

## **No increase in export credit insurance claims paid in the first half of 2020, but new commitments have contracted in both short term and medium / long-term business**

**London, 15 September 2020** – A preliminary report on the business activity of Berne Union Members in the first half of 2020 indicates that the expected spike in claims due to the COVID-19 pandemic has not yet been realised.

In contrast, export credit claims paid in 2020 H1 were 16% lower overall than for the first half of 2019. This can be partially attributed to a decline in new commitments during the same time, largely attributed to a general decline in exports, with a 23% drop in new medium and long-term (MLT) commitments reported and a 4% drop in aggregate credit limits issued under short term (ST) export credit insurance policies.

In MLT business, both public and private insurers' new commitments declined, while for short term, private insurers' commitments fell by 8%, whereas those of public insurers rose by the same percentage. Private insurers' ST claims / commitments ratio came down marginally, while this increased for public insurers, as well as for both providers, in their MLT business.

Berne Union President Beatriz Reguero comments of the claims data that “the fact that we have not yet seen a significant increase in claims payments is in large part due to protection afforded by various forms of fiscal support from governments as well as by the quick reaction of lenders and insurers in restructuring deals when necessary. The consensus amongst the industry is that we can expect to see a more obvious change in claims trends towards the end of the year.”

Secretary General, Vinco David adds that “the industry will certainly see an increase in claims related to the pandemic, but where exactly these materialise will depend upon both the underlying business and the management of current structural support. The transition away from state support, both for exporters and the private market, requires very careful management and creative and flexible approaches from all players to avoid disruption. This is something we will be looking at through the remainder of this year as many of the support schemes approach their provisional end dates.”

The Berne Union has recently published its **2019 Industry Report**, providing a benchmark on the state of export credit insurance immediately prior to the current crisis. We continue to publish **research on the industry response to COVID-19**, with an update due in the coming months.

### **Note to the editor**

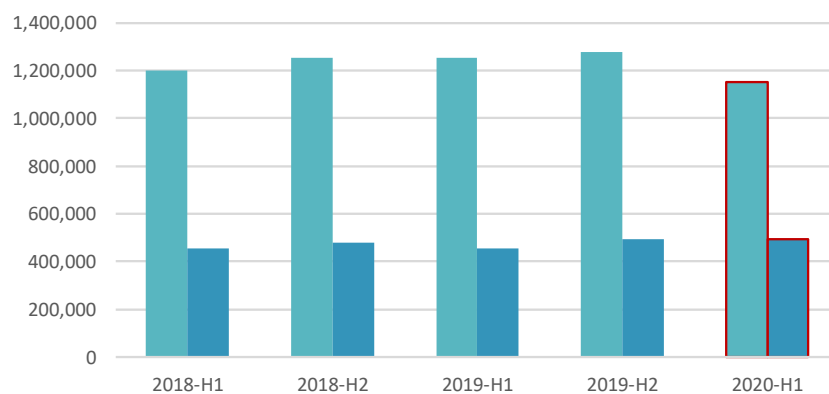
Export credit insurance is a vital instrument in support of international trade. It indemnifies exporters and financing banks against the risk of non-payment, due to commercial and political risks. As a through-the-cycle risk-mitigation tool, credit insurance is designed to support trade through both benign and challenging environments, by helping to manage risk and liquidity for exporters.

### **About the Berne Union**

The Berne Union is the international association of export credit and investment insurers. The 84 members include government-backed export credit agencies, private credit and political risk insurers and multilateral agencies from across the globe. Members collectively provide payment risk protection equivalent to approximately 13% of annual world trade.

Press Contact: Paul Heaney T: +44 20 7841 1112 E: [pheaney@berneunion.org](mailto:pheaney@berneunion.org)  
More information on the Berne Union and its members via [www.berneunion.org](http://www.berneunion.org)

