allontAniamo i rischi rimAniamo protetti

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Ania
Associazione Nazionale
fra le Imprese Assicuratrici

INDEX

01 INSURANCE: FUNDAMENTAL TOOL FOR THE PROTECTION OF HOUSEHOLDS AND UNDERTAKINGS

The main target of all insurance covers is to help individuals and undertakings to recover when an unpredictable event affects the assets, properties or life of an individual. Uncertainty does not concern only the fact that a damage may occur, it also concerns the time in which such damage will manifest and to be unknown is, above all, the extent of the loss which, in most cases, will go beyond any saving or wealth that a person may have accumulated. This is the reason why insurance is an essential component of the financial planning of households or companies: it allows to mitigate losses, to promote financial stability and commercial activities, which in turn translate into economic growth and development. Therefore, insurance plays a crucial role in the sustainable growth of an economy.
To compensate for expenses incurred after an accident, the death of a loved one, or a disability, insurance companies transfered on average around 150 billion euros to their policyholders during 2019, or, in perhaps more intuitive and understandable terms, more than 17 million euros per hour.

HERE ARE SOME EXAMPLES OF THE PROBLEMS SOLVED BY INSURANCE COMPANIES IN THE SPACE OF AN EPISODE OF A TV SERIES

PLAY

MOTOR THIRD PARTY LIABILITIES
n. of events reported **per hour**
245
compensated amounts **per hour**
€ 1,215,000

MOTOR ACCESSORY GUARANTEE (FIRE, THEFT AND KASKO)
n. of events reported **per hour**
130
compensated amounts **per hour**
€ 200,000

PERSONAL ACCIDENTS
n. of events reported **per hour**
40
compensated amounts **per hour**
€ 150,000

GENERAL LIABILITY
n. of events reported **per hour**
37
compensated amounts **per hour**
€ 205,000

GOODS IN TRANSIT
n. of events reported **per hour**
3
compensated amounts **per hour**
€ 16,000

FIRE
n. of events reported **per hour**
28
compensated amounts **per hour**
€ 185,000

HEALTH
n. of events reported **per hour**
840
compensated amounts **per hour**
€ 225,000

HAIL
n. of events reported **per hour**
45
compensated amounts **per hour**
€ 45,000

LIFE INSURANCE
n. of events reported **per hour**
610
compensated amounts **per hour**
• surrenders
€ 5,180,000
• capitals and annuities
€ 2,070,000
• death/disability
€ 1,100,000

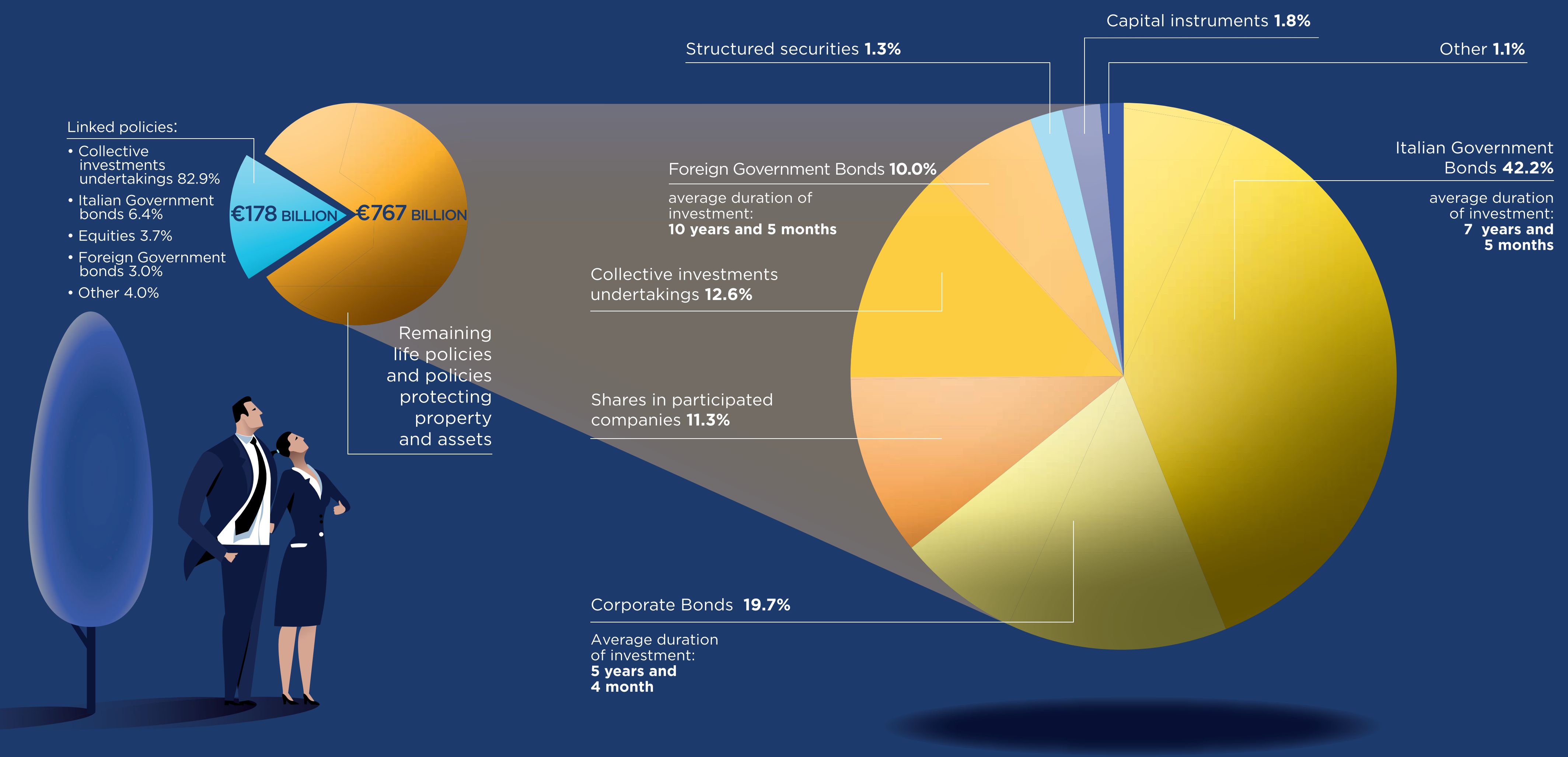
The End

STOP

02 INSURANCE INVESTMENTS ARE A SUPPORT FOR THE STATE AND A DRIVER FOR THE REAL ECONOMY

INSURERS' INVESTMENTS IN OUR COUNTRY AMOUNT TO AROUND 950 BILLION, THAT IS, MORE THAN 53% OF GDP

INSURANCE INVESTMENTS IN 2019

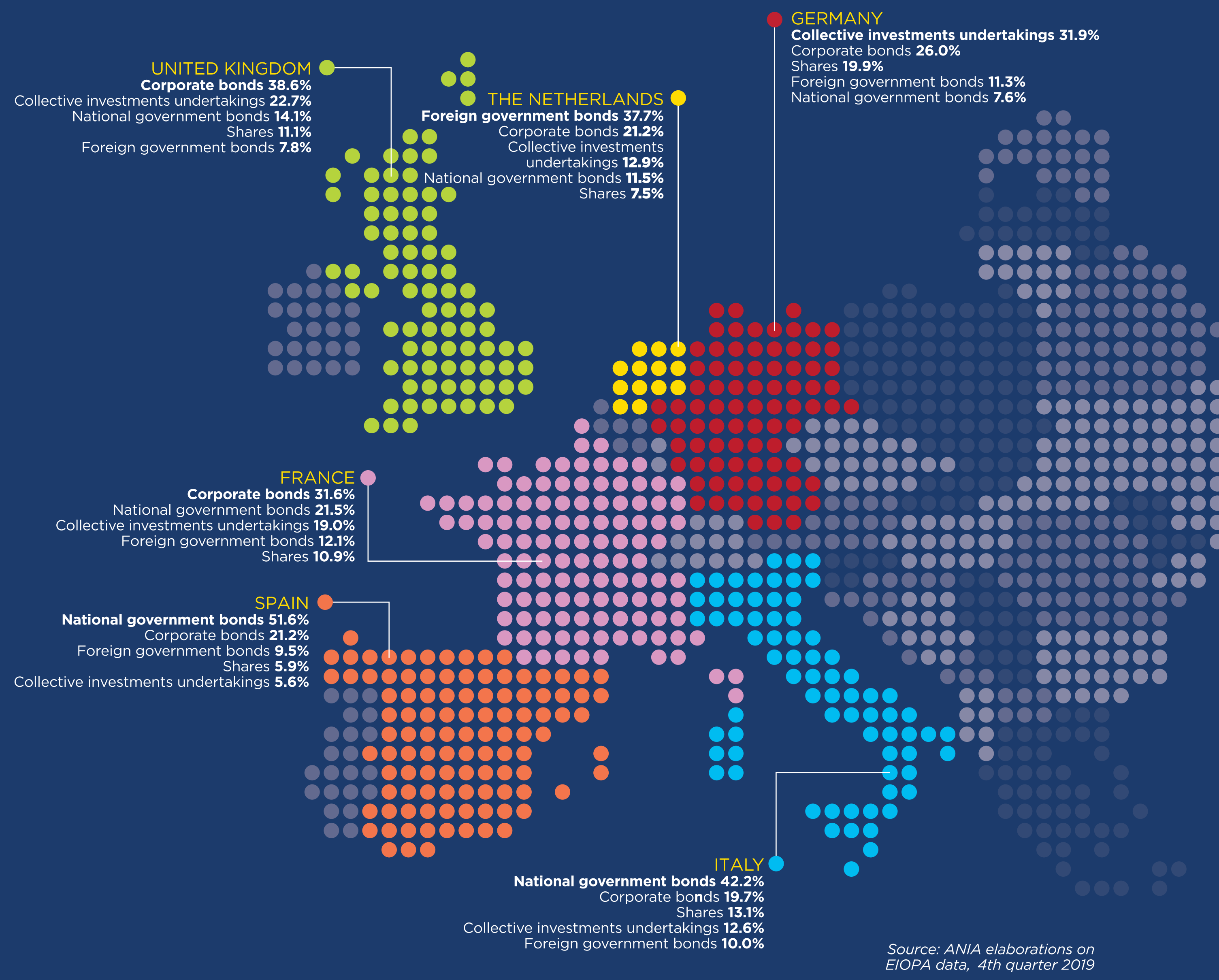


COMPARISON BETWEEN THE DIFFERENT TYPES OF INSURANCE INVESTMENTS IN EUROPE (EXCEPT LINKED POLICIES) 02

As a result of the prudential and long-term investments that must be made by insurance companies to guarantee savings entrusted to them, insurance companies convey a significant part of these resources by purchasing government bonds, mainly Italian – the insurance sector thus supports public debt even in times of severe crisis and during the acute phases of turbulence in the financial markets. In 2019 investments made by Italian insurance companies in **government bonds** amounted to **400 billion**, about 320 billion of which refer to Italian sovereign debt. The incidence of this type of investment is far higher in **Italy**, where it **equals to 52%**, than it is on average **in Europe (31%)**.

