

ICISA

INTERNATIONAL CREDIT INSURANCE & SURETY NEWS

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From the President's Office

By: John Rumpler, President

Welcome to the third issue of the ICISA newsletter commenced earlier this year. This is a special edition, which is not only being distributed to the ICISA membership, but also to all participants at the joint meeting of the Berne Union and ICISA, which is being held in late October and early November in Amsterdam.

For the first time in our history, meetings of both associations are held at the same venue and during the same period. It provides a unique opportunity for participants to network, and for members from each association to be involved

in a joint session to discuss and contribute to matters of common interest as well as attend to their respective association's meetings.

As you can imagine, to ensure a smooth series of sessions and meetings, a great deal of additional preparation was required from both secretariat's, and also I would particularly like to thank Atradius for their valuable support in hosting the combined event.

At these Autumn Meetings, ICISA will launch its

2007 Directory. The content is updated and the new design is contemporary and professional.

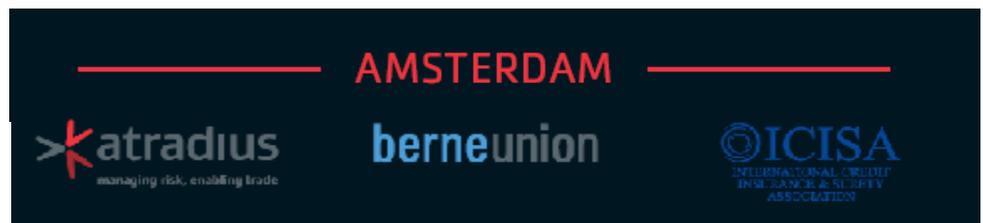
I look forward to greeting attending representatives of each member company to our Autumn Meetings and welcome their contributions to the interesting discussions on the various topics that have been scheduled.

With Personal and Sincere
Regards,

John Rumpler
President of ICISA

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Converium sells North American operations

On the 17th of October, Converium announced the signing of the agreement to sell their North American operations to National Indemnity Company; a Berkshire Hathaway company.

The National Indemnity Company will pay \$295 million; \$95 million in cash and \$200 in assumption of debt.

CEO of Converium, Ms Inga Beale, mentioned: "With this transaction we have successfully delivered on our promise to achieve finality regarding Converium's US operations through a clean-cut sale. We can now fully concentrate on building Converium's future, with

our business strategy focused on markets outside the US."

More information will follow on the 7th of November at the presentation of Converium's half year results.

Source and full press release:
www.converium.com

Credit Insurance & Surety in the news



Business Money International

The Aug/Sept issue of this magazine features a three page article on Solvency II from the credit insurance and surety perspective. This in-depth analysis was written by ICISA's Solvency II Expert Group.

For the full article, please visit: www.icisa.org/news.

Het Financieele Dagblad

The leading daily financial newspapers of the Nether-

lands has published an interview with Mr Wilfried Verstraete on the occasion of his departure as CEO of Atradius.

The article focuses on the recent reorganisation, the pending majority shareholding of CYC and SCO and on the planned merger of the companies. Mr Isidoro Unda, current CEO of CYC, will eventually become CEO of the new company.

Source:

Het Financieele Dagblad, 28 September 2006

Global Reinsurance

Several ICISA members are highlighted in the September issue of this magazine. Their Country Analysis focuses on Germany and Munich Re, Swiss Re, AXA, Allianz and Hannover Re are included in the article.

This issue also features a Company Profile on QBE.

Source and full articles can be found on: www.globalreinsurance.com

Berne Union + ICISA: A Long Standing Partnership

Long-standing partnership results in combined meetings

The Berne Union and ICISA have a close relationship. This has led to the combined meetings at the end of October. A good opportunity to share some more information on our colleague association.

The Berne Union, officially the International Union of Credit & Investment Insurers, has a history dating back to 1934. Private and state export credit insurers from France, Italy, Spain and the UK founded the organisation. The first meeting was held in Berne, which led to the name Berne Union. The Secretariat is not based in Berne though, after Paris it is located in London since the 1970's.