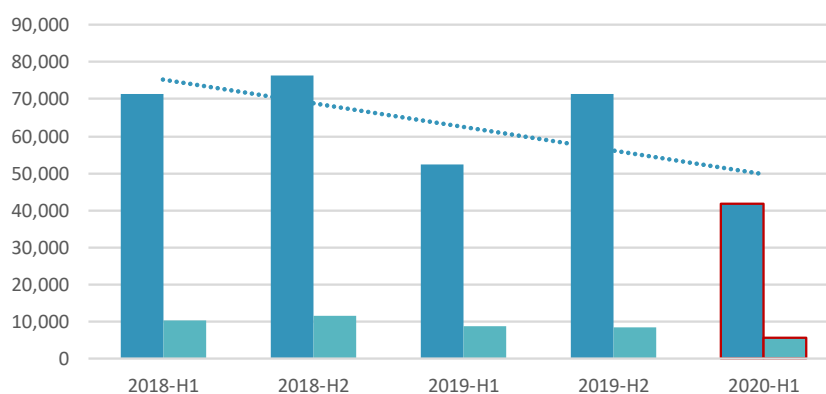
## Short Term Commitments at 2020 H1



ST Commitments	2020 H1	Δ YoY	%Δ YoY
Public	492 bn	+35 bn	+8%
Private	1,151 bn	- 105 bn	-8%
Total	1,643 bn	- 70 bn	-4%

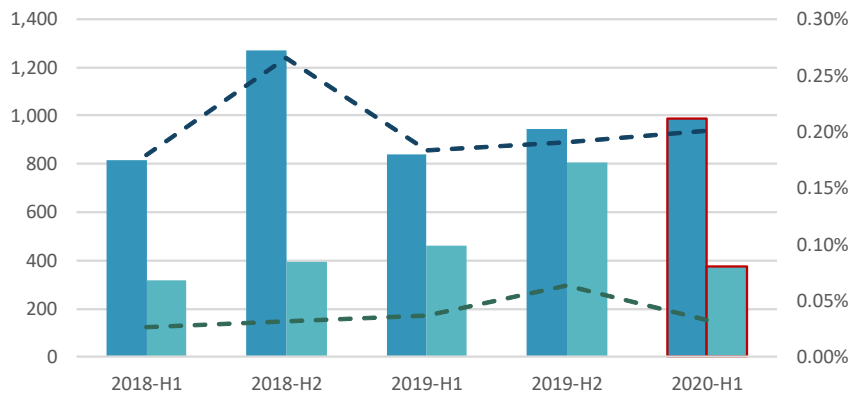
■ Public ■ Private

## Medium / Long-Term New Commitments during 2020 H1



MLT New Commitments	2020 H1	Δ YoY	%Δ YoY
Public	41.7 bn	-10 bn	-20%
Private	5.6 bn	- 3.2 bn	-26%
Total	47.4 bn	- 13.2 bn	-23%

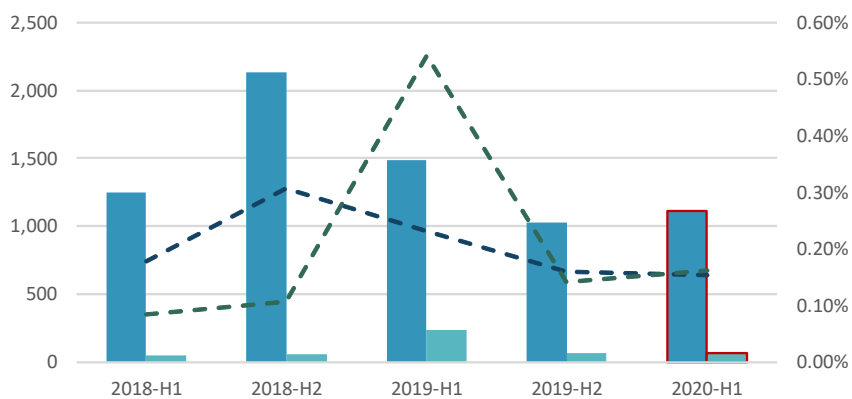
## Short Term Claims Paid during 2020 H1



ST Claims	2020 H1	Δ YoY	%Δ YoY
Public	988 mn	+150 mn	+18 %
Private	375 mn	- 87 mn	-19 %
Total	1,363 mn	+ 63 mn	+5 %

■ Public ■ Private

## Medium / Long-Term Claims Paid during 2020 H1



MLT Claims	2020 H1	Δ YoY	%Δ YoY
Public	1,113 mn	-375 mn	-25 %
Private	66 mn	-172 mn	-72 %
Total	1,180 mn	- 548 mn	-32 %