

Country Analysis Report - Italy

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Italy 2014</p>	<p>In 2014 the Italian market has registered an increase of premium volume. This is basically due to the boost of the EAR business, which - although the drastic reduction of new photovoltaic power plants - had a positive impact.</p> <p>IDI premium is also increasing, partially due to business defined in the past - at the beginning of the construction period - and now impacting the figures which are mostly defined on the base of an accounting year approach.</p> <p>Still slack the CAR business, mainly due to the absence of the public investments, as well as the MB business, heavily under pressure because the competition of the Fire market.</p>	<p>The overall decrease of the LR is widely due to the strong reduction of the figures representing (accounting view) the EAR's claims. From this point of view it is to remark that almost the total diminution is due to one (important) Company which registered a low LR, heavily helped by a strong reduction of claims reserves of the previous years.</p> <p>As for the recent past, also for 2014 it is to highlight the worsening in the IDI loss ratio:</p> <p style="margin-left: 40px;">2010 = 7,4%</p> <p style="margin-left: 40px;">2011 = 19,6%</p> <p style="margin-left: 40px;">2012 = 26,1%</p> <p style="margin-left: 40px;">2013 = 32,2%</p> <p style="margin-left: 40px;">2014 = 48,7%</p>		<p>Although the obvious difficulties in defining a consistent forecast due to the uncertainties of the economic scenario, at present some small positive evidences are clear. The GDP is registering the best result in the last 6 years, higher than the forecast, and there are evidences that the investments are growing. Still almost flat is the construction market.</p>