

IN TIME BROKER SRL and GGA DA SRL, in 2014 have established a partnership agreement that we will scrutinise in case our project, as described below, would be taken into consideration.

1. CORPORATE OBJECTIVES

The 2016 insurance market outlook, in countertrend with the Italian and international economic situation, records a solid profitability in the damage branch and, in the matter of question, in the deposit branch.

The duo GGA DA SRL and IN TIME BROKER SRL, considering the historical significance of the structures which are trying for long to operate in the Deposit Branch in a skilled and professional manner, came to the search for a partner which could operate in this particular kind of risk without the preclusions, not dictated by legal or reasoning aspects but mostly dictated by a company political orientations, now typical of Italian companies.

Taking into account the fact that the economic crisis has not come to an end yet, the deposit insurance policies continue to be highly requested;

The deposit branch is a market where the demand is still higher than the supply, due to the many factors, which compel the client to present financial guarantee, especially when he has to fulfil duties towards the public administration.

This is why we are trying to establish a partnership with a company specialised in this insurance branch, which is equipped with an efficient computer system and efficient processes, with a complete catalogue of products and attentive to the market exigencies.

2. RISKS UNDERTAKEN

As aforementioned, the prolonged economic crisis has created an uncertain and impasse situation.

Traditional companies, whether due to company choices, or due to more stringent insurance treaties or simply for the lack of normative clearness on the matter in Italy, have excluded from their core businesses niche markets, which, in our opinion, are worthy to deal with.

At present, in the Italian market, there is a series of risks, which are not taken into account by the companies, not for aspect linked to pure risk, but due to reasoning limits linked to the text requested by the Beneficiary. Here below are briefly presented the guarantees upon which our team would like to operate:

-Law 210- the legislation in force for civil constructions compels the constructor to present two guarantee policies of the real estate he is building, and precisely:

1) Surety Policy on the advance payments received, that is the deposits that the constructor receives as an advance on the real estate, which he is building and which is sold in this phase, have to be granted in this case by the insurance company.

2) Late Policy where the constructor has to grant, through an insurance policy, the edifice for 10 years starting from the finalisation of the work and the related conformity to standards certificate.

- Public concessions and Regional and Provincial authorisations: In case there are areas of public concession, the State compels the granter to present a surety policy as a guarantee of the fulfilment of the duties linked to the concession. The duration can vary from 2 to 20 years.

Other than concessions, there is a series of authorisations, which always compel the subject who receives the authorisation to present a suitable surety guarantee for the restoration of the location at the end of the authorisation time, and in general at the end of the activity to which it refers.

-VAT refund. The client, who results in tax credit, in order to obtain the refund, has to present suitable surety guarantee to the State with which the warrantor commits with the beneficiary to the real existence of the credit declared by the policy contractor.

1. EVALUATION OF PROCEDURES AND DEGREE OF RISK

We boast agents who worked for 10 years with primary Insurance Companies and who have with them proxies and reasoning autonomy.

Furthermore, the proved experience acquired in the sector allows an analytical selection of the risks in the reasoning phase combining:

- a) Technical risk evaluation;
- b) economic/financial evaluation of the client;
- c) Subscription conditions.

Here below a concrete example of our reasoning system, with law 210, in one of the sectors in which we want to operate:

Our focus is on small-medium structures with total costs of construction, which do not exceed 2.000.000 Euro. Our orientation is towards constructions for civil use and portions of real estates, in particular two/three/four-units buildings.

We avoid large constructions, which are often subject to speculations and most of all lack high financial coverage due to the sale difficulties typical of this historical period, which therefore brings a high degree of risk.

Once selected the typology of construction we evaluate the client's financial situation through the acquisition of the balance sheet of the company and of the business partners, verifying immediately the effective degree of solvency. We also ask for the economic financial plan made by the constructor and how he intends to collect the financial resources necessary to complete the work in a correct manner and with no financial overdrawn.

When a positive evaluation is made, we will, certainly and in every case, demand of the business partners their personal co-obligations in order to lower the risk by making such partners participate with their personal assets.

We will enable the Company to work in total serenity in order to exclude borderline operations.

The objective is to maintain high the business profitability.

2. MEDIUM AND LONG TERM PROSPECTUS

In 15 years we will be able to bring to the Company a prize collection of about 10.000.000,00€ which can be redoubled in the case that the Company gives us autonomy.