Moreover, as a consequence of a new regulatory framework that fosters innovative investments, the insurance industry is increasing the share of resources destined both to support the real economy (with the financing of non-financial companies) and to support infrastructure projects, with the aim of promoting a sustainable development of the economy.

AVERAGE OF THE EU COUNTRIES ANALYZED
Corporate bonds 28.6%
National Government Bonds **24.8%**
Collective investments undertakings **22.0%**
Shares **13.6%**
Foreign Government Bonds **6.6%**



Source: ANIA elaborations on EIOPA data, 4th quarter 2019

Life insurance plays a dual role: on the one hand, it represents an alternative saving tool through which families invest their savings and accumulate capital and, on the other hand, it constitutes a real umbrella of protection against adverse financial consequences resulting from events connected with human life, such as interrupting income streams due to the premature death of a family member or to the survival beyond one's financial means.

Insurance companies offer multiple life insurance products that respond to different savings or security issues and that are often related to the different stages of an individual's active life: for example, at the beginning of a career it is easier to accept a higher volatility in exchange for higher yields in average, and also, with the growth of the family, it is preferable to opt for products with a higher guaranteed yield, accepting lower interest rates.

TERM LIFE INSURANCE POLICIES

Fiscal benefits:
Premiums are deductible for 19% up to a limit of 530 euros.
In the event of death of the insured, the benefits paid are exempt from the inheritance tax.

Possibility of terminating the contract early : NO

Guaranteed yield: NO

LONG TERM CARE INSURANCE POLICIES

Fiscal benefits:
Premiums are deductible for 19% up to a limit of 1,291 euros.
The benefits paid do not constitute taxable income.

Possibility of terminating the contract early: NO

Guaranteed yield: YES

INDIVIDUAL AND COLLECTIVE SUPPLEMENTARY PENSION SCHEMES

Fiscal benefits: premiums paid reduce taxable income in the limit of 5,164 euros.
The benefits paid are taxed at a favorable rate of 15%

Possibility of terminating the contract early: YES, only for certain particular cases (unemployment, permanent disability, loss of participation requirements, etc.).

Guaranteed yield: there may be a guaranteed yield.

UNIT-LINKED POLICIES

Fiscal benefits:
In the event of death of the insured, the benefits paid are exempt from the inheritance tax.

Possibility of terminating the contract early : YES

Guaranteed yield: NO

WITH PROFIT LIFE INSURANCE POLICIES

Fiscal benefits:
In the event of death of the insured, the benefits paid are exempt from the inheritance tax.

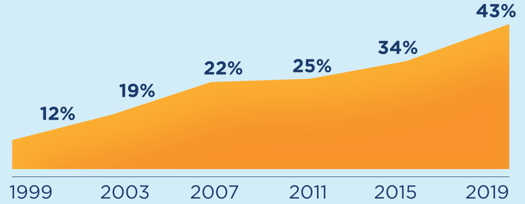
Possibility of terminating the contract early: YES

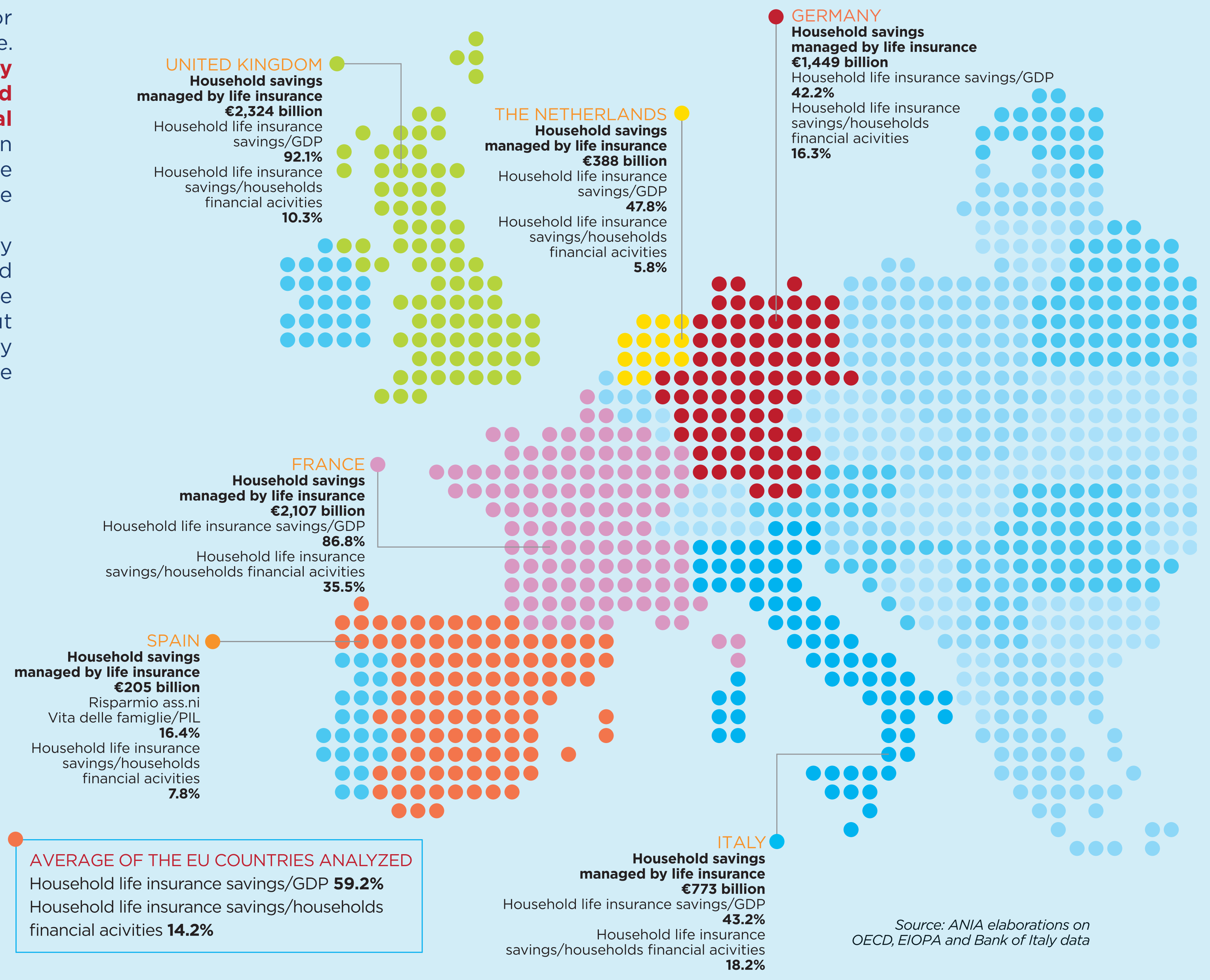
Guaranteed yield: YES, a guaranteed yield is expected, recognized year by year or at termination of the contract.

The weight of life insurance in Italy continues to grow, even though there is ample room for further development if compared to Europe. **In 2019 life insurance companies in Italy managed savings of more than 770 billion and these represented 18% of household financial assets** (14.2% is the average of the European countries highlighted); in relation to GDP there was an incidence of around 40% (60% in the European average).
In particular, the field of supplementary pension plans should be more developed and encouraged in Italy, adhesion could be boosted by clearly informing citizens about their public pension expectancy and by rendering the supplementary system more open and flexible.

INCIDENCE OF HOUSEHOLD SAVINGS MANAGED BY LIFE INSURANCE ON THE TOTAL OF ITALIAN HOUSEHOLDS' FINANCIAL ACTIVITIES

INCIDENCE OF HOUSEHOLD SAVINGS MANAGED BY LIFE INSURANCE /GDP





AVERAGE OF THE EU COUNTRIES ANALYZED
Household life insurance savings/GDP **59.2%**
Household life insurance savings/households financial acivities **14.2%**

Source: ANIA elaborations on OECD, EIOPA and Bank of Italy data

04 INSURANCE PROTECTING PROPERTIES AND CAPITALS

The fundamental aim of insurance protecting properties and capitals is to preserve companies and households against unpredictable events with financial implications that could be significant to the point of leading to the interruption of a company's productive activity or to put a family in a situation of serious economic hardship. In this sector, **it is estimated that in Italy half of the total premium income comes from insurance coverage for corporate and commercial customers and the other half from coverage for individuals and households.**

There are many forms of guarantees offered by insurance companies to their customers.

Insurance to protect property or capitals: it guarantees the compensation for damage that affects a fixed property or set of properties. This includes, for example, fire insurance (for the home, or for a company), theft insurance (for assets in private homes or in commercial or public activities), insurance to protect properties against unpredictable events (damage to machinery and industrial plants) or against natural events (such as hail and natural disasters);

Personal insurance: it guarantees compensation for damage to the person resulting from physical injury (accident) or illness, which causes death, permanent disability or temporary disability;

Insurance on capitals: the insured protects himself against the risk of occurrence of a debt for damages unintentionally caused to third parties. The evolution of economic life gives constantly rise to new types of liability, which in turn give life to the need for previously unknown coverings, just think of the responsibilities of hospitals, building manufacturers, producers, company directors and officers.

