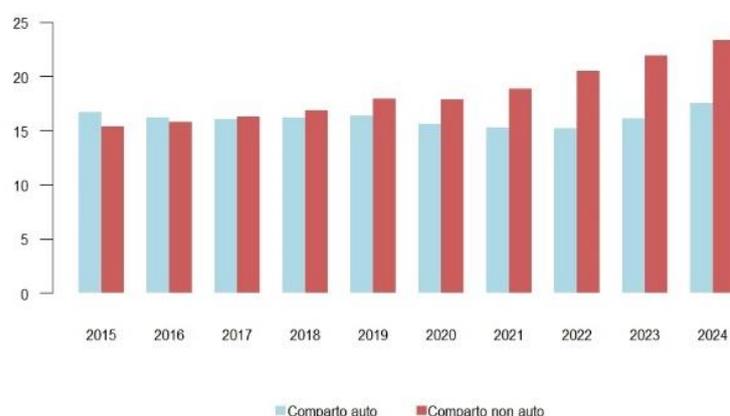
Italian direct business grows by 7.5%, reaching €40.9 billion<sup>25</sup>. The increase (fig. I.15) was recorded in both the motor (+8.3%) and non-motor (+6.8%) sectors.

<sup>24</sup> Italian and foreign portfolio – insurance and reinsurance business - of undertakings supervised by IVASS.

<sup>25</sup> Table 3.2.1. in the Appendix.

Figure I.15

**Non-life premium income – Italian direct portfolio**  
(billion euro)



The incidence of motor classes over non-life business increased slightly, accounting for 42.8% of premiums (42.4% in 2023). Land vehicle insurance grew more (+14%)<sup>26</sup> than motor liability insurance (+6.5%). The increase in motor liability is attributable to the growth in the average premium per insured vehicle (+7.3%), which rose from €315.9 in 2023 to €339. Premium income fell by 2.3 billion compared to 2014 (-15%), when the average premium was € 394.9.

Among non-motor lines of business (Table I.5), health (+7.8%) and property (+8.4%) together account for 40% of non-life production<sup>27</sup>. Premium income from the health sector continues to grow at a sustained pace (+12.1% in 2024, +10.9% in 2023, and +12.6% in 2022). On the other hand, growth in general liability insurance is slowing, with lower rates (+3.5% in 2024).

Table I.5

Breakdown of the main non-life segments										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Motor insurance</b>	52.1%	50.6%	49.6%	49.0%	47.7%	46.6%	44.7%	42.6%	42.4%	42.8%
<b>Property</b>	17.4%	17.7%	17.9%	18.2%	18.3%	18.6%	19.4%	20.1%	20.2%	20.4%
<b>Health</b>	16.0%	16.8%	17.5%	17.7%	18.4%	18.4%	18.8%	19.5%	19.5%	19.6%
<b>General liability</b>	9.0%	9.1%	9.0%	9.1%	9.3%	9.8%	10.2%	10.5%	10.6%	10.2%
<b>Other</b>	5.6%	5.9%	5.9%	6.0%	6.2%	6.6%	6.9%	7.2%	7.3%	7.0%

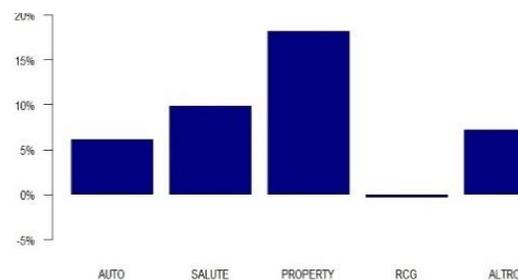
<sup>26</sup> The increase in premium income for Land vehicles was influenced by adjustments to theft cover rates, considering the rise in this criminal activity in recent years, and by the coverage for natural events and car glass, due to the significant increase in claims costs resulting from natural disasters in 2023, which consequently raised the cost of reinsurance for undertakings. In part, this was due to the growth in new registrations, which increased by 2% year-on-year in 2024, according to ACI data.

<sup>27</sup> Table 3.2.1 in the Appendix.

In the first quarter of 2025, premium income from the direct Italian portfolio totalled €10.8 billion (+8.5% compared to +7.8% in the first quarter of 2024). The increase affects almost all the main non-life classes: fire and natural forces (+27.1%), sickness (+14.1%), financial loss (+13.9%), land vehicles (+12.5%), other damage to property (+11.1%), assistance +8.6%. Motor liability insurance recorded more modest growth (+3.8% compared to +7.1% in the first quarter of 2024), while general liability insurance showed a slight decline (-0.3%).

Figure I.16

Changes in life premium income for supervised undertakings first quarter 2025



In the same period, the direct premium income of EEA undertakings operating in Italy under the right of establishment reached 2.4 billion, equal to 18.3% of the total<sup>28</sup>, showing an increase compared to the previous years (17.8% in 2024 and 13.6% in 2014)<sup>29</sup>.

*The international activity of Italian undertakings and the premium income of foreign undertakings in Italy* – In 2023<sup>30</sup>, direct insurance premiums<sup>31</sup> from the non-life portfolio collected in Italy by Italian- and foreign-owned companies<sup>32</sup> amounted to € 47.1 billion (43.4 in 2022), of which 44.2% came from the business of foreign-owned companies (42.9% in 2022). The increase in production (+8.5%) involved Italian-owned companies (+6.0%) and foreign-owned companies (+11.8%).

Direct premiums from non-life business collected abroad<sup>33</sup> amounted to €22.5 billion<sup>34</sup> (+10,6% compared to 2022), almost exclusively from the business of Italian-owned companies. The degree of international openness<sup>35</sup> of these companies grew from 45.1 in 2022 to 46.1%, confirming that a substantial share of the premiums is collected abroad. Foreign-controlled companies operating under the right of establishment<sup>36</sup> also increased their production in non-life business (+13.8% compared to 2022).

*Distribution channels* – Agencies are the main distribution channel for non-life insurance policies (accounting for 77.1% of total premiums written in 2024, slightly up)<sup>37</sup>. The share of brokers rose slightly and premium income from the Italian direct portfolio collected by companies subject to IVASS supervision through banks and post offices continues to grow. Premium income from direct sales channels fell significantly (Table I.6).

<sup>28</sup> Undertakings supervised by IVASS and EEA undertakings operating through branches.

<sup>29</sup> The market share of EEA companies operating in Italy under the right of establishment in the first quarter of 2025 is 85.7% in credit insurance, 49.2% for goods in transit, 36.3% in general liability, 31.8% in 3.2.1. in suretyship insurance, 29.2% in financial losses and 28.1% in legal expenses. The shares of 17.2% in other damage to property, 16.8% in assistance insurance, 16.5% in accidents insurance, 11.9% in fire and natural forces, and 12.6% in motor liability insurance are also substantial.

<sup>30</sup> Latest data available Source EIOPA.

<sup>31</sup> Table 2.2.1 in the Appendix.

<sup>32</sup> Undertakings whose parent company has its registered office abroad.

<sup>33</sup> With respect to undertakings with head office in Italy, in 2023 direct premiums from non-life business were collected abroad:

- under the right of establishment by four companies for a total of €1.1 billion;
- under the freedom to provide services by twenty-two companies for a total of €0.4 billion.

A single company accounted for 72% of the direct non-life premium income shown above.

Three insurance companies with head offices in Italy earned €21 billion from non-life direct premiums collected abroad through direct or indirect subsidiaries. One of the three companies accounted for 94% of the premium income indicated.

<sup>34</sup> Table 2.2.2 in the Appendix.

<sup>35</sup> Ratio between premiums collected abroad by Italian-controlled undertakings and total premium income for the same undertakings.

<sup>36</sup> Table 2.2.5 in the Appendix.

<sup>37</sup> Agencies with mandates and tied agents (offices of insurance companies which promote insurance contracts, located on the Italian territory and using own staff).

Table I.6

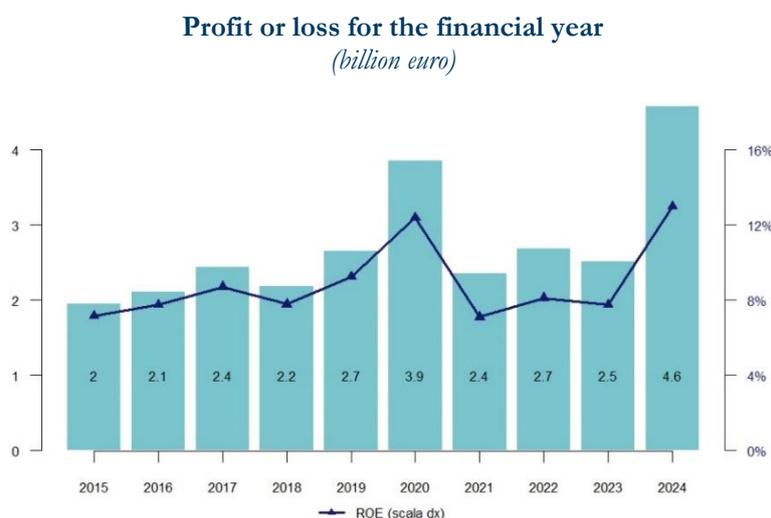
### Composition of non-life premium income by distribution channel

	Agents	Brokers	Direct sale	Financial advisors banks and post offices
2014	81.70%	8.53%	5.69%	4.08%
2015	81.19%	8.21%	5.83%	4.78%
2016	79.86%	9.16%	5.27%	5.70%
2017	78.95%	9.45%	5.23%	6.38%
2018	78.08%	9.60%	5.65%	6.67%
2019	77.03%	9.24%	6.01%	7.72%
2020	77.49%	9.63%	5.77%	7.12%
2021	77.35%	9.27%	5.19%	8.19%
2022	76.74%	9.70%	4.56%	9.00%
2023	76.64%	10.19%	4.11%	9.06%
2024	77.09%	10.40%	2.70%	9.81%

## 2.2. - The technical/financial management<sup>38</sup>

*Profitability and trends in key profitability indicators* – In 2024, the aggregate non-life profit and loss account for the entire system was positive, amounting to €4.6 billion and showing a significant increase compared to €2.5 billion in 2023 (fig. I.17). The ratio of operating result to premiums written<sup>39</sup> was 9.7%, up from 5.8% of the previous year. ROE stood at 13%, up from 7.8% in 2023.

Figure I.17



The operating profit, mainly determined by the balance on the technical account, corresponds to 12.3% of earned premiums. The positive change of €2.1 billion compared to 2023 was supported by an increase in premiums earned (+€3.4 billion) and net investment income (+€0.5 billion), with more moderate growth in claims expenses (+€0.7 billion) and operating expenses (+€1 billion).

<sup>38</sup> Data from a non-life undertaking placed under extraordinary administration that has not submitted the 2024 financial statements is excluded.

<sup>39</sup> Table 4.3.4 in the Appendix.

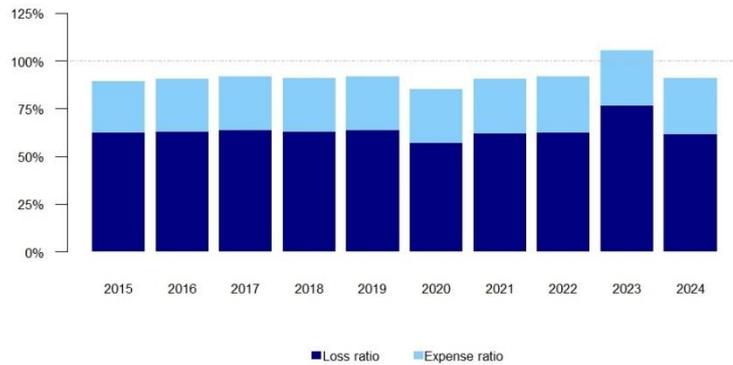
The *loss ratio*<sup>40</sup> increased considerably from 67.9% to 63.7%<sup>41</sup>. The option to recognise securities held for trade based on their book value<sup>42</sup> made it possible to sterilize capital losses of €58 million (€230 million in 2023).

Figure I.18

The Italian direct portfolio, gross of reinsurance cessions<sup>43</sup> records a loss ratio of 62.6% (fig. I.18), down by 14 p.p. to 2023 (76.4%) and in line with the level of 2022 (62.4%). The expense ratio remained stable at 28.9%.

The improvement in the loss ratio is reflected in a combined ratio that fell to 91.5% (105.4% in 2023).

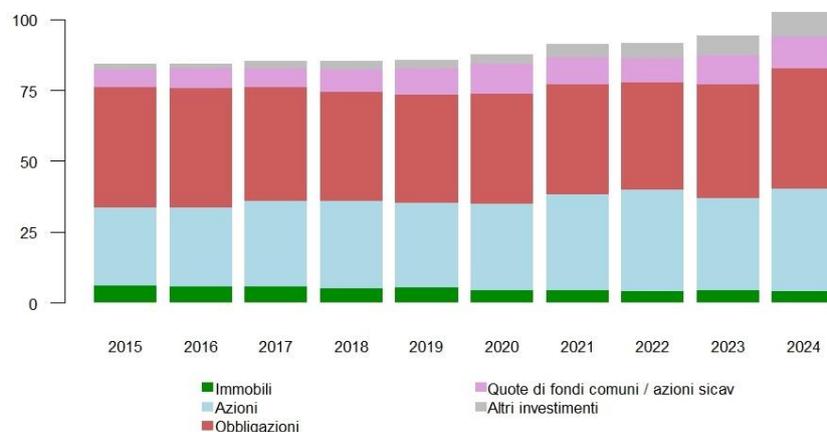
Combined ratio of the Italian direct portfolio, gross of reinsurance cessions  
(total non-life business)



*Composition of investments and technical provisions* – Non-life investments, measured according to local gaap<sup>44</sup>, amounted to 102.6 billion euro, with an increase of 9% compared to 2023 (fig. I.19).

Figure I.19

Investments in non-life business  
(billion euro)



<sup>40</sup> Loss ratio derived from the profit and loss account, covering the Italian and foreign direct and indirect portfolio net of reinsurance cessions and retrocession.

<sup>41</sup> Table 4.3.8 in the Appendix.

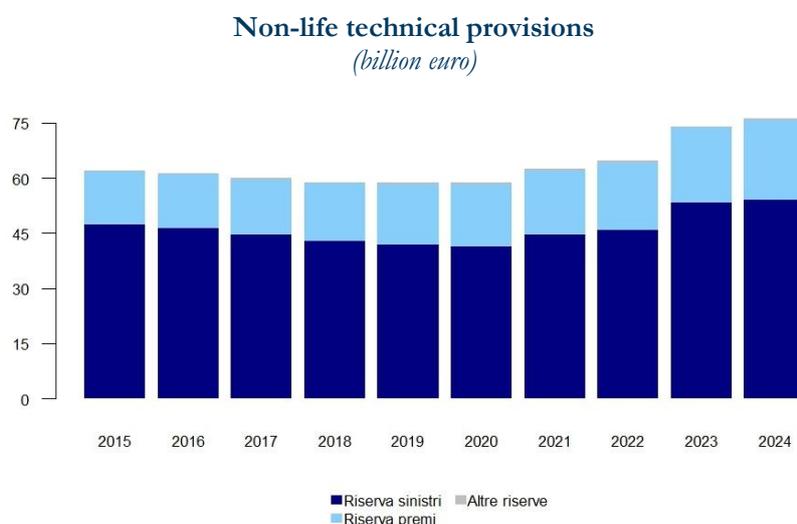
<sup>42</sup> Pursuant to Law 131/2023 (which incorporates the provisions of Law 122/2022) and IVASS Order 143/2024, amending IVASS Regulation 52/2022

<sup>43</sup> The effects arising from reinsurance cessions of Italian direct business, Italian indirect business and the respective retrocessions, and foreign direct and indirect business and the respective reinsurance cessions and retrocession are excluded.

<sup>44</sup> The accounting criteria is based on historical cost, except in case of losses if the asset is held to maturity, or on the lower of historical cost or sale value inferable from market trends if the asset is held for trading. Also for the financial year 2024, the option adopted is not to write down the value of securities that are not intended to be held on a long-term basis in the company's balance sheet, rather than at their lower sale value inferable from market trends.

Technical provisions<sup>45</sup> (fig. I.20) reached €76.1 billion (+2.8% compared to 2023) following growth in the provision for unearned premiums (+6.7%)<sup>46</sup> and in the provision for claims outstanding (+1.3%).

Figure I.20



*The motor segment* – Premium income<sup>47</sup> from the Italian direct motor portfolio<sup>48</sup> amounted to €17.5 billion (42.8% of the total non-life portfolio), reaching the highest value in the last ten years, with a growth of 8.3% over 2023.

<sup>45</sup> Gross of reinsurance cessions and evaluated according to local gaap principles.

<sup>46</sup> The increase is mainly due to the growth in the provision for unearned premiums, i.e. gross premiums written in 2024 and in the previous years, but which are to be allocated to the subsequent financial years.

<sup>47</sup> Gross of reinsurance cessions.

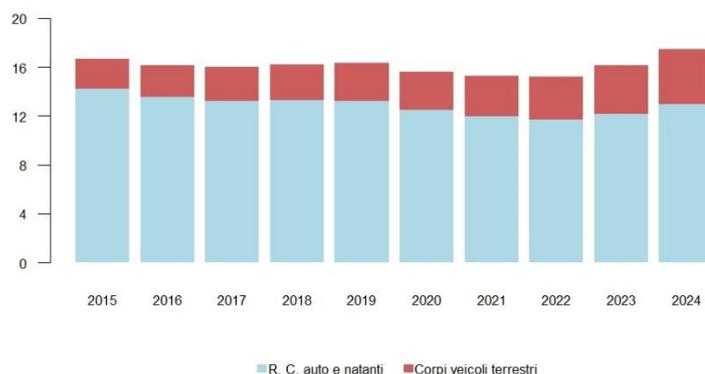
<sup>48</sup> The motor segment includes the insurance classes 10 (motor vehicle liability) 12 (liability for ships) and 3 (land vehicles).

Figure I.21

In detail (Fig. I.21), the motor liability insurance class recorded a premium income of €13 billion (+6.5% compared to 2023), while the land vehicle insurance class stood at €4.5 billion, confirming a robust increase for the second consecutive year (+14% after +12.1% in 2023).

The compulsory component of the motor segment accounted for 74.1%, down from 86.4% in 2014. At the same time, the non-compulsory component showed a gradual strengthening.

Motor insurance premiums  
(billion euro)



*Motor vehicle liability* – The technical account for motor vehicle liability<sup>49</sup> remained profitable for €392 billion (fig. I.23), down from 593 billion in 2023<sup>50</sup>. The combined ratio (fig. I.22) stood at 100.4%, slightly worse than the 99.8% recorded in the previous year, due to the increase in the loss ratio (79.9% compared to 78.7%), while the expense ratio decreased slightly (20.5% compared to 21.1%). The growth in the loss ratio resulted from a loss ratio in the financial year of 82.4%<sup>51</sup> (84,8% in 2023), the run-off of the provision for claims outstanding and the change in sums recoverable<sup>52</sup>.

The purely technical management (technical balance)<sup>53</sup> of the Italian direct portfolio, gross of reinsurance cessions, was negative by -219 million (-96 million in 2023). The decrease in the balance on the technical account also stems from a €100 million reduction in profits from investments covering technical provisions<sup>54</sup>, only partially offset by a €30 million improvement in reinsurance cessions.

<sup>49</sup> Table 4.5.1.1 in the Appendix.

<sup>50</sup> Italian portfolio, insurance and reinsurance business, net of reinsurance cessions and retrocessions.

<sup>51</sup> Based on 2024 provisional balance sheet data, the frequency of MTPL claims incurred in 2024, including an estimate of claims Incurred But Not Reported (IBNR), was 5%, stable compared to the claims incurred in 2023. There was a growth in the overall average cost of managed claims incurred in the year, including estimated IBNR claims (+6.8% resulting from a +5.1% increase in the average cost of paid claims and a +10.1% increase in the average cost of reserved claims including the IBNR component).

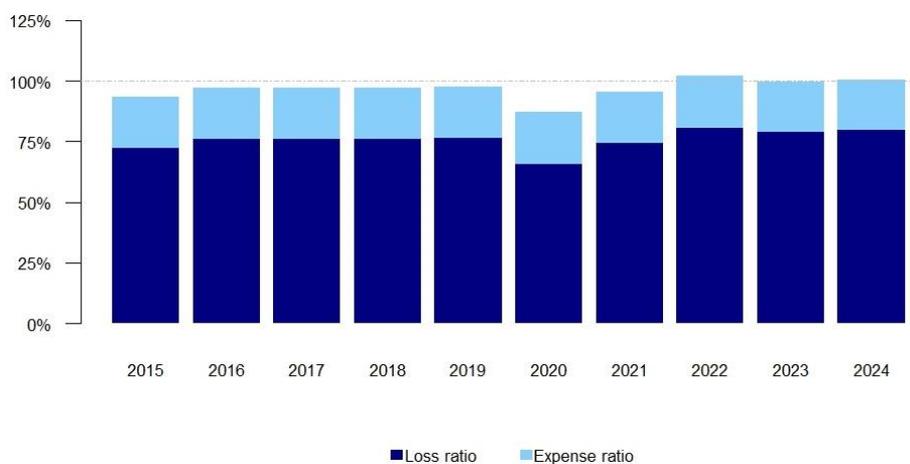
<sup>52</sup> The sum of the run-off of the provision for claims outstanding and the change in sums recoverable for claims relating to previous years between 2014 and 2024 has always generated a positive income component, resulting from an initial reserve set aside in the financial statements, relating only to claims of generations prior to the current one, higher than the amounts actually paid and recovered in the reporting year or set aside at the end of the same year for the same claims and recoveries.

<sup>53</sup> Without taking into account the positive contribution generated by returns from investments covering the technical provisions of this line of business.

<sup>54</sup> Profits from the investment of assets representing technical provisions relate to the Italian direct and indirect portfolio.

Figure I.22

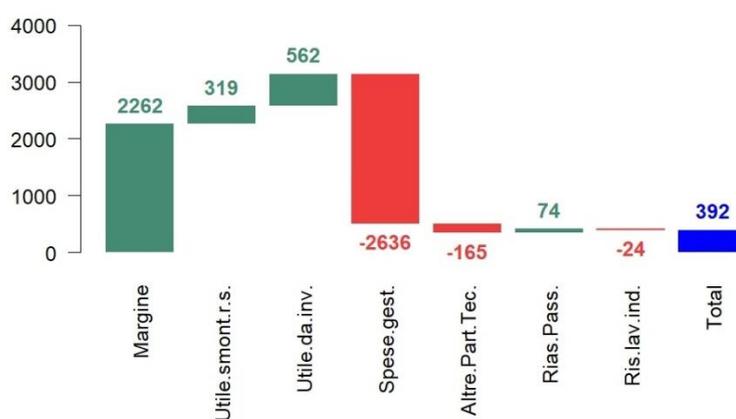
### Combined ratio of Motor liability insurance – Italian direct insurance portfolio gross of reinsurance cessions



Compared to last year<sup>55</sup>, the breakdown of the balance on the technical account of the motor liability insurance class (fig. I.23) shows a reduction in profits resulting from the run-off of the provision for claims outstanding relating to previous years and from investments covering technical provisions, apart from the growth in operating expenses, which neutralise the positive effect of the increase in the gross margin.

Figure I.23

### Composition of the balance on the technical account of the motor liability insurance class in 2024 Italian portfolio, insurance and reinsurance business, net of reinsurance cessions (million euro)



The ratio between average reserve/average cost, which expresses the degree of coverage of the claims paid in the year with the estimated provision at year end, grew to 3.7% (Table I.7).

<sup>55</sup> 2023 IVASS Annual Report, fig. I.27, page 25.

Table I.7

Average reserve/average cost ratio*										
	(reserved amounts per unit paid)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation in previous financial years	2.62	2.77	2.88	2.90	2.83	2.92	2.70	2.89	2.98	3.09
Generation in current financial year	3.99	3.88	3.71	3.73	3.67	4.01	3.61	3.44	3.33	3.51
<b>Total</b>	<b>3.59</b>	<b>3.69</b>	<b>3.70</b>	<b>3.70</b>	<b>3.67</b>	<b>3.72</b>	<b>3.65</b>	<b>3.61</b>	<b>3.56</b>	<b>3.70</b>

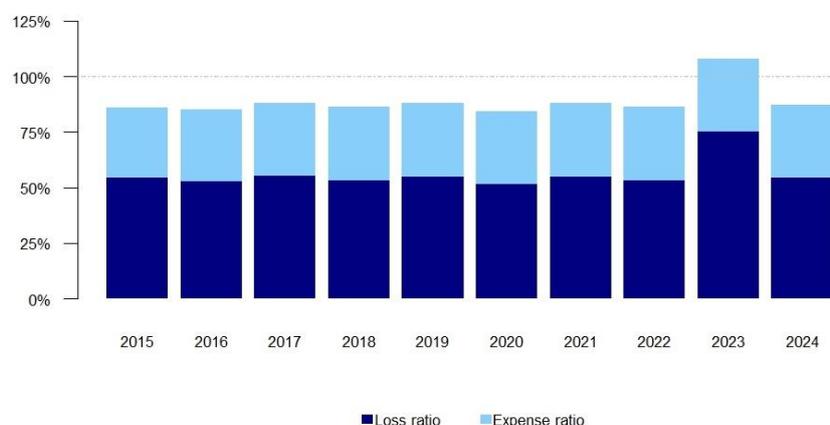
\* Average reserve/average paid. IBNR claims excluded.

*Other non-life classes* – Premium income from the direct Italian portfolio of non-life classes other than motor liability insurance, gross of reinsurance cessions, totalled €27.9 billion (+7.9%, +7.7% in 2023), with an incidence over the total non-life business of 68.3% (68% in 2023).

The technical account of the Italian portfolio, insurance and reinsurance business, net of reinsurance cessions and retrocessions, shows a profit of 3 billion euro, with an increase of 135.8% (+1.7 billion) compared to 2023<sup>56</sup>. The technical balance of the Italian direct portfolio<sup>57</sup> is also positive at €3 billion (compared to a loss of €2.4 billion in 2023), supported by an improvement in the combined ratio, which stands at 87.3% (108.1% in 2023; fig. I.24). This improvement is attributable to the growth in gross premiums (+€2.1 billion) and the decrease in claims incurred in the year (-€4.1 billion), accompanied by a reduction in variability between companies (fig. I.25).

Figure I.24

#### Combined ratio of non life classes other than motor liability – Italian direct insurance portfolio gross of reinsurance cessions

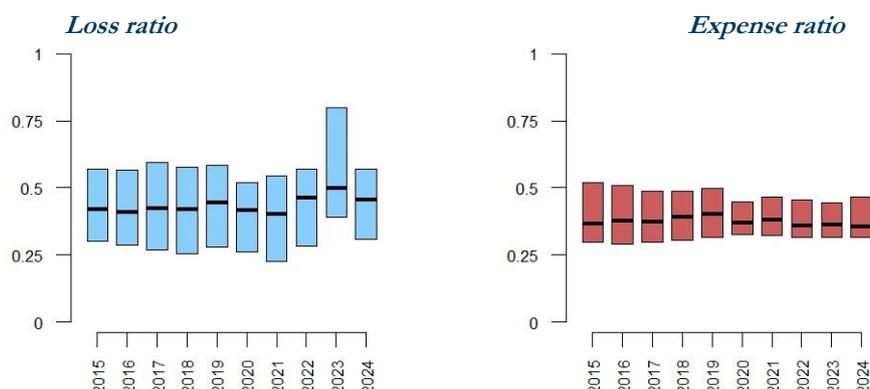


<sup>56</sup> Table 4.5.2.1 in the Appendix shows the historical series.

<sup>57</sup> Gross of reinsurance cessions. The balance on the other technical items of -0.4 billion euro is also taken into account.

Figure I.25

**Loss and expense ratio of non-life classes other than MTPL**  
(each box shows the 25th, 50th, 75th and 95th percentile)



Compared with the previous year<sup>58</sup>, there was an increase in the gross margin of almost €7 billion (fig. I.26), only partially offset by the reduction in profits resulting from the run-off of the provision for claims outstanding relating to previous years (-0.7 billion), the increase in operating expenses (+€0.7 billion), and the deterioration in the profit or loss from outward reinsurance (-€3.6 billion).

Figure I.26

**Composition of the balance on the technical account of non life classes other than motor liability in 2024, Italian portfolio, insurance and reinsurance business, net of reinsurance cessions and retrocessions**  
(million euro)



An analysis of the individual segments reveals that<sup>59</sup>:

- the land vehicle class (fig. I.27) returned to profit with €221 million (compared to -€42 million in 2023), thanks to an increase in gross margin (+€1.1 billion) and despite higher operating expenses (+€0.2 billion) and a deterioration in outward reinsurance (-€0.6 billion);

<sup>58</sup> 2023 IVASS Annual Report, fig. I.30, page 27.

<sup>59</sup> Table 4.5.2.2 in the Appendix contains details of the loss ratio, combined ratio, and expense ratio for each individual segment of the non-life business.

- the property segment<sup>60</sup> shows a marked improvement in the balance on the technical account<sup>61</sup>, with a profit of €138 million (compared to -€1,358 million in 2023). In particular, the insurance class fire and natural forces shows a profit of 35 million (-1,269 million in 2023);
- the “other damage to property” line of business has reduced its technical loss to -39 million, from -258 million in 2023;
- the health segment (accident and sickness insurance) reports a technical balance of 989 million (985 million in 2023);
- general liability insurance continues to be the most profitable line of business, with a technical profit of €1,015 million, slightly down on 2023 (1,135 million);
- legal expenses and assistance show a balance on the technical account of 427 million (+9.5%), amounting to 26.6% of earned premiums (26% 2023);
- credit and suretyship show a balance on the technical account of 198 million (+59.3%), amounting to 30.3% of earned premiums (20.3% in 2023);
- the transport segment<sup>62</sup> remained profitable, showing a profit of €23 million, although down from 43 million in 2023.

**Figure I.27**

**Composition of the balance on the technical account of the insurance class land vehicles in 2024 - Italian portfolio, insurance and reinsurance business, net of reinsurance cessions and retrocessions**  
(million euro)



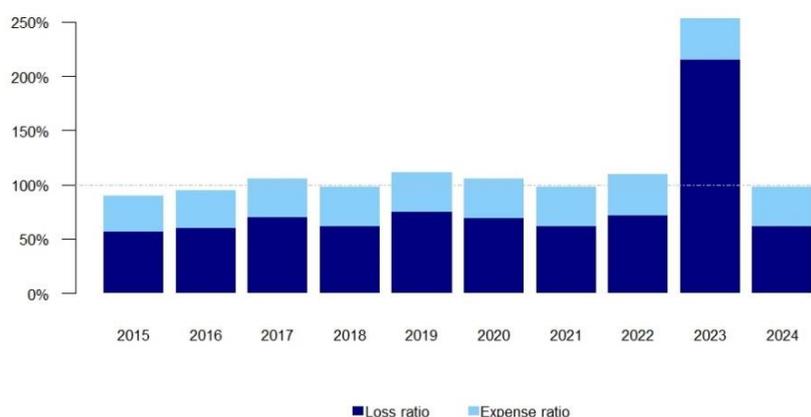
<sup>60</sup> The property sector is made up of the insurance classes 8 (Fire and natural forces), 9 (Other damage to property) and 16 (Miscellaneous financial loss).

<sup>61</sup> Italian portfolio, insurance and reinsurance business, net of reinsurance cessions and retrocessions.

<sup>62</sup> The transport sector is made up of the insurance classes: 4.Land vehicles, 5.Aircraft, 6.Ships, 7.Goods in transit, 11. Aircraft liability.

Figure I.28

### Combined ratio of fire and natural forces - Italian direct portfolio, gross of reinsurance cessions

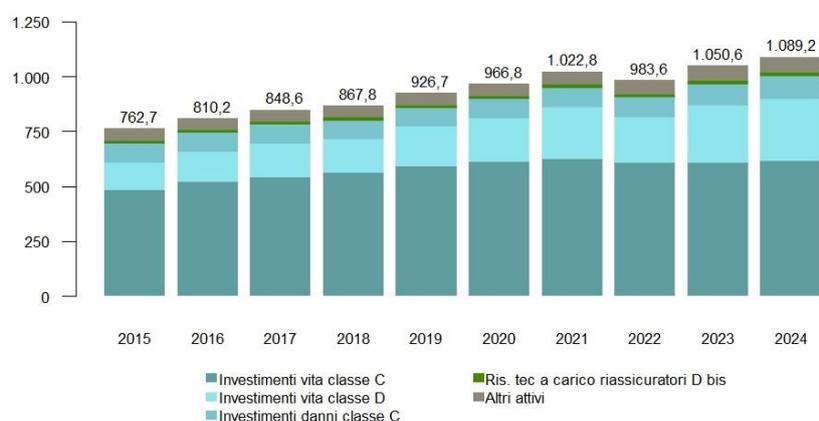


### 3. - BALANCE SHEET (LOCAL GAAP)

The main share of the assets in the statutory balance sheet (fig. I.42) consists of investments, divided into classes C, D.I and D.II<sup>63</sup>, which, measured according to local gaap, amounted to €1,000.5 billion<sup>64</sup> in total, 89.7% of which relating to life business.

Figure I.29

### Statutory financial statements– Assets (billion euro)



The main liability item (fig. I.30) is made up of the technical provisions of the life and non-life business, amounting to 941.3 billion euro<sup>65</sup>, of which 91.9% relates to the life business.

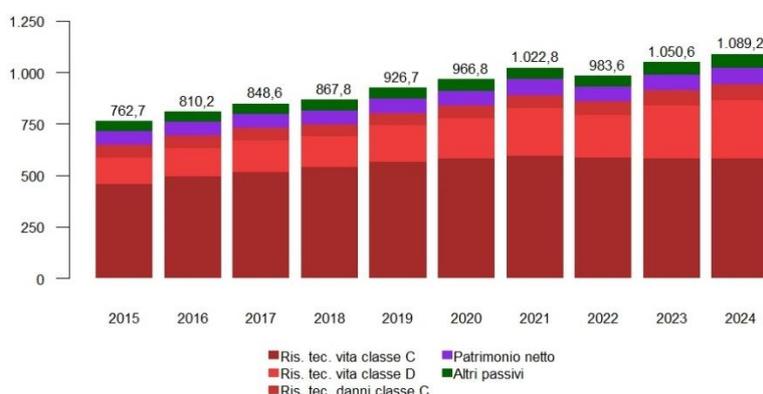
<sup>63</sup> See Glossary.

<sup>64</sup> Tables 4.1.1, 4.1.4, 4.1.5, 4.1.6 and 4.1.7 in the Appendix.

<sup>65</sup> Table 4.1.2 in the Appendix.

Figure I.30

### Statutory financial statements – Liabilities and shareholders' equity (billion euro)

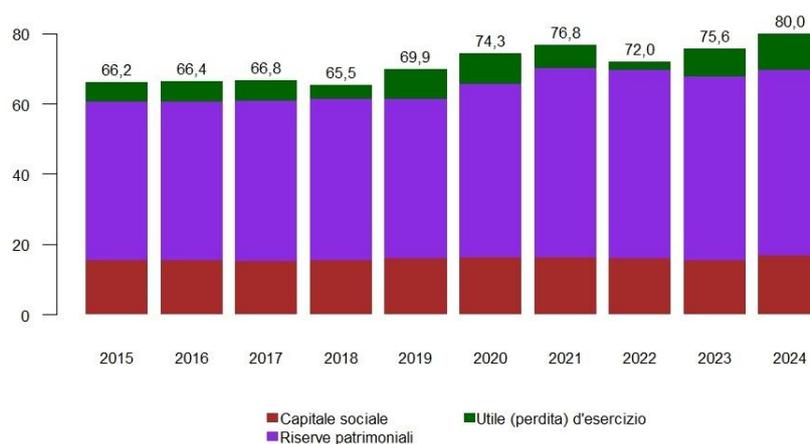


In life business, Class C technical provisions for contracts other than unit and index-linked, or deriving from the management of pension funds, amounted to 83.2 billion euro, remaining essentially unchanged (+0.6%) compared to 2023. Class D technical provisions, amounting to €282 billion (+8.3%), consist of 90% subclass D.I, relating to index and unit-linked policies, up +7.8% compared to 2023, while subclass D.II, relating to pension fund management, grew by 13.7%.

The shareholders' equity in the statutory accounts (fig. I.31) amounted to 80 billion euro (75.6 billion in 2023). Operating profits from life business, amounting to €6 billion (€5.5 billion in 2023) contributed to the increase, and so did profits from non-life business, amounting to €4.6 billion (€2.5 billion in 2023). Capital reserves remain substantially unchanged, while share capital stands at €16.7 billion (+7.8% compared to 2023).

Figure I.31

### Shareholders' equity (billion euro)



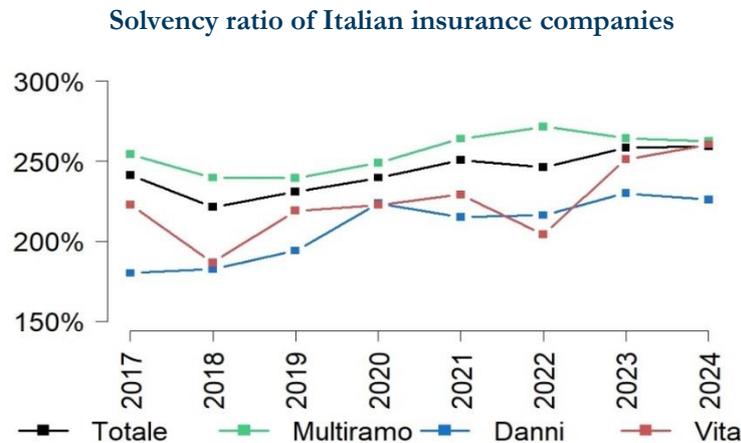
## 4. - SOLVENCY

### 4.1. - Solvency Capital requirement ratio and Own Funds

In 2024, the average solvency ratio remained virtually unchanged, standing at 259.4% compared to 258.4% in 2023. Life insurance companies recorded an increase of 9 percentage points, continuing the growth of +47 p.p. in 2023 compared to the reduction of -25 p.p. in 2022. The average solvency ratio of

non-life companies, at 225.8%, decreased by -4 points (+14 in 2023), while that of composite companies, at 262.4%, decreased by -2 points (-7 in 2023).

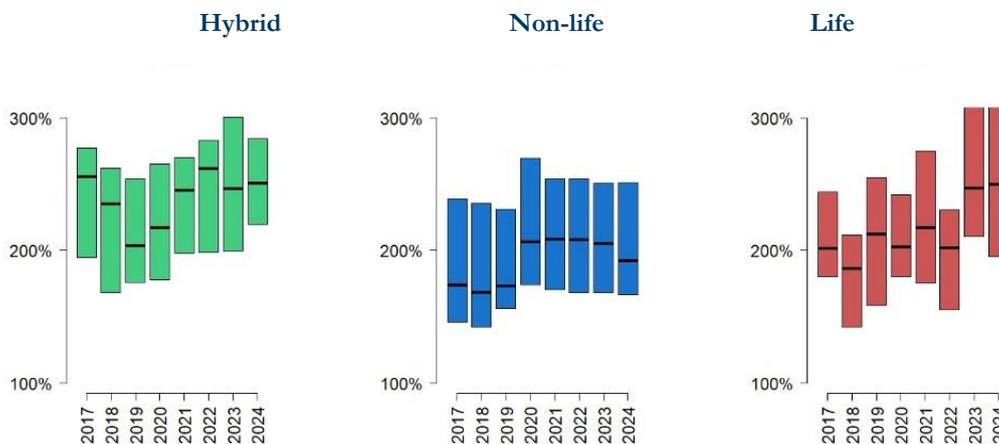
Figure I.32



The median value of the *Solvency ratio* is higher (251%) for composites and life companies (250%) than for non-life companies (192%). The variability (inter-quartile difference) of the *Solvency ratio* in the market is higher for life companies than for non-life and composite companies. The variability is increasing in the last two financial years for life companies, while it is decreasing for composite companies.

Figure I.33

Distribution of the Solvency ratio by insurance sector  
(each box shows the 25th, 50th, 75th and 95th percentile)

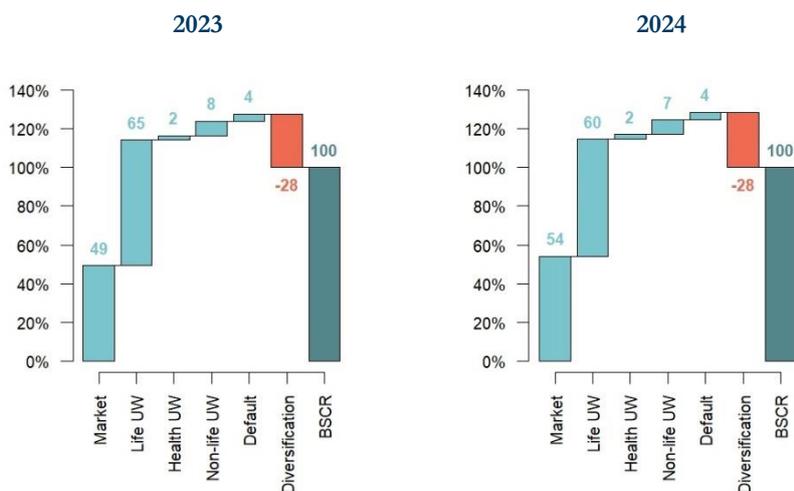


#### 4.2. - Solvency capital requirement

The composition of the basic solvency capital requirement (BSCR) as of December 2024 shows a higher incidence of the market risk to the previous year (from 49.4% to 54.2% after diversification). Underwriting risk in life business remains the predominant risk, with an incidence of 60.3% (64.7% in 2023). The share of the non-life underwriting risk is stable (from 7.5% to 7.4%), while the share allocated to cover the vulnerability of assets other than government securities is slightly increasing (from 3.7% to 4.0%).

Figure I.34

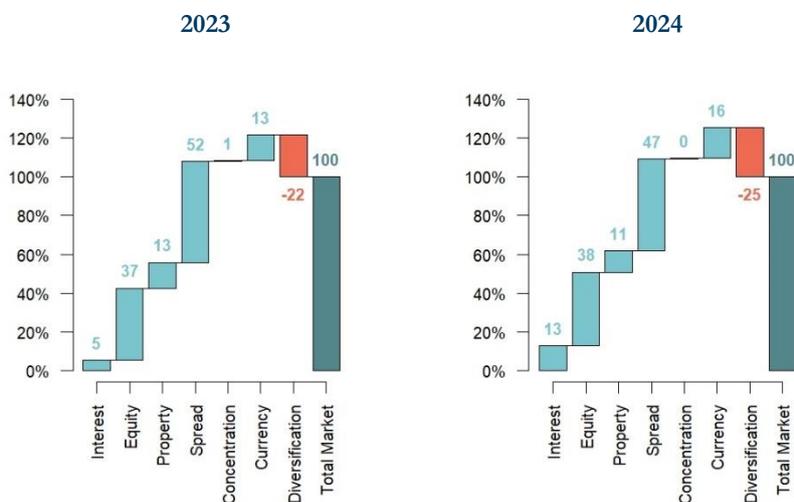
Composition of the *Basic Solvency Capital Requirement (BSCR)*



The largest component of market risk (fig. I.35) remains spread risk (47.2% versus 51.9% in 2023) resulting from the volatility of the spread between interest rates on debt instruments and the risk-free rate<sup>66</sup>. The second component is equity risk, which increased slightly compared to the previous year (from 37.1% to 37.8%). The component linked to interest rate risk saw the most significant increase (from 5.4% to 13.0%).

Figure I.35

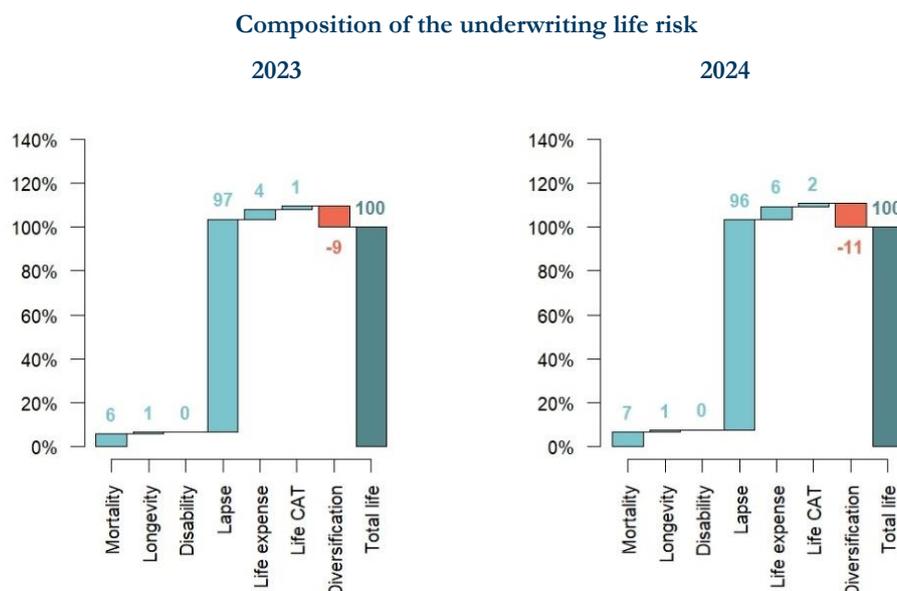
Composition of market risk



The most part of the underwriting life risk is made up of mass lapse risk (amounting to 95.6% of the module in 2024, slightly down from 96.7% in 2023), related to scenarios of mass lapse of life policies in the portfolio.

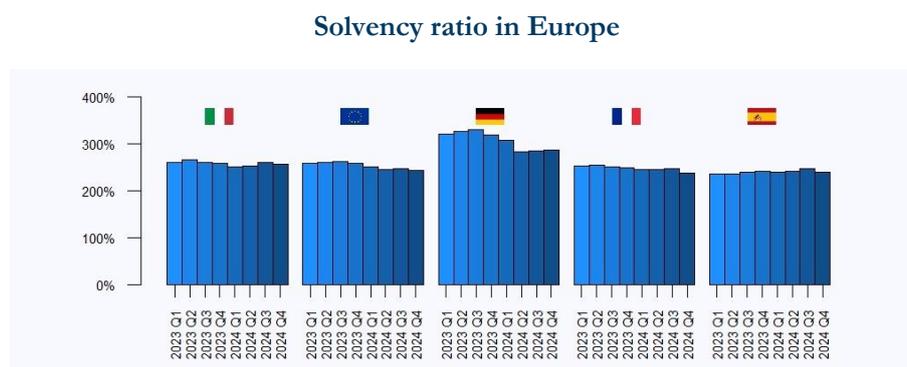
<sup>66</sup> Spread risk depends on rating and duration of assets.

Figure I.36



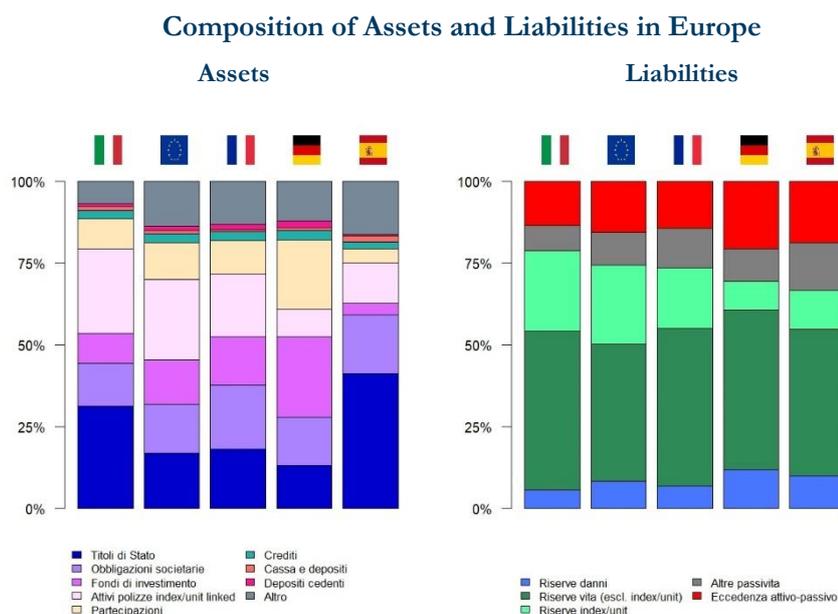
When compared with other European countries, the average solvency ratio of Italian and German companies is higher than the average ratio in all quarters of 2024.

Figure I.37



Total life provisions in Italy account for 84.6% of total liabilities, compared to a European average of 78% (72.3% in Germany, 78% in France and 69.7% in Spain). In all European countries, the most significant component of provisions is represented by the share of with-profit contracts, although unit-linked provisions have increased significantly.

Government and corporate bonds have a higher incidence on total assets for Spain and Italy (59.2% and 44.3%, respectively), compared to 37.7% and 27.9% in the French and German markets. In Germany, the incidence of UCITS on assets is particularly high (24.6%) compared to 9.3% in Italy.



### 4.3. - Solvency II investments and provisions

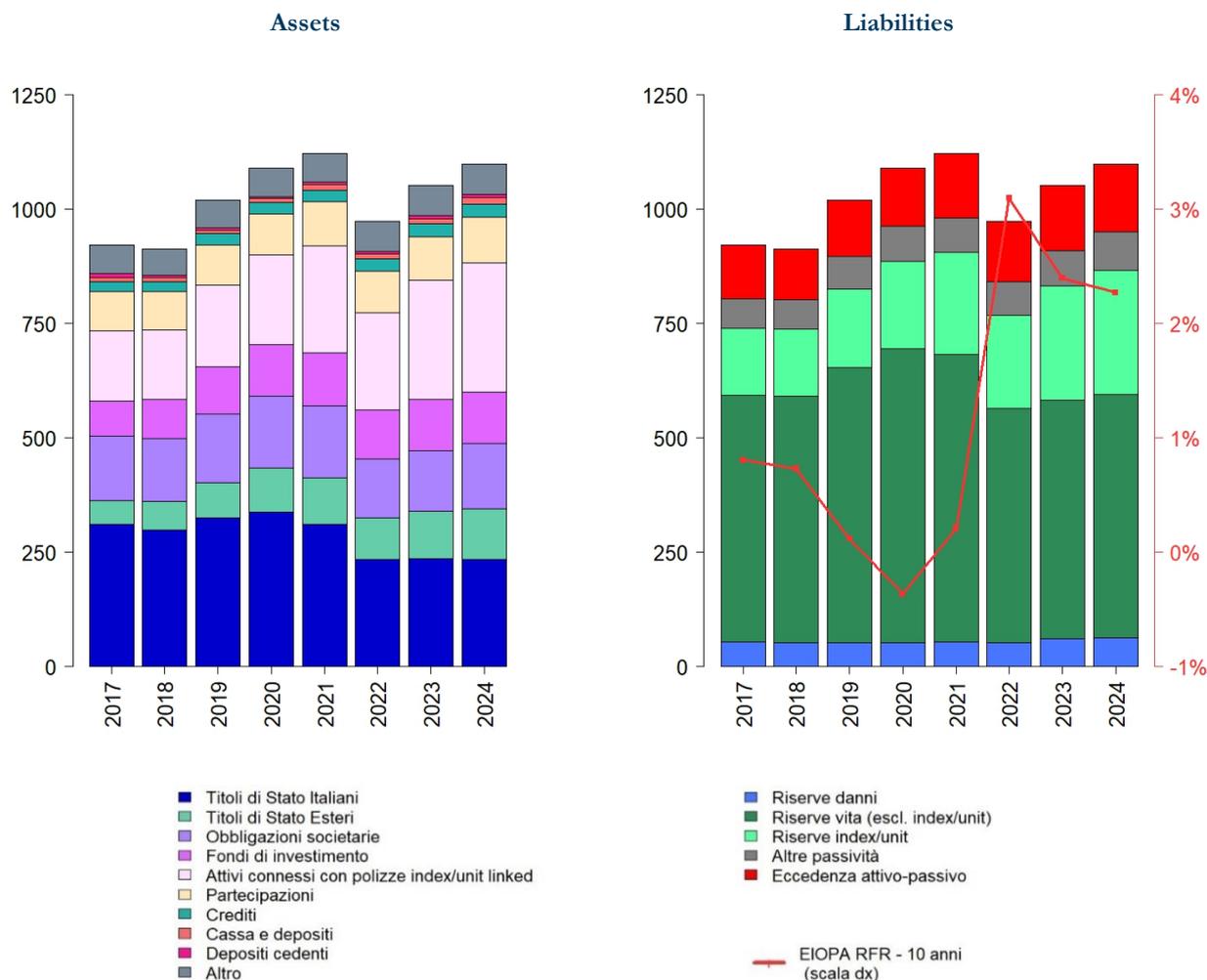
In 2024, the share of Italian government securities<sup>67</sup> on total assets decreased from 22.3% to 21.2%, while the share of foreign securities increased (from 9.9% to 10.1%). The share of Italian securities decreased for all types of companies, particularly for non-life (-5.3 p.p.) and, to a lesser extent, for composite and life companies (-1.4 and -0.7 p.p.). The share of investments in foreign securities grew by +4.2 p.p. for non-life insurance companies, while for life and composite companies the change was negative or modest (-0.2 p.p. and +0.6 p.p.). The incidence of corporate bonds has increased on average by +0.4 percentage points, from 12.6% in 2023 to 13.0%. The share of investment funds on total assets falls from 10.7% to 10.1%.

The growth in premium income and the simultaneous reduction in interest rates led to an increase in the value of technical provisions, which was particularly significant for the unit-linked segment (+8.5%) and less so for the other life (+2.1%) and non-life (+2.5%) classes. The share of unit-linked provisions over total liabilities rose from 27.5% in 2023 to 28.6%, while that of non-life provisions remained unchanged (-0.1 p.p.). The incidence of provisions for life policies other than unit-linked policies fell from 57.4% in 2023 to 56.1%.

<sup>67</sup> See the in-depth study in Chap. II.3.

