

## Commercial and individual lines (buildings and contents insurance)

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

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| <b>Tariffs, deductibles and risk prevention</b> | <p>Insurance penetration for the few perils for which cover is standard is estimated at two-thirds for home/household and 85% for multi-apartment buildings. SMEs are mostly insured. There is no data on the insurance penetration for perils that fall outside standard coverage, but it is estimated to be significantly lower.</p> <p>Tariffs are set by individual insurance companies.</p>   |
| <b>Sales, underwriting and claims processes</b> | <p>The sales, underwriting and claims processes are handled by insurance companies.</p>  |
| <b>State intervention</b>                       | <p>In line with the Natural Disasters Act, the state provides coverage for damage caused by natural disasters to individual, commercial, local community or state property. State intervention is triggered when the estimated total direct damage exceeds 0.3 % of planned state budget income. Perils covered include earthquakes, floods, landslides, avalanches, subsidence and hail.</p> <p>Obtaining state compensation is time consuming. Moreover, the budget has been reduced as a result of austerity measures. However, the fact that, if state intervention is triggered, there is only a small difference between the state compensation for insureds and non-insureds reduces the incentive for individuals to take out natcat insurance. This explains why the market penetration of natural hazards insurance is low in private lines.</p> |