

# TXF POLITICAL RISK & TRADE CREDIT INSURANCE 2019



Institute of Directors (IoD), London  
Dec 4, 2019

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# EVENT OVERVIEW

Following the new Basel legislation affecting capital relief the growing number of corporate users, the general perception of lack of capacity in certain parts of market and the new technology and platforms available there is no better time for the industry key players to get together to discuss the current and future developments.

TXF Political Risk and Credit Insurance 2019 will once again provide all attendees with the opportunity to be updated on the recent policy developments and network with key decision makers in order to form new partnership for distribution and risk mitigation.

## AGENDA TOPICS



**Tools of the trade**  
The bankers' forum



**A growth market**  
Observations from corporate users



**Regulatory update**  
Get crucial new insight



**The vanguard - reinsurance**  
Changing business models, pricing and capacity



**The Ghost of Christmas Yet-to-Come**  
Assessment and predictions for the CPRI market

## EVENT FEATURES



Product user roundtables for buyers and potential buyers designed to teach how to get the most from the insurance product



Interactive game sessions on claims and pricing so you understand the considerations that go into policies



Innovation and Innovators: use of insurance in securitisation, Basel think tank project, renewables, project finance, supply chain finance: what is new, who is making changes, what needs to change

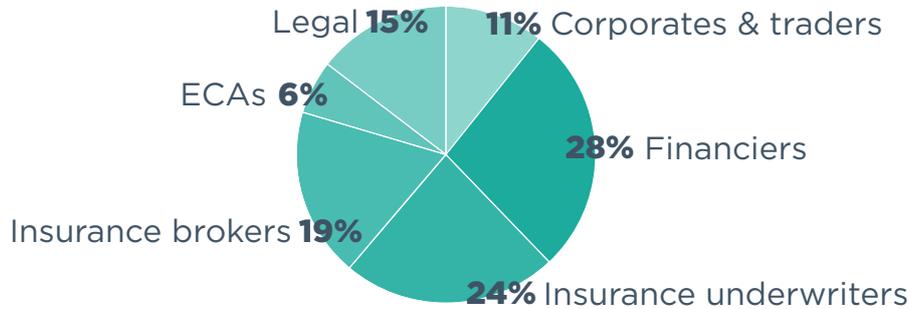


Regulation uncovered with updates on Basel III & IV, how ITFA and ICISA have sought to educate regulators and how recent statements have impacted banks' use of insurance products

# EVENT INSIGHT

Audience Response Survey Results 2018

## Delegate Breakdown



## Testimonials

A modern, informative and meaningful conference

*James Low, BB Energy*

A very well put together event with insight into key relevant issues facing the industry

*Saqib Mustafa, Santander*

A dynamic conference which allows good interactions

*Aline Duperrex, Credendo*

Excellent discussions of the key issues facing the private insurance community and its clientele

*Rachael Anstock, Zurich*

Very useful topics covered in an interesting way

*Sandy Bruce, Commerzbank*

## Top Companies

**BB Energy**  
**BAM Nuttall**  
**BNP Paribas**  
**Caterpillar**  
**Credit Agricole CIB**  
**Gazprom**

**Gerald Group**  
**HSBC**  
**Investec**  
**Mizuho**  
**MUFG Bank**  
**Rolls Royce**

**Santander**  
**Société Générale**  
**Sumitomo Mitsui Banking Corporation (SMBC)**  
**Standard Chartered**

# ***SPEAKER PAGE***



***Matthew Beckett***  
***Director, Insurance Placement***  
***Sumitomo Mitsui Banking***  
***Corporation (SMBC)***



***Gary Lowe***  
***Managing Director & Head, Global***  
***Credit Insurance Group***  
***Standard Chartered***



***Ralph Lerch***  
***Senior Vice President -***  
***International Trade & Export***  
***Finance***  
***DZ Bank***



***Saqib Mustafa***  
***Executive Director - Structured***  
***Trade & Receivable Finance***  
***Santander***



***Rudolf Putz***  
***Head of Trade Facilitation***  
***Programme***  
***European Bank for Reconstruction***  
***and Development (EBRD)***



