

MOODY'S

INVESTORS SERVICE

COMPANY PROFILE

Net Insurance SpA

Rome, Italy

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Company Overview

Headquartered in Rome, Net Insurance S.p.A. ("Net Insurance" or "Net"), is a company specialised in job loss insurance in Italy, a niche line with an industry Gross Written Premiums (GWP) of approximately €185 million in 2008.

The company was established in 2001. At year-end 2009, the company reported consolidated gross premiums written (GPW) of €134.9 million (almost doubling the previous year amount), for a total market share in the job loss sector of around 52% market share based on HY 2010 market data. Net main competitors are Vittoria and Nationale Suisse, with 17.3% and 15.7% market share, respectively.

At the end of 2009, Net Insurance reported consolidated shareholders' equity of €45.3 million, total assets of €389.6 million and a net income of €4.0 million

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Financial Highlights (as Reported)

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on Net Insurance S.p.A., please see < [Net Insurance S.p.A. page on moodys.com](#) >.

FIGURE 1

Net Insurance S.p.A. [1]	2009	2008	2007	2006	2005
Gross Premiums Earned (€ Mil.)	134.9	67.9	59.0	96.8	83.4
of which Life (€ Mil.)	71.8	5.7	-	-	-
of which Non-Life (€ Mil.)	63.1	62.2	59.0	96.8	83.4
Net Premiums Written (€ mil.)	71.9	37.3	33.5	52.8	49.5
Net Income (€ Mil.)	4.0	1.8	11.5	4.3	2.8
Shareholders' Equity (€ Mil.)	45.3	33.5	34.6	22.6	11.0
Total Assets (€ Mil.)	389.6	302.9	275.7	201.3	142.2

[1] 2009 to 2007 information based on consolidated financial statements under IFRS. 2006 and 2005 information based on Italian GAAP financial statements

Source: Net Insurance S.p.A.

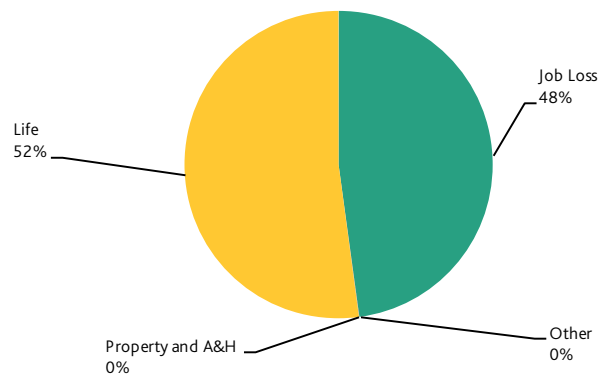
Business Activities

Net's product mix has significantly changed in 2009, following changes in reporting system imposed by the Italian regulator with respect to the life element of the CdQ products and, more importantly, thanks to the launch of a new life product dedicated to pensioners. Life premiums - of which approximately 86% relates to pensioners business - represented close to 50% of total consolidated premiums in 2009. Non-life premiums, mostly job loss policies (Cessione del Quinto (CDQ) and Delegazione di Pagamento (DP)), represented the remainder. Net also writes a limited amount of premiums in other lines of business such as fire and A&H.

The demand for job loss insurance products generally comes from lenders that extend personal loans to employees of public and medium-large private companies. The purchase of this insurance protection is compulsory in Italy for anyone taking out a personal loan guaranteed by the salary.

Overall, the job loss insurance business is relatively low risk given the restricted conditions of these loans: (i) by law, the loan repayment is capped at 20% of the net monthly salary for CdQ and 50% for DP and is directly debited by the bank from the borrower's salary on a monthly basis; (ii) generally high job security in the public sector and high recovery rates in the private sector, and (iii) the ability of the insurer to access the private sector employee's severance indemnity - trattamento di fine rapporto, "TFR" - to offset any claim.

FIGURE 2
Business Mix Breakdown by Gross Premiums Earned, YE 2009u



Source: company report

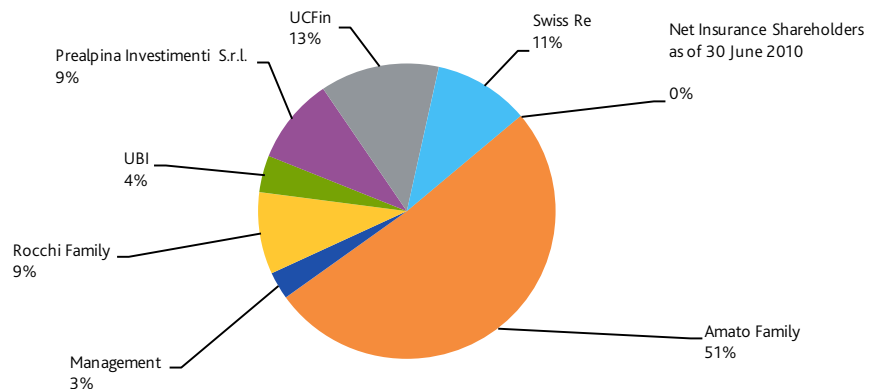
Distribution Channels

Net Insurance benefits from a multi-distribution strategy with a mix of proprietary and third-party distribution channels such as banks, financial institutions and networks of real estate franchises and mortgage loans providers.

Organization Structure and Ownership

Net Insurance is privately owned, with two Rome-based families holding over 60% of the shareholders' equity. Other shareholders include Swiss Reinsurance Company (A1 IFSR, stable), Ucifin (part of UniCredit SpA, Aa3 LT bank deposits rating, stable) and Unione di Banche Italiane S.c.p.A. (A1 LT bank deposits rating, stable) with respectively 10.4%, 13.0% and 4.0% of shares as at June 30, 2010.

FIGURE 3
Net Insurance Shareholders as of 30 June 2010



Source: Net Insurance

Management Information

Name	Current Title
Alfredo Rocchi	Chairman
Giuseppe Caruso	General Manager and CEO
Elio Migliardi	Technical and Commercial Director
Luigi Aiudi	Finance and Accounting Director

Company History

Net Insurance was founded in 2000 and received ISVAP authorization on 18th December 2000. In 2005 Swiss Re acquired a minority share in the company (around 2%). In 2006 Swiss Re and FinecoBank increased their participation in the company to 10.4% and 13.0% respectively.

In 2008 ISVAP authorized its new established life subsidiary, Net Insurance Life. Since 2008, Net Insurance reports consolidated financial statements according to IFRS.

Peer Group

- » Carige Assicurazioni
- » HDI Assicurazioni
- » SASA Assicurazioni
- » Vittoria Assicurazioni

Related Website

For additional information, please see the company's website: www.netinsurance.it

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Moody's Related Research

Credit Opinion:

- » [Net Insurance S.p.A.](#)

Industry Outlook:

- » [Italian Insurance: P&C Stabilises But Life Market Remains Under Pressure, November 2010 \(128920\)](#)
- » [Italian Insurance, October 2010 \(120054\)](#)

Special Comments:

- » [European Insurers' H1 2010 Results: Capital and Earnings Stabilise, but Market Conditions Remain Challenging, September 2010 \(127229\)](#)
- » [Solvency II – QIS5 Update Has No New Credit Implications For Now, But Final Outcome Remains Uncertain, July 2010 \(126117\)](#)
- » [Solvency II – A Regulatory Improvement, But Not All Credit Positive, June 2010 \(125727\)](#)

Rating Methodology:

- » [Moody's Global Rating Methodology for Life Insurers, May 2010 \(123502\)](#)
- » [Moody's Global Rating Methodology for Property and Casualty Insurers, July 2008 \(121761\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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