



**1st Joint Meeting of
Arab and Islamic ECAs
Beirut – Lebanon
(27 – 28 October, 2009)**

The results of the questionnaire
pertaining to

**“The Impact of the Financial
Crisis on Member ECAs’
activities”**



Questionnaire Sections



Section 1: The Impact on demand for insurance coverage

Section 2: The Impact on Claims – Recoveries

Section 3: The Impact on the Underwriting Policy

Section 4: The Impact on Reinsurance

Section 5: Cooperation between Members



Section 1: The Impact on Demand for Insurance Coverage (4 Questions)



Section 1: The Impact on demand for insurance coverage



Q1: Have ECAs experienced any change in demand in the recent months?

YES
98%

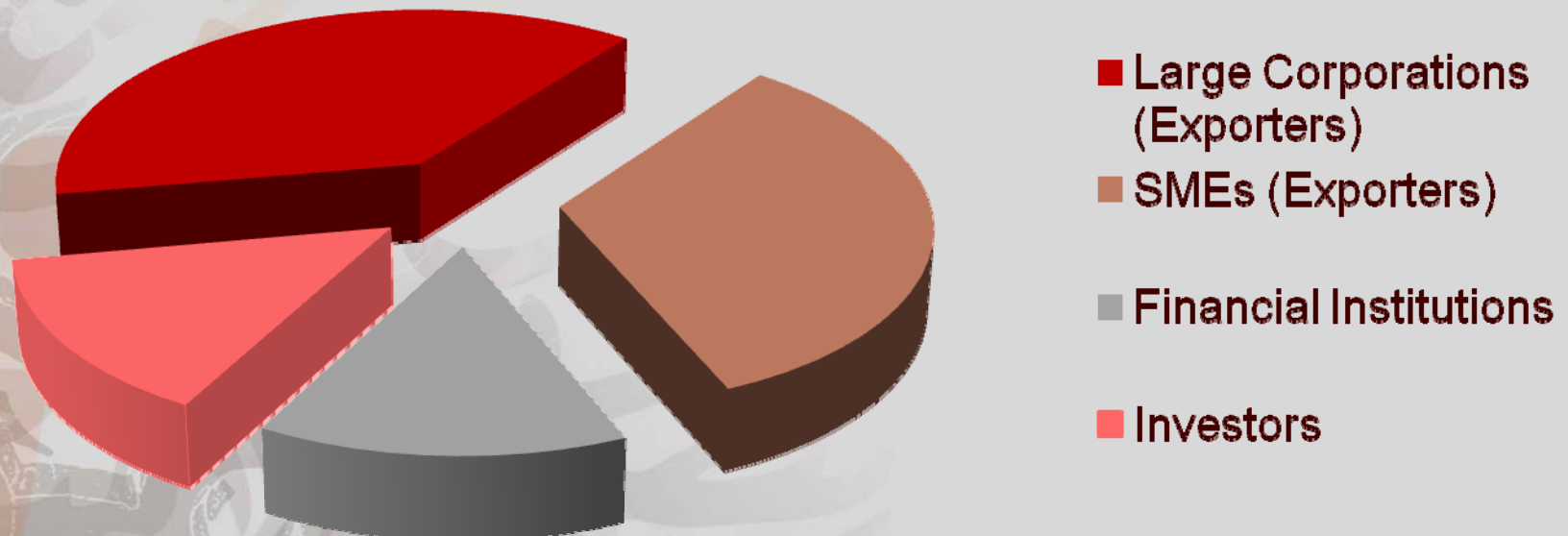
- Demand has increased in the recent months compared to the same period in 2008.
- The crisis has triggered an increase of awareness for the credit insurance scheme.
- The premium income from new business increased while the premium from the existing policies has reduced.

NO
2%

- The decrease in the trade flow affected unfavorably on the volume of credit insurance business.

Q2: What are the main features of changes in demand by type of client/insured?

