The Italian Insurance Market

A mature and well-developed market with a strong regulatory framework consistent with others in the wider EU market. Alongside Italy's own large national insurance companies, there are representatives of some of the largest companies in the world; from Switzerland, Germany, America, Australia and France. In 2018, 218 insurance companies were operating in Italy, an increase from 213 in 2017.

Key Figures

€4,2 bn
Net Profit

-€130 bn
Gross Written Premium (Gwp)

€140 bn
GWP Life

-€35 bn
GWP Non-Life

-€694 bn
Life

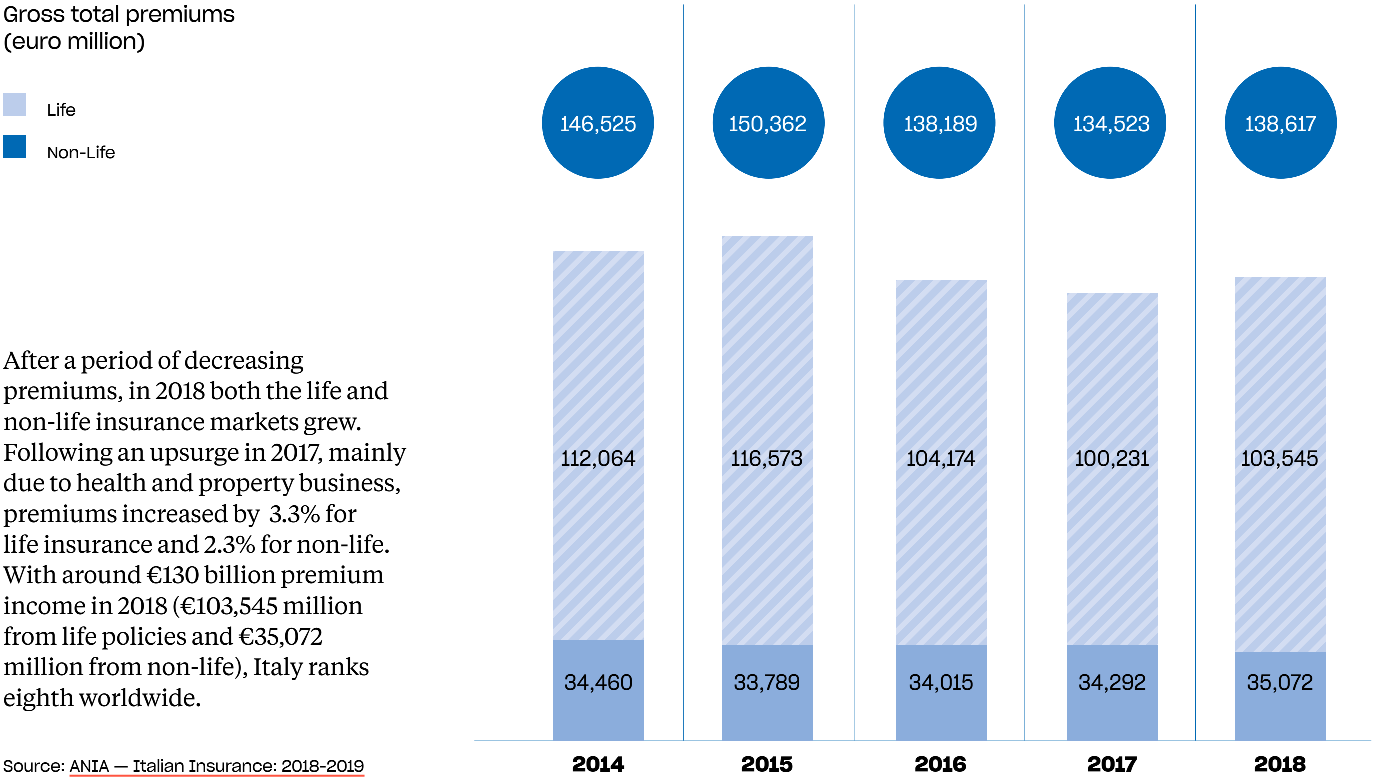
-€85 bn
Non-Life

€779 bn
Assets Under Management

Business	Year	Domestic Companies				Foreign Branches		Total
Sector	Situation as at 31 December	Limited Companies	Cooperatives	Mutual	Total	With head office in non-EU countries	With head office in EU countries	
Non-Life	2018	49	—	2	51	3	76	130
Life	2018	33			33	—	22	55
Professional Reinsurers	2018	—	—	—	—	—	7	7
Multi Branches	2018	11	1	1	13	—	13	26
Total	2018	93	1	3	97	3	118	218

Source: ANIA — Italian Insurance, 2018-2019

Gross total premiums
(euro million)



After a period of decreasing premiums, in 2018 both the life and non-life insurance markets grew. Following an upsurge in 2017, mainly due to health and property business, premiums increased by 3.3% for life insurance and 2.3% for non-life. With around €130 billion premium income in 2018 (€103,545 million from life policies and €35,072 million from non-life), Italy ranks eighth worldwide.

Source: ANIA — Italian Insurance: 2018-2019

Breakdown of distribution channels for the 2016-2018 – Life classes

In 2018, the percentage of life premiums written through banks and post office branches remained virtually unchanged, whereas this continues to grow for brokers and direct marketing channels.

Channel	Gross written premiums (eur. million)			Market share (%)		
	2016	2017	2018	2016	2017	2018
Bank Branches (1)	64,2	60,4	62,3	62,9	61,3	61,1
Financial Salesmen	14,2	14,7	14,1	14	15	13,9
Agents	14,6	13,6	13,4	14,3	13,9	13,2
Direct sales	8,3	8,7	10,1	8,2	8,9	10
Brokers	659	939	1,8	0,6	1	1,8
Total	102,2	98,6	102	100	100	100

(1) Data for this cannel includes premiums distributed by post office branches

