

Mandatory insurance for catastrophic risks for resident companies and permanent establishments of non-resident companies – Postponement and clarifications

1 INTRODUCTION

Decree-Law No. 39 of March 31, 2025, published in the Official Gazette on the same day (No. 75), and effective immediately, has postponed the deadline of March 31, 2025, for taking out catastrophic risk insurance policies. Specifically, it provides that:

- small and micro-enterprises must take out the relevant insurance policies by **December 31, 2025**;
- medium-sized enterprises must be insured by **October 1, 2025**;
- large enterprises must be insured by **March 31, 2025**, but **penalties for non-compliance will apply only after 90 days** from the date the insurance obligation comes into effect.

For companies operating in the **fishing and aquaculture sectors**, the deadline remains **December 31, 2025**, as established by Article 19, paragraph 1-quater of Decree-Law No. 202 of December 27, 2024 (“Milleproroghe”), converted into Law No. 15 of February 21, 2025.

The insurance obligation was introduced by Article 1, paragraphs 101–111, of Law No. 213 of December 30, 2023 (2024 Budget Law), with the aim of providing financial compensation to companies based in Italy in the event of catastrophic events. The measure is intended to share the risk and related costs not only with the State but also with private entities.

Ministerial Decree No. 18 of January 30, 2025, published in the Official Gazette on February 27, 2025 (No. 48), defined the implementation and operational procedures of catastrophic risk insurance schemes.

Official Guidelines

On April 1, 2025, the **Ministry of Enterprises and Made in Italy (MIMIT)** issued FAQs providing initial guidance on the implementation of Ministerial Decree 18/2025.

2 SUBJECTS REQUIRED TO COMPLY

The obligation to take out catastrophic risk insurance policies applies to companies:

- with a **registered office in Italy**, or with a **foreign registered office and a permanent establishment in Italy**;
- required to register in the **Companies Register** pursuant to Article 2188 of the Civil Code.

According to the **April 1, 2025 FAQs** issued by the Ministry, **all companies registered in the Companies Register are subject to the obligation**, "regardless of the section in which they are registered."

For professional entities, such as law firms, the Ministry clarified that the obligation arises from the requirement to be registered in the Companies Register. This clarification implies that **professional partnerships (STPs)** registered in the Companies Register must also take out the required insurance policies.

Exclusions

Companies classified as **agricultural enterprises** under Article 2135 of the Civil Code are exempt, as they are covered by the **National Mutual Fund for Catastrophic Weather Damage** (Article 1, paragraphs 515 et seq., Law No. 234/2021).

As clarified by the Ministry on April 1, 2025, the insurance obligation does **not apply** to companies that do **not own or use** (under any title) any of the assets listed in Article 2424, paragraph 1, Civil Code, **Balance Sheet - Assets - B-II (Tangible Fixed Assets)**, items 1), 2), and 3).

3 ASSETS TO BE COVERED

The insurance policies are intended to cover **damages to tangible fixed assets** as specified in Article 2424, paragraph 1, Civil Code, section B-II, items:

1. Land and buildings,
2. Plant and machinery,
3. Industrial and commercial equipment,

as further defined in Article 1, paragraph 1, letters b) 1-4 of Ministerial Decree 18/2025, **regardless of ownership**, provided they are used in the course of business activities.

Assets in Use (Non-owned)

Even if the business **does not own** the assets, it must insure them if it has the **right to use them**, for example under **lease, rental, or loan agreements** (per MIMIT's FAQs, April 1, 2025).

Mixed-Use Properties

For properties used **partly for business purposes**, the Ministry has clarified that only the **portion used for business activities** falls under the insurance obligation.

Exclusions

The following are **excluded** from the insurance obligation:

- Assets **already covered** by a similar insurance policy, even if the policyholder is not the same business that uses the assets;
- Real estate properties affected by **building code violations, lack of necessary permits, or violations that occurred after construction**;
- **Inventory and vehicles registered with the Public Vehicle Registry (PRA)**, which are not considered fixed assets (per MIMIT FAQs, April 1, 2025).

4 INSURED EVENTS

The insurance policies must cover **direct damage** to the aforementioned assets caused by **natural disasters and catastrophic events** occurring in Italy, specifically:

- earthquakes,
- floods,
- landslides,
- inundations,
- overflows,

as defined in Article 3 of Ministerial Decree 18/2025.

Events Not Covered

The insurance does **not** cover:

- Damages directly caused by **human actions**, or **third-party liability** resulting from the insured assets;
- Damages resulting **directly or indirectly** from **armed conflict, terrorism, sabotage, riots**;
- Damages related to **nuclear energy, weapons, radioactive, explosive, or chemical substances**, or **pollution/contamination**.

5 CONTRACT TERMS

Law No. 213/2023 and Ministerial Decree 18/2025 outline several mandatory elements for insurance contracts, which insurance providers must reflect in their policy documents.

Premium Calculation

Premiums (i.e., the amount payable by the policyholder to the insurer) must be determined **in proportion to the risk**, based on factors such as:

- geographical location,
- vulnerability of the insured assets,
- preventive and protective measures taken by the company.

Premiums will be **periodically updated**.

7 DEADLINES FOR COMPLIANCE

The updated deadlines for taking out insurance policies are as follows:

- **Small and micro enterprises: by December 31, 2025;**
- **Medium-sized enterprises: by October 1, 2025;**
- **Large enterprises: by March 31, 2025, but penalties for non-compliance will be enforced 90 days after the obligation takes effect, i.e., from June 30, 2025.**

To determine whether a business qualifies as “micro”, “small”, “medium”, or “large”, reference must be made to the **European Commission Recommendation No. 2775 of October 17, 2023**.

For **fishing and aquaculture enterprises**, the deadline remains **December 31, 2025**.

Obligations for Insurance Companies

Insurance providers must:

- Adapt their policy wording to comply with the law by **March 29, 2025**;
- Adjust existing policies **starting from the first renewal or premium payment** after that date.

8 PENALTIES

If a company subject to the obligation fails to comply, such non-compliance **must be taken into account** in the allocation of **public funds, grants, or financial aid**, including those provided in response to **natural disasters and catastrophic events**.

Non-compliant companies may therefore be **excluded from or receive reduced** access to **any kind of public financial assistance**, not only that linked to catastrophic events.

Insurance companies that **refuse or attempt to avoid** the obligation to contract are subject to an **administrative fine ranging from €100,000 to €500,000**.