Increase in Demand for Credit Limits in terms of Type of Clients





Section 1: The Impact on demand for insurance coverage



• Main Features required:

Larger
Credit
Limits

Flexibility
in covering
markets

Transactions
based on
Open
Accounts

Investment
Projects
based on
BOT, BOOT,
BOO



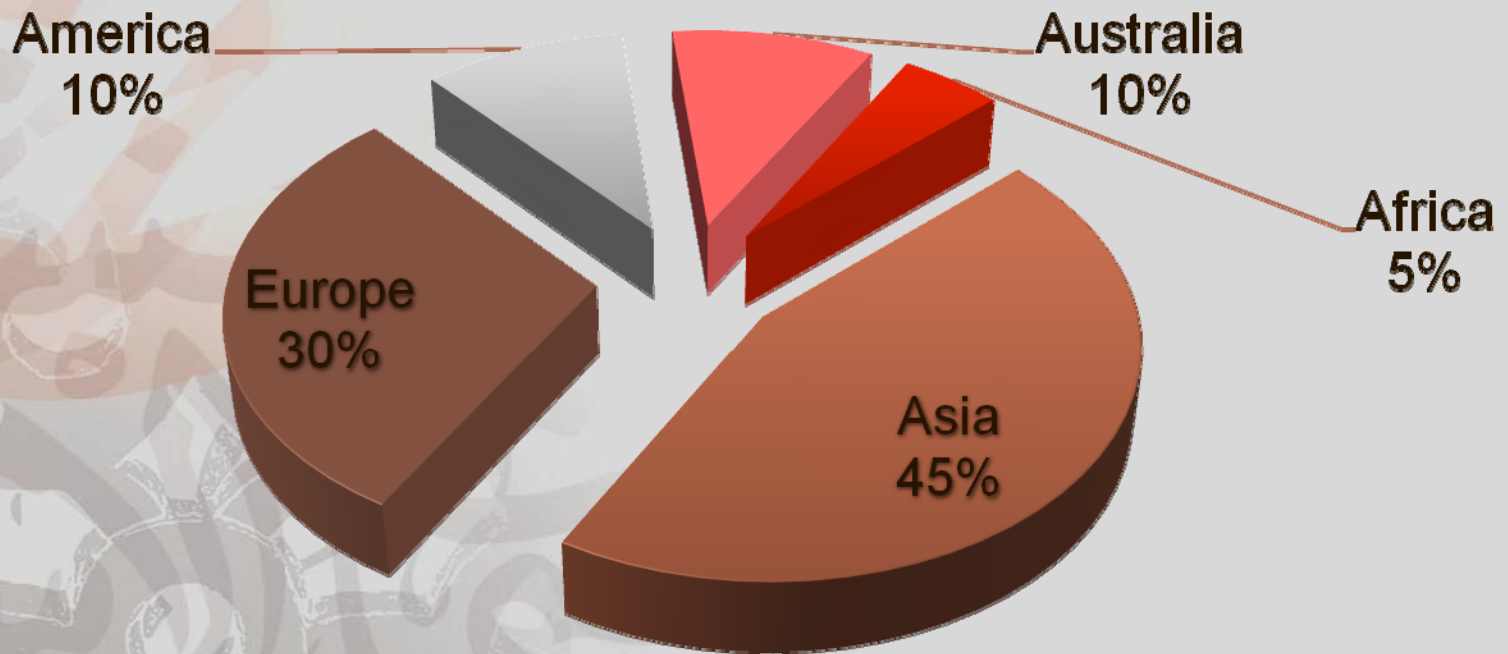
Section 1: The Impact on demand for insurance coverage



Q3: What are the changes in demand by line of business?

Type of Change	ST Business	MLT Business	Investment Business
Great Increase	√	-	√
Medium Increase	-	√	-
No Increase	-	-	-