Yet in the non-life sector, the Italian insurance market is still weak when compared to other European countries (in particular France, Germany and Great Britain), and is more similar to an emerging economy than a mature, solid and supportive economy of the EU. Italy's most important threats, in line with all mature markets and, therefore the entire EU sector, are the two large risks of natural catastrophes and competition caused by changing market dynamics. Only structural reforms and a wider penetration in the retail sector can mitigate the effects of these threats that many studies suggest are still in their infancy. The brokerage market comprises three segments: large multinational brokers; around eight strong and well organised medium--sized brokers and then 1600 or so small broker firms. Experts predict the market will continue to change with increasing consolidation and fewer players. Traditional distribution channels (brokers and agents) achieve the strongest sales, while bank branches (6.1%) and internet sales (3.2%) have yet to achieve their expected success. Brokers, with 4.6% growth in premium volume, remain the second-leading channel for the non-life sector and they continue to increase their market share, from 8.7% in 2014 to 9.5% in 2018.

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Breakdown of distribution channels for the 2016-2018 – Non-life classes

(1) Brokers' contribution over the years does not include the share of premiums generated through this channel with presentations at the agency and not directly at the company (estimated at 23,4% in 2018)
(2) Data for this channel includes premiums distributed by post office branches

Channel	Gross written premiums (eur. million)			Market share (%)		
	2016	2017	2018	2016	2017	2018
Agents	24,6	24,6	24,9	77,1	76,3	75,3
Brokers(1)	2,9	3	3,1	9,2	9,3	9,5
Direct sales (of which telephone and internet sales)	2,5	2,5	2,7	8	8	8,4
Direct sales	1,4	1,3	1,4	4,4	4,3	4,3
Bank branches(2)	1,7	1,9	2,1	5	6	7
Financial salesmen	65	91	74	0,2	0,3	0,2
Total	31,9	32,2	33	100.0	100.0	100.0

Source: ANIA — Italian Insurance: 2018-2019 and PwC — The Italian insurance market 2017 figures + 9M18 overview