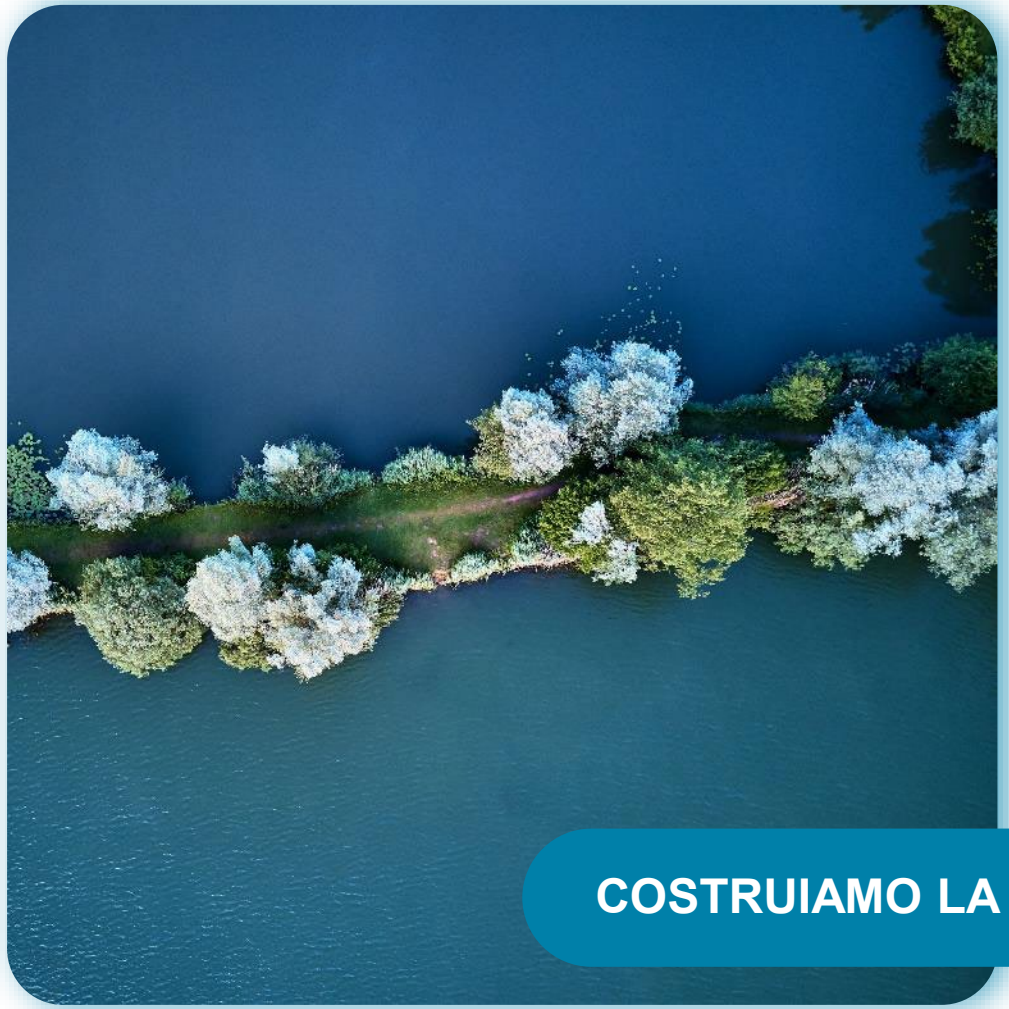

PNRR trasformare le sfide in opportunità

Georges HELOU

SCOR Business Solutions

29/05/24

COSTRUIAMO LA (RI)ASSICURAZIONE DEL FUTURO

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The PNRR and the Italian landscape

PNRR in a nutshell
+ Regen EU…

EUR 194bn

39%

Green Transition

25%

Digital Transition

36%

Economic and social resilience

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Salzburg
Freiburg im Breisgau
Liechtenstein
Innsbruck
Vaduz
Tyrol
Bern
Besançon
Switzerland
Lausanne
Grenoble
Styria
Szombathely
Győr
Salgótarján
Nyíregyháza
Hungary
Oradea
Békéscsaba
Zalaegerszeg
Szekszárd
Szeged
Arad
Kaposvár
Subotica
Vojvodina
Timișoara
Slavonski Brod
Croatia
Triest
Rijeka
Pula
Bihać
Zadar
Bosnia and Herzegovina
Šabac
Belgrade
Serbia
Sarajevo
Split
Čačak
Jagodina
Mostar
Novi Pazar
Niš
Leskovac
Montenegro
Priština
Dubrovnik
Podgorica
Kosovo*
Kumanovo
Shkodër
North Macedonia
Tiranë
Bitola
Albania
Kastoria
Gjirokastra
Kozani
Ioannina
Greece
Preveza
Karditsa
Lamia
Mesolongi
Peloponnese, West Greece and Ionian Sea Administrati
Reggio nell'Emilia
Verbania
Alessandria
Florence
Tuscany
Livorno
Grosseto
Ascoli Piceno
Viterbo
Barletta
Brindisi
Crotone
Monaco
Aix-en-Provence
Ajaccio
L'Alguer/Alghero
Sardinia
Casteddu/Cagliari
Trapani
Caltanissetta
Sicily
Siracusa
Bizerte
Tunis
Annaba
Skikda
Constantine
Souk Ahras
Kairouan
Monastir
M'Sila
Batna
Ain Beida
Valletta
13
10
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2

