To the clients:

Subject: by 31 March 2025, companies are obliged to have insurance coverage to cover natural disasters

The Budget Law 2024 (Article 1, paragraphs 101-112 of Law No. 213 of 30 December 2023) established that by 31 March 2025, all companies with their registered office in Italy and foreign companies with a permanent establishment in Italy, which are required to be registered in the commercial register, will have to take out an insurance policy for damages caused by catastrophic events.

This refers to the consequences of natural disasters such as earthquakes, floods, landslides, inundations and overflows.

Non-compliant companies could be denied contributions, subsidies or financial facilities from public resources, including those provided for in the event of calamitous and catastrophic events.

The obligation to take out a policy against the risks arising from catastrophic events applies to all companies with registered office in Italy and companies with registered office abroad with a permanent establishment in Italy, required to be recorded in the register of companies pursuant to Article 2188 of the Civil Code. It is therefore considered that professionals are excluded, more properly self-employed workers.

Agricultural enterprises are excluded from the obligation, for which the provisions of Article 1, paragraphs 515 et seq., of Law No. 234 of 30 December 2021 (i.e. the applicability of the discipline of the national mutual fund for the coverage of catastrophic meteorological and climatic damage to agricultural production caused by flood, ice, frost and drought) remain unaffected. Companies whose real estate is encumbered by building abuse or built in the absence of the required authorizations or burdened by abuse that arose after the date of construction, are also excluded.

Insurance against risks arising from catastrophic events covers direct damage to insured property caused by events such as earthquakes, floods, landslides, inundations and overflows. Damage to buildings, plant and machinery, industrial and commercial equipment and land is covered too.

The primary benefit of the insurance obligation is that of protection of company assets as insurance allows to safeguard the value of the company’s assets and activities, which represent the working and investment capital. In addition, insurance allows companies not to be disadvantaged in the allocation of contributions, subsidies, concessions from public resources, also with reference to those provided for in the event of calamitous and catastrophic events.

In fact, as anticipated in the introduction, companies that do not insure themselves against risks arising from catastrophic events by 31 March 2025 expose themselves to negative consequences of both an economic and legal nature. There is, therefore, the possible loss of public resources as uninsured companies are disadvantaged in the allocation of economic resources such as contributions, subsidies, concessions from public resources, also with reference to those provided for in the event of calamitous and catastrophic events. In addition, in the event of lack of insurance coverage, there is also the possible loss of company assets as uninsured companies have to bear the full costs of recovery following a catastrophic claim. The most common are precisely those of repair or replacement of goods damaged by catastrophic events, which can be of very high amounts and put the survival of the company at risk.

The amount of the insurance premium to be paid, which should normally be around one thousand euros, of course, increases with the increase in the value of the assets to be insured and their relocation to areas more exposed to risks.

14 February 2025 *Dr. Angelo Pisciotta*

Studio Pisciotta
C.F. PSCNGL74H27G273R
P.I. 04848330827
pecstudiopisciotta@studiopisciotta.it
studiopisciotta@studiopisciotta.com

www.studiopisciotta.com
Sede di Marsala Via Sibilla, 5 - +39 0923 952388
Sede di Palermo Via Stefano Turr, 38 - +39 091 6090036
Sede di Roma Via C. Colombo, 456 - +39 06 5817225
Sede di Reggio Calabria Via Sant'Anna, 4 - +39 0965 24582