

IMIA Country Analysis 2010

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
ITALY	<p>Gross Written Premium fell slightly by 1.08% against 2009, compared to a growth rate of 6.88% in 2009 against 2008 and 13.09% one year before.</p> <p>Machinery Breakdown and related BI fell by 7.9% (combined) against 2009, CAR fell by 3.38% and EAR by 0.44% against the previous year.</p> <p>This was mitigated by another two digits growth in IDI, namely 16.42% against 2009.</p> <p>Main reasons for this development are the economic crisis and the fierce competition.</p>	<p>As there were no significant NatCat events. The overall loss ratio of 43.3% has been very satisfactory again after 45.4% in 2009 and against 64.8% in 2008.</p> <p>This trend can also be observed for the respective Engineering lines although there have been some smaller deteriorations in a few lines.</p> <p>As an example, the Loss Ratio of Machinery Breakdown has risen from 42.7% in 2009 to 56.6% in 2010, in related BI it rose from 68.5% in 2009 to 76.8% in 2010.</p> <p>An IDI loss of 2006 was revised in Jan. 2011 with an additional claims reserve of 14.7 mio € which would boost the IDI Loss Ratio from 6.3% to 30.9 %.</p>	<p>In view of the claims development in 2010 the situation can still be regarded as satisfactory.</p>	<p>We expect the economic situation not to improve too fast and therefore think the demand for engineering lines, notably EAR/CAR could possibly slow down further. We only see a positive trend in the renewable energy investments.</p> <p>Beginning from 2012, the downward tendency could begin flattening; EAR/CAR lines need new investments in public works.</p> <p>As a consequence we expect increasing competition with consequential pressure on pricing.</p>