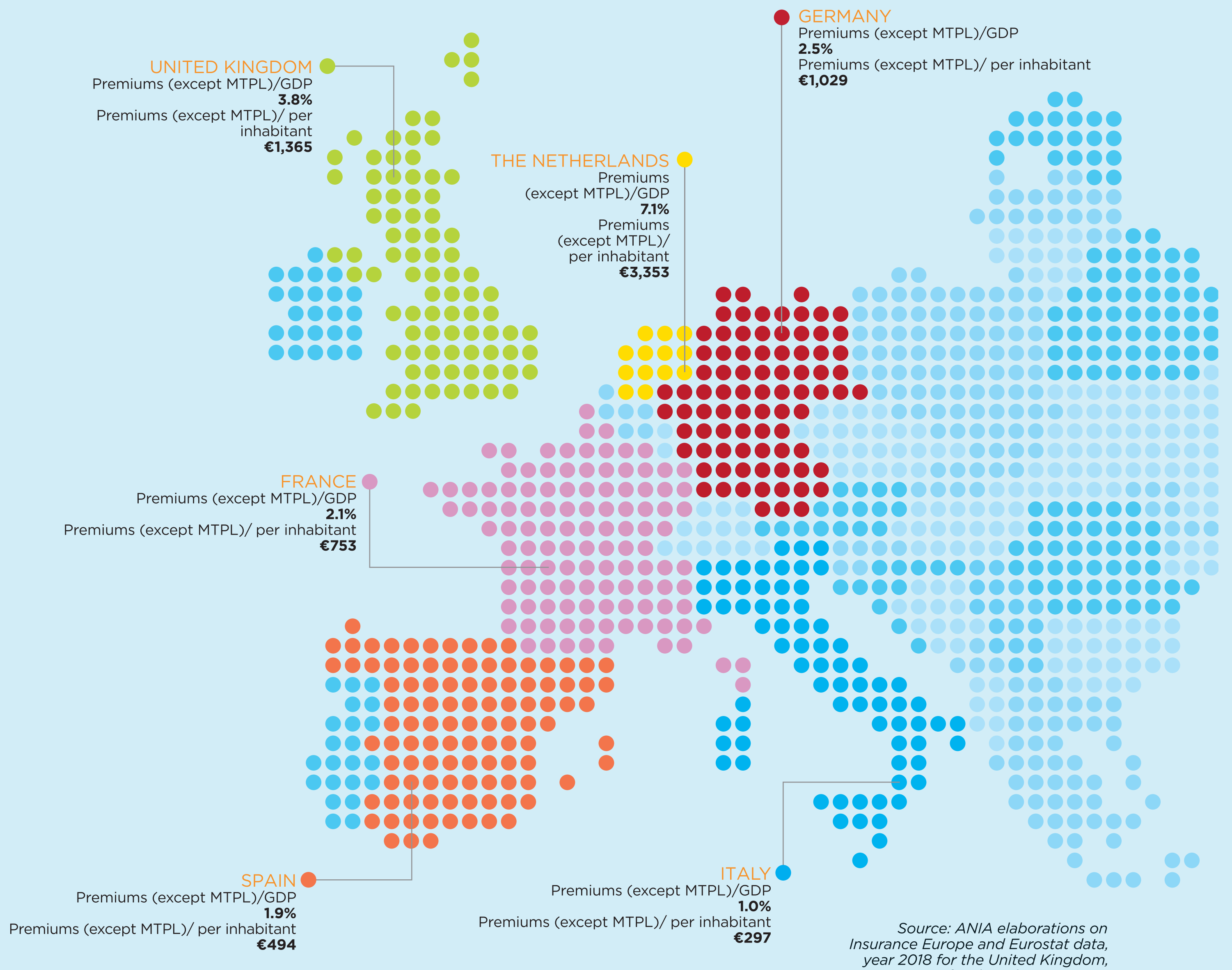
	PREMIUM VOLUME	% PREMIUMS DERIVING FROM: CORPORATES	INDIVIDUALS AND HOUSEHOLDS
Personal Accidents	€3.2 billion	30.0%	70.0%
General Liability	€3.2 billion	55.0%	45.0%
Health	€3.1 billion	75.0%	25.0%
Other damage to property	€3.0 billion	50.0%	50.0%
Fire	€2.6 billion	45.0%	55.0%
Other non life classes	€1.9 billion	30.0%	70.0%
Credit and Suretyship	€0.5 billion	90.0%	10.0%
Marine & Transport	€0.4 billion	95.0%	5.0%
TOTAL	**€17.9 billion**	**50.0%**	**50.0%**

DIFFUSION OF POLICIES PROTECTING PROPERTIES AND CAPITALS: A EUROPEAN COMPARISON 04

In the field of insurance for the protection of properties, health and capitals (except motor insurance), in Italy there is a clear insurance cover gap compared to the other main European countries: the incidence of premiums (except MTPL) on GDP in Italy is equal to 1.0% compared to a European average of 2.7% and the average premium per inhabitant in our country is less than one third of that of the countries analyzed.

The lower diffusion of insurance coverage is an element of weakness for the entire country. In this context it is necessary to implement an integrated system between public and private that allows a more equitable and efficient management of the various types of risk, in particular for insurance covers against the risks of labor, health, capitals, natural disasters.

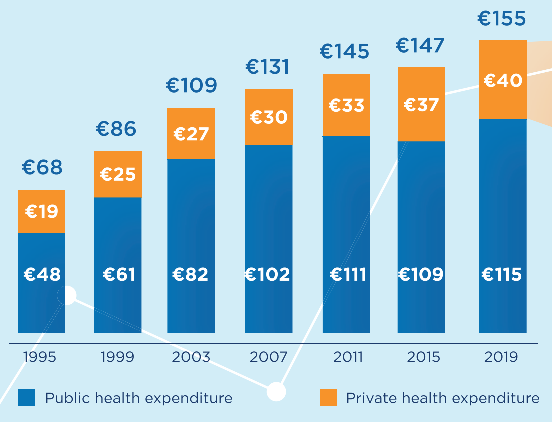
AVERAGE OF THE EU COUNTRIES ANALYZED
Premiums (except MTPL)/GDP **2.7%**
Premiums (except MTPL)/ per inhabitant **€955**



Source: ANIA elaborations on Insurance Europe and Eurostat data, year 2018 for the United Kingdom, 2019 for the other countries

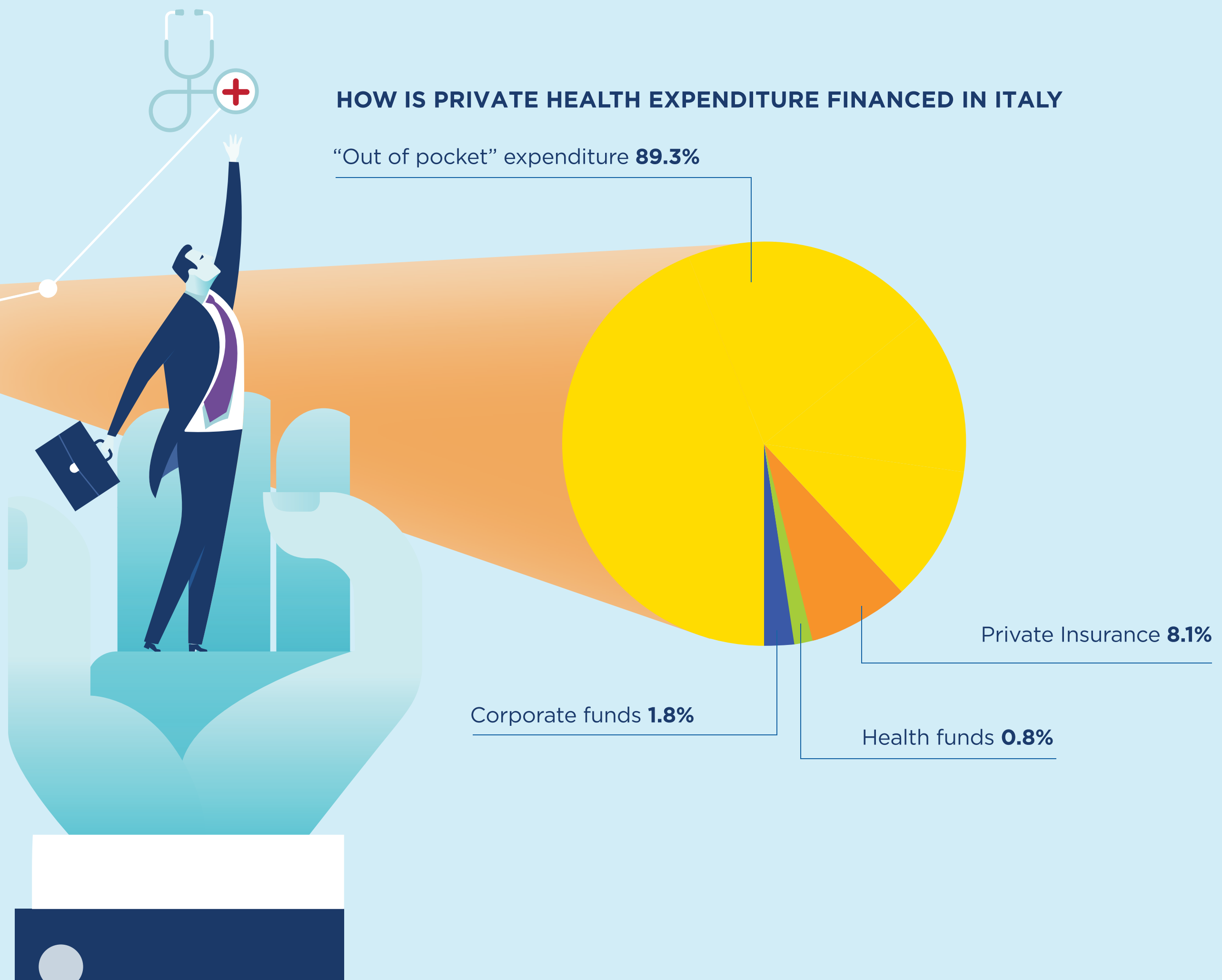
One of the most significant items of cost in the Italian Government budget derives from **health expenditure which in 2019 (as in 2018) in Italy reached 115 billion (6.5% of GDP)** and whose cost is destined to increase (it was about 5% of the GDP twenty years ago), mainly due to the aging of the population and the increase in chronic degenerative diseases. In this context, the **health expenditure** that individuals and families support privately grows constantly and now amounts to 40 billion. The lack of insurance cover for medical care is evident if you think that just 8% of these private costs are attributable to insurance and 2.6% to funds and private healthcare.
The remaining part, 36 billion (about 90%), is paid each year by Italian households out of their own pockets and this makes them more fragile and exposed to unexpected disbursements which, in some cases, become unsustainable.