In 1993 the Prague Club

was started by the Berne Union with the aim of establishing an information exchange network for new agencies in Central and Eastern Europe which have not yet met the entrance requirements of the Berne Union.

The Berne Union together with the Prague Club, have over 70 member companies and organise the following:

- * Annual General Meeting;
- * Committee Meetings;
- * Seminars and workshops.

The Berne Union Intranet is a valuable communication tool for its members and facilitates information between their Secretariat and the members.

The Berne Union is an international, non-profit

organisation dedicated to facilitating world-wide cross-border trade and investments by fostering international acceptance of sound principles in export credits and investments insurance, and by providing a forum for professional exchanges among its members.

Its Value Statement is as follows:

We are committed to operate in a professional manner that is financially responsible, respectful of the environment and which demonstrates high ethical values, all in the best interest of the long-term success of our industry.

Our long-standing partnership forms an excellent basis for future fruitful collaboration.

www.berneunion.org.uk



Co-operation agreement SACE BT and Ingosstrakh

One of ICISA's newest members, SACE BT from Italy, has signed a co-operation agreement with Russian insurance company Ingosstrakh and its Austrian subsidiary GARANT.

randa of Understanding, one related to SACE Spa, the other to SACE BT.

The agreements enable both companies to exchange information on debtors and loss records, while it also provides for a greater capacity for larger risks.

The agreement to co-operate is extensive and regards on underwriting, reinsurance and credit recovery in the respective countries.

In their press release the company states: "SACE, that recently opened a representative office in Moscow, will increase its activities and implement risk sharing policies in Russia and CIS countries, that represent particular strategic countries of Italian exports."

For full press release, please visit: www.sace.it



Parent company SACE Group signed two Memo-

Hong Kong Hub for Atradius

Atradius has a new Asian headquarter. On the 29th of September 2006 the company received its operating license for their Hong Kong Branch. Besides Hong Kong, Atradius has offices in Tokyo, Shanghai and Mumbai and it will open a Singapore office later this year. "Obtaining our operating license in Hong Kong enables us to fully maximise the value of our offering in Asia to customers. We have

selected Hong Kong as a strategic central location from which to springboard our plans for the region," says CEO Mr Peter Ingenlath.

But Atradius has more thorough plans for Asia; expanding in Korea and Malaysia for example. "We see Asia as one of the key regions for economic growth," says Mr Alun Sweeney, Regional Director for Asia, "and whilst China and India are

leading the way, other markets in the region are growing significantly as well."

Full press release: www.atradius.com



Updates from the International Law Office

In September and October of this year the International Law Office published two articles regarding the Insurance/ Reinsurance business.

In September attention was given to a new law which reforms the supervision of

Insurers in Switzerland. The update highlights the most significant aspects of this complete revision of Swiss law governing the supervision of insurers.

'Early implementation of EU Reinsurance Directive' is the title of an

article published in October on developments in Ireland. Ireland's commitment to retaining and developing its status as a major centre for the international reinsurance industry is highlighted in this article.

Both articles can be found on www.icisa.org, Secretariat News

Coface and Atradius present half year results

At the end of September 2006 both Coface and Atradius



tradius presented their results for the first half year of 2006. Both companies show generally better results compared to the first half year of 2005.

Coface's consolidated turnover rose with 10.7% compared to the first half year of 2005 to €669.9 million. The loss ratio remained at 47% of premiums which is a lower rate than in 2005. Coface expects reasonable growth for the second half year of 2006, because of the ongoing implementation of a strategic plan and the worldwide roll-out of its proposal.

Atradius announced record results over the first half of 2006. The company's net profit rose 8.3% to €60.1 million and turnover increased by 3.2%. In new markets turnover grew much higher at 35%.

