

Life underwriting risk

Gross direct premiums by line of business and by geographical area

Life underwriting risks include biometric risks arising from events related to mortality and mortality trends, to mor...

The Group companies life portfolios have a prevailing component of saving contracts, but there are also pure ri...

The risks related to policies with a prevailing saving component and with minimum interest rate guarantee are a...

In order to better manage risks and costs associated with embedded options included in the above products, th...

In this perspective the structure of the product has been redefined, connecting in many cases the level and the...

The table below shows the distribution of insurance provisions of life gross direct business by level of financial (...)

Life insurance provisions: financial guarantee

(€ million)

with guaranteed interest

without guaranteed interest

matched by specific assets

The upper bound of each range is excluded

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 2... Year end 2011 figures included technical provisions and investment contracts financial liabilities belonging to M... The insurance provisions above are grouped in three macro classes:

- contracts with a minimum guarantee level: this group considers both yearly cliquet and, at event (death...
- contracts without interest guarantee: in this category, together with standard unit linked policies are als...
- contracts matched by specific assets: this category includes contracts where the liabilities are totally m...

The table above shows a progressive shift of the exposures towards $\le 3\%$ guarantee classes, also d... From a quantitative point of view regarding the life underwriting risk and according to the parameters indicated...

- maintenance expenses -10%: sensitivity to a 10% decrease of maintenance expenses;
- lapse rate -10%: sensitivity to a 10% decrease of lapse rates;
- mortality/morbidity for risk business -5%: sensitivity to a 5% decrease of mortality/morbidity for all prod...
- mortality for annuity business -5%: sensitivity to a 5% decrease of mortality for annuity business only (...)

Life embedded value sensitivities: Underwriting Risks

Maintenance -10%

Mortality -5%

The table above shows that the reduction of expenses and mortality rates (except for annuities) has a positive e... Regarding lapse, a decrease in surrender assumptions could produce both positive and negative effect in the E... In addition to the quantitative analyses above presented, the qualitative aspects relating to underwriting proces...

As far as the demographic risk related to pure risk portfolios is concerned, the mortality tables used in the pricin... There is a particular emphasis, both at local and central level, in the underwriting of the new contracts, that con... As far as riders are concerned, which are mostly exposed to moral risks, maximum insurability levels by country...

The Companies must apply the underwriting guidelines and operating limits defined by the Corporate Centre wh... In order to mitigate mortality and morbidity risk, another feature is reinsurance. As far as the surplus (proportion... The longevity risk, notwithstanding its minor weight in the life business of the Group, is constantly monitored. F...

As far as new business is concerned, in each country demographic assumptions reflecting future mortality trend... As far as lapses risk (risks related to voluntary withdrawal from the contracts) and expense risk (risks related to ab... For all risk categories, in the annual Embedded Value analysis, locally and centrally, there are two levels of con... Aggregate analysis have been made on the best estimate of the risk factors in order to assess the congruence... The tables below show the concentration of gross direct premiums of life segment, including investment contract...

Gross direct premiums by line of business and by geographical area

(€ million)

World

Europe

Eastern Europe

and

World

World

Europe

Eastern Europe

and

World

(€ million)

World

Europe

Eastern Europe

and

World

World

Europe

Eastern Europe

and

World

(€ million)

World

Europe

Eastern Europe

and

World

World

Europe

Eastern Europe

and

World

The table above shows the major importance of savings and protection contracts (65.5% of the total), while the...

With reference to the distribution by geographical area, the Group, in the life and health market, is present in va