THE EVOLUTION OF HEALTH EXPENDITURE IN ITALY



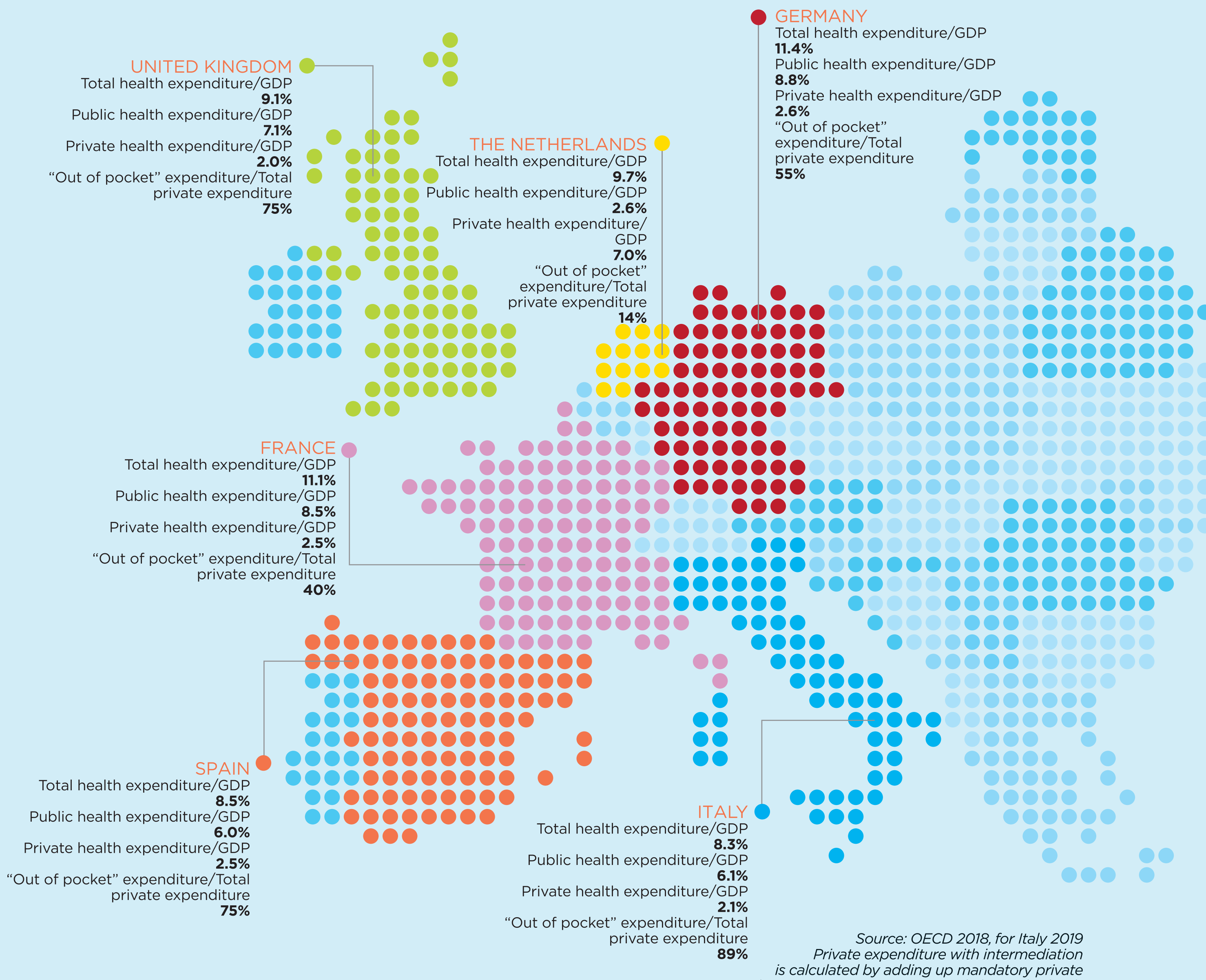
Figures in billions - current prices

HOW IS PRIVATE HEALTH EXPENDITURE FINANCED IN ITALY



In the European comparison, Italy appears to be the country with the highest **incidence of families using their savings** (89% compared to an average of 56%) **to cope with medical care and expenses.**
This aspect is socially unjust, because it forces people to choose between paying (when they are in a position to do so) or, more serious still, renouncing to medical treatments when they are more fragile.
It would be profitable to study a new welfare model that best combines public and private resources, with a broader role assigned to complementary health care which, **based on a mutuality principle**, typical of insurance, would ensure greater equality for citizens and higher levels of protection for patients.

AVERAGE OF THE EU COUNTRIES ANALYZED
Total health expenditure/GDP **9.9%**
Public health expenditure/GDP **7.3%**
Private health expenditure/GDP **2.7%**
"Out of pocket" expenditure/Total private expenditure **56%**



Source: OECD 2018, for Italy 2019
Private expenditure with intermediation is calculated by adding up mandatory private insurance schemes in France, Germany and The Netherlands

06 INSURANCE PROTECTION AGAINST CYBER RISK

In the last few years the attention - on the part of institutions, the public opinion, the productive world and the insurance sector - has intensified on the growing importance of cyber risks and, with it, also the interest in possible instruments able to prevent, mitigate and transfer this type of risk. **There is a shared opinion among experts that a role of primary importance can and must be carried out by cyber insurance.**

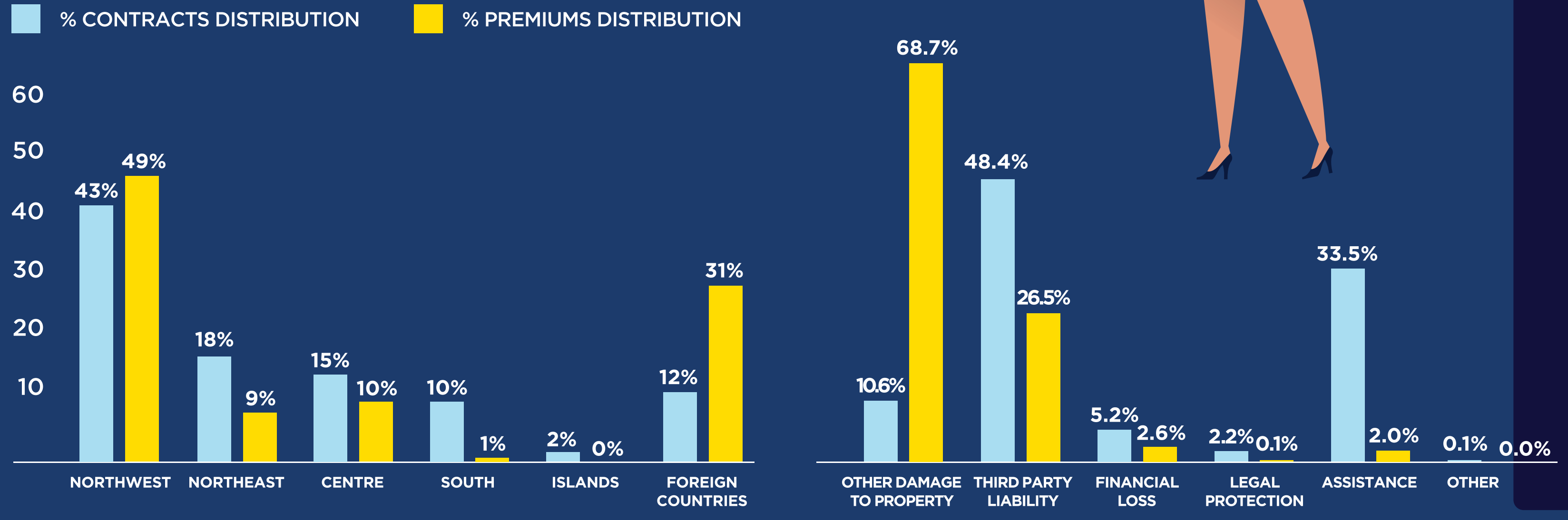
Between 30% and 45% of the Italian companies suffers on average one cyber-attack in a year, with greater frequencies for large companies concentrated in the northwest; **nevertheless expenditure for cybersecurity is still modest: medium-sized companies spend € 4,530 with great intersectoral variability (€ 19,080 for ICT businesses, € 3,420 for low-tech companies).** Approximately 60% of the contracts are stipulated in Northern Italy mainly in Other damage to property, Civil liability and Assistance insurance classes.

