

IMIA Country Analysis 2015

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Italy</p> <p>National Report 2015</p>	<p>After 2014, when the Italian market registered an increase of premium volume, the overall premium level in 2015 deteriorated with a decrease of almost 5%, primarily due to</p> <p>a) a reduction in EAR business (-17.6% if compared with 2014 and</p> <p>b) the negative contribution of MB/MLoP (-9%) and EE/EELoP (-5.7%) - both renewable insurance products with premium volume reduction in line with Property market trend. IDI premium remained stable.</p> <p>CAR business shows a slight increase in premium volume in 2015, mainly due to additional premiums generated by extension of insurance periods consequent upon delay in projects completion.</p>	<p>The overall increase of the LR (+7.3%) in 2015 compared with 2014 is widely due to the strong increase of the figures representing the EAR claims (on accounting year basis). 2015 did not benefit from strong reduction of claims reserves as per 2014 and was affected by claim frequency in power sector (assembly & erection and servicing).</p> <p>EAR LR for 2015 being 98.9%.</p> <p>While the amount of MB claims is slightly worsening (LR +8.1%), EE claims amount is improving (LR - 2.15%).</p> <p>CAR LR is increasing from 49.3% to 51.6%.</p> <p>IDI LR is improving from 42.7% of 2014 to 12.7% of 2015.</p>		<p>It is still very difficult to define a consistent forecast due to the uncertainties of the economic scenario however some investments in public sector dated mid Y2016 give a signal of mild improvement of domestic construction environment. International construction market crisis - with few local exceptions - is exacerbating competition on overseas business with negative impacts on both terms & conditions and scope of covers.</p>