

about ICISA

- Founded in 1928 (as ICIA)
 - first credit insurance association
- > 95% of private global market
- > 15% of global trade

- 54 Members
 - 34 credit insurance members
 - Other members:
 - surety bond underwriters
 - reinsurance companies

ICISA members



Trade Credit Insurance

- Insurance against non-payment due to
 - Insolvency (bankruptcy)
 - Period without payment
- Domestic vs export cover
- Commercial vs political risk
- Whole turnover vs selected cover
- Credit Risk vs Pre-Credit Risk
- Short-Term / Medium/Long Term
- SMEs

additional benefits

- Easier bank lending
- Full use of capital
- Increased sales
 - credit instead of cash
- Cost saving
 - on info, collection, bad debt provision
- Tax and accounting benefits
 - premium tax deductible in IFRS
 - recognition of revenues
- Improved rating
 - risk mitigation is taken into account by rating agencies
- Avoids class action



ICISA TCI members results 2014

(compared to 2013)

- premium + 3%: € 6 billion
 - 2007: +35%

- claims – 1%: € 2.9 billion
 - 2007: +39%

- claims ratio: 46.9%
 - 2013: 48.8 %
 - 2007: 45.6%

- insured exposure + 12%: € 2.2 trillion
 - 2007: +29%

the current TCI market

- Increased competition
- Claims rising: Brazil, Canada, China, Russia
- Insolvencies construction sector
- Soft market with exceptions
- Ample reinsurance capacity
- Growth in Europe, MENA, Asia & N America
- Trade Finance: improving, alternatives
- Solvency II: implementation 2016

outlook 2015 and beyond

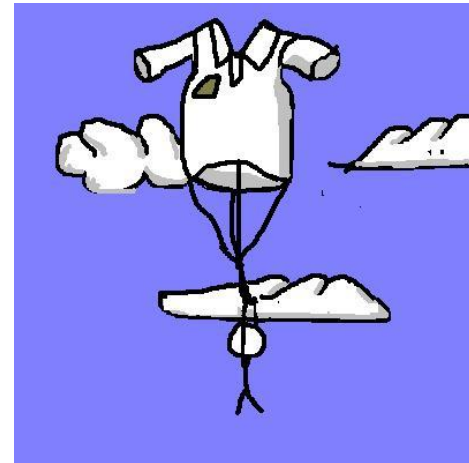


reinsurance market trends 12 months

2% = hard

24% = neither

74% = soft



concerns Trade Credit Insurance

- ❖ Rising claims: Russia, Brazil, Turkey, China
- ❖ Fraud: Brazil, China
- ❖ Political unrest: MENA, South East Asia
- ❖ Lower premium rates
- ❖ Financing by banks: SMEs
- ❖ Alternative financing
- ❖ Construction sector
- ❖ Solvency II (Europe, other regions)
- ❖ Regulatory – protectionism - system



Outlook information

- more personalised services
- Big Data
- Information Technology
- Regulation
- restrictions on internet access
- Increased compliance and regulatory demands

Buyer info in Asia

- transparency
- group structures
- key information lacking
- quality
- reliability
- financials - consolidated financials

THANK YOU!

rob.nijhout@icisa.org