Sources and more information on: www.coface.com and www.atradius.com

Euler Hermes finalises acquisition of Allianz Ireland

At the end of October 2006, Euler Hermes will finalise the acquisition of Allianz Corporate Ireland plc's credit insurance business. This agreement allows Euler Hermes to enter the Irish credit insurance market.



The affected Allianz Ireland employees will continue working in the branch office, located in Dublin. A smooth

change over is ensured this way. Another branch office in Belfast will provide for clients in the Northern part of Ireland.

From the end of October 2006 Euler Hermes wants to start underwriting policies in Ireland through both these branches.

"We are delighted to be inheriting such a sound business from Allianz Ireland and are looking forward to developing it further in such a dynamic and fast-moving market," says Richard Webster, CEO of Euler Hermes UK, "we will aim to improve even further the quality of service offered to our Irish clients."

*Sigma
Report:
Controlling
and
managing
risk
exposure is
the key to
success*

New Swiss Re Sigma Report published

On 11 October Swiss Re published their latest Sigma Report. One of the main conclusions is:

Increasing trade calls for better risk management by providers, creating opportunities for insurers.

Credit insurance and surety are an important part of the total market for risk transfers. Both credit insurers and surety companies are particu-

larly active in businesses as export trade, domestic sales to the retail and construction sectors and contractors doing business with public institutions.

Total premium for credit insurance in 2005 were \$ 6.9 billion. Global trade has risen 6.2% per year, in real terms since 1950.

The USA has written half of the total estimate of global

surety premiums. The total amount was estimated at \$ 7.9 billion in 2005.

It was concluded that controlling and managing risk exposure is the key to success in credit insurance and surety.

Source and full press release: www.swissre.com



Coface Collections closes deal with Newton



On the 29th of September 2006, Coface closed a deal with Newton & Associates Holding Company, Inc.

Newton is a leading provider of commercial accounts receivable management services.

All assets of Newton have been purchased and it will operate as a division of Coface Collections North America.

The 225 employees, divided over offices in Metairie, Denver, Tucson and Vancouver will continue delivering the same service as before.

Mr Michael J. Ferrante, President of Coface North America, Inc. stated, "This strategic investment extends our core business of protecting companies against the risk of non-

payment of receivables and significantly strengthens Coface's presence in the US commercial debt recovery market. Our objective is to become a major player in all four Coface business lines in the US-trade receivables insurance, commercial credit information, receivables management and factoring." *Full press release can be found on www.coface-usa.com*

XBRL; an introduction

The purpose of this article is to communicate the business case for XBRL (eXtensible Business Reporting Language) and the current status of this initiative in the market place. It aims to explain business reasons as to why XBRL is important to your business and the current adoption status of this standard in the market.



The objective of XBRL is to facilitate the processing, interchange and publication of financial and business information. It's an emerging Internet standard based on XML, governed by a non-profit international consortium.

XBRL is the new Internet standard specifically designed for business reporting and information exchange, its a logical next step in the evolution of technology-driven improvements as it is based

on a broader set of universal standards that the software industry has adopted, hence allowing a broader and more universal solution.

In credit determinations, XBRL can streamline processes in credit assessment and risk management, increasing the quality, timeliness and frequency of analysis and decreases costs.

How Does XBRL Work?

To facilitate the interchange of information, XBRL consists of an instance document, containing primarily the business facts being reported, and a collection of taxonomies, which define metadata about these facts, such as what the facts mean and how they relate to one another. XBRL uses XML schema, XLink, and XPointer standards.

For example, XBRL taxonomies exist for International Financial Reporting Standards IFRS and United States Generally Accepted

By: Mariano Arnaz, chair CoIP

Accounting Standards (US GAAP). They provide an extremely powerful way to model the semantics of a reporting framework and are highly extensible.

XBRL enables direct communication between all the different stakeholders in the Credit assessment supply chain, creating an open universal standard, leveraging the current state of the art technology disparate business-information systems and software, XBRL Web services eliminates the need for manual preparation tasks, leaving more time for information use, especially analysis.

