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INTERNATIONAL LAW AND TAX FIRM

Subject: Insurance Policies for Catastrophic Risk Coverage ("Cat Nat"). Selective Extension to 31 March 2026 – Risks of Lack of Coverage

Updated as of 13 January 2026

In recent months, increasing attention has been paid by many companies to the new obligation to take out insurance coverage against damage caused by natural disasters and catastrophic events (the so-called "Cat Nat" policies).
This obligation was introduced by Article 1, paragraphs 101–112, of Law No. 213 of 30 December 2023 (2024 Budget Law), and its operational framework was implemented by Ministerial Decree No. 18 of 30 January 2025 (MEF, in agreement with MIMIT). The compliance deadlines were subsequently rescheduled by Decree-Law No. 39 of 31 March 2025, converted with amendments into Law No. 78 of 27 May 2025.
Today, the issue is no longer purely an insurance matter; at least three significant profiles have emerged:

1. imminent deadlines (and selective extensions);
2. relations with Public Authorities (grants, subsidies, incentives);
3. contractual effects in the market (leases, procurement, supply, financing and M&A), where Cat Nat coverage may become a standard counterparty requirement.

1) Deadlines: "official" timetable and sector-specific deferral to 31 March 2026
Decree-Law No. 39 of 31 March 2025 (converted into Law No. 78 of 27 May 2025) staggered compliance according to company size:

a) large enterprises: deadline of 31 March 2025, with a 90-day transitional period until 30 June 2025 (in particular with regard to effects on incentives/grants);
b) medium-sized enterprises: by 30 September 2025;
c) micro and small enterprises: by 31 December 2025.

<u>Selective extension (currently in force).</u> Decree-Law No. 200 of 31 December 2025 ("Milleproroghe 2026") extended the deadline to 31 March 2026 for micro and small enterprises operating in the following sectors:

a) food and beverage services and tourist-accommodation businesses (Art. 16, para. 2);
b) fisheries and aquaculture (Art. 15, para. 2).

For micro and small enterprises that do not fall within the deferral provided by Decree-Law No. 200 of 31 December 2025, the obligation must be considered fully effective, as the ordinary deadline has already expired.
For micro and small enterprises in the sectors expressly benefiting from the deferral (in particular food and beverage services and tourism/hospitality, as well as fisheries and aquaculture), the deadline has been postponed to 31 March 2026. This period should be used as an organisational window to complete the mapping of relevant assets and locations, obtain quotations and proceed with the execution of the insurance coverage, coordinating it with any leased assets and existing contractual arrangements.

2) Relations with Public Authorities: not (always) an "automatic sanction", but a concrete risk
The 2024 Budget Law provides that non-compliance "must be taken into account" in the allocation of public grants, subsidies and incentives. However, MIMIT clarified that this rule is not self-executing: each Administration must define and communicate how non-compliance will be taken into account in individual measures.

That said, the risk is concrete. For measures falling within MIMIT's competence, the Ministry has already adopted a decree (18 June 2025) including compliance with the Cat Nat obligation among the requirements for access to or disbursement of incentives managed by its General Directorate.
From an operational standpoint, companies that participate – or intend to participate – in calls for tenders or support measures (grants, tax credits, subsidised finance) should treat the "Cat Nat" policy as an ongoing compliance requirement, rather than a one-off step. In particular, it is advisable to prepare and keep orderly and up-to-date documentation, so that it can be produced without uncertainty during application procedures or audits: scope of covered assets and locations, valuation criteria, any exclusions and deductibles, as well as any elements useful to demonstrate consistency between insurance coverage and assets actually used in the business.

3) Impact on commercial relationships and investment transactions: leases, procurement/supply, financing and M&A

Beyond regulatory compliance, a "market" profile is emerging: Cat Nat insurance may become a standard contractual clause required by counterparties, in order to reduce the risk of business interruption or loss of asset value.
<u>Leases and premises in use.</u> If the tenant company insures an asset owned by a third party and used in its business, and such asset is not already covered, the indemnity is paid to the owner (provided the owner has been informed of the policy) and is strictly earmarked for the restoration of the asset or its functionality. If the owner does not use the indemnity for restoration, the company is nevertheless entitled to receive from the owner an amount by way of loss of profit for the period of business interruption, up to a limit of 40% of the indemnity received.
Practical consequence: it is plausible that lease agreements will increasingly include clauses concerning:

a) obligation to take out insurance and provide the policy/certificate;
b) obligation to notify the owner and manage the indemnity;
c) allocation of insurance costs and coordination with any coverage taken out by the owner.

<u>Procurement, services and supply</u>**.** In relationships with suppliers and contractors, Cat Nat coverage is also likely to become part of "standard" contractual documentation, especially where operations depend on critical sites, plants or equipment. In such cases, the counterparty may require:

a) a compliance declaration (covenant) whereby the counterparty undertakes to *"procure and maintain, in full force and effect, natural catastrophe insurance coverage"* for the entire duration of the contract;
b) contractual remedies in case of lack of coverage (notice of default, suspension, termination);
c) or inclusion among *vendor qualification* requirements (especially for critical sites such as logistics, *data centres* and manufacturing).

<u>Financing and M&A</u>**.** In financing and acquisition transactions, banks and investors may consider Cat Nat coverage as an element of due diligence and risk management, verifying the existence of the policy, the consistency between coverage and corporate assets, and the main terms, exclusions and deductibles.