Infrastructure for sustainable transportation

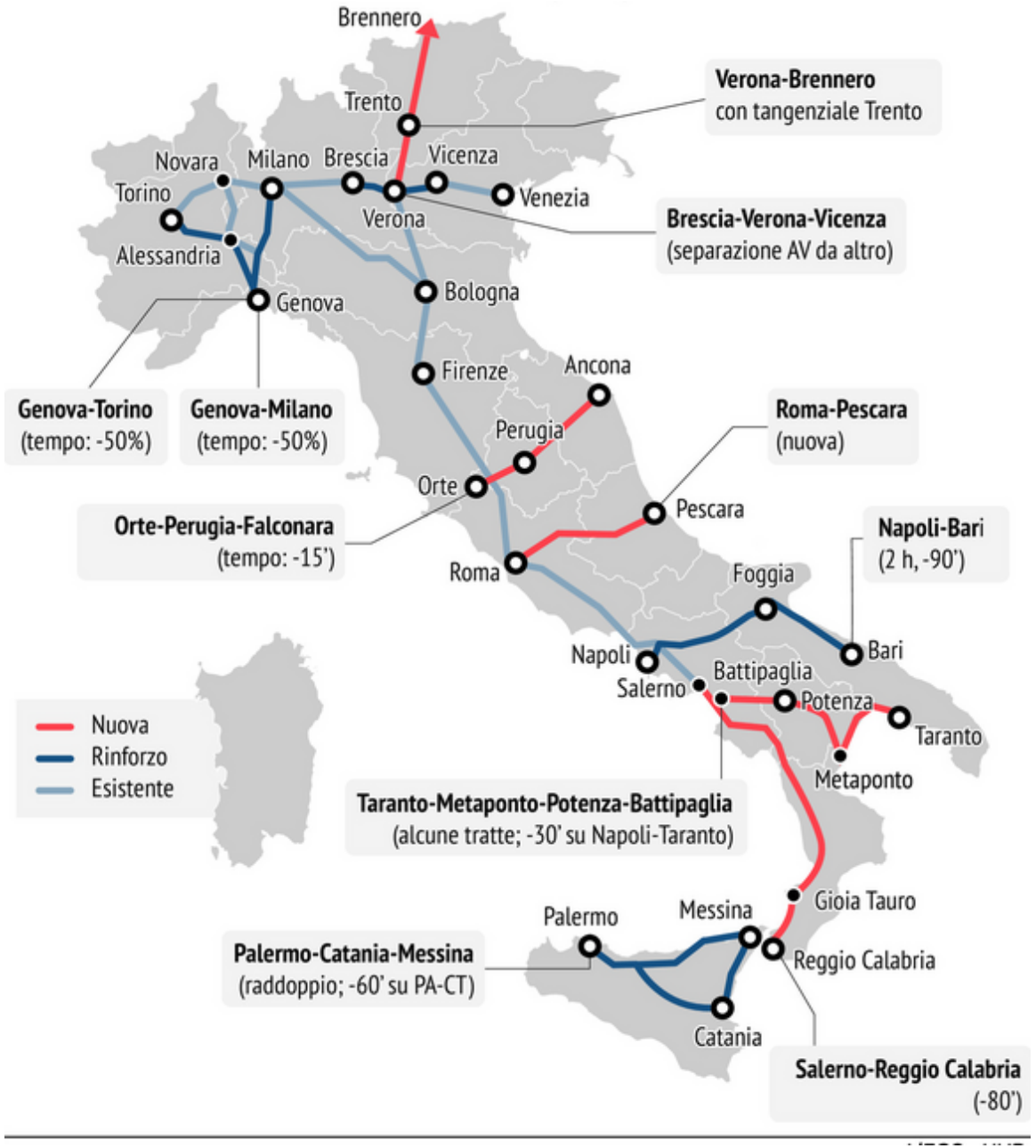
High speed rail for the North and the South

Create a modern railway network to improve the mobility of citizens and goods. Pillar projects are delivering High Speed Rail for the Salerno-Reggio Calabria, Naples-Bari and Palermo-Catania lines and extending the Turin-Venice High Speed Rail to Padua.