CYBER RISK PERCEPTION BY INSURANCE COMPANIES

MARKET SIZE

Source: Ania

CYBER INSURANCE CONTRACTS AND PREMIUMS DISTRIBUTION BY GEOGRAPHICAL AREA AND LINE OF BUSINESS



Source: Ania

CYBER RISK IN EUROPE 06

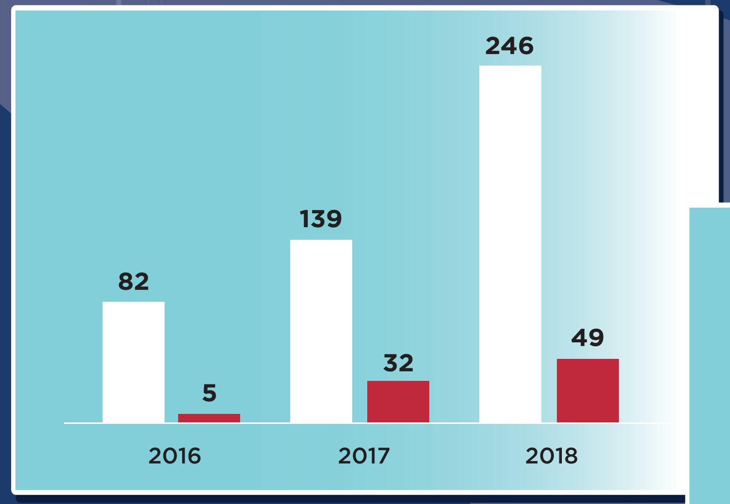
Cyber risk is a phenomenon that knows no borders. **The damage caused in the world by cyber-attacks is estimated between 100 and 1,000 billion dollars per year and affects the GDP of developed countries up to 1.6%.** But awareness is growing – according to risk managers the Cyber incident ranks third among the most relevant threats. The most feared consequences by companies are the interruption of activities and the violation/theft of confidential and/or sensitive information.

13 mln
+72% FROM 2014
AVERAGE YEARLY COST PER COMPANY CYBER-ATTACKS

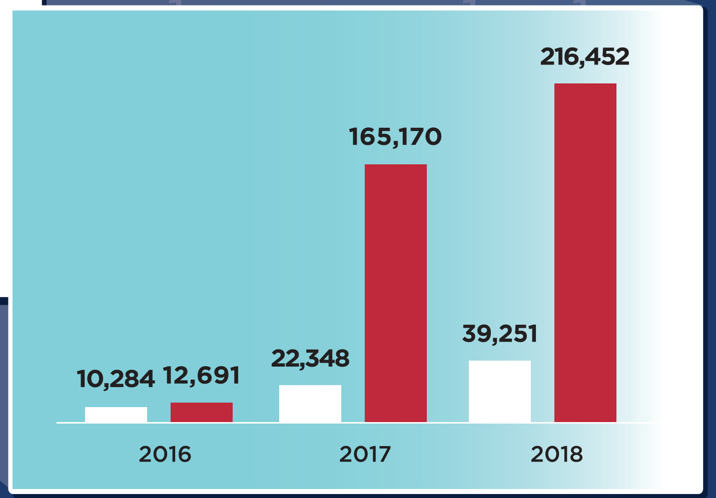
145
+67% FROM 2014
AVERAGE NUMBER OF CYBER-ATTACKS IN ONE YEAR

Source: Accenture report on a sample of 355 large groups (2018)

PREMIUMS WRITTEN IN EUROPE
(million of euros)



NUMBER OF CONTRACTS ISSUED IN EUROPE



STANDALONE
MULTI-RISK

Source: Eiopa

07 COMPULSORY MOTOR THIRD PARTY LIABILITY (MTPL)

Compulsory motor third party liability is the most widespread form of insurance for the protection of damages that may occur when driving a vehicle. There are almost 45 million vehicles circulating in our country and, **against a payment of premiums amounting to 13 billion, insurance companies employ little more than 4 billion to repair damaged vehicles, almost 5 billion to compensate the damages of individuals who suffer physical injuries (minor and/or serious), little less than 2 billion for family members of fatal accident victims and nearly 3 billion for carrying out their activities. In our country, road traffic risk varies depending on the territory, both for the average number of accidents that occur and for the relative average compensation; this is why there is a corresponding difference between the average premiums paid by the insured.**

	N. of accidents per 100 insured	Average damage compensation	Average premium (private vehicles only)
CAMPANIA	8.0%	€4,582	€526
LAZIO	7.0%	€4,547	€448
LIGURIA	6.8%	€3,750	€424
TOSCANA	6.2%	€4,824	€462
SICILIA	6.1%	€4,372	€390
ITALY	**5.9%**	**€4,556**	**€406**
PIEMONTE	5.9%	€4,186	€370
LOMBARDIA	5.9%	€4,048	€373
SARDEGNA	5.8%	€4,073	€366
PUGLIA	5.4%	€4,979	€417
EMILIA ROMAGNA	5.4%	€4,853	€413
ABRUZZO	5.2%	€4,377	€370
UMBRIA	5.2%	€4,366	€379
MOLISE	5.0%	€4,255	€316
MARCHE	5.0%	€5,425	€405
VALLE D'AOSTA	4.9%	€4,995	€300
TRENTINO ALTO ADIGE	4.9%	€4,103	€341
CALABRIA	4.7%	€5,967	€420
VENETO	4.7%	€5,314	€376
BASILICATA	4.5%	€4,789	€329
FRIULI VENEZIA GIULIA	4.1%	€4,827	€321

Data year 2019

MTPL AND AVERAGE PRICES: A EUROPEAN COMPARISON 07

The gap between average Italian premiums and those of the other main countries is further decreasing for MTPL insurance. If in fact, Italian policies between 2008 and 2012 were 213 euros more expensive than the average in Germany, France, Spain and the United Kingdom, in 2015 the gap had narrowed to 138 euros and then gradually reached just over 60 euros by the end of 2019.

MTPL AVERAGE PRICES

Premiums and taxes total devided by the number of insured vehicles

	AVERAGE 2008-2012**	2013***	2014***	2015**	2016***	2017***	2018***	2019***	% CHANGE 2019 / AVERAGE 2008/2012
AVERAGE OTHER COUNTRIES	€278	€290	€291	€290	€303	€315	€317	€323	+16%
SPAIN	€199	€175	€171	€170	€169	€169	€169	€176	
GERMANY	€234	€249	€253	€260	€265	€266	€253	€261	
FRANCE	€324	€354	€366	€353	€370	€389	€415	€428	
UNITED KINGDOM	€357	€380	€374	€376	€407	€436	€432	€426	
ITALY	€491	€498	€463	€428	€403	€393	€389	€385*	-22%
	-213€	-208€	-171€	-138€	-100€	-78€	-72€	-62€	

*The slight differences between the premium in Italy in this chart and the premium resulting from the IVASS IPER survey arise mainly from the fact that IVASS takes into consideration only private motor vehicles**
*Source BCG - Documento Finale Confronto sul Mercato RCA in Europa***
*ANIA elaborations on Insurance Europe and Eurostat data****

08 MOTOR INSURANCE FOR ACCESSORY GUARANTEES

Motor insurance is not exclusively compulsory. There are many guarantees that are purchased on a voluntary basis to protect one's own vehicles in case of theft, fire, damages arising from adverse weather conditions or vandalism, windshield cracks or impact damages (kasko) for which people are liable for. **On average, almost one car out of three (already insured for the compulsory part) also purchases a voluntary cover.**

MORE THAN 9.5 MILLION CARS ARE VOLUNTARILY INSURED EVERY YEAR AND INSURANCE COMPANIES ON AVERAGE PAY NEARLY 1.8 BILLION FOR COMPENSATION OF THE FOLLOWING DAMAGES UNDERGONE:

