

# SPOTLIGHT



Banche  
Assicurazioni  
Finanza

Italian Banking Insurance and Finance Federation

## 1. Tackling the protection gap: the role of the private sector

When AIBA (the insurance brokers' association) held its national conference in Rome on 30 March, they asked whether Italy was on the right path in terms of health care.

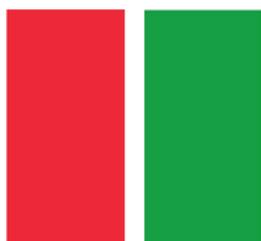
The conference was sub-titled “the need for a new system of curative and preventive health care”. An ageing population, increasing mental health problems and an increase in conditions that lead to long-term hospitalisation or medication have created a situation to which the insurance industry needs to respond, says AIBA. Addressing the conference, Maria Bianca Farina, president of ANIA (the insurers' association), noted how health costs Italians pay from their own pockets now exceed €40 billion annually, and that this is not only inefficient but also iniquitous. She said that people are forced to choose between paying, if they are able to do so, or foregoing treatment when they are in need. For Ms Farina, insurance provides the key to financing private health care. ANIA's president noted that although premium income for health cover increased by 60 per cent between 2014 and 2021, “it is still much lower than in other advanced European countries like France and Germany.”

Although Riccardo Cesari, a board member of IVASS (the insurance regulator), also spoke about the need to look at private health insurance, he focused more on the problem of long-term care, which he described as a “natural catastrophe for families”. The total national annual cost of lack of self-sufficiency is estimated at €33 billion, of which more than €14 billion is borne by the families of those being cared for. Mr Cesari believes that insurance cover for long-term care for all the population would bring savings coupled to gains in efficiency and care quality. Health protection gaps, and the role of public-private partnerships, have appeared dramatically in the pandemic crisis. They have also an international dimension, as the vaccination efforts and commitments to protect developing countries have stalled. On the issue of financing global public goods and health protection, FeBAF organized last month a webinar on the need to support vulnerable economies and strengthen the international financial system, focused on Global Financing and Sustainable Development: Special Drawing Rights and Multilateral Development Banks.



## 2. FeBAF continues its European dialogue

Franco-Italian financial links were renewed on 31 March when FeBAF and Paris Europlace, its French opposite number, held a virtual meeting. Russia's war on Ukraine dominated thoughts and both sides underlined the need for common efforts to help Ukraine's post-war recovery. Both Innocenzo Cipolletta, FeBAF's chairman, and Florence Lustman, chair of the French insurers' federation, highlighted the need for measures to boost long-term investment. And a recent meeting in Rome of FeBAF and GBIC (the German banking industry committee), co-chaired by Mr Cipolletta and Karl-Peter Schackmann-Fallis, board member of the association of German savings banks, underlined the need to mitigate the impact of the Ukraine crisis on the European financial industry. FeBAF noted that, together with GBIC, it will continue to urge the strengthening and completion of the banking union and the capital markets union.



## 3. The Italian financial community at the forefront of the ESG challenge

Further evidence, if any is needed, that Italian finance continues to highlight the importance of knowing and following the rules on ESG is currently being provided by ABI-Formazione, the professional development arm of ABI (the banking association).

On 23 and 24 March, it began a programme of online seminars dealing with the regulation and supervision of distribution of financial and insurance products within the ESG framework. On 6, 7 and 8 April, the focus was on the integration of sustainability factors within the evolution of MiFID2 and the final seminar will put taxonomy developments under the microscope. ABI-Formazione is far from alone in spreading the word on ESG. In the week the banking association's offshoot launched its programme, three other associations representing sectors of Italian finance engaged in ESG initiatives. University students were among the attendees of an online and in-person seminar at Rome's Tor Vergata university that was sponsored by and in collaboration with Assoreti (the association of investment advisory firms with networks of tied agents). The title of the seminar was "Green Generation: invest in sustainability" and the speakers included Angela Maria Carozzi, head of Assoreti's legal and regulatory service, who addressed the question of the inclusion of ESG factors in savers' choices and intermediaries' compliance.

Noting that, not long ago, few people would have expected ESG to become so important, when AIAF (the Italian association for financial analysis) presented its report *How and Why Asset Managers Use ESG: current trends and new approaches*, the association's chairman Davide Grignano said that it will "completely transform our business". He added, "It's a win-win for all of us."

