

# REINSURANCE COOPERATION WITH ECAs



Aa3 Rated (Moody's)  
Multilateral ECA

By Rahmatnor Mohamad  
Head, Reinsurance Division,  
ICIEC

Presentation to the 1<sup>st</sup> Joint  
Meeting of Arab and Islamic ECAs  
in Beirut, Lebanon  
- Oct 27, 2009



# OUTLINES



- ❑ **ICIIEC and Dhaman Characteristics**
- ❑ Key Areas of Reinsurance Cooperation
- ❑ ICIIEC Reinsurance Cooperation with ECAs



# WHAT ARE THE MAIN CHARACTERISTICS of ICIEC and Dhaman



- Owned mainly by a Group of Member Countries.
- Our mandate is to support Member Countries' exports and help attract FDI (fill the Country and PRI Gap). Strong Developmental role.
- We are not profit maximizing but endeavor to break-even and accumulate reserves.
- Strong credit rating



# Business Model



- We cover emerging markets and LDMCs.
- We transfer risk to the market.
- Eligibility criteria (in the interest of MCs).
- Follow market practice in pricing and Policy Wording (Berne Union, Prague Club).



# The Value Proposition

(What do we bring to the table)



- Preferred creditor status
- Close knowledge of their MCs
- Covers high risk countries
- Strong risk prevention abilities
- High volume of business



# Summary information



| <b>ECA</b>    | <b>Year Established</b> | <b>Member Countries</b>                   | <b>Insurance Products</b>  |
|---------------|-------------------------|---|--|
| <b>ICIEC</b>  | 1994                    | 37 OIC member countries (4 under process) | Export (Domestic) Credit, Documentary Credit, Bank Master policy, Foreign Investment |
| <b>Dhaman</b> | 1974                    | 20 Arab Countries                         | Investment Guarantee, Export Credit, Lease and Bank Insurance                        |



# OUTLINES



- ❑ ICIEC and Dhaman Characteristics
- ❑ **Key Areas of Reinsurance Cooperation**
- ❑ ICIEC Reinsurance Cooperation with ECAs



# Key Areas Of Reinsurance Cooperation With ECAs In Member Countries



## ➤ Fronting

- Typically the scenario in this situation often arises when an ECA has an issue or issues concerning issuance of a policy.
- Could be due to legislation, risk and capability reasons.
- Unique position of Multilateral ECAs such as ICIEC and Dhaman should be able to assist to overcome such restriction reasons.

## ➤ Treaty Reinsurance

- A standing agreement between insurers and reinsurers whereby it contains provisions defining the terms of the agreement including specific risk definition, data on limits, retention, provisions for premium payment and duration, etc.





# Key Areas Of Reinsurance Cooperation With ECAs In Member Countries



## ➤ Facultative Reinsurance

-It provides an Insurer with coverage for specific individual risks that are unusual or so large that they aren't covered in the insurance company's reinsurance treaties.



# OUTLINES



- ❑ ICIEC and Dhaman Characteristics
- ❑ Key Areas of Reinsurance Cooperation
- ❑ **ICIEC Reinsurance Cooperation with ECAs**



# ICIIEC Reinsurance Cooperation with ECAs from Member Countries



## Our experience

We have established healthy Reinsurance Cooperations with almost all ECAs in Member Countries in the form of Quota Share Treaty, Facultative Reinsurance and Fronting.

- Business Insured reported in our Reinsurance Cooperations with ECAs amounting in excess of USD 300m per year for the past 2 years.
- We are expecting much more next year with the inclusion of Turkey Exim in our Reinsurance Agreement.
- Largely derived from Cotunace, SEP, Shiekan, ECIE, JLGC, Dhaman, NAIEFE and EGFI.
- From Facultative and Treaty Reinsurance contracts



THANK YOU

[www.iciiec.com](http://www.iciiec.com)