Figure I.39

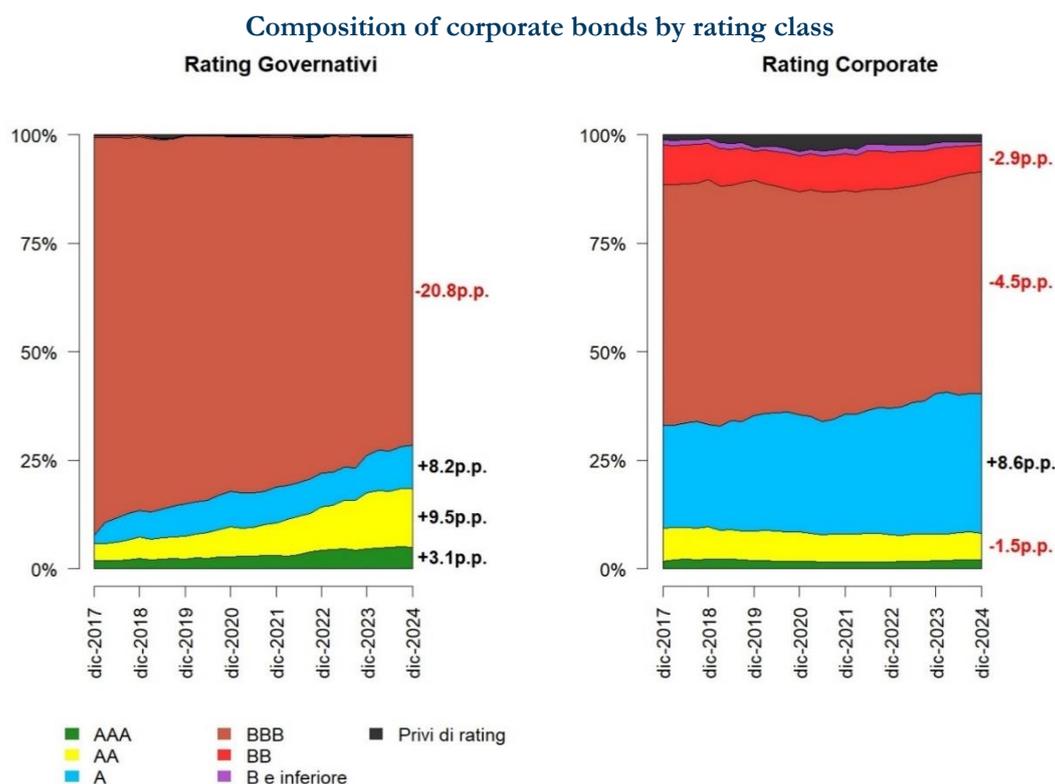
Volumes and composition of assets and liabilities of domestic undertakings  
(billion euro)



If we compare the composition of companies' portfolios between 2017 and 2024, the share of BBB-rated government bonds over total government securities continued to decline (-20.8 p.p. compared to 2017), while government securities rated A or higher accounted for 28.5% compared to 7.7% in 2017.

The share of BBB-rated bonds over total corporate bonds fell by -4.5 p.p. between 2017 and 2024. The use of corporate investments rated A or higher grew from 33.1% to 40.4%.

Figure I.40



*Assets representing technical provisions* – As at 31 December 2024, domestic companies and branches of non-EEA companies reported Solvency II technical provisions<sup>68</sup> to be covered by suitable assets, relating to Italian and foreign direct business, equal to 863 billion euro (+4.1% compared to 2023).

Assets covering life insurance technical provisions at market value, excluding linked contracts and those arising from pension fund management<sup>69</sup>, amounted to 534 billion euro (+1.9% vs 2023), with a 101.2% coverage ratio of the corresponding provisions. The composition of representative assets<sup>70</sup> shows a slight increase in the proportion of debt securities (81.4% compared to 80.9% in 2023), a slight decrease in the proportion of government bonds (55.7% compared to 56.3%) and a more substantial increase in corporate debt securities (25.7% compared to 24.6%). The share of UCITS declined for the second consecutive year (14.7% compared to 15.3%). The shares of equity securities (1.1%, down from 2.1%) and loans (1%, stable compared to recent years) remained marginal.

The technical provisions of the non-life business amounted to 53 billion euro and were covered by 54 billion euro of assets<sup>71</sup>, with a 101.9% coverage ratio. Provisions and covering assets increased by +0.7% and +0.9%, respectively. The share of debt securities continued to decline slightly (60.3% compared to 60.5% in 2023), mainly due to the decrease in government bonds (34.5% compared to 34.8%), while the weight of corporate bonds remained unchanged (28.8% compared to 28.7%). The incidence of equity instruments (8.8% of total representative assets) and UCITS (9.5%) returned to growth of around one percentage point, while the shares relating to loans and real estate fall slightly, to 12% and 8.1% respectively.

<sup>68</sup> Table 5.5.1 in the Appendix.

<sup>69</sup> Table 5.5.1 in the Appendix.

<sup>70</sup> Tables 5.5.2 and 5.5.3 in the Appendix.

<sup>71</sup> Table 5.5.1 in the Appendix.

Technical provisions for linked contracts and pension fund management rose to 254 and 28 billion euro respectively, with an increase of +8.2% and +13.8% compared to 2023, consistent with the change in the value of assets representing contractual benefits<sup>72</sup>.

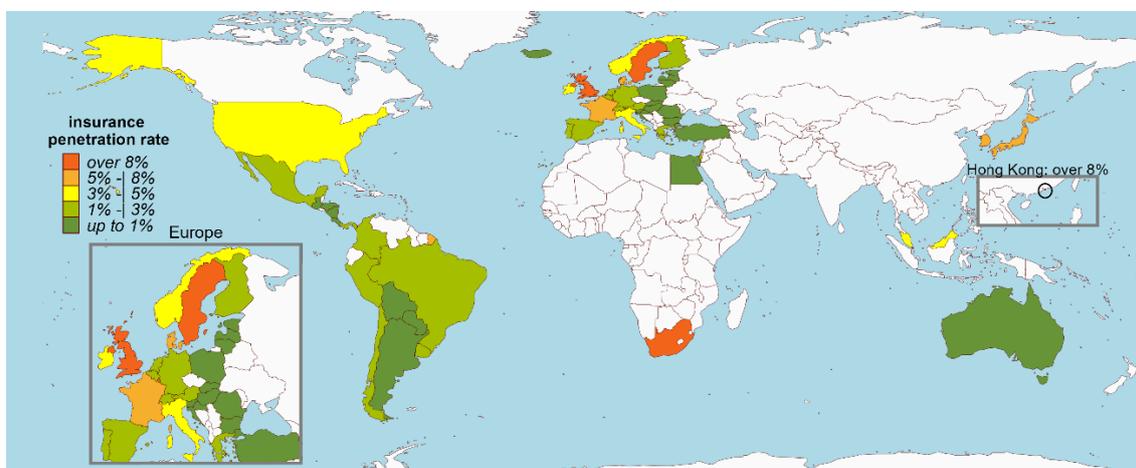
## 5. - THE LIFE AND NON-LIFE MARKET IN THE INTERNATIONAL SCENE

*The global insurance market* – The information gathered by the OECD on insurance penetration in 2023 for OECD countries and for a subset of non-OECD countries confirm higher levels of penetration in advanced, high-income economies. In France, the United Kingdom, the United States, and some European and Asian jurisdictions, insurance premiums exceed 10% of GDP. In Latin America and other European economies, the percentage is significantly lower. Compared to the OECD average of 4.1% for life insurance and 5.0% for non-life insurance, there remains a significant gap<sup>73</sup> in Italy in terms of the protection offered for non-life insurance coverage.

In life business, insurance penetration (Figures I.41 and I.42) is high in Luxembourg, Hong Kong, South Africa and to a slightly lesser extent (above 8%) in Taiwan and the United Kingdom; in Italy its value in 2023 stands at 4.4%. Non-life classes are developed in France, the Netherlands, Luxembourg, the US and South Korea, while a low penetration rate of 1.8% is confirmed in Italy, net of the recent increase in premium income (par. 2.1).

Figure I.41

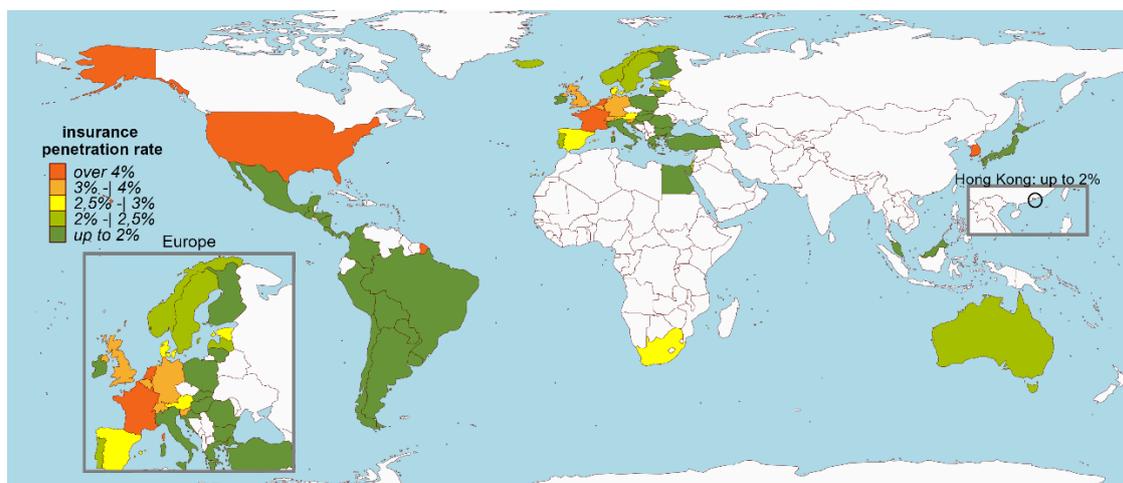
Premium incidence over GDP - life business – 2023  
(OECD countries and sample of non-OECD countries)



<sup>72</sup> Tables 5.5.6 and 5.5.7 in the Appendix.

<sup>73</sup> Table 1.1.1 in the Appendix.

**Premium incidence over GDP - non-life business – 2023**  
(OECD countries and sample of non-OECD countries)



*Comparison with the main European countries* – Premium income for life and non-life business in the EEA countries (Table I.8 with details of major countries) reached 1.312,1 billion euro in the 4th quarter 2024 (+10.9%), of which 554.5 billion from non-life business (+7.3%) and 757.6 billion from life business (+13.6%).

Table I.8

**European Economic Area – Comparison with the main countries \***

*premiums from direct business (life and non-life) 4th quarter 2024*

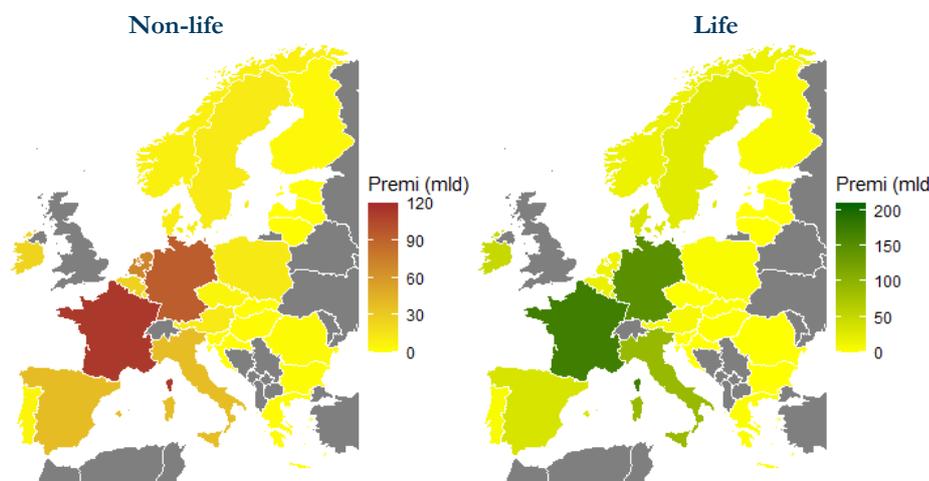
	Non-life		Life	
	<i>billion euro</i>	<i>annual variation</i>	<i>billion euro</i>	<i>annual variation</i>
<b>France</b>	121.6	+7.4%	210.7	+22.1%
<b>Germany</b>	109.7	+16.1%	154.5	+4.1%
<b>Italy</b>	41.3	+7.8%	112.1	+21.0%
<b>Spain</b>	41.7	+7.6%	31.0	-12.0%
<b>Ireland</b>	18.7	-24.2%	56.9	+12.9%
<b>Luxembourg</b>	16.2	+5.1%	30.6	+37.8%

\*Source: EIOPA quarterly statistics

In life business, the ratio of total provisions to total liabilities is 84.6% in Italy, compared to a European average of 78% (78% in France, 72.3% in Germany and 69.7% in Spain). In non-life business, the ratio is 6.5% in Italy compared to 8.1% in France, 15.1% in Germany and 12.5% in Spain.

In the non-life business, the average combined ratio in the EEA countries in the third quarter of 2024 is 96%, indicating that the underwriting process is, on average, profitable; for the Italian market, the combined ratio reaches 94%, better than the European average.

**Premium income in the European Economic Area**  
(billion euro; 4th quarter 2024)



*Motor liability insurance in Europe* – The average MTPL premiums at the end of 2023<sup>74</sup>, net of tax and parafiscal charges, paid by policyholders in some European countries (Italy, France, Spain, Germany, United Kingdom)<sup>75</sup>, were compared with the respective profitability of the line of business<sup>76</sup>.

The ratio of non-life insurance expenditure to GDP (Fig. I.44) is lowest in Italy (1.8%), with a differential of 2.8 percentage points compared to France (4.6%). The high incidence of motor lines of business on total non-life operating expenses in Italy (42.3%) is affected by the low insurance penetration rate in other non-life lines of business. Premium income in the motor sector other than mandatory coverage is significant in some countries, notably France (64.5%) and Spain (48.1%).

The highest average price for compulsory cover (premium rate after taxes) is recorded in the United Kingdom (€381) and in Italy (€286) while Spain and France have the lowest value (€186). Differentials between countries are related to factors such as repair costs<sup>77</sup> and compensation schemes in case of injury/death.

The pure premium in Italy is €246 compared to an average in France, Spain and Germany of €174, and acquisition and management costs are €21 higher (fig. I.45a). In Italy, the pure premium contributes 85.9% to the average premium, compared to 82.9% on average. Acquisition commission costs and administrative expenses as a percentage of premiums are 21.6% in Italy compared to an average of 19.2% in other countries. Premium differentials mainly appear to be related to the cost of claims rather than to administrative costs (underwriting of contracts and claims settlement).

<sup>74</sup> Last year for which comparable information is available at European level.

<sup>75</sup> Data on average prices of compulsory motor liability alone acquired from public sources and in some cases supplemented by the respective Supervisory Authorities. For the United Kingdom, where policies are distinguished between motor-comprehensive (including all risks insurance) and non-comprehensive (including fire and theft), data for the motor liability guarantee alone are not available. The data presented in the in-depth study were estimated on information taken from the website of the Association of British Insurers and other public sources. The following rate sectors were considered: for Italy, automobiles, mopeds and motorbikes; for France, automobiles, motor vehicles for mixed transport up to 3.5 tonnes and 2 wheels; for Spain and Germany, the entire MTPL business.

<sup>76</sup> Analyses on claims cost, administrative expenses, and margin per policy do not include the United Kingdom due to lack of information.

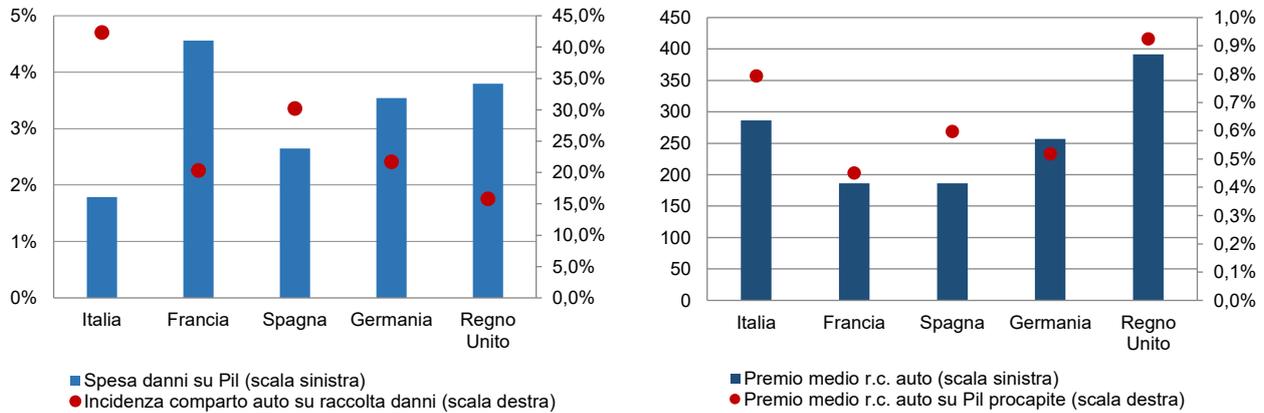
<sup>77</sup> If we consider the average MTPL premium in relation to GDP per capita, the lowest value is recorded in France (0.5%).

Differentiated profitability margins per policy are found: the highest value is recorded in France (7 euro) and the lowest in Germany (-17 euro). In Italy the margin per policy is negative (-9 euro). Negative margins are associated with an increase in pure premium also in relation to the increase in inflation<sup>78</sup>.

Figure I.44

**Non-life business and MTPL – premiums and incidence of MTPL in 2023**

(% values, euro)

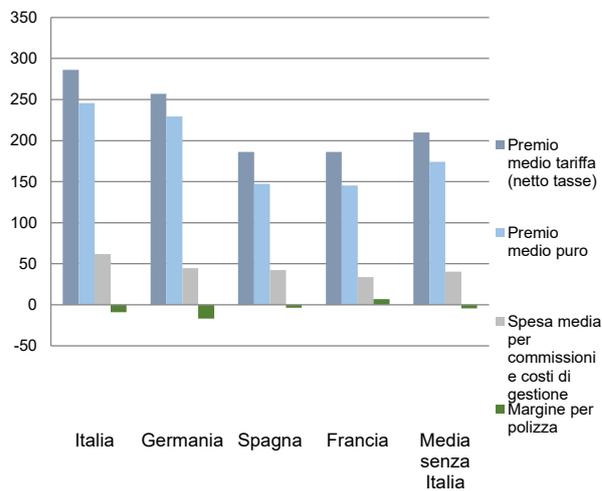


Source: Calculations on the basis of Eurostat, OECD, Supervisory Authority, FFA data.

Figure I.45

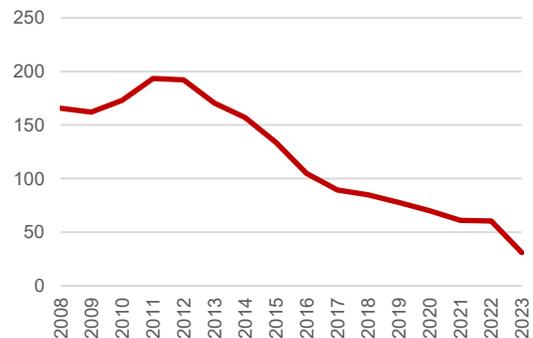
**MTPL average premium and its components – 2023**

(euro)



**Differential of average MTPL premium in Italy and in the main European countries**

(euro)



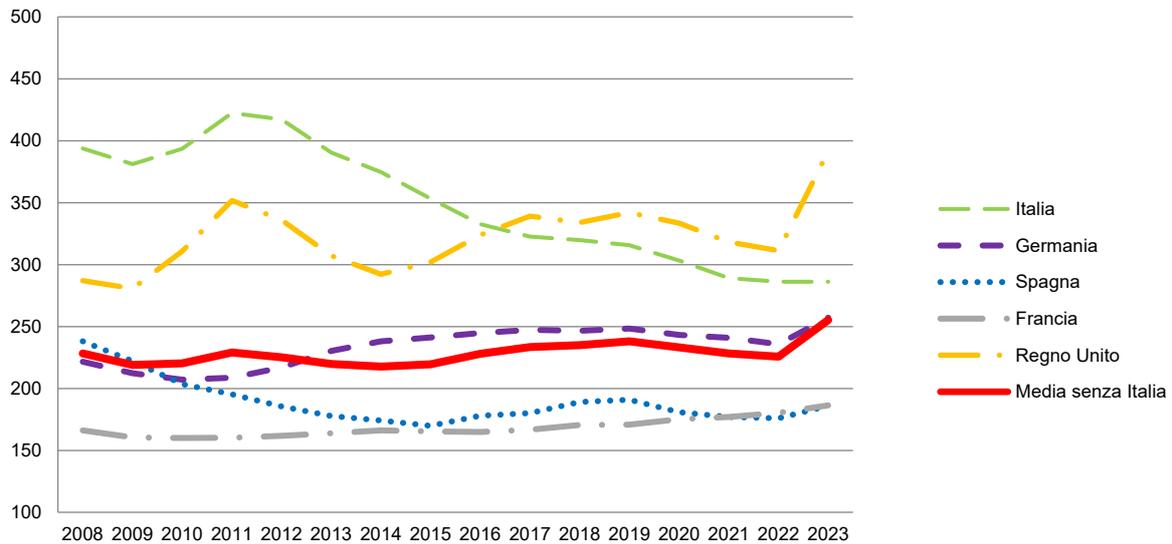
Source: Calculations on the basis of Supervisory Authority, ABI, FFA data

<sup>78</sup> See Ivass Working Paper No. n.33.

There has been a gradual reduction since 2012 in the differential in terms of the average MTPL premium paid in Italy compared to other countries<sup>79</sup> (Fig. I.46), amounting to €33 in 2023, significantly down from €165 in 2008. Compared to 2022, the differential has almost halved, mainly due to the premium increase in the United Kingdom.

Figure I.46

**MTPL average premium in Italy and in the main European countries**  
(euro)



Source: Calculations on the basis of Supervisory Authority, ABI, FFA data.

<sup>79</sup> In estimating the differential from the average Italian premium, the average premium for Spain, France, Germany, and the United Kingdom is taken into account.

## II. - CONTRIBUTIONS FOR ANALYSIS

### 1. - LTC: MARKET OVERVIEW

Premiums for long term care (LTC) coverage collected by companies supervised by IVASS represent a marginal share of total premium income, both in life (with benefits provided in the form of life annuity in the case of loss of self-sufficiency) and health insurance (with benefits in kind).

In 2024, total premiums written in life class IV reached €323 million (€277 million in 2023), with an increase of +16.7%. The leading company collected 53% of premiums; the top 10 companies account for over 95% of the market.

Premiums for LTC coverage collected by supervised companies in the health sector totalled €29 million in 2023 (91% of which came from collective policies), representing 0.7% of the total for this insurance class. Data for the first half of 2024 show that premium income remained essentially stable compared to the previous year (€19.8 million compared to €19.1 million in the first half of 2023).

#### CHARACTERISTICS OF LONG TERM CARE INSURANCE PRODUCTS

The analysis of a sample of 15 standard products published on the websites of the top 10 companies by premium income in class IV<sup>80</sup> reveals a heterogeneous definition of the status of dependency. The differences concern the number and type of Activities of Daily Living (ADLs) considered, as well as the method of assessing the level of dependency that triggers the benefit. Most products use dichotomous (yes/no) scales. For each ADL, it is checked whether the person is able to carry out the activities specified in the policy conditions, and the policyholder is declared dependent when they exceed a predefined number of ADLs (variable by company: 3/4 out of 6; 4 out of 5; 3 out of 4) for which they are not autonomous. In other instances, the loss of self-sufficiency is recognised when achieving a minimum score on a rating scale specified in the policy conditions (e.g., at least 40 points out of 60). The majority of products provide automatic access to the status of dependency for specific situations (for example, a diagnosis of Parkinson's or Alzheimer's disease, other disabling dementias, or an accident).

Almost all products require the payment of an annual premium, which may be divided into instalments (monthly, quarterly, semi-annually). In some products, annual premiums are paid until the occurrence of the state of dependency, while in others there is a limited duration for the payment of premiums.

In most cases, the premium is determined based on the policyholder's age, but there are also premiums that remain unchanged by age or age group, or are calculated on the average age of the reference group. A minimum entry age of 18 to 40 years is frequently stipulated. The upper age limits for entry are generally set between 60 and 70 years.

All products provide for waiting periods of varying duration, differentiated according to the cause of dependency. For mental disorders of organic origin or other specific pathologies, the waiting period varies from two to five years, while for accidents, the waiting period is often zero.

Except for one product, annuities are not subject to revaluation and the products are managed on a pure risk basis. The only product that provides for the revaluation of annuities, which therefore includes a financial component, envisages premiums invested in a separately managed account and the right to exercise the surrender after the first five insurance years.

Among the products examined, only one collective product stipulated by a Fund provides for participation in technical profits.

LTC covers may be combined with other insurance or social security covers, such as supplementary health funds or supplementary pension schemes, or with assistance services provided by companies either directly or through

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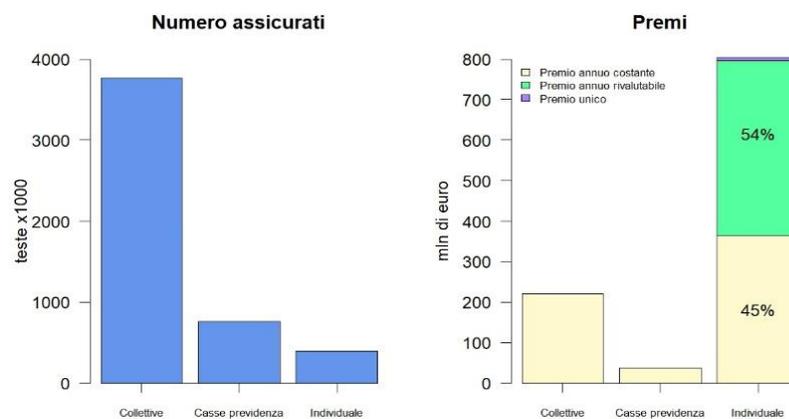
<sup>80</sup> Of the 15 products examined, 7 are individual products, 5 provide for the possibility of the policyholder being a natural or legal person, and 3 are exclusively collective products.

partnerships, such as home delivery of medicines, scheduling medical appointments and diagnostic tests, payment services, purchases, administrative procedures, family collaboration, and child supervision.

The following analysis illustrates the results of examining data on product characteristics and policyholders<sup>81</sup> in active portfolios over the last 7 years<sup>82</sup>, with or without payment of an annuity for dependency, requested from the top 10 companies by premium income.

*Premiums and type of contracts* – The active policies over the past seven years have generated a total of €1,063 million in premiums. 20.8% of the premiums relate to collective contracts or agreements (3.7 million insureds), 75.7% come from individual contracts (400,000 insureds), and 3.6% are collected through pension and social security funds (750,000 insureds). 99.3% of premiums are periodic, while single premiums account for less than 1%.

**Figure II.1**

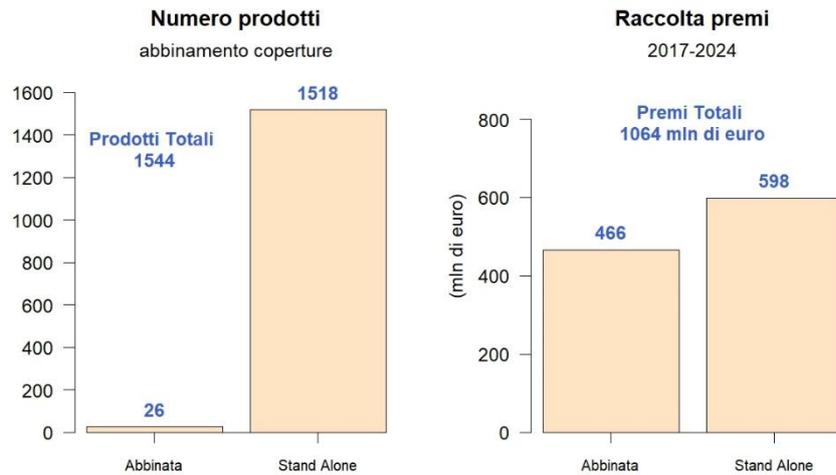


Most of the products sold (1,518 out of 1,544) are stand-alone products; only 26 were marketed in combination with other types of coverage (term life insurance, dread disease, etc.). Combined products account for a significant portion (43.7%) of premiums collected.

<sup>81</sup> Including the age and gender of the insured persons, province of residence, profession, and educational qualifications (if available), age at which they became dependent, premiums paid, and any annuities paid.

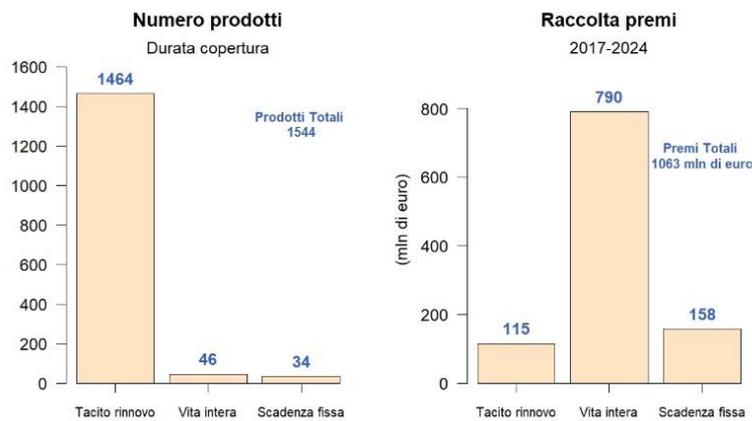
<sup>82</sup> Observation period: 01 July 2017 – 30 June 2024.

Figure II.2



74.3% of premiums collected relate to whole life contracts, 14.9% relate to fixed-term contracts and the remaining 10.8% relate to mainly annual contracts with tacit renewal.

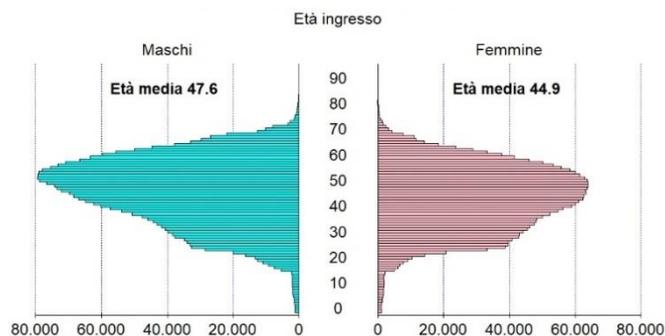
Figure II.3



*Characteristics of policyholders* – 2.7 million policyholders are men and 2.3 million women. The average age of entry into insurance is 47.6 years for men and 44.9 years for women.

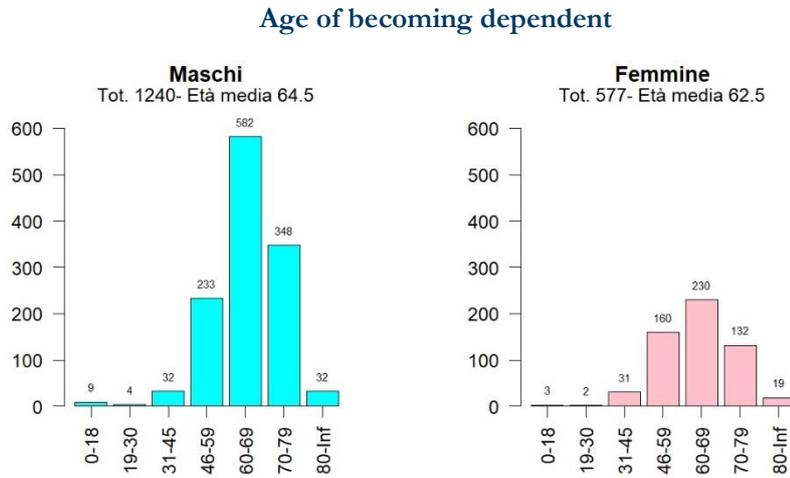
Figure II.4

**Distribution of LTC coverage by gender and age**



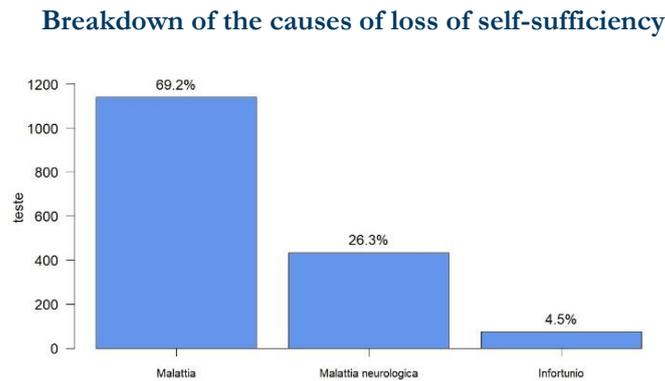
The average age of entry into a state of dependency is 64.5 years for men and 62.5 years for women.

**Figure II.5**



In the period 2017-2024, 1,240 males and 577 females entered a state of dependency. 69.2% became dependent due to general illness, 26.3% due to neurological diseases, and 4.5% due to an accident.

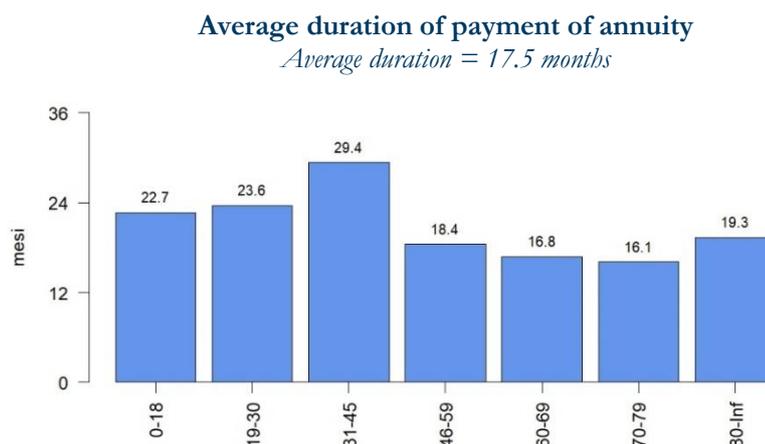
**Figure II.6**



*Benefits* – The average duration of long-term care benefits is 17.5 months. The highest value is recorded in the 31-45 age group, with an average benefit period of 29.4 months. 88.3% of terminations from the state of dependency are due to deaths, while only 2.2% regain self-sufficiency<sup>83</sup>.

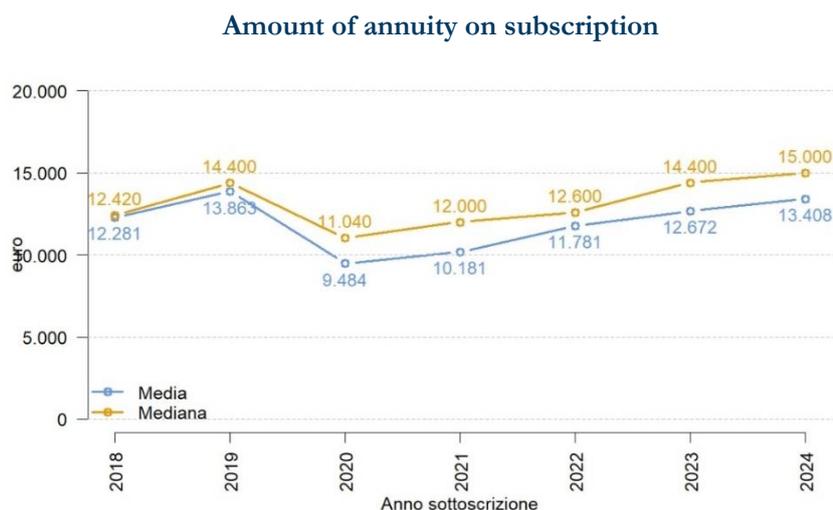
<sup>83</sup> For the remaining 9.5%, the cause of the recovery of self-sufficiency is unknown.

Figure II.7



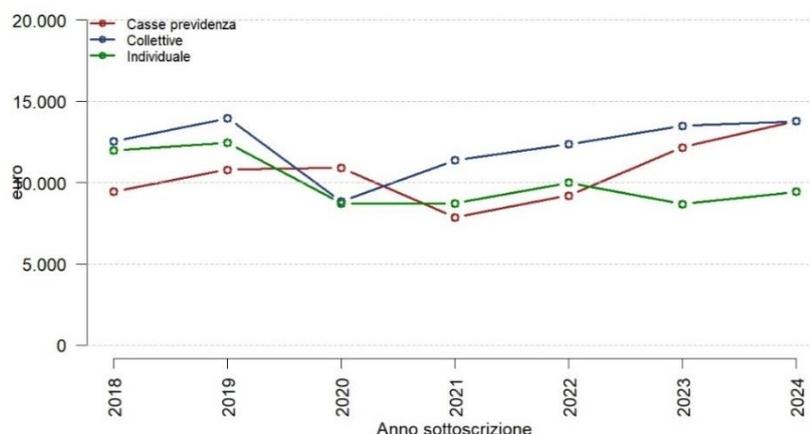
The average annual insured annuity varies from €9,500 to €13,500<sup>84</sup> in the period 2018-2024, with average annual premiums at the time of subscription ranging from €41 to €109.

Figure II.8



<sup>84</sup> During the period considered, the average annuity for contracts entered into by pension and social security funds is €11,163 per year; for collective contracts it is €12,855, and for individual contracts it is €9,536.

Average amount of annuity on subscription



The LTC insurance market has a low level of development and represents a marginal component compared to the total expenditure incurred by the State for the provision of attendance allowances alone (monetary benefits paid to invalid or blind civilians, and to the deaf-mute), which at the end of 2023 amounted to €15 billion (0.7% of GDP) and concerned approximately 2 million individuals<sup>85</sup>.

Given the demographic trends and the prospective role of the public system (its expenditure is set to grow in relation to GDP until at least 2060<sup>86</sup>), the sector presents a high degree of underinsurance.

## 2. - MTPL PREMIUMS FOR MOTORBIKES AND MOPEDS

From Q4 2024, the IPER survey on actual motor liability insurance prices has been extended to cover premiums charged for two-wheelers. The newly available data have been integrated with other data sources<sup>87</sup> and used to analyse the dispersion of premiums among policyholders, provincial heterogeneity in terms of average and pure premium, and to evaluate the characteristics of policyholders and the market structure, providing a comparison with what was observed for passenger cars.

The distribution of the premium paid for motor liability insurance cover for motorbikes and mopeds, recorded on individual contracts, shows a significant dispersion, more marked for the most expensive contracts. The average premium for the most expensive contracts (premium above the 75th percentile), is four times the average premium associated with the least expensive contracts (premium below the 25th percentile). The coefficient of variation is 65%, with a higher premium dispersion than the 54% for passenger cars.

The distribution is more concentrated around the average for mopeds, characterised by a lower average premium level. In the fourth quarter of 2024, the average premium for motorbikes is €217, compared to €319 for mopeds.

<sup>85</sup> Public spending on LTC for dependent elderly and disabled includes three components: i) the healthcare component; ii) the expenditure on attendance allowances; iii) other LTC services, consisting mainly of services provided at the local level.

<sup>86</sup> Report No. 25 of the Ministry of Economy and Finance “Medium- to long-term trends in the pension and social security system”: [https://www.rgs.mef.gov.it/Documenti/VERSIONE-I/Attivit-i/Spesa-soci/Attivita\\_di\\_previsione\\_RGS/2024/Ltdmlpdspess-2024.pdf](https://www.rgs.mef.gov.it/Documenti/VERSIONE-I/Attivit-i/Spesa-soci/Attivita_di_previsione_RGS/2024/Ltdmlpdspess-2024.pdf)

<sup>87</sup> The data on claims used are taken from the statistical survey on MTPL technical data.

Figure II.10

Distribution of premiums for motorbikes and mopeds in the fourth quarter of 2024

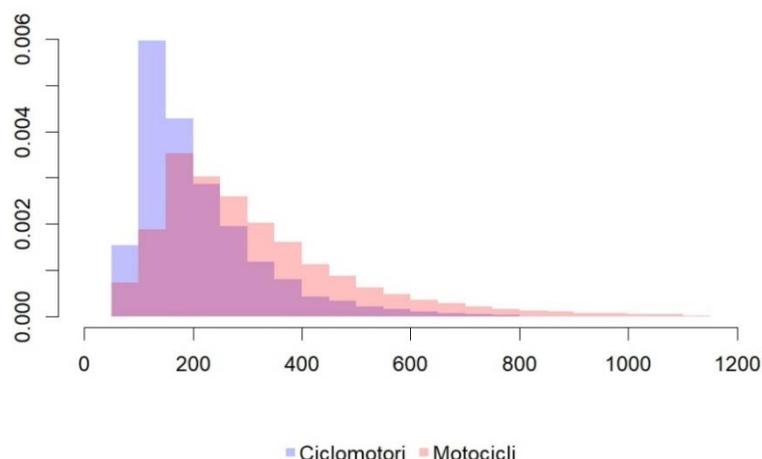


Table II.1

Statistics of the average premium for motor liability in the 4th quarter 2024							
	10th percentile	Average	Median	Interquartile difference	90th percentile	Standard deviation	Coefficient of Variation
<b>Mopeds</b>	104.3	217	178.6	131.6	374.0	142.0	65.3
<b>Motorbikes</b>	135.5	319	265.5	209.1	564.7	208.8	65.5

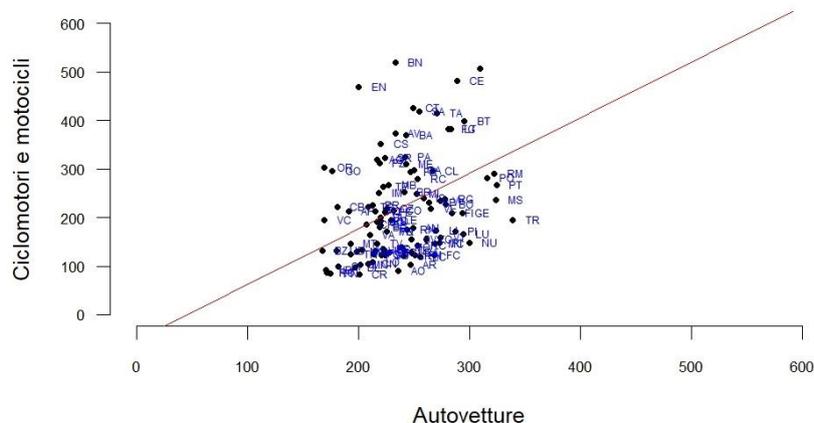
The average premium varies significantly between Italian provinces: for two-wheeled vehicles, the average premium ranges from €180 in Belluno and Bolzano to €555 in Naples. The comparison with passenger cars shows a different territorial distribution of prices between the two segments (fig. II.11). There is a correlation at provincial level between average premiums for passenger cars and two-wheelers, net of the effect of variables that typically influence the determination of the premium<sup>88</sup> (fig. II.12).

<sup>88</sup> An econometric model with provincial fixed effects was estimated on a sample of contracts concluded in the fourth quarter of 2024. For passenger cars, the variables included are: age of the policyholder, bonus class, number of claims in the last 5 years, engine capacity of the vehicle, black box, premium instalments, existence of agreements for premium reduction, compensation in a specific form, driving formula, and company dummy. For mopeds and motorbikes, the subset of variables available compared to passenger cars was used.



Figure II.13

Pure premium<sup>90</sup> for mopeds/motorbikes and cars in 2023



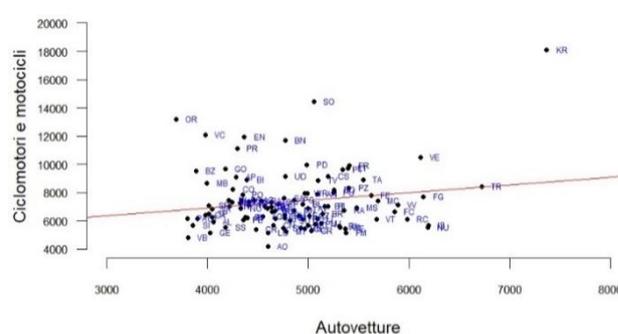
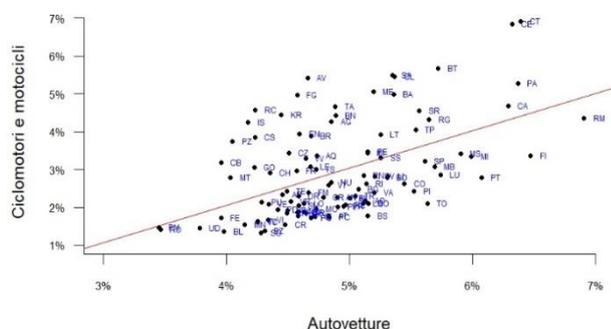
The weak correlation of the pure premium between the two vehicle types corresponds to the distinct provincial distribution of the frequency and average cost of claims<sup>91</sup>. The limited correlation between the average cost of claims for mopeds/motorbikes compared to passenger cars suggests a different degree of severity of the related claims (fig. II.14).

Figure II.14

Frequency and average cost of claims<sup>92</sup> for mopeds, motorbikes and cars in 2023

a. Frequency

b. Average cost



The distribution of policyholders by bonus class differs between cars and motorbikes / mopeds: the proportion of policyholders in the first class is 69% and 72% for motorbikes and mopeds, respectively, and 87% for cars. The use of two-wheelers is less prevalent in the older segments of the population, characterised by greater driving experience: the average age of policyholders is 52.8 years for mopeds and motorbikes compared to 54.9 years for passenger cars. Clauses such as the protected bonus are more frequent in contracts for passenger cars than for mopeds and motorbikes (15.2% compared to 8.9%).

<sup>90</sup> The pure premium is calculated using the data of the statistical survey on MTPL technical data. The indicator is gross of the estimated IBNR claims and refers to claims incurred in the year.

<sup>91</sup> The average cost of claims for the motorbike and moped sector is higher than for cars due to the higher incidence of accidents involving injuries (Statistical Bulletin “Insurance Activity in the Motor Insurance Sector - 2018-2023”).

<sup>92</sup> The data used are taken from the statistical survey on MTPL technical data. The indicators are gross of the estimated IBNR claims and refer to claims incurred in the year.

Policyholders in the top bonus classes face steeper penalties for passenger cars than for mopeds and motorbikes, with average premiums being more than double those for policyholders in the top bonus class.

Figure II.15

Distribution of policyholders by bonus class in the fourth quarter of 2024

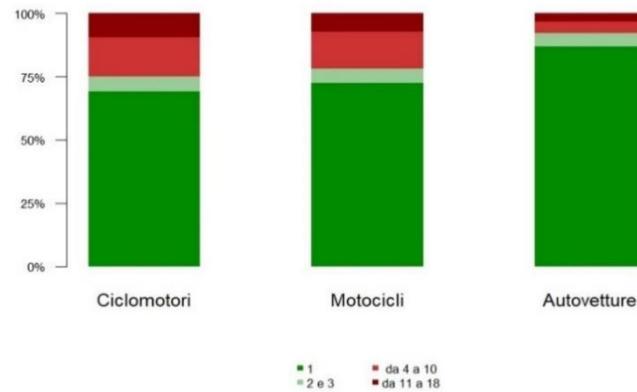
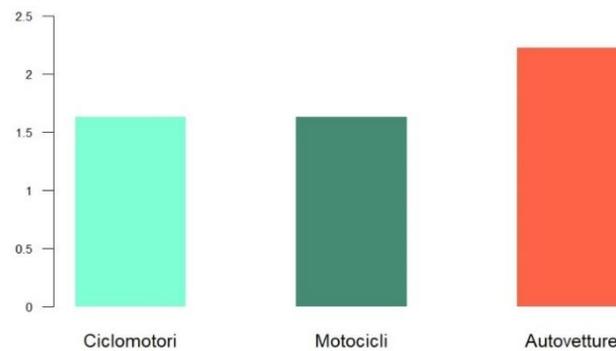


Figure II.16

Ratio of the average premium for policyholders in the bonus classes from 11 to 18 and in class 1 in the fourth quarter of 2024



The market shows various levels of concentration among companies offering motor liability policies for motorbikes, mopeds, and cars. The highest level for the HHI<sup>93</sup> index is recorded for mopeds (1,277), while the values are comparable between motorbikes and cars (720 and 751). The high correlation between market shares in the two sectors (fig. II.17) does not suggest any obvious specialization strategies.

<sup>93</sup> Concentration is measured by the Herfindall Index (HHI), calculated as the number of policies taken out.

Figure II.17

HHI by type of vehicle in the 4th quarter of 2024

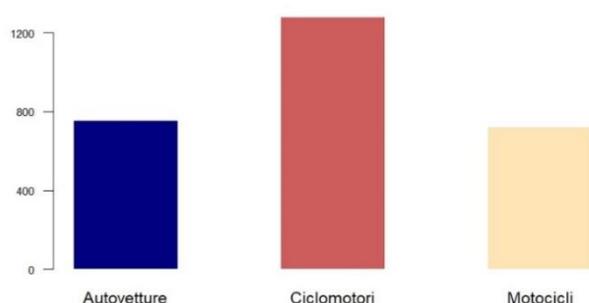
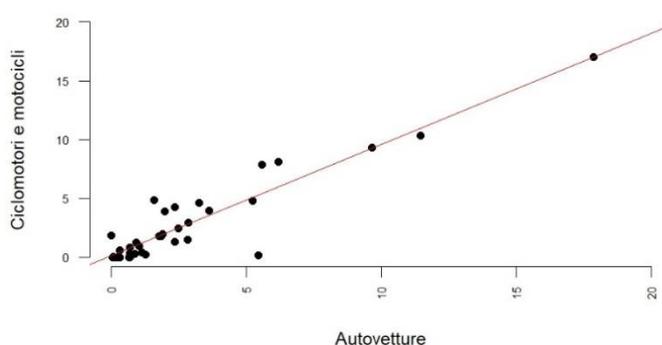


Figure II.18

Market share<sup>94</sup> of undertakings by type of vehicle in the 4th quarter of 2024



### 3. - THE DYNAMICS OF PORTFOLIO DIVERSIFICATION OF CORPORATE ASSETS

Historically, Italian insurance companies have directed their investments towards government bonds far more extensively than European insurance companies<sup>95</sup>.

Over the years, a gradual reduction in the concentration for this asset class can be observed (fig. II.19). The concentration dynamics of the entire portfolio were assessed by examining the distribution across asset categories, business sectors, and issuers from 2019 to 2024. Based on ownership structure<sup>96</sup>, Italian companies were grouped into Italian-owned companies (excluding those owned by banks), foreign-owned companies, and subsidiaries of banking groups.

Between 2019 and 2024, the share of Italian government bonds<sup>97</sup>, calculated in terms of market value with respect to total assets (excluding the assets covering unit-linked policies), decreased by 10.5 percentage points, while the share of foreign government bonds increased by 5 percentage points. The share of unit trusts grew by 1.7 percentage points and the equity component by 2 percentage points. The share of corporate bonds remained stable (-0.3 percentage points). The dynamics of asset concentration at the issuer

<sup>94</sup> The market share of each undertaking is calculated as the number of policies taken out.

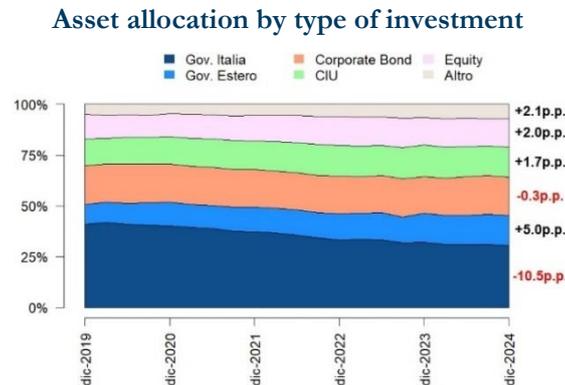
<sup>95</sup> Financial Stability Report No. 1/2025.

<sup>96</sup> Poste Vita and Poste Assicura are excluded from the ownership structure classification, but are included in the market total. Companies were assigned to the three groups according to their ownership structure: Italian-owned companies accounted for 43.5% of the value of assets at the end of 2024, foreign-owned companies for 11.1% and companies controlled by banking groups for 25.6%.

<sup>97</sup> It includes government securities issued by the Italian State and other public debt securities issued by entities other than the state, such as regions and municipalities.

level confirm a progressive reduction between December 2019 and December 2024, with a 42% decrease in the Herfindahl-Hirschman Index (HHI).

**Figure II.19**



By differentiating companies according to their ownership structure, it is evident that the decline in investments in Italian government bonds is more significant for Italian-owned insurance undertakings (-13.4 percentage points) than for their foreign-owned counterparts (-7.8 percentage points) and undertakings controlled by banking groups (-6.7 percentage points). A reduction in the home bias<sup>98</sup> observed in the past is therefore likely. The redistribution following the reduction of Italian government bonds is heterogeneous according to ownership structures: Italian-owned undertakings increased their incidence of equities (+4.1 percentage points) and unit trusts (+3.6 percentage points), while foreign-owned companies and banking groups increased their incidence of foreign government bonds (+4.2 percentage points and +4.5 percentage points respectively).

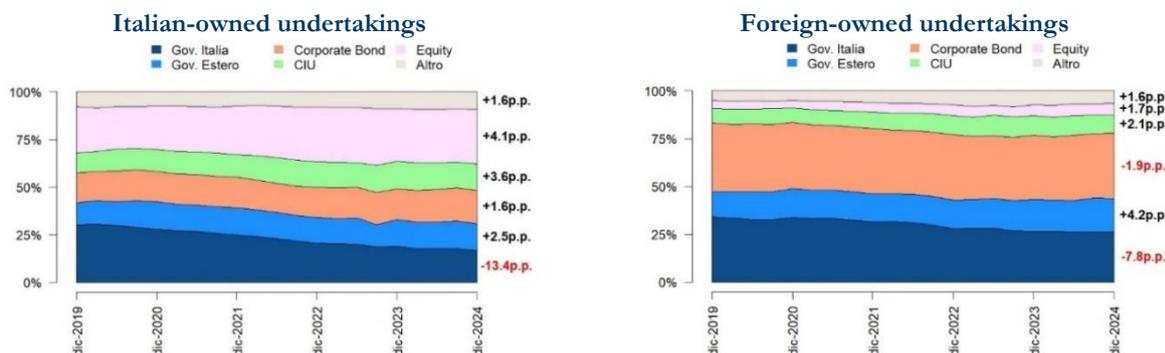
At the end of December 2024, undertakings controlled by banking groups (almost exclusively focused on life business) had portfolios more concentrated on Italian government bonds (44.5%) compared to Italian-owned (17.0%) and foreign-owned (26.4%) insurance companies<sup>99</sup>.

<sup>98</sup> Investors' tendency to prefer investments in their own country of residence, rather than diversify internationally.

