

PRESS RELEASE

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FOR IMMEDIATE RELEASE

More companies rely on trade credit insurance and surety bonds in economic challenging times

‘In times of increasing insolvencies, more companies value trade credit insurance as effective management and risk control tools’

‘Pre-qualification vetting of contractors reduces project disruptions and saves costs for surety bond beneficiaries’

Trade credit insurance

- **Insured exposure increased by 4.4% to € 1.92 trillion (2011: € 1.84 trillion)**
- **Premium increased by 3% to € 6.14 billion (2011: € 5.96 billion)**
- **Claims paid to clients increased by 12% to € 2.93 billion (2011: € 2.62 billion)**
- **Insured exposure is at all-time high in spite of high risk environment with growing number of insolvencies**
- **Increase in claims paid to clients is to a large extent due to insolvencies in Europe**

Surety

- **Insured exposure remained flat at € 269 billion (2011: € 268 billion)**
- **Premium increased by 2.4% to € 2.11 billion (2011: € 2.06 billion)**
- **Claims paid to clients increased by 26% to € 914 million (2011: € 727 million)**

ICISA

- **ICISA welcomes ACE Surety and Endurance as new members**
- **The total number of members is now 50**
- **ICISA celebrates its 85th anniversary by publishing a reference book on trade credit insurance: ‘An introduction to trade credit insurance’**

The members of the International Credit Insurance and Surety Association (ICISA) met today in Milan for their 71st Annual General Meeting to discuss market and industry developments. Concern was raised about the slow economic recovery, especially in Europe, as it continues to restrict the willingness of companies to invest and trade. Insolvencies are increasing and consequently a continuing rise in premium levels is reported by the trade credit insurance and surety members.

Trade credit insurance

“In times of increasing insolvencies, more companies value trade credit insurance as effective management and risk control tools. It is evident that it has a positive effect on the cash flow management and business continuity of our members’ clients and is therefore valued as management tool in an environment concerned with an increasing number of bankruptcies”, says ICISA President Jim Davidson. “ICISA trade credit insurance members paid out almost three Billion Euros in claims to clients over 2012. This demonstrates the soundness and financial flexibility of the industry. Policyholders received almost three Billion Euros for their unpaid receivables enabling them to continue trading in spite of these losses”, Andreas Tesch, Vice-President of ICISA, adds.

Surety

Regarding the surety members' results Davidson indicated that "the surety claims picture worsened compared to previous years". Davidson explains that "ICISA surety members report increased claims frequencies due to poor performing transport and construction sectors". He adds that "pre-qualification vetting of contractors reduces project disruptions and saves costs for surety bond beneficiaries".

USA Platform

Members of ICISA further decided to increase the regional focus of the Association by creating a USA platform. "The Asia Sub-committee has already proven to be a strong pioneering initiative after its inaugural meeting last year. In order to better assist our trade credit insurance members operating in the USA, it is decided to continue our regional focus by creating this new platform", Tesch explains.

'Supporting trade since 1928'

This year ICISA celebrates its 85th anniversary with the tagline 'Supporting trade since 1928' and the release of the first industry-wide written book on trade credit insurance. "This reference book has been written by industry experts from our member companies. These companies jointly represent over 95% of the world's private trade credit insurance industry. This book gives an introduction to our industry and products to any interested party," Robert Nijhout, executive director, states. He further reported that ACE Surety and Endurance were admitted as new members to the Association. "The admittance of on average two new member companies each year shows the association is vibrant and that it continues to play its role supporting its members".

NOTE TO THE EDITOR:

The International Credit Insurance & Surety Association (ICISA) brings together the world's leading companies that provide trade credit insurance and/or surety bonds. Founded in 1928 as the first credit insurance association, ICISA has currently 50 members in total. The trade credit insurance members account for over 95% of the world's trade credit insurance business. Today, with over USD 2 trillion in trade receivables insured and billions of dollars worth of construction, services and infrastructure guaranteed, ICISA members play a central role in facilitating trade and economic development on all five continents and practically every country in the world.

ICISA members are: ACE Surety - Afianzadora Latinoamericana - Allianz SE Reinsurance - PT. Askringdo (Persero) - Aspen Re - Atradius - AXA Assurcredit - AXA Winterthur - AXIS Re Ltd - Catlin Re - CESCE - China National Investment & Guaranty Co., Ltd - CLAL Credit Insurance Ltd - Coface - COSEC - Credit Guarantee - Ducreire | Delcredere S.A. N.V. - ECICS Limited - Endurance - Euler Hermes - Fianzas Atlas - Fianzas Monterrey - Garant - The Guarantee Company of North America - Groupama Assurance-Crédit - Hannover Re - HCC International - ICIC - Lombard Insurance Company - Mapfre Caución y Crédito - Mitsui Sumitomo - Munich Re - Nationale Borg - Novae Group plc - PartnerRe Ltd - PICC Property and Casualty Company Limited - PRISMA - QBE - R+V Re - SACE BT - SCOR Global P&C SE - Seoul Guarantee Insurance Company (SGI) - SID-First Credit - Sompo Japan - Swiss Re - Tokio Marine & Nichido Fire Insurance - Tryg Garanti - Zurich Insurance plc, Niederlassung für Deutschland - Zurich Global Corporate UK, Surety - Zurich Surety, Credit and Political Risk

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