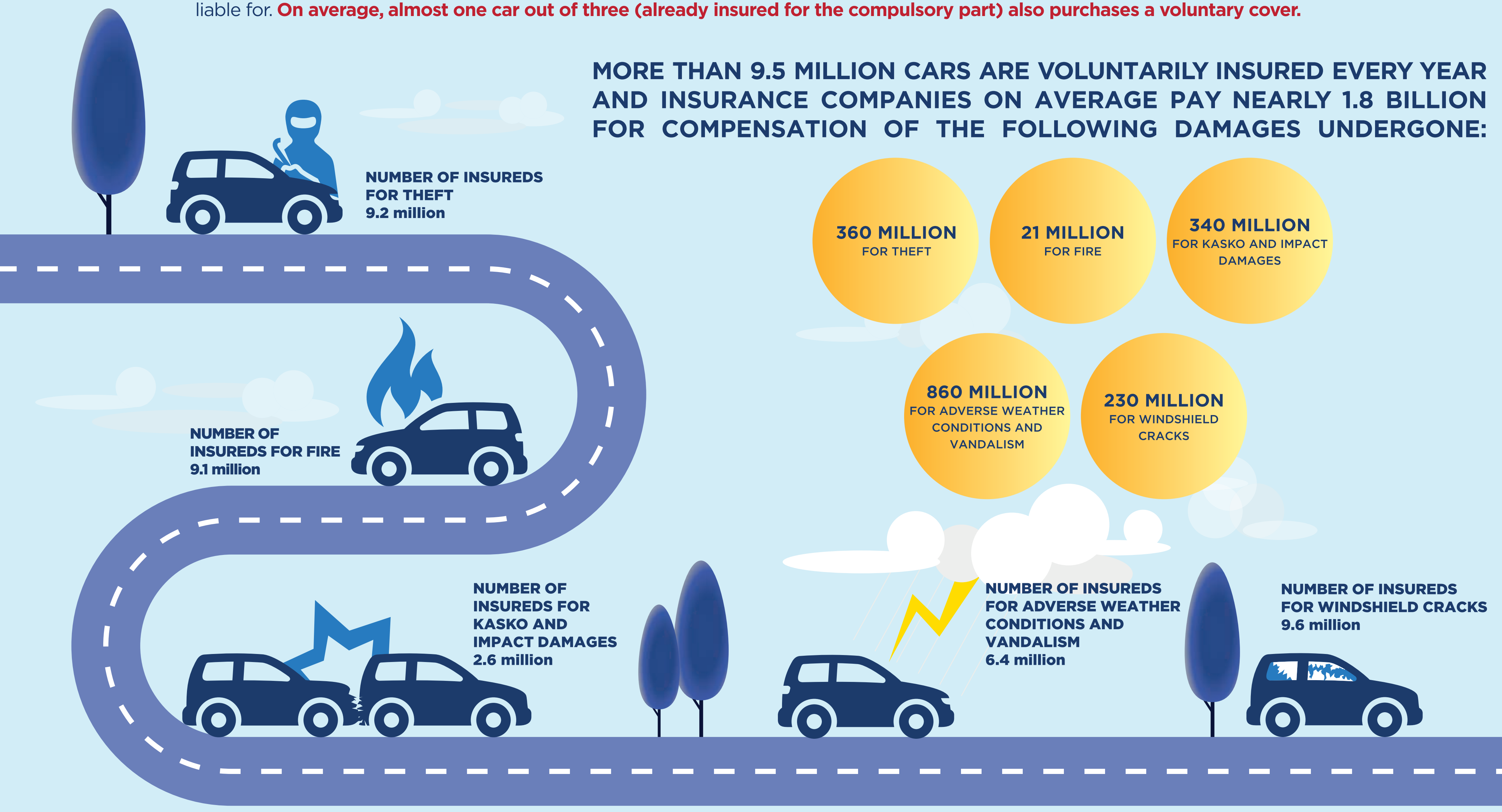
360 MILLION FOR THEFT

21 MILLION FOR FIRE

340 MILLION FOR KASKO AND IMPACT DAMAGES

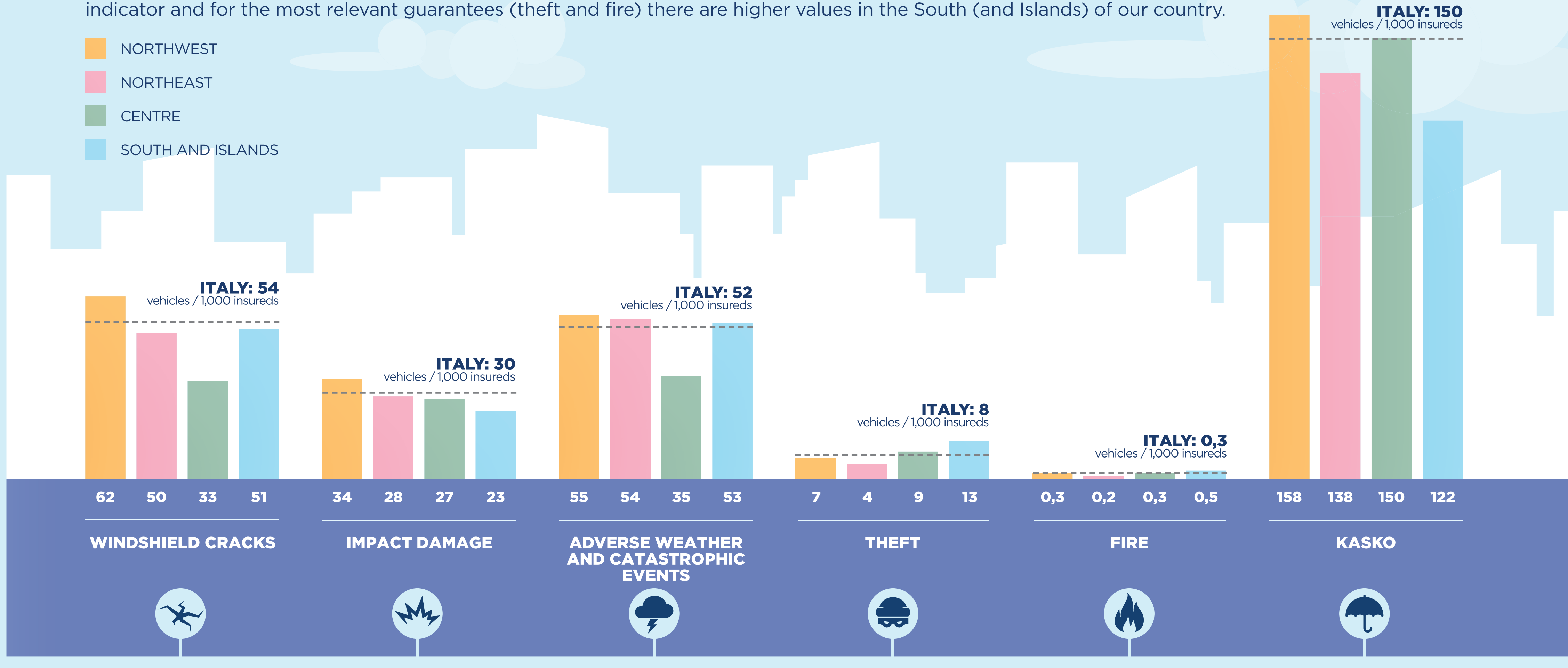
860 MILLION FOR ADVERSE WEATHER CONDITIONS AND VANDALISM

230 MILLION FOR WINDSHIELD CRACKS



HOW THE PROBABILITY OF INCURRING A DAMAGE COVERED BY DIFFERENT ACCESSORY CAR GUARANTEES VARIES IN ITALY 08

The chance of being subject to damage covered by the various accessory car guarantees has very different values among the various guarantees protecting the vehicle: in 2019, in Italy, about 150 vehicles for every 1,000 insured were compensated for damage covered by kasko guarantees, a little more than 50 for those covered by windshield cracks or adverse weather conditions and catastrophic events guarantees, about 30 for impact damage, but 8 in case of theft and only 0.3 every 1,000 insured against fire. There is also a clear variability at territorial level of this indicator and for the most relevant guarantees (theft and fire) there are higher values in the South (and Islands) of our country.



09 INSURANCE AND ITS CONTRIBUTION TO PUBLIC FINANCE

THE INSURANCE SECTOR IS ONE OF THE MAIN TAXPAYERS OF THE STATE, AS WELL AS TAX WITHHOLDING AGENT FOR THE COLLECTION OF SOME IMPORTANT TAXES

One of the factors that stresses how important the activity of the insurance sector is, is the role it plays as taxpayer and withholding agent on behalf of the Revenue Agency, as is the case for the tax on insurance premiums. On average, insurance companies pay over 12.7 billion euros per year for the State coffers.

** The stock of advance taxes on life provisions not yet compensated accounts for nearly 9.4 billion euros*

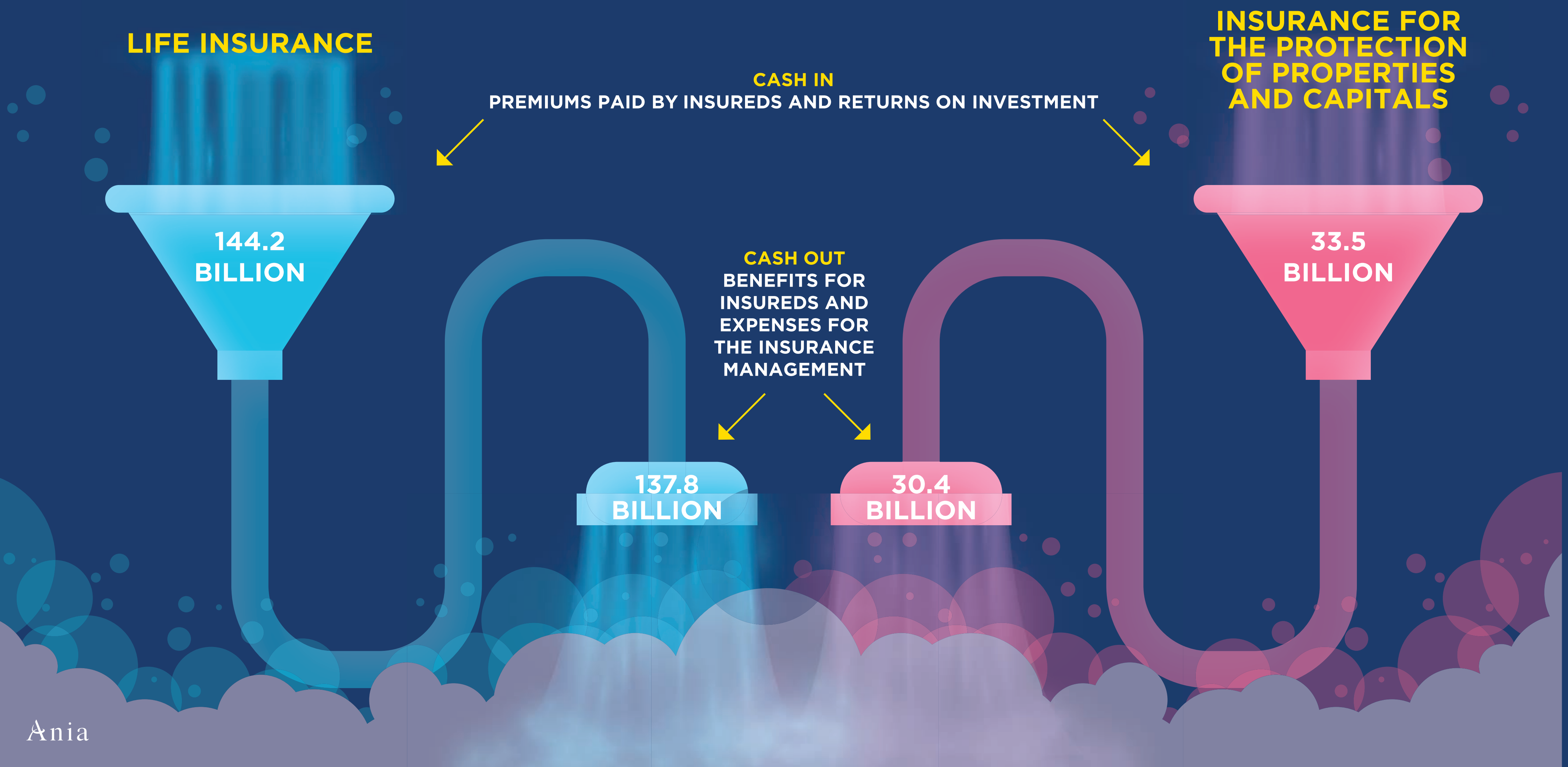
09

TOTAL TAXES
12.7 BILLION PER YEAR

THE ACTIVITIES OF INSURANCE COMPANIES GUARANTEE MONETARY RESOURCES FOR NEARLY 1.5 MILLION EUROS PER HOUR

THE SOUNDNESS OF THE ITALIAN INSURANCE BUSINESS

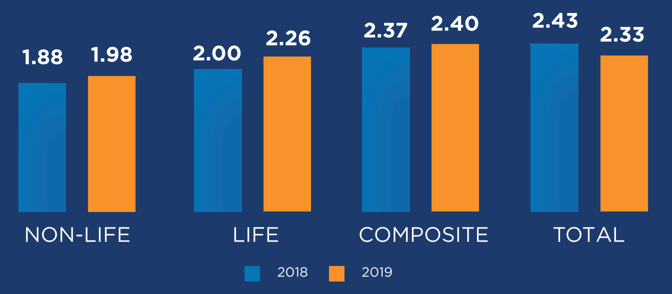
Despite a difficult economic and financial scenario, especially since the serious crisis that began over a decade ago, **Italian insurers managed to maintain satisfactory profitability and excellent capital soundness.**
The solvency indicators, four years after the introduction of the new Solvency II regime, remained well above the levels of security, in line with the European average.