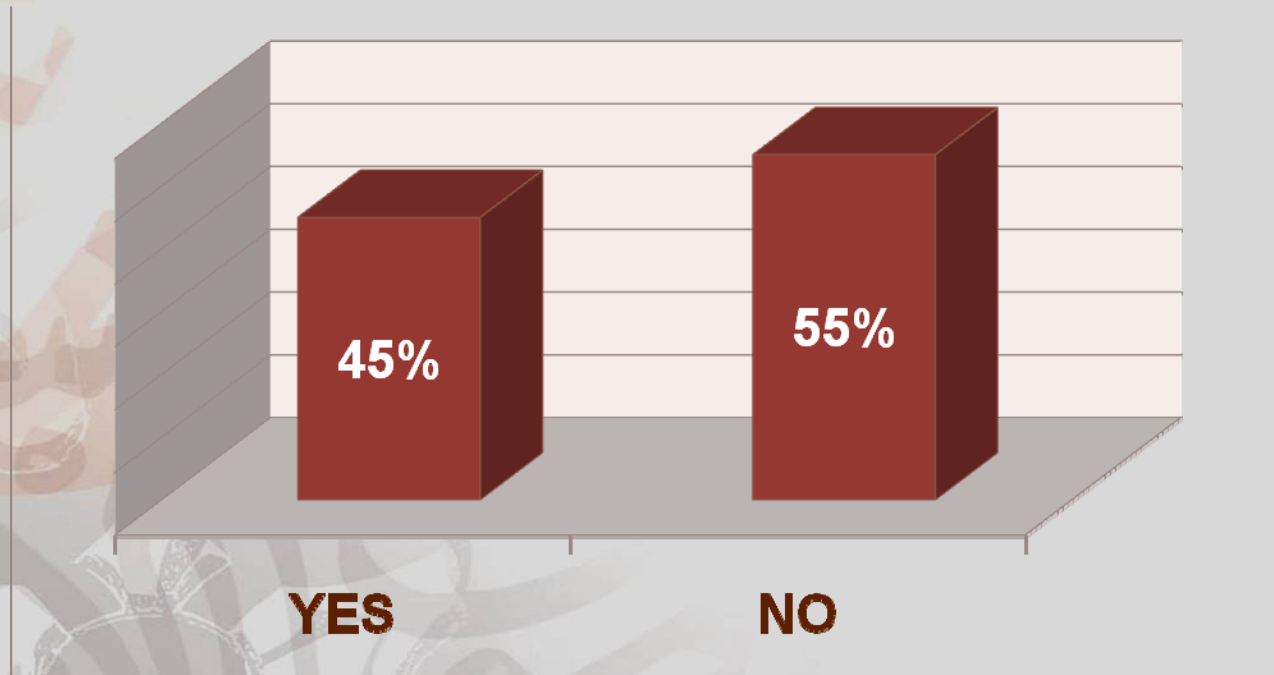
Q4: In which Geographical zones has demand for cover changed in particular?





Section 2: The Impact on Claims – Recoveries (5 Questions)

Q1: Have ECAs experienced an increase in claims in the past few months?





Section 2: The Impact on Claims – Recoveries



Q2: Is this increase related to the financial crisis?

ECAs referred the increase in claims to the financial problems that the buyers faced due to the financial crisis, and they added that other difficulties in recoveries are expected.



Section 2: The Impact on Claims – Recoveries



Q3: Which sectors have particularly been affected?

