

Natural Catastrophes Insurance Cover Individual System Summary Updates

As of [January, 2019]

1	The name of the Cover	<i>French NAT CAT scheme</i>
2	Cover Purchase / Distribution Channels	<p><i>Compulsory extension of cover for all property insurance contract (Residential, Professional, Motor). Legal additional-premium insurance rates:</i></p> <ul style="list-style-type: none"> <i>• 12% of the premium of the basic insurance policy covering property other than motor vehicles (Fire policies),</i> <i>• 6% of fire and theft insurance premiums (or, failing this, 0.50% of the property insurance premium) for motor vehicles.</i>
3	Coverage (incl. perils, sum insured & premium etc.)	<p>1) Perils:</p> <ul style="list-style-type: none"> <i>• floods (run-off flooding, overflow, rising of water table level, storm surge, dam burst caused by a natural phenomenon);</i> <i>• mudslides;</i> <i>• earthquakes;</i> <i>• landslides (including subsidence);</i> <i>• subsidence caused by underground chambers and marl pits (excluding mines);</i> <i>• tsunamis;</i> <i>• avalanches;</i> <i>• cyclonic winds (greater than average of 145km/hour over 10 mins or gusts of 215km/hour).</i> <p><i>This list is not exhaustive.</i></p> <p>2) Premium and insured values</p> <ul style="list-style-type: none"> <i>• The annual premiums for French market was estimated to 1.64 billion € in 2017.</i> <i>• Mean premium per risk: 21€ for residential risks and 2.5 € for motor vehicles.</i> <i>• About 90 million risks covered in France</i> <i>• 14 680 Billion € of insured values for non-motor property and 270 Billions € of insured values for motor property.</i>
4	Claim Criteria / Loss Trigger	<ul style="list-style-type: none"> <i>• Government declaration of natural disaster through a Nat Cat Decree (based on a mayor request and the decision of an Interministerial Commission).</i> <i>• Abnormal intensity of natural hazard.</i>
5	Current Risk Assuming and Transferring structure (see following diagram)	<p><i>Public Private Partnership between Insurance companies, CCR and French State:</i></p> <ul style="list-style-type: none"> <i>• Application of legal deductibles</i> <i>• Public Reinsurance scheme delivered by CCR with French state unlimited guaranty:</i> <p><i>Quota-Share: 50%, combined with unlimited Stop Loss on retention.</i></p>

6	Recent Loss events	<p><i>Hurricane Irma in September 2017: € 1.9 - 2 Billion (€2017) for French Insurance Market</i></p> <p><i>Seine and Loire floods in June 2016: € 0.9 - 1 Billion</i></p> <p><i>Subsidence in 2016: € 500-700 Million</i></p> <p><i>Subsidence in 2003 €: 1.83 Billion</i></p> <p><i>2003 Rhône floods €: 1.05 Billion</i></p> <p><i>1990 Drought €: 1.03 Billion</i></p> <p><i>Sept. 2002 Gard flash floods € 935 Million</i></p> <p><i>2011 Drought: € 822 Million</i></p> <p><i>2010 storm surge subsequent to Xynthia: € 800 Million</i></p>
7	Latest take-up rate (Penetration)	<p><i>Penetration rate :</i></p> <ul style="list-style-type: none"> <i>about 98% for mainland territories,</i> <i>about 50% for French overseas territories</i>
8	Current Accumulate reserves	<p><i>The French Nat Cat scheme can support a € 4.5 Billion event without triggering French state guaranty.</i></p>
9	Website/ annual report Linkage	<p>https://www.ccr.fr/documents/23509/29244/CCR+RA-2017+UK+20042018+web.pdf/b91cd457-3ad4-4a47-aa79-a8700e2c079b</p>
10	Others	<p>https://www.ccr.fr/web/ccr/-/indemnisation-des-catastrophes-naturelles-en-france</p> <p>https://bilanecatnat.ccr.fr/img/en/RAPPORT-CAT-NAT-WEB-EN.pdf</p>

Current Risk Assuming and Transferring structure (diagram)