SOLVENCY OF THE INSURANCE INDUSTRY: A EUROPEAN COMPARISON

The level of soundness of Italian insurance companies in 2019 registered an increase (from 2.23 to 2.33). In a European comparison the solvency ratio of our country is higher than that of the United Kingdom and the Netherlands, and is in line with Spain.

SOLVENCY RATIO IN ITALY FOR CLASS OF BUSINESS



AVERAGE OF THE EU COUNTRIES ANALIZED
Own funds **€1,363 billion**
Capital requirement established by Supervisor **€553 billion**
Solvency ratio **2.46**

Source: Ania elaborations on EIOPA data, fourth quarter 2019; for Italy, elaborations on annual data.

INSURANCE AND THE HUMAN RESOURCES

The insurance sector provides employment to almost 50,000 employees. If we also consider the collaborators, we employ **about 300,000 units**, almost 210,000 belonging to the distribution networks. In particular, the human resources working for insurance companies, in almost stable numbers even in the years of serious crisis, are the ones with the highest percentage of open-ended contracts in comparison to all other sectors.

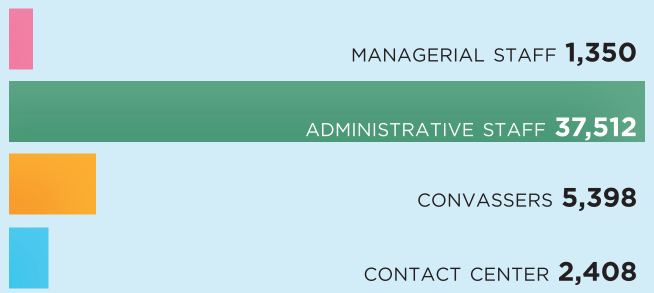
ACTIVITIES RELATED TO THE SALE OF POLICIES
TOTAL HUMAN RESOURCES: 210,000

ACTIVITIES RELATED TO THE ASSESSMENT OF DAMAGE
TOTAL HUMAN RESOUCES: 40,000

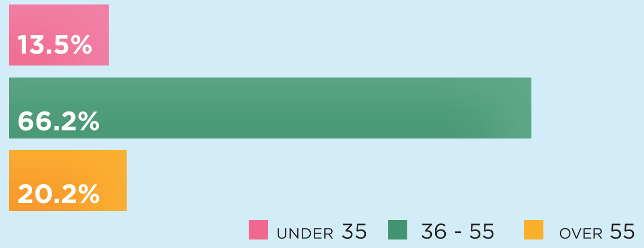
INSURANCE ADJUSTERS, CAR REPAIRERS, EMPLOYEES OF COMPANIES FOR ROAD ACCIDENTS, LAWYERS AND DOCTORS

INSURANCE INDUSTRY EMPLOYEES
TOTAL HUMAN RESOURCES: 46,668

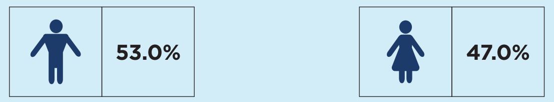
EMPLOYEES (MANAGERIAL AND NON MANAGERIAL) BY COMPETENCIES



EMPLOYEES (MANAGERIAL AND NON MANAGERIAL) BY AGE



EMPLOYEES BY SEX

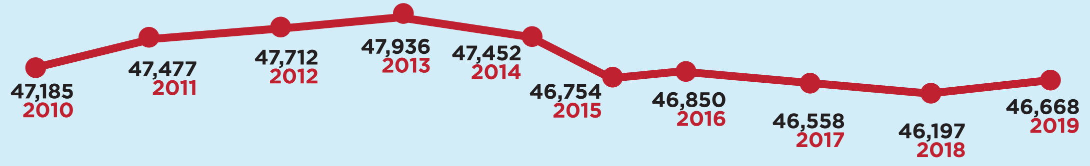


HOW STABLE IS EMPLOYMENT IN THE INSURANCE INDUSTRY COMPARED TO OTHER SECTORS OF THE LABOUR MARKET

PERCENTAGE OF OPEN-ENDED CONTRACTS

Men	ECONOMIC SECTORS	Women
38.3%	**AGRICOLTURE, FORESTRY, FISHERY**	**27.0%**
86.4%	**INDUSTRIES OF WHICH:**	**86.0%**
87.8%	THE INDUSTRIAL SECTOR	85.9%
80.5%	BUILDING CONSTRUCTIONS	88.0%
84.0%	**SERVICES OF WHICH:**	**83.1%**
76.7%	TRADE, HOTELS AND RESTAURANTS	74.0%
86.9%	OTHER SERVICES	85.8%
97.1%	OF WHICH THE INSURANCE SECTOR	97.1%
83.3%	**TOTAL SECTORS**	**82.7%**