XBRL Web services can make risk assessment processes cheaper, easier, faster more comprehensive and, ultimately, capable of producing results that are up to date, even up to the minute.

For full article, please go to: www.icisa.org/projects. For more information, please visit www.xbrl.org

ING Groep sells Nationale Borg

Meeting calendar

Autumn Meetings 2006 - Amsterdam

30 October - 1 November

Surety Seminar 2006 - Munich

19 - 21 December

Spring Meetings 2007 - Seville

14 - 16 March

65th General & Associated Meetings - Guadalajara

6 - 9 June

Autumn Meetings 2007 - The Netherlands

26 - 28 September

ING Groep N.V. has agreed to sell Nationale Borg-Maatschappij N.V. to Dutch investments firms Egeria Capital B.V. and HAL Investments B.V.

This news resulted in S&P's downgrading Nationale Borg's rating from 'A' to 'A-', outlook stable.

Nationale Borg expects the deal to be closed in the first quarter of 2007 after agreement of the Works Counsel.

Nationale



Borg will keep on operating like they are presently doing. Their equity position, offered products and staff will remain the same.

Mr Floris Elias, CEO of Nationale Borg and Mr Klaes Visser, CFO of the company state in a letter announcing the news: "Business relationships will continue as usual and within the new structure we shall be able to expand our

position, backed by two strong parties, giving us additional flexibility and financial strength."



Source: Nationale Borg.
For full press release, please visit: www.icisa.org

Appointments & Announcements

Changes in Management Board Atradius

Mr Wilfried Verstraete, CEO of Atradius has stepped down from his position with effect of 1 October 2006. Until the Atradius - Crédito y Caución merger is finalised, *Mr Peter Ingenlath*, Vice-Chairman of the Atradius Management Board, takes the position of ad-interim CEO. After completion of the merger, *Mr Isidoro Unda* will become CEO of the new company. At the moment Mr Unda is CEO of Crédito y Caución, and Member of Atradius' Supervisory Board.

Full press release:
www.atradius.com

New address Zurich GSG

Zurich GSG has moved to a new office. Their new address: Sandfield House Water Lane Wilmslow, SK9 5BZ United Kingdom Telephone- and fax numbers and email addresses remain the same.

Changes for Atradius Germany

Atradius will move its office in Cologne. From November 2006 the new address will be: Opladener Straße 14 50679, Cologne Germany Telephone- and fax numbers and email addresses remain the same.

From the 1st of January 2007 Atradius Germany will have a new Country Manager. *Mr Michael Timmermann*, a former Management Board member of Gerling Polska, will take the job.

Mr Gabor Varga CEO Euler Hermes Japan

On 30 September 2006, *Mr Frank von Seth*, CEO of Euler Hermes Kreditversicherungs-AG Japan Branch, stepped down. He will follow a new assignment and future after six years in Japan. *Mr Gabor Varga*, former Member of the Board of Directors of Euler Hermes Hungarian Credit Insurance Ltd., has taken over the position.

Reappointment Mr Lucio Stanca to Board PartnerRe

PartnerRe has reappointed *Mr Lucio Stanca* to their Board of Directors. Mr Stanca has already been a Member of PartnerRe's Board from May 1998 until January 2005. In the mean time Mr Stanca was a cabinet member of the Italian government.

Martina Dobringer, CEO of Coface Austria receives prestigious decoration

Mr François David, President of Coface, has announced that *Ms Martina Dobringer* has been awarded the "Chevalier dans l'Orde de la Légion d'Honneur" in September 2006. This prestigious distinction is the highest decoration awarded by the President of France.

From the ICISA Secretariat; sincerest congratulations to Ms Dobringer.



Photo on the left: *Mr Peter Ingenlath*, ad-interim CEO of Atradius.

Photo on the right: *Ms Martina Dobringer*, CEO of Coface Austria

