

Commercial and individual lines (buildings and contents insurance)

Peril	Compulsory cover	Standard cover	Optional/ additional cover	Market penetration
Windstorm	✓			100%
Hailstorm		✓		100%
Lightning — direct hit			✓	80%
Lightning — surge			✓	80%
River flooding	✓			100%
Overflow of stagnant waters	✓			100%
Torrential rain	✓			100%
Storm surge	✓			100%
Earthquake	✓			100%
Snow pressure		✓		100%
Avalanche	✓			100%
Frost			✓	50%
Landslide	✓			100%
Subsidence	✓			100%
Collapsing sinkhole	✓			100%
Volcanic eruption	✓			100%
Meteor strike	✓			100%
Tsunami	✓			100%

Tariffs, deductibles and risk prevention

Natcat cover for individuals and businesses is included in property damage and motor insurance contracts. A small surcharge applies (12% of the property premium). Storm, hail, and snow are typically excluded from standard cover, but can be covered by specific compensation systems. Agricultural risk (property, but not crops) is covered. Cover for windstorm is mandatory, but is a separate policy. Cover can be extended; the premium is based on risk rating.

Statutory deductibles can be adjusted with the implementation of prevention measures, based on land-use planning rules and construction codes. Required risk prevention actions (both at local authority and individual level) are eligible for state subsidies, financed through a prevention fund (Barnier Fund), which is fully funded by a levy (12%) on the natcat premiums collected.

The only difference between individual risks and commercial/business risks is the amount of the deductible, which is:

- For individuals: €380 for housing, vehicles and goods for non-professional use and €1 520 for drought and soil rehydration.
- For businesses: 10% of damage incurred (with a minimum of €1 140, except for drought, which is €3 050) unless a higher deductible is specified in the basic guarantee.

Sales, underwriting and claims processes

The sales, underwriting and claims processes follow the classic direct insurance value chain.

State intervention

French insurers collaborate with the government through a public-private partnership.

For compulsory cover, the state:

- Provides a legal framework.
- Defines the hazards concerned and the triggering event.
- Sets the prices, the deductibles and the cover.
- Offers insurers the possibility to get reinsurance through the public sector reinsurer Arundo Re.