However, Fabio Galli, director-general of Assogestioni (the asset managers' association), was cautious when speaking to a round-table organised by *Plus24-Il Sole*, a business-focused media organisation. According to Mr Galli, asset managers recognise their responsibility in being drivers for sustainable transition, but they face a serious difficulty thanks to a shortcoming in EU rules. Standardisation for sustainable products is missing and the 2 August deadline for the requirement for financial advice on sustainable investment is incompatible with the regulatory framework, noted Mr Galli.



#### 4. Banks and consumer credit focus on lending

Firms and families. The two-day conference that ABI promoted and organised in Rome through its ABI-Eventi offshoot, in collaboration with Assofin (the association of consumer credit and mortgage lenders), broke naturally into two parts. Lending to firms kept speakers busy and attendees interested on 5 April, while households were the focus the following day. Speaking in the opening session, Giovanni Sabatini, ABI's director-general, expressed solidarity with Ukraine and its bankers. Russia's war has introduced great uncertainty and yesterday's context of improving conditions and increasing confidence no longer holds. "The situation is more complex than that caused by 1973's oil shock," he said. Urgent support measures are needed because "this is now a war economy". Even so, efforts must continue on ESG and particularly on measures to deal with climate change. "Indeed, progress towards energy transition must be accelerated," Mr Sabatini urged. Among the many subjects on which the conference heard were problematic industrial sectors and implications for loan repayments, green taxonomy and the proliferation of rules for risk analysis.

On day two, Gianfranco Torriero, ABI's deputy director-general, gave details of mortgage lending to families, up by 4.9 per cent last year, though the scenario is now very different. That 85 per cent of home mortgages are fixed rate and 65 per cent are repayable over more than 20 years is reassuring.

Cesare Colombi, Assofin's chairman, described the situation as difficult. Confidence has slipped after a good start to the year. Consumption is fundamental for economic well-being and the role of credit is central. Mr Colombi pointed out that two-thirds of respondents in an Assofin survey would not have purchased goods or would have put off purchases if credit had not been available. Another slide showed that well over 80 per cent of respondents considered consumer credit firms "serious and reliable" and "transparent and correct".



#### 5. Private equity's record year

When AIFI (the private equity, venture capital and private debt association) released 2021's figures for private equity and venture capital on 29 March, it pointed to a record year. At €5.7 billion, fund raising was more than double the previous year's figure, while the number of operators who raised funds increased from 26 in 2020 to 44. Record investment, amounting to €14.7 billion against €6.6 billion in 2020, was driven by the infrastructure sector which alone attracted €7.7 billion, against the previous year's €1.3 billion. A sign that Italian firms are opening up to new sources of finance came from the fact that 56 per cent of investments (for 45 per cent of the total invested) concerned firms that had never before received private equity capital. This and other themes were also discussed during the AIFI's annual convention last April the 11th.



### In Brief

**New chairman for Assogestioni.**

At their annual meeting on 31 March, Assogestioni's members elected Carlo Trabattoni to take the chairmanship following six busy years in which the asset managers' association was led by Tommaso Corcos.

**Insurance statistics.**

ANIA has published figures for agricultural cover against hail risks in 2021. Insurers paid claims for 12.6 million quintals on cover for 286.8 million quintals insured for €6.8 billion. The statistics show the agricultural density of northern regions and the propensity of farmers in those regions to take out insurance. Farmers in Lombardy insured 90.7 million quintals, while those in Emilia Romagna insured 55.5 million quintals and Veneto 37 quintals. Italian motorists are driving more carefully, suggest accident figures for 2021. At 4.36 per cent, although higher than 3.71 per cent in 2020 when pandemic lockdowns reduced car use, the figure for last year was well below 5.28 per cent recorded in 2019 and similar incidence in previous years. The average pay-out in 2021 was €1,942, an increase of 2.4 per cent due to inflation in costs of labour and spare parts.

## SAVE THE DATE

EU Commission organize:

[Capital Markets Union: investing for a stronger, prosperous and sustainable European Union](#)

June 1<sup>st</sup> 2022

Assogestioni organize:

["Il Salone del Risparmio"](#)

10-11-12 May 2022

Partner Organizations include FeBAF



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