

Insurers are carefully balancing their risk appetite against a backdrop of uncertainty, increasing demand and anticipated rise in claims, according to a Berne Union Survey

**LONDON 24<sup>th</sup> February 2021** – Results from the Q1 2021 Berne Union [Business Confidence Survey](#) indicate that demand for export credit insurance continues to increase through the first quarter of the year, especially for short term business.

- Export credit agencies (ECA) report increases in all business areas and note that the main drivers remain the strong appetite for liquidity (e.g. working capital) as well as continued sales and thus trade following more general government support to corporates in response to the COVID pandemic
- For the private market meanwhile, increased demand for medium and long-term (MLT) cover in Q4 2020 is now expected to even off in the first quarter 2021
- Although emerging claims situations were reported to have dipped at the end of last year, the aggregate expectation is for an increase in claims payments during the coming months, especially in ST business and for private insurers
- Both public and private underwriters are balancing their risk appetite between measured optimism concerning the economic environment, and strong expectations that claims paid this quarter will likely increase.

**President Michal Ron** observes that, *“the export credit insurance industry continues to play a vital role supporting the finance and liquidity of exporters during this challenging time. Many ECAs are entering an extremely busy period this year with a bolstered mandate, due to their role of delivering or supporting COVID response measures.”*

**Secretary General, Vinco David** adds that *“public and private segments of the market are working well together to maintain risk capacity, as is evident from the reported stable risk appetite. As the anticipated claims begin to materialise we will see how market capacity to absorb this will develop.”*

[Further details in the full report: Berne Union Business Confidence Index Q1 2021](#)

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### About the Business Confidence Index

This report is part of a new continuous Business Confidence Index, designed to provide an indicator of the overall perception of demand, risk appetite and claims in the export credit insurance industry. The Index is based on quarterly snapshots of our Members’ assessment of their current and imminent business situation with respect to these factors. In line with industry norms, we distinguish between short-term (ST) and medium to long-term (MLT) commercial and/or political risk.

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### 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.

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More information on the Berne Union and its members via [www.berneunion.org](http://www.berneunion.org)