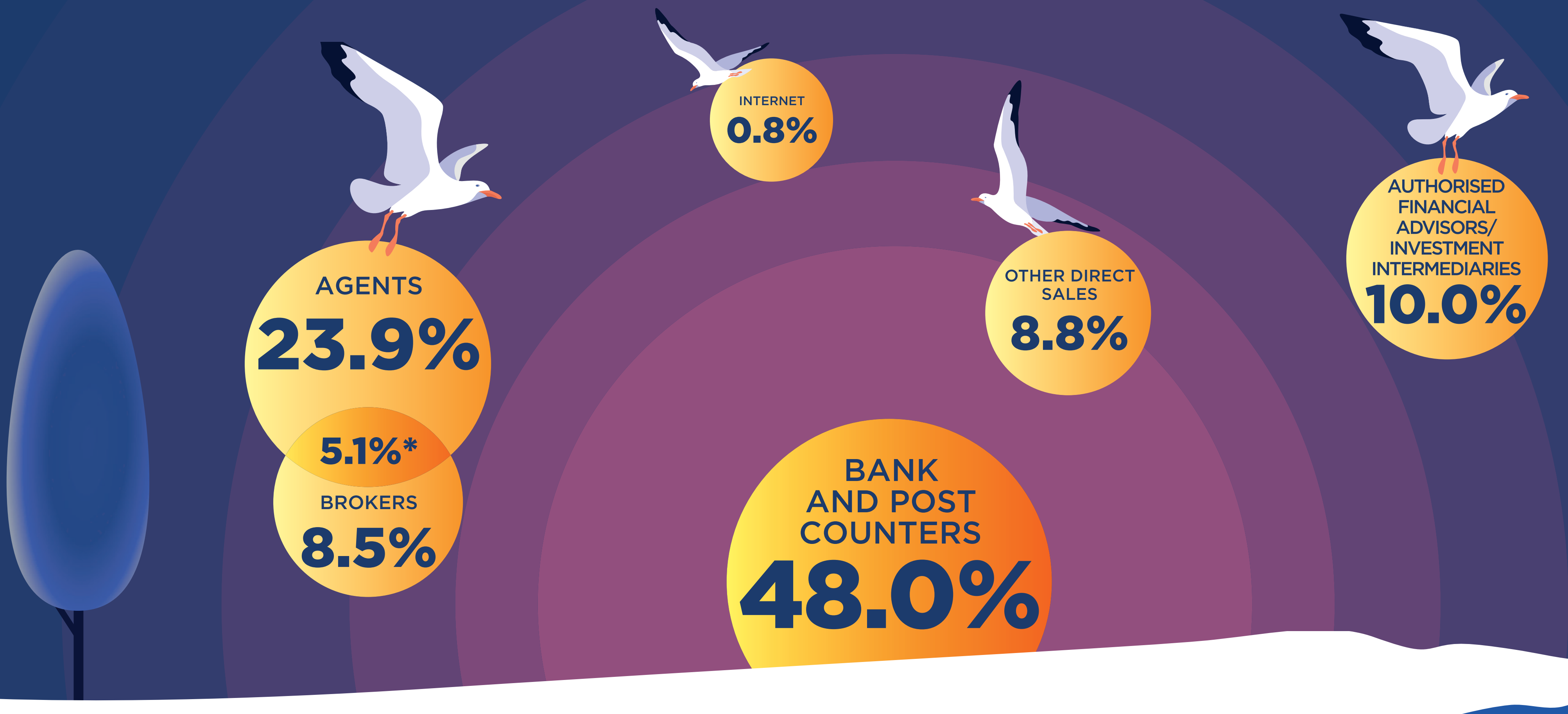
HISTORICAL EVOLUTION OF EMPLOYEES IN THE INSURANCE SECTOR



HOW CUSTOMERS PURCHASE AN INSURANCE COVER

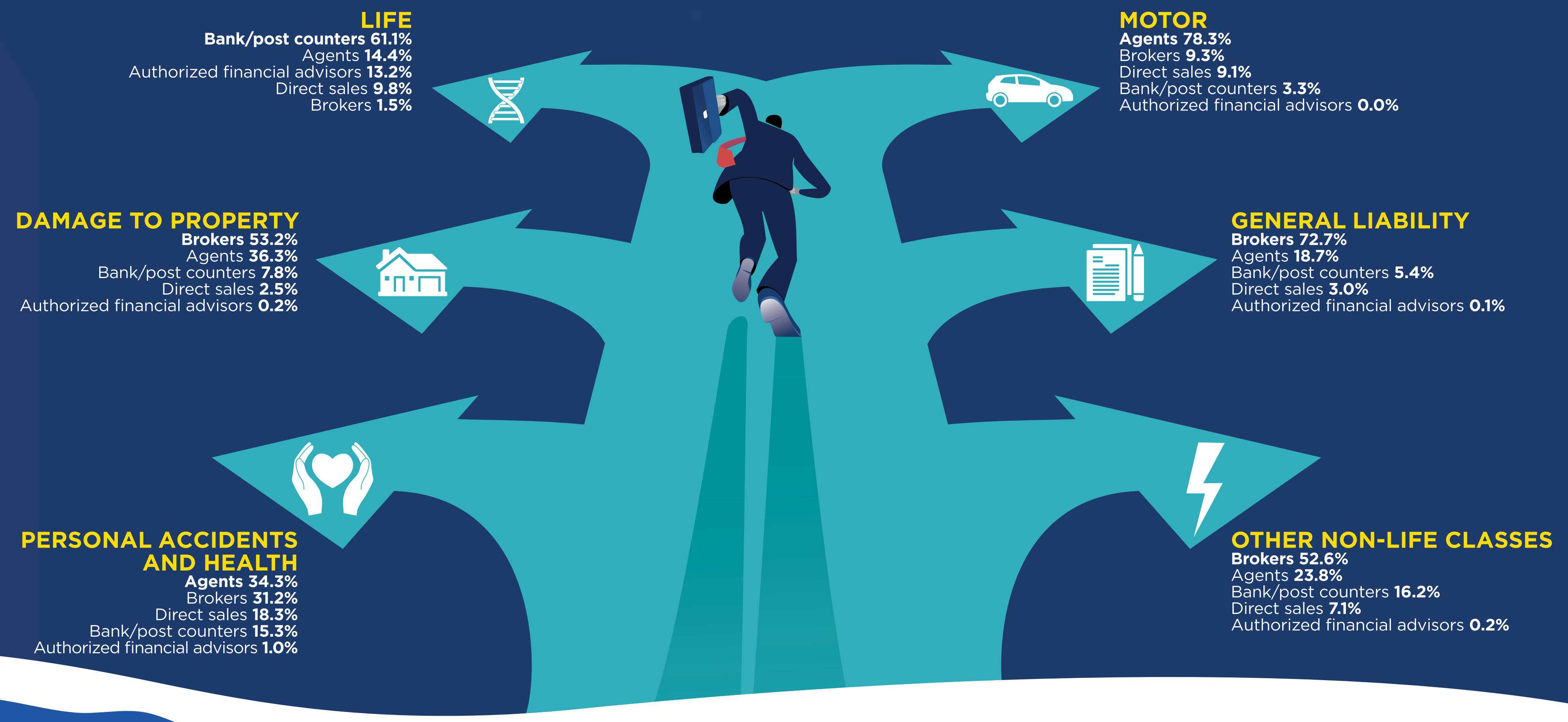
An insurance policy can be purchased in many different ways. **For almost no other product or service are there so many offers to bring the customer into contact with the potential insurance cover provider.** Each category of distributor has peculiar characteristics aimed at offering and explaining the types of guarantees to its consumers, thus putting them in a position to choose the covers that are most appropriate and convenient for them.

% BREAKDOWN OF LIFE AND NON LIFE PREMIUMS PER DISTRIBUTION CHANNEL



*Premiums generated by Brokers but presented to Agents

% BREAKDOWN OF PREMIUMS PER DISTRIBUTION CHANNEL IN THE MAIN SECTORS OF INSURANCE ACTIVITY



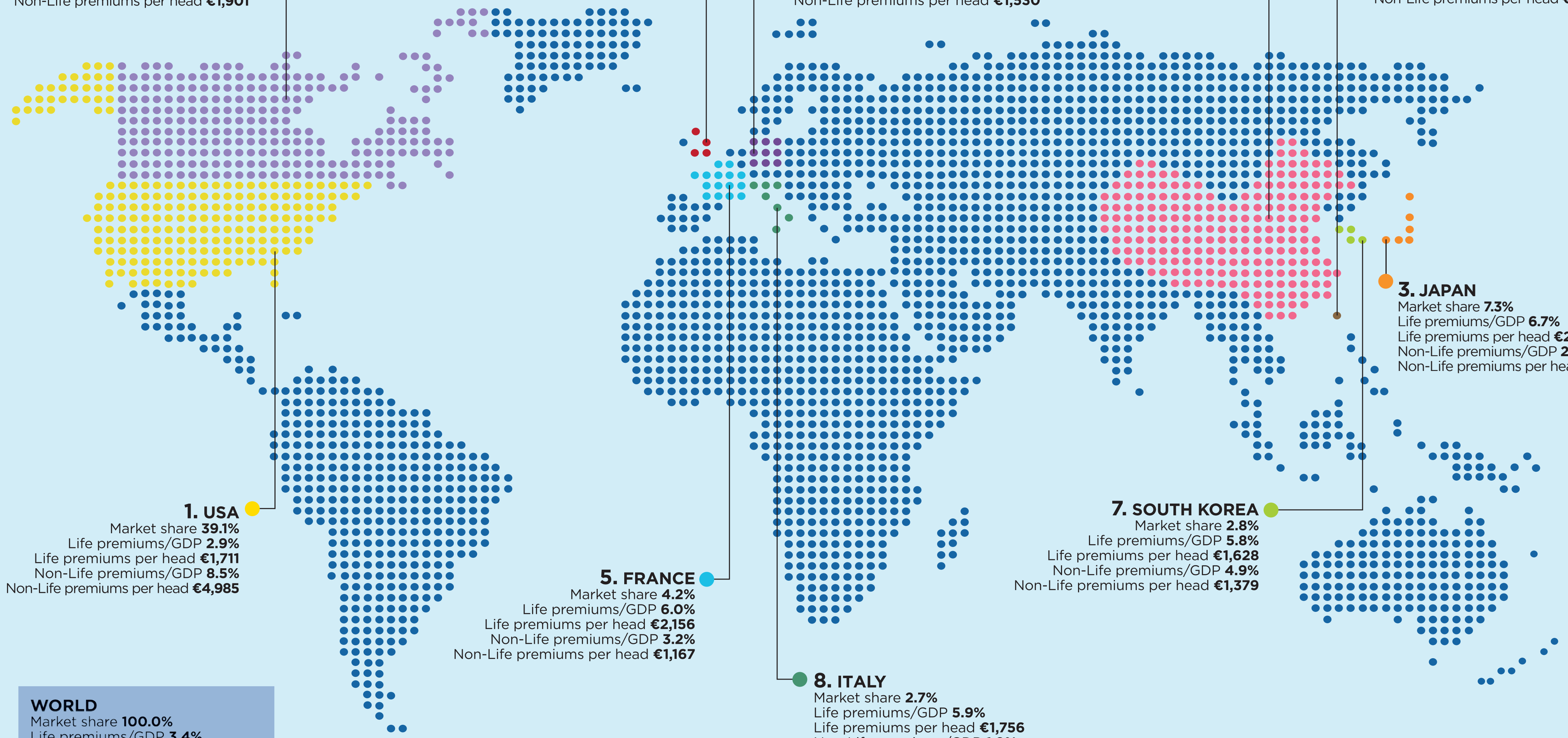
The percentage shares of brokers have been revised and estimated on the basis of premium volume actually collected through this channel but conveyed through agents

Ania

INSURANCE WORLDWIDE

The Italian insurance market ranks fourth in Europe and eighth in the world for **premium** collection. In 2019 the total Italian insurance business turnover was equal to **over 140 billion** (34 billion in non-life and 106 billion in life classes), with an incidence of **7.8% on the domestic GDP.**

THE WORLD'S FIRST 10 COUNTRIES PER PREMIUM COLLECTION



WORLD
Market share **100.0%**
Life premiums/GDP **3.4%**
Life premiums per head **€339**
Non-Life premiums/GDP **7.2%**
Non-Life premiums per head **€731**

ANIA elaborations on Swiss RE data

LETTER OF THE PRESIDENT

This year's edition of "AllontAniamo i rischi, rimAniamo protetti" finds our Country crushed by a healthcare and economic crisis caused by the Coronavirus pandemic. At a time when everyone's attention is focused on the scenarios that lie ahead in the immediate future, reporting on the work of our industry in the past year may appear to be an exercise of limited usefulness. However, the intrinsic nature of our business has shown us on a number of occasions how essential the work done in the past is to deal with uncertain events in the future. Even in these exceptional circumstances, the insurance industry is demonstrating its resilience, confirming that prudent behavior and good practices can provide protection from even the most unpredictable events. The dramatic events of these months have also highlighted several critical aspects of our country's system. I would like to focus on three of these.

The first one has already been addressed extensively in the past and it concerns our **healthcare system**. We have witnessed acts of daily heroism on the part of medical and nursing staff in tackling the crisis. Unfortunately, structural limits have also emerged, often linked to the constraints imposed by public accounts and the resources that can be dedicated to sustaining healthcare. For years ANIA has promoted a reform of the financing model of this strategic sector that, while preserving its universalistic nature, would allow everyone to continue to benefit from effective and quality health services. It is necessary to integrate into the healthcare system, under a public direction, the private sector in order to make more resources available and increase overall efficiency.

The second aspect is the need for an efficient **pandemic risk insurance management system**. At European level, associations and insurance companies in various countries are studying the feasibility of mixed national public-private schemes that can counter the effects of risk for the benefit of companies and families. At national level, we have set up in ANIA a committee of eminent experts with the aim of identifying possibilities and methods, in a perspective of public-private cooperation, to cover, also with insurance instrument, certain effects that possible future pandemics could produce, in terms of damage or new services needed, to individuals, families and businesses.

In conclusion, I would like to highlight how the social distancing measures have made it necessary to adopt new organizational models in order to allow the continuation of remote working. However, the massive use of digital platforms has increased the vulnerability of systems to **cyber-attacks**. Cyber risk is rising to the top for all stakeholders involved and there is much debate on what measures should be taken to mitigate its consequences. Insurance against this type of risk can play a major role in its management, but the market, for various reasons, is still underdeveloped. In this case as well it would be useful to make a collective effort to address this new threat in an organic way as this threat is destined, unfortunately, to increase its importance.

Maria Bianca Farina
Presidente ANIA

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