***Rachael Anstock***  
***Head UK - Credit & Political Risks***  
***Zurich***



***Jared Kotler***  
***Head of Credit and Political Risk***  
***The Hartford***



***Audrey Zuck***  
***Director***  
***A2Z Risk Services***



***Robert Besseling***  
***Executive Director***  
***EXX AFRICA***

# AGENDA

9.00	<b>Opening Remarks</b>	
	<p><b>TOOLS OF THE TRADE: THE BANKERS' FORUM</b></p> <p>Our panel of leading distribution and syndication bankers go head to head to share:</p> <ul style="list-style-type: none"> <li>• How to get the most from the product across capital relief, risk mitigation and capacity</li> <li>• Impact of Basel III &amp; IV regulations and how these will threaten capital relief? If banks have to allocate more assets to asset-based finance, what will the role of insurance be? Is this an opportunity to insure more, or a challenge to the market as regulation won't allow it?</li> <li>• Is the market keeping up with demand in terms of capacity and appetite?</li> <li>• What are banks buying for, where do they see opportunities? How do they see insurance internally? How does this compare to the ECA market?</li> <li>• What are banks trying to achieve with wording softening on policies? Will they be able to revise tried and tested templates to get them closer to guarantees?</li> <li>• Can products become more efficient through the use of technology and policy standardisation? Will this help banks reduce costs in challenging times?</li> <li>• How is the rise in the use of credit insurance in securitisation structures for asset managers playing out?</li> </ul> <p><i>Matthew Beckett, Director, Insurance Placement, Sumitomo Mitsui Banking Corporation (SMBC)</i>  <i>Gary Lowe, Managing Director &amp; Head, Global Credit Insurance Group, Standard Chartered</i></p>	
	<p><b>GROWTH MARKET: CORPORATE USERS' OBSERVATIONS</b></p> <p>The market for insuring corporate risk is growing rapidly, we catch up with pioneers in the field to get their views:</p> <ul style="list-style-type: none"> <li>• How do corporates view the product and when do they want to use it? At what point do they make the decision to buy insurance?</li> <li>• Do corporates use the product in a sophisticated manner for capital purposes? Can they? Or is it purely for risk mitigation?</li> <li>• Can corporates build stricter models, so the market understands they are acting out of company policy, rather than just bringing bad risk to the market? How would you incentivize corporate deal teams here?</li> <li>• How do insurance policies and their wordings for corporates differ from banks, can they be standardised, or do they need to be bespoke?</li> </ul>	
10.30	<b>Networking break</b>	
	<b>PLENARY</b>	<b>WORKSHOP STREAM</b>
	<p><b>CRUCIAL INSIGHT: A REGULATORY UPDATE</b></p> <p>Moving on from the PRA conversations the EBA and Basel IV pose very real changes to the status quo and the banks' ability to use insurance for capital relief, we address:</p> <ul style="list-style-type: none"> <li>• The impact of the finalisation of Basel III/IV on banks' use of credit insurance as effective and efficient credit risk mitigation (CRM)</li> <li>• Educating regulators: efforts by ITFA, ICISA and others to inform regulatory authorities of the benefits of insurance as CRM</li> <li>• Regulatory impact: recent statements by the PRA, EBA on credit insurance and their impact on banks' use of the product</li> <li>• The importance of revisions to master risk participation agreements and trade (BAFT and ITFA)</li> <li>• Importance of insurance for trade, bank lending and the real economy: what data would be useful and what data is available?</li> </ul> <p><i>Audrey Zuck, Director, A2Z Risk Services</i></p>	<p><b>WORKSHOP SESSION: HARNESSING THE INSURANCE PRODUCT</b></p> <ul style="list-style-type: none"> <li>• Ask the market; in this closed door, confidential workshop, underwriters, brokers and fellow buyers will answer any questions you have on the product, claims and the impact of regulatory changes</li> <li>• Learn how sophisticated buyers on the bank, corporate and trader side are harnessing the full potential of the product to aid in distribution and capital relief</li> <li>• How to develop meaningful partnerships with brokers and underwriters so you can unlock new projects</li> <li>• Private market myths debunked; common misconceptions explained</li> </ul> <p><i>Ralph Lerch, Senior Vice President - International Trade &amp; Export Finance, DZ Bank</i></p>