Total allocated to the Mission

€ 23,74 bn

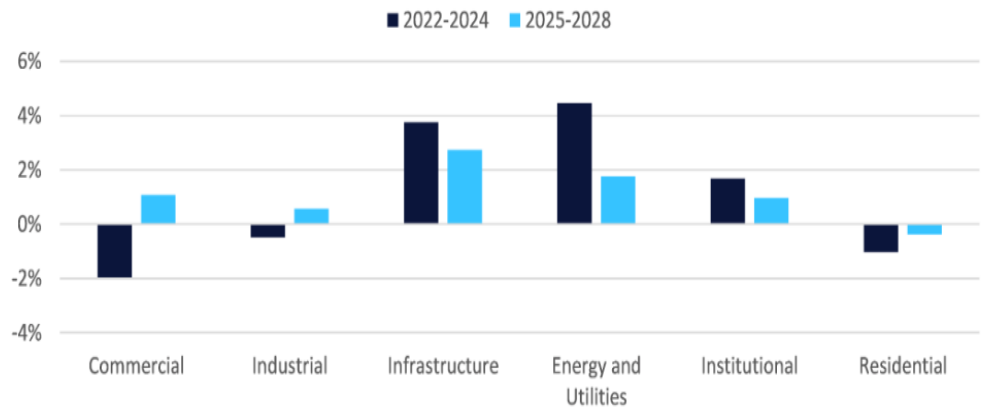
12,21 % of total NRRP funds



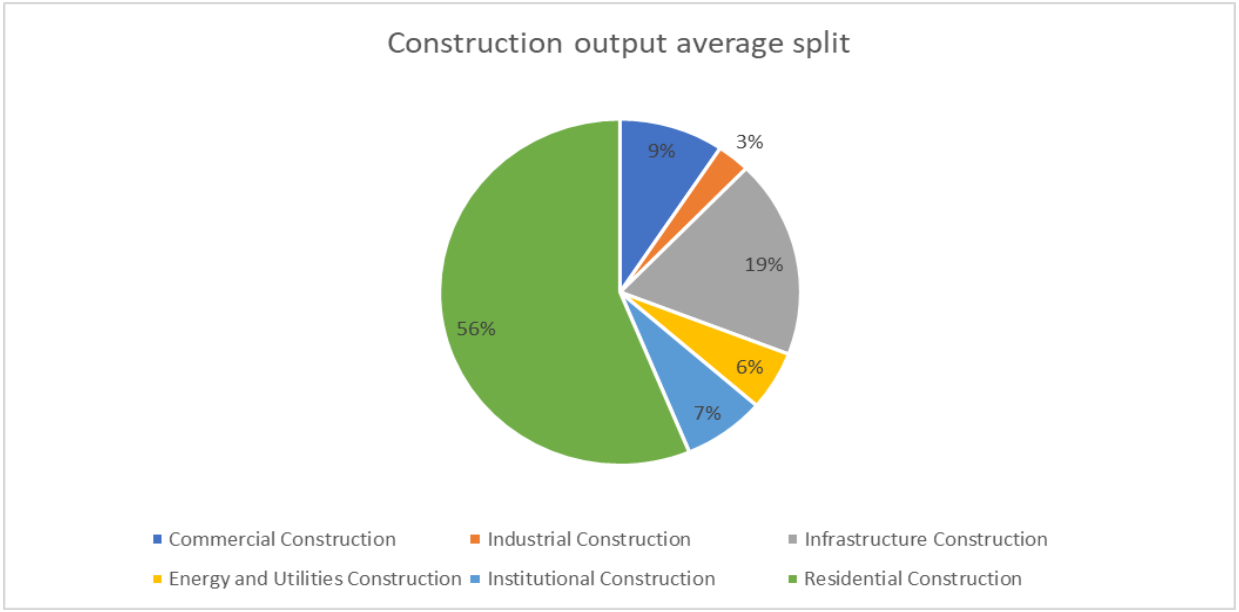
Construction Industry Key Data
The Italian landscape

- Construction 2023 output value : approx. USD 300 billion
- Representing 14.6% of 2023 GDP
- The Italian construction industry is expected to contract by 8.6% in real terms in 2024, and 2.8% in 2025, reflecting the downturn in the residential sector
- Over the remainder of the forecast period, however, the construction industry is expected to register an average annual growth of 1.7% from 2026 to 2028, supported by investments in transport infrastructure, renewable energy and industrial projects

Figure 2: Italy, Construction Output by Sector (Real % Change), 2022–24 and 2025–28



Source: GlobalData © GlobalData



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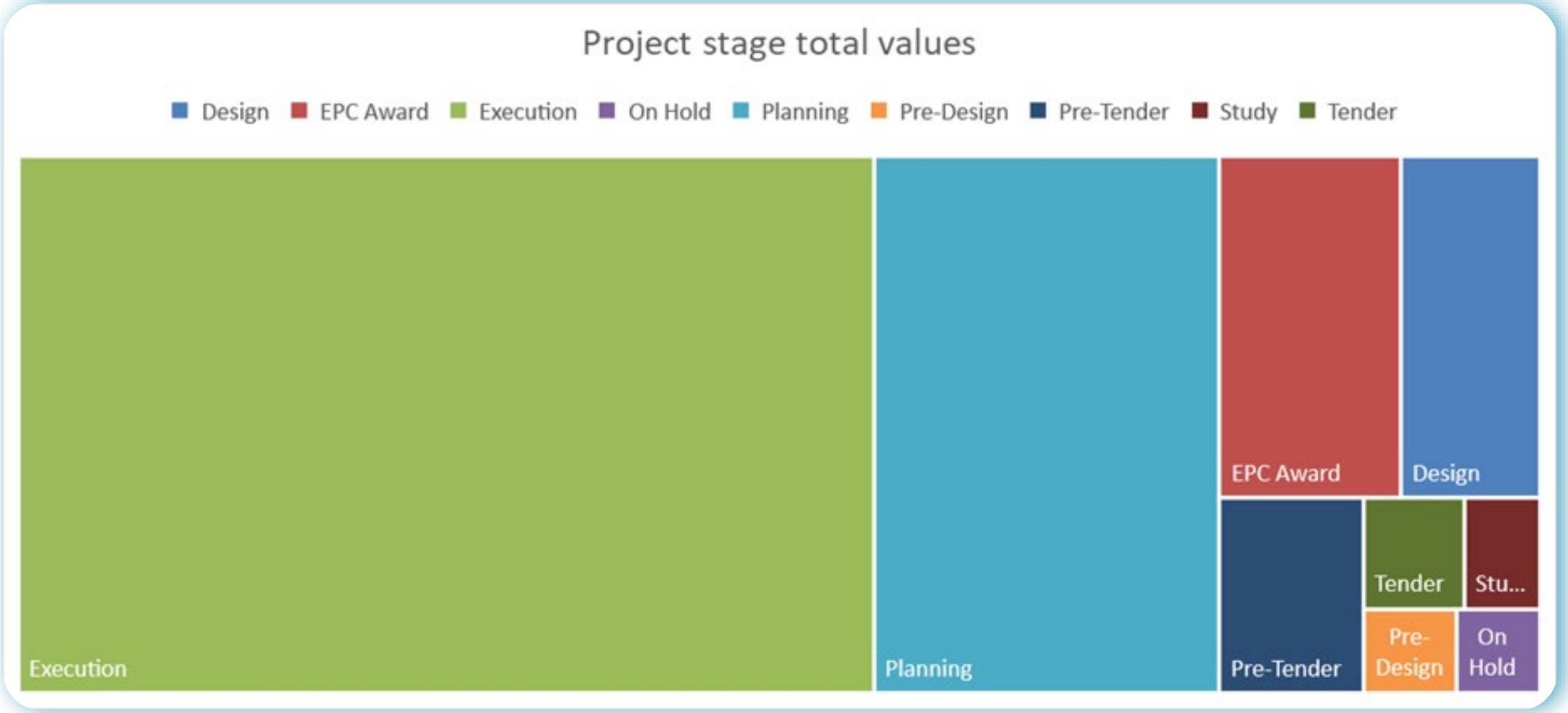
Company Name	Value of projects ($ Million)
Webuild SpA	132,870
Ghella SpA	79,560
Mipien SpA	64,830
Gavio Group SpA	45,800
Cogeis SpA	44,770
Implenia AG	44,720
Ferfina SpA	37,630
Cooperativa Muratori & Cementisti C.M.C di Ravenna	32,060
Spie Batignolles	27,940
Bergteamet AB	27,890
Note: The value of projects is the total of value of projects in GlobalData in which these companies and their subsidiaries are involved.	
Source: GlobalData	