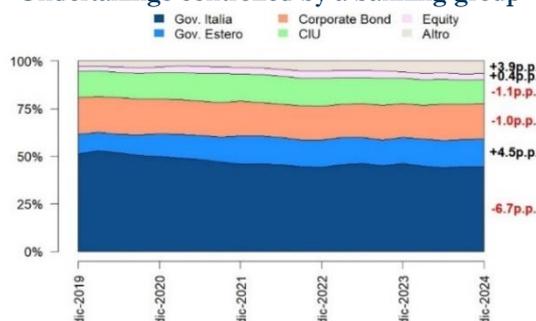
<sup>99</sup> The higher incidence of Italian government bonds among life companies is linked to the need to guarantee a minimum rate of return for with-profit contracts linked to separately managed accounts.

Figure II.20

### Asset allocation by type of investment and ownership structure



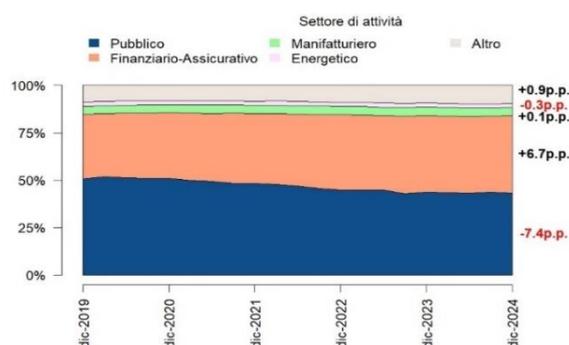
### Undertakings controlled by a banking group



As shown in figure II.21, the breakdown by business sector of the issuers reveals that between 2019 and 2024, there was a progressive reduction in investments in securities issued by public entities (-7.4 percentage points) in favour of an increase in investments in securities issued by companies in the financial-insurance sector (+6.7 percentage points).

Figure II.21

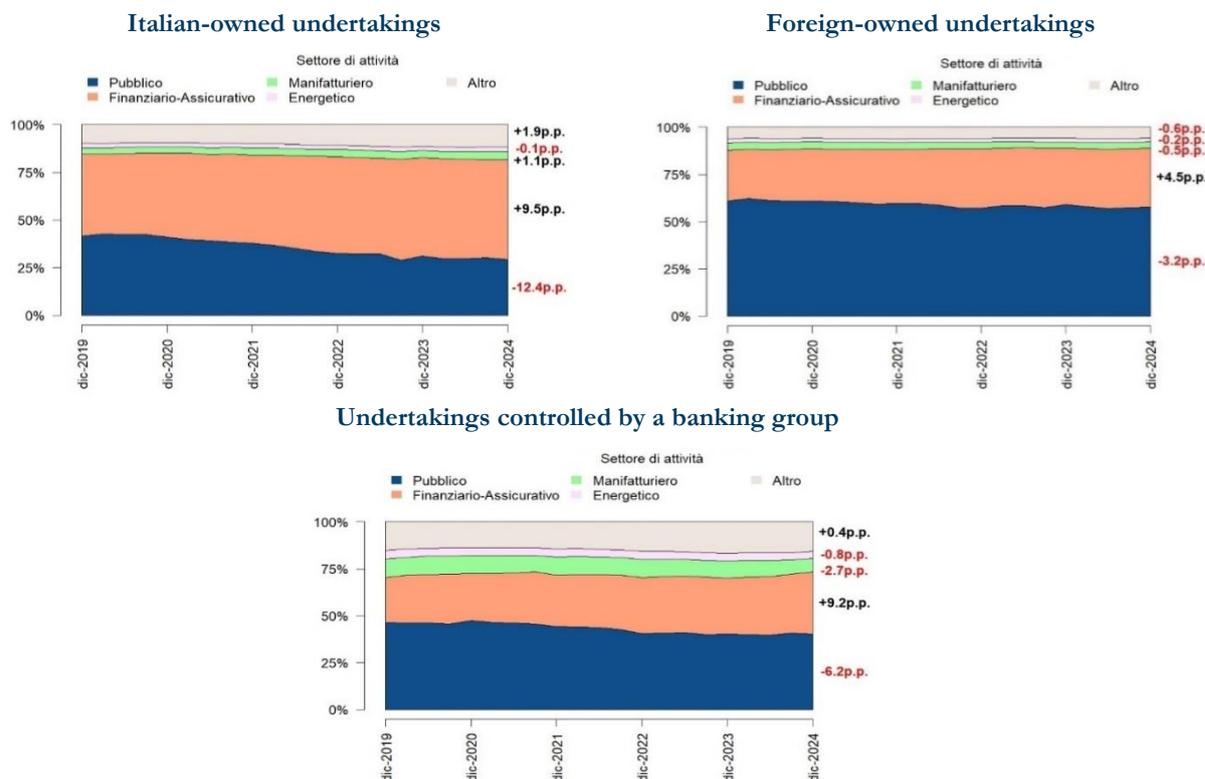
### Asset allocation by sector of activity of the issuer



As previously highlighted, the reduction in public sector investments was more pronounced for Italian-owned insurance undertakings (-12.4 percentage points) and less for foreign-owned (-6.2 percentage points) and bank-owned (-3.2 percentage points) companies.

Figure II.22

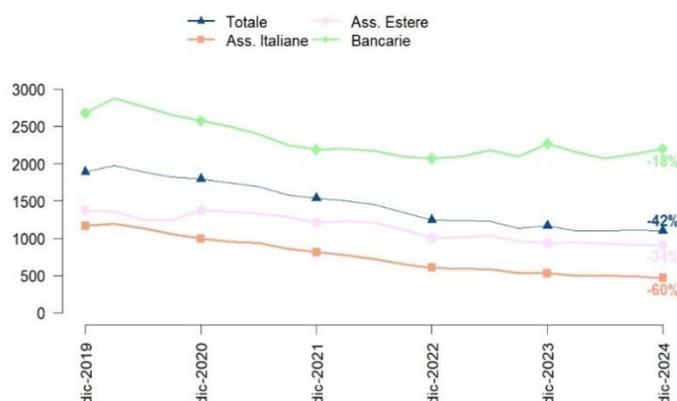
### Asset allocation by sector of activity of the issuer and ownership structure



The Herfindahl-Hirschman index (HHI) provides a quantitative measure of the degree of concentration of the assets of insurance undertakings versus single issuers (fig. II.23)<sup>100</sup>. The dynamics of the HHI confirm a progressive reduction in the indicator between December 2019 and December 2024, with an average market decrease of 42%. This phenomenon is more pronounced for Italian-owned companies, which record a threefold reduction in the indicator compared to undertakings controlled by banking groups.

Figure II.23

### Concentration by issuer (Herfindahl-Hirschman Index) by ownership structure of undertakings



The lower reduction of concentration in the portfolios of companies controlled by banking groups is also influenced by the fact that almost all undertakings in this category operate exclusively in the life

<sup>100</sup> The index ranges from zero to 10,000, with higher values indicating greater concentration.

insurance business, which has historically been characterised by greater investments in Italian government bonds compared to non-life and composite undertakings.

### **III. THE EVOLUTION OF THE REGULATORY ENVIRONMENT**

After a long period of study and experimentation, in December 2024, the IAIS adopted the Insurance Capital Standard (ICS), which establishes globally consistent criteria for evaluating the capital adequacy of internationally active insurance groups (IAIG). The ICS introduces a consolidated risk-based minimum capital requirement applicable to insurance groups operating cross-border.

Directive (EU) 2025/2, amending the Solvency II Directive, took effect on 28 January 2025, introducing new features in proportionality, supervisory quality, disclosure, long-term guarantees, macroprudential instruments, sustainability risks, and cross-border and group supervision. The new rules ease Pillar I requirements, allowing companies to release capital which can be used to finance the ecological transition and support economic recovery. The reform will be finalised with the revision of the delegated acts, the creation of new regulatory instruments, and the update of technical standards and guidelines.

In January 2025 Directive (EU) 2025/1 (*Insurance Recovery & Resolution Directive - IRRD*) was published: it establishes a harmonised framework for the recovery and resolution of insurance and reinsurance undertakings in crisis, aimed to limit the impact on financial stability. The framework will be completed by July 2027, with the adoption of the relevant Technical Standards and guidelines.

The DORA Regulation, which strengthens the cybersecurity and operational resilience of banks, insurance companies, and investment firms in the European financial sector, has become effective since January 17, 2025. In 2024, the definition of level 2 measures provided for by the Regulation was completed. The ESAs are in the process of completing activities related to the governance of the oversight framework, after which they will initiate the supervision of critical ICT service providers that support critical or important functions of financial entities.

Regarding consumer protection, EIOPA has approved the methodology for establishing benchmarks to evaluate the Value for Money of unit-linked and hybrid products, pending the definition of the Retail Investment Strategy. These benchmarks will be used for risk-based supervision, and will be useful to identify products with low VfM for consumers.

At the national level, IVASS, in coordination with the Bank of Italy and Consob, provided technical support to the MEF for the implementation of the European Artificial Intelligence Regulation. The text transposing the Regulation assigns the Bank of Italy, Consob, and IVASS the role of market supervisory authority in their respective areas of competence. The authorities will be involved in defining the national strategy for artificial intelligence.

The Institute's revision of life insurance product regulations is ongoing, aimed at enhancing consumer protection. ISVAP Regulation 38/2011 on separately managed accounts was amended in 2024, allowing the use of the profit fund and the consequent methods for calculating the average rate of return of the separately managed accounts, also for ongoing contracts. The changes aim to strengthen the management flexibility of undertakings and stabilise returns over time.

In the field of sustainable finance, IVASS continued to collect data on ESG risks in the insurance sector, to better understand the impact of physical and transition risks on financial stability. The Institute also contributed to the Coordination Table on Sustainable Finance at the MEF and coordinated the Insurance Protection Gap (IPG) Working Group to enhance the role of insurance in the coverage of physical risks for households and businesses resulting from natural disasters, whether related to climate change or not.

## 1. - THE ACTIVITIES OF THE INTERNATIONAL BODIES

IVASS permanently contributes to the work of the International Association of Insurance Supervisors (IAIS), a body which promotes cooperation and the convergence of supervisory standards at global level. The Institute participates in the IAIS executive committees for the definition of prudential rules, the implementation of harmonised standards and supervisory practices, macro-prudential assessment (including the assessment of systemic risk) and supervision of financial stability (Chap. IV.2). Since 2018, IVASS has been a member of the IAIS' Executive Committee. The issues relating to systemic risk management are also discussed by the Financial Stability Board (FSB).

*Supervision of international insurance groups and capital standard* – On 5 December 2024, following over a decade of development, four public consultations, six field-testing exercises, and five years of monitoring, the IAIS adopted the Insurance Capital Standard (ICS), i.e. the provisions setting out the methods for calculating the capital adequacy of internationally active insurance groups (IAIG) in a globally comparable way. The ICS is the cornerstone of the Common Framework for the Supervision of IAIGs (ComFrame) and introduces a minimum consolidated capital requirement (Prescribed Capital Requirement - PCR) based on the risk to which cross-border groups are exposed. Below this level, supervisors may intervene to restore the group's capital adequacy. The ICS is consistent with the main features of Solvency II and includes internal models among the methods for calculating the requirement.

In 2025, the IAIS began developing a methodology to estimate the implementation of the ICS, with the aim of starting national evaluations in 2027.

*Holistic framework for the mitigation of systemic risk* - In 2022 the FSB suspended the identification of Global Systemically Important Insurers (G-SII), adopting the holistic framework (HF) developed by the IAIS for the assessment and mitigation of systemic risk in the insurance sector<sup>101</sup>. The HF includes enhanced supervisory measures<sup>102</sup>, the annual monitoring of trends in the global insurance market and the potential systemic risk accumulation as well as the assessment of the full and consistent implementation of supervisory measures in all jurisdictions.

In 2025 the FSB will review the HF-based systemic risk assessment and mitigation process and decide whether to reinstate and update the G-SII identification process.

*Global Monitoring Exercise of systemic risk: individual and sectoral component* – The core element of the IAIS holistic framework is the performance of an annual monitoring exercise (Global Monitoring Exercise - GME) on cross-border and industry-wide insurance groups, to observe trends in the market and identify potential trends of systemic risk accumulation at global level in due time. The results were published in the *Global Insurance Market Report* (GIMAR) in December 2024. The IAIS focused its analysis on crucial risks within the current macroeconomic environment - interest rate, liquidity, and credit risks - and examined structural changes in the life insurance sector, including the investment allocation towards alternative assets and high-intensity asset cross-border reinsurance. Regarding the latter, the Macroprudential Supervision Working Group (MSWG), under the presidency of IVASS, drafted the Issue Paper on structural changes in the life insurance sector. The document, whose public consultation was initiated on 19 March 2025<sup>103</sup>, delves into the analysis of the risks that the uninformed use of such instruments may pose to the financial stability of insurers and the financial market.

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<sup>101</sup> <https://www.fsb.org/2022/12/the-fsb-endorses-an-improved-framework-for-the-assessment-and-mitigation-of-systemic-risk-in-the-insurance-sector-and-discontinues-annual-identification-of-global-systemically-important-insurers/>

<sup>102</sup> The 39 standards, 23 related to the ICP and 16 to the ComFrame, relate to the role of supervisors, their powers of intervention, *governance* requirements for companies, macro-prudential supervision, planning and crisis management.

<sup>103</sup> <https://www.iais.org/uploads/2025/03/Public-consultation-Draft-Issue-Paper-on-structural-shifts-in-the-life-insurance-sector.pdf>

## 1.1. - Convergence of supervisory practices in the international arena

*Assessment on the implementation of the holistic framework* – In 2024, the IAIS continued its review of the implementation of the holistic framework by launching the second Targeted Jurisdictional Assessment (TJA) exercise to evaluate the degree of implementation of HF supervisory principles and practices across an additional six countries, including Italy. The verification will continue in 2025 and conclude with a report in 2026.

*Review of the holistic framework standards* – Following the approval of the HF and the preliminary outcomes of the TJA exercises, the IAIS committed to updating the Insurance Core Principles and ComFrame standards to enhance their clarity and ensure consistent interpretation. The proposed revisions were adopted in December 2024<sup>104</sup> and affected ICP 12 (*Exit from the Market and Resolution*), as concerns the resolution planning and powers and the corresponding ComFrame material, and ICP 16 (*Enterprise Risk Management for Solvency Purposes*), as regards counterparty's risk, liquidity risk and related contingency funding plans, as well as pre-emptive recovery plans.

*Insurance Core Principles and peer review* – The Institute has been committed to adopting the principles developed by the IAIS for effective and coordinated global insurance supervision. The IAIS assesses compliance by each Member State to the international supervisory standards (ICP) via a compliance programme involving peer reviews. In 2024, the review of ICP 16<sup>105</sup>, in which IVASS participated, was completed. The next review in 2025 will concern ICP 13 (Reinsurance and other forms of risk transfer).

*Resolution of insurance companies* – The Institute's engagement in the work of the IAIS and the FSB on the resolution of insurance entities continued into 2024. The contribution concerned the revision, in the draft amendment to the IAIS holistic framework, of the ICP 12 (*Exit from the Market and Resolution*) and ICP 16.15 on pre-emptive recovery plans.

The IAIS has maintained close collaboration relations with the FSB, to which it provides its evaluations on the outcomes of the HF implementation that support the FSB's analyses and considerations on systemic risk and policy measures in the insurance sector. Based on this information exchange to determine the scope of the FSB standards (Key Attributes), the Board published for the first time in 2024 on the website and in the Resolution Report a list of insurers<sup>106</sup> identified by the national authorities as subject to the FSB resolution planning standards<sup>107</sup>. The purpose of this publication is to inform about the preparedness to address potential crises as well as the consistent application of standards to the reported insurers, without implying that these insurers are systemically important. The publication will be annual and will provide the basis for future work, including the development of a guide for consistency in the application of standards.

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<sup>104</sup> <https://www.iais.org/uploads/2025/03/IAIS-ICPs-and-ComFrame-December-2024.pdf>

<sup>105</sup> <https://www.iais.org/2024/10/iais-publishes-aggregate-report-on-the-peer-review-process-on-icp-16-enterprise-risk-management-for-solvency-purposes/>

<sup>106</sup> <https://www.fsb.org/work-of-the-fsb/market-and-institutional-resilience/crisis-management-and-resolution/insurers-subject-to-resolution-standards/>. This is a dynamic list subject to change following legislative revisions and national reforms on insurance crisis resolution. Assicurazioni Generali is present for Italy.

<sup>107</sup> The *Resolution Planning Standards (RPS)* are consistent with the *Key Attributes of Effective Resolution Regimes for Financial Institutions*.

## 2. - THE EVOLUTION OF EUROPEAN REGULATIONS

### 2.1. - Legislative initiatives under discussion or approved

*Communications and guidelines of the European Commission* – In January 2025, the Commission presented the Competitiveness Compass, defining the roadmap to restore Europe’s dynamism and boost its economic growth.

#### THE COMPETITIVENESS COMPASS

The compass builds on the analysis of President Mario Draghi’s report on the future of European competitiveness and provides a strategic framework to guide the work of the Commission. The report identified three imperatives to boost EU competitiveness:

- closing the innovation gap;
- adopting a joint roadmap for decarbonization and competitiveness;
- increasing security and reducing excessive dependencies.

The report sets out an approach and measures to translate these necessities into reality. To complement these three pillars, the compass introduces five horizontal enablers to increase competitiveness across all sectors: simplifying the regulatory environment, reducing barriers in the single market, financing competitiveness, promoting skills and quality jobs, better coordinating policies at EU and national level.

A report will be prepared each year to monitor the progress made.

In its subsequent communication of March 19, 2025, on the Savings and Investment Union Strategy (SIU), the Commission outlines policy actions to channel private investment towards growth sectors. With reference to the financial and insurance sector, the Commission:

- undertakes to facilitate agreement between Parliament and Council on the Retail Investment Strategy (RIS) provided that the primary objectives of the strategy are respected, announcing that, if this is not the case, the Commission will not hesitate to withdraw the proposal;
- together with the European Investment Bank (EIB) Group, the European Stability Mechanism (ESM) and some national banks, will explore how to increase opportunities for retail investors to access financial products suitable to their needs;
- will issue a Communication by the third quarter of 2025 to outline a strategy for financial education;
- will propose by the fourth quarter of 2025 measures to strengthen supervisory convergence tools, and make a proposal for a European-level integrated supervision, including by transferring certain tasks to EU Authorities.

The Institute will monitor the Commission's initiatives and contribute by providing its usual technical support to the competent Ministries and participating in the international fora of which it is a member.

*Negotiations on the Retail Investment Strategy* – After the adoption of the compromise texts by the European Parliament and the Council in spring 2024, negotiations stalled for the entire six months of the Hungarian Presidency. The reopening by the Polish Presidency in March 2025 aims to reduce the complexity of the rules in the original Commission proposal and the compromise texts approved by the Council and Parliament, especially concerning the issues of inducements and Value for Money. The Commission's simplification proposal elicited varied responses from the delegations within the Council, preventing the establishment of a position for resuming negotiations with the Parliament, which will continue under the Danish Presidency.

*The negotiation on the European Regulation on Financial Data Access (FiDAR)* – Negotiations continued in the EU Council on a compromise text on the European Open Finance Regulation to promote access to

financial data (*Financial data Access Regulation - FiDAR*). The analysis of the proposal, presented by the Commission in June 2023, highlighted the need to balance the aim of supporting innovation and competition with the opportunity to consider sustainability and the costs for data holders (banks, insurance companies, and financial intermediaries). Among the topics receiving particular attention are the oversight of the subjects authorised to access the data (financial institutions or financial information service provider - FISP), the definition of the scope, and the regulation of major digital platforms (*gatekeepers*)<sup>108</sup>. Following discussions between the Member State delegations, a General Approach was approved on 4 December 2024. This, alongside the compromise text defined by the EU Parliament in December 2023, will serve as the basis for future discussions in the Trilogue between the co-legislators, which commenced in March 2025. IVASS, in coordination with the other financial supervisory authorities, will continue to follow the negotiations by providing technical support to the Ministry of Economy and Finance.

## 2.2. - The European Supervisory Authorities

*EIOPA's works on Solvency II review* – On 8 January 2025, Directive (EU) 2025/2 amending Directive (EU) 2009/138 (Solvency II) was published in the Official Journal of the European Union. The Revision Directive entered into force on 28 January 2025, and will be applicable from 29 January 2027. It lays down new rules on proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision. Member States shall adopt the laws, regulations and administrative provisions necessary to comply with these amendments by the date of application.

In 2024, the Expert Group on Banking, Payment and Insurance (EGBPI) resumed discussions on the revision of the delegated acts of the Solvency II Directive, which continued until the first quarter of 2025; the publication of the amended text is expected in January 2026.

The Directive gives EIOPA a mandate to develop new regulatory tools and amend existing ones. EIOPA has prioritized the development of 22 new tools and the revision of 20 existing ones, which will be put out for consultation each time.

Regulatory tool	Expected release date
New technical standards (TS), including 6 Regulatory Technical Standards (RTS) and 1 Implementing Technical Standard (ITS) <sup>109</sup>	Within one year of the entry into force of the Revision Directive (January 28, 2026)
Revision of the technical standards in force (ITS)	Within 18 months of the entry into force of the Revision Directive (January 28, 2026)
4 new sets of guidelines <sup>110</sup> and Revision of 6 sets of existing guidelines	Within 21 months of the entry into force of the Revision Directive (January 28, 2026)

<sup>108</sup> The *Digital Market Act* (Reg. 2022/1925 of 14 September 2022) identifies as *gatekeeper* large digital platforms providing services such as online search engines, app stores, and messenger services. These are companies that have a significant impact on the internal market, provide an essential platform service that acts as an important access point (*gateway*) for business users to reach end users, and hold a well-established and lasting position within their activities, or are expected to acquire such a position in the near future. The Commission designated a first group of gatekeepers [https://digital-markets-act.ec.europa.eu/gatekeepers\\_en](https://digital-markets-act.ec.europa.eu/gatekeepers_en).

<sup>109</sup> RTS (Regulatory Technical Standards) are EC delegated regulations or decisions adopted upon the proposal of the respective ESAs (based on Art. 290 TFEU); they are subject to the control of the Council and the Parliament. ITS (Implementing Technical Standards) are regulations or decisions laying down implementing technical standards, i.e., implementing acts adopted by the EC upon the proposal of the respective ESAs on the basis of Article 291 TFEU. These are technical standards that do not imply strategic decisions or political choices.

<sup>110</sup> (i) *Guidelines on exclusion of undertakings from the scope of group supervision*; (ii) *Guidelines on the notion of diversity*; (iii) *Guidelines on supervisory powers to remedy liquidity vulnerabilities*; (iv) *Joint Guidelines on ESG stress testing*.

The Institute is actively involved in the aforementioned efforts, many of which hold strategic significance for the Italian insurance market, by participating in working groups and steering committees (Policy Steering Committee, chaired by IVASS and the Supervisory Steering Committee). Moreover, IVASS, together with the relevant Ministries, participates in EGBPI meetings to oversee amendments to the Delegated Acts and manages the adaptation of national legislation to align with changes in the Solvency II framework.

#### SAMPLE IMPACT ANALYSIS ON THE ITALIAN MARKET

IVASS conducted a sensitivity analysis to evaluate the overall impact of changes to the main quantitative components of the prudential framework<sup>111</sup>, as well as the effects of the proposed amendments to the Volatility Adjustment (VA) under discussion in the Delegated Regulation negotiations. The results of the survey<sup>112</sup> indicate that the revision would have a substantial effect on the capitalisation level of the Italian market, resulting in an average increase in the solvency ratio by 14 percentage points. The improvement in the solvency position is mainly due to the increase in own funds following the reduction in the risk margin and the VA revision. Sensitivity analyses conducted under conditions of credit spread shocks reveal that the new VA can mitigate balance sheet volatility for insurance companies but in some cases results in overcompensation effects. In the intention of European legislators, the easing of capital requirements for insurance companies should be aimed at financing the green and digital transition and supporting the economy; however, the new provisions do not provide binding mechanisms to ensure that the release of capital is actually directed to these purposes.

EIOPA's works on IRRD – Directive (EU) 2025/1<sup>113</sup> (*Insurance Recovery & Resolution Directive - IRRD*) was published in the OJEU of 8 January 2025: it establishes a harmonised framework for the recovery and resolution in the insurance sector. It introduces minimum harmonisation rules aimed at guaranteeing the effective resolution of failing insurance and reinsurance undertakings, allowing authorities to act swiftly and decisively, even across borders.

The European regulatory framework will be integrated by 19 regulatory instruments to be defined between 18 and 30 months following the entry into force of the IRRD (29 January 2025). For their elaboration, EIOPA established a working group, in which the Institute actively participates, and drafted a detailed work plan that prioritises instruments with shorter deadlines with respect to those that are more complex or interconnected. The European process of adopting the provisions will be preceded by a public consultation. The first tranche of the work involved the development of the following eight regulatory tools:

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<sup>111</sup> *Risk margin*, extrapolation of the risk-free rate curve, *Volatility Adjustment*, *SCR Interest rate risk*

<sup>112</sup> Conducted on a sample of 15 individual undertakings and 7 main Italian groups, on the reference date of 31 December 2023.

<sup>113</sup> Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129. This Directive entered into force twenty days following its publication. The new rules will apply two years after their entry into force.

Regulatory tool	Deadline for adoption
RTS to further specify the information that a (re)insurance undertaking must include in the pre-emptive recovery plan	18 months (29 July 2026)
RTS on the criteria for determining the requirements of pre-emptive recovery planning and on the methods to be used for determining market shares	18 months (29 July 2026)
RTS on contents of the resolution plan (including the group resolution plan)	18 months (29 July 2026)
RTS on operational functioning of resolution colleges	18 months (29 July 2026)
ITS on procedures and information (forms and templates) for resolution plans	18 months (29 July 2026)
Guidelines to further specify the criteria for the identification of critical functions	24 months (29 January 2027)
Guidelines to further specify the matter and criteria for the assessment of resolvability of undertakings and groups	24 months (29 January 2027)
Guidelines on removing impediments to resolvability and circumstances in which each measure can be implemented	30 months (29 July 2027)

Additionally, the Institute participates in the IRRD Implementation Forum established by EIOPA, aimed at promoting dialogue among Member States in implementing the Directive at the national level.

*EIOPA's works on digital finance* – In 2024, EIOPA established a Digital Finance Steering Committee to promote consumer protection and financial stability through regulation and supervision in areas affected by digitisation and to contribute to a common European approach to technological innovation in the insurance sector. Within the DFSC, of which IVASS is a member, working groups focused on Artificial Intelligence and Digital Operational Resilience have been formed, alongside the Forum on Financial Innovation.

The Committee discussed documents concerning artificial intelligence (AI) intended to clarify the market about the application profiles of the European Regulation (AI Act) and to provide guidelines to national authorities to encourage the convergence of supervisory practices. The Committee supports EIOPA's participation as an observer in the subgroup focused on the use of AI in the financial sector, promoted by the AI Board established at the Commission (DG FISMA).

The Opinion on Artificial Intelligence governance and risk management was subject to public consultation with the aim of approval by the end of 2025<sup>114</sup>. The document seeks to outline the supervisory expectations for artificial intelligence systems that are not high-risk and therefore are not covered by the AI Act, which governs high-risk systems. The Opinion aims to facilitate the convergence of supervisory practices and provides clarifications on interpreting the current governance and risk management provisions within the sectoral framework (Solvency II and IDD) when adopting AI systems. EIOPA proposes that insurance undertakings adopt governance and risk management systems in the areas of fairness, data governance, documentation/record keeping, transparency/explainability and human oversight and conduct a risk assessment of medium- and low-risk AI systems to identify the relevant safeguards according to proportionality.

*Consumer Protection* – The EIOPA Committee on Consumer Protection and Financial Innovation (CCPFI), chaired by IVASS, drafted documents aimed at the convergence of market conduct supervision and at providing guidance for insurance operators. In 2024, the Institute was involved in the follow-up of

<sup>114</sup> [https://www.eiopa.europa.eu/eiopa-seeking-feedback-its-opinion-artificial-intelligence-governance-and-risk-management-2025-02-12\\_en](https://www.eiopa.europa.eu/eiopa-seeking-feedback-its-opinion-artificial-intelligence-governance-and-risk-management-2025-02-12_en)

the thematic review on the risks to the consumer arising from the distribution of insurance products in combination with credit products<sup>115</sup>. In addition to the surveys and supervisory initiatives conducted at the national level to investigate the critical issues that emerged from the Thematic Review, IVASS worked with EIOPA on the second data collection aimed at supporting the assessment of the concrete impact of the follow-up actions in terms of results for consumers, This with a view to assessing whether after the adoption by the national authorities of the specific actions against outliers and the implementation by the industry of the warning issued by EIOPA, the critical issues that emerged from the survey still persist. The results of the survey showed a general improvement in the situation compared to 2020, including in Italy. In 2024, a thematic review was launched to investigate how insurance undertakings treat consumers with chronic illnesses and disabilities when defining insurance coverage and exclusions.

The Institute contributed to the drafting of the 13th Consumer Trends Report<sup>116</sup> and the preparation of the seventh EIOPA report on the costs and performances of insurance-based investment products designed for retail customers and pension products (*Costs and past performance report*<sup>117</sup>), containing a verification of the transparency and comparability of the products, to the benefit of consumers.

IVASS actively follows the drafting of the third report on the implementation of the (EU) Directive 2016/97 (IDD) and contributes to the drafting of the Q&A to facilitate convergence in the interpretation of EU regulations on insurance distribution and in the exercise of the national supervision<sup>118</sup>. The Institute has also contributed to the drafting of the fifth EIOPA report on administrative sanctions and other measures imposed by national authorities for the violation of provisions implementing the Directive<sup>119</sup>.

With the publication of the *Supervisory Statement on exclusions in insurance products related to risks arising from systemic events*<sup>120</sup>, EIOPA has explored the issue of events excluded from insurance coverage for systemic risks. Following the public consultation on strategies to address the NatCat protection gap due to insufficient consumer demand<sup>121</sup>, EIOPA initiated a voluntary exercise, culminating in the publication of a report<sup>122</sup> to assess the clarity of coverage and exclusions in NatCat products, based on an analysis of home and property products sold by a sample of undertakings.

IVASS was actively involved in the first coordinated EIOPA mystery shopping exercise concerning the distribution of IBIPs. The Institute took part in the revision of the Decision of the EIOPA Board of Supervisors on the cooperation of the competent authorities with regard to the application of the IDD<sup>123</sup>, strengthening the exchange of information between authorities responsible for the preventive supervision of intermediaries.

*EIOPA methodology on the value for money benchmark for unit-linked and hybrid products*<sup>124</sup> – IVASS gave its contribution to the definition of EIOPA methodology on the value for money benchmark for unit-linked and hybrid products.

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<sup>115</sup> *EIOPA calls for better value for money in bancassurance in warning to banks and insurers* ([https://www.eiopa.europa.eu/eiopa-calls-better-value-money-bancassurance-warning-banks-and-insurers-2022-10-04\\_en](https://www.eiopa.europa.eu/eiopa-calls-better-value-money-bancassurance-warning-banks-and-insurers-2022-10-04_en)).

<sup>116</sup> [https://www.eiopa.europa.eu/publications/consumer-trends-report-2024\\_en](https://www.eiopa.europa.eu/publications/consumer-trends-report-2024_en)

<sup>117</sup> [https://www.eiopa.europa.eu/publications/costs-and-past-performance-report\\_en](https://www.eiopa.europa.eu/publications/costs-and-past-performance-report_en)

<sup>118</sup> The replies provided by EIOPA are not binding for the member states, which maintain discretion on the implementation of EU legislation.

<sup>119</sup> [https://www.eiopa.europa.eu/eiopa-publishes-annual-report-sanctions-under-insurance-distribution-directive-2023-2025-01-29\\_en](https://www.eiopa.europa.eu/eiopa-publishes-annual-report-sanctions-under-insurance-distribution-directive-2023-2025-01-29_en)

<sup>120</sup> [https://www.eiopa.europa.eu/system/files/2022-09/supervisory\\_statement\\_on\\_exclusions\\_related\\_to\\_risks\\_arising\\_from\\_systemic\\_events.pdf](https://www.eiopa.europa.eu/system/files/2022-09/supervisory_statement_on_exclusions_related_to_risks_arising_from_systemic_events.pdf)

<sup>121</sup> [https://www.eiopa.europa.eu/publications/revised-staff-paper-measures-address-demand-side-aspects-natcat-protection-gap\\_en](https://www.eiopa.europa.eu/publications/revised-staff-paper-measures-address-demand-side-aspects-natcat-protection-gap_en)

<sup>122</sup> [https://www.eiopa.europa.eu/publications/natural-catastrophes-your-home-covered\\_en](https://www.eiopa.europa.eu/publications/natural-catastrophes-your-home-covered_en)

<sup>123</sup> *Decision on the Cooperation of Competent Authorities under the IDD - EIOPA* ([https://www.eiopa.europa.eu/publications/decision-cooperation-competent-authorities-under-idd\\_en](https://www.eiopa.europa.eu/publications/decision-cooperation-competent-authorities-under-idd_en)).

<sup>124</sup> [https://www.eiopa.europa.eu/eiopa-presents-its-value-money-benchmark-methodology-unit-linked-and-hybrid-insurance-products-2024-10-07\\_en](https://www.eiopa.europa.eu/eiopa-presents-its-value-money-benchmark-methodology-unit-linked-and-hybrid-insurance-products-2024-10-07_en)

The methodology was defined by EIOPA after a public consultation conducted in 2023 and a pilot exercise, in which Italy participated. This exercise was aimed at testing the feasibility of the benchmarks and defining the information necessary for their determination.

#### **METHODOLOGY ON THE VALUE FOR MONEY (VFM) BENCHMARK**

The methodology builds on the work that EIOPA has been conducting since 2020 on VfM and follows the publication of the *Supervisory Statement on assessment of value for money of unit-linked insurance products under product oversight and governance* on November 30, 2021<sup>125</sup> and the *Methodology for assessing value for money in the unit-linked market* on October 31, 2022<sup>126</sup>.

The benchmarks are intended for supervisors as a risk-based supervisory tool for identifying unit-linked and hybrid products with poor or no value for money risk for consumers, which, as such, require a more detailed level of analysis. The surveys conducted by EIOPA (see also the Consumer Trends Report) revealed that, while products with low value for money are not widespread, their presence in the market not only harms the consumers who have purchased them but can also significantly impact the trust those consumers have in insurance products.

The methodology outlines a three-step approach to create reference benchmarks:

1. Definition of product clusters. Unit-linked and hybrid products are highly diverse across Europe and the same benchmarks cannot be applied to all products. Therefore, the first step is to cluster products with similar features into groups based on policyholders' needs. The benchmarks methodology sets out a list of criteria for categorising products (clustering features) and makes it possible to compare products distributed across Europe.
2. Value-for-money indicators. The methodology defines indicators for costs and returns used to calculate the benchmarks for each cluster, compare products and identify those that offer poor or no VfM to be subject to more supervisory scrutiny;
3. Data collection for setting benchmarks. To help minimize the burden on undertakings, EIOPA will use the data it collects for the Costs and Past Performance report.

The methodology and data collection questionnaire will be revised, where necessary, to ensure that the benchmarks remain appropriate over time, based on experience gained. The benchmarks are a tool to support risk-based supervision; they will be disseminated to the Authorities once the methodology is deemed sufficiently reliable.

### **2.3. - EIOPA initiatives on the convergence of supervisory practices**

EIOPA publishes, on an annual basis, the Supervisory Convergence Plan which identifies priority areas for action following a risk-based approach and the following criteria:

- areas with a material impact on policyholders and financial stability;
- areas that may affect the fairness, level playing field or proper functioning of the internal market through possible supervisory arbitrage;
- key areas of supervision where practices differ substantially.

Among the topics covered in 2024, the following are noteworthy:

- the Statement on the supervision of reinsurance underwritten with non-EU insurance and reinsurance companies published on 4 April 2024, which outlines supervisory expectations to mitigate risks arising from regimes that have not been deemed equivalent to Solvency II. The Statement underlines the importance of early dialogue with supervisory authorities. This includes

<sup>125</sup> [https://www.eiopa.europa.eu/publications/supervisory-statement-assessment-value-money-unit-linked-insurance-products-under-product-oversight\\_en](https://www.eiopa.europa.eu/publications/supervisory-statement-assessment-value-money-unit-linked-insurance-products-under-product-oversight_en)

<sup>126</sup> [https://www.eiopa.europa.eu/eiopa-issues-its-methodology-assessing-value-money-unit-linked-market-2022-10-31\\_en](https://www.eiopa.europa.eu/eiopa-issues-its-methodology-assessing-value-money-unit-linked-market-2022-10-31_en)

supervisory considerations on how to assess reinsurance agreements and the risk management systems of companies using third-country reinsurers;

- Peer review on the Prudent Person Principle (report published on 2 May 2024), which investigated issues related to Solvency II supervision on the application of the Prudent Person Principle for investments in non-traditional and/or illiquid assets, including derivatives held for hedging or effective portfolio management purposes, and investments to hedge index or unit-linked products. The outcomes of the peer review underscore the effectiveness of IVASS's approach to investments in non-traditional and/or illiquid assets, with the Institute ranked among the authorities in the best evaluation bracket, having received no specific recommendations;
- Opinion on the supervision of captive insurance and reinsurance undertakings published on 2 July 2024;
- Joint ESA Guidelines on Fit & Proper, published on 20 November 2024, aimed at clarifying the use by competent authorities of the centralised ESA Information System platform to exchange information on the good repute and professional requirements of holders of qualifying holdings, board members, and key function holders in financial entities and financial market participants. Issued in accordance with Article 31a of the EIOPA Regulation, the guidelines pertain to natural and legal persons and, in the insurance sector, refer to roles held within insurance companies or insurance intermediaries. The ESA Information System will be managed by EIOPA and will be accessed by the insurance supervisory authorities and the ESAs. During the first phase of populating the platform, the document specifies the criteria for integrating the historical archives available to the authorities into the database, along with guidelines for the continuous updating of information as it becomes available;
- Statement on foreseeable dividends published on 20 February 2025. In order to ensure homogeneity of approach for the deduction of foreseeable dividends of the current year from own funds, EIOPA published a Statement<sup>127</sup> in which it outlined its supervisory expectations regarding the deduction methods;
- Peer review on stochastic valuations of technical provisions (report published on 5 March 2025) that analysed the supervision of stochastic valuation of technical provisions for life products with options and guarantees. The report includes recommendations to national authorities (IVASS is not mentioned) aimed at enhancing the identification of options and guarantees within their markets, monitoring their significance over time, and developing specific national guidance or bolstering the supervision of stochastic valuation. The Peer Review also identified good practices to support supervisors regarding the implementation of a regulatory framework, the supervision of the identification of options and safeguards, and the tools employed by national authorities to monitor the use of stochastic valuations.

*Joint Committee of the European Supervisory Authorities* – In 2024, the focus of the ESA Cooperation Forum (Joint Committee) was on Packaged Retail Investment and Insurance-based Investment Products (PRIIPs), financial conglomerates, sustainable finance, as well as the DORA Regulation.

The work on PRIIPs comprised drafting Q&As intended to foster convergence of supervision and support operators in the practical application of European reference regulations. These include the changes to the RTS provided for in Delegated Regulation (EU) 2017/653, effective from 1 January 2023. A summary table was published detailing the current requirements in Member States regarding the official

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<sup>127</sup> Among the different deduction methods, the statement also includes the accrued approach.

[https://www.eiopa.europa.eu/publications/supervisory-statement-deduction-foreseeable-dividends-own-funds-under-solvency-ii\\_en](https://www.eiopa.europa.eu/publications/supervisory-statement-deduction-foreseeable-dividends-own-funds-under-solvency-ii_en)

language of drafting the KID and any potential requirement for prior notification of the same document to the competent authority for PRIIPs marketed in the respective Member State<sup>128</sup>.

In addition to the annual update of the list of conglomerates with parent companies in the EU and EEA countries, the Committee continued its examination of the questions received from the ESAs and the Joint Committee on the application as of December 31, 2023, of the Implementing Regulation EU 2022/2454. This Regulation lays down technical standards for the harmonised reporting of information on risk concentrations and intra-group transactions at the financial conglomerate level. The Committee continued its analysis of issues related to the calculation of capital adequacy in order to define the relevant harmonised reporting templates for supplementary supervision information.

#### **DORA - DIGITAL OPERATIONAL RESILIENCE<sup>129</sup>**

The DORA Regulation<sup>130</sup>, effective since January 17, 2025, contributes to strengthen the cybersecurity of banks, insurance companies, and investment firms and aims to increase the resilience of the European financial sector also in the event of serious operational crisis.

Alongside the Regulation and the Directive, the regulatory package also includes Level 2 measures (Commission delegated acts, RTS, and ITS) to which the Institute actively contributed by participating in working groups and committees within the ESAs. Among the RTS there are, in particular, those specifying: a) the criteria for the classification of ICT (*Information Communication Technology*)-related incidents and cyber threats, setting out materiality thresholds and specifying the details of reports of major incidents; b) the content of the policy regarding contractual arrangements on the use of ICT services supporting critical or important functions provided by ICT third-party service providers; c) ICT risk management tools, methods, processes, and policies (OJ EU 25 June 2024).

In 2025 the RTS on harmonisation of conditions enabling the conduct of the oversight activities were published (OJ EU 13 February 2025); the content and time limits for the initial notification of, and intermediate and final report on, major ICT-related incidents, and the content of the voluntary notification for significant cyber threats (OJ EU 20 February 2025); the criteria for determining the composition of the joint examination team, their designation, tasks and working arrangements (OJ EU 24 March 2025).

It is worth mentioning also the ITS on the standard templates for the register of information in relation to contractual arrangements on the use of ICT services provided by third-party service providers (OJ EU 2 December 2024) and the ITS regarding the standard forms, templates, and procedures for financial entities to report a major ICT-related incident and to notify a significant cyber threat (OJ EU 20 February 2025)

Joint Guidelines were issued to harmonize cooperation between the ESAs and national competent Authorities for the exercise of supervision on critical ICT third-party service providers.

The Institute participates in the High Level Group on Oversight set up by the ESAs to facilitate dialogue with the competent authorities in the establishment of the oversight framework on third-party ICT service providers. The group focused on the collaboration between the ESAs and the Competent Authorities for the establishment of joint teams of examiners, addressing issues related to human resources management and their legal and budgetary implications.

<sup>128</sup> [https://www.esma.europa.eu/sites/default/files/2024-07/JC\\_2024\\_44\\_Table\\_MS\\_language\\_ex\\_ante\\_notification\\_PRIIPs\\_KID\\_CL.pdf](https://www.esma.europa.eu/sites/default/files/2024-07/JC_2024_44_Table_MS_language_ex_ante_notification_PRIIPs_KID_CL.pdf)

<sup>129</sup> See Chap. IV.1.2 for initiatives carried out by the Supervisory Authority, V.1.4 for the involvement of intermediaries, VI.2 for the recording of information in the register.

<sup>130</sup> Relating to the digital operational resilience for the financial sector, which introduces a harmonised framework for the management of risks related to the use of information and communication technology, articulated in four main directions: obligations applicable to financial entities (including governance obligations, reporting to competent authorities, digital operational resilience testing and risk management measures), obligations relating to contractual arrangements with ICT third-party service providers; establishment of a supervisory framework for ICT third-party service providers; cooperation among competent and supervisory Authorities.

At the national level, on March 11, 2025, the Legislative Decree implementing the European DORA regulation was published in the Official Gazette<sup>131</sup>, containing the measures for national adaptation to European provisions. The provisions of the Legislative Decree are applicable, in line with the supranational framework, to insurance companies, large intermediaries, and ICT service providers falling within the scope of DORA. IVASS is recognised among the competent authorities, in line with the supervisory powers set by the relevant national legislation, for enforcing the Regulation and receiving reports of major ICT-related incidents and the voluntary notification for significant cyber threats from supervised entities<sup>132</sup>. The provisions ensure coordination with the competent authorities established under the NIS2 Directive through exchanges of information and mutual cooperation<sup>133</sup>, including through the conclusion of memoranda of understanding.

The Decree governs the supervisory powers over financial entities and third-party ICT service providers that support critical or important functions, ensuring that DORA's competent authorities possess adequate powers to fulfil the duties assigned to them by the European and national regulatory framework<sup>134</sup>. These encompass the power to perform access and inspections on third-party ICT service providers supporting critical or important functions, as well as to summon their managers, statutory auditors, and employees to provide information and present documents.

The power to issue provisions implementing the Decree and the DORA Regulation is also contemplated, also to take into consideration the guidelines from the European Supervisory Authorities, as well as the arrangements for the exercise of supervisory powers. The administrative penalties applicable to operators are detailed, and provide for a framework categorising different levels of responsibility based on the violation committed, through amendments to the relevant sectoral Consolidated Laws.

Finally, the legislative decree has amended Article 30 of the CAP by envisaging that undertakings shall take reasonable steps to ensure continuity and regularity in the activities performed, including the development of contingency plans.

### 3. - THE EVOLUTION OF NATIONAL REGULATIONS

*Directive on the distance selling of financial services (new DMFSD)* – In 2024, the transposition of the Directive on the distance marketing of financial services<sup>135</sup> into national law was initiated, which will take place with the 2024 European Delegation Law. The Institute provided technical input to the MiMIT in the technical table with the other financial supervisory authorities and the AGCM.

Effective from 19 June 2026, the Directive revises the legislation concerning the distance conclusion of financial contracts, including insurance ones, by enhancing consumer protection and establishing a level

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<sup>131</sup> On March 11, 2025, Legislative Decree no. 23 of 10 March 2025 was published in the Official Gazette, General Series, no. 58, containing the provisions to bring national legislation into line with the provisions of Regulation (EU) 2022/2554 (DORA) and implementing Directive (EU) 2022/2556 (DORA) on digital operational resilience for the financial sector.

<sup>132</sup> IVASS is specified as the competent authority for insurance and reinsurance companies, as well as insurance intermediaries, reinsurance intermediaries, and ancillary insurance intermediaries, for ensuring compliance with the obligations outlined in Regulation (EU) 2022/2554 (Article 3 of the legislative decree); reports of serious ICT-related incidents and voluntary notifications of significant cyber threats by supervised entities are also assigned to IVASS (Article 4 of the legislative decree).

<sup>133</sup> When a national authority, in the course of exercising its supervisory or enforcement powers, becomes aware of a breach of the DORA Regulation's reporting obligations by a financial entity, it is required to promptly inform the competent DORA authorities.

<sup>134</sup> Regulation, relevant delegated acts and regulatory and implementing technical standards, DORA Decree and related implementing provisions. Among the powers that can be exercised in relation to financial entities and ICT third-party service providers supporting critical or important functions are, among others, those that allow to: i) require financial entities to temporarily suspend, either in part or completely, the use or deployment of a service provided by the critical ICT third-party service provider; ii) where necessary, require financial entities to terminate, in part or completely, the relevant contractual arrangements concluded with the critical ICT third-party service providers; iii) have access to any document or data that the competent authority considers relevant for the performance of its duties and receive or take a copy of it; iv) carry out on-site inspections or investigations; (v) require corrective and remedial measures for breaches of the requirements of the Regulation.

<sup>135</sup> Directive (EU) 2023/2673.

playing field for financial services concluded online, via telephone, or through other forms of distance marketing. More specifically, it: i) improves the rules on the communication of information by providing, among other things, the obligation for professionals to provide adequate explanations to the consumer; ii) updates pre-contractual information requirements allowing the use of the technique of layering; iii) provides the consumer with the right to request human intervention for websites that use automated tools, for example for advice (*robo-advice*) and customer support (*chat box*); iv) facilitates the exercise of the right of withdrawal from contracts concluded at a distance by means of a withdrawal function that is easily accessible in the service provider's interface; v) introduces additional protection for consumers against presentations on Internet sites that induce users to perform actions that are disadvantageous to them (*dark pattern*).

With reference to the insurance sector, if the policy is concluded at a distance, there is a 14-day period for exercising the right of withdrawal for non-life contracts and a 30-day period for life policies. Member States may exclude consumers from the obligation to pay amounts in the case of withdrawal from an insurance contract, including the expenses incurred by the insurer for the service provided before the withdrawal<sup>136</sup>. This option was exercised in the 2024 European Delegation Law, the approval process of which is still ongoing.

*Revision of the Solvency II Directive* – The European delegation bill, currently under consideration by Parliament, defines the criteria and principles of delegation for the transposition of the Solvency II Revision Directive (par. 2.2). The implementing decree will enable the government to implement EU legislation by January 29, 2027.

*European Single Access Point (ESAP)* – In implementation of the Capital Markets Union, the Commission has adopted three legislative acts<sup>137</sup> establishing a free European single access point, managed by ESMA, providing centralised and digital access to financial and sustainability information on undertakings and investment products.

The information will be transmitted to ESAP by Collection Bodies (OdR - Organismi di Raccolta) designated by each Member State, which will collect the information from companies. Sectoral authorities, including IVASS, may be designated as OdRs, as many of them already acquire the information needed for ESAP purposes.

The delegation criteria for the transposition of ESAP into national law were included in the 2024 European Delegation Law. The MEF has started consultations with the financial sector authorities for the preparation of the draft implementing Legislative Decree. IVASS is providing its technical contribution on the relevant regulatory frameworks.

*Insurance Recovery and Resolution Directive (IRRD)* – Member States must adopt measures implementing the IRRD by January 29, 2027, so that the provisions are applicable from January 30, 2027. Ongoing discussions with the relevant Ministries aim to develop criteria for delegating the implementation of the IRRD into national legislation and to harmonise the European resolution framework with existing domestic

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<sup>136</sup> Art. 16-ter, par. 2.

<sup>137</sup> 1) Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 published in the OJEU of 20.12.2023, establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability; 2) Regulation (EU) 2023/2869 of the European Parliament and of the Council of 13 December 2023 published in the OJEU of 20 December 2023, amending certain Regulations (including the SFDR) as regards the establishment and functioning of the European single access point; 3) Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023 published in the OJEU of 20 December 2023, amending certain Directives (including Solvency II and IDD) as regards the establishment and functioning of the European single access point. The Joint Committee is expected to adopt Implementing Technical Standards (ITS) on the technical aspects of the platform's implementation.

provisions in the CAP<sup>138</sup> and in the Business Crisis and Insolvency Code<sup>139</sup>. The delegation criteria should also identify the national resolution authority, in accordance with the IRRD (par. 2.2).

*European Regulation on Artificial Intelligence (Artificial Intelligence Act - AI Act)* – In July 2024, the European Regulation on Artificial Intelligence (Regulation (EU) 2024/1689)<sup>140</sup> was published in the OJ EU. IVASS, in coordination with the Bank of Italy and Consob, provided technical support to the MEF for the implementation of the Regulation, particularly regarding the adoption of the bill entitled "Provisions and Delegations to the Government on Artificial Intelligence"<sup>141</sup>, which was approved in its first reading in the Senate on 20 May 2024. The text under discussion assigns the Bank of Italy, Consob, and IVASS the role of market supervisory authorities in their respective areas of competence. These authorities will be consulted in the formulation of the Artificial Intelligence Strategy, and their senior representatives will participate in the Coordination Committee at the Presidency of the Council of Ministers, where matters relevant to their competence are discussed. In order to implement the European Regulation, the necessary changes will have to be made to the existing legislation, including the CAP.

### 3.1. - National initiatives to support ministries

*Insurance Arbitrator* - On 24 January 2025, Decree No. 215<sup>142</sup> dated 6 November 2024, issued by the Minister of Enterprises and Made in Italy, in agreement with the Minister of Justice, came into effect, establishing the Insurance Arbitrator in accordance with Article 187.1, paragraph 2, of the CAP. The Institute was actively involved in the dialogue with the above-mentioned Ministries, providing technical input and assessment elements.

The Insurance Arbitrator expands the array of protection mechanisms available to customers by providing an alternative dispute resolution system for conflicts with insurance companies or intermediaries, akin to that offered to users of banking and financial services (ABF and ACF).

Article 13 of the Ministerial Regulation entrusts IVASS with the issuance of detailed technical and implementing provisions to be adopted within four months from its entry into force (24 May 2025) on the following matters: a) membership to the Insurance Arbitrator; b) procedure for the designation and appointment of the members of the panel; c) technical and operational arrangements for the conduct of the panel's meetings; d) activities of the technical secretariat e) conditions for lodging an appeal with the Insurance Arbitrator; f) steps to be taken after the decision; g) publicity of non-compliance with the decision. The provisions were adopted with Administrative Order of 23 May 2025<sup>143</sup>.

*Healthcare liability policies* - In 2024, the Institute provided the competent Ministries with technical support for the preparation of the implementing decrees on insurance matters of Law no. 24 of 8 March 2017 on healthcare liability (Gelli-Bianco law), which have not yet been issued.

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<sup>138</sup> In particular, in Title XVI on safeguards, reorganisation and winding up measures.

<sup>139</sup> Legislative Decree no. 14 of 12 January 2019.

<sup>140</sup> Regulation (EU) 2024/1689 of 13 June 2024, which came into force on 2 August 2024.

<sup>141</sup> <https://www.senato.it/service/PDF/PDFServer/BGT/01449288.pdf>

<sup>142</sup> Regulation on the determination of the criteria for the out-of-court redress procedures for disputes with customers relating to insurance benefits and services arising from insurance contracts, as well as the criteria for the composition of the deciding body and the nature of disputes handled by the systems referred to in Article 187.1 of Legislative Decree no. 209 of 7 September 2005 and subsequent amendments.

<sup>143</sup> [https://www.ivass.it/normativa/nazionale/secondaria-ivass/amministrativi-provv/2025/106122/Disposizioni\\_Attrattive\\_Arbitro.pdf](https://www.ivass.it/normativa/nazionale/secondaria-ivass/amministrativi-provv/2025/106122/Disposizioni_Attrattive_Arbitro.pdf)

The recent issuance of the Decree on the Single National Table for Compensation of Macro-Permanent Injuries<sup>144</sup> to which IVASS has made a significant and proactive technical contribution, constitutes another important step towards completing the regulatory framework in this area.

*Insurance against risks arising from natural disasters*– IVASS provided technical support to the competent Ministries for the preparation of the interministerial decree laying down provisions implementing the 2024 Budget Law that provides for compulsory insurance cover against natural disasters for Italian companies registered in the Companies Register and foreign companies with a permanent establishment in Italy, excluding agricultural businesses, by 31 March 2025<sup>145</sup>.

