



NEWSLETTER

DiOT 
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SCOR develops a cyber-risk management tool

In partnership with CyberCube, a specialist in cyber-risk data analysis for the insurance sector, SCOR is developing a cyber risk management tool.



The French reinsurer has adapted its natural catastrophe risk management platform to the CyberCube application programming interface (API).

This initiative allows SCOR to strengthen its cyber risk management capacities and improve its operational performance for the benefit of its customers.

Beware of impersonation

The Autorité de Contrôle Prudentiel et de Résolution (ACPR) has been informed of the issuance of false certificates of compulsory financial guarantee in France, in particular for the exercise of the activity of temporary employment business, fraudulently using the name of the insurance company:

-**Miripro Insurance Company Limited**, based in Ireland,

-**Credit Banca Transilvania SA**, based in Roumania

Miripro Insurance Company Limited, licensed by the Central Bank of Ireland (CBI), is authorized to market insurance contracts in France under the freedom of service regime and in particular financial guarantees.

Banca Transilvania SA, domiciled in Cluj-Napoca in Romania and licensed by the National Bank of Romania (BNR), is **not** authorized to market products or services in France under the freedom to provide services regime.

Reshuffles in the Axa Group's management team

As part of the "Driving Progress 2023" strategic plan, the Axa Group is making several changes within its management team.

Jacques de Peretti, current CEO of Axa France, is resigning from his position. He is being called to other functions as senior advisor and will remain a member of Axa's management committee.

Patrick Cohen, General Manager of Axa Italy, is to become General Manager of Axa France starting 3 May 2021. According to the ACPR guidelines, the functions of CEO and General Manager will be separated from now on.

Frédéric de Courtois, former General Manager of Generali, will join Axa starting 1 August 2021. He will take up the position of Deputy CEO.



Macif to acquire Aviva France

On 23 February 2021, the British group Aviva entered into exclusive negotiations for the sale of its French subsidiary to Aéma, owner of Macif. In January 2021, the mutual group filed an offer to acquire Aviva France for 3.2 billion EUR (3.9 billion USD).

The insurer's offer covers all of Aviva France's activities.

The transaction, which should be finalized by late 2021, remains subject to regulatory authorisation.

In addition to Macif, four other candidates competed for the acquisition of Aviva France: Allianz, Athora, Generali and the investment company Eurazeo.



Suez Canal blockage: damage costs

According to the Suez Canal Authority (SCA), the container ship "Ever Given", which has been stuck since 23 March 2021 across the Suez Canal, has been put afloat once again.

Maritime traffic has resumed and all of the 400 ships that have been stuck since the blockage began until 28 March can now resume their journey.

For the canal authorities, Egypt has lost revenues ranging between 12 million and 14 million USD for each day of closure.

The specialized magazine [Lloyd's](#) List has estimated that the container ship is blocking the equivalent of approximately 9.6 billion USD of goods every day.

For the insurer Allianz, each day of blockage could cost the world trade between six and ten billion USD.

The ship, 400 meters long and 59 meters wide, weighing 220 000 tons and carrying nearly 22 000 containers, is insured for damages between 100 and 140 million USD.

The [P&I Clubs](#), specialists in shipowners' liability, have an amount of 3.1 billion USD available for the insurance coverage.

The total loss could include:

- damage to the vessel
- vessel salvage and removal costs
- third party liability claims, particularly for damage to the canal and loss of canal profits
- loss of any perishable goods in the cargo
- claims for business interruption and loss of income due to the blockage.



February 2021 winter storms in the US: high cost for insurers and reinsurers

The series of winter storms that hit the United States in February 2021 have caused substantial economic losses, according to a study conducted by the broker Aon.

The polar vortex, which struck the U.S.-Mexico border between 12 and 20 February 2021, resulted in record breaking cold waves. At the same time, a series of low-pressure systems triggered cycles of snow, freezing rain and severe thunderstorms.

The storms resulted in economic damage and business losses exceeding 10 billion USD. Such a toll would make February the most expensive month for American insurers and reinsurers.

On 25 and 26 February, severe thunderstorms and hail episodes have hit North Texas. The economic damages are expected to exceed 100 million USD, a good part of which will be covered by insurance.

The 25 February to 1 March floods in the Ohio and Tennessee valleys have caused losses amounting to nearly 100 million USD.



Compulsory insurance in France reaches across many sectors. Here's an essential guide to make sure your French clients are properly insured.