Largest infrastructure projects
Estimated construction start date within 2024

Project Name	Value (US$m)
RFI – Salerno-Reggio Calabria High-Speed Railway Line – Campania	13 527
ANAS – Strait of Messina Bridge – Calabria	12 920
MIT Italy – Southern Italy Railway Line Upgrade Program – Italy	7 600
Italvolt – Scarmagno Electric Vehicle Battery Gigafactory – Piedmont	4 600
Autostrade per l'Italia – A11 motorway Florence-Pistoia – Tuscany	3 410
Hyperloop TT – Milan Cadorna to Malpensa Airport Hyperloop System – Lombardy	2 000
MIT Italy – Andora to Finale Ligure Railway Line Doubling – Liguria	1 908
Desfa/ Edison Intl/ Public Gas Corp – Interconnector Greece to Italy Natural Gas Pipeline – East	1 743
MIT Italy/ RFI – Rome To Pescara Railway Line Upgrade – Abruzzo	1 700
Azienda Trasporto Milanese – Milan Metro M5 Extension: Bignami to Monza Bettola – Lombar	1 516
ANAS – Ragusa to Catania Road Upgrade – Sicily	1 501
MIT Italy/ RFI – Vicenza to Padova High-Speed Railway Line – Veneto	1 435
Snam SpA/ Societa Gasdotti – Methanisation of Sardinia – Sardinia	1 411
RFI/ SNCF – Lyon-Turin High Speed Railway Line Tunnel: Susa - French Border – Piedmont	1 398
RFI – Taranto-Metaponto-Potenza-Battipaglia High-speed Railway line – Basilicate	1 349
Stradivaria – Cremona-Mantova Regional Motorway – Lombardy	1 335
Porto Livorno – Livorno Port Terminal Expansion – Tuscany	1 017
Comal/ Enel – Solar Tracker Manufacturing Facility – Latium	1 000
Highway Ped Lombarda – Pedemontana Lombarda Motorway Upgrade: Tratta D – Lombardy	1 000

Realistically circa EUR 30bn in 2024/25

Challenges & Opportunities

Construction techniques

Climate Change impact

New Materials

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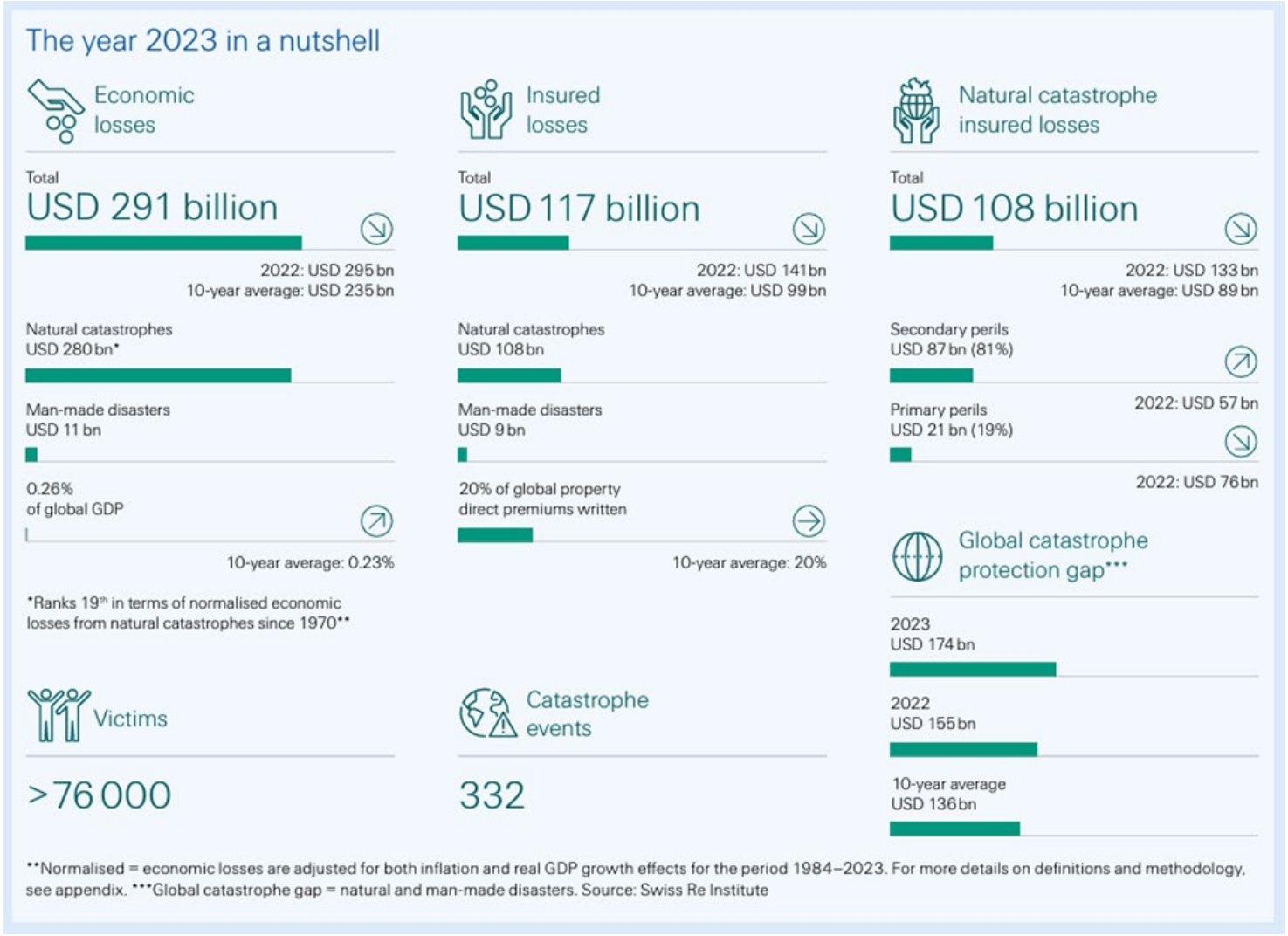
Climate change impact
Secondary perils