On 27 February 2025, Interministerial Decree No. 18 of 30 January 2025, issued by the MEF and MiMIT, after consultation with IVASS for relevant expertise, was published in the Official Journal. This decree outlines the implementation and operational procedures of insurance schemes for catastrophe risks, defining the content of the provisions in the primary regulation. To enhance transparency, as well as enable companies bound by the insurance obligation to make informed decisions, the 2023 Competition Law<sup>146</sup> amended the 2024 Budget Law by introducing paragraph 105-bis, which mandates IVASS to manage an IT portal, also using the existing one for motor vehicle liability insurance (Preventivass), for comparing natural catastrophe policies offered by insurance companies. The relevant implementing provisions are entrusted to a MiMIT Decree upon the proposal of IVASS.

IVASS has monitored the parliamentary proceedings of Framework Law No. 40 of 2025 on post-disaster reconstruction. This law introduces provisions that are relevant to the insurance sector, such as the procedure for advance settlement, allowing insurance companies to make a partial payment (30%) of compensation for damages caused by catastrophic events to assets essential for business operations (art. 23). The law also delegates authority to the Government to identify insurance schemes designed to compensate individuals and businesses for damage to buildings caused by natural disasters and catastrophic events (art. 26).

*Establishment of the Life insurance guarantee fund* – The Budget Law 2024<sup>147</sup> set up the Life Insurance Guarantee Fund among member insurance companies and intermediaries<sup>148</sup>, with the aim to protect those entitled to insurance benefits arising from life policies.

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<sup>144</sup> Presidential Decree no. 12 of 13 January 2025, issued pursuant to Article 138 of the CAP.

<sup>145</sup> The initially set deadline of 31 December 2024 was extended to 31 March 2025 by Article 13(1), of the “Milleproroghe” decree (Decree Law 202/2024, converted, with amendments, by Law no. 15 of 21 February 2025). Article 19, paragraph 1-quater of the same Decree-Law, as revised at the time of conversion into law, provides for the extension of the deadline for fulfilling the insurance obligation to 31 December 2025 for fishing and aquaculture enterprises. The subsequent Decree-Law 39/2025 provided for a further extension to 1 October for medium-sized enterprises and to 1 January 2026 for small and micro enterprises. For large enterprises, the deadline remains set at 31 March 2025, with a 90-day extension for the enforcement of Article 1, Paragraph 102 of the 2024 Budget Law, according to which companies will be ineligible for state incentives and public funding if they do not fulfil the insurance obligation.

<sup>146</sup> Article 22 of Law No. 193 dated 16 December 2024.

<sup>147</sup> Law No. 213 dated 30 December 2023. State budget for the financial year 2024 and multi-year budget for the three-year period 2024–2026, article 1(113-122) amended Title XVI of the CAP, introducing measures for the safeguard, reorganisation and winding up of insurance undertakings into the new Chapter VI-*bis* (articles 274-*bis* et seq.).

<sup>148</sup> The following entities shall be required to join the Fund:

- 1) Italian insurance companies authorized to carry on business in one or more life insurance classes and subjects recorded in the Single Register of Insurance Intermediaries (RUI), when the amount of annual premiums, whether directly collected or mediated, in the life classes is 50 million euros or more.
- 2) the branches of non-EU insurance undertakings authorized to carry on business in one or more life insurance classes in Italy, except when they join an equivalent foreign insurance guarantee system.

The fund may also accept as members branches of EU insurance companies operating in Italy in one or more life classes or EU companies operating in Italy in one or more life classes under the freedom to provide services.

Failure to join the Fund or subsequent exclusion from it results in the withdrawal of authorisation to pursue life insurance business or removal from the RUI.

By a decree of the MEF<sup>149</sup>, adopted in agreement with the MiMIT and after consulting IVASS, a panel of three individuals, each with proven experience in the insurance or financial sector, was appointed to convene the Fund's constituent assembly, which took place on 13 December 2024, where the members of the provisional Management Committee were appointed<sup>150</sup>. The Committee is responsible for gathering the initial financial contributions from members (the amount of which was specified, in its first application, by the law establishing the Fund), and for drafting the Fund's Articles of Association to be presented to its members and IVASS for approval.

The Letter to the market dated 18 December 2024<sup>151</sup> provided clarifications on the recognition of both ordinary and extraordinary contributions paid by member companies to the "Life Insurance Guarantee Fund", as described in Chapter VI-bis of the CAP, in the consolidated accounts and financial statements. These methods apply to the financial statements from 31 December 2024.

### 3.2. - Accounting initiatives

*Financial Statement Profiles* - With Order No. 152 of 26 November 2024, an update to ISVAP Regulation No. 7 of 13 July 2007 was issued, which governs IAS/IFRS insurance financial statements, with the aim of fostering information transparency and ensuring an adequate level of comparability of industry data. This measure standardized the disclosure on the margin for contractual services, categorized by the expected timeframe for recognition in the profit and loss account, and introduced three new tables to standardize quantitative information on liquidity risk.

The amendments came into effect starting with financial statements dated 31 December 2024, with the exception of the time distribution by contractual residual life of financial assets and liabilities, which will be implemented from financial statements dated 31 December 2025.

It was clarified that in the preparation of financial statements, insurance companies must take into account the observations and recommendations made by ESMA in its report "*From black box to open book?*" on the evidence noted from the initial application of IFRS 17, published on 25 October 2024.

*Amendments to IVASS Regulation No. 52/2022* – The 2022 Simplification Decree<sup>152</sup> has permitted companies using local accounting principles (*local gaap*) to suspend, in 2022, the capital losses on securities in the held-for-trade portfolio by valuing them at their 2021 balance sheet value, rather than at their sale value and to allocate the profits earned to a unavailable provision equal to the amount of the non-depreciation, thus restricting the distribution of profits. IVASS, in using the power conferred by primary legislation, has regulated the application procedures by adopting Regulation No. 52 dated 30 August 2022.

The lawmakers intervened on the 2022 Simplification Decree allowing only insurance companies to deduct, from the unavailable reserve, the portion of the non write-down of securities attributable to policyholders, thus potentially permitting a higher distribution of profits. The MEF is granted the power to extend by one year the option for all companies not to write down securities in their held-for-trade portfolios and the option to deduct the portion attributable to policyholders from the unavailable reserve.

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<sup>149</sup> Decree of the Minister of Economy and Finance in agreement with the Minister of Enterprises and Made in Italy of 19 June 2024 ([https://urldefense.com/v3/https://www.mef.gov.it/ministero/ruolo/normativa/decreti-min-intermin-dir.html\\_!!DKHwplUEEKarlwlsMXEdYfQAoZ1-Yj-xeDCY1uEe4dZ4n\\_0VgQ7thvnd0KNe44zsonyL7TSYQpqrN3XAVCK9hqMEuK6N3GPX2rKzKf3-ER7M\\$](https://urldefense.com/v3/https://www.mef.gov.it/ministero/ruolo/normativa/decreti-min-intermin-dir.html_!!DKHwplUEEKarlwlsMXEdYfQAoZ1-Yj-xeDCY1uEe4dZ4n_0VgQ7thvnd0KNe44zsonyL7TSYQpqrN3XAVCK9hqMEuK6N3GPX2rKzKf3-ER7M$)).

<sup>150</sup> The Decree of appointment also establishes the remuneration for the members of the promotion board, which is financed using the resources of the Fund's assets.

<sup>151</sup> Letter to the market no. 273928/25.

<sup>152</sup> Decree law n. 73 of 21 June 2022, converted, after amendment, by law n. 122 of 4 August 2022.

With its decrees of 14 September 2023 and 23 September 2024, the MEF extended to the financial years 2023 and 2024 the option not to write down securities in the held-for-trade portfolios and, with decree of 8 February 2024, the option to deduct the portion attributable to policyholders from the unavailable reserve. The MEF has not extended this latter option to the year 2024.

IVASS has amended Regulation No. 52/2022 by means of Orders No. 127 of 14 February 2023, No. 138 of 25 September 2023 and, more recently, No. 143 of 12 March 2024.

*Relations with the Italian Accounting Standards Setter (OIC)* – In October 2024, the Revenue Authority (Agenzia delle Entrate) established a technical table with the OIC to define the correct treatment in financial statements for specific cases affecting both companies that prepare their financial statements according to national accounting standards and those that adopt IAS/IFRS. Considering the importance of the topic and potential impacts on the financial statements of insurance companies, in agreement with the Bank of Italy and Consob, the OIC was asked for a formal involvement of the Authorities in defining the accounting instructions, similar to what already happens for the issuance of national accounting standards.

In 2024, an opinion was also issued to the OIC in relation to amendments to national accounting standards and the updating of an interpretative document.

*Other initiatives* – IVASS supported the MEF by providing advice on accounting matters and for the preparation of the meetings of the Accounting Regulatory Committee (ARC). The Institute has also contributed to the drafting of the EIOPA report *IFRS 17 - Insurance contracts - Implementation & synergies and differences with Solvency II*.

### **3.3. - Secondary legislation**

*Revision of the rules governing life insurance products* – IVASS continued the revision of the rules governing life insurance contracts, for the purpose of pursuing consumer protection and promoting competitiveness in the insurance sector.

IVASS Order No. 151 of 26 November 2024 was issued, amending ISVAP Regulation No. 38 of 3 June 2011 on the separately managed accounts. The new provisions allow undertakings, subject to specific conditions and according to pre-established procedures, to use the profit fund and the consequent methods for calculating the average rate of return of the separately managed accounts, also for ongoing contracts. The reform, in line with the provisions for new contracts set out in IVASS Order No. 68 of February 14, 2018, aims to increase the management flexibility of companies and stabilise the returns of separately managed accounts over several years to help revitalise the offer of with profit contracts.

*Order concerning IVASS administrative procedures* – With its Order No. 154 of 2 December 2024, the Institute intervened on IVASS Regulation No. 7 of 2 December 2014, which identifies the time-limits and the organisation units responsible for administrative procedures.

The revision was necessitated by changes in European and national regulatory frameworks, with particular emphasis on the amendments to the CAP and the resulting regulatory measures by the Institute, mainly after Solvency II came into effect.

To rationalise and systematise the subject matter, the Order integrates the supervisory procedures with those contained in IVASS Regulation No. 49 of 3 November 2021 concerning the regulatory sandbox

for digital experimentation in the banking, financial, and insurance sectors<sup>153</sup>, which has been consequently amended.

The introduced amendments are consistent with the general principles set out by Law No. 241 of 7 August 1990 on administrative procedures. These amendments enable insurance operators to have an updated record of proceedings under IVASS, the relevant organisational units, and the deadlines for their conclusion.

*Right to be forgotten for cancer patients* – The public consultation on Document No. 9/2024, containing proposals amending Regulations 40 and 41 of 2018 on the right to be forgotten for cancer patients, following the delegation set out in Article 2(7) of Law n. 193 of 7 December 2023, was launched in December 2024.

The Law introduces a prohibition on insurance companies and intermediaries from requesting information concerning the health status of the customer who has suffered from oncological diseases, when concluding or renewing insurance contracts, when a certain period of time has elapsed, and the obligation to adequately inform him/her of the above. IVASS has been delegated the power to establish the procedures for implementing the right to be forgotten for cancer patients, incorporated into the scope of pre-contractual disclosure requirements.

The primary regulatory framework is further defined for the area of interest by the decrees of the Ministry of Health of 22 March 2024, and 5 July 2024, containing the list of specific oncological diseases, for which it is required that a number of years have elapsed since the end of treatment before being entitled to the right to be forgotten, and the procedures and forms for issuing the certification attesting to the accrual of the aforementioned right.

The results of the public consultation, in which many comments were submitted, are currently being finalised.

*Further regulatory interventions* – In March 2024, the following were published:

- the Order 142/2024 amending Regulations 29/2016 and 38/2018 on the suitability requirements and criteria of corporate officers and those who perform key functions to bring their contents into line with subsequent primary and regulatory legislation<sup>154</sup>;
- the Letter to the market outlining IVASS's expectations regarding the oversight and governance of insurance products (POG), which serve as a guide for insurance companies and the de facto manufacturers, with a focus on IBIPs.

*Letter on outsourcing* – The public consultation on the draft letter to the market was concluded on 14 December 2024. The letter outlines IVASS's expectations regarding outsourcing, aimed to foster the uniform and correct application of the relevant European and national regulatory framework, also in the light of the supervisory experience gained.

The expectations, published on 11 March 2025, take the form of general, non-binding guidance on how IVASS expects companies to comply with the current provisions on: i) governance and risk

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<sup>153</sup> IVASS Regulation no. 49 of 3 November 2021 implements the Decree of the Minister of Economic and Financial Affairs no. 1007 of 30 April 2021.

<sup>154</sup> The Order aligns the regulatory texts with the inclusion of the criteria and requirements set forth in Article 76 CAP and MISE Decree 88/2022.

management; ii) safeguards adopted for outsourced functions or activities; iii) outsourcing of ICT services; iv) communications to be provided to IVASS.

*Instructions Banca d'Italia, COVIP, IVASS and MEF for the exercise of enhanced controls on licensed intermediaries* – In implementation of Law no. 220 of 9 December 2021, IVASS worked with Banca d'Italia, COVIP and the MEF in the drafting of the Instructions for the exercise of enhanced controls on licensed intermediaries supervised by these authorities and subject to the ban on the financing of companies producing anti-personnel mines, cluster munitions and sub-munitions. Following the joint public consultation, the Instructions<sup>155</sup> were published in the Official Journal<sup>155</sup> and on the Institute's website.

*Frequently Asked Questions* – The Institute intervened on the FAQ on intermediaries published on its website<sup>156</sup> concerning insurance distribution, including as an ancillary activity, and reinsurance distribution.

The FAQs<sup>157</sup> regarding the qualification of ancillary intermediary under Article 1, paragraph 1, letter cc-septies of the CAP have been updated, as well as those on the correct attribution - whether to the master agreement or the individual applications - of the €600 premium mentioned in Article 107(4)(b) of the CAP, which is paid in connection with collective policies. As the previously mentioned CAP provisions originate directly from the IDD, the Institute, adhering to the procedure specified in the *Public guidance on EIOPA's Q&A process on regulation*<sup>158</sup>, has forwarded both questions to EIOPA, which has so far responded only to the first<sup>159</sup>.

## RELATIONS WITH OTHER AUTHORITIES AND BODIES - MEMORANDUMS OF UNDERSTANDING

The following MoUs have been revised:

*Memorandum of understanding with the Banca d'Italia for the identification of financial conglomerates*– IVASS, Banca d'Italia and Consob have signed a Memorandum of understanding on the identification and supplementary supervision of financial conglomerates. The Protocol dated 10 February 2025 supersedes the Coordination Agreement of 31 March 2006 to account for the changes in the institutional structure of supervision and the regulatory framework that have taken place since then.

The allocation of supervision of "significant" banks to the Single Supervisory Mechanism confines the application of the Protocol to only those financial conglomerates that include "less significant" credit institutions.

The Protocol defines the methods for cooperation and information exchange between authorities for the additional supervision of financial conglomerates, both in the identification of financial conglomerates and in conducting supervision. The framework agreement provides the signatory authorities with the possibility to define specific coordination agreements for individual conglomerates.

*Extension also to IVASS of the Memorandum of understanding concerning the Inter-institutional Observatory on the participation of women in the management and control bodies of Italian companies* – Given the relevant sectoral regulations<sup>160</sup> and the importance of diversity and inclusion within the insurance market<sup>161</sup>, along with IVASS's proactive role in encouraging an adequate degree of diversification in the composition of the corporate governance bodies of

<sup>155</sup> OJ No 184 of 7 August 2024.

<sup>156</sup> <https://www.ivass.it/operatori/intermediari/faq/regolamento-5/index.html>

<sup>157</sup> FAQ 1.18 and FAQ 1.19 respectively.

<sup>158</sup> [https://www.eiopa.europa.eu/tools-and-data/qa-regulation\\_en](https://www.eiopa.europa.eu/tools-and-data/qa-regulation_en)

<sup>159</sup> [https://www.eiopa.europa.eu/qa-regulation/questions-and-answers-database/1971-products-considered-complementary-those-offered-ancillary-intermediaries\\_en](https://www.eiopa.europa.eu/qa-regulation/questions-and-answers-database/1971-products-considered-complementary-those-offered-ancillary-intermediaries_en)

<sup>160</sup> Decree of the Ministry of Economic Development of May 2, 2022, No. 88, which, in implementation of Article 76 of the CAP and in line with the Solvency II framework, regulates the suitability requirements and criteria of corporate officers and those who perform key functions, introducing regulatory provisions on the appropriate composition of their administrative and control bodies, including in terms of gender diversity; a quota (e.g., 33%) is set for the less represented gender.

<sup>161</sup> At the international level, see also the *Application Paper on supervising diversity, equity and inclusion: the governance, risk management and culture perspective*, published in November 2024 and to whose drafting IVASS contributed.

insurance undertakings<sup>162</sup>, the Institute has joined the Memorandum of Understanding for the renewal of the Observatory<sup>163</sup>, which involves the participation of the Bank of Italy, Consob, and the Department for Equal Opportunities of the Presidency of the Council of Ministers.

The Observatory is a data collection and research centre to promote initiatives aimed at fostering female participation on the boards of Italian companies.

*Memorandums of understanding with Consob for the distribution of insurance-based investment products* – In December 2024, IVASS and Consob signed three Memorandums of Understanding to strengthen cooperation and coordination in the supervision of i) insurance and reinsurance companies that are also listed issuers under the Consolidated Law on Finance (TUF); ii) the distribution of insurance-based investment products (IBIPs); and iii) PRIIPs limited to IBIPs.

The Protocols identify a set of information, data and documents that the two authorities will exchange on a regular basis, when certain events occur or upon request. In particular, the protocol on:

- issuers outlines that the two Authorities shall exchange supervisory information on ownership and technical-organisational structures, corporate governance, financial position, verification of compliance with prudential rules, sustainability reporting, matters related to statutory auditors, as well as upon the initiation of approval procedures by Consob<sup>164</sup>;
- the distribution of IBIP ensures uniformity in the regulation of the sale of the aforementioned products regardless of the distribution channel adopted<sup>165</sup>, regulates the methods of coordination between the two Authorities for the exercise of their respective regulatory powers, as well as the exchange of relevant information acquired during the controls within their competence;
- the supervision of the KIDs of IBIPs, in addition to indicating the types of information flows to be exchanged, provides for forms of coordination between Consob and IVASS regarding initiatives to supervise compliance with the PRIIP Regulation for the aforementioned products.

### 3.4. - Regulatory Impact Assessment and Verification (RIA and RIV)

IVASS continues the process of streamlining regulations and enhancing the effectiveness and efficiency of its regulatory activities, ensuring the consistency of regulatory acts and improving transparency of the regulatory process through regulatory impact analysis and verification (RIA and RIV). In carrying out RIAs and RIVs, the Institute assessed the possible competitive impact of the regulatory intervention.

Against one Regulation, twelve Regulatory Measures (of which ten amending existing Regulations), and thirteen Letters to the Market, five RIAs and seven RIVs were carried out and were included in the respective accompanying reports. In addition, there are two RIAs and one RIV included in the respective consultation documents, on regulatory acts whose process had not yet been completed.

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<sup>162</sup> The Solvency II Revision Directive adds a new provision to Article 41(1), third paragraph “*Insurance and reinsurance undertakings shall put in place a policy promoting diversity in the administrative, management or supervisory body, including setting individual quantitative objectives related to gender-balance. EIOPA shall issue guidelines on the notion of diversity to be taken into account for the selection of members of the administrative, management or supervisory body.*”

<sup>163</sup> Law No. 120 of 12 July 2011 (the so-called Golfo-Mosca Law) and the Presidential Decree No. 251 of 30 November 2012 introduced specific obligations of gender balance in decision-making positions and in administrative and control bodies of companies controlled by public administrations and of companies whose shares are listed on regulated markets in order to overcome the problem of the under-representation of women in top positions in national companies.

<sup>164</sup> Procedures for the approval of statements (or documents exempting from the obligation to publish the statements) and documents relating to takeover bids and/or exchange offers involving entities supervised by IVASS.

<sup>165</sup> In compliance with Article 121-*quater* (2) of the CAP.

Discussions and exchanges of information with the RIA Observatory continued, whose input was taken into account in drafting of the RIAs (Regulatory Impact Analyses) and RIVs (Regulatory Impact Assessments) of IVASS regulatory acts.

### 3.5. - Sustainable finance

IVASS considers as objectives of supervisory policies aimed at the stability of the Italian insurance sector and the protection of consumers full awareness and firm control by companies of the risks generated or suffered related to climate change and ESG sustainability (environmental, social and corporate governance).

In 2024, IVASS continued its efforts to reduce the insurance protection gap<sup>166</sup> in physical risks related to natural disasters and the analyses on the quality and availability of data on climate risk exposures. The collection of information on ESG risks in the insurance sector aims to ensure a better understanding of the implications of physical and transition risks on the financial stability of the insurance industry, as well as the role of insurance in facilitating the reduction of the protection gap and the transition to a sustainable economy. It is a relevant issue for Italy in relation to the strong exposure to catastrophic events that insist on a territory characterised by high vulnerability, hydrogeological movements, in turn amplified by climate change and seismic events.

In the last months of 2024, IVASS conducted the third annual monitoring of natural catastrophe risks and sustainability<sup>167</sup>, targeted at all the insurance companies pursuing business in Italy. The survey is aimed at the construction of a system of data on ESG risks, which is robust and functional for the achievement of institutional objectives. The main outcomes of the survey are published on an annual basis<sup>168</sup>.

The activities that began in September 2023 as part of the Commission's project called *Technical Support Instrument 2023 (TSI) - Flagship ESG Risk Management Framework for the Financial Sector*<sup>169</sup>, continued and were aimed at improving the information available on insurance activities in the sustainability field, as well as analysing the insurance protection gap in Italy for natural disaster risks. The year 2024 and the early months of 2025 were dedicated to analysing and improving the available data. From the second half of 2025, thorough investigations will be conducted into the causes of our nation's low insurance coverage, taking into account recent regulatory developments and best practices in the European context.

*Activities for IAIS and other international fora* – IVASS contributed to sustainable finance issues in the fora of which it is a member, such as the IAIS, the Network for Greening the Financial System (NGFS), and the Sustainable Insurance Forum (SIF). In the IAIS Climate Risk Steering Group (CRSG), IVASS participated in the adaptation of international supervisory standards (ICP) in light of climate change-related risks. The IAIS has completed the public consultation on four uniform sets of supervisory support materials<sup>170</sup> aimed at fostering a harmonised global prudential approach to climate risk management and addressing any guidance gaps. The final documents will be available in 2025.

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<sup>166</sup> Reference is made to the difference between the optimal insurance coverage level and the actual coverage level.

<sup>167</sup> The first survey was launched in 2022 <https://www.ivass.it/normativa/nazionale/secondaria-ivass/lettere/2022/lm-27-07/index.html>.

<sup>168</sup> [https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/stabilita-finanziaria/2024/rapp\\_2024\\_rischi\\_cat\\_nat\\_sost/Rapporto\\_monitoraggio\\_rischi\\_natcat\\_sostenibilita\\_2024.pdf](https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/stabilita-finanziaria/2024/rapp_2024_rischi_cat_nat_sost/Rapporto_monitoraggio_rischi_natcat_sostenibilita_2024.pdf)

<sup>169</sup> The project has as its immediate objectives the strengthening of the capacity of Member States to manage ESG risks in the financial sector, the activation of common supervisory tools at the European level, and the increase of investors' awareness of the relevance of ESG risks. In the long term, the project aims to increase the level of resilience and stability of the financial system and contribute to the green transition.

<sup>170</sup> Climate change is a key theme of the IAIS strategic plan. The work extends to the assessment of financial stability risks, the development of supervisory and support material, and the consolidation of knowledge and capacity (<https://www.iais.org/activities-topics/climate->

IVASS took part in the IAIS Protection Gaps Task Force, with the aim of identifying challenges and opportunities for supervisory authorities in addressing insurance protection gaps, with particular regard to those arising from natural disasters (*NatCat*), and to evaluate how these authorities can respond to such challenges through multi-stakeholder approaches. During the Italian G7 Presidency, IVASS provided technical contribution to the *High-level framework for public-private insurance programmes against natural hazards*<sup>171</sup> developed by the IAIS and OECD, which was presented in late May 2024 in Stresa at the meeting between the G7 Finance Ministers and central bank governors.

*European legislation* – Directive (EU) 2024/1760 (*Corporate Sustainability Due Diligence Directive - CSDDD*) on corporate sustainability due diligence was published in 2024. The Directive, in force from 25 July 2024, must be transposed at the national level by 26 July 2026. It applies to companies with more than one thousand employees and a net worldwide turnover exceeding EUR 450 000 000. Its objective is to foster sustainable and responsible corporate conduct both environmentally and socially throughout the entire production and distribution process by integrating considerations related to human rights and the environment into companies' operations and corporate governance.

Regulation (EU) 2023/2631<sup>172</sup> on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds was issued on 22 November 2023. The Regulation establishes a system to register and supervise external reviewers of European green bonds and provides optional disclosure templates for bonds marketed as environmentally sustainable and for sustainability-linked bonds in the Union. The 2024 European Delegation Law introduces a delegation to the Government for the adjustment of national legislation to the provisions of this Regulation, providing among the directive criteria forms of coordination and collaboration between Consob, the Bank of Italy, IVASS, and COVIP.

On 12 December 2024 Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities<sup>173</sup> was published in the OJ EU. The Regulation lays down authorization and transparency requirements for ESG rating providers to strengthen reliability and comparability, improve transparency and integrity rating activities and prevent potential conflicts of interest.

The President of the Commission has announced the intention, from the end of 2024, to simplify the sustainability regulatory framework through an Omnibus regulatory intervention that will involve the CSRD and CSDDD directives as well as the Taxonomy Regulation. The intervention aims to reduce the regulatory burden on operators, without compromising the effectiveness of the rules. IVASS provides the MEF with input to convey to the Commission. The Omnibus intervention is part of the simplification objective identified by the Commission in its Work Programme 2025<sup>174</sup> and is divided into proposals to be adopted in successive phases.

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[risk/](#)). The first consultation (March 2023) outlined the proposed changes to the introduction of the ICP, which includes climate risk within the global insurance supervision framework; the second consultation (November 2023) focused on supporting materials related to market conduct issues and scenario analysis; the third consultation (March 2024) proposed changes to ICP and supporting materials to take into account climate risk in corporate governance, risk management and internal controls, valuation of assets and liabilities for solvency purposes, investment activities and risk management; the fourth and final consultation (July 2024) included supporting material related to supervisory review and reporting, public disclosure, macroprudential supervision and supervisory cooperation. The final documents will be published in 2025 (<https://www.iais.org/2024/07/public-consultation-on-climate-risk-supervisory-guidance/>).

<sup>171</sup> <https://www.g7italy.it/wp-content/uploads/Annex-II-Full-Document-High-Level-Framework-for-PIPs-against-Natural-Hazards.pdf>

<sup>172</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L\\_202302631](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302631)

<sup>173</sup> [https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=OJ:L\\_202403005](https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=OJ:L_202403005)

<sup>174</sup> *Commission Work Programme 2025* ([https://commission.europa.eu/strategy-and-policy/strategy-documents/commission-work-programme/commission-work-programme-2025\\_en#:~:text=The%202025%20Work%20Programme%20sets%20out%20the%20key,to%20build%20a%20strong%2C%20secure%20and%20prosperous%20Europe.](https://commission.europa.eu/strategy-and-policy/strategy-documents/commission-work-programme/commission-work-programme-2025_en#:~:text=The%202025%20Work%20Programme%20sets%20out%20the%20key,to%20build%20a%20strong%2C%20secure%20and%20prosperous%20Europe.))

On 26 February 2025, the Commission presented the first Omnibus<sup>175</sup> sustainability package, which introduces two proposals for regulatory changes:

- a proposal for a directive amending the directives on auditing, accounting (Accounting Directive), sustainability reporting (CSRD), and sustainability due diligence (CSDDD);
- a proposal for a directive postponing the sustainability reporting obligation for undertakings as provided by the CSRD and the deadline for the transposition and application of the CSDDD.

The changes introduced in the Omnibus package significantly reduce the number of companies obliged to report on sustainability and postpone the timeline for adoption. Among the main proposals concerning the CSRD, one key measure is to limit the sustainability reporting requirement only to companies with at least 1,000 employees and a turnover exceeding EUR 50 million or assets greater than EUR 25 million, thus reducing the scope to 80% of the companies previously required to comply. It is proposed to postpone by two years, until 2028, the reporting obligations for companies currently subject to the CSRD and required to report from 2026 or 2027 (*stop-the-clock*). In the same way, a new transposition date is also scheduled for the CSDDD, postponing the first phase of application to 26 July 2028.

The Commission's legislative proposals must be submitted to the European Parliament and the European Council for consideration.

*ESA Joint Committee* – Sustainable finance continues to be a central element of the Joint Committee's work, which has devoted specific attention to Sustainable Finance Disclosure (Regulation (EU) 2019/2088 - SFDR). In June 2024, during the Commission's review of the SFDR framework, the ESAs published a Joint Opinion<sup>176</sup> containing recommendations for the Commission, aimed at improving the functioning of the SFDR and making corrections where its application is not deemed adequate for achieving disclosure objectives. The advantages and disadvantages of the options identified by the ESAs were noted, and the importance of the Commission conducting consumer testing in advance on possible solutions was emphasised.

In July 2024, the ESAs published a new Q&A package<sup>177</sup> providing guidance on further questions received regarding the practical application of the SFDR and its technical standards (RTS - Delegated Regulation (EU) 2022/1288). The Q&As also include clarifications on the calculations of principal adverse impact indicators (PAIs), the look-through approach for calculating PAIs, and product disclosures related to sustainable investments.

*EIOPA's Action Plan* –The Institute actively contributes to the EIOPA Action Plan on Sustainable Finance, which integrates, among other things, activities functional to the pursuit of the objectives of the Commission to finance sustainable growth and the European Green Deal.

In 2024 EIOPA focused on the execution of the mandates contained in the Directive on the Solvency II review (Chap. III.2.1), with a report published on 7 November 2024 on the prudential treatment in Pillar I for insurance assets and activities that are substantially associated with environmental and social factors or with a damage to such factors, as well as with the re-assessment and calibration of the parameters for calculating the capital requirement in the standard formula for catastrophe risks published on 30 January

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<sup>175</sup> *Omnibus I - European Commission* ([https://commission.europa.eu/publications/omnibus-i\\_en](https://commission.europa.eu/publications/omnibus-i_en)).

<sup>176</sup> *Joint ESAs Opinion on the assessment of the Sustainable Finance Disclosure Regulation (SFDR)* published on 18 June 2024 ([https://www.eiopa.europa.eu/document/download/5aa8dd9f-c55d-430e-a226-1dbbfff92706\\_en?filename=JC%202024%2006%20-%20Joint%20ESAs%20Opinion%20on%20SFDR%20I\\_eve%201.pdf](https://www.eiopa.europa.eu/document/download/5aa8dd9f-c55d-430e-a226-1dbbfff92706_en?filename=JC%202024%2006%20-%20Joint%20ESAs%20Opinion%20on%20SFDR%20I_eve%201.pdf)). The ESAs focused on how to introduce simple and clear categories for financial products, aimed at both the green transition and consumer protection. Moreover, the ESAs recommended that the Commission consider introducing a sustainability indicator to classify financial products such as investment funds, life insurance, and pension products.

<sup>177</sup> Consolidated questions and answers (Q&A) on the SFDR (Regulation (EU) 2019/2088) and the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288) published on 25 July 2024 ([https://www.eiopa.europa.eu/document/download/de2ef448-5638-4b07-b493-259e109e35c2\\_en?filename=JC-2023-18-Consolidated-JC-SFDR-QAs.pdf](https://www.eiopa.europa.eu/document/download/de2ef448-5638-4b07-b493-259e109e35c2_en?filename=JC-2023-18-Consolidated-JC-SFDR-QAs.pdf)).

2025. On 4 December 2024 EIOPA published the consultation documents on the guidelines for assessing the risks of insurance companies arising from biodiversity loss and on the RTS with minimum standards and reference methodologies to be followed by companies when drawing up their financial risk management plans for sustainability factors in the short, medium and long term, including those arising from the transition to a low-carbon economy.

EIOPA updated the risk dashboard for the assessment of the insurance protection gap for natural disaster risks and drafted a background document with the primary aim of raising public awareness about these risks, sensitising consumers and insurance companies to resort to risk prevention measures. On 31 May 2024, EIOPA published its Opinion and the Report on the Assessment and Management of Greenwashing Risks, following the Call for Advice sent to the three ESAs by the Commission in July 2022.

*National legislation* – In 2024, IVASS contributed to the preparation of the draft decree implementing Directive 2022/2464 on Corporate Sustainability Reporting (CSRD), which extended the sustainability disclosure requirements envisaged by Directive 2014/95 on non-financial reporting (*Non-Financial Reporting Directive* - NFRD). IVASS also contributed to the preparation of Legislative Decree No. 125 of September 6, 2024, implementing the CSRD. The Legislative Decree that came into force on 25 September 2024 requires Consob to supervise the sustainability reporting of listed companies and the auditors of the reporting.

IVASS contributed to the definition of the criteria for delegating to the Government the transposition of the CSDDD directive. At the moment, work is at a standstill pending the regulatory developments of the aforementioned Omnibus package, which, as mentioned, also includes changes to the CSDDD.

*Coordination Table on Sustainable Finance* – In 2024, IVASS continued to provide its contribution to the Coordination Table on Sustainable Finance at the Ministry of Economy and Finance, in which the other sector authorities participate (Banca d'Italia, CONSOB and COVIP) in addition to MASE. The Institute promoted and coordinated a Working Group on the Insurance Protection Gap (IPG) to enhance the role of insurance undertakings as providers of protection for businesses and households against physical risks arising from natural disasters related or not to climate change.

The activities carried out in 2024 by the Table focused on preparing the *SME-Bank Sustainability Dialogue Document*<sup>178</sup> (December 2024) to help SMEs in collecting and producing ESG information while also promoting the standardisation of the information requests addressed to them by banks, reducing their burdens. IVASS has promoted the inclusion of an indicator relating to insurance policies against physical risk/natural catastrophe taken out by the company, taking into account the provisions of the 2024 Budget Law (para. 3.1). The IPG working group conducted monitoring activities on ESG risks, followed the work of the Technical Support Instrument, and provided its technical input, within its areas of expertise, towards the formulation of the Interministerial Decree implementing the insurance obligation stipulated by the aforementioned 2024 Budget Law.

### **3.6. - Simplification of procedures, bureaucratic and paper-based fulfilments**

*Amendments to IVASS Regulations 40 and 41 of 2018* – In June 2024, Order No. 147 was issued, revising the pre-contractual information referred to in IVASS Regulations No. 40 and No. 41 of August 2, 2018. The provisions enhance the effectiveness of the information provided to the policyholder by simplifying and rationalising the templates used by companies and intermediaries, taking into account the difficulties in

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<sup>178</sup> [https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti\\_it/sistema\\_bancario/dialogo\\_sostenibilita/Documento-per-il-dialogo-di-sostenibilita-tra-PMI-e-Banche.pdf](https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti_it/sistema_bancario/dialogo_sostenibilita/Documento-per-il-dialogo-di-sostenibilita-tra-PMI-e-Banche.pdf)

applying previous regulations and reducing the organisational burdens on operators, which were considered inefficient.

The Order alters the way in which the distributor provides pre-contractual information to the client, with changes to IVASS Regulation No. 40/2018 aimed at abolishing and replacing the previous templates<sup>179</sup>, integrated into a Single Pre-contractual Model (MUP) differentiated by product type (IBIP and non-IBIP).

The product information required under IVASS Regulation No. 41/2018 is streamlined by altering the structure of the additional DIPs (for example, by eliminating redundant elements already contained in the KID/life DIP/non-life DIP), introducing rules for illustrating exclusions and limitations, and setting a page limit for these documents. The interventions ensure proper coordination and consistency with European and national legislation on sustainable finance.

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<sup>179</sup> Annex 3 “Information on distributors”; Annex 4 “Information on the distribution of insurance products other than IBIPs”; Annex 4-*bis* “Information on the distribution of insurance-based investment products”; Annex 4-*ter* “List of the rules of conduct for distributors”.

## ***IV. III - PRUDENTIAL SUPERVISION***

### **1. - PRUDENTIAL SUPERVISION**

In 2024, financial markets benefited from less restrictive monetary policies, but remained exposed to high uncertainty in the context of geopolitical tensions, generalised expectations of public debt growth and low risk premiums for some financial assets. The yield differential between Italian government bonds and those of Germany continued to decline.

In the life sector, the fall in interest rates and the absorption of credit spreads of bonds held by insurance companies contributed to a reduction in the ratio of surrenders to premiums, which returned to values below unity. Surrenders, which were lower than in 2023, nevertheless remained at high levels, making it necessary to maintain the supervisory controls aimed at monitoring liquidity risk. Profitability improved overall, but is still negative in life insurance due to the not entirely satisfactory production level and hidden capital losses in the portfolio, only partially reabsorbed by the reduction in interest rates.

In the non-life sector, the decline in inflation has been a positive factor, impacting claims costs and technical management, although the trends recorded in previous years are still likely to have an impact on long-tail lines of business. In this regard, it is worth mentioning the publication of the new Single National Table for compensation of macro injuries arising from motor accidents or health liability claims, which generally leads to an increase in the cost of claims. The increased risk of natural catastrophes linked to climate change resulted in a contraction of reinsurance capacity and in the rising cost of reinsurance, with a consequent increase in the risks retained by insurers. The growing importance of natural disasters has prompted legislators, with the 2024 budget law, to introduce a national insurance scheme to cover such risks (see Chap. III.3.1). The rule will affect the management of companies in terms of risk-taking, pricing and reserving. In order to balance the coverage needs of entities subject to the obligation with the effective underwriting capacity of the companies and relevant groups, the law requires companies to define the risk they can assume in line with their capitalisation levels and the overall corporate risk profile.

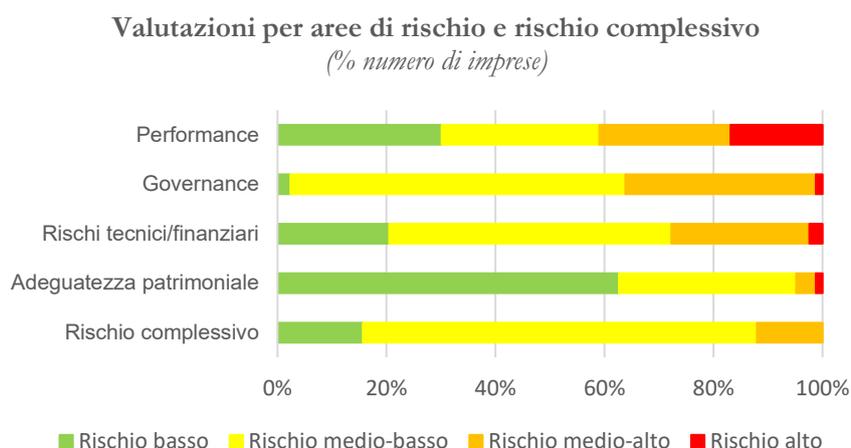
#### **1.1. - The supervisory review process (SRP)**

The supervisory review process enables the Institute to assess the risks to which insurance undertakings and groups are exposed as well as the relevant governance, capital and organisational safeguards.

The first phase of the process uses a quantitative approach (Risk Assessment Framework - RAF) based on indicators (Key Risk Indicators - KRI), referring to the areas of profitability, governance, technical/financial management and capital adequacy. The process then envisages a qualitative phase that makes it possible to include in the assessment factors that cannot be captured by KRIs, taking into account the Institute's overall information assets, with special regard to the assessments of the technical provisions, financial and liquidity risks, and the results of the analyses on ICT Plans, the answers provided to the DORA questionnaire or the investigations carried out in case of IT incidents.

The assessments carried out in 2024 showed the following breakdown of companies by risk area and overall.

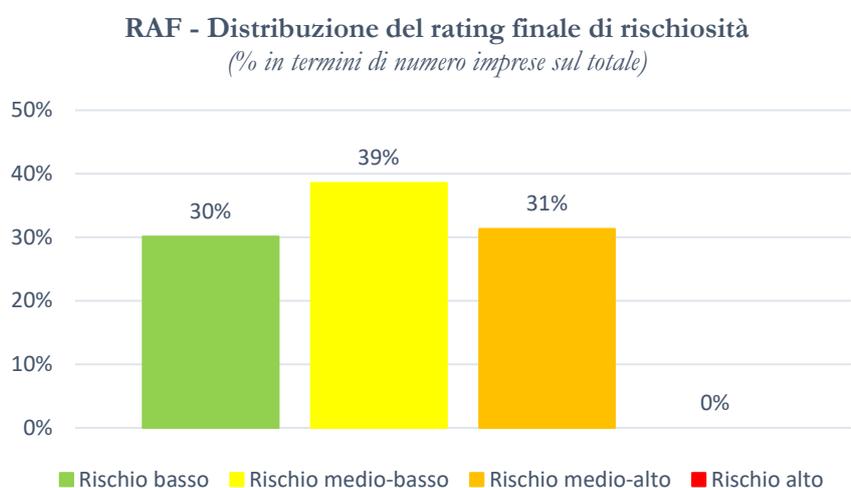
Figure IV.1



Higher riskiness is observed in the areas of *performance* (12 small- to medium-sized companies and two medium-large companies) and technical financial risks (two large companies).

Each undertaking is assigned a rating that takes account of the size of the undertaking (risk/size approach). Combining the risk score with the impact results the following breakdown of undertakings by final rating can be obtained.

Figure IV.2



69% of undertakings have a low or medium-low risk profile. The remaining 31% falls within the medium-high risk range; no company falls within the high-risk range.

Based on the ratings and priorities identified, supervisory initiatives are taken also in the individual areas of analysis.

The above analyses of the risk profile of undertakings do not include Assicurazioni Rischi Agricoli VMG 1857 S.p.A. (ARA) and Cronos Vita Assicurazioni S.p.A., the latter authorized to operate on October 27, 2023, as part of the market operation to protect the policyholders of Eurovita S.p.A.

## THE ARA CASE

In 2024, Assicurazioni Rischi Agricoli VMG 1857 S.p.A. (ARA), a company providing coverage for agricultural risk, as a result of off-site audits and on-site inspections, reported significant deficiencies in its corporate governance and risk management system as well as in its solvency situation, which constituted serious violations of regulatory provisions.

By decree dated 6 November 2024, the MiMIT ordered, upon the proposal of IVASS of 17 September 2024, the dissolution of the bodies with administrative and control functions and the extraordinary administration of ARA and its parent company FINASS VMG 1857 S.p.A. for a maximum period of one year.

With order dated 8 November 2024, IVASS appointed the bodies of the extraordinary administration procedure of ARA and FINASS, which are implementing the activities aimed at removing the critical issues identified and restoring the company.

## THE SOLUTION TO EUROVITA'S CRISIS

In early 2024, the financial statements closing the extraordinary administrations of Eurovita SpA and Eurovita Holding SpA, placed into administrative compulsory liquidation on October 27, 2023, were approved.

Cronos Vita, which acquired the corporate assets of Eurovita under administrative compulsory liquidation, managed the portfolio of policyholders and those entitled to insurance benefits with a view to its transfer to the five shareholder companies or to group companies designated by them.

With order dated May 14, 2025, the Institute authorized the non-proportional total division of Cronos Vita in favour of Allianz SpA, Fideuram Vita S.p.A., Generali Italia S.p.A., Poste Vita S.p.A. and Unipol Assicurazioni S.p.A. with the resulting extinction of the divided company as of the effective date of the division.

Eurovita's crisis management is therefore close to completion with the full protection of policyholders, insured persons, beneficiaries and those entitled to insurance benefits.

### 1.2. - Supervision of the corporate governance system and organisation

The corporate governance structures of the undertakings were examined in order to verify the existence of risks, including prospective ones, deriving from inadequacy in governance. The activities focused on the changes to be made, among others, to the governance and control structures of undertakings and groups as a result of the outcome of inspections or changes in the ownership structure.

Following the entry into force of Ministerial Decree 88/2022 and of IVASS Order no. 142/2024<sup>180</sup>, the checks of the requirements of good repute, professionalism and fairness of corporate officers and those who perform key functions acquired greater breadth and depth.

264 investigations were carried out, resulting in the communication of the evaluation results to 213 companies. Recommendations were made for 14 companies regarding the number of independent directors, the limits on the positions held, the time available to carry on the assignment, and, based on an examination of professional qualifications, the need for certain corporate officers to complete training. Based on the evidence gained from the preliminary investigations discussed with the companies, five corporate officers resigned due to a lack of qualifications or suitability for the position.

Seventy-four proceedings were initiated for the approval of changes to the articles of association, many of which were necessary following the entry into force of the aforementioned Order no. 142/2024 to ensure continued compliance with the quota of the less represented gender in the composition of corporate bodies.

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<sup>180</sup> Which amended IVASS Regulations no. 29/2016 and no. 38/2018.

With regard to remuneration regulations, two interventions involved the revision of the relevant policies with reference to: i) variable remuneration, which is excessively unbalanced compared to the fixed components; ii) the performance measurement period and its deferral, which are not consistent with the time horizons set by the legislation; iii) the targets assigned to relevant personnel that are not commensurate with risk-based parameters; iv) the operation of malus and claw-back clauses.

Supervisory audits highlighted an increasing trend among insurance undertakings to outsource business activities and processes to specialized operators, including through innovative methods. In 2024, the outsourcing of key functions and essential and important activities was the subject of 88 communications from companies. The notifications, submitted by 46 undertakings, concerned in 7 cases the outsourcing of key functions and in the remaining 81 cases the outsourcing of activities related to various business processes. In nine cases the key function or activity was outsourced to group companies, with the aim of exploiting the synergies, increasing skills and the efficiency of the service provided within the group.

The Institute monitors these developments to ensure that the nature and extent of the outsourced activities or functions, and the outsourcing methods, are consistent with the strategic plans and do not jeopardize the corporate governance system or significantly increase operational risk. Furthermore, it ensures that an appropriate organisational structure is maintained at all times to prevent the transferor company from becoming a hollow entity.

The experience gained by prudential supervision on these aspects and the related regulatory developments have made it necessary to rationalise the matter with a view to calling for a strengthening of governance and risk management safeguards associated with outsourcing. The Institute therefore published a Letter to the Market on March 11, 2025, which formulated expectations regarding outsourcing. Undertakings' attention was drawn to the importance of properly assessing the risks and opportunities associated with outsourcing critical or important activities or functions for the company organisation. Attention has been paid to the correct identification of such activities or functions which, pursuant to secondary legislation, are subject to prior notification. Regarding the outsourcing of ICT services, companies' attention was drawn to the need to align management and control models with the DORA Regulation, with particular regard to the adoption of a dedicated IT risk strategy, based on the ongoing review of all dependencies on external parties and including a policy for the use of ICT services to support critical or important functions provided by third-party providers.

With regard to the governance of ICT and cyber security, the supervisory analyses covered one large insurance group, which was already the subject of an initial analysis in 2020, and four other groups. The evaluations benefited from information acquired on ICT policies and procedures, the business continuity plan and through communications on IT incidents and outsourcing. Only in one case did the analyses show full compliance with the regulations. On-site supervisory tools were also activated for two companies.

#### **ANALYSES ON INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AND DIGITAL OPERATIONAL RESILIENCE**

The regulation on digital operational resilience for the financial sector came into force on 17 January 2025 (Regulation EU 2022/2554 DORA - *Digital Operational Resilience Act*). The regulation establishes a common EU-wide framework for ICT risk management applicable to the insurance sector with regard to insurance companies, large intermediaries (agents, brokers, banks) and service providers.

In view of its entry into force, the Institute made the market aware of the relevant changes in the European regulations by administering a self-assessment questionnaire designed to measure the company's lack of compliance with the new regulations. While there is a good level of awareness of the impacts of DORA, overall there is still a lack of attention to defining a digital resilience strategy, while delays are being recorded in redefining contractual agreements with third-party ICT service providers for the purpose of correctly implementing the *Register of Information* (ROI).

The importance of digital resilience issues has led to participation in several international working groups aimed at steering the supervision of the areas covered by DORA in relation to *ICT risk framework* and *ICT incident management*. The Institute participated in the Project Group DOR chaired by EIOPA and the High Level Group on Oversight chaired by the EBA, in which a preliminary ROI data collection (*dry-run exercise*) was conducted on a sample of undertakings representative of the Italian market.

the Institute supervised the execution of two TLPTs (*Threat-Led Penetration Test*) conducted on a voluntary basis using the TIBER-IT methodology<sup>181</sup>. IVASS, together with the Bank of Italy and Consob, participates in the TIBER-IT Coordination Group to steer and organise the tests.

### 1.3. - Checks on the stability of undertakings and of groups

Since the entry into force of Solvency II, IVASS authorized five internal models for the calculation of the group Solvency Capital Requirement, used by 12 undertakings pursuing business in Italy, and a model for the calculation of the individual requirement. For other two groups, the approval of the use of the internal model is underway.

Two groups are currently authorised to use group-specific parameters (GSP), while 11 undertakings use undertaking-specific parameters (USP) at individual level. For one group and two undertakings, the authorization to use specific parameters lapsed following the merger by incorporation into undertakings that have adopted the internal model or the standard formula. For one undertaking and the group to which it belongs, the preliminary assessments for the granting of the authorisation to use USP and GSP are underway.

The appropriateness of internal models and USP or GSP and their calibrations are monitored to check that the assessments are able to capture the impacts on the risk profiles resulting from changes in market variables or the operating environment. Of particular importance are the checks on the assumptions underlying the capital absorption models and the assessment of significant changes to the model proposed by the companies.

The stability of undertakings and groups is also monitored through checks on the adequacy of the standard formula for the representation of the relevant risk profile, the analysis of investments and own funds. In-depth analyses of technical, financial, economic and liquidity management, as well as of risk mitigation techniques, contribute to the assessment of the company's financial soundness.

*Solvency and liquidity situation of companies* – The monitoring measures initiated in 2020 on the solvency and liquidity situation of companies and insurance groups were maintained to quickly grasp the effects of market variables on the risk profile of companies.

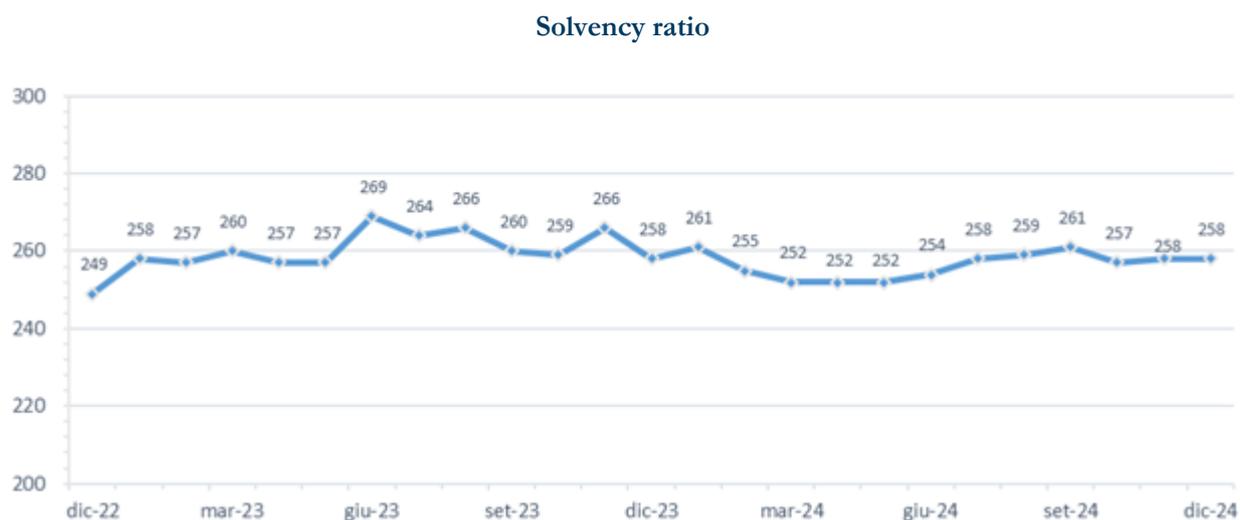
The average Solvency ratio at the end of 2024 was 258%<sup>182</sup>. The indicator, unchanged compared to the figure at the end of 2023, declined slightly in the first half of 2024, reabsorbed in the second half of the year as a result of the fall in interest rates and the capital strengthening and risk mitigation actions taken by the companies that had recorded the largest reductions.

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<sup>181</sup> <https://www.ivass.it/media/avviso/tiber/>

<sup>182</sup> Data relating to undertakings participating in the monthly monitoring of solvency, which started in March 2020, and does not include companies authorised afterwards. See Chap. I.4.1 for the data relating to the entire system.

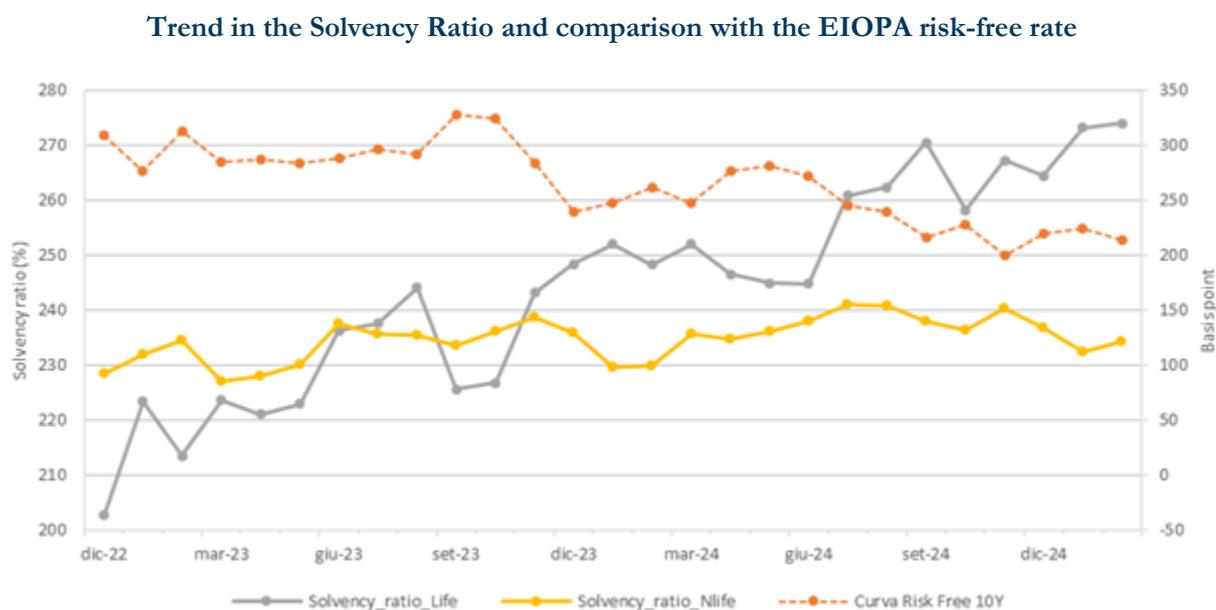
Figure IV.3



NOTE: Weighted average ratio

The analysis of the solvency ratio broken down by non-life and life companies confirms the greater stability for the former, and a more structural volatility for the latter, in view of the higher exposure to financial risks. The comparison of the Solvency ratio values of life and non-life companies with the values of the 10-year risk-free rate (fig. IV.4) shows a greater dependence of the Solvency Ratio of life companies compared to the trend in interest rates.