4) Entities subject to the obligation: companies registered with the Companies Register and foreign permanent establishments

The trigger for the obligation is essentially "registry-based": it applies to companies with registered offices in Italy and to foreign companies with a permanent establishment in Italy that are required to register with the Companies Register pursuant to Article 2188 of the Italian Civil Code, regardless of the section of

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registration (ordinary or special). This approach has also been confirmed by MIMIT, according to which the obligation to take out the policy derives from the obligation to register with the Companies Register.
Agricultural enterprises (Article 2135 of the Civil Code) are excluded.
In practical terms, therefore, if an entity is not (and is not required to be) registered with the Companies Register, it generally does not fall within the scope of the obligation; conversely, where registration is required, the obligation applies, subject to verification of the existence of relevant assets to be insured (see below).

5) Scope of coverage: insured events and assets concerned

The mandatory coverage concerns damage caused by earthquakes, floods, landslides, inundations and overflows, and applies to tangible fixed assets used in the business. In particular, the obligation covers tangible fixed assets pursuant to Article 2424 of the Civil Code (balance sheet format – Assets, item B) Fixed assets, II) Tangible fixed assets, nos. 1–3) and also applies to assets used “under any title” (therefore not necessarily owned): land, buildings, plants and machinery, industrial and commercial equipment.
From an application standpoint, certain official clarifications help to better define the scope of coverage. First, vehicles registered with the PRA are excluded, as means/transport equipment are included only if not registered with the PRA. It has also been clarified that buildings under construction are not subject to the obligation, as they are accounted for under a different balance-sheet item (B-II, no. 5) than those referred to by the implementing decree.
For real estate assets, building and planning compliance is also relevant. On the one hand, the implementing decree excludes from coverage real estate affected by building abuse or constructed without the required authorisations (even if the abuse arose subsequently). On the other hand, the discipline was further clarified during the conversion of Decree-Law No. 39/2025, specifying that insurable properties include those built or extended on the basis of a valid building permit (or completed at a time when such permit was not required), as well as those subject to amnesty or with an amnesty/regularisation procedure pending. For non-insurable properties, the legislation also links consequences to the entitlement to public indemnities/contributions.
In summary, before entering into (or adjusting) the policy, it is advisable to carefully verify which assets fall within the scope, where they are located and whether there are factors affecting insurability (e.g. PRA registration, buildings under construction, building compliance), in order to avoid uncertainty as to the actual scope of coverage.

6) One policy per site? No: the obligation “follows the assets”, but multi-site mapping must be managed

The legislation does not reason in terms of “sites”, but rather in terms of assets/fixed assets used in the business. The company must therefore ensure that all relevant assets, in all locations (head office, branches, warehouses, laboratories, retail outlets), are actually included in the scope of coverage and correctly valued.
In practice, a single “master” policy with multiple locations may suffice, or multiple policies for different sites may be required: this depends on how the insurer/broker structures the risk (since premiums and conditions vary by location). What matters is that, in the event of inspections or document requests (e.g. during public-funding procedures), it can be demonstrated that the coverage meets the required scope.
<u>Third-party assets (lease/leasing/loan for use).</u> A recurring issue concerns assets used by the company without ownership (e.g. leased properties, leased machinery or assets on loan). On this point, MIMIT FAQs clarify that the coverage obligation applies to relevant assets “used under any title” in the business, unless they are already covered by equivalent insurance, even if taken out by a person other than the entrepreneur using them.
As a result, in practice it is advisable to manage the issue in a coordinated manner: verify whether equivalent coverage already exists on the asset, contractually define who is responsible for taking out the policy (and

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with what scope), and regulate the exchange of documentary evidence and alignment between policies. This reduces both the risk of duplication (overlapping coverage) and, above all, the risk of gaps in coverage for assets essential to operations.

7) "Borderline" cases (law firms, STP/STA, RUNTS entities, non-profits)

In these "borderline" situations, the decisive criterion is registration (or the obligation to register) with the Companies Register: from this derives the insurance obligation. In other words, what matters is not so much the "professional" or "non-profit" label, but whether the entity is (or must be) registered with the Companies Register.

Law firms (individual or associated). As a rule, professional firms are not subject to the obligation if they are not required to register with the Companies Register. This approach is consistent with ministerial clarifications, which identify the obligation to register as the trigger for the insurance obligation.

STP / STA (professional companies / law firms organised as companies). Here the picture may change, as these are corporate entities that are normally registered with the Companies Register (often in a special section). In such cases, the obligation may apply: it is not the professional nature per se that is decisive, but the legal-organisational structure and the resulting registration regime.

Associations / ETS registered with RUNTS. Registration with RUNTS alone does not automatically coincide with registration with the Companies Register. However, some Third Sector entities (e.g. social enterprises and social cooperatives) may also be registered with the Companies Register; where this occurs, the general rule applies and the insurance obligation becomes a concrete issue to be verified.

Recognised associations (Register of Legal Persons). The same approach applies: civil-law registration in the Register of Legal Persons does not, in itself, equate to registration with the Companies Register. Therefore, before drawing conclusions, it is advisable to verify whether the entity – in addition to its "own" registers (RPG/RUNTS) – is also subject to registration with the Companies Register.

Checklist (5 steps) for Italian companies and foreign groups with entities in Italy

1. Verify registration (or obligation to register) with the Companies Register and company size (micro/small/medium/large) for deadline purposes.
2. Map assets and locations: land/buildings/plants/machinery/equipment across all sites; verify exclusions.
3. Manage third-party assets (lease/leasing): decide who takes out the policy and coordinate with any existing coverage.
4. Coordinate with existing contracts (leases, procurement, supply) and prepare documentary evidence.
5. For companies accessing grants/incentives: monitor the implementing rules of the relevant authorities.

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