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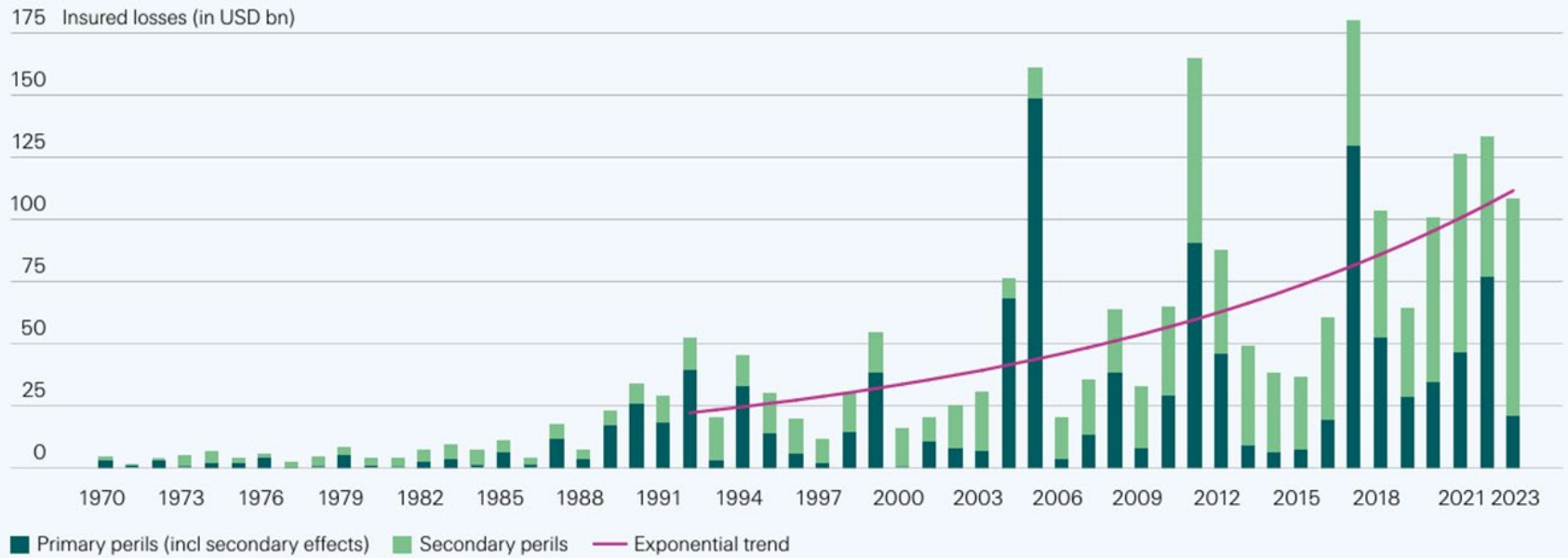
Climate change impact
Secondary perils

Figure 22
Global insured losses from primary and secondary perils, 1970–2023 (USD bn, 2023 prices)



Source: Swiss Re Institute

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Emilia – Romagna floods

EUR 9bn Total economic losses

EUR 495m

Total insured losses

Between 16-18 May 2023, 350 million cubic metres of water, equivalent to six months' worth of rain, fell within 36 hours across Emilia-Romagna

The floods were preceded by a drought that dried out the land, reducing its capacity to absorb water.

Italian hail loss rockets beyond EUR5bn

Underestimated average claim value has led to a dramatic February update.