Figure IV.4



The monthly solvency survey made it possible to more quickly identify companies subject to a deterioration in the Solvency ratio. When solvency ratios below the 130% threshold were noted, in-depth analyses were conducted on three companies and one group to identify the causes of the reduction and implement the necessary actions.

The monitoring of the liquidity situation, initiated by EIOPA in June 2020 on a monthly basis, continued in 2024 on a quarterly basis, involving life and composite companies as well as non-life companies representing 80% of the market. Liquidity risk was assessed with a forward-looking approach

by analysing the estimated cash flow movements in and out and in terms of the company's ability to meet its commitments without resorting to the early sale of assets.

The analysis highlighted elements of concern for eight companies that presented liquidity coverage ratios<sup>183</sup> less than 100% or negative 90-day estimated net liquidity position. Meetings were held with four companies to discuss liquidity risk management and the controls in place.

For six companies most exposed to surrenders in classes I and V, in-depth analyses were carried out in relation to the Risk Appetite Framework, with particular attention to the risk tolerance thresholds established by the Boards of Directors and the scenarios underlying the ORSA analyses. As a result, undertakings revised the stress scenarios or RAF tolerance thresholds.

*Own funds assessment* – In the Supervisory Review Process, the Institute assesses the own funds of the undertakings and groups with regard to qualitative and quantitative profiles in a current and forward-looking perspective, also considering the impacts of the stress scenarios reported in the ORSA report.

IVASS verified that the surplus of regulatory capital was appropriate to the characteristics and complexity of the undertaking and the group. The quality of own funds covering the Solvency Capital Requirement was assessed, taking into account the need to maintain this quality high against risks resulting from the changing macroeconomic environment.

Seven companies carried out capital strengthening transactions, for a total amount of €1,180 million, including €855 million through subordinated liability issues. 88% of the issues were carried out by a leading market operator to finance the repayment of grandfathered subordinated securities maturing in early 2025. The capital strengthening implemented through capital increases by five undertakings amounted to €325 million. For four of these companies, the capital increase, amounting to €298 million, was carried out at the request of the Institute.

*Investment analysis* – Monitoring continued of the development of capital losses on investments in insurance portfolios and of the initiatives of companies to ensure adequate matching of cash inflows and outflows, taking into account the trend in surrenders and the structure of financial commitments related to its portfolio. The effects of the current economic and financial environment, characterised by falling interest rates and spreads on Italian government bonds, on companies' investment policies and strategies were examined in depth.

During the Supervisory Review Process, companies' investments were analysed using indicators designed to assess the degree of liquidity, safety, and diversification of portfolios. For those companies with the greatest exposure to illiquid or complex investments, the compliance with the regulatory requirements underlying the prudent person principle was investigated. Regarding derivative exposure, which is limited for the insurance market, analyses were conducted on companies with the highest levels of operations, examining the hedging strategies implemented and, more generally, the purposes of their use and the effects on their liquidity position. The ESG sustainability profiles of investments were also discussed in depth, in light of the climate risk sensitivity analyses reported by companies in their ORSA and the information contained in the renewed EIOPA templates.

*Assessment of technical provisions and best estimate liabilities (BEL)* – Non-life provisions for claims outstanding are subject to periodic review on the basis of standardised methodologies (actuarial pre-review) and specific assessments for cases that require further investigation. Checks are performed on statutory data and on data derived from Solvency II supervisory reporting, supplemented with more detailed

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<sup>183</sup> The liquidity coverage ratio measures the company's ability to meet expected outflows with the cash initially available and the expected inflows net of the purchase and sale of securities. The indicator is defined on the basis of the ratio between: a) the liquidity initially available and the incoming flows expected within 90 days, net of the purchase and sale of securities; b) the expected outflows at 90 days.

information - acquired through ad-hoc requests - relating to the CARD direct compensation procedure and expenses, with a separate assessment for claims subject or not subject to CARD.

The impact of inflation on the management of the claims cycle, with particular regard to long-tail lines of business, for which the effects of increased costs extend over several years, were the subject of discussions with the main market operators and with the companies appointed to audit the financial statements. Companies have implemented management strategies and initiatives aimed at containing costs and have adopted methodologies in the actuarial valuation of the provisions for claims outstanding according to local gaap and Solvency II best estimates, which take into account the effects of inflation on the dynamics of claims costs.

Life insurance technical provisions are subject to annual verification through analyses of key indicators and reports drawn up by the key functions and by auditing firms with reference to statutory and Solvency II data. In assessing the BELs for life insurance, in-depth analyses were conducted on eleven companies to verify the consistency of the assumptions adopted and the appropriateness of the assessments. Following the remarks made by the Institute, six companies revised the assumptions underlying the trend in surrenders, the methodologies for evaluating policy holder behaviour (PHB), the method of determining cash flows depending on the contractual option of additional payments and the criteria for allocating expenses to BELs. As a result of this analysis, the undertakings revised the valuation of Solvency II technical provisions upwards by about € 200 million.

Considering that the modelling of BELs also affects the solvency profile in the determination of the Solvency Capital Requirement in the lapse risk module, the disclosure of the dynamic behaviour of policyholders was analysed in the 2023 Regulatory Supervisory Report. The audits revealed that most companies modelled the surrender option dynamically. The methodological approaches that are not consistent with the modelling required by the calculation principles relate to cases where the exposure to this phenomenon is immaterial.

*Analyses on reinsurance and risk-mitigation tools* – For non-life undertakings, reinsurance is one of the main mitigation tools for underwriting risk and is generally implemented through traditional non-proportional contractual mechanisms with reinsurance counterparties based in the EU and with high credit standing. Climate change is driving the reinsurance market to adopt a different underwriting approach for the coverage of natural catastrophe risks (*NatCat*). A survey of a sample of companies operating in the Italian market showed a decrease in the willingness of reinsurers to offer such covers in the 2023 renewal campaign and a concomitant increase in reinsurance premiums in view of the exceptional losses incurred by companies in 2023 and the current environment in which natural catastrophes in Italy are increasingly likely. The survey also highlighted an interest in evaluating the use of alternative measures for NatCat risk mitigation, such as the issuance of catastrophe bonds (*Cat Bond*).

Life insurance companies that had resorted to mass-lapse reinsurance coverage in 2023 to address the risk of early termination of their policies (*lapse* risk), have renewed and, in some cases, modified such coverage due to the risk to which their portfolios are still exposed. The reinsurance solutions subject to renewal were analysed to verify that they guaranteed effective risk transfer and to assess their consistency in terms of capital absorption benefits. The reinsurance solutions complied with the regulatory framework and the EIOPA Opinion of 9 July 2021<sup>184</sup> as they proved to be adequate risk mitigation techniques in terms of strategies, business models and risk governance. For this type of treaty, the information provided in the supervisory reports was verified. This highlighted, apart from the inconsistency of the information content, an inconsistent level of detail. The issue was raised with the companies involved so that the necessary changes to the reporting could be made.

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<sup>184</sup> *Opinion on the use of risk mitigation techniques by insurance and reinsurance undertakings.*

Verification of the quality of reinsurance data provided with the annual Solvency II reporting, which supports the prudential supervision process and the development of statistics to support European-level analyses, has highlighted, as a result of the Institute's actions, a significant improvement in information flows.

*The checks on the approved internal models* – In order to monitor the ability of internal models to assess risks correctly, backtesting and benchmarking analyses and calibration and validation checks are performed on an ongoing basis.

Only in one case did backtesting on interest rate and credit spread risk calibrations highlight the need to request appropriate calibration adjustments. In order to have models and calibrations capable of predicting appropriate shocks under all market conditions, a model change was started by three groups, one of which is classified as minor and the other two as major.

With reference to market risks, companies and groups that do not model the credit risk of government bonds have carried out, within the ORSA framework, ALM analyses to evaluate the portion of securities to be disposed of in order to meet the liquidity needs following a stress scenario over a three-year time horizon and to quantify a possible Pillar 2 capital requirement.

For the internal models that cover life underwriting risks, the Institute launched a backtesting analysis for surrender risk, which, for Italian companies, is the predominant risk component of the life module, due to the contractual options defined in insurance contracts. An appropriate design of investment policy contacts is essential to adequately provide for the liquidity of liabilities and thus reduce surrender risk.

For operational risks, the assessment of which is strongly characterised by the use of expert judgement, the verification of the calibrations revealed for one company significant shortcomings in the adequacy of the assumptions defined at group level, in particular with regard to the determination of risk correlations at local level, leading to an underestimation of the capital requirement.

In order to assess the robustness of the modelling and the adequacy of the calibration in the internal models, the analyses were supplemented by comparing the results of the internal model with the standard formula data (model drift) in order to identify any divergence in trends and investigate the reasons for this. The movements and any discrepancies were deemed consistent with the extraordinary transactions and model changes carried out in 2023.

*Authorisation of new internal models and significant changes to approved internal models* – Pre-application processes have continued for the authorisation of the use of the internal model of two groups, of which IVASS is group supervisor. In one case, in view of the significance of the deviation of the risk profile from the assumptions underlying the Solvency Capital Requirement calculated using the standard formula, the Institute imposed a capital increase under Art. 47-sexies, paragraph 1, letter a) of Legislative Decree No 209 of 7 September 2005, pending the preparation of the internal model.

The pre-application and application activities on significant changes to internal models concluded with the issue of the authorisations to five groups, for three of them the group supervisor is IVASS, and to one undertaking. The assessments were carried out in close coordination with the other European Authorities, with which the *joint decisions* provided for by the regulations were reached. The main changes concerned the extension of the scope of the models to the underwriting risks of the non-life and health business and the extension to the life business and the modelling of the market and credit risk. One change involved the extension of the model to the portfolio resulting from the acquisition of a large company.

A pre-application was launched for relevant changes to the internal models of four groups. For two groups, the changes relate to the extension of the modelling scope to natural disaster risks, previously assessed with the standard formula. For the other two groups, the changes concern the market risk module.

*Verification of the adequacy of the standard formula and the specific parameters (USP)* – A company and its group, highly specialized in credit and suretyship risk insurance, have been authorized to use specific parameters. Proceedings were also concluded for the authorisation to use the USPs of two companies and one group to assess the risks of specific business segments for which previous adequacy analyses of the standard formula had highlighted significant deviations in the risk profile. In one of these cases, the risk profile of the company and the group, which were authorised to use USPs in other segments, had undergone significant changes following the acquisition of a company specialising in health insurance. A company authorised to use specific parameters modified the methodology for calculating the specific parameter for the reserve risk to adequately represent the actual risk profile. The early dialogue preparatory to the submission of the application for authorization to use specific parameters for calculating the solvency requirement of an additional company and the group to which it belongs has been completed.

For two authorized companies, ongoing monitoring of the application of specific parameters involved verifying the persistence of the requirements for the use of USPs following extraordinary merger transactions. For two other companies, it was necessary to update the conservative margin on the capital requirement for some business segments due to the inadequacy of the standard formula to represent their risks.

#### 1.4. - Supervision on the shareholdings and on the structure of groups

When assessing the shareholdings of insurance undertakings and the structure of groups, IVASS ascertains whether the conditions guaranteeing their sound and prudent management are met.

In cases of acquisitions of qualifying holdings and controlling interests in insurance undertakings, the assessments focused on the quality of the potential purchaser, the financial soundness of the proposed acquisition, the strategies of the purchaser and the governance structures of the company following the acquisition. The guidelines issued jointly by EBA, ESMA and EIOPA are taken into account.

2024 too was characterized by numerous operations for the acquisition of qualifying holdings and controlling interests in insurance undertakings and in companies operating in other sectors, as well as by extraordinary operations which resulted in significant changes in the ownership structure and in the structure of some insurance groups. Some changes were a result of changes in bancassurance agreements and shareholders agreements.

#### CHANGES IN OWNERSHIP STRUCTURE OF CONTROLLING OR QUALIFIED INTERESTS

The Institute examined 8 operations for the acquisition of controlling interests or qualifying holdings in insurance undertakings which resulted in changes in the ownership structure and in the structure of some insurance groups:

1. the acquisition by DZ Bank, through Assimoco S.p.A., of 51% of the corporate capital of BCC Assicurazioni S.p.A. The operation was aimed at strengthening the partnership between the Assimoco insurance group, whose products are distributed by cooperative banks, and the Iccrea group;
2. the acquisition by BNP Paribas S.A., through BNP Paribas Cardif S.A., of a controlling stake of 51% in the share capital of BCC Vita S.p.A. With this transaction, the BNP Paribas group sought to strengthen its position in the Italian life insurance market through a strategic partnership with Iccrea Banca;
3. the acquisition by Finanza per le cooperative Soc. Coop. of an indirect control jointly with Unipol Gruppo S.p.A., as a result of the acquisition of a controlling interest in the shareholder CCPL 2 S.p.A., which holds a 0.61% stake in the capital of Unipol Gruppo;
4. the acquisition by VHV International SE of a controlling interest in VHV Italia S.p.A., equal to 91.13% of the share capital. The operation is part of the reorganization of the VHV insurance group through the transfer to the insurance holding company VHV International of all insurance holdings held by the German parent undertaking in companies with registered offices outside Germany;

5. the acquisition by IBL Istituto Bancario del Lavoro S.p.A. of a 39.14% stake in the share capital of Net Insurance S.p.A., a company belonging to the Poste Vita group. The transaction follows the voluntary liquidation of the subsidiary Net Holding S.p.A. and aims to simplify the shareholding structure of the Poste Vita insurance group and reduce its structural costs;
6. the acquisition by Carlo Pesenti of a qualifying holding of 19.996% in the share capital of Bene Assicurazioni S.p.A. Società Benefit, through its subsidiaries Efiparind BV and Italmobiliare S.p.A.;
7. the acquisition by Itas Mutua of a qualifying holding of 10% in the share capital of IMA Italia Assistance S.p.A., a company specialising in the assistance class. The transaction is aimed at developing Itas Mutua's business in the assistance sector;
8. the acquisition by AXA S.A., through AXA Assicurazioni S.p.A., of a controlling interest equal to the entire share capital of Nobis Assicurazioni S.p.A. and, as a result, the entire share capital of Nobis Vita S.p.A. The acquisition is part of the AXA Group's strategy to strengthen its position in the Italian non-life insurance market, while at the same time diversifying its sales channels through the integration of the Nobis Group's distribution network.<sup>185</sup>

*Evolution of the structure of groups* – Some insurance groups simplify their shareholding structure to achieve cost synergies, rationalize the organizational structure, and expand and diversify their offering model or facilitate procedures with distribution networks.

The Institute authorised the mergers by incorporation of:

- Incontra Assicurazioni S.p.A. into UniCredit Allianz Assicurazioni S.p.A.;
- UnipolSai Assicurazioni S.p.A. and the intermediate holding companies Unipol Finance S.r.l., Unipol Part I S.p.A., and Unipol Investment S.p.A. into Unipol Gruppo S.p.A.;
- Intesa Sanpaolo RBM Salute S.p.A. into Intesa Sanpaolo Assicura S.p.A. (now Intesa Sanpaolo Protezione S.p.A.);
- Eni Insurance DAC into Eni Insurance S.p.A.

The Generali group's reorganisation project aimed at implementing a business model focused on companies specialised according to the distribution channel was examined in depth. The following were authorised:

- the partial division of Genertellife S.p.A. in favour of Generali Italia S.p.A., Alleanza Assicurazioni S.p.A. and Genertel S.p.A.;
- the transfer of part of Genertel S.p.A.'s life portfolio to Generali Italia S.p.A.;
- the merger by incorporation of Genertellife S.p.A. into Alleanza Assicurazioni S.p.A.

The Institute authorised the transfer of the whole insurance portfolio of 'Tua Assicurazioni S.p.A. to Allianz Viva S.p.A. (now Allianz Next S.p.A.), which resulted in the lapse of the ceding company's authorisation to carry out insurance business.

Eleven projects involving the acquisition of controlling and qualifying holdings in insurance undertakings based in other countries and companies operating in the banking, financial, and technology sectors were examined. The transactions are aimed at expanding the supply model of insurance groups, diversifying investments by asset type and geographical area and, in some cases, at consolidating positioning in certain markets.

*Access and extension of insurance and reinsurance business* – The assessment of projects to relocate the activities of captive companies belonging to industrial groups based in other Member States to Italy continued. These projects are aimed at achieving greater efficiency in the management of the insurance and

<sup>185</sup> IVASS Order of 25 March 2025.

reinsurance business for the risks of the industrial groups to which they belong. Eni Insurance S.p.A. was authorized to carry out captive insurance and reinsurance activities in certain non-life insurance classes. The company was established to transfer the activities of the captive company based in Ireland to Italy through a merger by incorporation with Eni Insurance DAC. The Italian captive company will continue to insure and reinsure only group risks in continuity with and in the same manner as the merged company.

The requests for authorisations to extend insurance business to other classes with respect to those already exercised were examined. These requests were submitted by three undertakings, two of which pursuing non-life business (VHV Italia and Berkshire Hathaway International Insurance Limited - Italian Branch) and one pursuing life business (Fideuram Vita). For this last undertaking, the extension of the authorization was instrumental to the acquisition of part of the corporate assets in the division of Cronos Vita S.p.A.

The lapse of the authorisation to carry out insurance business in motor vehicle liability and/or watercraft liability was confirmed for three companies (Italian Branch of Zurich Insurance Company, Incontra Assicurazioni S.p.A and Intesa Sanpaolo Assicura S.p.A.).

The Institute positively assessed the plans of eight Italian companies that notified their intention to exercise insurance and/or reinsurance business under the free provision of services or the right of establishment in EEA or non-EU countries as well as the notification by a company regarding the establishment of a branch office in Spain.

## 1.5. - Coordination with other Authorities and Institutions

*Supervision of groups and financial conglomerates* – IVASS acted as group supervisor for four groups with cross-border operations, for which supervisory activities are carried out in coordination with the other Authorities that are part of the Colleges of Supervisors, to which also EIOPA participates.

IVASS shared and discussed within the Colleges the results of the joint risk assessment on the most relevant risks for groups and undertakings belonging to such groups, as well as of the in-depth studies conducted, such as the impact of climate risk, the monitoring of the macroeconomic scenario and its impact on the business model, emerging and non-quantifiable risks, digital transformation and market conduct.

IVASS forwarded the feedback from the supervisors summarising the overall assessment from the joint risk assessment and the relevant recommendations to the supervised groups after being shared within the Colleges.

The 2025 work plan includes common lines of action for all colleges of supervisors and is focused on the joint risk assessment, follow-up analysis of climate risk impacts and of business models, monitoring of DORA implementation status, and analysis of specific issues for each group.

As host supervisor, IVASS participated in 14 colleges coordinated by foreign Supervisory authorities, five of which were from third countries. Joint risk assessments and the main issues of relevance to supervision were shared within the Colleges.

A number of cross-border insurance groups are part of Italian financial conglomerates, the list of which is updated jointly by the Bank of Italy, CONSOB and IVASS. The analyses carried out confirmed one insurance-led conglomerate (Generali) and one banking-led conglomerate (Mediolanum) under the supervision of IVASS/Bank of Italy and four banking-led conglomerates engaging "significant" banking intermediaries (Credem, Intesa, Mediolanum e BPM), under the supervision of ECB/IVASS. The results of supervision on the conglomerates are discussed in the Colleges of Supervisors in which the European Authorities of the banking and insurance sectors participate.

IVASS, in its capacity as relevant Competent Authority, participated in the consultation process, initiated by the ECB for banking financial conglomerates, concerning the reporting of risk concentration and intra-group transactions, in order to identify their type, materiality thresholds and frequency of reporting.

*Supervision in the Crisis Management Group* - In 2024, IVASS continued enhanced supervision on the basis of the Holistic Framework (see. Chap.III.1.1), with a view to assessing and mitigating sources of systemic risk in the insurance industry. IVASS, in its capacity as group supervisor, coordinated the *Crisis Management Group* (CMG) of Generali, the only Italian group designated as an *Internationally Active Insurance Group* (IAIG), and participated as host supervisor to the CMG of Allianz and Athora Holding Ltd. The Athora group was identified as an IAIG in 2023, and the CMG was established in 2024.

The analysis of the systemic risk management plan, liquidity risk management plan and recovery plan in the CMG checked their consistency with the evolution of the global economic scenario and the risk profile. Generali's resolution plan was examined, and updates were planned to take into account the evolution of the group's structure and operations and the relevant national regulatory framework, which has been modified following the introduction of the Life Insurance Guarantee Fund and the powers granted to the Institute pursuant to Legislative Decree No. 207 of 7 December 2023. An evaluation of further development and updating activities necessary for the entry into force of the Insurance Recovery and Resolution Directive has been initiated, in coordination with the other Supervisors.

*Relations with the MEF, the ECB, the Bank of Italy and CONSOB* – The regulations on non-market transactions in favour of SACE S.p.A., modified by art. 2 of decree law no. 23 of 8 April 2020, have set up at the MEF a Committee for public financial support for exports aimed at strengthening support for exports of Italian undertakings. The Committee may be assisted by its member administrations and may request technical opinions from IVASS. In 2024, the Institute was invited to participate, without voting rights, in four meetings of the Committee.

IVASS continued its collaboration with the Bank of Italy and CONSOB for the monitoring of the positions held by corporate officers in the corporate bodies of banks, insurance companies and financial companies (*interlocking*).

Information and documents were exchanged with the ECB and the Bank of Italy on investigative procedures in which intermediaries supervised by the Bank were involved.

Co-operation with CONSOB continued in order to co-ordinate the respective initiatives on listed insurance companies. Cooperation was also aimed to verify the information contained in the Prospectuses on important market management operations involving insurance companies. On 20 December 2024, a Memorandum of Understanding was signed and published on the websites of the Authorities to strengthen cooperation between the Institute and the Commission. The Memorandum regulates the exchange of information in order to facilitate institutional activities on supervised issuers.

*International Activities* - IVASS participates in EIOPA working groups to improve supervisory convergence among European authorities.

Among the comparative studies on internal models, the Market and Credit Risk Comparative Study (MCRCS) compares market and credit risks on synthetic financial instruments such as government and corporate bonds, equity indices, real estate and derivatives, and on benchmark portfolios. In 2024 three Italian groups and one company, out of a total of 21 models approved in the EU, took part in the exercise. The results of the analysis and their rank against their peers were shared with the participating companies.

In-depth analysis continued on the Life Underwriting Risk Comparative Study (LURCS) to better understand life underwriting risk in internal models and to provide European authorities with tools for supervision. The study covers all European companies with an internal model approved at the end of 2023 and is based on qualitative and quantitative information. The conclusion is expected by mid-2025.

The Operational Risk Initiative summary report has been prepared, providing a qualitative overview of internal models for operational risks and promoting convergence among national authorities on supervisory good practices. The operational risk modelling approach is typically based on scenario analysis, with similar underlying risks but different cost impacts depending on the specific characteristics of the company. Given that all models rely heavily on expert judgment due to the scarcity of available data, the report highlights the importance of validation based also on sensitivity analysis and stress tests.

EIOPA is launching the second edition of the Study on Diversification in Internal Models which will take into account calibrations on recent data and model changes to internal models. The first edition covered most of the approved internal models and made it possible to have an overview of modelling approaches, providing national authorities with tools for monitoring the adequacy of models.

The New IM QRT working group aims to implement standardized reports based on the information collected through the new templates defined by EIOPA for groups and undertakings that adopt an internal model. Individual company reports and comparative analyses were developed to support supervision, drawing on the experience of IMOGAPI tool indicators.

Expert Network 4 (ENW4) explored the issues relating to the definition of risk measures for calculating the solvency capital requirement. A task force on natural catastrophe risks has been set up, which provides for periodic discussions with leading catastrophe risk model vendors to investigate the evolution of models in light of the effects of climate change.

The three-year monitoring schedule on internal models at European level defined by the IM-Forum of which the Institute is a member includes the submission to the EIOPA Board of an annual report (IM-dashboard) with statistics on the use of internal models, market shares, SCR data and solvency.

The Institute took part in the Expert Network 8 On Reinsurance (ENW8), contributing to the drafting of documents on 'Mass lapse reinsurance', containing guidelines for verifying the existence of effective risk transfer of mass lapse reinsurance covers, and "*Reinsurance agreements' termination clauses*". Both documents will be enclosed to the Opinion on the use of risk-mitigation techniques by insurance undertakings of 2021. A task force will examine new reinsurance solutions, including non-traditional ones, and their impact on capital requirements, recoverables and risk margin.

EIOPA established a thematic platform "*Project plan for guidance to NCAs on private equity ownership of insurance undertakings*" to identify and promote the development of common guidelines on the management of corporate transactions and supervision of insurance companies controlled by private equity funds. The work started in April 2024 and involves, in addition to EIOPA as coordinator and the Institute, the supervisory authorities of ten EEA countries. The first phase, which concluded in October 2024, was dedicated to sharing experiences on supervision and on the authorisation of the acquisition of qualifying holdings in insurance and reinsurance companies by private equity funds.

## 2. - MACRO-PRUDENTIAL SUPERVISION

In addition to monitoring the financial stability of individual insurance companies, IVASS is responsible for assessing the stability of the entire sector, identifying risks to the system and promoting the use of macroprudential control tools. IVASS participates in national and international work to share and coordinate activities aimed at strengthening the resilience of the insurance and financial sector as a whole, in collaboration with the Bank of Italy<sup>186</sup>.

The macroeconomic environment continues to be characterized by high uncertainty and geopolitical tensions, even in light of the announcement of US duties. There is considerable concern at European and national level about the potential consequences for the insurance sector, for example in the non-life sector and in the automotive segment in particular, where the increase in the cost of imported goods could lead to higher claims inflation, with negative effects on profitability. There could be negative consequences for companies offering credit and suretyship cover due to the possible deterioration of the financial strength of companies exposed to the new trade barriers. Any decline in profitability in the sectors most hit by duties would be reflected in investments held by the insurance market, which could be affected by a potential devaluation of the US dollar. At the end of 2024, US private bonds represented 3% of the investments where the risk is borne by Italian insurance companies; investments in US equities were marginal (less than 0.1%). Exposure to bonds issued by companies in sectors most affected by trade barriers (automotive and manufacturing) was less than 5% of investments where the risk is borne by insurance companies.

The results of the 2024 European insurance stress test confirm that the insurance sector at European and national levels would remain solvent even in the face of particularly adverse shocks, such as increased market volatility and widespread claims inflation.

### THE 2024 INSURANCE STRESS TEST

Last December EIOPA published the results of the stress tests conducted on 48 European insurance entities<sup>187</sup> including four Italian groups (Assicurazioni Generali, Unipol Gruppo, Intesa Sanpaolo Assicurazioni and Poste Vita). The exercise, conducted in collaboration with national supervisory authorities, assessed the vulnerability of the insurance market based on balance sheet data at the end of 2023. For a more comprehensive assessment of the resilience of the Italian insurance system and in line with the previous exercises, IVASS extended the *stress test* exercise to seven Italian insurance entities (groups with assets over €3 billion and one individual company with assets over €10 billion).

The exercise assessed the resilience of capital and liquidity positions to adverse changes in financial and insurance variables. The scenario used was characterized by intensifying geopolitical tensions leading to low growth, high inflation, and adverse shocks, with a further inversion of the yield curve<sup>188</sup>.

As for 2021, the exercise evaluated the impact using two approaches: Fixed Balance Sheet (FBS), in which insurance entities are not allowed to use reactive management actions (RMAs), and Constrained Balance Sheet (CBS), in which remedial actions affecting the solvency ratio and liquidity position may be taken.

Overall, the results for the eleven Italian insurance entities show a significant reduction in the sector's capital position, which would, however, still maintain a solvency ratio above the regulatory minimum. Without the activation of the RMAs, the aggregate Italian solvency ratio would fall by 98 percentage points, from 233 to 135%. The results are in line with the European sample, the ratio of which would go from 222% to 123%. With the activation of RMAs, which not all insurers have made use of, the impact would be smaller, with a reduction in the average solvency index to 149% and 140%, respectively, for the Italian and European samples.

<sup>186</sup> IVASS's assessments of systemic risks in the insurance sector feed into the semi-annual Financial Stability Report published by the Bank of Italy.

<sup>187</sup> These are 44 groups and 4 companies belonging to 20 Member States, representing 75% of the total assets of the European market.

<sup>188</sup> For a more detailed description of the exercise, see the Report on the activity pursued by IVASS in 2023 (chap. IV.2, page 104).

The adverse liquidity scenario would not raise any critical issues. The initial cash holdings, together with the sale of liquid assets, would be sufficient to cover the increased liquidity needs generated by the shocks at EU and national level.

In light of the results of the stress test, on 28 February 2025 EIOPA issued a recommendation<sup>189</sup> focusing on the critical issues that emerged in the validation of the exercise and aimed at improving the ability of certain entities to estimate the impact of adverse scenarios on their solvency and liquidity position.

*The risks of the Italian insurance sector* – IVASS monitors and analyses at a frequency from bi-weekly to annually the evolution of risks already present and the emergence of new ones, so as to identify any accumulation of systemic risk national level.

The quarterly analysis<sup>190</sup> on financial stability, based on indicators defined at European level and adapted, where appropriate, to the specificity of the domestic market (Risk Dashboard<sup>191</sup>) shows that in the fourth quarter of 2024 the risks for the Italian insurance sector remained largely stable (tab. IV.1). The decline in the ratio between surrenders and premiums, driven by the sustained recovery in life insurance premiums, has led to a decline in liquidity risk for the first time since 2022. Market risks declined as well, as a result of the contraction of the spread between guaranteed and realised rates on separately managed accounts the spread between the duration of financial assets and liabilities. On the contrary, cyber risks are increasing due to cyber attacks against Italian targets, which intensified with the Russian-Ukrainian conflict.

**Table IV.1**

IVASS Risk Dashboard		
	Q4-2024	Q4-2023
Macro Risks	Average	Average
Credit Risks	Average	Average
Market Risks	Low	Medium-low
Liquidity Risks	Average	High
Profitability and solvency risks	Medium-low	Medium-low
Interlinkages Risks	Low	Medium-low
Insurance Risks	Average	Low
Market perception	Medium-low	Low
<i>Environmental, Social and Governance (ESG) Risks</i>	Medium-low	Medium-low
Cyber Risks	Medium-high	Average

Source: statistics based on IVASS and LSEG data

The riskiness of the Italian insurance sector, as perceived by the market, remains medium-low: expected profits in June 2025 show higher growth than the average for companies in the euro area (Fig. IV.5).

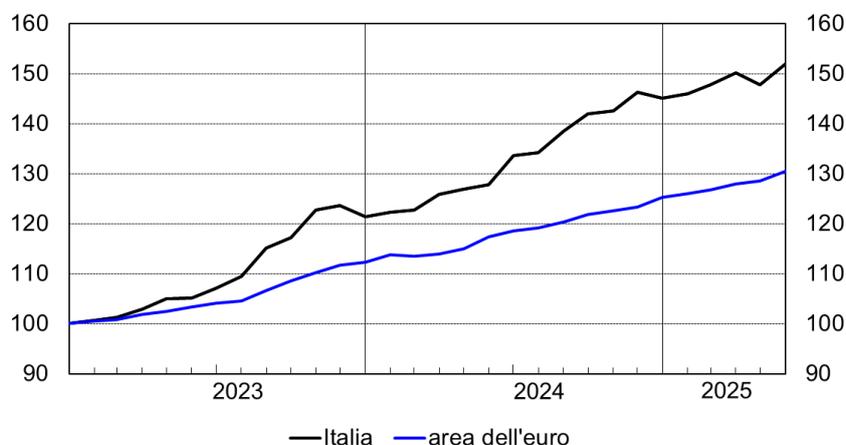
<sup>189</sup> [https://www.eiopa.europa.eu/document/download/699371fa-b55b-49f2-9b27-5c829e8b42d9\\_en?filename=Recommendations%20-%20Insurance%20Stress%20Test%202024.pdf&prefLang=ga](https://www.eiopa.europa.eu/document/download/699371fa-b55b-49f2-9b27-5c829e8b42d9_en?filename=Recommendations%20-%20Insurance%20Stress%20Test%202024.pdf&prefLang=ga)

<sup>190</sup> The calculations refer to the information for the quarter under analysis for the insurance indicators and to the most up-to-date information for the market indicators which, in some cases, take account of forecast estimates aimed at strengthening the outlook.

<sup>191</sup> The main characteristics of the *Risk Dashboard* and its usefulness for monitoring insurance risks are described in Educational paper No. 26 “*A Risk Dashboard for the Italian insurance sector*” (IVASS, 3 May 2023).

Figure IV.5

**Expected profits of Italian and European insurance companies (\*)**  
 (monthly data; indices: January 2023= 100)

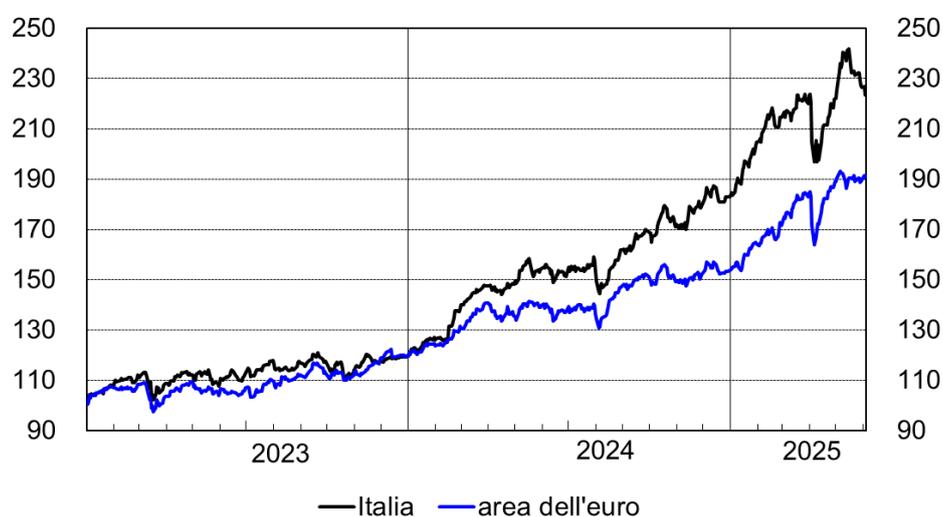


Source: calculation based on LSEG data. - (\*) Weighted average for the number of outstanding shares of expected profits per share over the 12 months following the reference date of a sample of leading Italian and euro-zone insurance companies. Italy includes Assicurazioni Generali, Unipol Assicurazioni and Revo Insurance. The euro area includes the major companies included in Datastream's index of the area's insurance sector.

Italian insurance companies' share prices have grown more than those in the euro area (Fig. IV.6).

Figure IV.6

**Stock prices of Italian and European insurance companies (\*)**  
 (monthly data; indices: 1 January 2023= 100)

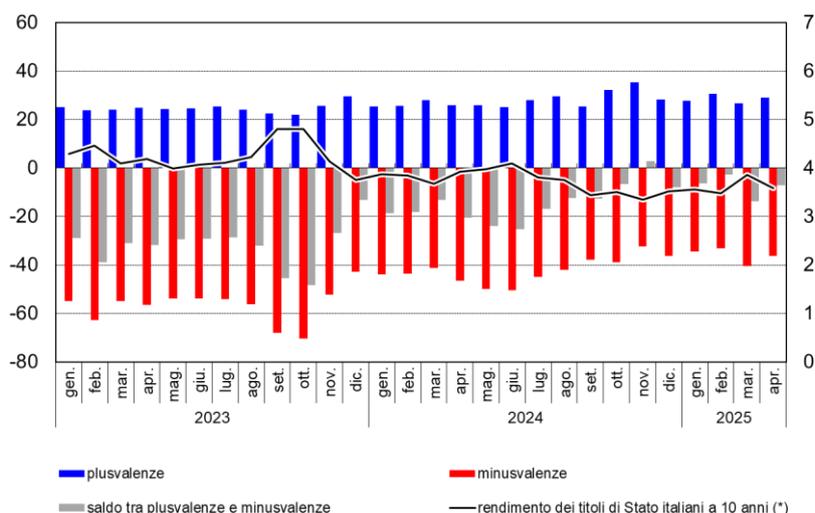


Source: calculation based on LSEG data.

*Unrealised capital gains and losses* - The decline in bond yields since June 2024 has been reflected in a contraction of net unrealised capital losses on investments, which amounted to €7 billion in April 2025 (Fig. IV.7), mainly attributable to public and private bonds.

Figure IV.7

**Unrealized gains and losses on investments**  
(monthly data; billion euro and percentage values)



Source: statistics based on IVASS and LSEG data – (\*) right scale.

IVASS analyses unrealised capital gains and losses at the level of the individual separately managed account, calculating the ratio of securities with capital gains or minimum capital losses<sup>192</sup> to the total securities held in the individual account. The lower the value of the indicator, with the same management strategy, the greater the company’s exposure to losses when selling securities, where unrealised capital losses are realised. At the end of 2024, we continue to observe an improvement at market level, with the average indicator at 58%, 14 and 23 percentage points higher than in 2023 and 2022 respectively.

*Early terminations of insurance contracts and liquidity risk as a whole* – The monitoring of investments and life premium income<sup>193</sup> provides information on early terminations of life contracts. A reduced need for liquidity in the Italian insurance market emerges, confirming the reduction in the related risk.

The upturn in premium income led to a significant decline in the ratio of surrenders to premiums<sup>194</sup>, which stood at 77% at the end of 2024, compared to 94% at the end of 2023. The ratio decreased both for unit-linked and for traditional products; the latter were also affected by the decline in settlements due to surrenders. In April 2025, the indicator was 70%, 18 percentage points lower than in the same period last year.

Surrenders are less and less correlated with the distribution channel: the gap between companies distributing mainly through the banking channel or via financial promoters and companies using other channels is gradually narrowing.

The phenomenon, observed in 2023, of a concentration of surrenders for with profit policies with provisions exceeding € 500,000, has subsided considerably. At the end of 2024, the surrender ratio on the provisions set aside by companies (*lapse ratio*)<sup>195</sup> for these policies is 11%, 6 percentage points lower than at the end of 2023. This is due to the significant reduction in settlements due to surrenders for contracts in

<sup>192</sup> Up to 2% of the value entered in the general ledger at the purchase price or, if not available, of the balance sheet value.

<sup>193</sup> Since March 2025, monitoring has been carried out on a monthly basis and no longer on a fortnightly basis.

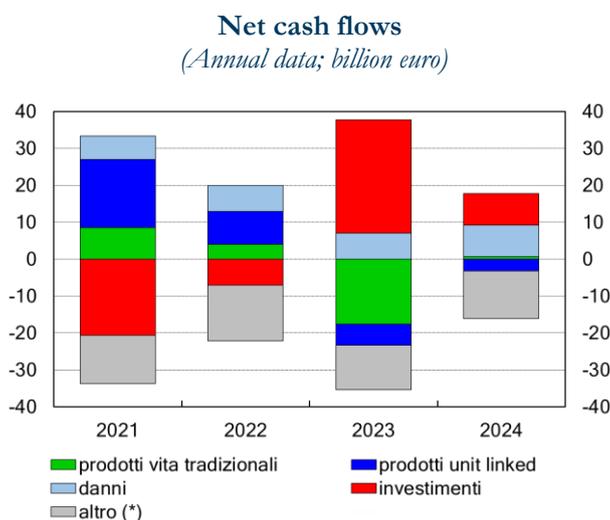
<sup>194</sup> The surrender-to-premium indicator is calculated as the ratio of surrenders to premiums. Data are cumulative.

<sup>195</sup> The lapse ratio is given by the ratio of the amount of settlements due to surrenders for the period to the provision set aside at the beginning of the same period.

this range. However, the lapse ratio assessed on total provisions remains at the December 2023 level (9%) due to the increase in this ratio for contracts with provisions of less than € 500,000.

Higher premium income and lower surrender outflows for traditional life products lead to an improvement in the net balance of technical cash flows, which becomes positive again in 2024 (Figure IV.8). Given the improvements in other net balances of technical cash flow and lower liquidity requirements, companies increased their net purchases of securities during the year.

Figure IV.8



Source: statistics based on IVASS data - (\*) "Other" net cash flows, which include, inter alia, operating expenses, intra-group flows and taxes, are only marginally affected by the performance of the insurance business

*Alternative investments* – Internationally, the focus on alternative investments is high (Chap. III.1), given the increasing use of such instruments to improve the diversification and returns of insurance companies' portfolios. The results of the quarterly monitoring of vulnerabilities in the Italian insurance sector<sup>196</sup> are in line with international results, although still remaining at low levels.

*Real estate sector* - The Institute continues to monitor the exposure of insurance companies to the real estate sector, especially commercial real estate (CRE), which is internationally considered vulnerable to the cyclical risks associated with rising inflation and the pronounced deterioration of growth prospects due to continuing geopolitical tensions. The quarterly monitoring of vulnerabilities in the Italian insurance sector indicates, in line with the past, limited exposure characterized by high quality standards and conservative investment strategies based on diversification.

<sup>196</sup> IVASS collects information in addition to the supervisory reporting harmonised at European level. The analysis is based on a sample of individual undertakings and groups, representing more than 85% of the market in terms of assets.

### 3. - ANTI-FRAUD SUPERVISION

#### 3.1. - IVASS anti-fraud activities

In 2024, IVASS carried out, within the scope of its powers to prevent and combat fraud in the insurance sector, activities involving the analysis, processing, and evaluation of information obtained from the Anti-Fraud Integrated computer database.

The use of advanced network analysis models allowed the identification of networks connecting individuals and groups of claims, symptomatic of widespread fraudulent phenomena. The results of the analysis, shared with the anti-fraud officers of the insurance companies involved, helped the companies acquire crucial information in assessing whether to file complaints for the prosecution of the crime of insurance fraud pursuant to Article 642, paragraph 2 of the Criminal Code.

Also as a result of the publication in July 2023 of a Letter to the Market clarifying that liability arising from the use of vehicles under the mini-transfer regime must be covered by a specific insurance policy on the test plate, there has been a significant increase in reports from the Police regarding the irregular underwriting of insurance risk for the aforementioned vehicles (90 communications containing 220 reports compared to 18 communications in 2023). The possible use of the mini-transfer for the purpose of fictitious registration of vehicles to persons other than the actual users has emerged. An in-depth analysis on the phenomenon and cooperation with the police made it possible to define and adopt measures to counter and proactively intercept cases of use of fictitious persons.

Reports submitted by individuals and the monitoring of data in the Claims Database brought to light various cases of alleged unlawful behaviours in motor liability policies, including cases of identity theft. IVASS has launched targeted analyses, taking a census of suspicious cases and conducting in-depth investigations to provide companies with useful elements to activate controls at the risk-taking and claims settlement stages. A monitoring and alerting procedure has been developed to address, in the interest of consumers and the market, the misuse of personal data in the insurance sector. The procedure is intended to help individuals who report the misuse of their data to deny contracts and claims. The first applications were positive and the scope of investigation was extended, with the consent of the interested parties, to insurance classes other than motor vehicle liability.

The development of more advanced procedures for preventing and combating insurance fraud, as well as the refinement of adequacy checks on corporate organizations and claims settlement systems, were discussed at a technical roundtable with undertakings' anti-fraud officers, law enforcement agencies, and the judicial authorities.

To achieve greater efficiency and optimisation of claims management and settlement processes, also taking into account the widespread use and accessibility of digital technologies, regulations<sup>197</sup> have required companies to provide insured parties with tools to digitally fulfil the obligation to report claims, set forth in Article 143 of the CAP.

Requests from law enforcement agencies conducting roadside checks (109 in 2024 compared to 112 in 2023) have prompted investigations into the regularity of insurance coverage and the appropriateness of the procedures adopted by companies to ensure a timely and complete flow of data to the database of insurance coverage managed by the Ministry of Infrastructure and Transport. The investigations confirmed, in most cases, delays on the part of companies due to computer or human error, while cases of non-compliance with the insurance obligation on the part of private individuals are limited.

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<sup>197</sup> Regulation no. 56 of 25 March 2025.

Overall, the indications received from the Public Security Authorities were 249 (158 the previous year), including preliminary requests for judicial police investigations.

Access by private individuals to the data in the Claims Database (BDS) reached 800 (788 in 2023), a clear sign of greater visibility of IVASS's anti-fraud activity on the part of the public involved in road traffic accidents. 677 access requests concerned personal data (678 in 2023), while 103 accesses concerned third-party data (110 in 2023). Requests for access by law enforcement agencies are also growing (161 compared to 130 in 2023, an increase of + 23%),

Overall, requests for access registered an increase of 2.5% (941 in 2024 compared to 918 in 2023).

The high number of accesses led to the planning of a procedure to allow direct access to personal data stored in BDS through authentication with SPID, CIE, or CNS. At the end of the authentication process, the project provides for the acquisition of the applicant's tax code and its use as a data search key.

96 authorisations were granted for consultation of the Claims Data Bank (136 in 2023), to staff of judicial and local police organisations.

In addition, 90 general enquiries were received and dealt with.

In the final months of 2024, the verification of BDS consultations carried out by insurance companies, through authorised collaborators, for anti-fraud purposes was intensified. A sample review of accesses revealed anomalies, prompting direct action to encourage companies to adopt systems to verify access compliance with the provisions of IVASS Regulation No. 23/2016 and the GDPR.

### 3.2. - Undertakings' anti-fraud activities

*Provisional data on undertakings' anti-fraud activities in 2024* – Following the transmission by the companies of the annual reports as per ISVAP Regulation no. 44/2012, preliminary findings on the trend of anti-fraud activities in 2024 have been drawn up.

Table IV.2

2024 reports - ISVAP Regulation n. 44/ 2012							
(units)							
Macro-zones	Regions	risk unit	Claims Reported	Claims exposed to fraud risk	Claims investigated in relation to fraud risk	Claims investigated in relation to fraud risk that were closed without payment	Claims subject to Reports/Legal Action
NORTH	EMILIA ROMAGNA	3,611,457	188,011	37,996	16,024	1,686	121
	FRIULI VENEZIA GIULIA	995,272	40,914	7,793	3,399	404	75
	LIGURIA	1,169,993	75,429	16,230	7,038	731	32
	LOMBARDIA	7,467,458	466,772	88,020	33,261	4,060	361
	PIEMONTE	3,429,874	180,956	43,143	16,169	1,874	144
	TRENTINO-ALTO ADIGE	1,160,033	44,894	8,630	2,741	443	63
	VALLE D'AOSTA	113,077	5,214	1,041	414	74	3
	VENETO	3,901,966	173,070	30,357	10,390	1,184	75
	<b>North - Total</b>	<b>21,849,129</b>	<b>1,175,260</b>	<b>233,210</b>	<b>89,436</b>	<b>10,456</b>	<b>874</b>
CENTRE	LATIUM	4,591,108	312,876	74,850	36,773	4,488	472

2024 reports - ISVAP Regulation n. 44/ 2012

(units)

Macro-zones	Regions	risk unit	Claims Reported	Claims exposed to fraud risk	Claims investigated in relation to fraud risk	Claims investigated in relation to fraud risk that were closed without payment	Claims subject to Reports/Legal Action
	MARCHE	1,218,104	57,921	11,516	5,149	527	21
	TOSCANA	3,188,145	177,840	35,282	15,017	1,669	77
	UMBRIA	734,983	35,632	7,283	3,100	394	34
	<b>Centre - Total</b>	<b>9,732,340</b>	<b>584,269</b>	<b>128,931</b>	<b>60,039</b>	<b>7,078</b>	<b>604</b>
<b>SOUTH</b>	ABRUZZO	987,030	48,721	9,833	4,177	565	43
	BASILICATA	402,442	16,648	4,590	2,311	345	29
	CALABRIA	1,200,730	55,917	16,349	9,927	1,433	106
	CAMPANIA	3,094,778	225,572	109,586	71,975	11,226	820
	MOLISE	238,336	10,294	3,053	1,632	301	13
	PUGLIA	2,531,695	136,944	40,664	20,444	2,567	281
	<b>South -Total</b>	<b>8,455,011</b>	<b>494,096</b>	<b>184,075</b>	<b>110,466</b>	<b>16,437</b>	<b>1,292</b>
<b>ISLANDS</b>	SARDINIA	928,767	54,059	10,536	4,099	547	21
	SICILIA	3,249,078	201,856	56,976	28,130	3,055	147
	<b>Islands - Total</b>	<b>4,177,845</b>	<b>255,915</b>	<b>67,512</b>	<b>32,229</b>	<b>3,602</b>	<b>168</b>
	<b>Domestic Total</b>	<b>44,214,326</b>	<b>2,509,540</b>	<b>613,728</b>	<b>292,170</b>	<b>37,573</b>	<b>2,938</b>

As in the previous year, there was a slight increase in the number of risk units (+1.2%) and claims reported (+0.8%). The number of claims closed without payment as a result of anti-fraud activities carried out have remained substantially stable. In contrast to 2023, there was a slight decrease in claims subject to reporting/ legal action (-4.9%).

#### 4. - PRUDENTIAL ON-SITE SUPERVISION

On-site supervision contributes, together with off-site supervision, to ensure the full effectiveness of prudential supervisory action by supplementing the information framework available to IVASS with elements acquired and deemed reliable during on-site visits. Inspection techniques (access to company archives, walk-through analysis of operational and control processes, sample checks) and the constant interaction with corporate officers make it possible to accurately assess risk profiles. On-site inspections contribute substantially to the analyses of: the adequacy of corporate governance and internal controls, the functionality of the organisational structure, the quality of the risk management system and the presence of an appropriate risk culture, and the reliability of data and market information.

In 2024, 32 inspections were carried out, 15 of which at undertakings. They related to prudential supervision profiles in 11 cases, and in four cases to market conduct aspects (see Chap. V.8). Four inspections were conducted at large-sized companies, covering 86% of large companies and 49% of all supervised companies over the last three years. An audit was conducted at an outsourcer carrying out the tasks of the actuarial function for certain insurance companies.

IVASS inspection planning process is aligned with international standards. It takes account of the proposals made by the off-site Departments on the basis of the outcome of the prudential assessment process, and the information acquired in the supervision over the conduct of operators and for consumer protection purposes.

The inspections are carried out on the basis of the guidelines that focus investigations on the undertakings' risk exposure and on the effectiveness of the relevant safeguards, through analysis of the governance, management and control processes. The assessment of corporate governance structures represents a major topic for the supervision; the good quality of corporate bodies and corporate officers is the main safeguard for a sound and prudent management.

*Insurance undertakings* – When planning the eleven inspections on profiles of prudential relevance, a minimum frequency of on-site assessments on all the undertakings was ensured. Therefore, inspections on prudential issues were conducted at four companies that had not been audited on-site for more than 5 years, with an approach focused on one or more areas of greatest importance for the supervision (governance structures, calculation of SCR premium, reserve risk and best estimate liabilities, technical provisions of the statutory financial statements). Other audits concerned:

- the strategic risk and sustainability of the business model for a life insurance company that suffered a significant reduction in turnover due to the termination of its main commercial agreements, and for two non-life insurance companies specializing in motor insurance that use the direct distribution channel, with aggregators playing a significant role in one of these;
- the management of financial assets and related risks, with particular reference to investments in complex or illiquid financial instruments and the liquidity risk management;
- the consolidated accounts, drawn up according to the international accounting standards, with the recognition, measurement, and presentation of insurance contracts in accordance with IFRS 17;
- for three large companies, the adequacy and effectiveness of the management and coordination activities of the group companies on non-life and life reserving, the calculation of solvency and the control and monitoring carried out by the ultimate Italian parent company;
- the management and control of ICT and cyber security risks.

Following the eleven audits carried out, seven partially unfavourable opinions (score of 3 on a scale of 4) and one unfavourable opinion (score of 4, the worst) were issued; in one case, sanctioning proceedings were initiated in relation to the deficiencies found.

## STRATEGIC RISK

The three assessments on strategic risk ended with a partially unfavourable opinion due to deficiencies found in the governing action of the administrative body, whose necessary critical examination of the assumptions underlying the strategic planning forecasts proved to be generally inadequate.

In one case, the estimates in the strategic plan proved to be less than prudent, with insufficient analysis of the reasons for the failure to achieve the objectives, which the body merely noted. The lack of adequate information flows on the status of project implementation reduced the Board of Directors' awareness of the risks of failure to achieve targets. In the second case, the administrative body merely acknowledged in the strategic plan the prospects drawn up by the group, without grasping the execution risks, or calling for more conservative scenarios. Commercial forecasts resulted in a systematic overestimation of the capacity to develop volumes and, in monitoring results, management was not encouraged to delve into the causes of the failure to achieve objectives, in terms of volumes and risk.

For the life insurance company, weaknesses emerged regarding the robustness of the forecasts of volume growth, in addition to the projections on the liquidity profile that did not extend to the entire plan horizon and were based on imprudent sensitivity analyses, in which the extent of the movements of some risk factors was determined on a judgmental basis.

## ICT RISKS

Investigations on the governance, management and control of ICT risks aim to verify the consistency of strategies with business objectives, the ability of the information system to constantly support decision-making and risk management processes, data governance, IT security management, and the adequacy of controls. Audits of two large companies, which concluded with a partially unfavourable opinion, highlighted a significant delay in addressing specific risk profiles, including cyber security. The lack of adequate reporting to the administrative body emerged, as the reporting system was based on limited and insignificant indicators, insufficient for a clear understanding of the risks and the need for intervention; the impetus for the qualitative and quantitative strengthening of control functions was weak. In terms of planning, weaknesses emerged in the integration of ICT and cyber security components.