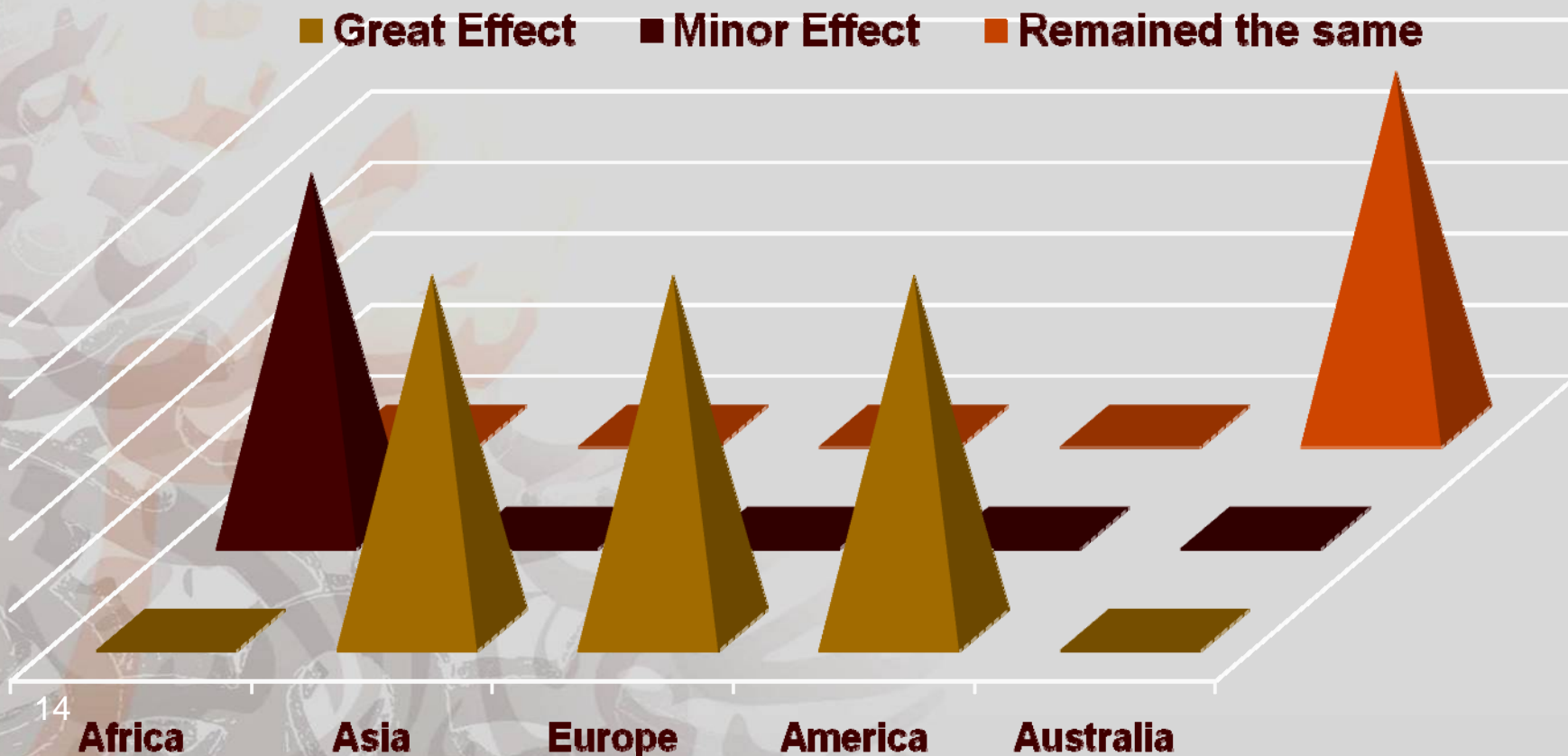
Construction &
Building materials

Engineering
Industry

Food Stuff

Garments

Q4: Which geographical regions are affected in particular?





Section 2: The Impact on Claims – Recoveries



Q5: Which insured risk represents the greatest increase in claims?

Type of Risk	%
Commercial Risk	100
Political Risk	-

Section 3: The Impact on Underwriting (2 Questions)

Q1: Have ECAs implemented any changes in the underwriting policy?

ECAs	%
YES	100
NO	-



Section 3: The Impact on Underwriting

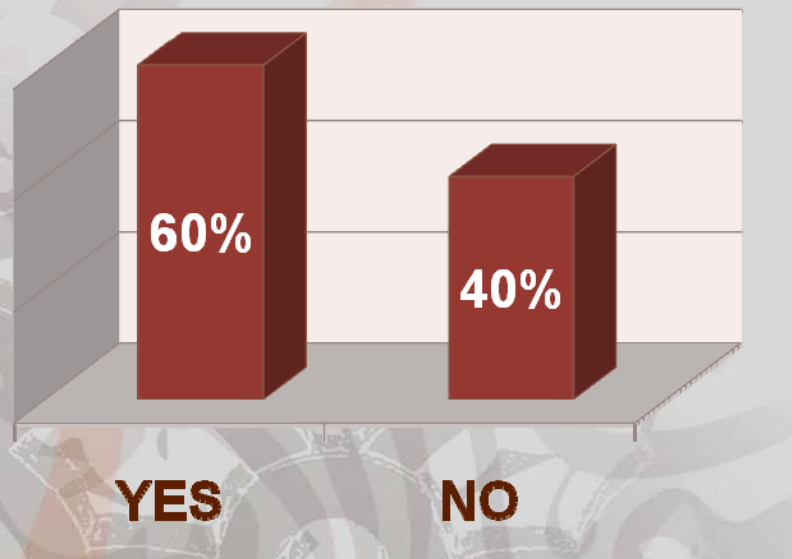


Q2: The main changes are:

- **Conservative approach in writing new business in terms of Commercial & Political risk.**
- **Credit limits of the insured buyers are being revised more frequently.**
- **The compensation rate was reduced.**
- **Decrease the retention of the underwritten risk.**

Section 4: The Impact on Reinsurance (2 Questions)

Q1: Are there any changes in the reinsurers attitude?



Q2: The main changes are:

- The reinsurers now are more conservative than before.
- Reduce the approved limits in terms of Buyers, Countries and Certain sectors.



Section 5: Cooperation between Members (3 Questions)



Section 5: Cooperation between Members



Q1: Does the Crisis create any opportunities to increase cooperation among members?

ECAs	%
YES	100
NO	-

Q2: The main fields of cooperation:

- **Exchange Information and debt collection services.**
- **Frequent meetings.**
- **Giving more concern to the training programs.**



Section 5: Cooperation between Members



Q3: How could this be achieved?

- **Signing bilateral and multilateral agreements.**
- **Cooperate more in terms of reciprocal insurance and coinsurance.**
- **The bigger ECAs should help and support the smaller ones through participating in their capital.**



Thank you for your Attention