France is one of the world's most developed insurance markets, ranking fifth globally and second in Europe (behind only the UK). The French insurance sector brought in a revenue of [€293 billion in 2017](#) and there are 285 insurance companies operating in the country.

The [Banque de France](#) regulates insurance in France through the *Autorite de Controle Prudentiel et de Resolution* (ACPR). Over 260 insurance companies in France belong to the [French Insurance Federation](#) (*Federation Francais de l'Assurance – FFA*).

In order to establish the insurance your business needs, take an 'inventory' of the risks to which it's exposed, which usually fall into the following categories:

- Loss of or damage to physical possessions (e.g. fire, breakage or theft)
- Liability due to the responsibilities of the business for its activities (e.g. products sold or work done by the business);
- Risks related to employees (e.g. illness, accidents and death);
- Bankruptcy or other cessation of business.

=>In each issue of our newsletter, we will write an article about a mandatory insurance.

COMPULSORY INSURANCE IN FRANCE

Which insurance in France is legally required?

Business

Individual

Health Insurance and Employee Benefits

employers have a legal obligation to provide a company healthcare insurance and Employee Benefits to all their employees

Motor vehicle insurance

it is mandatory to insure at least the Civil liability in respect of the use of motor vehicles

Construction insurance:

- Decennale
- Dommage ouvrage

Home insurance (Tenant's liability)

Professional civil liability

mandatory for regulated professions: lawyers, notaries, doctors, construction professionals, etc...

Personal liability

Financial guarantee

mandatory for some professions as broker, travel agencies, property developers ...

Insurance for school children

COMPULSORY INSURANCE IN FRANCE: FOCUS ON LEGAL OBLIGATIONS FOR HEALTH INSURANCE AND EMPLOYEE BENEFITS IN FRANCE



How does the French healthcare system in France work?

Access to healthcare in France is not free (exceptions apply). Social security will refund a percentage of the cost with the average refund being 70% of the cost. Refunds from social security for treatments and prescriptions will vary depending on the type of treatment. Social Security set a fee for each procedure and will refund a set percentage of this which is called the base de remboursement.

A Mutuelle top up insurance is intended to pay the outstanding amount after the social security reimbursement. There are many different levels of mutuelle ranging from just hospital treatment up to covering almost all costs. The most popular levels of mutuelle are 100% and 125%. This is the percentage of the base de remboursement, which the mutuelle top up policy will pay up to, rather than the actual cost.

A mutuelle policy can also provide cover to contribute or pay the cost of a private room while in hospital, complementary treatments, and even enhance your cover for private clinics and specialists. Additional services are available for home help, pet care and study support and receiving home help care.

What are the obligations of an employer?

All companies in France must be affiliated to a Convention Collective Nationale (CCN). A CCN sets out the minimum levels of cover that must be provided for their workforce. The Décision Unilatérale de l'Entreprise (DUE) is the document where the company itself will set out how it is going to apply the conditions to their workforce. An employer is legally obliged to provide a company mutuelle top up as soon as there is at least 1 employee. If a company has employees that are cadre (senior job roles) they must put in place an Employee Benefits Scheme (prévoyance) policy too, in addition to the Mutuelle. The company may set different conditions for cadre and non-cadre which will require separate associated DUE's for cadres and non-cadres.

Company Mutuelle Scheme

There are multiple levels available for the Company Mutuelle Scheme, from the minimum legally required, to higher more comprehensive cover. The minimum level an employer must offer their workforce will depend on the CCN. The minimum contribution to the cost is 50% and the employee will pay the other 50%, but an employer can choose to contribute a higher percentage. To summarise, the breakdown of who pays what percentage of the cost depends on what is set in a CCN, the demographic of the workforce, and the choice of level of insurance. Cover can also be for the employee only, the employee and their children or the employee, partner and children together.

An employer is also obliged to offer optional enhanced cover (Option facultative) to the policy on top of the base guarantees (Socle). An employee can choose if they wish to add any of the options. The extra cost of the option, if taken, is at the expense of the employee.

Regarding the process, it is a simple process. There is no need for employees to complete a health questionnaire, and pre-existing conditions are not considered when setting the cost of the contract and will be covered.