Inspections on ICT outsourcing highlighted that significant outsourced activities were missing from the contracts, no SLAs were provided for application development and control over critical sub-providers, and no exit strategies were in place for cloud service sub-providers. There were significant shortcomings in cyber security, particularly in the identity management and authentication system for access to corporate systems, as well as in the effectiveness of penetration tests, which were limited in scope. Business continuity and disaster recovery suffered from a lack of consideration of cyber attack scenarios and the deviation between the recovery levels required by critical processes and those actually ensured. The poor coverage and unrealistic basis of disaster recovery tests do not provide adequate safeguards for the continuity of IT processes. The contributions of the control functions (risk management, compliance, internal audit) were insufficient due to limited technical skills, which prevented adequate dialogue with the risk owners.

## FINANCIAL RISKS

Areas for improvement were identified in the classification and valuation of assets, with regard to the exact definition of illiquid assets and independent fair value verification, as well as in the system of delegated powers, to be strengthened with appropriate limits and periodic reports. Liquidity risk management over the 12-month period was impacted by shortcomings in the governance framework, which was based on guidelines provided by the foreign parent company, was poorly suited to local business, and had methodological weaknesses in the accuracy of surrender forecasts.

## OTHER RISKS

Regarding the management and coordination of the group's companies in the life and non-life reserving sectors, areas for improvement emerged regarding the reporting to the Board of Directors regarding future management actions and the activities of the actuarial function, within a framework of satisfactory risk management by the parent company. This was aimed at ensuring a balance between the autonomy of individual companies' assessments and the implementation of centralized guidelines, as well as group-wide neutrality in the techniques used to construct consolidated data.

In preparing the consolidated financial statements in accordance with IFRS 17, room for improvement was highlighted in the actions of the administrative body. Despite having benefited from training sessions, the body had not established suitable corporate policies to guide the management's methodological solutions, nor information flows that would allow the Board of Directors to validate the decisions made and assess their impact on the financial statements. The analyses on the following processes also needed to be strengthened: aggregation of contracts, with greater homogeneity of risks in the units of account and integrating the onerousness classes in accordance with the principle; onerousness test, improving cashflow estimates to avoid offsets between onerous and profitable contracts; eligibility of the premium allocation approach in non-life business and the variable fee approach in life business; determination of the risk adjustment by adopting quantitative criteria for verifying requirements.

*Anti-money laundering* - IVASS carries out its activity following a risk-based approach as outlined in the FATF recommendations and in the national legislation implementing EU directives. Italian insurance companies and foreign companies pursuing business in Italy carry out the analysis and assessment of money laundering risk, based on the criteria and methodology defined in IVASS Regulation No. 44/2019, as amended by Order No. 111/2021. Companies operating under fos are asked to send a reduced set of information.

IVASS Order No. 144 of 4 June 2024 amended IVASS Regulation No. 44/2019 in full compliance with the EBA Guidelines on corporate governance regarding the prevention of money laundering and the combat of terrorist financing (EBA/GL/2022/05).

In 2024, eleven inspections were carried out, one of which was at a medium-sized company that uses the banking and agency distribution channels, and ten at intermediaries registered in sections A and B of the RUI. For those who have established the specific function, the role of the designated manager and the appropriateness of the checks carried out have been explored.

The audit conducted at the company revealed shortcomings in the organisational structure, with the AML function located in a structure which was not adequate to ensure the separation of operational and control functions, in the administrative body's assessment of the adequacy of the resources assigned to the AML function, in the internal procedures for identifying risk factors to be followed by the application of enhanced customer due diligence measures, and in the specific content of enhanced customer due diligence measures.

For intermediaries, profiles of improvement have emerged in the fulfilment of the obligations of customer due diligence, with reference to the need to request additional information for the purpose of evaluating the appropriateness of the amounts subscribed/paid with respect to the client's income/asset capacity and/or to document the origin of the funds, the failure to identify all the beneficial owners that could be deduced from the perusals produced at the time of opening the relationship, the failure to acquire receipts of premium payments and additional payments, for the purpose of traceability and identification of executors other than the policyholder.

Sanctioning procedures were commenced against one insurance company and one insurance intermediary.

The Institute participated in the Supervisory Colleges on AML/CFT, established in implementation of the guidelines (JC 2019-81 of. 2019 16 December 2019) issued by the three European Supervisory Authorities (ESAs) and aimed at achieving effective supervision over groups with cross-border operations.

Institutional collaboration with the Guardia di Finanza (Finance Police) and cooperation with the UIF (FIU) continued. The Institute expressed its prior agreement, as per art. 9 of Legislative Decree 231/07, in relation to five audits by the Guardia di Finanza, to which information on the subjects to be inspected was provided and cooperation was ensured, also during the audits.

## 5. - COMPULSORY WINDING UP

In 2024, the Institute continued to monitor undertakings undergoing administrative compulsory winding up, with the aim of verifying the regular performance of asset realisation, determination of liabilities and distribution of amounts owed to creditors. 128 transactions were analysed in advance and expressly authorised. After verification of the prerequisites, 60 acts of appointment, extension, renewal or replacement of liquidators and members of supervisory committees were issued.

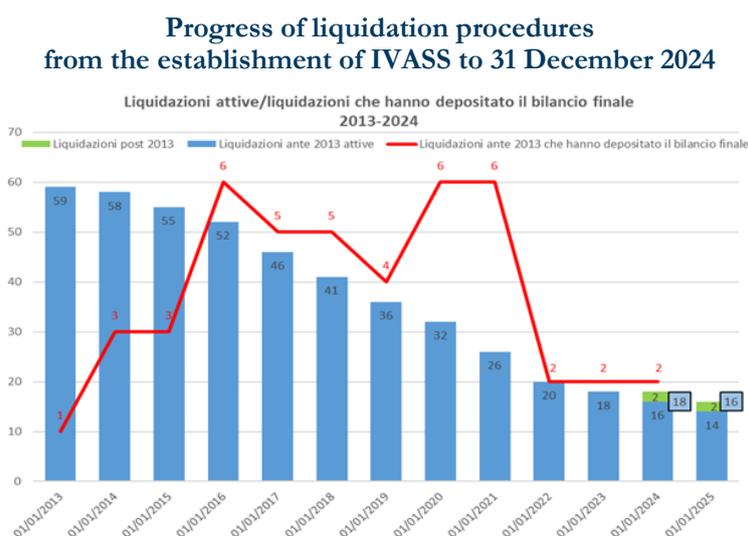
The following measures have been adopted:

- the authorisation to file with the competent court two partial allocation plans of Faro Compagnia di Assicurazioni e Riassicurazioni S.p.A.;
- the authorisation to the filing, with the competent court, of the final balance sheet, financial statements and final allocation plan of La Concordia S.p.A.;
- the authorisation to file with the competent court the proposal to close the liquidation of FIRS Italiana di Assicurazioni S.p.A. with a composition with creditors;
- the cancellation from the register of companies of Assid Assicuratrice Italiana Danni S.p.A. that had previously filed the final documents.

The statement of liabilities of the Eurovita group companies was filed: Eurovita S.p.A., a company operating in the life insurance business, and its parent company Eurovita Holding S.p.A., placed into administrative compulsory winding up on 27 October 2023.

With regard to the real estate assets of the liquidations, whose presence is often the main obstacle to closure, IVASS' attention has been paid to the methods of auction sale and the related publicity, with the implementation of initiatives taken to encourage the sale of the remaining assets, in line with the provisions of the Crisis Code and the Code of Civil Procedure. Three real estate assets were sold in 2023, which made it possible to start the closing procedure for two liquidations. Since 2015, 90 properties have been sold.

Figure IV.9



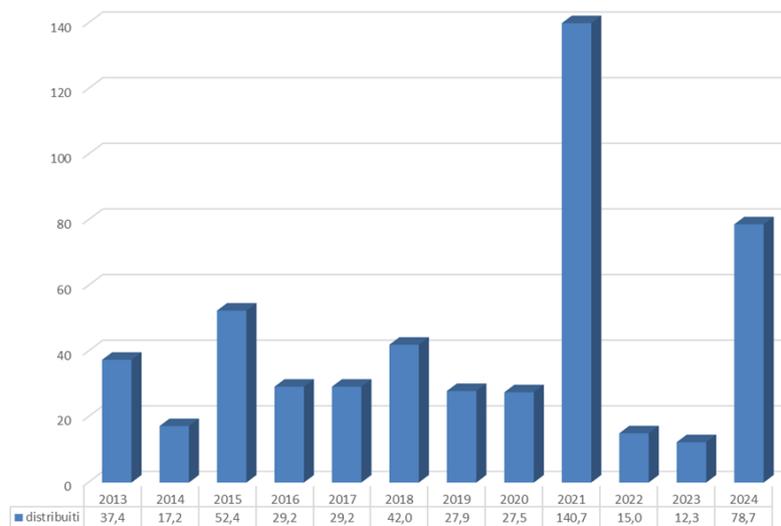
As to the disbursement to creditors, IVASS authorised the disbursement of a total of 78.7 million euro to the creditors of Faro Compagnia di Assicurazioni e Riassicurazioni S.p.A., La Concordia S.p.A., FIRS Italiana di Assicurazioni S.p.A. and Progress Assicurazioni S.p.A.

Among the creditors who benefited from these payments are included Consap S.p.A. - Fondo di Garanzia per le Vittime della Strada (the national guarantee fund) and the designated undertakings, inasmuch as they have the right of recourse for the compensation they have paid for MTPL claims.

Based on the data provided by Consap S.p.A., the Fondo di Garanzia per le Vittime della Strada in 2024 paid damages amounting to 4.7 million euro for MTPL claims caused by policyholders insured with undertakings placed under administrative compulsory winding up.

**Figure IV.10**

**Payments to creditors from the establishment of IVASS**  
*(amounts paid under final and partial allocation plans and advances in million euro)*



The Institute continues to be in contact with the European Supervisory Authorities responsible for the control of foreign undertakings in crisis or placed in winding up, which carried on business in Italy under the freedom to provide services or the right of establishment, and with the related liquidators, to provide correct disclosure to users about the procedures whereby policyholders and injured parties can enforce their rights.

## V. *MARKET CONDUCT SUPERVISION AND CONSUMER PROTECTION*

The main objective of market conduct supervision is to ensure increasingly robust and substantial consumer protection, while at the same time considering the prudential impact of business management choices. The Institute's attention focuses in particular on the design of the insurance offer, which must be able to generate adequate value for policyholders, and on the timeliness and fairness of the processes for settling benefits for policyholders and injured parties.

Thanks to the support of advanced technological tools, it was possible to strengthen controls and make interventions in the design and governance processes of insurance products (POG - *Product Oversight and Governance*), improving quality in line with European guidelines. Effective product governance is a fundamental tool for balanced and sustainable market development.

For non-life policies, particular attention is paid to exclusion clauses to ensure that they do not undermine the effectiveness of the cover with respect to the actual protection needs of the insured. The objective of ensuring real value for the consumer has guided the interventions in the assumption and settlement processes adopted by undertakings.

The insurance offer through digital channels is also being analysed by the Institute, which continues to be committed to combating the unauthorised pursuit of insurance business online.

The handling of the complaints received by the Institute, which continued to increase in 2024, represents an essential complement to its market conduct supervision and enhances the effectiveness of its efforts to combat unfair behaviours. In addition to facilitating the resolution of individual cases, complaints are a valuable indicator of existing or potential critical issues in operators' behaviour. Analysing complaint data, both qualitatively and quantitatively, allows to identify the most common causes of consumer dissatisfaction and take timely action.

In 2024, specific attention was paid in the non-life segment to the numerous complaints related to extreme natural events that hit some areas of our country, affecting the claim settlement processes. The Institute's interventions were aimed not only at encouraging undertakings to adopt corrective contingency measures, but also at promoting more structured medium- to long-term solutions, emphasizing the need for a careful review of claims management processes.

An area of growing commitment is represented by IVASS's use of advanced technology tools in the management of complaints, to facilitate interaction with consumers (e.g. by allowing the submission of a complaint through a dedicated portal) and to support the analysis of reports, to the benefit of the effectiveness and efficiency of consumer protection action.

Soon, the set of individual protection instruments available to the customer will be enriched with the launch of the Insurance Arbitrator. Following the approval of the reference regulatory framework, the Institute is completing the preliminary activities for the new ADR, with the definition of the organisational, dissemination and technological aspects, and the appointment of the first Panel.

Consumer protection also passes through the insurance education projects promoted by the Institute, independently and in cooperation with other institutions, including the Bank of Italy, the EDUFIN Committee, Foundations and Universities. Special recognition was given to the project 'Secure the Future: IVASS Roadshow' aimed at secondary schools and the podcast series 'Te l'Assicuro'.

## 1. - SUPERVISION OVER MARKET CONDUCT

### 1.1. - Methodologies and analysis tool

The Institute has defined the methodologies and automated the analysis tools for the supervision of insurance-based investment products (IBIPs) traded on the Italian market. The tools, developed in previous years for the analysis of the market and individual products (*Layer I* and *Layer II*), increase the effectiveness and the efficiency of supervision. In parallel, processes for examining the internal funds underlying IBIPs at market and individual fund level were automated.

The system of indicators for market conduct supervision has been expanded, in line with the changes made to the European taxonomy for Solvency II quantitative data. Following the changes introduced in the templates, the Institute held numerous discussions with companies to support them in the correct compilation and ensure quality standards in terms of appropriateness, completeness and accuracy of the data.

After the completion of the data quality management process, a new tool was developed to exploit the Institute's information assets, which unifies multiple databases for the analysis of the life sector using big data analytics and optimal data management algorithms. The tool provides immediate access to approximately one billion data of the life insurance market, resulting in an integrated readout of data on underlying products/internal funds/assets.

In October 2024, the EIOPA methodology for the construction of market benchmarks for IBIPs was published, based on various cost, performance and insurance benefit indicators and carried out by clusters of homogeneous products. The EIOPA 2024 Cost and Past Performance data collection was used to determine the first benchmarks in 2025, which will make it possible to identify outliers, against which the national supervisory authorities will be able to make their own assessments, and to check whether adjustments to the methodology are necessary.

### 1.2. - CONDUCT SUPERVISION ON UNDERTAKINGS

*Supervision of POG processes and IBIPs* – Supervision of the Product Oversight and Governance (POG) focused on the check of the processes and procedures adopted by undertakings in the different stages of the product life cycle, particularly the definition of the target market, product testing, with specific focus on customer-side product profit testing, Value for Money (VfM) model review and post-sale monitoring.

To check the alignment status with the expectations on POG set out in the letter to the market of 27 March 2024, the Institute asked eight companies<sup>198</sup> and analysed the results of the planned gap analysis. A general improvement was noted in terms of governance, target market definition, and product VfM assessment models. The following were observed:

- greater involvement of the BoD in the POG process and the strengthening of reporting to the BoD and ad hoc committees;
- new POG policies which, in addition to better defining roles and assigning responsibilities for key functions, identify specific guidelines for the definition of the target market and for the product testing phase.
- methodologies for defining the target market that provide for greater granularity of parameters, including the level of customers' financial knowledge, risk profile and age, and the introduction of a new complexity scale that takes into account the number and riskiness of the underlying options;

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<sup>198</sup> The survey covered 55% of the market in terms of premiums collected.

- for the purpose of measuring VfM, the adoption of customer-side profit testing that downgrades the qualitative component. Blocking thresholds have been set for some indicators, including net return to RHP, the percentage of distribution of return between the company and the insured and the moment of reaching break-even for the insured.

There is still room for improvement in the identification and calculation of indicators and related parameters in the product testing phase and in the VfM model. In particular:

- for some of the indicators described in the Letter to the Market, no thresholds have been defined or have been provided in a non-blocking manner;
- the choice of indicator thresholds for evaluating the VfM is not always satisfactory, such as thresholds that provide for the mere recovery of costs for the customer at RHP or a level of return distribution in favour of the insured equal to 30% for the lowest risk profiles;
- for multi-option products, only a few companies critically reviewed the high number of options and identified significant investment combinations on the basis of portfolio data;
- in some cases, performance thresholds referring to relevant moments that take into account the policyholder's surrender behaviour, such as the date on which most policyholders exited the contract, are not assessed.

IVASS asked undertakings showing these areas for improvement to take further action. Two undertakings revised the entire POG process by taking actions that constitute a significant step in the direction indicated in the Letter to the Market on POG expectations and six companies are still working on the required changes.

In addition, the application of the new methodologies and monitoring tools available to IVASS led to targeted supervisory interventions on IBIPs for three companies, characterised by high costs and low expected performance. The companies intervened with an initial restyling of the products with a general reduction in costs. However, as these were not decisive, more incisive interventions were requested and are currently being evaluated.

*Supervision of extraordinary transactions on internal funds and separately managed accounts of IBIPs* – Nine mergers were approved, which involved 32 separately managed accounts.

The merger transactions increased compared to the previous year, as a consequence of the need to rationalise the number of separately managed accounts with a view to improving profitability and the level of liquidity.

Amendments to the regulations of 47 separately managed accounts and 6 internal funds were examined to ascertain the absence of prejudice to policyholders.

The documents relating to six newly established separately managed accounts were examined to verify the compliance of their contents with the regulations. A newly established individual pension products and the regulations of the two underlying internal funds were also analysed.

*Supervision on settlement processes in life business* – In 2024, sample checks were carried out on the documentation required by companies from beneficiaries for the settlement of life insurance policies, to assess whether it was actually needed and easy to obtain. The analysis, which covered seven companies<sup>199</sup>, revealed that the report of the attending physician required in the event of the death of the insured person

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<sup>199</sup> The survey covered 55% of the market in terms of premiums collected.

is often excessive and requests information of which the physician may not be aware, because it is very old or cannot be easily reconstructed. Follow-up on these companies is ongoing.

IVASS initiated an audit of the way in which the Single Reporting Document (DUR), which is sent annually to policyholders with life insurance policies to update them on the value of their accrued benefits, costs and returns, was drafted. A Letter to the Market<sup>200</sup> was issued asking the compliance function to verify by 31 March 2025 that the disclosure made with the DUR is complete, clear and suitable for combining technical content with simple communication. A random *follow-up* on the results of these audits is ongoing.

*Supervision on dormant life insurance policies* – The follow-up continued to verify the progress and effectiveness of the remedial plan adopted by one company to overcome the widespread criticalities found during the on-site inspection and the run-off of the high stock of dormant policies, in terms of number and amount. The company has taken several actions, the effects of which are currently being evaluated.

A follow-up was initiated on another life company, for which the inspection revealed serious deficiencies in the settlement processes.

The Institute provided support to Italian and foreign companies for the accreditation and access process via the National Digital Data Platform (PDND) to the National Database of Residents (ANPR) to check whether the insureds are still alive, in accordance with the regulations, and to identify any dormant policies of which they were not aware.

In March 2024, companies reported the payment status of policies through the new data collection procedure (Pol.Do. - Dormant Policies), based on the InfoStat platform. It came out that in 2023 undertakings ascertained the entitlement to payment for 106,584 dormant policies (about 62% of the total policies cross-checked), worth more than 4.8 billion euro, of which 3.2 billion euro had already been paid and collected by beneficiaries as of 31 March 2024.

Following the analysis of the data and the identification of operators that exceeded the thresholds to identify outliers, taking into account the follow-up of previous communications, it emerged that critical issues persisted and required supervisory action on four Italian and seven foreign companies, especially in relation to their older policy portfolios.

The main reasons for the slowdown in settlements were the excessive medical documentation required, which is often difficult to obtain and not available to the beneficiary, information exchanges with banking distributors not always well structured or integrated, the search for beneficiaries often based only on repeatedly sending letters to old addresses.

Following the guidelines provided by IVASS, companies have planned, and in some cases implemented, measures to strengthen their processes. Assessments of the effects of these actions are currently underway.

*Supervision over non-life products* – In-depth investigations were conducted on policies against catastrophe risks offered to retail customers and to small and medium-sized enterprises and on policies for pets (see par. 2).

The claim settlement processes of four Italian companies were investigated as off-market average values of the Retail Risk Indicators (RRI) were found in some LOBs (high rate of rejected claims, low claims ratio). It emerged that in most cases these were payment protection products (PPIs) that are no longer on

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<sup>200</sup> [Lettera al mercato 15 luglio 2024.pdf](#)

the market or have been replaced; further actions on products still on the market will be evaluated, also in light of the analysis on the new RRI introduced in the meantime by EIOPA and at national level.

On the basis of the indicators on complaints, the claims settlement processes for extreme weather events were examined through ad hoc actions with respect to the companies concerned. This also led to the publication of a letter to the market (see par. 5).

### 1.3. - Supervision on the activity of foreign undertakings in Italy

The supervision on the entry of foreign companies into the Italian market and their market conduct continued in cooperation with EIOPA and with the insurance authorities of the other Member States.

As at 31 December 2024, 92 EEA insurance and reinsurance undertakings were authorised to pursue business in Italy through an establishment and 894 undertakings by way of free provision of services. According to the data on premiums notified by EIOPA, foreign undertakings actually in operation in Italy at end 2023 (latest data available) were 307<sup>201</sup>, with a total premium income of 19.1 billion euro (12 in life insurance business and 7.1 in non-life) and a market share of 13% on the entire Italian market.

In line with past years, foreign companies are mainly active in the life sector (63% of total premiums relates to these companies), in particular with unit-linked policies (74% of life premiums of foreign companies, compared to 85% in 2023) and come mainly from Ireland and Luxembourg.

*Entry of new EU undertakings into the Italian market and supervision following entry* – The home authorities reported to IVASS 35 new entries in Italy by EU companies by way of fos, two under the right of establishment, and 26 extensions to other classes for active companies. Six opinions were issued to EU Supervisory Authorities in relation to portfolio transfers between foreign undertakings operating in Italy under right of establishment or fos.

In addition to the case of the Slovak life insurance company NOVIS, whose license was withdrawn, and the crisis of the FWU group, which led to the winding up of the Luxembourg life insurance company FWU Life Lux (see below), cooperation with other supervisory authorities and EIOPA concerned:

- a Bulgarian company operating in the motor liability insurance sector, in view of the high number of complaints and the inadequate claims management process;
- two Croatian companies operating in Italy in the motor liability insurance sector;
- an Austrian company and a Liechtenstein company operating in the life insurance sector, due to potential critical issues related to products and the distribution network;
- a Cypriot company operating in the suretyship sector, due to potential critical issues related to governance and the distribution network;
- a Maltese company authorised to pursue business in Italy in the life class I, in relation to the type of business and distribution network.

Aspects of market conduct in the domestic market were discussed in seven Colleges of supervisors, relating to cross-border groups operating in Italy with significant branches.

*Crises of foreign companies* - In 2024, the Institute monitored the following crises in contact with EIOPA and the authorities of the other home Member States:

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<sup>201</sup> 77 operating under the right of establishment and 266 by way of fos, with some undertakings active under both regimes.

- the Slovakian life company NOVIS, whose authorization was withdrawn in June 2023 by the home authority and for which, after almost two years, a liquidator has not yet been appointed by the local court. This situation led to the opening of an infringement procedure by the European Commission against the Slovak Republic in April 2024. Given the ongoing concerns for policyholder protection, EIOPA published a Q&A paper on the company's situation with advice for policyholders;
- FWU Life Insurance Lux SA, put into liquidation by judgment of 31 January 2025 by the Luxembourg Court.

In these cases, for which the home supervisory authority has jurisdiction over financial solvency, the Institute has adopted initiatives to assist Italian policyholders, within the limits permitted by European legislation. Communication initiatives were taken, as well as action on intermediaries to ensure maximum transparency on any developments in the situation and assistance to policyholders, raising the awareness of the press and organising meetings with consumer associations.

These events, which concern the crisis of European companies operating in Italy that are not subject to national prudential supervision, have highlighted the insufficient harmonisation of the supervisory practices of the Authorities of the different countries and the need for improvements, including the strengthening of EIOPA's powers.

#### 1.4. - Supervision of the market conduct of distributors

*Supervision of intermediaries' POG processes* – As part of the supervisory efforts to identify potential issues in insurance distribution at an early stage, assessments of the distribution processes developed by insurance intermediaries in relation to POG regulations continued.

The audits focused on the intermediaries who promoted and/or marketed insurance products with complex features which raise doubts on the existence of sufficient VfM for policyholders.

Supervisory actions were taken with respect to these intermediaries, aimed at overcoming the critical issues identified and strengthening the POG safeguards and sales methods, as well as reviewing the business models adopted, with the ultimate goal of ensuring that insurance distribution is in line with the interests of customers.

Remedial actions implemented by intermediaries included the development of autonomous systems for assessing the product's target market, changes to the questionnaires for the assessment of customers demands and needs, improvements in information flows with insurance companies for product and sales monitoring.

In 2024, the Institute conducted an in-depth supervisory review of insurance products distributed by entities operating in sectors other than insurance (i.e. energy, telecommunications, large-scale distribution) which have started insurance distribution activities.

The purpose of the investigation was to verify the contents of the insurance offer and the methods of product distribution. In particular, the analyses focused on whether:

- sales practices are transparent and fair;
- customers are able to understand that they are purchasing an insurance product together with another service/product;
- the policies sold have substantial value for the customer and a fair price, considering the contractual conditions on guarantees, exclusions, limitations, deductibles, discounts, and waiting periods.

The analysis highlighted points for reflection, among which the following are particularly important:

- providing clear information in the pre-contractual phase (exclusions and limitations of coverage, deductibles and excesses, waiting periods) and after-sales;
- ensuring the transparency of sales processes and advertising;
- training of the distribution network and activation of continuous monitoring and checks on the sales network and online platforms by companies and distributors;
- containing mediation costs, which can affect the final price of the policy.

On the basis of the analysis, IVASS met with companies and distributors to point out areas of concern and request corrective action, including increased controls on the sales network. Operators took action and adopted interventions in order to overcome the issues requiring attention. The evaluation of the effects of the interventions is ongoing.

*DORA* – The regulation on digital operational resilience for the financial sector (DORA, see Chap. III.2.3) also assigns tasks to the national authorities in relation to the intermediaries included in the scope of the regulation. The Institute has been working to ensure the proper implementation of the provisions and has initiated contacts with larger intermediaries to gain an overview of the compliance status of internal processes with the requirements of the new regulations.

### **1.5. - Supervisory actions resulting from reports**

In 2024, 224 reports (+18% compared to 189 in 2023) of possible irregularities in the market conduct of insurance intermediaries were examined; these reports were received from consumers, insurance undertakings, intermediaries, the police and other parties.

55 sanctioning proceedings were initiated, mainly related to failure to record policies after the collection of the premium, failure to remit premiums to the insurance undertaking, misappropriation of premiums or improper transactions on life policies, forgery of insurance documentation and inadequacy of contractual proposals, distribution of fake suretyship policies, failure to control the operation of the network of collaborators.

Table V.1

Reports received by type of intermediary				
Intermediary	(units and % values)			
	2024		2023	
	Number	%	Number	%
Agents (sect.A)	52	23.2	43	22.8
Brokers (sect.B)	52	23.2	46	24.3
Canvassers (sect. C)				
Banks/other (sect. D)	2	0.9		
Collaborators (sect. E)	118	52.7	97	51.3
Other operators			3	1.6
<b>Total</b>	<b>224</b>	<b>100.0</b>	<b>189</b>	<b>100.0</b>

The reports resulted in supervisory actions, aimed at pursuing, among other things:

- the strengthening of the controls carried out by intermediaries on their sales network in order to ensure, in the best interest of consumers, the correct fulfilment of the obligations provided for by the regulations, with particular reference to pre-contractual information and the assessment of the adequacy of the contracts offered to the customers' needs;
- an improvement in the information provided by distributors when concluding the contract in order to avert the risk that potential customers make unaware insurance choices or obtain misleading information on the coverage offered;
- a better representation, especially in the distribution of insurance contracts through websites, of the essential elements of the product, such as exclusions, limitations, duration of the contract and the presence of tacit renewal clauses;
- a review of sales methods where the underwriting procedures require the potential customer to verify the suitability of the product rather than an independent assessment by the distributor;
- the acquisition of information on the insurance needs of potential subscribers that does not only include the possibility of selecting only confirmatory answers in pre-filled questionnaires;
- a greater focus on distributor remuneration mechanisms and related safeguards in order to avoid criticalities in the market conduct of distribution networks in the underwriting phase, with particular reference to the risk of aggressive sales resulting from the recognition of very high commissions.

In support of judicial investigations, the Institute provided replies to requests for data and information on registration in the RUI and on the existence of previous supervisory issues, received from public prosecutors, the police or the finance police.

## 2. - THEMATIC SURVEYS

*Policies linked to mortgages and loans* - In 2024, the Institute carried out follow up activities on companies and their distributing banks in relation to the EIOPA thematic review on PPI (Payment Protection Insurance) policies linked to mortgages and loans. Meetings were held with 12 undertakings, six Italian and six foreign, and three distributing banks, to discuss the underwriting and settlement policies adopted and product revision after the EIOPA warning<sup>202</sup>.

<sup>202</sup> EIOPA calls for better value for money in bancassurance in warning to banks and insurers, October 2024, [https://www.eiopa.europa.eu/eiopa-calls-better-value-money-bancassurance-warning-banks-and-insurers-2022-10-04\\_en](https://www.eiopa.europa.eu/eiopa-calls-better-value-money-bancassurance-warning-banks-and-insurers-2022-10-04_en).

Following the discussion, undertakings and banks took action in terms of:

- the adoption of more favourable settlement policies for customers in cases where critical issues have emerged during the underwriting phase, considering the possibility of settling the claim instead of reimbursing the premium;
- the revision of coverage (extension of guarantees and reduction of exclusions) to make products more respondent to customer needs;
- revision of the underwriting questionnaires (D&N and health questionnaire) following the analysis of the main causes of claims rejection, to make them consistent with the main contractual exclusions;
- introduction of blocking systems to prevent the sale to uninsurable customers;
- the revision of distribution agreements and interventions on information flows with distributors;
- the review of sales processes.

At the European level, EIOPA launched a follow-up in October 2024 to assess the effects and impact of the actions taken by operators and authorities to overcome the critical issues.

The follow-up involved six Italian and seven foreign companies operating in Italy. Quantitative indicators (ratio of claims paid to premiums collected in the year, ratio of rejected claims to total claims paid and rejected, average commission rate paid to distributors for marketing the product) and qualitative indicators were collected, in relation to changes made to products, to underwriting and settlement policies, and for management of conflicts of interest.

The results of the EIOPA survey showed a general improvement over the previous 2020 survey, with most notable progress in markets where significant supervisory measures such as those taken by IVASS for Italian undertakings have been adopted.

*Analysis of simplicity and clarity in insurance contracts* – In 2024, IVASS conducted a follow up to monitor progress in the simplification and comprehensibility of insurance texts following the action taken by undertakings based on the results of the first analysis<sup>203</sup>. The same accident contracts were analysed using the same methodology as in the first survey.

The analysis showed that the industry has been working on the issue, albeit not systematically. An increase in the Gulpease value, which measures the level of comprehensibility of texts, was found for more than 88% of the sample of undertakings, which on average reaches the value of 47.34 compared to 44.24 in 2022.

The report with the results of the follow-up survey was published on 26 February 2025<sup>204</sup> and each company in the sample was sent the product analysis sheet highlighting the results obtained compared to the previous analysis. Where the results highlighted areas for improvement, participants were asked to indicate the initiatives planned and the related timetable. Updates were requested on the progress of the review of the other contracts in the portfolio, which are currently being analysed. A workshop was held in April 2025 to present the results<sup>205</sup>.

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<sup>203</sup> [https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/att-sem-conv/2023/26-06-semplificazione-contratti/Analisi\\_quali\\_quantitativa\\_chiarezza\\_contratti\\_26\\_6\\_23.pdf](https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/att-sem-conv/2023/26-06-semplificazione-contratti/Analisi_quali_quantitativa_chiarezza_contratti_26_6_23.pdf)

<sup>204</sup> <https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/altre-pubblicazioni/2025/index.html>

<sup>205</sup> <https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/att-sem-conv/2023/26-06-semplificazione-contratti/index.html>

*Policies covering catastrophe risks* – IVASS carried out a survey<sup>206</sup> on policies covering catastrophe risks, which covered 46 policies offered by 14 insurance companies. The survey, which drew on the obligation introduced by the 2024 Budget Law (see Chap. III.3.1), focused on standard policies<sup>207</sup>, intended for small and medium-sized enterprises (SMEs) and for retail customers (individuals and households). The catastrophe risks identified by the budget law were considered: earthquakes, floods, landslides, and overflowing rivers.

Among the main findings were that:

- the covers are always offered as additional covers to “damage to property - fire, explosion and blast” and require payment of an additional premium over that for the basic cover;
- direct and material damage to insured property caused by the event is always covered; in some cases, insurance also covers indirect material damage, such as increased costs or reduced revenues resulting from business interruption or disruption of normal business activity;
- there is a wide range of assistance services available, provided also by third parties, which usually require the payment of an additional premium;
- several policies offer advance payments and, in the policies for retail customers, additional indemnities, i.e. lump sum reimbursements for the most serious cases of destruction of buildings, unfitness for habitation or lack of stability of the insured dwelling;
- policy conditions are not always clear and easy to understand and the definitions of catastrophe risks are not always homogeneous between companies nor are they complete;
- in order to gather information on the characteristics of buildings, the policyholder is required to fill in complex questionnaires, with technical information of which he/she may be unaware.

The analysis revealed some food for thought, among which the need to:

- adopt a broad and unambiguous definition of natural disasters;
- submit less complex underwriting questionnaires;
- ensure solutions which would allow the insured party to meet the costs of emergency initiatives necessary for safety, damage limitation, and the use of usable property;
- indicate exclusions well calibrated and designed in a manner consistent with the individual risk;
- provide more advantageous insurance and premium conditions to reward virtuous behaviour on the part of policyholders aimed at mitigating or promoting climate change adaptation<sup>208</sup>.

IVASS has joined a voluntary exercise, coordinated by EIOPA<sup>209</sup>, aimed at assessing, through a survey of a sample of companies, the clarity of the documentation of home and/or property insurance policies that include NatCat covers, with particular reference to the clarity of cover and exclusions or limitations, the granularity of the target market, periodic review, and consumer awareness initiatives. For Italy, three companies were involved.

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<sup>206</sup> <https://www.ivass.it/publicazioni-e-statistiche/publicazioni/altre-publicazioni/2024/polizze-catastrofali/index.html>

<sup>207</sup> Policies with predefined contents, the texts of which are available on the companies' websites. The survey did not include the policies stipulated by larger production companies, the contents of which are tailor-made in consultation with the company.

<sup>208</sup> *EIOPA Report on the Implementation of Climate-Related Adaptation Measures in Non-Life Underwriting Practices*, [https://www.eiopa.europa.eu/publications/impact-underwriting-report-implementation-climate-related-adaptation-measures-non-life-underwriting\\_en](https://www.eiopa.europa.eu/publications/impact-underwriting-report-implementation-climate-related-adaptation-measures-non-life-underwriting_en)

<sup>209</sup> [https://www.eiopa.europa.eu/clearer-and-more-consumer-friendly-information-needed-prevent-illusion-being-insured-natural-2025-05-19\\_en](https://www.eiopa.europa.eu/clearer-and-more-consumer-friendly-information-needed-prevent-illusion-being-insured-natural-2025-05-19_en)

The survey highlighted good practices together with attention points, on the basis of which follow-up actions will be identified for implementation in 2026.

*Policies for pets* – In analysing insurance trends, a survey<sup>210</sup> was conducted on pet insurance policies, given their growing popularity, with the aim of verifying the actual scope of coverage offered and with a particular focus on exclusions, limitations, maximum coverage, deductibles, uncovered amounts, and waiting periods. A total of 81 policies offered by 32 companies were examined. In general, the covers offered are: reimbursement of veterinary expenses; reimbursement of expenses arising from third-party liability for damage caused to third parties by the animal; legal expenses, mostly related to general liability. assistance services, including by phone. Covers are generally combined and purchasable with home and household policies, but there are also stand-alone policies, and are generally divided into basic and ancillary guarantees, which can be combined in various ways, with ancillary covers that may be purchased separately, with a premium surcharge. The offer mostly targets dogs and cats; in some cases farmyard and saddle animals are included.

The age of the animal, as well as its state of health, are important factors in the coverage of veterinary expenses, which, in most policies, include reimbursement of veterinary expenses for surgery following an accident or illness, including hospitalisation or day hospital treatment, and funeral expenses. There are numerous limitations and exclusions, including for illnesses that can affect a young animal: few companies provide coverage for caesarean sections. Liability policies do not generally include coverage for certain breeds deemed more aggressive; some companies have designed policies that, in different forms, provide liability coverage for damages caused to third parties by aggressive dogs (referred to as 'badly behaving or biting' dogs).

Complex or limiting definitions have been identified. The expansion of glossaries and the standardisation of definitions could effectively raise consumer awareness about the scope of guarantees and their exclusions.

*Mystery shopping - first EU-wide mystery shopping exercise coordinated by EIOPA* – IVASS took part in the first coordinated EIOPA Europe-wide mystery shopping exercise<sup>211</sup> in which eight member states participated. The survey focused on the appropriate sale of IBIPs. Visits to a selected sample of banks, post offices and agencies were conducted in Italy.

The results of this first exercise indicate that:

- distributors correctly assessed the investment horizon of shoppers, while other objectives and needs are not systematically assessed;
- distributors often ask about investment objectives and needs, although the scope and type of questions vary;
- during the visits, 36% of the shoppers received the KID and 18% of them with sustainability preferences received the sustainability disclosure. These findings only reflect the time when the products were discussed and it is not possible to determine how many shoppers would have received the information documents if the sale had been completed;
- the products offered were often in line with the shoppers' needs, with 84% of the products consistent with at least one of the pre-identified needs and objectives;

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<sup>210</sup> [https://www.ivass.it/consumatori/azioni-tutela/indagini-tematiche/documenti/2024/Report\\_Polizze\\_per\\_animali\\_domestici\\_ottobre\\_2024.pdf](https://www.ivass.it/consumatori/azioni-tutela/indagini-tematiche/documenti/2024/Report_Polizze_per_animali_domestici_ottobre_2024.pdf)

<sup>211</sup> <https://www.ivass.it/media/comunicati/documenti/2024/ivcs655.pdf>

- however, a limited correlation was observed between the completeness of the information-gathering process and the final results, and there was no correlation between formal advice, the length of the visit and the results of the purchase.

At the European level, follow-up actions and the best approach to handle areas of concern will be discussed between the Supervisory Authorities and EIOPA. The results of the exercise will be used to guide future work, with a focus on simplifying the sales process and improving results for consumers.

### 3. - CONTRASTING UNAUTHORISED PURSUIT OF BUSINESS

Also in 2024, the Institute was strongly committed to combating the unauthorised pursuit of insurance business online, refining its internal processes to counter the illegal pursuit of insurance business carried out through websites not belonging to authorised companies and intermediaries.

Since November 2023, IVASS has been exercising its power to shut-down unauthorised sites, and since then more than 450 irregular sites have been reported. The related investigations have led to the issuance of 247 cease-and-desist orders and the related shut-down orders addressed to the main internet and connectivity providers in Italy. In the remaining cases, the websites were taken offline by the developers already during IVASS preliminary investigations.

Since the list of websites of regular intermediaries is fed by requests of domain registration and removal in the registry within the New RUI Portal, it is necessary that intermediaries promptly report all changes to the Portal and remove websites of which they or their collaborators are no longer the owners (e.g., due to disposal, expired domain, loss of license).

The fight against the unauthorised pursuit of insurance business online requires the active collaboration of undertakings and intermediaries. The Institute has made efforts to implement information and training actions so as to enhance the culture and awareness of all stakeholders on this issue. On 28 February 2025, a webinar was held for motor liability insurance companies and intermediary trade associations to sensitise them to joint and coordinated action.

*Combating the counterfeiting of suretyship policies* – In 2024, 34 cases of counterfeit policies were reported to the Institute. These include 5 cases reported by the companies themselves, one by the home Authority and the remaining 29 reported by policyholders, beneficiaries or the Judicial Authority. These are mainly suretyship policies, apparently issued by foreign companies, or draft policies in cases where the policyholders have contacted the Institute to verify the authenticity of the documentation in their possession before concluding the contract.

IVASS handled these cases in cooperation with the companies that were the victims of counterfeiting and with the Home Authorities, in collaboration with the Judicial Authority. In all cases where counterfeit policies were found, press releases were issued to inform the public.

If, following the investigation, it was possible to identify the intermediaries who proposed the policies and their liability was established, sanctioning proceedings were initiated.

The Institute handled requests to verify the authenticity of the policies, providing feedback to the requesting institutions after obtaining information from the companies regarding the authenticity of the policies.

#### 4. - MANAGEMENT OF THE SINGLE REGISTER OF INTERMEDIARIES (RUI)

On June 4, 2024, the New RUI came into force, a portal available to intermediaries who, by logging in via SPID, can update their position in the Single Register of Intermediaries, submit applications (e.g., for registration or transfer to another section) and make communications (e.g., changes in personal details), including in relation to collaborations with those registered in Section E. Italian and foreign insurance undertakings pursuing business under the right of establishment can also access the New RUI to submit the required communications (e.g., mandates to agents).

At the end of 2024, 230,915 intermediaries were registered in the RUI, including 201,231 natural persons, mainly collaborators registered in Sect. E, and 29,684 companies. The data show a slight decline (-1.62%) in the number of registered subjects, confirming the trend in the previous year, with the largest decrease in Section C (-50.45%).

Table V.2

Number of intermediaries registered in the sections of the RUI at end 2024				
<i>(units)</i>				
Sections	Type of intermediary	Natural persons	Companies	Total
<b>A</b>	Agents	16,936	8,390	25,326
<b>B</b>	Brokers	4,030	1,734	5,764
<b>C</b>	Direct canvassers	546		546
<b>D</b>	Banks, financial intermediaries, SIM (stock brokerage companies) and Poste Italiane S.p.A. - Bancoposta services		389	389
<b>E</b>	Staff involved in mediation outside the premises of the intermediary registered in section A, B or D, for which they conduct business, including their employees and collaborators	178,880	15,857	194,737
<b>F</b>	Ancillary agents	6	7	13
<b>Enclosed list</b>	Intermediaries having their residence or head office in another EEA State	833	3,307	4,140
<b>Total</b>		<b>201,231</b>	<b>29,684</b>	<b>230,915</b>

Table V.3

**Breakdown by gender and age group of natural persons included under sections A or B of the RUI**

Age group	Male		Female	
	Number	% over total M+F	Number	% over total M+F
Up to 40 years	1,345	6.42%	550	2.62%
From 41 to 55	6,273	29.92%	2,127	10.14%
From 56 to 65	6,416	30.60%	1,513	7.22%
Over 65	2,304	10.99%	434	2.07%
<b>Total</b>	<b>16338</b>	<b>77.94%</b>	<b>4,624</b>	<b>22.06%</b>

The breakdown by province (Tab. V.4) is based on the residence for natural persons and on the head office for legal persons.

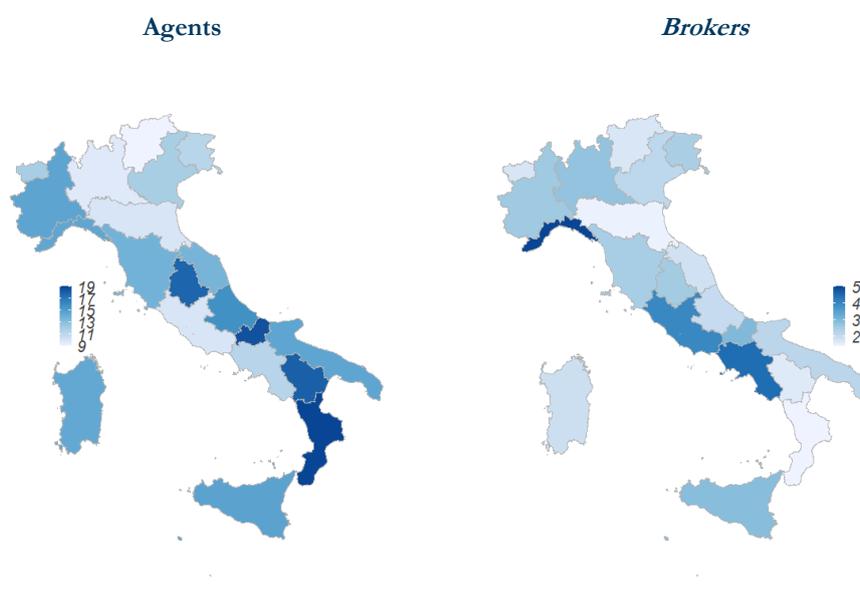
Table V.4

**Distribution across the national territory of agents and brokers registered in the RUI**

Region	<i>(units and % values)</i>					
	Agents	% over total agents	Brokers	% over total brokers	Agents and brokers per 10,000 inhabitants*	Agents and brokers per billion euro of GDP**
Valle D'Aosta	68	0.27	10	0.17	6.3	13.7
Piedmont	2,277	8.99	404	7.02	6.3	17.2
Liguria	825	3.26	286	4.97	7.4	19.5
Lombardy	4,705	18.57	1,345	23.35	6.0	12.3
<b>North West</b>	<b>7,875</b>	<b>31.09</b>	<b>2,045</b>	<b>35.51</b>	<b>6.2</b>	<b>14.0</b>
Veneto	2,348	9.27	422	7.33	5.7	14.1
Trentino-Alto Adige	511	2.02	99	1.72	5.6	10.7
Friuli - Venezia Giulia	504	1.99	109	1.89	5.1	13.6
Emilia Romagna	1,904	7.52	277	4.81	4.9	11.3
<b>North East</b>	<b>5,267</b>	<b>20.79</b>	<b>907</b>	<b>15.75</b>	<b>5.3</b>	<b>12.5</b>
Tuscany	1,900	7.50	338	5.87	6.1	16.2
Marche	672	2.65	91	1.58	5.1	15.5
Umbria	465	1.84	66	1.15	6.2	20.3
Latium	2,370	9.36	956	16.60	5.8	13.9
<b>Centre</b>	<b>5,407</b>	<b>21.35</b>	<b>1,451</b>	<b>25.20</b>	<b>5.9</b>	<b>15.2</b>
Abruzzo	621	2.45	79	1.37	5.5	17.8
Molise	144	0.57	23	0.40	5.8	21.6
Campania	1,465	5.78	582	10.11	3.7	15.7
Basilicata	266	1.05	24	0.42	5.4	19.7
Puglia	1,334	5.27	199	3.46	3.9	16.7
Calabria	740	2.92	54	0.94	4.3	20.5
<b>South</b>	<b>4,570</b>	<b>18.04</b>	<b>961</b>	<b>16.69</b>	<b>4.1</b>	<b>17.2</b>
Sicily	1,617	6.38	316	5.49	4.0	17.6
Sardinia	595	2.35	79	1.37	4.3	16.3
<b>Islands</b>	<b>2,212</b>	<b>8.73</b>	<b>395</b>	<b>6.86</b>	<b>4.1</b>	<b>17.2</b>
<b>Total for Italy</b>	<b>25,331</b>	<b>100.00</b>	<b>5,759</b>	<b>100.00</b>	<b>5.3</b>	<b>14.6</b>

\*Source: ISTAT, Population resident in Italy on 1° January 2024. –\*\* ISTAT, 2023 GDP, production side, December 2024.

**Distribution across the national territory of agents and brokers registered in the RUI– 2023**  
*(number per billion euro of GDP)*



Information relating to the persons enrolled in the RUI is available on the IVASS website also in open data format.

*Automatic updating, checks and other support activities for intermediaries* – The monitoring of the positions of registered parties who fail to comply with the obligation to pay the supervisory fee or fail to carry on business without a good reason for over three years led to the cancellation for 363 intermediaries in Sections A and B. Five brokers were deleted for failure to pay the contribution to the Broker Fund managed by CONSAP.

606 sample checks were made on the possession of the self-declared registration requirements, pursuant to Article 71 of Presidential Decree no. 445 of 28 December 2000 and Article 35 of IVASS Regulation 40/2018, which did not result in any removal from the RUI.

140 requests from intermediaries for information on their position in the RUI, 27 requests for access to records and 71 requests for information from law enforcement or prosecutors' offices were given a reply. 204 historical certifications of registration in the RUI and certificates of professional qualifications were issued

The annual qualifying examination for registration in Sections A and B of the RUI was held in Rome in October 2024. 2,571 candidates participated out of 3,775 admitted. 1,143 were judged suitable, i.e. 44.5% of participants.

The qualifying examination for the year 2024, which will take place in 2025, was announced through ISVAP Order No. 2663 of 17 December 2024. In a notice dated 13 February 2025 IVASS published the procedures for submitting the application and the methods of payment of the relevant participation fee.

## 5. - HANDLING OF COMPLAINTS

### 5.1. - Complaints handled by IVASS

A total of 36,070 complaints were handled in 2024, with an increase of 19.8% over 2023, confirming the trend observed in recent years.

The increase in complaints affects all the insurance segments. In motor liability insurance, the increase of 20.3% (+3,707) mainly involved issues regarding the methods and timing of claims settlement and access to the claim file documents. Motor liability insurance accounted for 61% of total complaints.

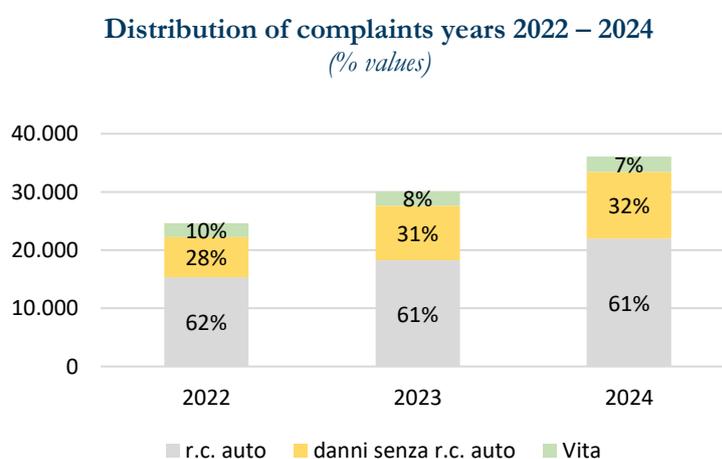
The complaints pertaining to non-life business other than MTPL (32% of the total) recorded an increase of 22% (+2,067), also as a result of the high number of claims caused by extraordinary weather events. The most frequent issues concerned general liability, accident and sickness, and risks ancillary to motor vehicle liability.

Complaints concerning life insurance (7% of the total) increased by 7.2% (+178). The reasons for dissatisfaction reported by policyholders and beneficiaries mainly concerned the poor understanding of the contractual terms and conditions when underwriting the contract and the resulting inadequacy of the contracts signed, claims management and settlement of benefits, unsatisfactory performance of the contract in relation to the amount of premiums paid (poor VfM).

Table V.5

Complaints received by IVASS - distribution by sector					
Year	MTPL	Other non-life classes	Total Non-life	Life	Total
2018	10,965	5,083	16,048	2,284	18,332
2019	9,306	4,923	14,229	2,065	16,294
2020	10,444	5,983	16,427	2,492	18,919
2021	12,109	5,677	17,786	2,350	20,136
2022	15,314	6,920	22,234	2,367	24,601
2023	18,268	9,377	27,645	2,473	30,118
<b>2024</b>	<b>21,975</b>	<b>11,444</b>	<b>33,419</b>	<b>2,651</b>	<b>36,070</b>
Var. 2023/2022	19.3%	35.5%	24.3%	4.5%	22.4%
<b>Var. 2024/2023</b>	<b>20.3%</b>	<b>22.0%</b>	<b>20.9%</b>	<b>7.2%</b>	<b>19.8%</b>

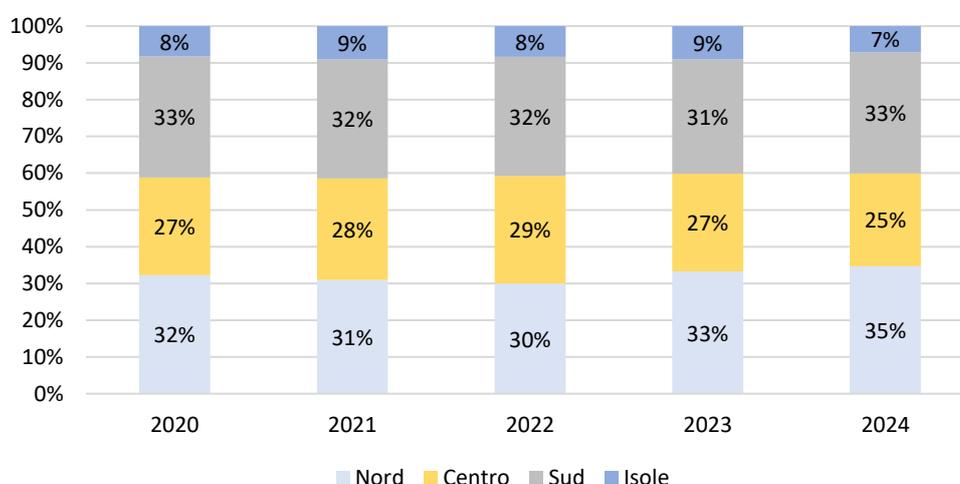
Figure V.2



The origin of complaints by geographic area has shown no significant changes since 2020

Figure V.3

**Origin of complaints by geographic area**  
(Percentage composition on the total for Italy)



In 2024, investigations relating to 31,921 complaints were completed, with totally or partially favourable outcomes for complainants in 41.2% of the cases, in line with 41.5% in 2023 (Table V.7). 29.5% of investigations completed with totally favourable outcomes for consumers (it was 31.4% in 2023). In 98.8% of the cases, these files were opened in 2024 or 2023; only 1.2% of the cases concerned positions that were older in time and for which the persons concerned requested the reopening of the complaint position.

Table V.6

Investigations concluded by IVASS in 2024		
	Number	%
Totally upheld by the undertaking	9,407	29.5%
Partially upheld by the undertaking	3,759	11.8%
Not upheld by the undertaking	10,087	31.6%
Sent to the undertakings for direct handling first	8,406	26.3%
Complaint transmitted to a different Authority with jurisdiction	262	0.8%
<b>Total</b>	<b>31,921</b>	<b>100.0%</b>

1,685 requests for information from consumers, public prosecutors, law enforcement officials, and public administrations on applicable insurance regulations were examined. They also included requests for confirmation of the operation in Italy of foreign companies and the validity of insurance policies and proposals, with particular reference to suretyship policies. The checks conducted have made it possible to intercept cases of counterfeiting and take the necessary steps to combat the phenomenon and inform consumers (par. 3).

*Complaints in the non-life business* – In the motor vehicle liability insurance sector (Table V.7), there was a proportional increase in complaints for all the main business areas (commercial, contractual and settlement).