Polizze obbligatorie cat nat, in arrivo il pool

Lo ha annunciato la presidente di Ania, Maria Bianca Farina, intervenendo in un convegno Febaf. Il consorzio tra imprese servirà ad accedere in modo più efficiente alla riassicurazione

23/05/2024

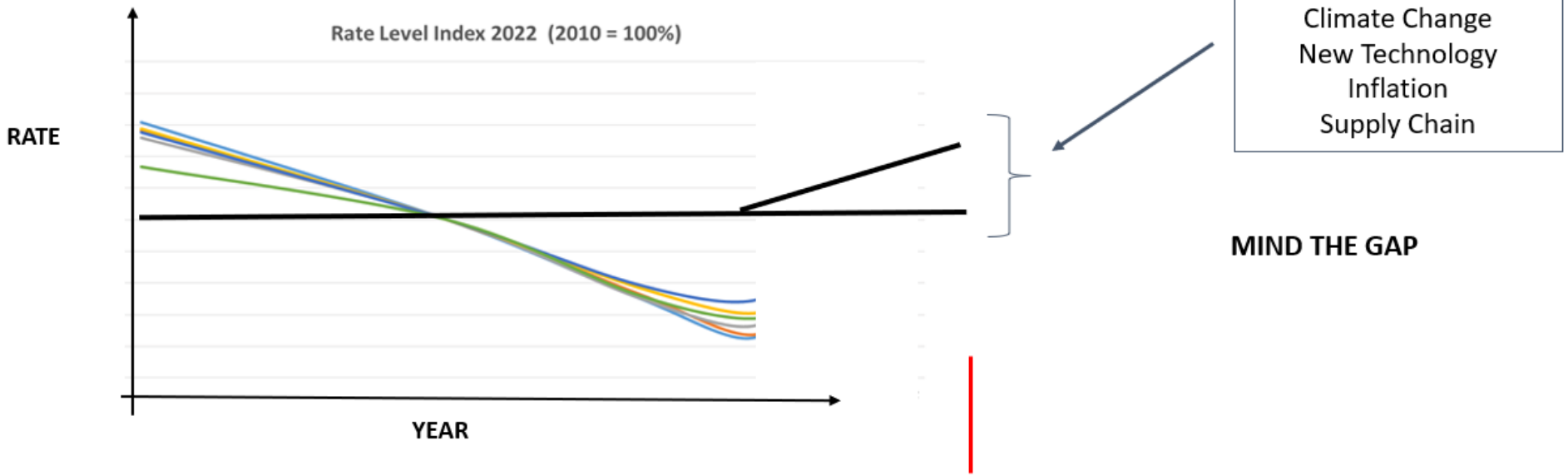
Autore: B.M.

Fonte immagine: Ania

In order to support the transition, the Insurance industry needs to be profitable, back to basics : claims history vs premium?

LEG LONDON ENGINEERING GROUP
COMMITTED TO EXCELLENCE IN ENGINEERING INSURANCE

Why Are Emerging Risks Important



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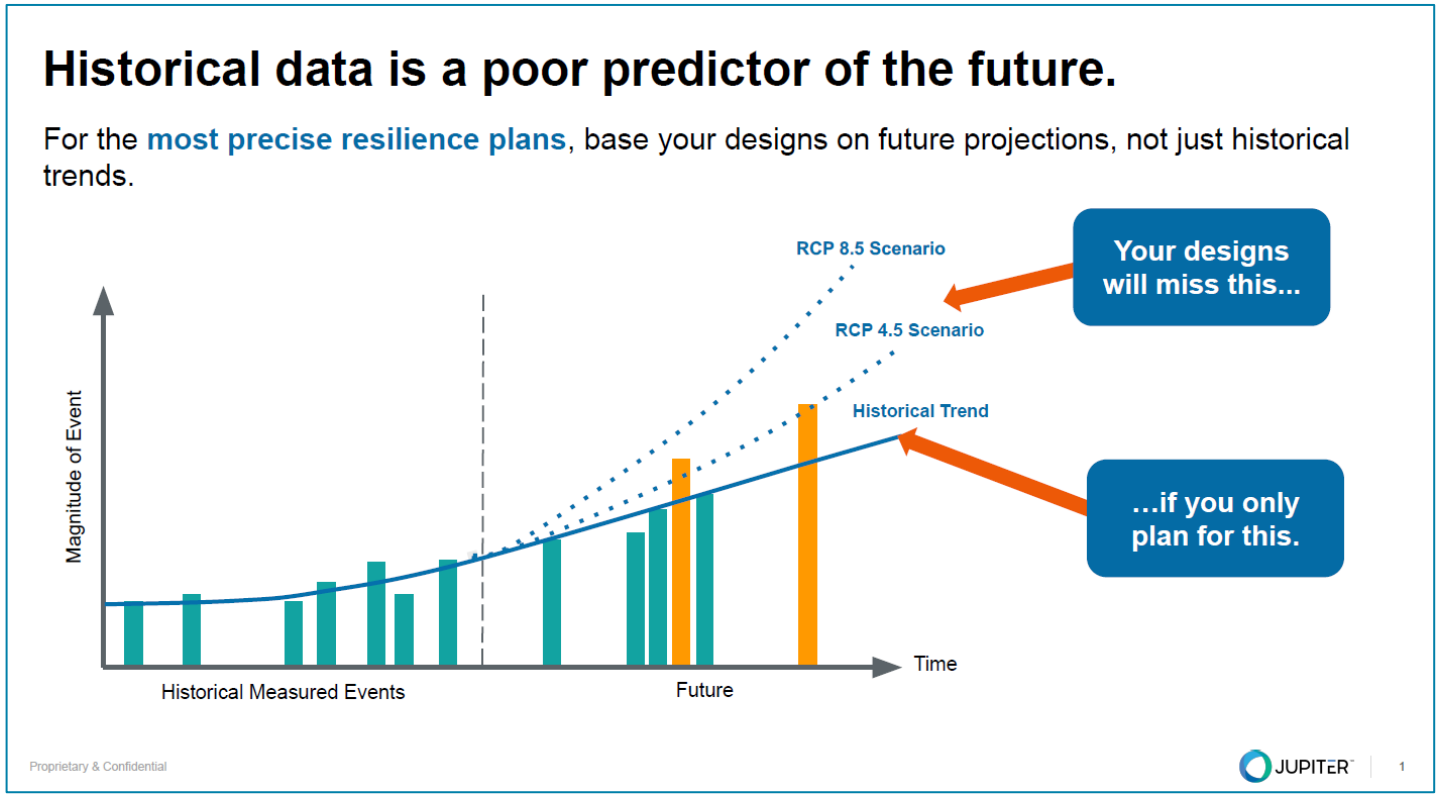
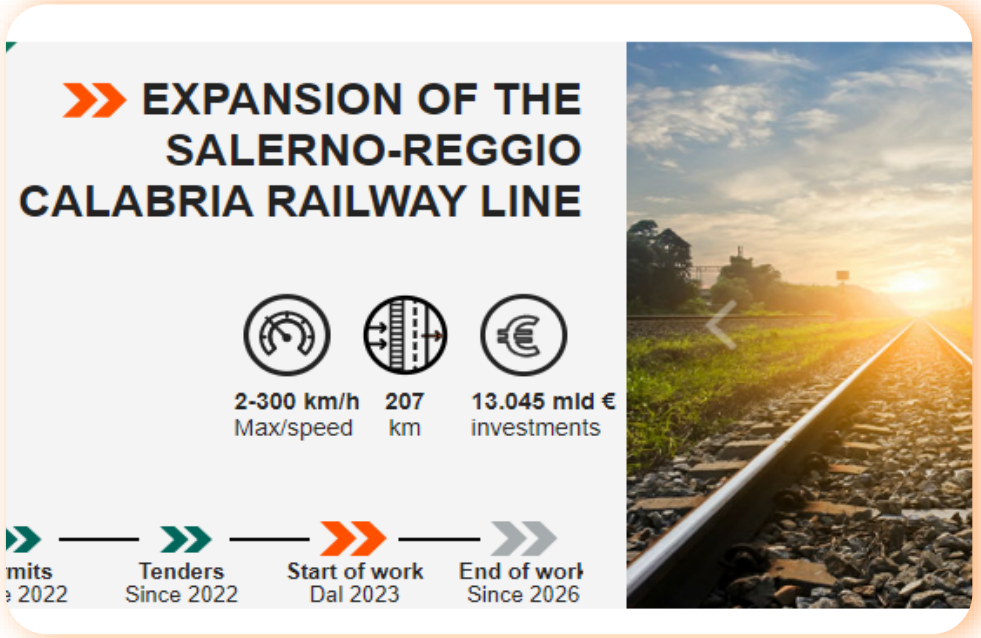
But…