### THE VANGUARD: A REINSURANCE VIEWPOINT

- Latest business models and how the reinsurance market views CPRI, ECA debt and commercial tranches
- Reinsurance capacity and appetite, update on reinsurance treaties
- Will we see a cycle where prices harden, and global reinsurance prices rise?
- The effect price rises in the catastrophe and property market will have on appetite for the CPRI market

### WORKSHOP SESSION: HARNESSING THE INSURANCE PRODUCT

- Are the banks receiving much demand from traders?
- How are large traders and producers using insurance for balance sheets, risk mitigation and working capital management?
- How do traders view China and the current trade war environment, what is the insurance market's response?
- Insurance appetite for West African oil prepayments; how do you model this to allow for capacity?
- Insurance appetite for soft commodities
- Insurance appetite in difficult emerging markets in Asia, Africa, LatAm and MENA

*Saqib Mustafa, Executive Director - Structured Trade & Receivable Finance, Santander*

### PUBLIC FACE: INTEGRATION WITH THE ECA, DFI AND AGENCY MARKET - REINSURANCE AND COMMERCIAL TRANCHES

- Understanding the role of reinsurance from an ECA perspective and how it can be strategic
- Update on US EXIM's use of reinsurance to front a transaction that doesn't meet local content rules and how this will open up new business lines
- Will the wording of insurance and reinsurance policies move closer to an ECA guarantee to create better harmony?
- How does the Middle East, as the largest outbound ECA market, largely governed by Islamic finance, work with the insurance market?
- Rise of non-trade related insurance and how the private market can fill the place of the ECA?
- The market for DFI risk and reinsurance
- What is market capacity for the reinsurance of long-term risk?
- Differing appetite between contract frustration on sovereign defaults and credit insurance with privately owned companies

*Rudolf Putz, Head of Trade Facilitation Programme, European Bank for Reconstruction and Development (EBRD)*

### INSURING INFRASTRUCTURE INVESTORS IN EMERGING MARKETS: PRIVATE VS PUBLIC SOLUTIONS

For investors, lenders and developers investing in infrastructure in foreign nations, political risks include project cancellation due to regime change (as with Mexico Airport), currency inconvertibility or transfer restrictions; asset confiscation, expropriation or nationalisation, sanctions and payment defaults.

Here we look at political risk insurance for investors in projects in both public and private, where equity and debt providers can cover against loss when financing developers in overseas projects.

The investment criteria of public insurers and the high costs of private insurance can be a barrier to investors and lenders. This panel will discuss how infrastructure investors can adopt de-risking strategies in politically sensitive geographies and markets and how private market insurance products can layer with public insurance products to make emerging market investments possible.

*Jared Kotler, Head of Credit and Political Risk, The Hartford*

13.15

Networking break

***‘Where banks, corporates and traders meet the market to forge new and deeper partnerships for distribution and risk mitigation’***