Complaints relating to the management and settlement of claims increased by 3,064. The main reasons for dissatisfaction with the settlement process relate to delays in making the offer of compensation and paying the sum offered. Consumers also reported difficulties in contacting the settlement structure responsible for handling the claim.

Complaints in the contractual area (+530) reveal a poor knowledge of contractual mechanisms, due to the lack of transparency, especially in the presence of insurance packages including multiple guarantees.

Table V.7

MTPL complaints - distribution by area							
Area	2020	2021	2022	2023	Comp. % 2023	2024	Comp. % 2024
Claims	8,375	10,377	13,302	15,147	82.9%	18,211	82.9%
Contractual	2,032	1,640	1,276	2,354	12.9%	2,884	13.1%
Commercial/Other	37	92	736	767	4.2%	880	4.0%
<b>Total</b>	<b>10,444</b>	<b>12,109</b>	<b>15,314</b>	<b>15,314</b>	<b>100.0%</b>	<b>21,975</b>	<b>100.0%</b>

Among complaints concerning non-life business other than MTPL (fig. V.4), there was an increase in the share relating to other liability insurance (from 24% in 2023 to 29%) and an increase in comprehensive motor insurance (from 7% to 8%). Complaints relate (Table V.8) to claims settlement (79.4%) and contractual and commercial areas (20.6%), such as the interpretation and application of contract terms and conditions.

Figure V.4

Complaints in non-life insurance classes other than MTPL – 2024  
(% values)

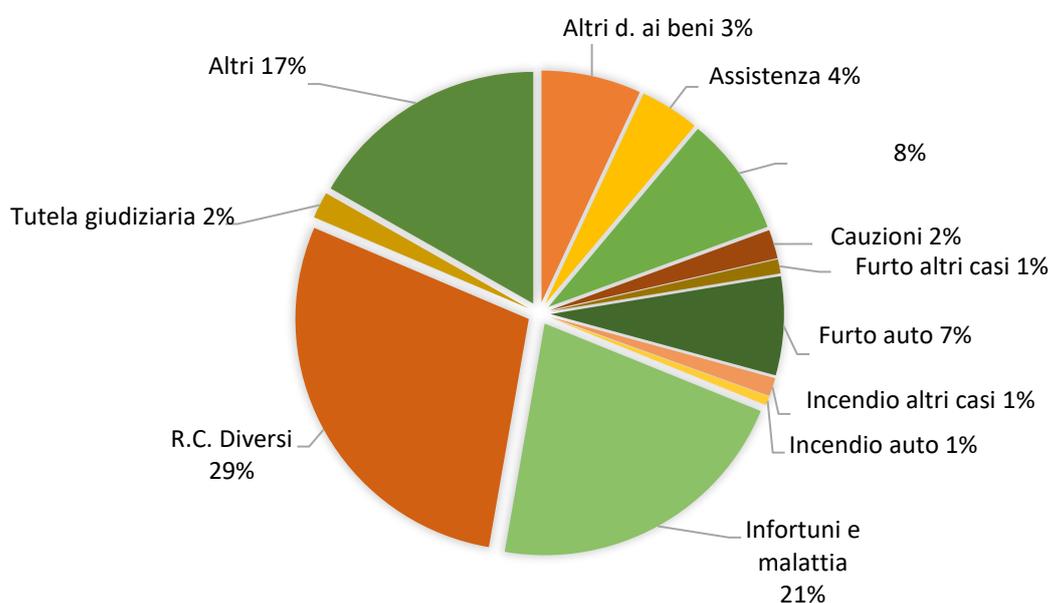


Table V.8

Other non-life insurance complaints - distribution by area					
Area	2020	2021	2022	2023	2024
Claims	4,705	4,486	5,591	7,093	9,087
Contractual, Commercial and Other Areas	1,278	1,191	1,329	2,284	2,357
<b>Total</b>	<b>5,983</b>	<b>5,677</b>	<b>6,920</b>	<b>9,377</b>	<b>11,444</b>

*Complaints in the life business* – Dissatisfaction with life insurance policies concerns the settlement area (54.7%), in particular for delays in the payment of benefits at maturity or in case of early surrender; and, and the contractual area (45,3%). Consumers complain about difficulties in managing the relationship, particularly in cases of interruption due to early surrender or suspension of premium payments. Complaints relating to these issues were also influenced by corporate events that occurred during the year.

**Table V.9**

Life complaints - distribution by area					
Area	2020	2021	2022	2023	2024
Claims	1,330	1,147	1,313	1,481	1,450
Contractual, Commercial and Other Areas	1,162	1,203	1,054	992	1,201
<b>Total</b>	<b>2,492</b>	<b>2,350</b>	<b>2,367</b>	<b>2,473</b>	<b>2,651</b>

*Complaints against intermediaries* – In 2024, 718 complaints against intermediaries (brokers, banks, EU intermediaries, Table V.10) were processed. Complaints against agents and their collaborators are not included in the calculation, as they are handled through the principal companies on the basis of ISVAP Regulation 24/2008. The 15% increase (+92 units) compared to 2023 is mainly attributable to complaints against EU intermediaries, which almost tripled, and, to a lesser extent, against brokers.

The majority of complaints handled against brokers mainly concern issues relating to the contractual area and the methods for placing insurance products, which allegedly did not take into account the suitability of the contract offered in relation to the customer's profile and the transparency of the information provided. Complaints in the settlement area related, among other things, to the role of the intermediary appointed for the handling of the claim by the insurance company providing the guarantee.

Complaints against intermediaries registered in section D of the RUI (banks and financial intermediaries, Poste Italiane - Bancoposta Services Division) remained unchanged, with the majority of reports concerning policies linked to mortgages and loans, for which complainants report about the inadequacy of the coverage offered in relation to the customer's situation and needs, accompanied by a lack of clarity regarding the actual content of the contract.

**Table V.10**

Complaints against intermediaries received by IVASS – distribution by sector year 2024					
Section / List	MTPL	Other non-life classes	Total Non-life	Life	Total
<b>Registered in Sect. B</b>	178	236	<b>414</b>	10	<b>424</b>
<b>Registered in Sect. D</b>	12	158	<b>170</b>	36	<b>206</b>
<b>EU Intermediaries</b>	3	85	<b>88</b>	-	<b>88</b>
<b>Total</b>	<b>193</b>	<b>479</b>	<b>672</b>	<b>46</b>	<b>718</b>

## 5.2. - Complaints received by insurance undertakings

In 2024 the Italian and foreign insurance undertakings operating in Italy received 113,537 complaints from consumers (+5.6% compared to 2023). Of these, 94,631 complaints were received from Italian companies (+5.8%) and 18,906 complaints were received from foreign companies (+4.3%).

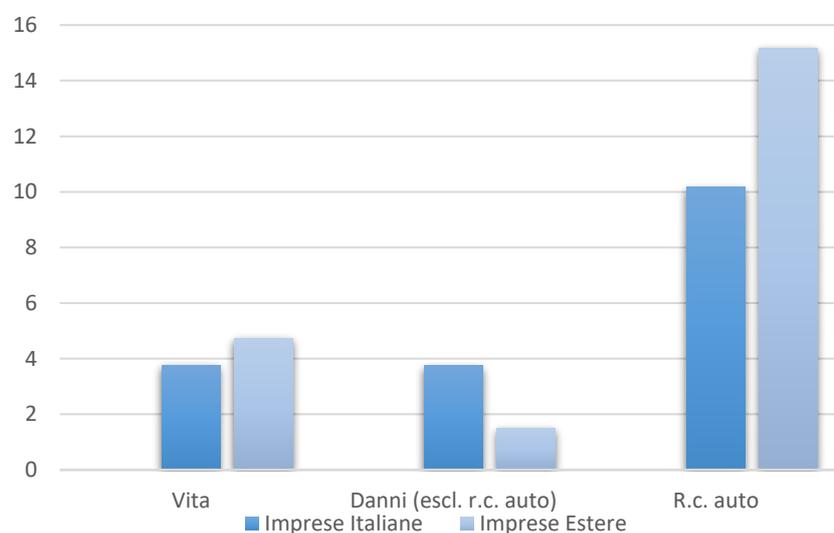
The number of MTPL complaints prevails over the other lines of business (45% of the total; tab. V.12) and records an increase of 5%.

Table V.11

Complaints received by undertakings by insurance class – 2024								
	Life and non-life Total		Life business		Non-life business (MTPL excluded)		MTPL	
	No.	2024/2023	No.	2024/2023	No.	2024/2023	No.	2024/2023
Italian undertakings	94,631	5.8%	13,988	0.1%	40,842	10.1%	39,801	3.7%
Foreign undertakings	18,906	4.3%	1,892	-13.9%	5,688	1.7%	11,326	9.6%
<b>Total</b>	<b>113,537</b>	<b>5.6%</b>	<b>15,880</b>	<b>-1.8%</b>	<b>46,530</b>	<b>9.0%</b>	<b>51,127</b>	<b>5.0%</b>

Figure V.5

**Breakdown by sector of the complaints received by undertakings – incidence on the total number of contracts in the sector – year 2024**  
(number of complaints/10 thousand contracts)



The incidence of complaints on the total number of contracts remains significantly higher for foreign undertakings in motor liability insurance (15.2 versus 10.2 for Italian undertakings) and, with a smaller gap, in life insurance (4.7 versus 3.8); in the other non-life classes the incidence is higher for Italian undertakings (3.7 versus 1.5).

There was an increase of 9% in non-life complaints other than MTPL, which accounted for 41% of the total. For foreign companies, the weight of this segment in terms of complaints represents 30.1% of the total, while for Italian companies the incidence is 43.2%.

Complaints in the life insurance sector, which account for 14% of the total, are down slightly (-1.8%).

Table V.12

Complaints of undertakings operating in Italy – distribution by sector (2016-2024)					
Year	MTPL	Other non-life classes	Total Non-life	Life	Total
2016	55,618	39,983	<b>95,601</b>	24,834	<b>120,435</b>
2017	49,896	34,694	<b>84,590</b>	19,384	<b>103,974</b>
2018	45,896	35,561	<b>81,457</b>	15,822	<b>97,279</b>
2019	41,702	34,247	<b>75,949</b>	15,682	<b>91,631</b>
2020	40,956	35,300	<b>76,256</b>	17,015	<b>93,271</b>
2021	37,932	37,865	<b>75,797</b>	17,178	<b>92,975</b>
2022	41,427	38,633	<b>80,060</b>	16,916	<b>96,976</b>
2023	48,700	42,698	<b>91,398</b>	16,166	<b>107,564</b>
2024	51,127	46,530	<b>97,657</b>	15,880	<b>113,537</b>
Var. 2018/2017	-8.0%	2.5%	<b>-3.7%</b>	-18.4%	<b>-6.4%</b>
Var. 2019/2018	-9.1%	-3.7%	<b>-6.8%</b>	-0.9%	<b>-5.8%</b>
Var. 2020/2019	-1.8%	3.1%	<b>0.4%</b>	8.5%	<b>1.8%</b>
Var. 2021/2020	-7.4%	7.3%	<b>-0.6%</b>	1.0%	<b>-0.3%</b>
Var. 2022/2021	9.2%	2.0%	<b>5.6%</b>	-1.5%	<b>4.3%</b>
Var. 2023/2022	17.6%	10.5%	<b>14.2%</b>	-4.4%	<b>10.9%</b>
Var. 2024/2023	5.0%	9.0%	<b>6.8%</b>	-1.8%	<b>5.6%</b>

Italian and foreign undertakings processed on the whole 95% of treatable complaints. The remaining 5% was undergoing investigation at end 2024. 31.8% of the complaints processed were upheld, 60.1% dismissed, the residual 8.1% was closed with a settlement agreement.

The average response time to complainants was 22 days (the same as in 2023), well below the time-limit of 45 days envisaged by ISVAP Regulation 24/2008. For the complaints regarding motor liability, the average response time is lower (19 days compared to 18 days in 2023).

*Publication on the IVASS website of data on complaints received by undertakings* – Every six months IVASS publishes on its website data on the complaints received by insurance undertakings<sup>212</sup>, through an interactive tool available to consumers to help them compare the number of complaints received broken down by company and area of activity, and consequently make informed and consistent decisions in the respective areas.

The tool continues to prove its usefulness by urging companies to improve their internal processes with a view to comparison and competition between market players.

### 5.3. - Action on undertakings and intermediaries arising from complaints

Consumer complaints, telephone calls to the Contact Center, and qualitative/quantitative checks of the data on complaints handled directly by undertakings remain key tools for identifying the main reasons behind consumer dissatisfaction and adopt prompt supervisory actions. Complaints, in fact, as an essential indicator of possible management criticalities of undertakings and intermediaries, not only facilitate the resolution of individual cases, but also allow for a systematic approach to the problems that have arisen.

Complaint management enhances the Institute's oversight through targeted interventions on individual undertakings, tailored to the type and complexity of the problem (convening company

<sup>212</sup> [https://www.ivass.it/consumatori/reclami/2024/y-2024/All\\_1\\_dati\\_per\\_singola\\_impresa\\_Tavola\\_reclami\\_premi.xlsm](https://www.ivass.it/consumatori/reclami/2024/y-2024/All_1_dati_per_singola_impresa_Tavola_reclami_premi.xlsm)

representatives, letters to undertakings requesting remedial action, launch of on-site inspections), and general interventions aimed at resolving critical issues affecting the entire market.

An important role is played by information activities aimed at consumers to raise their level of awareness on the rights and protection instruments available to them.

*Initiatives in the life sector* – The complaints about life assurance concern delays in the payment of benefits or errors in calculating the amounts due. The Institute intervened to identify organizational anomalies and dysfunctions, asking companies to take steps to eliminate disruptions and malfunctioning in processes.

Several interventions have followed complaints regarding the failure to pay out Term Life Insurance (TCM) policies sold in conjunction with mortgages and loans. The complaints stemmed from the insurance company's refusal to pay out the policy, on the grounds that the insured persons had failed to declare in the health questionnaire a pre-existing disease that would have prevented them from accepting on the risk from the outset. An examination of the complaints revealed the extremely general nature of the questions posed in the health questionnaire used when the policies were sold, with pre-filled answers and no opportunity for customers to specify or add information about their health status. This is in violation of the rules of conduct envisaged by law and of the guidance provided in the joint letter from the Bank of Italy and IVASS dated August 26, 2015. The Institute investigated the represented cases in depth and, as a result of targeted interventions, the companies concerned upheld the claims of the complainants by settling the insurance positions.

The Institute carried out a specific intervention to verify the guidelines and indications given to the distributor and the behaviour followed by the undertaking during the settlement phase, as well as to understand the initiatives to ensure compliance with the obligations of fairness, transparency and professionalism to be fulfilled by intermediaries and their collaborators. Following the intervention, the undertaking was asked to review its settlement policy in similar cases, in line with the supervisory authority's recommendations.

*Initiatives in the non-life sector - MTPL* – Particular attention is paid to the issues concerning motor liability insurance, given its social importance and the increase in complaints.

Consumer complaints are concentrated in the settlement area and relate to delays in the verification and assessment of damage, in the formulation of the compensation offer, or in the communication of the refusal to make an offer, which are not always adequately justified. With reference to the preliminary investigation phase of claims management, delays are complained of, due to requests by the company for additional documentation, which has already been transmitted or is irrelevant to the investigations to be carried out. There are numerous complaints about frequent difficulties in reaching the appointed claims settlers and delaying attitudes taken by the latter.

Given the repeated cases that highlighted process malfunctions, undertakings were asked to review their business processes to ensure compliance with claims settlement deadlines and a more attentive and responsive service to consumer requests.

Again in relation to the settlement area, checks continued on the handling of damage suffered by passengers to ensure the correct application of the enhanced protection that the legislature intended to provide to the blameless victim carried on a vehicle involved in a collision. In an accident resulting in the death of a passenger, the Institute intervened against the insurer of the carrier, which had charged the driver and passenger with equal negligence for the injured party's failure to wear a seat belt. It was highlighted that the burden of proving that the harmful consequences suffered by the passenger were aggravated by the latter's negligent conduct falls on the carrier's insurer and that the driver, in addition to being responsible

for the occurrence of the accident, incurs liability for failure to carry out checks, as they themselves must require the passenger to use safety devices. The intervention of IVASS allowed a more favourable distribution of responsibility for the passenger.

A number of interventions concerned the correct application of the new rules on the suspension of motor liability policies under Article 122-bis of the CAP.

In 2024, the Institute received several requests for information on the possibility of having previous claims experience accrued abroad recognized by insurance companies operating in Italy and on vehicles registered in Italy. The requests were met by providing information on the applicable regulation, namely Article 7, paragraph 2, letter a) of IVASS Order No. 72/2018, which allows for the recognition of past claims experience accrued abroad by delivering a declaration from the foreign insurer allowing for the identification of the Universal Bonus Class (CU) to be applied to the contract.

IVASS continues to receive numerous reports of scams in connection with the purchase of MTPL policies promoted on the web. IVASS continues its enforcement activities: in addition to intervening directly with companies to request a review of the phases of the underwriting process and a strengthening of the level of related controls, the Institute continues to draw consumers' attention to some useful advice, recommending, for example, that they use the list of sites of insurance companies supervised by IVASS and of intermediaries registered with the RUI, published on the IVASS website (white list) and that they do not pay premiums using methods that are abnormal or not allowed (e.g. to prepaid cards).

*Initiatives in the non-life sector - health insurance policies* – Health insurance policies continue to be the subject of a significant number of complaints, stable compared to 2023. Critical issues related to the lack of clarity of contract terms and conditions and the difficulty for policyholders to understand them continue to exist.

The technical language and the lack of clear information before underwriting, especially for group covers offered by employers or institutions, make it difficult for policyholders to find their way around the content of guarantees and their rights in general. Users often struggle to distinguish the different actors involved in the management of health covers - insurance companies, funds, health insurance funds and service providers - with the risk of misunderstandings about what protection is actually guaranteed.

In this context, IVASS continued its supervisory action and interventions against insurance companies, including those operating, under agreements, for health insurance funds. The Institute carried out interventions aimed at clarifying individual cases and facilitating their resolution, and broader initiatives to improve customer protection and verify the transparency of contract terms and communications on changes to collective policies negotiated by supplementary health funds.

In the presence of problems following termination by companies and unilateral changes in terms and conditions, it was emphasised that the mere absence of a contractual obligation to guarantee continuity of cover and the provision in the contract of the company's right to terminate the policy with reasonable notice, do not exclude the fact that termination must be exercised in compliance with the basic principles of fairness and good faith.

In relation to individual health policies, the important role of the intermediary was emphasised: the latter must adequately illustrate the contractual mechanisms (guarantee operating limits, deductibles, exclusions, etc.) and assist the client in filling out the health questionnaire and assessing the suitability of the product to the characteristics and needs of the insured for the best interest of the client.

*Initiatives in the non-life sector – natural events and claims settlement processes* – Following the damage caused by extreme natural events that affected some areas of the country (heavy hailstorms in municipalities in Northern Italy and flooding in Emilia-Romagna), many reports were received from holders of multi-risk

home policies and of coverage for weather-related events linked to MTPL policies) who complained of delays in the assessment and compensation of damages suffered.

IVASS intervened to verify the proper handling of claims and, in the event of critical issues or delays, urged companies to take prompt action to ensure due protection for consumers. The companies involved generally complied with the requests made by the supervisory authority.

#### **EXTREME WEATHER EVENTS AND CLAIMS MANAGEMENT PROCESS. LETTER TO THE MARKET.**

The analysis conducted on the half-yearly reports submitted by undertakings and on complaints received by IVASS made it possible to detect corporate situations in which the increase in complaints in 2023 and in the first half of 2024 was significantly affected by extreme weather events occurred in some areas of the country, with considerable impacts on claims settlement processes.

Although extreme weather events affected mainly policies ancillary to motor liability insurance (land vehicles and hail) and property products, the impact of the congestion in the settlement processes extended to the handling of motor liability claims, for which there are strict claims settlement deadlines set by law (Articles 148 and 149 of the CAP).

IVASS has initiated supervisory actions on the most affected undertakings, in order to identify the causes of the increase in complaints and to verify the effectiveness of corrective actions, promoting medium to long-term solutions.

Companies have worked to strengthen and adapt their claims settlement processes, implementing various contingency measures and medium- to long-term action plans aimed at all players in the claims assessment and settlement process and at the various players in the insurance relationship, starting with customers and the distribution network.

The action plans envisage specific protocols for more efficient and timely claims handling, the strengthening of analysis tools, the implementation of emergency procedures for the rapid handling of claims, the launch of awareness programmes aimed at customers, and the encouragement of prevention measures through dedicated policies.

The Institute sent a Letter to the Market to draw the attention of operators to the need for a careful review of claims management processes in relation to natural events, in order to adapt to industry best practices and to strengthen resilience to operational, reputational and legal risks. Undertakings will have to provide the Institute with evidence of the prevention initiatives taken in their claims management processes.

*Complaints against intermediaries* – Consumer complaints against intermediaries continue to focus on the underwriting phase, in line with the relevance of the role played by intermediaries in placing risks. Other complaints concern the settlement of the claim and, more in general, of the insurance benefit.

With regard to the placement of risks, the complaints concern the poor compliance of the insurance solutions underwritten with the requests made by the policyholder to the intermediary, with particular reference to the more complex life products, in respect of which there are numerous requests for cancellation made by consumers for not having understood the nature and characteristics of the contract, due to the lack of information at the placement stage

In relation to the settlement area in life and non-life insurance, many consumers complained of inadequate assistance from intermediaries in the event of a claim or in the execution of the benefit.

There were numerous complaints about delays and inefficiencies in the settlement of claims referred to the intermediary, where the latter is entrusted by the insurance company with the management and settlement of claims. IVASS's intervention was initially directed at the intermediary and subsequently at the company providing the insurance coverage, as the company is ultimately responsible for the correctness and functionality of the process.

If the complaint was made against the collaborator of a first-level intermediary, who came into contact with the customer and with whom the pre-contractual and underwriting phase took place, the Institute intervened against the broker or agent, who was obliged to verify the correctness of the conduct of their collaborators.

## 5.4. - The Contact Centre

IVASS Contact Centre is an effective aid for consumers in insurance matters and a support tool for the Institute in identifying situations that require timely supervisory action.

In 2024, 44,602 telephone calls reached the Contact Centre (26,316 from consumers and 18,286 from intermediaries), for an average of 3,717 calls per month, equal on average to 176 per day. The service dedicated to users of Preventivass (the Motor Third Party Liability Public Estimator) handled 2,270 calls. The average duration of conversation is 3 minutes and 12 seconds.

Compared to 2023, the number of calls regarding the Consumer area and Intermediaries increased (+16.2%, equal to +6,289 calls). The increase reported in the intermediaries area (+17%) was particularly affected by calls on the new RUI portal. The ratio of calls dealt with to calls received has increased (99%).

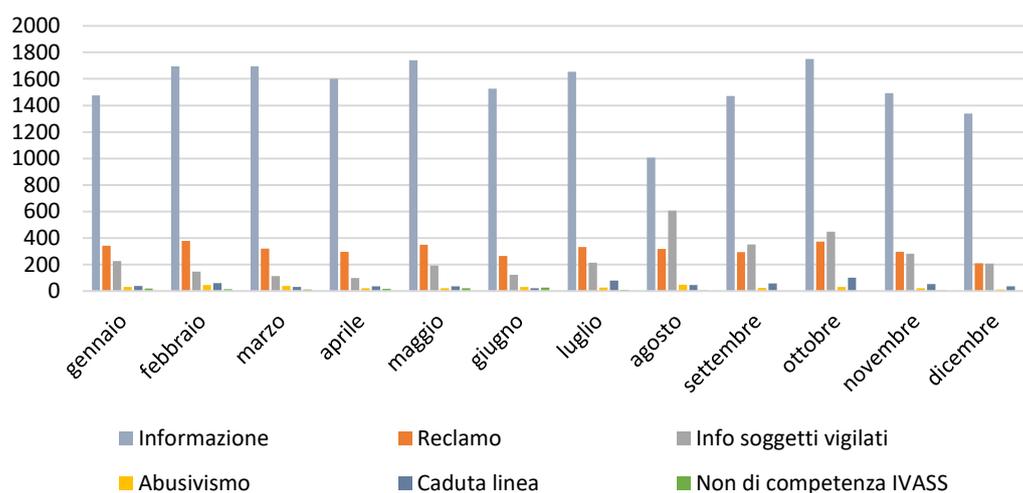
Table V.13

IVASS Consumer Contact Centre:							
	2018	2019	2020	2021	2022	2023	2024
Calls received	32,871	31,702	29,869	24,391	19,032	23,024	26,626
Calls dealt with	29,512	28,340	29,230	23,875	18,687	22,525	26,316
% received/ dealt with	90.0%	89.4%	97.8%	97.5%	98.2%	97.8%	98.9%

70.1% of the telephone calls dealt with concerned requests for information on insurance regulations, 14.3% information on the progress of complaints submitted to the Institute, 11.4% checks on supervised entities, and 1.3% reports on possible cases of unauthorised pursuit of insurance business.

Figure V.6

### Consumer requests received monthly in 2024



The level of satisfaction with the quality of the information received and the interaction with the Contact Centre staff has remained constant. 85% of the consumers who participated in the survey (85.5% in 2023) rated the service with the highest scores, confirming the results of careful training and guidance of staff.

## 6. - THE INSURANCE ARBITRATOR

2024 marked a decisive phase in the long process of defining the regulatory framework governing the activities of the Insurance Arbitrator (AAS).

Following a final round of discussions, by Decree No. 214 of 6 November 2024, published in the Italian Official Journal – Special Series – No. 6 of 9 January 2025, effective since 24 January 2025, the Ministry of Enterprises and Made in Italy, in agreement with the Minister of Justice, and upon the proposal of IVASS, adopted the decree to which the CAP entrusts the determination of the criteria for the conduct of proceedings, the composition of the deciding body, and the nature of disputes relating to insurance services and benefits arising from an insurance contract (see III.3.1).

The intense dialogue between the Institute and the relevant ministries that preceded the issuance of the Decree was aimed at responding to the observations made by the Council of State in its interim opinion of February 2023 and in its final opinion of August 2024.

The Institute promptly took action to comply with the provisions of Article 13 of the Decree with regard to the adoption within four months from its entry into force of detailed technical and implementing provisions on specific matters (membership, designation and appointment of the members of the panel, activities of the technical secretariat, conditions for lodging appeals, steps to be taken after the decision, and publicity of non-compliance). The provisions were adopted with Administrative Order of 23 May 2025<sup>213</sup>.

The Insurance Arbitrator will begin operations within five months of the publication of the technical and implementing provisions. In order to digitise and streamline the appeal process, a dedicated IT system and website have been created. The Arbitrator's website contains detailed information on how it works, and a portal will be implemented for filing appeals, following a guided procedure designed to ensure that protection is provided quickly, economically, and effectively.

The Arbitrator's website contains detailed information on its functioning and a portal for filing an appeal will be implemented following a guided procedure to ensure speed, economy and effectiveness of protection.

The Institute is currently engaged in the completion of preparatory activities for the start-up of the Arbitrator's operations, including the definition of the computer application that will allow the Technical Secretariat to manage the investigation of the complaint up to its decision and the appointment of the Panel.

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<sup>213</sup> [https://www.ivass.it/normativa/nazionale/secondaria-ivass/amministrativi-provv/2025/106122/Disposizioni\\_Atтуative\\_Arbitro.pdf](https://www.ivass.it/normativa/nazionale/secondaria-ivass/amministrativi-provv/2025/106122/Disposizioni_Atтуative_Arbitro.pdf)

## 7. - INSURANCE EDUCATION

For several years now, IVASS has been pursuing the dissemination of insurance education among the population using dedicated resources and expanding the range of educational materials and formats. The Institute provides citizens with insurance knowledge to make them more aware of the risks they are exposed to and the tools they can activate to manage and mitigate them. Attention is also paid to insurance-based investment contracts that are able to combine savings and pension purposes.

The correlation between the population's level of financial and insurance literacy and their ability, on the one hand, to cope with complex periods such as the current one and, on the other, to plan for the achievement of their individual and family goals, makes insurance education a key element in consumer protection.

*Initiatives carried out by IVASS* – In 2024, the Institute's initiatives continued, also with the use of innovative approaches in relation to the different targets to which insurance education is addressed.

### COLLABORATION WITH STAKEHOLDERS IN INITIATIVES IN THE TERRITORY AIMED AT STUDENTS, ADULTS AND BUSINESSES.

As part of the Memorandum of Understanding with the University of Florence, the Institute took part in the 'Scienzestate' initiative for the dissemination of insurance culture, and in the study afternoon at the University dedicated to 'Women's Economic Violence'.

A lecture on consumer protection tools was held at the Carabinieri's marshal school to allow the police, who are particularly close to the public, to become a vehicle for raising awareness of insurance issues. The same lecture was held online for the benefit of consumer associations. With the Tancredi Foundation, an insurance education day was organised in Potenza for secondary school students. The collaboration with the Foundation is particularly valuable as it places educational initiatives in an area - Basilicata - where the need for awareness and training is highest.

With the approval of the Capital Decree (Law No. 21 of 5 March 2024), which introduced financial education, including insurance education, in school curricula as part of civic education, training initiatives for teachers were supplemented and strengthened to prepare them for new challenges in technical subjects such as insurance.

During the 2024 Edufin Month, the Insurance Education Day was organised, where the importance and prospects of the reform were discussed in dialogue with the teachers present

During the 2024 Global Money Week, a training day was organised for students of a Sienna high school, in which communication methods and edugaming techniques were used that allowed for more interaction with students and effective learning techniques. The initiative was the pilot event of the IVASS Roadshow (see below).

Before the start of the 2024 school year, all of the Institute's insurance education materials were revised and updated: the seven "Insurance Guides in Simple Words", the three "Teaching Notebooks" for primary and lower and upper secondary schools, and the related "Teacher's Guides".

### PROJECT "INSURE THE FUTURE: IVASS ROADSHOW

"Insure the Future: IVASS Roadshow" is an insurance education initiative aimed at high schools to introduce students to insurance.

In an interactive lesson, students are accompanied by IVASS experts on a path that includes a test to reason about their own risk appetite, an explanation of the fundamental topics of insurance, and the verification of learning

through the administration of an interactive quiz. The day ends with the awarding of prizes to the top three finishers in terms of score and speed of response.

In 2024, the Roadshow made six stops in different Italian regions; four further stages were completed in the first four months of 2025.

The Institute participated in the Didacta fair, in cooperation with the Bank of Italy, and in the 'Festival Orientamenti' in Genoa.

The objective of disseminating the insurance culture to the general public in a flexible and inclusive manner also through the most popular media and channels of communication strongly inspired the creation of the ten-part podcast series “Te l’assicuro!”.

#### **“TE LO ASSICURO! PODCAST FOR INSURANCE CULTURE”**

The podcast series, available on major platforms and on the Bank of Italy's YouTube channel, was created by IVASS for those who want to learn how insurance works.

Using a simple language, experts from IVASS answer consumers' questions and help them understand the most common policies and the most complex ones, also through the use of useful examples to make informed choices in practice. In the first episode, IVASS President explains what IVASS is and what its functions are.

*Participation in the EDUFIN Committee – IVASS* actively contributes to the National strategy for financial, insurance and social security education pursued by the Committee for the Planning and Coordination of Financial Education (EduFin), of which IVASS is a member along with the Bank of Italy, CONSOB, COVIP, CNCU, OCF, MEF, MIM, MIMIT and the Ministry for Labour and Social Policy. La Collaboration is structured in working groups in charge of developing the main tasks of the Committee: the Institute coordinates the group in charge of managing the Committee's communication and institutional relations, and participates with its own members in the other groups.

In addition to the initiatives traditionally coordinated by the Committee - Financial Education Month and Global Money Week - the first Financial Legality Day was organised in 2024. Collaboration is structured in working groups in charge of developing the main tasks of the Committee: the Institute coordinates the group in charge of managing the Committee's communication and institutional relations, and participates with its own members in the other groups.

In addition to the initiatives traditionally coordinated by the Committee - Financial Education Month and Global Money Week - the first Financial Legality Day was organised in 2024.

#### **FINANCIAL LEGALITY DAY**

The first Financial Legality Day was held at the end of the Financial Education Month. The event, promoted in cooperation with the Guardia di Finanza and under the patronage of the MEF and the Ministry of Education and Merit, was held in the presence of the President of the Republic.

The main objective of the initiative, which involved high school students, was to underline the importance of building a financial awareness and culture of legality from an early age.

## 8. - MARKET CONDUCT ON-SITE SUPERVISION

In 2024, four investigations into insurance companies and six investigations into insurance intermediaries concerned market conduct.

*Insurance undertakings* - The four inspections regarded:

- compliance of the Product Oversight and Governance (POG) process with the requirements envisaged by European and national regulations for insurance undertakings and insurance distributors;
- the settlement process for life insurance policies, with particular regard to the run-off of “dormant” policies at a medium-sized company;
- for two undertakings, the correct fulfilment of the regulatory obligations concerning the online information comparison service for motor liability tariffs (Preventivass) and the related governance and control aspects.

Two partially unfavourable opinions (score 3 out of 4) were issued, one of which referring to POG.

The inspection on POG revealed shortcomings in the implementation of the policy and in the effectiveness of second-level controls, reflected in the design of IBIPs. What emerged was the lack of granularity of the target market for the different products, which was too broad, generic and structured with a view to the client's overall portfolio and not to the specific product. Product testing, in the absence of predefined methodologies and criteria, was not suitable to demonstrate the adequacy of the products for the target market; the models for testing the VfM showed limitations in design and effectiveness. A model emerged characterised by the preponderant role of the bank distributor, vis-à-vis the captive company, in the product development process, as well as in the related placement process, carried out on the basis of models and rules defined by the bank, which are also based on the client's overall portfolio logic; all this, in an unsatisfactory framework for managing situations of potential conflict of interest.

With regard to the settlement of life insurance policies, few extensive and incisive controls were found, due to the limits of the information system, which had too many areas of manual intervention. This resulted in shortcomings in the timely identification of the perimeter of the dormant policies and in the adequate engagement of the distribution network in the wake-up action, as well as a significant underestimation of the actual settlement time. Taking into account the weaknesses revealed during the inspection, the company approved remedial actions and new controls on the management of settlements, the monitoring and reduction of the dormant policies, and the better use and control of portfolio data.

*Insurance intermediaries* - The six investigations conducted at insurance intermediaries were focused on compliance with the distributor's POG regulations, the control of the sales network and the process of distributing and managing PPI policies sold in combination with mortgages and loans. In the POG audits, the methodological approach focused on the areas of greatest relevance for supervision (identification of the actual target market, information flows with companies and to and from the network of collaborators, management of conflicts of interest, remuneration policies).

Areas for improvement were found with regard to organisational, IT and process control tools, as well as critical issues to be corrected to ensure the pursuit of the customer's best interest under the Insurance Distribution Directive (IDD) and Product Governance (POG) regulations. The findings concerned the internal regulations, which are often generic and not suitable for guiding company operations, the content of the demands & needs questionnaire, which is unsuitable for gathering precise information on customers, the identification and management of conflicts of interest when the catalogue offers products characterised by wide differences for the underwriter in the remuneration of the intermediary and its collaborators, the

identification of the actual target market, the monitoring of the quality of sales distribution, where there are no checks at issuance and ex post monitoring, information flows with the issuing companies/intermediaries and with collaborators. Weaknesses in the post-sale management area and the trend of policy cancellations after a short period after underwriting (an indication of possible mis-selling) can also be attributed to the poor quality of data in terms of accuracy, completeness and updating, as well as to the absence of an IT system for managing mediated policies.

In the case of policies linked to mortgages or loans (PPI), weaknesses were highlighted in the personalised recommendation to the client, which was generic and disconnected from the peculiarities of the products, the completeness of the questionnaires on clients' insurance protection needs and the adequacy of the products offered, the consistency between the answers in the two questionnaires and the policies sold, and the safeguards to manage the distributor's conflict of interest in proposing to the client a single premium multi-risk PPI policy with premium financing instead of a recurring premium policy.

*Follow-up and on-site inspections on undertakings* – The follow-up of the remedial plan adopted by the companies as a result of the inspections continued with the monitoring of the revision of corporate processes and policies, with particular regard to the involvement of the Board of Directors in the development and approval processes of insurance-based investment products (IBIP) and in the monitoring of distributor activity.

Technical round tables were opened with the companies involved to verify the implementation of the remedial plan and the effectiveness of the actions taken to overcome the inspection findings.

The inspections focused on the activity carried out by DioDea Italy s.r.l. in its capacity as claims representative for the insurance company Insurance JSC DallBogg Life and Health, based in Bulgaria, and pursuing business in Italy by way of freedom of services. The investigations at the claims settlement departments concerned claims settlement procedures in motor liability, compliance with regulations of the activity carried out by the claims Representative and

*Follow-up and on-site inspections on distributors* – In 2024, follow-ups of inspections were conducted with regard to two intermediaries for which the on-site checks had revealed shortcomings in the distribution model.

In one case, the critical issues detected concerned the evaluation of the adequacy of contracts offered to customers, the remuneration system for collaborators and the monitoring of control functions; the intermediary was asked to adopt a remedial plan containing the necessary corrective actions to overcome such critical issues. In another case, the intermediary was asked to take measures to overcome the weaknesses found in the inspections concerning controls on the sales network, the implementation of POG regulations, the transparency of information to policyholders in the pre-contractual and contractual phase, and the management and control of IT processes. In both cases, remedial actions, aimed at, among other things, a review of organisational processes and structures for better protection of the insured, were evaluated with the help of thematic meetings.

With reference to PPI policies, supervisory actions were shared on two intermediaries registered in section D of the RUI, following the inspections conducted by the Bank of Italy and of which IVASS was informed for the profiles falling within its competence.

## 9. - MOTOR LIABILITY ESTIMATOR

From June 2023 to the end of May 2024, “Preventivass”, the online information comparison service, fully operational as of 1 March 2023, processed<sup>214</sup> 76 million quotations, with 98.31% of valid quotations<sup>215</sup>, confirming the standards of service<sup>216</sup> of previous years.

CHANNELS FOR ACCESS TO PREVENTIVASS			
Table V.14			
Quotes processed by Preventivass from June 2024 to May 2025			
	Quotes processed	Quotes issued <sup>217</sup>	Valid quotes
<b>Public website</b>	35,075,236	34,734,453	34,260,390
<b>Online A2A channel</b>	26,985,984	26,832,855	26,333,718
<b>Branded channel</b>	130,694	128,982	126,993
<b>massive A2A</b>	22,136,058	22,136,058	22,136,058
<b>Total</b>	<b>84,327,972</b>	<b>83,832,348</b>	<b>82,857,159</b>

*Public website* - The request for a quote entered by consumers and professionals via the site [www.preventivass.it](http://www.preventivass.it) is sent to all the companies operating in the MTPL business in Italy (42 at the end of May 2025), returning an equal number of quotes for the user to compare. The 35 million quotes processed through this channel between June 2024 and May 2025 were derived from more than 835 thousand requests entered by users.

*Branded channel* – This function, which users can activate by accessing the websites of each insurance company, in compliance with the provisions of Law No. 221 of 17 December 2012, allows users to obtain only the quote from the company whose website was queried by Preventivass.

*Application to Application (A2A) Connections* – The A2A online and massive channels, set up by IVASS to facilitate the use of the system by intermediaries, produced more than 49 million quotes in the observation period and remain the most widely used channels. In May 2025, A2A online access, which allows intermediaries to obtain Preventivass quotes directly from the management system used by the companies they work for, was adopted by 25 insurance companies (83% of the market). The A2A massive functionality, designed to make quotes available to intermediaries at the time of insurance cover renewals, was activated by 15 companies (68% of the market)

*Reports* - Between June 2024 and May 2025, 206 reports or requests for clarification about the public estimator were processed by IVASS. Of these, 196 came from consumers, who in most of the cases (60%) complained of difficulties in concluding the contract on the basis of the quotes obtained through Preventivass. IVASS acted promptly by investigating with the companies the causes of the inefficiency and ascertaining the subsequent finalisation of the estimate or the legitimacy of the impediment. The Contact Centre received 2,076 calls from consumers who asked for information or assistance in the quotation process, apart from requests for clarification by 76 intermediaries.

*Insurance offer on Preventivass* – The Public insurance estimator enables to compare the premiums offered by all insurance undertakings operating in Italy with regard to the basic motor liability contract, as defined by the Decree no. 54 of 11 March 2020 of the Ministry of Economic Development (now MiMIT). Companies are entitled to enrich the compulsory cover by offering the additional clauses provided for in

<sup>214</sup> Quotations for which the request data set (user input enrichment data from industry databases) has been completed and has been validly transmitted to the companies.

<sup>215</sup> Quotations sent by companies within 30 seconds of receiving the request, validated by computer checks and displayed on the application’s various channels (public website, branded, A2A online or A2A massively);

<sup>216</sup> The valid quotations are 98.86% of those issued.

<sup>217</sup> Quotations for which, following the request, the undertaking has transmitted a response or communicated a reason for not-responding, to be subjected to computer validation checks before being displayed on the application.

the Decree<sup>218</sup>, which affect the final premium, representing options limiting or extending MTPL insurance coverage, and providing contract management arrangements that meet different consumer needs

The number of undertakings offering additional clauses on Preventivass is limited. In the reference period, only five companies (12%) have significantly supplemented their insurance offer on Preventivass with the proposal of five clauses additional to the basic contract, 12 companies (29%) submitted an offer with three or four clauses, and seven companies (17%) issued quotes with only one additional clause. This contributes to make the offers conveyed via the public quotation system less competitive than the offers available on other commercial channels. The inclusion of discounts in the basic contract is limited, with only 11 companies (26%) taking advantage of this option, applying it to a reduced extent and on starting prices above the average.

*Inspection activity* - Since 2023 three inspections have been carried out to verify compliance with the provisions of IVASS Regulation No. 51/2022 and the business policies adopted in the display of the offer on Preventivass, one of which in December 2024.

They revealed the overall adequacy of the initiatives and actions taken by companies to implement regulatory obligations. However, they also highlighted the absence of the corresponding strategic and operational actions to align the management of the public quotation system with the purposes for which it was established, as well as the difference between the premiums offered on Preventivass and those offered on other sales channels, also due to the fact that additional clauses are not offered on Preventivass.

Particularly noteworthy is the undertakings' failure to activate the additional clause on expert driving, the absence of which leads to surcharges of up to 45% on the offers proposed on Preventivass compared to the offer conveyed through other distribution channels. The expert driving formula is widely applied by undertakings in other channels, in ways that do not always reflect the nature of a contractual waiver of compulsory motor liability cover that this clause holds. Further differences between the premiums offered on the different platforms arise from the application of discounts offered directly by the companies, such as promo delays or discounts on the second insurance of a household, which are currently not managed by Preventivass.

The comparison carried out during the inspection, which focused on direct undertakings, shows a considerable gap between the number of accesses recorded on Preventivass and the much larger one observed on commercial comparison services, which results from a different degree of visibility and use by users. The different volumes traded, plus the possibility of integrating additional guarantees (fire, theft, roadside assistance, etc.) on comparison sites, do not encourage undertakings to fully exploit the potential of the public channel for information and distribution purposes.

A proposal to promote the Preventivass service was presented to the working group at the MiMIT's Rapid Alert Commission for Price Surveillance, in order to increase its visibility among the public. Possible evolutionary measures were presented that, through the necessary regulatory changes, would promote the extension of the tool to ancillary guarantees (theft, fire, etc.) on a voluntary basis by companies and the connection with other databases such as the Citizen's Register and the Driver's Licence Database to expand the information dataset that the public quotation service makes available to undertakings.

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<sup>218</sup> Exclusive driving, expert driving, increase in the minimum amounts of cover established by law, limitation and exclusion of recourse, damage to third parties caused by the trailer with its own number plate and properly towed, remote detection systems of vehicle operation, preventive vehicle inspection, alcohol detection systems, payment of the premium in instalments.

## ***VI. IT SERVICES AND INSTITUTIONAL DATA BANKS***

### **1. - ANTI-FRAUD DATABASE (CLAIMS DATABASE AND ANTI-FRAUD INFORMATION DATABASE-AIA)**

In 2024, the consolidation and improvement of the IT procedures *Evoluzione Banca Dati Sinistri* (EBDS - Evolution of the Claims Database) and *Archivio Integrato Antifrode* (AIA - Anti-Fraud Information Database), used in the fight against MTPL fraud by the Institute and insurance companies, continued. New services for internal and external users were implemented and data exchange with undertakings and connection to external databases were revised. Constant attention was paid to the quality of the reported data and to verifying the informative value of the anti-fraud indicators calculated by the system.

The availability of IT systems and support from the Bank of Italy made it possible to keep the infrastructure up-to-date, with benefits in terms of performance, security and management control, while reducing operational risks.

The centrality of the EBDS and AIA databases for anti-fraud activity is evidenced by the volumes of data processed by the two procedures: in 2024, over 19 million communications were made to the EBDS (+12% compared to the previous year), of which over 2.5 million related to new claims that occurred during the year. Consultations of the AIA portal by companies were just under 2 million, an increase of 11% year-on-year. Access by law enforcement agencies, through the CED Interforze, exceeded 118,000.

IVASS monitors the presence of anomalous accesses to the EBDS and AIA databases in order to identify any consultation activities that are not in line with the regulations and the undertakings operations; reports containing quantitative and statistical indicators are being prepared.

### **2. - SUPERVISORY REPORTING**

The integration into the Bank of Italy's systems and the technological upgrading of supervisory and statistical reporting continued; the use of the Bank's InfoStat infrastructure is now central.

In parallel with the functional development of the available applications and the information enrichment of the surveys active from previous years, the acquisition of the consolidated accounts of insurance groups drawn up in accordance with IFRS 17 international accounting standards became fully operational, and the implantation in InfoStat of the survey on motor liability litigation was started.

A working group analysed the status of statistical and supervisory reporting and indicated evolutionary proposals on the data warehouse. The group focused on the simplification of data access and exploitation, security aspects and possible interventions to automate work procedures, especially those aimed at collecting unstructured data. The proposals made took into account the needs of internal users and carefully considered the possible impact on reporting entities by seeking solutions that could reduce the impact on reporting burdens for undertakings.

Significant effort was put into collaborations with European and international bodies in terms of participation in working groups (ITSEC and Data SupTech Forum at EIOPA and Insurance Statistics at the OECD) and statistical production.

The InfoStat system implemented version 2.8.2 of the Solvency II taxonomy (operational from the beginning of 2025) and started the survey for the acquisition of the information required by the EU Digital Operational Resilience Act (DORA Regulation; see Chap. III.2.3) and the collection of information to implement the EU fitness and propriety regulations (F&P). In 2024, the non-compliance framework under

ECB Regulation 31/2022 for the application of sanctions in cases of late or non-submission of data additional to the Solvency II reporting to the ECB became fully operational. In carrying out all activities related to European regulations, coordination with the relevant structures of the Bank of Italy was maintained.

Particular attention was paid to improving the quality of the data processed: new cross-referencing procedures for the various reporting were developed. The Institute actively contributed to the Data Quality Project group at EIOPA for the analysis and development of innovative solutions for the control of reports.

Collaboration with national and supranational institutions continued, producing Italian insurance market statistics for Italian ministries and supervisory authorities, Eurostat, OECD and IMF.

The Register of Insurance Companies and Groups (RIGA) was enhanced with a service for the digitised processing of information on companies in liquidation. The form for collecting information on shareholders and shareholdings was revised and the information available to external users in the download area on the public IVASS website was expanded (*open data*)<sup>219</sup>.

### 3. - IPER AND CARD

*CARD* – The incentive/penalty model, active since 2015, measures the efficiency of companies participating in the CARD system according to the following parameters: anti-fraud, cost, cost dynamics and claims settlement times. The company's positioning with respect to the market average for each parameter determines incentives or penalties, the size of which is commensurate with the company's claims burden. The cost calculation criteria for inter-company compensation in the direct compensation system are reviewed annually, most recently by IVASS Order 156/2024.

The model calculations were performed using the new application created by the 'Card Model Project', which has been integrated into the Bank of Italy's systems since July 2023 and has replaced the previous one, characterised by technological obsolescence and high operational risk.

*IPER* – In October 2024 the second phase of the IPER renovation project ("*Statistical survey on the actual prices for motor liability insurance*") was completed, including the extension to mopeds and motorbikes. The sample of contracts in this case represents 50% of the universe of policies taken out each month (for passenger cars the sampling proportion is about 30%). Information is collected on overall prices and their components with reference to the main pricing variables of the segment. Statistics on the prices of mopeds and motorbikes, together with those for cars, are sent to Istat for the calculation of the consumer price index, based on a memorandum of understanding between the two Institutes.

Over 12 years, the IPER survey has collected information on 95 million motor vehicle liability insurance policies covering private cars, with a monthly increase of 700,000 units. In seven months of data collection, information was gathered on 800,000 policies covering mopeds and motorbikes, with a monthly increase of 115,000 contracts. The project was carried out with the cooperation of Istat and ANIA, which were involved in a technical round table concluded at the end of January 2025<sup>220</sup>.

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<sup>219</sup> <https://infostat-ivass.bancaditalia.it/RIGAInquiry-public/ng/#/area-download>

<sup>220</sup> The new features of the project were presented at an event on 6 May 2024; <https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/att-sem-conv/2024/06-05-ivass-istat-ania/index.html>.

#### 4. - PROCEDURES TO SUPPORT SUPERVISION AND STATISTICAL ANALYSIS

The integration of IVASS' information systems with those of the Bank of Italy has made it possible to expand the IT tools to support the performance of the main institutional tasks, consolidating their functionality, data quality, cyber security and service management.

Traditional procurement and provisioning models for resources and services, technological solutions that have long been adopted for data processing and process automation are being complemented by innovative approaches based on cloud computing and the use of big data and advanced analytics that can raise the levels of effectiveness and efficiency of IT services available to users.

Project initiatives were completed that allowed the evolution of the already extensive set of tools for the collection and exploitation of data to support supervisory tasks hosted in the IVASS Supervision Portal. The maintenance of these tools required the adaptation of the entire application pool in the Portal to the new Solvency II 2.8 taxonomy.

The new initiatives completed in 2024 include tools for the analysis of dormant policies, the evaluation of share prices and other financial variables, and the integrated reading of product data, internal funds and underlying assets from various Solvency II templates. Reports were also released, among others, for the analysis of reinsurance, insurance funds and information extracted from KIDs.

#### 5. - REGULATORY SANDBOX

The experimentation of the two projects admitted to IVASS regulatory sandbox in the second time slot at end 2023 has started

1. The project presented by ITAS Mutua with the involvement of ANIA, the car rental operator Autovia and the technology start-up Connex InsTech was admitted to the sandbox by IVASS order of 10 April 2024.

The product being tested concerns an innovative motor third party liability cover for short-/medium-term car rental fleets (excluding car sharing contracts) that aims at enhancing the virtuous driving behaviour of individual drivers in case of rental. The project distinguishes motor third party liability risk into a fleet risk component, which is always active and charged in the traditional way based on the vehicle's claim history statement (ATRC) and the technical performance of the fleet, and a driver-related risk component, which is based on data on drivers' driving behaviour, collected via an in-vehicle device and the smartphone app connected to it.

In the case of virtuous driving, which is also assessed from the point of view of environmental sustainability, a share of the policy premium is refunded via cash-backs.

The technologies used are APIs (for communication between the black box and the app on the mobile phone and for data acquisition), IoT (black box installed on the car), machine learning and big data analytics (for building the driver's profile) and dual factor for authentication systems.

The project did not require any regulatory exemptions.

The project's added value can be appreciated in terms of the benefits for end users, such as a partial refund of the vehicle rental fee; for the environment, by encouraging more sustainable driving; and for the insurance market, by promoting mechanisms for greater customization of motor liability insurance rates.

2. The project presented by AINDO S.p.A. in collaboration with BeRebel S.p.A. (an agency that is the sole distributor of a car insurance product of Linear Assicurazioni S.p.A. - Unipol Group) was admitted to the sandbox by IVASS order dated 10 April 2024.

The platform developed by AINDO facilitates the exchange of data between different organizations through the generation of synthetic data. Artificial (synthetic) data are set up to replicate patterns and behaviour of the source population, maintaining the statistical usefulness of the original data without, however, being classified as personal data.

The project did not require any regulatory exemptions.

The objectives of the project are: to ensure the confidentiality of users' personal data through the use of synthetic data for data science purposes, to create, train and test AI models using synthetic data, to support insurance undertakings in the customisation of policies and risk assessment through the use of predictive models based on synthetic data, and to promote innovation in the financial sector through synthetic data.

Given the lengthy data exchange requirements and the possibility of involving additional insurance entities in the final phase of the trial, the project has been extended from the initially planned 12 months to a total duration of 18 months.

Monitoring of the two solutions began in May 2024 with regular meetings and document exchanges. The projects are proceeding according to schedule and no significant compliance or operational issues have been identified at this time.

## VII. SANCTIONS

In 2024, complex sanctioning proceedings were concluded with the issuance of orders imposing pecuniary sanctions of significant amounts. When quantifying the sanction, particular importance was attached to the assessment of the remedial activities undertaken by the persons responsible for the breach for the purpose of eliminating negative or detrimental consequences, in order to pursue the deterrent function of the sanction in compliance with the principles of proportionality and adequacy.

Financial penalties were imposed following proceedings against a company placed in compulsory administrative liquidation (Eurovita S.p.A., liquidated by Ministerial Decree of 27 October 2023) and their corporate officers for serious deficiencies in the governance, management and control of financial risks as well as in AML for deficiencies in customer profiling and due diligence, retention of documents, data and information for due diligence purposes, and inadequate procedures for suspicious transactions.

A proceeding against a company for deficiencies identified in its POG (*Product Oversight and Governance*) process concluded with the imposition of a sanction. This is the first pecuniary sanction imposed on a company in this area.

### 1. - SANCTIONING PROCEEDINGS

181 sanctions were adopted, including 73 pecuniary sanctions, 80 non pecuniary sanctions and 28 dismissals. The pecuniary sanctions imposed amounted to a total of 14.1 million euro.

*Sanctions issued* - The recipients of sanctioning proceedings were 28 companies (19 of which were Italian, accounting for 22.4% of the total), an undertaking in administrative compulsory liquidation; 10 company's managers and 80 intermediaries.