- **Remember we are insuring tomorrow today**
- **In fact you probably already insured it yesterday**
- **And historical data is no longer reliable to predict future events**



Construtions sites
Building bigger, deeper, faster



1. CAT exposure : earthquake, flood, slope stability
2. Technical and labor skills
3. Insurance offering & Risk management

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The Vulnerability of Construction

Completed assets versus those under construction:

- Excavations, foundations, basements, shafts, trenches – water always finds the lowest point

- Temporary works are often designed to lower design standards, e.g. cofferdams, berms, retaining walls etc

- Temporary structures can increase the load on the structure, e.g. scaffolding around a building, wind drag through ‘forest’ of columns

- Fresh-cut earthworks is exposed to erosion, wash-out, settlement

- Partially complete structures are less stable, e.g. cable stayed bridge, cut & cover tunnel

- Exposure to and from plant and equipment

The Vulnerability of Construction

Is the exposure adequately recognised and addressed on site?

- How well, if at all, is rainfall and inundation dealt with in Risk Registers?

Example from project heavily exposed to wind and surge

- Response to questions on flood often reference permanent design solutions

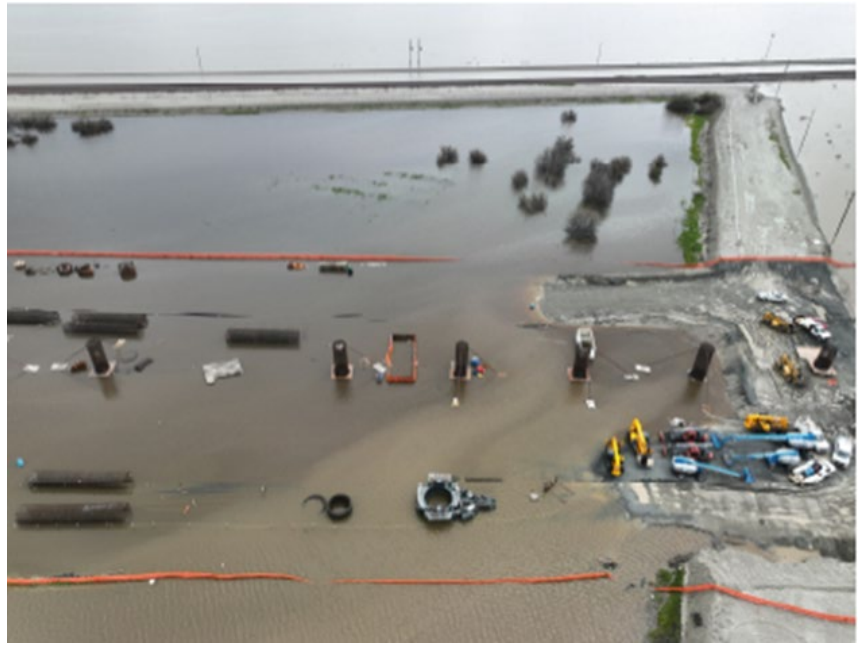
Has the temporary state been over-looked?

