

Credit Insurance Industry to Face Biggest Challenges for a Decade in 2019, Tinubu Square Predicts

Paris, 14 December 2018 – Tinubu Square, a leading provider of credit insurance, surety and trade finance solutions is predicting that with changes in the risk landscape, increasingly volatile markets, and the continued threat of company insolvencies, the credit insurance industry will face its biggest challenges for at least the last ten years as we move into 2019.

This stark warning comes on the back of increased pressure on portfolio management coupled with new strategies that are being developed around insurance products, risk assessments and risk monitoring. Tinubu expects demand for greater governance and transparency to grow in 2019, particularly in the assessment of exposure across different business functions and by industry.

The company points out that whilst reinsurance capacity has been plentiful over the last five years, this is likely to change with shifts in local and global economic markets. This will result in less capacity, starting in 2020, and need for proven and sustainable models that have already embarked on digital transformation to lower costs and improve customer satisfaction. Alternatively, reinsurers will favour well-governed and transparent innovative models if they can provide long-term value creation and cost-efficiency.

“Well established reinsurers are looking for insurance models that notably reduce the transfer of value to distribution and intermediaries,” said Jérôme Pezé, CEO and founder at Tinubu Square. “These models will be the one that continue to attract capacity.”

Whilst insurance companies need to shift their focus to manage new pressures, there are also positive opportunities. Tinubu Square has identified an increase in risk pricing for the New Year and believes that the appetite of corporate organisations and banks for risk transfer offers new business prospects to insurers who are able to respond.

“We have had five years of soft pricing and a tangible slow-down in credit insurance premium growth, and during this time corporates have often reduced their credit risk management investments. We foresee that in 2019, this will change, and companies will actually start to ask for insurance policies and services that suit their specific needs. This is why insurers need to be ready with reactive, transparent and flexible products,” Jérôme Pezé continued.

Two other significant challenges for the trade credit insurance industry will be to meet government demands for better foreign trade support and the need to be more effectively integrated with the extended ecosystem. This includes receivables finance, new trade platforms, supply chain and technologies such as blockchain.

“Whilst it is still quite early in the digital transformation lifecycle for the insurance industry, those who are already engaged in the process will be winners in 2019. As the demands of customers for more bespoke insurance services grows, the losers will be those who have not embraced digitalisation at all, or have simply paid lip-service to it. The loyalty of investors, and worse, customers, will be seriously put to the test.” concluded Jérôme Pezé.

About Tinubu Square

Founded in 2000, Tinubu Square is a software vendor, enabler of the Credit Insurance, Surety and Trade Finance digital transformation. Tinubu Square enables organizations across the world to significantly reduce their exposure to risk and their financial, operational and technical costs with best-in-class technology solutions and services. Tinubu Square provides SaaS solutions and services to different businesses including credit insurers, receivables financing organizations and multinational corporations. Tinubu Square has built an ecosystem of customers in over 20 countries worldwide and has a global presence with offices in Paris, London, New York, Montreal and Singapore. For more information: www.tinubu.com

Press contact

Julie Kirby – Ascendant

Email: jkirby@ascendcomms.net

Phone: +44 (0) 7956 955625