Table VII.1

Sanctions issued			
<i>(Number of sanctions in units, amounts in million euro and % values)</i>			
	Number	%	Amount
Pecuniary sanctions	73	40.3	14.1
Non-pecuniary sanctions	80	44.2	-
Dismissals	28	15.5	-
<b>Total sanctions</b>	<b>181</b>	<b>100.0</b>	<b>14.1</b>

Table VII.2

Pecuniary sanctions by recipients				
<i>(Number of sanctions in units, amounts in million euro and % values)</i>				
	Undertakings	Directors and managers and employees	Intermediaries	Total
Number	60	13	0	73
%	82.2	17.8	0.0	100.0
Amount	13.4	0.7	0.0	14.1
%	95.0	5.0	0.0	100.0

Table VII.3

Non-pecuniary sanctions by section of registration of recipient intermediaries	
<i>(Number of sanctions in units and % values)</i>	

	<b>Sect. A Agents</b>	<b>Sect. B Brokers</b>	<b>Sect. D Fin. interm.</b>	<b>Sect. E Collaborators</b>	<b>Total</b>
<b>Number of sanctions</b>	31	20	0	29	80
<b>%</b>	38.7	25.0	0.0	36.3	100.0

Eight sanctioning proceedings were subject to judicial appeal (5.2% of sanctioning proceedings issued), including five non-pecuniary sanctions issued against intermediaries, two sanctions against directors and managers regarding AML matters and one sanction against an undertaking regarding transparency issues.

*Violations found in relation to distribution* – With regard to distribution, of the 81 sanctions imposed, 80 concerned intermediaries and one, amounting to €516,000, concerned violations relating to Product Oversight and Governance (POG) ascertained against an undertaking.

**Table VII.4**

<b>Sanctioning proceedings regarding distribution - breakdown by section of registration of recipient intermediaries</b>						
<i>(Number of sanctions in units, amounts in euro and % values)</i>						
<b>Outcome</b>	<b>Sect. A Agents</b>	<b>Sect. B Brokers</b>	<b>Sect. D Fin. interm.</b>	<b>Sect. E Collaborators</b>	<b>Total</b>	<b>% over total</b>
<b>Reprimand</b>	7	4	0	2	13	16.2
<b>Censure</b>	14	12	0	12	38	47.5
<b>Pecuniary Number Amount</b>	0	0	0	0	0	0.0
<b>Striking off (natural persons)</b>	7	2	0	13	22	27.5
<b>Removal from the register (company)</b>	3	2	0	2	7	8.8
<b>Total</b>	<b>31</b>	<b>20</b>	<b>0</b>	<b>29</b>	<b>80</b>	<b>100.0</b>

The conducts that led to the striking off of intermediaries were mainly related to: non-remittance of the amounts collected as premiums to undertakings or relevant intermediaries, often accompanied by the failure to record the collections, violation of the obligation to keep separate accounts deriving from the failure to establish a separate current account and/or the misappropriation of insurance premiums collected in cash from policyholders. Counterfeiting or falsification of contractual documentation was also common, with the irregular underwriting of policies, failure to provide insurance coverage, and communication of untruthful information to policyholders, with the issue of false attestations at the time of the contractual offer.

Censure measures were generally imposed for less serious cases of non-remittance of the premiums collected from policyholders and for failure to comply with the requirement to act honestly, fairly, professionally and with transparency when carrying out insurance distribution as insurance distributors are required to pursue the best interests of policyholders, including, sometimes, the failure to comply with the provisions on the adequacy of contractual proposals and on the acquisition and preservation of pre-contractual documents. In two cases, violations were identified and sanctioned with censure for failure to comply with POG requirements regarding product governance and control applicable to distributors of insurance products.

*Violations found in areas other than distribution* – 67 pecuniary proceedings were issued, for a total amount of sanction of 13.1 million euro.

Table VII.5

<b>Sanctions not relating to distribution by type of violation</b>						
<i>(Number of sanctions in units, amounts in million euro and % values)</i>						
	<b>Number</b>	<b>% total</b>	<b>% total in motor liability</b>	<b>Amount</b>	<b>% total</b>	<b>% total in motor liability</b>
<b>Violation of MTPL provisions</b>	42	62.7%		3.0	22.9%	
<i>of which regarding:</i>						
<i>Claims settlement</i>	29	43.3%	69.0%	2.7	20.6%	90.0%
<i>Database of claims history statements</i>	7	10.4%	16.7%	0.1	0.8%	3.3%
<i>Access to documents</i>	6	9.0%	14.3%	0.2	1.5%	6.7%
	<b>Number</b>	<b>% total</b>	<b>% total violations of other provisions</b>	<b>Amount</b>	<b>% total</b>	<b>% total violations of other provisions</b>
<b>Violation of other provisions</b>	25	37.3%		10.1	77.1%	
<i>of which regarding:</i>						
<i>Settlement of life policies</i>	11	16.4%	44.0%	0.87	6.7%	8.6%
<i>Replies to requests for information on life policies</i>	1	1.5%	4.0%	0.03	0.2%	0.3%
<i>Management</i>	13	19.4%	52.0%	9.2	70.2%	91.1%

*Anti-money laundering* – 5 pecuniary proceedings were issued (of which three against directors and managers and two against undertakings) for a total amount of 535 thousand euro.

Table VII.6

<b>Money laundering sanctions</b>			
<i>(Number of sanctions in units, amounts in million euro and % values)</i>			
<b>No.</b>	<b>% over total</b>	<b>Amount</b>	<b>% over total</b>
5	3.3	0.5	3.5

*The sanctions paid* – The amounts of the sanctions paid during the year refer to injunctions issued by the Institute also in previous years. In some cases, they are payments of surcharges as the payment was made after the time-limit of 30 or 60 days, depending on whether the recipient resides in Italy or abroad, or payments pertaining to injunctions for which monthly instalments were allowed, having satisfied the conditions envisaged by art. 26 of Law no. 689/1981 (extension up to a maximum of 30 monthly instalments to the recipient “who is in economic hardship”).

Table VII.7

<b>Sanctions paid</b>					
<i>(thousand euro and % values)</i>					
<b>By year of issue of the sanction</b>					
	<b>2024</b>	<b>2023</b>	<b>2019</b>	<b>Total</b>	
<b>Amount paid</b>	5,109.2	1,709.4	7.9	6,826.5	
<b>By sanction beneficiary - 2024</b>					
	<b>Consap – FGVS</b> (Violation of MTPL legislation)		<b>NATIONAL REVENUE</b> (Other violations)		<b>Total</b>
	<b>Amount paid</b>	<b>% total</b>	<b>Amount paid</b>	<b>% total</b>	
	2,714.5	39.8	4,112.0	60.2	6,826.5

## VIII. LEGAL ADVICE

### 1. - ADVICE

In 2024 the Legal Services Office of IVASS handled 150 opinions, providing the Governing Bodies and Directorates of the Institute with assistance and legal support in the performance of their institutional activities, protecting the consistency of operating decisions with the reference legal framework.

Table VIII.1

Entities requesting advice - 2024			
			(number)
Governing Bodies and Secretariat Office of the President and the Board of Directors	27	Inspectorate	3
Prudential supervision	6	Research and data management	8
Supervisory regulations and policies	11	EU Court of Justice (questions for preliminary ruling)	10
Market Conduct Supervision	27	Subject responsible for corruption prevention and transparency	1
Consumer protection	4	External experts	18
Management of resources	21	Automatic	1
Sanctions and Winding up	11	Other	2
<b>Total</b>			<b>150</b>

There was continued commitment in working groups on institutional issues and regulatory activities.

### 1. - LITIGATION

In 2024, 44 new cases of first instance litigation or appeals were initiated, where the Legal Services Office of IVASS represents and defends the Institute before the courts using its own lawyer, registered in the special list of publicly-employed lawyers kept by the Bar association of Rome.

Table VIII.2

Litigation cases initiated in 2024– by subject matter			
			(number)
Pecuniary administrative sanctions	23	Tax cases	1
Disciplinary sanctions on intermediaries	6	Tax bills	7
Actions for damages	1	Other	3
Criminal affairs	3		
<b>Total</b>			<b>44</b>

Below is a selection of summaries extracted from decisions issued in 2024 in proceedings brought against IVASS sanctioning and supervisory measures that are significant for IVASS' institutional activity as they confirm previous positions or highlight new relevant profiles<sup>221</sup>.

*Pecuniary administrative sanctions – sanctions pursuant to Article 311-sexies of the CAP against the persons who perform administration, management, control functions in the undertaking – legal conditions – sufficiency of only one of these, applicable*

<sup>221</sup> The decisions are cited in the footnote under the abstract in italics. The paragraph marked with the Arabic numeral in which the individual summary is expressed contains the specific indication of a decision when, while belonging to a common orientation, the decision itself contains a specific summary on specific aspects.

– breach of the “business judgement rule”, not applicable – necessity, for the purposes of sanctions, of prior adoption of binding corrective measures or actions in the form of warnings, orders, or prohibitions, not applicable<sup>222</sup>.

1. Article 311-sexies of the CAP introduced, in addition to the liability of insurance companies, the liability of natural persons operating within the entity, where the following prerequisites are met: a) recurrence of an offence attributable to the company, b) traceability of the offence to the violation of the duties of the natural person sanctioned or of the body to which that person belongs, and c) suitability of the conduct of the sanctioned person to have a significant impact on the overall organisation or on the company's risk profiles.
2. In its prudential supervisory activity, IVASS does not exercise control over the business choices of companies by substituting itself for the supervised entity, but limits itself to assessing, for the protection of policyholders and the insurance market and on the basis of an ex ante judgement, the adequacy of the companies' decision-making processes to the regulatory purposes and procedural methods identified, which are particularly penetrating in regulated sectors due to the public needs protected. The suitability assessment, therefore, is essentially procedural and concerns compliance with the various requirements identified by the relevant legislation and the appropriateness of the procedures and actions adopted with the objectives pursued by the legislator (adoption of precautions in accordance with the standard of normal professionalism in the sector of activity; correct management of the dialectic within the Board of Directors and with any internal committees).
3. With regard to the functioning of the Board of Directors, making decisions without adequate information, without effective board dialogue, and without transparent processes constitutes a violation of the rules of sound and prudent management. It is incumbent on all directors of joint-stock companies, even in the absence of delegated powers, to “act in an informed manner” and the consequent duty to take action by identifying the warning signals relating to the company's overall management and exercising all the powers connected with the office, in order to prevent, eliminate or mitigate critical situations in the company of which they are, or should be, aware. Obtaining opinions from external professionals or highly specialized internal personnel does not exclude their liability.
4. The establishment of internal board committees and the fact that they have met frequently is not in itself sufficient to ensure the proper functioning of the relational dynamic between them and the Board of Directors, an interaction required by art. 5, paragraph 2, letter *u*) of the Regulation. IVASS No 38/2018 and aimed at the acquisition of elements of inquiry, the absence of which renders their activity futile. The efficiency of the Committees cannot be measured by the number and frequency of meetings, unless this has translated into an effective impact on the work of the Board of Directors.
5. Failure to comply with the ordinary standards of diligence required of members of the administrative body and the supervisory body must be assessed in light of a finalistic criterion, i.e., the adequacy of the conduct to achieve the intended protection objective, and the nature of the cases under examination, i.e., crimes of danger rather than damage.
6. The wording of Art. 8(2) of IVASS Reg. No. 39/2018 - in particular, the use of the word ‘also’ - excludes that the legitimacy of the sanction rests on the prior adoption of binding corrective interventions or acts by the Supervisory Authority in the form of warnings, orders or prohibitions, the same remaining a possible, but not necessary precondition for the adoption of the relevant measure.
7. The existence of a technical oversight framework for risk and solvency management, assigned to senior management, does not negate the board's powers and responsibilities in this area, even if this must be carried out following a technical assessment (Art. 5 of IVASS Reg. no. 32/2016).
8. The fact that the risk management function reports directly to the Board of Directors does not invalidate its functions, including that of fully and comprehensively representing the risks to which the company is exposed, with the aim of making those who have to take decisions effectively understand what the consequences of those decisions might be. The risk manager, as a result of culpable omissions with respect to the relevant regulatory standards in the performance of the relevant function, may ultimately contribute to the adoption of managerial choices that are ill-informed and ill-considered, insofar as they are made on the basis of deficient

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<sup>222</sup> Lazio Regional Administrative Court, Sect. II-ter, 2 April 2024, nos. 6334; 6335; 6336; 6337; 6345; 6357; 6359; 6360; 6361; no. 11558 of 06 June 2024. They confirm the approach already followed on this matter by Lazio Regional Administrative Court in 2023, in its decisions of 12 May 2023, nos. 8186 and 8187, and of 19.7.2023 no. 12185. The decisions were partially overturned on appeal, but without reforming the principles set out in the summaries under review.

procedural procedures or in the absence of the necessary set of assessments (art. 32, par. 1, lett. a) and e) of IVASS Regulation No. 38/2018)<sup>223</sup>.

9. The professional obligation of the risk manager must be considered an obligation *'of means'* and not *'of result'*, but it must nevertheless be assessed in its adequacy and complexity, in view of the expected fulfilments and according to the professional nature of the activity, without being able to be justified on the grounds of the avoidability or otherwise of the individual event considered<sup>224</sup>.
10. From the point of view of the subjective element of the offence, the consciousness and will of the active or omissive conduct is sufficient, without the need for a concrete demonstration of wilful misconduct or negligence, given that Article 3 of Law No. 689/1981 establishes a presumption of negligence with regard to the prohibited act against the person who carries out or fails to prevent the act and possesses one of the qualities expressly provided for by law as constituting the obligation to behave differently; the fault, therefore, lies in the failure to comply with the provisions specifically identified in the violation of duties connected to his function. The fact that other individuals or bodies are themselves responsible for the events that occurred cannot be relevant in the sense of excluding the guilt of the individual receiving the sanction, because this would end up emptying their role of any meaning, in contempt of the specific obligations that autonomously weigh upon them<sup>225</sup>.

*Pecuniary administrative sanctions in general – late notification in violation of Articles 311-septies, par. 1, CAP and 8, par. 1, and 12 of Ivass Reg. no. 39/2018 – effective from the conclusion of the inspection activity at the supervised entity, not applicable – illegitimacy of Article 8, due to the lack of a deadline for the affixing of the "Approval" by the Head of the Inspection Directorate, not applicable*<sup>226</sup>.

11. As consistently observed in case law, the *"assessment"* of administrative violations by independent authorities, does not coincide with the date on which the breach was committed or with the mere acquisition of the results of investigations, but requires, in order to be considered complete, a necessary and chronologically subsequent examination and assessment of the documentation collected. The time limits within which the competent Administration notifies a mature and legitimate formulation and notification of the breach, therefore, run from the complete examination of the preliminary investigation material and from its assessment in terms of full knowledge of the unlawful conduct. The assessment process therefore is all the longer the greater the volume of the material to be assessed and the greater the complexity, including legal complexity, of the cases under examination<sup>227</sup>.
12. The progressive structure of the investigation process, with specific reference to IVASS sanctioning proceedings, is confirmed by Article 8, par. 1, of Reg. No. 39/2018, from which it is clear, without any doubt, that documentary acquisition is only one of the modalities in which the *"acquisition of the necessary elements"* for the opening of the sanction proceedings is articulated. With specific regard to the cases of breaches that have emerged during inspections, par. 4 of the same article 8 lays down that the assessment process is concluded at the signing date of the inspection report, identifying at that moment, in general terms, the completion of the process of analysis and evaluation of the evidence collected.
13. There is no illegitimacy of Article 8, par.4, of IVASS Reg. No. 39/2018 in the part in which it did not define a deadline for affixing the *"Approval"* of the Head of the Inspection Directorate, given that the time actually used for affixing the *"Approval"* itself is in any case subject to an assessment of appropriateness by the Judge, to be carried out in light of the objective complexity of the facts.

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<sup>223</sup> Lazio Regional Administrative Court, Sect. II-ter, 6 June 2024, no. 11558, mentioned previously, decision not overturned on appeal.

<sup>224</sup> Ruling mentioned previously.

<sup>225</sup> Ruling mentioned previously.

<sup>226</sup> Lazio Regional Administrative Court, Sect. II-ter, 2 April 2024, nos. 6334; 6335; 6336; 6337; 6345; 6357; 6359; 6360; 6361; 6.6.2024, n. 11558, mentioned in footnote 1.

<sup>227</sup> With regard to breaches notified against intermediaries, the principle is reiterated by the Council of State, Sect. VI, 1 October 2024, no. 7873, and Lazio Regional Administrative Court, Sect. II-ter, 9 September 2024, no. 16251 and 5 September 2024, no. 16133.

*Pecuniary administrative sanctions – time limit envisaged in Article 27 of IVASS Reg. no. 39/2018 for submitting concise written observations on the sanction proposal - excusable error, not applicable - mandatory nature of the time limit, applicable – criteria for quantifying the amount of the sanction.*

14. The time limit envisaged in Article 27 of IVASS Reg. no. 39/2018 – pursuant to which “*within 30 days from the reception date of the proposal concluding the investigation phase, the recipients may submit to the Joint Directorate or to the subjects delegated by the latter [...] concise written remarks regarding the formulated proposal*” [...] and “*Any document that is submitted after said deadline, will not be taken into consideration*” – has a mandatory nature in light of its textual meaning and the objectives pursued by the sectoral rules<sup>228</sup>.
15. Where the law indicates a minimum and a maximum amount, the determination of the sanction within those limits is left to the power of the administration, with wide discretion, in order to commensurate it with the actual gravity of the unlawful act, taken as a whole from its objective and subjective elements, without the need to specify the criteria followed, an assessment that escapes the review of legitimacy, where it is adequately motivated and free from logical defects, except for obvious abnormality or inconsistency<sup>229</sup>.

*Pecuniary administrative sanctions – protection of the public in the distribution of financial and insurance products – sanctions pursuant to Article 183 of the CAP – violation of the principle of legality, not applicable – nature as offences of danger, applicable – exemplifying scheme drawn up in a customised manner according to Article 9 of ISVAP Reg. no. 35/2010*<sup>230</sup>.

16. The principle of the reservation of the law laid down by Article 1 of Law no. 689/1981 is preceptive only as regards the determination of the sanction, requiring the rule that the same be imposed on the basis of primary legislation, but allowing reference to administrative measures in the determination of elements or assumptions expressing technical discretion. The reservation of the law – on the assumption that the sanction is imposed directly by law – allows for the purely technical integration of the precept by non-legislative sources.
17. Article 183 of the CAP, under which insurance undertakings are required “*to act with diligence, fairness and transparency in dealings with policyholders and insured parties*”, contemplates an immediately preceptive, sufficiently specific, clear and understandable rule of conduct. The rule, in fact, transposes general clauses to be applied as standard by all sector operators, corresponding to similar standards established also in other areas of the legal system.
18. In the text of the law, the use of non-rigid elements (*diligence, fairness and transparency*) does not contravene the principle of legality nor its corollaries in terms of certainty and precision, since it is a drafting technique that allows conduct that would otherwise have required long case lists to be summarised with one word. The sectoral rules containing the precepts cannot materially cover all cases of violation of the principles themselves, as this would result in plethoric rules and in any case not exhaustive of all possibilities.
19. The burden of proof of successful conduct in fulfilling obligations regarding the distribution of financial-insurance products, for the purposes of compliance with the protection principles in question, falls – in light of the contested omission – on the company that carried out the placement. The notification of breach and the order under appeal circumscribe the contested facts by referring to the infringed provisions, also by means of a reference to the inspection report, allowing the defendant to perceive the objections and to counterclaim in the course of the proceedings according to the evidentiary paradigm typical of omissive offences.
20. The legal framework governing “*customized example projects*” clearly and unequivocally places on companies an obligation to prepare and subsequently (and separately) “*deliver*” the project. Preparing the sample project before the time required by Article 9 of Regulation No. 35/2010, i.e., upon signing the policy rather than when the customer is informed that the contract has been concluded, does not satisfy the requirement of effective customer protection if the document itself is not actually delivered; to submit means to present something to the judgement of others, while to *deliver* means to give something in custody or possession to someone so that they can keep it available for subsequent consultation and analysis.

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<sup>228</sup> Lazio Regional Administrative Court, Sect. II-ter, 03 June 2024, no. 11361.

<sup>229</sup> Council of State, Sect. VI, 31 May 2024, no. 4879, follows the approach, *ex plurimis*, of the Council of State, Sect. VI, 20.1.2023, no. 690; with regard to supervision of intermediaries, the principle is reiterated by Lazio Regional Administrative Court, Sect. II-ter, 9 September 2024, no. 16251, mentioned previously.

<sup>230</sup> Council of State, Sect. VI, 31 May 2024, no. 4879, follows on this point the approach of the Council of State, Sect. VI, no. 5468 of 18 September 2020.

21. Insurance offences - due to their nature as torts of danger - are prosecuted by the legal system without requiring, as constituent elements, the prejudice (or, *a fortiori*, the mere complaint) of customers or the attainment of a concrete economic advantage, which constitute further and extraneous data with respect to the constituent elements of the offence, supplemented by the mere breach of rules of conduct outlining the professional diligence required of the operator, which are moreover expressly codified both by laws and regulations. The administrative sanction, in fact, does not have a compensatory function (indemnification) for the pecuniary damage suffered by the supervised persons, but is intended to ensure a deterrent effect<sup>231</sup>.

*Pecuniary administrative sanctions imposed on undertakings – Article 148 of the CAP, obligation to make the offer to the injured party or to specify the reasons for not making an offer – rationale of the rule and principle of the relevance – proof of the relevance of the violation - need for violations to have a systemic impact, not applicable - marginality of cases or small scale of delays are relevant to the graduation of the sanction*<sup>232</sup>.

22. The out-of-court settlement procedure provided for in Article 148 et seq. of the CAP is aimed at the public protection of the injured party's right to obtain, within a rapid and transparent procedure, adequate and prompt compensation for the prejudice suffered. This protection consists in the establishment by the company of a fair and proper cross-examination with the injured party, with all the obligations to be borne by the company and strictly regulated deadlines to prevent the insurer from taking advantage of its position of economic strength with delaying attitudes and postponing the fulfilment of its obligations as long as possible, also through expedients that exploit the lack of information of the those entitled to insurance benefits.
23. Article 148 of the CAP, on the out-of-court claims settlement procedure, does not concern the management of the claims management and settlement service from a system perspective, but rather protects the settlement procedure initiated by the individual consumer receiving the compensation.
24. The principle of the "*relevance of the breach*" - in place of the principle of the "*absolute lack of prejudice*" already set forth in the repealed Article 326 of the CAP - far from altering the overall structure of the discipline, protects the consumer in order to stem the contractual asymmetry between his position and that of the insurance company, not marginalising the safeguards provided for by the CAP in favour of civil law safeguards, but rather redefining the scope of intervention of the Supervisory Authority to ensure the substantive and effective protection of the consumer.
25. The principle of *relevance* excludes the sanctionability of violations that have no offensiveness for the protected legal assets, without, however, attributing relevance for sanctioning purposes only to violations that have a systemic impact. To justify the relevance of the violation, it is sufficient to contest "*at least one*" of the criteria listed in Article 11, paragraph 1, of IVASS Regulation No. 39/2018.
26. In the absence of justificatory reasons, any failure to comply with the time limits pursuant to Article 148 et seq. of the CAP entails the existence of the factual prerequisite, of an objective nature, justifying the exercise of the sanctioning power even in relation to a single infringement and even for limited delays where at least one of the indices of relevance indicated by the relevant legal framework is, in any event, fulfilled; even if the assessment is unitary, the seriousness of the violations is evaluated first of all for each claim, with the damage to the protected asset remaining the reference parameter for the injured party (the relevance of the delay in itself). The severity of the breach modulates the sanction, therefore the marginality of the cases or the fact that the delays were limited can be taken into consideration when grading the sanction, as indicators of a less serious violation.

*Supervision of intermediaries - need for insurance agents to have a mandate, applicable - "horizontal" collaborations under Article 22(10) of Decree-Law No. 179/2012 - nature*<sup>233</sup>.

27. The need for insurance agents to hold an agency mandate stems from the definition contained in Article 109 of the CAP that, when defining the sections into which the RUI is divided, provides in paragraph 2 (a) that

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<sup>231</sup> Council of State, Sect. VI, 4 December 2024, no. 9697, mentioned previously, follows on this point the approach of the Council of State, Sect. VI, no. 5444 of 14 September 2020; Sect. VI, no. 2125 of 26 March 2020; Sect. VI, no. 5566 of 5 August 2019.

<sup>232</sup> Council of State, Sect. VI, 4 December 2024, no. 9697, mentioned previously, confirming Lazio Regional Administrative Court, Sect. II-ter, 6 June 2023, no. 9533.

<sup>233</sup> Council of State, Sect. VI, 25 November 2024, no. 9432, confirming Lazio Regional Administrative Court, Sect. II-ter, 24 February 2023, no. 3248 and Lazio Regional Administrative Court, Sect. II-ter, 14 March 2023, no. 4483.

*“The register shall be subdivided into separate sections listing: a) insurance agents, in their capacity as intermediaries acting in the name or on behalf of one or more insurance or reinsurance undertakings”*, thus unequivocally requiring the existence of a mandate contract, which can be exercised with or without power of representation.

28. The rule introduced by Article 22(10) of Decree-Law No. 179/2012, converted by Law No. 221/2012<sup>234</sup>, must be interpreted in the light of the provisions of Article 109(2)(a) of the CAP, with the result that the various forms of mutual cooperation contemplated by that provision must be carried out in accordance with the categorisation contained in the aforementioned Article 109 of the CAP. The use of the expression *“also through the use of their respective mandates”* - far from having the effect of abrogating the definition of insurance agent - precisely because of the use of the adjective *“respective”*, presupposes, rather than excludes, that all participants in the collaboration agreement have a mandate.
29. The possible lack of a mandate on the part of one of the intermediaries would lead to a distortion of the collaboration, given that the work of a person without a mandate seemingly falls within the scope of the activities reserved for persons registered in Sections B (*brokers*) and E (*collaborators*) of the RUI, whereas the horizontal collaboration agreement cannot substitute the absence of a mandate to justify the registration in Section A of the RUI.
30. The requirements of enrolment in Section A of the RUI and of obtaining an agency mandate are not mutually independent, but cumulative, according to a chronological sequence whereby the first requirement must be fulfilled prior to the second, which may be temporarily lost for a maximum period of three years, after which, in the absence of the assumption of a new agency mandate, pursuant to Article 113(1)(c) of the CAP, the intermediary is automatically removed from the register, unless a justified reason is given.
31. Where the agency activity is carried out by a legal person, it is necessary and indispensable to identify a natural person to whom responsibility for the mediation activity can be entrusted. The person responsible for insurance mediation is the person who actually acts on behalf of the company, exercising the relevant mandate, and assumes the related responsibility, including in relations with the Supervisory Authority, as the holder of a legally binding position of control over the activities of the entity for which he or she operates. This position entails obligations to take action in this regard and corresponding liability for failure to comply with these obligations<sup>235</sup>.

*Sanctions pursuant to art. 183 CAP against intermediaries — participation of persons in the offence — participation of the extraneus in their own wrongdoing — failure to adopt suitable and effective organizational measures to identify potential conflicts of interest and adoption of measures to avoid them — insufficient control over the sales network — violation of pre-contractual obligations regarding transparency of remuneration — violation of the principle of legality, not applicable — nature of offences of danger and not of damage, applicable — limitation of the inspection activity to the mandate and limitation of the sanctioning powers that can be exercised by the Institute, not applicable - discipline of close ties - relevance of recidivism only as an aggravating factor, applicable<sup>236</sup>.*

32. The imposition of administrative sanctions for failure to comply with general principles of supervision contained in the CAP cannot be considered in conflict with the principle of the typical nature of the offence, nor with the reference contained in Art. 119-bis of the CAP to the values of *“fairness, honesty, professionalism, correctness and transparency in the best interests of the policyholders”* determines the vagueness of the precept, since the values themselves, given the particular technical nature of the insurance sector, only realize a hetero-integration of the precept, permitted by the statutory reservation pursuant to Art. 1 of Law No. 689 of 24 November 1981.
33. On the subject of participation of persons in administrative offences, the concurring contribution is relevant not only when it has a causal effect, i.e. as an essential condition for the completion of the offence, but also when it takes the form of mere facilitation, i.e. when the offence, without such participation, would have been committed in the same way, albeit with greater uncertainties as to its success or difficulty. In committing an

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<sup>234</sup> Article 22, paragraph 10, Decree Law 179/2012, converted by Law 221/2012, reads: *“In order to overcome the current segmentation of the insurance market and to increase the degree of freedom of the different operators, the insurance intermediaries referred to in paragraph 2(a), (b) and (d) of Article 109 of Legislative Decree No. 209/2005, as well as those included in the list enclosed to the register of intermediaries referred to in Article 33(2) of ISVAP Regulation No. 5/2006, may adopt forms of mutual collaboration in the performance of their activities also through the use of their respective mandates”*.

<sup>235</sup> Council of State, Sect. VI, 25 November 2024, no. 9432, confirming the approach of the Council of State, Sect. VI, 11 December 2018, No. 6990 and Council of State, Sect. VI, no. 4643 of 30 July 2018.

<sup>236</sup> Lazio Regional Administrative Court, Sect. II-ter, 22.11. 2024, no. 20878 and 20880, confirming the approach of the Council of State, Sect. VI, 31 May 2024, no. 4879, mentioned previously.

administrative offence in the area of financial mediation, it is quite possible to configure a concurrence of persons, one of whom has the qualification necessary to commit the offence "*in their own right*" and a "*co-perpetrator*" who actively contributes to the commission of the offence itself even without possessing that qualification.

34. Pursuant to Article 1, paragraph 1, letter iii) of the CAP, "*close links*" between two or more natural or legal persons exist - even in the absence of the conditions that, pursuant to Article 72 of the CAP, define a situation of control - when the persons themselves are holders of "*a participation, regardless of whether it is held directly or through subsidiaries, trust companies or third parties, representing at least 10% of the capital or the voting rights, or a participation that, although not exceeding the above-mentioned limit, makes it possible to exercise a significant influence over the company (even if it is not a dominant influence*". The correct identification of such links, by virtue of cross-shareholdings, consequently legitimises IVASS's supervisory activity with regard to identifying and preventing the emergence of conflicts of interest.
35. With regard to IVASS sanctioning measures, the principle of correspondence between the contested facts and the object of the final measure must be understood in a substantial sense, since the need for a formalistic coincidence between the two phases is excluded where the person concerned has in any case been allowed the effective exercise of his defensive prerogatives through the knowledge of the conduct under investigation and of the constituent elements of the offence. The new elements acquired in the course of the proceedings, not modifying the unlawful act, are part of the procedural dialectics that is articulated through the exercise of the right of access and the submission of documents and defensive writings<sup>237</sup>.
36. The offences of failure to adopt suitable and effective organisational measures to identify potential conflicts of interest and to take measures to avoid them, of insufficient control over the sales network and of breach of pre-contractual obligations on transparency of remuneration clearly constitute offences of danger and not of damage, so that for the existence of the offence it is sufficient that the procedural breach or the conduct has even only endangered the protected legal asset<sup>238</sup>.
37. The fact that the inspection was initiated to verify the distributor's compliance with the POG regulations does not constitute a limitation on the inspection activity, nor does it in any way limit the sanctioning powers exercisable by IVASS.
38. On the subject of administrative sanctions imposed by independent Authorities, once the administrative authority has proved the offence, the offender, by virtue of the presumption of guilt pursuant to Article 3 of Law No. 689/1981, bears the burden of proving that he acted in the absence of guilt (so-called *suitas* in offences of mere conduct).
39. There is no provision that renders the previous commission of unlawful acts irrelevant because they occurred more than five years prior to the adoption of the contested act, given that the relevant legal framework contemplates repeated offences only as an aggravating circumstance capable of justifying the application of a higher sanction. The five-year limit contained in Article 8-bis of Law No. 689/1981 refers only to the "*repetition*" of offences of the same nature for the opposite purpose of imposing a milder treatment on the offender and is therefore not relevant in the case of ordinary recidivism<sup>239</sup>.

*Disciplinary sanctions against intermediaries - non-payment of sums collected by way of premium - nature of premiums collected as separate assets - justification by relationem, is sufficient*<sup>240</sup>.

40. Failure to pay to the company the insurance premiums collected by intermediaries from customers, according to settled case law, is not only a breach of contract, but represents the appropriation of unavailable sums, subject to earmarking. The offence incorporates both the failure to pay and the mere delay in paying the sums collected as insurance premiums.

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<sup>237</sup> Lazio Regional Administrative Court, Sect. II-ter, 22.11. 2024, no. 20878 and 20880, mentioned previously, confirming the approach of the Council of State, Sect. II-ter, 26 January 2017, no. 1358.

<sup>238</sup> Lazio Regional Administrative Court, Sect. II-ter, 22.11. 2024, no. 20878 and 20880, mentioned previously, confirming the approach of the Council of State, Sect. II-ter, 02 April 2024, no. 6361, see footnote 1.

<sup>239</sup> Lazio Regional Administrative Court, Sect. II-ter, 22.11. 2024, no. 20878 and 20880, mentioned previously, confirming the approach of the Council of State, Sect. I, 26 August 2020, no. 1440, decisive opinion on extraordinary appeal to the Head of State.

<sup>240</sup> Council of State, Sect. VI, confirming the approach of Lazio Regional Administrative Court, Sect. II-ter, 01 June 2023, no. 9364; Lazio TAR, Sect. II-ter, 9 September 2024, no. 16251, mentioned previously.

41. The trustworthiness required of the insurance agent is not limited to the mere absence of malicious conduct aimed at misappropriating or withholding for a longer period of time than is due the sums of money of which it is the custodian. It extends, rather, to the diligence required to ensure the prompt delivery of the sums to the persons entitled thereto. It is contrary to the proper functioning of the insurance system when the insurance premiums collected are also diverted to cover any further debts, even of the same insured under different policies.
42. The administrative decision of striking off, preceded by exhaustive acts of investigation, is adequately motivated by *relationem* even by mere reference to those acts, enabling the addressees to oppose it in court and the Judge to carry out the relevant review. From a proportionality perspective, the violation of the obligation to promptly pay premiums justifies the adoption of the penalty of striking off.

*Disciplinary sanctions against intermediaries – applicability of the five-year limitation period pursuant to Article 28 of Law no. 689/1981 - registration with the RUI at the time of the commission of the unlawful act entrenches jurisdiction<sup>241</sup> – need for re-examination for reinstatement after striking off, applicable<sup>242</sup>.*

43. The five-year limitation period pursuant to Article 28 of Law No. 689/1981, established for the collection of pecuniary administrative sanctions, does not apply to cases of imposition of disciplinary sanctions on intermediaries according to the express exclusion under Article 12 of the same law.
44. Article 330 of the CAP must be interpreted as aiming to ground IVASS's sanctioning power in respect of persons who, at the time of the acts charged, were registered with the RUI. The provision itself implies that the offences governed by the CAP are in the nature of an *offence in their own right*, since they can only be committed by persons who, at the time of the conduct, were registered in the RUI.
45. Registration with the RUI when the breach of disciplinary importance is committed constitutes the legal prerequisite that makes IVASS competent in this regard in order to avoid circumventions by the persons registered, as laid down in Article 113(3) of the CAP and, with even greater textual clarity, in Article 324(7-bis) of the CAP.
46. The legitimacy of the exercise of the sanctioning power against a person - who was registered at the time the breach was committed but was subsequently removed - is also based on the circumstance that the sanction of striking off, in addition to resulting in the immediate removal from the Register, has important consequences as regards the reinstatement, given a new registration is precluded for persons struck off before the expiry of five years from the sanction and is subject to a new and current assessment of all the requirements of Articles 110, 111 and 112 of the CAP.
47. To be reinstated, the intermediary who has been struck off the register must pass a new qualifying examination. The first and fourth paragraphs of Art. 114 of the CAP have a non-coincidental field of application, given that while the first paragraph refers explicitly and specifically to those who have been deleted following a striking off order, and afterwards request reinstatement after at least five years have elapsed from cancellation (with the need for all the requirements set out in Articles 110, 111 and 112, including the passing of a new qualifying examination), the fourth paragraph has a residual scope, thus being destined to be applied in cases that are not expressly regulated in paragraphs 1, 2 and 3. The different rules governing cancellation following striking off and the other hypotheses of cancellation, apart from being set out in unequivocal literal terms, also appear consistent with the particular gravity of the conduct for which striking off is provided for.

## 2. - LEGAL TRAINING

Mandatory training for in-house attorneys continued in 2024 through seminars and specialist legal seminars, also in mandatory ethics, with attribution of the related educational credits in accordance with the current Regulation on continuous training issued by the Rome Bar.

<sup>241</sup> Council of State, Sect. VI, 1 October 2024, no. 7873, confirming Lazio Regional Administrative Court, Sect. II-ter, 20 July 2023, no. 12243.

<sup>242</sup> Lazio Regional Administrative Court, Sect. II-ter, 27 November 2024, no. 21303.

## **IX. ORGANISATION**

The Institute's organisational development lines are mainly oriented towards the search for increasing synergies and efficiency gains aimed at recovering resources to cope with the increased institutional tasks that the laws have attributed to IVASS.

This is in a context in which, as a result of the application of the provisions on turnover in independent administrative authorities introduced with the 2025 budget law, the Institute's staff for 2025 has been redetermined from 400 to 393 units.

At the same time, constant attention is paid to developing staff knowledge, with particular regard to IT skills, cost reduction, and the efficient use of resources and space.

### **1. - IVASS BODIES**

In accordance with Article 2 of the Statute, the following are IVASS bodies:

- the President;
- the Joint Directorate and the Board of Directors.

The President of IVASS is the Senior Deputy Governor of the Bank of Italy, due to the institutional link between members of the governing bodies of the two institutions.

The Joint Directorate is a collegial body made up of the Governor of the Bank of Italy, who holds the chair, the Senior Deputy Governor of the Bank of Italy - President of IVASS, the three Deputy Governors of the Bank of Italy and the two members of IVASS' Board of Directors. It sets guidelines and strategic targets and adopts the acts with high external importance relating to the performance of the institutional functions in matters of insurance supervision. In 2024, 20 meetings were held, 129 resolutions were passed and 64 information notices were examined.

The Board of Directors is a collegial body made up of the President and two Directors. It is responsible for the general administration of IVASS, without prejudice to the functions assigned to the Joint Directorate by the Statute. In 2024, 29 meetings were held, 66 resolutions were passed and 15 information notices were examined.

The Secretary General is responsible for the coordination and supervision of the activities of the structures<sup>243</sup>.

### **2. - ORGANISATION**

*Lines of Institutional and Organizational Development* – In January 2025, guidelines for institutional and corporate action were defined as a necessary tool for management development and performance orientation.

Internally, IVASS is continuing the path taken to innovate its operating procedures in terms of organization, development of staff skills, and technologies for the performance of corporate functions. Particular importance is attached to the role of ICT with the aim of increasing the efficiency of resources and work processes, including through the widespread use of new technologies.

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<sup>243</sup> <https://www.ivass.it/chi-siamo/organizzazione/Struttura-organizzativa/index.html>

From an organisational perspective, organisational changes are being defined to incorporate recent regulatory changes (EU *DORA* Regulation, Life Insurance Guarantee Fund, Macroprudential Policy Committee), in view of the impact on the tasks of the Structures.

*Technological development* – Digital transformation is a key element in facilitating IVASS organisational change and achieving its strategic objectives. In 2024, tools were implemented that make operational processes more efficient and enable effective monitoring of resources and activities.

The framework agreement governing IT cooperation between IVASS and the Bank of Italy has been renewed for a further five years, with the aim of integrating common ICT services and developing services by the Bank of Italy in line with the Institute's strategic planning.

The handover of IVASS's technology services to the Bank of Italy has reached a significant level, reaching 74% of the total, with an increase of 2% compared to the previous year.

The Board approved the ICT strategic planning for 2025, with aims at aligning the initiatives with the strategic objectives and at ensuring their sustainability in terms of human and financial resources. The plan includes ongoing projects, requests for maintenance of existing systems and the development of additional requirements expressed by the Departments. The estimated cost of implementation envisages an increase of 15% compared to 2024.

The development process of ICT services for the Institute consists of the following phases: study, implementation, production release and maintenance.

The study for the online complaints project continued, with the aim of setting up an internet portal dedicated to consumers allowing them to submit online complaints and enquiries concerning their relations with insurance companies and intermediaries, in order to increase the efficiency of complaints handling carried out by IVASS and improve the quality of the service provided to the public.

The implementation of the Sanctions Information System, an application to support the Institute's sanctioning process, equipped with high IT security and operating continuity requirements, is at an advance stage. The project will be completed in 2025.

The following IT services have been released into operation:

- Microsoft Teams, a collaboration product for remote communication, distributed to all employees' workstations since January 2024;
- IPER, an initiative aimed at collecting and processing the data of the survey on the actual prices of motor liability insurance. The implementation phase was divided into two releases: the migration of the previous application to the Bank of Italy's systems, followed by the release of additional functions in April 2024;
- Whistleblowing Procedure, with the implementation in September 2024 of a dedicated system for the receipt and management of reports of irregularities and offences committed by employees, staff seconded from the Bank of Italy and external staff working for the Institute;
- Single Register of Intermediaries (RUI), a project designed to merge the various modules of the Register into a single database and a single IT tool; The release of the various components, including the management of delegations and the integration of the Single Digital Gateway (SDG)<sup>244</sup>, began in December 2024.

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<sup>244</sup> The activity was carried out in collaboration with AGID without using PNRR funds.

Routine and major maintenance initiatives were carried out in collaboration with the Bank of Italy, with the adaptation of the applications for Consolidated Insurance Accounts and Pol.Dor. - Dormant Policies, Taxonomy 2.8 Solvency II, AML data exchange of the register of beneficial owners, Reporting on ICT supplies for DORA, Acquisition of Solvency II data in CBRL-CSV format.

*Management of ICT services* – The services within IVASS’s ICT catalogue are managed 26% internally and 74% by the Bank of Italy. In 2024, 4,318 service requests were fulfilled, with an increase of 35% compared to the previous year due to job obsolescence, the ongoing digital transition, and the need to stabilize the new Teams and RUI services. Of the management commitment, 31% was undertaken by the Institute, while the remaining 69% was undertaken by the Bank’s IT function, which grew significantly (+15%)

*Management control* – The internal system of management control quarterly monitors the amount of work dedicated to the single activities of the Institute. This information, combined with the analytical accounting by cost centres, is used to determine the total cost of certain specific institutional activities, as well as to establish the amount of the supervisory contribution payable by Italian and foreign undertakings and intermediaries and the fee for taking the qualifying examination for registration in the RUI.

The measurement of corporate efficiency continued, as determined by the annual change in a productivity index that relates the institutional products produced to the amount of work involved.

*Procurement* – Procurement activities continued both autonomously and jointly with the Bank of Italy and the other Authorities (Antitrust Authority, Consob, ANAC and the Agency for National Cyber Security) within the framework of the memorandum of understanding entered into for the identification of joint strategies for the purchase of works, services and goods.

This form of collaboration is a useful tool for the implementation of the objectives of rationalising and containing the costs associated with carrying out tendering procedures, through the realisation of economies of scale and savings in costs and personnel.

IVASS concluded 98 new contracts for the acquisition of goods and services, as a result of the same number of award procedures, for a total value of € 2,265,529 plus VAT. More specifically:

- 36% of the total value was awarded through open procedure for an amount of € 816,400;
- 23% was awarded through a specific tender via the Public Administration Dynamic Acquisition System (SDAPA) in conjunction with the Bank of Italy and Consob for a value of € 528,000;
- 16% was awarded through subscriptions of agreements and framework agreements for a total amount of € 371,462, of which 299,023 with the Bank of Italy;
- the remaining 25% for € 549,666 was awarded through direct award procedures.

The details of the procedures carried out are made available on IVASS' website within the Transparent Administration section.

### **3. - COMMUNICATION**

Communication has contributed to consolidating and increasing awareness of the Institute and its functions through information campaigns, meetings and relations with the media, seminars and conferences, and strengthening the Institute's presence on social media. A total of 35 (33 in 2023) requests for speeches, hearings and participation in events were handled, as well as 21 interviews for press, radio and

TV (16 in 2023) and training seminars for journalists, one of which recognized by the Lazio Journalists' Association. 75 press releases and 29 press notices were issued.

984 documents were published in Italian and English on the institutional website and approximately 800,000 downloads were made. The site had 2.1 million visits in total (+16.6% compared to 2023)

In 2024, 10 podcasts entitled “Te lo assicuro!” (I assure you!) were produced to promote insurance education (see Chapter V.7), available on all major podcast platforms and on YouTube IVASS. On the latter channel, the podcasts recorded 120,000 views, thanks in part to the promotional campaign on Google. For this initiative and for the “IVASS Roadshow,” the Communication Service and the Consumer Protection Directorate received a special award at the 2024 Insurance Connect Awards.

The restyling of the editorial line for publications continued with the renewal of the Statistical Bulletin.

Social media activity grew on all platforms: the LinkedIn account exceeded 18,700 followers (+70% compared to 2023); the Instagram account has more than 1,200 followers. The number of visits to the website increased and the newsletter has now more than 4,550 recipients.

#### **4. - INTERNAL AUDIT**

The Internal Audit Office is progressively expanding the scope and nature of its interventions. In addition to audits, which focus on analysing process risks, consultancy services are provided to promote overall improvement of the Institute's Internal Control System through a more widespread and informed understanding of risks and compliance obligations.

In 2024, four audits and one consultancy were carried out at all the Institute's departments on document management in terms of confidentiality and controls, with the technical support of the Resource Management Directorate. In the early months of 2025, an advisory service on IT security was launched with the aim of mitigating risks and streamlining processes.

As a result of the interventions, action plans are drawn up to contain risks, and organisational proposals are made to further strengthen confidentiality and privacy safeguards and consolidate the security of the Institute's IT assets.

The Office continues to pursue every possible synergy with the functions that represent the second line of defence in the Internal Control System (ORM, Data Protection Officer, Anti-Corruption Officer), continuing the previously launched initiatives. The framework adopted is based on a harmonious interaction between the various control functions, while respecting their specific prerogatives, in order to facilitate the exchange of information and improve communication between the functions and the Institute's Top Management.

#### **5. - MONITORING OF RISKS**

*Operational risk management* – With regard to the monitoring of operational risks, the implementation of DBAccess, a new IT architecture for the integrated management of information relating to processes and the relevant risks, and the use of guided feeding tools (ORM tools) has made it possible to strengthen the operational risk management system with a better acquisition, organisation and analysis of information. This allowed for a more accurate mapping of internal processes and better identification of risks, including corruption. To ensure maximum consistency between IVASS's internal regulations and those of the Bank of Italy, the ORM methodological guide has been modified to incorporate updates introduced by the Bank.

*Cyber security* –Cyber security efforts to raise staff awareness grew with the delivery of a seminar on privacy and IT tools to prevent personal data breaches, organised in cooperation with the Institute's Data Protection Officer (DPO). IVASS participates in a number of IT security initiatives, including seminars, advanced training courses in cooperation with the Bank of Italy, security awareness plans organised by CERT-BI, publication of news on the intranet, e-mails and quarterly newsletters. Intensive cooperation with the DPO in relation to the processes involved in the processing of personal data and with the network of ORM contact persons to prevent data breach incidents is noted. The Institute regularly participates in the Committee on cyber security (CSC), coordinated by the Bank of Italy and CERTFin.

The following are noteworthy:

- the publication of a quarterly newsletter on cyber security in the financial sector;
- the launch of the new campaign “I Navigati”;
- the introduction of Warning Tags to manage potentially dangerous emails.

Of particular importance is the implementation of new policies, as part of the ICT Framework Agreement with the Bank of Italy, for the secure use of cloud computing services. Regarding the availability of IT services, the IT Continuity Plan was periodically reviewed, in line with the company's risk management system (ORM).

*Ethics, prevention of corruption, transparency, data protection* – The Ethics Committee of IVASS is charged, among other things, with supervising the correct application of the Codes of Ethics for IVASS' bodies and personnel. It also gives opinions on concrete cases submitted to its attention. The Committee is made up of three external members chosen among people of unquestioned integrity and independence.

In accordance with the principle of the rotation of tasks, on 1 October 2024 the new IVASS Officer responsible for transparency and prevention of corruption (RPCT) was appointed. The term of office is three years, which may be extended once.

In 2024, the identification and adoption of measures aimed at ensuring the protection of personal data processed by the Institute continued, in collaboration with the Data Protection Officer, in compliance with Regulation EU/2016/679 (*General Data Protection Regulation, GDPR*).

In accordance with internal regulations on personal data protection, the update of the register of processing activities and the criteria for determining data retention periods has been completed.

*Health and safety at work* - A comprehensive review of risk management and facility management services (plant maintenance, hygiene and environmental surveillance) was carried out, which involved, among other things, updating the Risk Assessment Document and Emergency Plans. A new three-year contract was signed for the provision of services related to integrated occupational health and safety management. A radon gas detection campaign was conducted at the Institute's premises and remediation measures were defined in the event that reference thresholds were exceeded.

Compulsory training initiatives on occupational health and safety have been organised more effectively, with the cooperation of the Bank of Italy's Training School.

## 6. - STAFF

*The number of staff* – As at 31 December 2024 there were 367 permanent staff (the same as at the end of 2023), compared to the staff number recognised by law of 400<sup>245</sup>.

Table IX.1

Distribution of IVASS staff by professional area at end 2024						
Area	Permanent staff		Fixed-term staff		Total	
	2024	2023	2024	2023	2024	2023
<b>Professional/Managerial</b>						
Directors/Central Directors	36	34	-	-	36	34
Specialists/Experts	274	281	-	-	274	281
<b>Operational</b>						
Operational staff	57	52	-	-	57	52
<b>Total</b>	<b>367</b>	<b>367</b>	<b>-</b>	<b>-</b>	<b>367</b>	<b>367</b>

The holders of managerial positions among IVASS' employees were 39, including directors and specialists, of which 46% women, with an average age of 56.

IVASS makes use of 46 staff seconded from the Bank of Italy (including 10 holders of organizational positions, including the Secretary General). These are 18 Directors/Central Directors/Officials, 24 professionals and 4 operational staff.

Nine employees have been seconded to the Bank of Italy and one to DG FISMA at the European Commission; two have been assigned positions with EIOPA and are on unpaid leave; finally, other two employees are on unpaid leave as they have obtained an academic position.

All successful candidates in the reserve lists from the two competitions launched in 2022 were recruited for a total of 11 staff, including 7 operative staff eligible for the selection reserved for those registered in the list referred to in Article 8 of Law No. 68/1999 and four candidates in the reserve lists from the ICT competition.

*Career development* – The career system, which was reformed in 2016 and is based on the principle of dual ladder careers (managerial and professional), is oriented towards the enhancement and development of individuals and is based on management mechanisms rewarding merit.

Internal vertical advancement procedures (advancement from the operational area to the professional-managerial area and advancement of professionals) are aimed at ascertaining possession of the professional qualification required to perform the functions and tasks of each area/profile. The selections are carried out by means of a comparative assessment of the candidates meeting the requirements, performed by a commission on the basis of the assessment elements envisaged for each procedure<sup>246</sup>, as well as for the transition to the role of Director, of the results of an assessment of managerial/behavioural

<sup>245</sup> As a result of the application of the provisions on turnover in independent administrative authorities introduced by the 2025 budget law, the Institute's staff number for 2025 has been reduced from 400 to 393.

<sup>246</sup> For the advancements, account is taken of the annual evaluations, the curriculum vitae (which also includes knowledge of one or more foreign languages), and the interview. For the transition to another area, candidates must pass a written test on the knowledge of IVASS's national and international tasks as well as its internal organisation, an oral test, as well as an optional test on knowledge of one of the following languages: English, French, German and Spanish.

skills carried out by external experts. In 2024, five procedures for vertical advancements from Expert to Specialist profile and two advancements from Specialist to Director were adopted<sup>247</sup>.

IVASS staff participated in 170 training initiatives; 337 employees were involved, i.e. 82% of staff, including staff seconded by the Bank of Italy, with an average of 20 hours of training per capita.

The most significant part of the technical-specialist training was realised with the multi-year programmes of the Thematic Schools of Insurance Supervision, launched at the beginning of 2022. In order to ensure the development of skills functional to the digital transformation of processes and activities and of professional profiles capable of using innovative techniques and methods for data processing (e.g.: IA, machine learning, big data), two highly specialised training itineraries in Data Science were launched: the School of Technology and Data Science and the 2nd level Master's degree in Data Science for the public sector, designed with the University of Tor Vergata.

In addition to the Thematic Schools, designed primarily for new recruits, but open to all staff to promote professional update, a course was organised on a topic of particular interest to market conduct supervision, for which external lecturers were used.

Training continued in the Management School for Heads or Deputy Heads of Department and Base Units, as well as ad hoc initiatives for supporting managers and professionals with coordination roles.

The training of the thematic schools has been supplemented with the specialised offer for all staff, of a transversal nature between IVASS and the Bank of Italy, on topics such as information technology, programming languages, procurement, internal administration. English training courses involved 57% of the staff.

*Skills mapping* - In 2024, the framework for mapping the jobs and skills of IVASS staff was completed. The objective is to promptly identify the jobs and skills that are indispensable to best fulfil the institutional purposes, also with a forward-looking approach, verifying the presence and solidity in the structure or any need for reinforcement, to be met with the available management levers.

The mapping, which was approved by the Board of Directors in January 2025, will make it possible to define the staffing policies of the Directorates through competition procedures, facilitate inter- and intra-Directorates/Offices mobility, and define the contents of the training offer in more detail.

The analysis used the Bank of Italy's skill model as a reference, with adjustments due to the specific nature of the subjects covered and the Institute's organizational structure. The project focused on the technical skills of professionals, excluding managers and operational staff.

Twenty-two professional profiles corresponding to 11 professional families were mapped and about 350 skills identified.

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<sup>247</sup> In early 2024, the procedure for the advancement to the post of Director planned for 2023 was completed.

## *ADMINISTRATION OF IVASS*

### PRESIDENT

Luigi Federico SIGNORINI

Senior Deputy Governor of the Bank of Italy

### BOARD OF DIRECTORS

Luigi Federico SIGNORINI

PRESIDENT

Riccardo CESARI

BOARD MEMBER

### JOINT DIRECTORATE

Ignazio VISCO

Governor of the Bank of Italy

Luigi Federico SIGNORINI

Senior Deputy Governor of the Bank of Italy

Paolo ANGELINI

Deputy Governor of the Bank of Italy

Chiara SCOTTI

DEPUTY GOVERNOR OF THE BANK OF ITALY

Riccardo CESARI

BOARD MEMBER

### SECRETARY GENERAL

Ida MERCANTI