

PRESS RELEASE
POST-EARTHQUAKE RECONSTRUCTION
HOW TO REDUCE LOSSES AND DRIVE FORWARD
SUSTAINABLE REDEVELOPMENT

Specific measures that have been launched by the Unipol Group: a year after the earthquake more than 94% of claims paid, payment of instalments on approximately 3000 loans suspended, the number of local Group suppliers up 33%.

Schemes for supporting reconstruction work promoted: soft loans up to €25m, microcredit and support for businesses on the Approved List.

Proposal for managing earthquake risk sustainably as a public-private partnership with semi-compulsory insurance and a mutual approach.

Mirandola, 1 July 2013 – A meeting was held today at Villa Fondo Tagliata, Mirandola, on 'Post-earthquake reconstruction: how to reduce losses and drive forward sustainable redevelopment'. Among those attending were **Vasco Errani**, President of the Region of Emilia Romagna and Special Commissioner for Reconstruction, and **Pierluigi Stefanini**, Chairman of the Unipol Group. The meeting was part of the event organized to present Unipol's **2012 Sustainability Report**.

The meeting was an opportunity to provide a snapshot of Unipol's contribution to dealing with the aftermath of the earthquake that struck Emilia, Veneto and Lombardy in May 2012 and to reflect on how the reconstruction work can be turned into an **opportunity for sustainable economic growth** and for protecting the cultural, historical, architectural and landscape heritage.

In fact talking about reconstruction means that it is not only the problem of 'what' but also 'how' and 'who' should carry out the reconstruction work that must be tackled. Over the last 20 years the Italian State has spent €3.5bn a year on reimbursing the costs of those affected by natural disasters in a country where 38% of towns and villages are in areas with a high earthquake risk and 69% in areas with a high risk of flooding: given the current lack of available public resources **new solutions** must be found.

The problem of the social cost of natural disasters has to be tackled in Italy in the same way as in all the principal countries in the EU, where there is a system of state-subsidized insurance that does not exist in Italy.

Unipol is endeavouring to introduce new legislation in Italy by working with ANIA to set up a working group that has drawn up a **proposal for managing earthquake risk** based on **three fundamental prerequisites**: semi-compulsory insurance and a common approach to setting premiums in order to obtain sustainable tariffs, State intervention with a view to a public-private partnership for reinsurance and excesses and finally a centralized claims-handling system that is fairer and more efficient.

At the time of the 2012 earthquakes, in line with its history and in the desire to support the part of the country where it has its origins and a significant presence, Unipol launched a **scheme** under which the insurance (Unipol Assicurazioni, Linear, Unisalute and Arca) and banking (Unipol Banca) sides of the business would provide support for the Group's customers.

It set up a dedicated **claims-handling task force** for policyholders insured against earthquake risk, enabling losses to be assessed swiftly, rescue packages to be put in place and compensation payments to be brought forward, thus helping the economy to recover, with the aim being to get businesses back on their feet as swiftly as possible: not much more than a year after the earthquake Unipol has **paid 94% of the 295 claims reported**, more than 90% of the amounts outstanding.

As regards banking, Unipol Banca automatically suspended repayments on approximately **3000 loans** between 30 June and 30 November 2012 and has set aside two credit lines totalling €25m in soft loans. Finally the Bank has become a provider in the post-earthquake **microcredit scheme** promoted by MxIT-Microcredito for Italy.

In order to provide solid financial support for the areas affected by the earthquake, Unipol has **endeavoured to give preference to local suppliers**, increasing the number of trading partners by **33%** and thus generating an increase in revenue for companies in the stricken areas.

In order to support reconstruction work, the Unipol Group has set up, through the Unipol Regional Council for Emilia Romagna and in line with its social-responsibility policies, **schemes for helping businesses on the Approved List** drawn up by the Region of Emilia Romagna, with the aim being to focus on businesses that are lawful, transparent and honest in order to highlight the social rôle that can be played by the financial sector: 25% discount is granted on insurance tariffs both for businesses on the List and for their clients, plus easy terms on a whole range of banking products.

Unipol's support for the area has also taken the form of **social initiatives** aimed at those affected, with an initial donation of more than €1m, which will be used to rebuild the Casa della Salute treatment facility in Finale Emilia, and subsequently many more

donations such as the one made to the town of Carpi for rebuilding work and to reopen the AVIS Blood Donation Centre.

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