

# TABLE OF CONTENTS

<b>0.0 EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1.0 INTRODUCTION .....</b>	<b>3</b>
What is this report about? .....	3
Rationale.....	3
Several factors underpin the rationale for the production of this study.....	3
There are several distribution channel options in addition to brokers.....	3
Globally, trade credit insurers cover over USD 2 trillion of commercial credit exposures.....	3
The report provides a standardised analysis of important metrics for trade credit insurance.....	4
Methodology .....	4
Research program.....	4
Market data analysis.....	5
Definitions .....	5
Trade credit insurance .....	5
Single-risk and annual policies.....	5
Export and domestic policies .....	6
Political and business risks.....	6
Premiums .....	6
Abbreviations .....	6
PartnerBASE .....	7
Finaccord .....	7
<b>2.0 BRAZIL.....</b>	<b>9</b>
Introduction .....	9
Market size, growth and segmentation .....	10
The market for trade credit insurance grew at a compound annual rate of 11.5% between 2009 and 2013.....	10
... and while the industry-wide claims ratio nearly doubled in 2012, it remains comparatively low .....	10
About one half of all business-to-business transactions in Brazil are made on deferred payment terms.....	10
Small companies account for a relatively low proportion of total trade credit insurance premiums paid... .....	12
... and single-risk policies are not common.....	13
Trade credit insurance for domestic risks makes up the vast majority of the market.....	14
... albeit SBCE has been active in export trade credit insurance since 1997 .....	14
Compared to other major global markets, the value of exports as a percentage of GDP is fairly low .....	15
Cover for political risks accounts for a very substantial proportion of the total market value.....	16
... as a result of the presence of Argentina and China among Brazil's largest trading partners .....	16
Factoring as a complementary / substitute product .....	17
The value of Brazil's factoring market more than doubled between 2008 and 2010 before then falling back.....	17
Underwriter market shares .....	18
Coface is the largest underwriter in a market in which there are seven significant competitors.....	18
AIG and Zurich are both understood to have experienced rapid growth in recent years .....	18
On average, brokers work regularly with close to four of these seven insurance providers.....	20
At least two significant new competitors are preparing to enter the Brazilian market.....	20
Distribution channels.....	21
Brokers are the dominant distribution channel for trade credit insurance in Brazil .....	21
Leading brokers of trade credit cover include CredRisk Seguros and IRC Brasil.....	21
... although many others are already active or are planning to increase their involvement.....	21
Future outlook.....	22
The trade credit insurance market has quite significant potential to grow further up to 2017.....	22
<b>3.0 APPENDIX .....</b>	<b>24</b>

**TRADE CREDIT INSURANCE IN BRAZIL**

Brokers participating in the survey ..... 24

# LIST OF GRAPHICS / TABLES

<b>0.0 EXECUTIVE SUMMARY .....</b>	<b>1</b>
Key market data for trade credit insurance in Brazil.....	2
<b>1.0 INTRODUCTION .....</b>	<b>3</b>
<b>2.0 BRAZIL.....</b>	<b>9</b>
Gross written premiums for trade credit insurance in Brazil, 2009 to 2013 .....	11
Premium income paid by small companies with an annual turnover of less than USD 5 million as a proportion of the total market for trade credit insurance in Brazil, 2013.....	12
Premium income paid for single-risk policies as a proportion of the total market for trade credit insurance in Brazil, 2013.....	13
Premium income paid for export trade credit insurance as a proportion of the total market for trade credit insurance in Brazil, 2013.....	14
Values of exports and imports and split of GDP by sector in Brazil, 2009 to 2013 .....	15
Premium income paid for political risk cover as a proportion of the total market for export trade credit insurance in Brazil, 2013.....	16
Total factoring market value in Brazil, 2008 to 2012 .....	17
Estimated market shares of gross written premiums of trade credit insurance underwriters in Brazil, 2013 .....	19
Frequency of usage of specific trade credit insurance underwriters by brokers in Brazil, 2013.....	20
Forecast gross written premiums for trade credit insurance in Brazil and the proportion due to export trade credit insurance, 2017 .....	22
Forecast segmentation of gross written premiums in Brazil between domestic and export trade credit insurance, 2017 (table) .....	23
<b>3.0 APPENDIX .....</b>	<b>24</b>