	PLENARY	WORKSHOP STREAM
14.45	<p><b>THE GHOST OF CHRISTMAS YET-TO-COME: ASSESSMENT AND PREDICTIONS FOR THE CPRI MARKET</b></p> <ul style="list-style-type: none"> <li>• Evaluation of current market size, growth regions and industries, capacity, appetite for new risk and pricing</li> <li>• Where does insurance and reinsurance capital want to deploy itself in the wider context of a group strategy? Pitting CPRI products against the catastrophe and property market and price rises there</li> <li>• Standardisation in documentation and policy wordings, where are we going with these? Will we have standardised documents like the LMA loan market documentation?</li> <li>• The effect of losses and stringent rules on the future of Lloyd's syndicates; reliability of future partnerships, financial stability, regulations and appetite for CPRI</li> <li>• Evolution of products and new products covering derivatives, FX, currency and interest rate swaps. Will there be an appetite for bonds?</li> <li>• Will underwriters cover smaller borrower markets?</li> <li>• In the face of lack of capacity could alternatives and hedge funds step in to buy bank risk?</li> <li>• Can the rise of alternative finance provide new opportunities for the insurance market? Can the insurance market be that trusted bridge between the trade finance asset class and institutional investors?</li> <li>• Reinsurance to close, third parties and how to maintain reliable partnership models. Will brokers' wording policy put an end to this?</li> </ul> <p><i>Rachael Anstock, Head UK - Credit &amp; Political Risks, Zurich</i></p>	<p><b>DEAL MAKERS 101: KEY MARKETS AND INDUSTRIES</b></p> <p>In this meeting we bring together deal makers and commentators active in key markets and industries to assess their outlook:</p> <ul style="list-style-type: none"> <li>• Project finance in emerging markets and Europe</li> <li>• The renewable power market</li> <li>• Insuring Africa business, where is the market stepping up? Where is capacity not meeting demand? What can be done to address this?</li> <li>• Development of Asian business from Singapore and evolution of the market enabled by this</li> <li>• How do we better serve the LatAm market, is NY capable of this?</li> </ul> <p><i>Robert Besseling, Executive Director, EXX AFRICA</i></p>
	<p><b>WAR &amp; PEACE: A GEOPOLITICAL AND MACROECONOMIC OVERVIEW</b></p> <ul style="list-style-type: none"> <li>• Trade wars: Trump, China, balkanisation of trade and implications to the market and risk</li> <li>• The consequences of the restrictions on Huawei and the telecom sector, what does this mean for the future of Chinese tech?</li> <li>• BRI investment, what happens in the case of a sovereign restructuring or large default?</li> <li>• US &amp; UK Iran tensions, effect on oil prices</li> <li>• Impact of Trump's policies and relationships globally</li> <li>• Brexit and insurance market what is next?</li> <li>• Key LatAm markets; Brazil, Venezuela, Argentina, Mexico, Columbia, Cuba</li> <li>• Key African economies and dealing with indebtedness</li> <li>• Globally the outlook is pessimistic, will we have a major correction in the market or a downturn?</li> </ul>	<p><b>IN THE FAST LANE: SHORT TERM TRADE FINANCE AND SUPPLY CHAIN FINANCE - THE DIGITISATION AGENDA</b></p> <ul style="list-style-type: none"> <li>• The impact of technology on increasing efficiency, reducing costs and the ability to enable more SME business in short term trade</li> <li>• Growth of bank-driven fintech programmes to allow customers to finance off balance sheet</li> <li>• How can the bespoke speciality market be standardised to allow for platform integration?</li> <li>• Evolution of insuring fast moving import and export of machinery and goods, receivables financing and structured trade financing</li> <li>• Latest products for pre-payment and pre export - short term, not based on performance risk</li> <li>• How strong is the availability of private credit insurance for short term transactions?</li> <li>• Supply chain insurance on a portfolio basis for exporters and the effect of trade wars and geopolitical events such as Brexit on the ability of the supply chain to function</li> <li>• Impact of Basel III Think Tank industry initiative to release standardised insurance policy wording for receivables on capital relief for banks and PRA framework</li> </ul>

	<b>PLENARY CLOSING SESSION</b>
	<p><b>CLAIMS IS THE NAME OF THE GAME, PRICING IS ALL THE RANGE</b></p> <ul style="list-style-type: none"> <li>• Stats on non-payment disputes and market trends on claims and recoveries</li> <li>• How can clients be a good insured in order to build better partnerships, how can a client best deal with non-payment and defaults?</li> <li>• The panel face hypothetical claim scenarios based on real life situations to better understand how losses and defaults are managed</li> <li>• What factors go in pricing of policies and what is the outlook for 2020?</li> <li>• Deal or No Deal: would you take this risk, and how would you price it?</li> </ul>
<b>18.00</b>	<b>Christmas Drinks reception – Boyd’s Bar</b>

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