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NEW REGULATION ON MANDATORY INSURANCE POLICIES AGAINST NATURAL DISASTERS IN ITALY

The Italian ministerial decree 18 of 30 January 2025, published in the Italian Official Gazette on 27 February 2025, regulates the implementing modes for insurance policies to be executed by companies by 31 March 2025. Originally, this obligation was introduced under article 1 (101-111) of the Italian law 213/2023. The initial compliance deadline was set forth on 31 March 2024 and extended subsequently to 31 March 2025 under the Italian law-decree 202/2024 ("Milleproroghe" decree).

WHO IS SUBJECT TO THE OBLIGATION?

All companies having their registered office in Italy, and all companies having their registered office abroad, as well as a permanent establishment in Italy, and as long as they are registered with the Companies Register, are subject to this duty to take out insurance. Thus, this obligation affects companies and businesses. Agricultural businesses are excluded from this obligation.

WHAT ASSETS MUST BE INSURED?

Insurance coverage is mandatory for fixed assets under article 2424 (1) (assets section item B-II no. 1) no.2) and no. 3)) of the Italian civil code, including:

- land
- buildings and masonry (including residential properties)
- plants and machinery

- industrial and commercial equipment.

Pursuant to article 1 (1.b) of the Italian ministerial decree mandatory coverage also extends to assets rented or leased by the entrepreneur.

However, please consider that assets insured under a similar policy by another party (i.e. by the owner) do not need to be insured.

The following assets are excluded from mandatory coverage:

- inventories
- furniture, vehicles and office equipment.

INSURANCE SOLUTIONS AND MARKET IMPACT

Companies may directly subscribe policies or opt for coinsurance or consortium solutions. The priority is to ensure coverage for tangible fixed assets. Therefore, legislation deliberately excludes inventories in order not to cause excessive costs for companies. Traders may still negotiate a voluntary extension of the policy with the relevant insurer to include inventories.

CRITICAL ASPECTS AND UNCERTAINTIES

Despite this new regulation, some uncertainties remain. It is unclear, for example, how mandatory coverage will be enforced and what penalties will be imposed for non-compliance.

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The new legislation is an important step in protecting companies against natural disasters. Companies should carefully assess their insurance policies and, if necessary, customize them to ensure optimal insurance coverage.

Sincerely yours

HAGER & PARTNERS