- Risk mitigation, if offered, is often “standby pumping facilities available”.

Prevention better than cure? E.g. Bund walls, temporary drainage, raising levels

- Planned flooding, too difficult to protect so allow it to flood?

This is a deliberate strategy, not a ‘risk’, so cannot be transferred to Insurers.



The Worlds Weather is Changing
The Vulnerability of Construction

Some risks just are unavoidable:

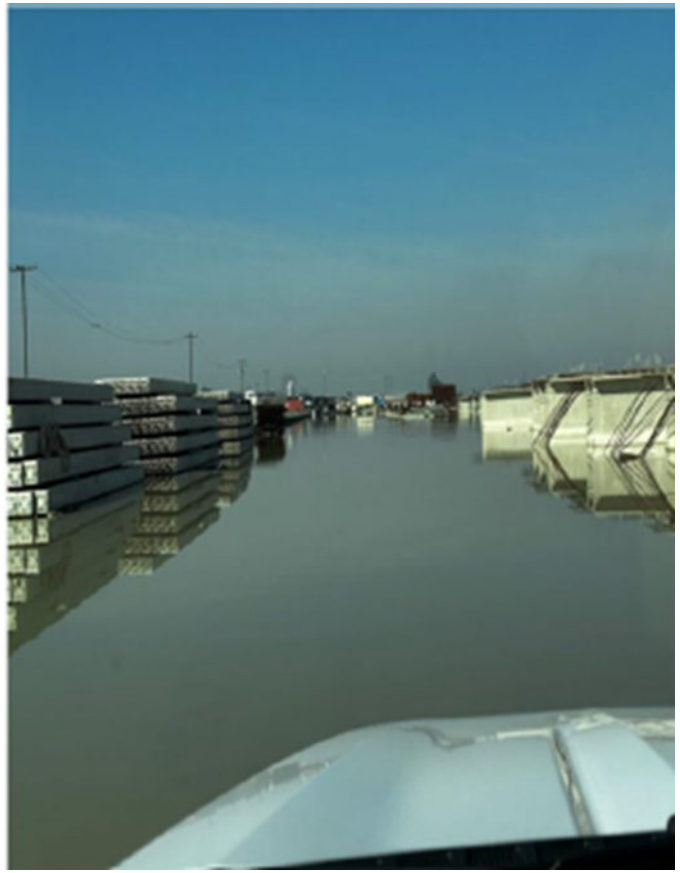
- How can you protect earthworks from rainfall?

- Some works can never be protected from water, eg dredging, rip-rap, river works

- Flood plains will flood

- Water always finds the weak point and/or low point

- Planned/inevitable events, eg overtopping

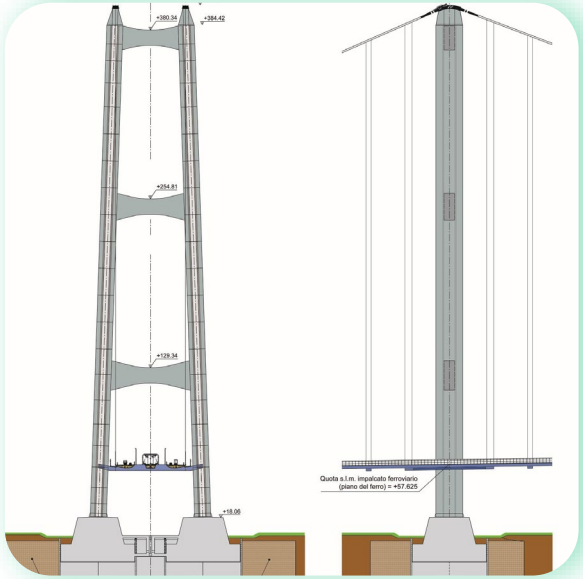


Does our underwriting reflect this inevitability?

Is it finally happening ?
Messina straight bridge

Longest bridge

In a particular CAT exposed location

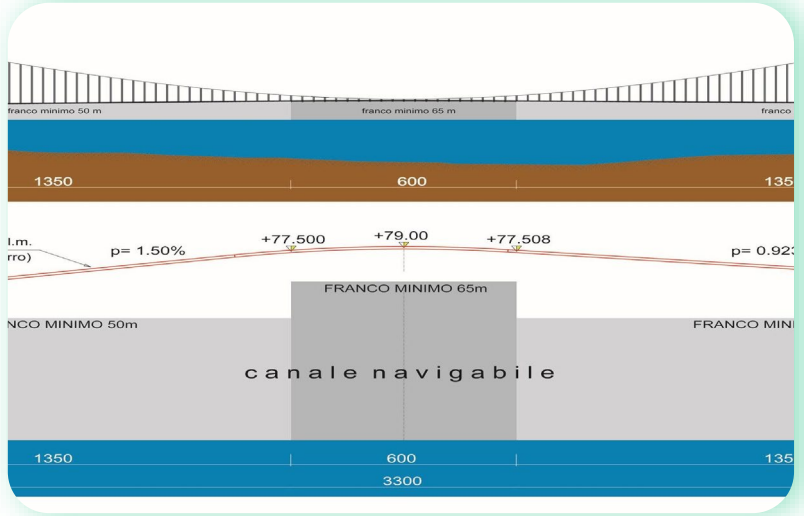


Supply chain shortage vs Cost

Mitigation measures for duration impact and loss profit exposure

Temporary stages

Highest exposure during erection works



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