

NatCat Chart — Property Insurance

Commercial lines: SMEs up to an insured amount up to 1.475.462 € (1.01.2016)

Country: Belgium

Perils covered	Peril	Compulsory by law	Compulsory by design	Optional	Market Pen. ¹
	Windstorm	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Hailstorm	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Lightning — direct hit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	90% to 95%
	Lightning — surge	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	90% to 95%
	River flooding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Overflow of stagnant waters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Torrential rain	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Storm surge	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Earthquake	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Snow pressure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Avalanche	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Frost	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	90% to 95%
	Landslide	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Subsidence	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Collapsing sinkhole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Volcanic eruption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90% to 95%
	Meteor strike	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	90% to 95%
	Tsunami	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Commercial Lines

Building

Content

Tariffs, deductibles and the importance of risk prevention

For the Simple risks, being private houses, shops and SMEs up to an insured amount of 1.475.462 € (1.01.2016), fire insurances policies are not compulsory in Belgium. However, a series of perils are compulsory covers in simple risk fire insurance (Royal Decree of 24 December 1992, regulating insurance against fire and other risks – see above). The tariff is freely determined by the insurer (both premium and deductible). The tariff for a particular risk is set according to the risk analysis, which takes precautionary measures into account. However for flooding, landslide, subsidence and earthquake, a maximum tariff is fixed by a Tariff Office. This Tariff Office specifies the maximum rating terms (premium and deductible) for properties for which there is no cover available on the market or only available at excessively high prices due to their exposure to risk. The premiums and claims related to risks using this mechanism to set their tariffs are distributed among all insurers operating in simple-risk fire cover in Belgium.

Sale, underwriting and claims process

The fire insurances policies are sold through intermediaries or the insurers themselves in case of direct insurers. The insurers underwrite the NatCat risks, manage the claims and compensate the victims.
For flooding, landslide, subsidence and earthquake covered at the "Tariff Office conditions", the premiums and claims related to these risks are distributed among all insurers operating in simple-risk fire cover in Belgium.

State intervention

For flooding, landslide, subsidence and earthquake, legislation sets a limit on intervention, by event and insurer, according to their simple-risk portfolio. There is some public intervention in the form of Calamities Funds that take up losses which exceed compensation limits- or losses for some other Natcats that are not compensated by the insurers. "State intervention" also depends on the region (Walloon Region, Flemish region or Brussels Region).

Lightning is an optional cover, but is in practice always insured. Avalanche and Volcanic eruptions do not occur in Belgium.

¹ Please specify how the market penetration was calculated: The market penetration is based on a GfK Significant survey which was done in 2006