Employee Benefits Scheme – Prévoyance

The Employee Benefits Scheme will cover death in service, short term illness and accident, longer term illness/disability/invalidity and a widow and children's pension. An employer has 2 obligations for offering an Employee Benefits Scheme (Prévoyance). Firstly, for all Cadre employees, an employer's minimum obligation is to contribute 1.5% of the employee's gross salary. Secondly, an employer must comply with the CCN which may require higher contributions and might require an Employee Benefits Scheme for non-Cadre staff.

HOME OFFICE: WHAT RESPONSIBILITIES?

Strongly recommended by the French government due to the health situation, working from home is rapidly becoming the norm for many - so what are your rights and responsibilities if you work from home in France?

In case of damage, who is responsible?

Teleworkers have the same rights as other employees, who perform their work on the company's premises.

It is the employer's responsibility to take out the necessary insurance to cover the risks associated with home office:

- Professional multi-risk insurance to protect :

Employees' professional equipment in case of theft, fire, flood, fall etc...
Sensitive data in case of hacking or loss.

- Professional Civil Liability insurance to cover :

Damage that its employees could cause to others in the course of their duties.



How is a home office accident covered?

An accident that occurs during a period of home office is considered as a **work accident**. From now on, such an accident is "*presumed to be an accident at work*" according to the article **L 411-1 of the Social Security Code**.

CONSTRUCTION ALL RISKS INSURANCE (CAR)



Construction All Risks Insurance (CAR) offers **comprehensive protection against loss or damage** in respect of the contract works, construction plant, equipment and machinery, as well as against third-party claims in respect of property damage or bodily injury arising in connection with the building and execution of a construction project. This contract provides a global guarantee **up to the total cost of the project**. This insurance provides an **“all risks” coverage** therefore in principle every risk is covered which is not specifically excluded by the policy arranged. The guarantee is therefore very broad in France (especially in comparison to our neighbors like Germany for example).

Guaranteed goods :

The work itself, but also: the materials on site, the temporary works, the scaffolding necessary for the execution of the work, the witness apartments, and on a case by case basis according to the needs: the equipment and tools, the construction site barracks, the plans, specifications, technical, administrative and accounting documents

Beneficiaries of the guarantee :

All contractors and their subcontractors involved on the site, but also the designers, manufacturers for the implementation of their products on the site, the contracting authority and the operation manager with waiver of recourse against the latter responsible for the guaranteed damage, including their own insurers.

Covered Events:

False operations, negligence, impacts, breakage, deterioration, construction defects, **collapses**, fires, explosions, lightning strikes, thefts or attempted thefts, storms, hurricanes and cyclones, natural disasters, attacks, vandalism, sabotage, weight of snow, hail, strikes, civil unrest, water damage, design errors ... CAR coverage may be extended to cover additional custom duty, air freight, **damage to surrounding property**, debris removal or maintenance visits,

Expenses Covered:

Reinforcement measures, demolition, clearing, temporary repairs, fees of the men of art, costs of working hours, transportation, travel and accommodation costs, access costs, cleaning costs, and on a case by case basis according to the needs the costs of express transportation by any means including air, costs of working hours outside normal hours.



Supreme Court – Decision 09/12/2020 (n° 19-17.724) :

Products Liability : can a corked wine lead to the producer's liability?

To carry out the electrolysis of his wines, a winemaker called in a professional who used nitric acid and soda lye.

But after the operation, he noticed that his wines had a corky taste.

He decides then to claim compensation from the chemical producer.

The latter answers that if the products in question have indeed altered the taste of the wines, they have not made them dangerous for the health of consumers. This deprives the winemaker of any compensation!"

The Supreme Court overturns the decision: **even if the pollution of the wines is not of a nature to harm the health of the consumers, it engages however the responsibility of the producer since it results from the defectiveness of the products which it manufactures. He must therefore pay the compensation claimed.**



Supreme Court – Decision 21 janvier 2021 (n° 19-20.724):

Any document signed by the insured, but not by the insurer, and claiming a waiver, may constitute an enforceable transaction in insurance law.

The insured signed a certificate dated September 3, 2007 "acknowledging that she had received a sum in settlement of all accounts" and that "this settlement put an irrevocable and definitive end to their contractual relationship".

The insured decided to sue the insurer in 2015, considering that the certificate of September 3, 2007 was signed only by her, which removed the character of the transaction from the certificate.

The Supreme Court overturns the decision: **the writing provided for in the Civil Code is not required for the validity of the transaction contract, but only as a means of proof.**



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