3. ORGANIZATIONAL MODE OF THE SALE NETWORK

To complete the picture, we have organised a pronged organizational chart which sees the professional broker operative in the field, having relationships with the outward through specific offices divided into distinct areas, and in particular:

- The office dedicated to the analysis of the risks of the companies, which are already client or potential ones, is located in the GGA DA headquarters and employs information technology to examine the multiple facets of a position, a practice and a client fully;
- The reasoning area employs its competences, in the corporate headquarters, in the branch of Deposits and Surety, and for the assumption of particular and technological risks; together with Broker IN TIME. Nevertheless the analysis is often a four hands made one;
- The management area deals with Administration and Accounting and is managed by the person who has the client's authorship, which is in most cases the Broker.

LEGISLATION

1. CONDITIONS OF ACCESS AND AUTHORISATION TO THE INSURANCE ACTIVITY IN ITALY

The second title of the Insurance code disciplines the access and authorisation to the Insurance activity, specifying the exclusive basis of its exercise, and regulating the exercise of a company in another European Union member state or headquartered in a state not part of the EU (third country).

2. EXECERCISE OF COMMUNITARIAN INSURANCE COMPANIES IN ITALY

The companies with registered office in an European Union country do not need the authorisation of the IVASS (Institute for the Surveillance of Insurances) to operate in Italy. They can freely work either in the right of establishment (that is with the creation of a secondary headquarter and thus with a permanent presence in Italy), or in right of freedom of performance of services (that is the temporary exercise of the activity).

In this case is valid the principle of the “home country control” which means that the surveillance on this corporation is up to the origin country.

Nevertheless, in case of violation of the Italian legislation, the IVASS can encourage the corporation to adjust and, in case of recidivism, can ask for the intervention of such a surveillance body and possibly ban the stipulation of new contracts and can also apply administrative sanctions at the expense of the Italian establishment or of the goods owned in Italy.

Before a Communitarian enterprise starts its activity it is necessary that the surveillance authority of the member state of belonging communicates this intention to the IVASS. In case a Communitarian enterprise intends to work under the freedom to provide services, such communication should also contain a program indicating the establishments where the enterprise intends to work, the member states in which it intends to work, the typologies of risks and of the obligations it intends to assume, and the other information indicated by the IVASS.

The name and address of the representative fiscal agent who has the duty to pay the taxes on the prizes concerning the insurance contracts stipulated in Italy should also be indicated.

In case an enterprise headquartered in a member state intends to operate in a right of establishment in the communication, it should also be indicated the name and address of the general representative who is the person holding a mandate which confers him the power to represent the enterprise in court and before all Italian authorities and the power to conclude and sign contracts and the other acts concerning the activities exercised in Italy.

The enterprise can start the activity under the freedom to provide services that guarantee the receipt of the communication by the Surveillance Authority of the origin country. The enterprise can establish its second headquarter and start its activity, in right of establishment, after it receives the IVASS’s communication by the Surveillance Authority of the country of origin or, in case of silent approval, 30 days after the data of reception of the communication of the Surveillance Authority of the origin country by the IVASS.

1. EXECERCISE OF EXTRA-COMMUNITARIAN INSURANCE COMPANIES IN ITALY

The companies with registered office in a third country, which intend to exercise the insurance activity in Italy, must receive previous authorisation by the IVASS. Such companies cannot operate under the freedom to provide services, but only in right of establishment.

In case of violation of such ban, the stipulated insurance contract is invalid.

The control and surveillance of this company is up to the IVASS.

The company in particular should:

- Establish in Italy a secondary headquarter and appoint a general representative with residence in Italy;
- Be established in the origin country in the same social form provided for Italian companies (namely Joint Stock Company, Cooperative Society and Mutual Insurance Company) or an equivalent form;
- Demonstrate that it possesses activities/investments in Italy for an amount at least equal to the minimum quota guarantee and with the guarantee deposit at the Deposits and Loans Fund (Cassa Depositi e Prestiti) or at the Bank of Italy (Banca d'Italia), of a sum either in numbers or titles, equal to at least the half of the minimum amount;
- Present a program of activities of this headquarter and the balance sheets of the past three years.

For the rest the documentation to present will be similar to that for the concession of the authorisation to Italian companies. Furthermore, it should be presented a certified document of the surveillance of the origin country on the respect by the company of the requisites of capital adequacy forecasted by the national set of rules and of the adequacy of the administrative and accountant structures of the company or of the insurance group of belonging.

In closing we must specify that the authorisation cannot be released in case the origin country does not respect the principle of equal treatment or reciprocity towards the companies with registered office in Italy, which intend to construct or have already built a secondary headquarter in such a state.