



ICISA BUSINESS SENTIMENT SURVEY 2025 **REPORT**



EXECUTIVE SUMMARY

INTRODUCTION

ICISA's summer 2025 Business Sentiment Survey of members in Trade Credit Insurance (TCI) and Surety shows a market that is steady on demand, sober on loss expectations, and pragmatic on price. Across both lines, respondents anticipate a tougher credit cycle—higher claims and insolvencies—yet expect pricing to remain broadly stable. Rather than rate-led hardening, the industry is leaning into selective underwriting, structured capacity, and targeted use of technology (especially AI) to manage through the cycle. ESG remains a meaningful growth lens—particularly in renewables, energy efficiency, green construction and social infrastructure—though firms are at different stages of policy refresh and data readiness. Distribution remains firmly broker-led, with financial-institution (FI) business continuing to matter in both segments.

ABOUT THIS SURVEY

This survey was conducted of ICISA credit insurance, surety and reinsurance members during July and the beginning of August 2025. Responses were received from across ICISA membership including a normal spread of geographies, insurer size, and structure. The responses received represent the vast majority of capacity in TCI and Surety markets represented by ICISA members and indicate perceptions of members as we approach the end of 2025, into 2026 and beyond.

Trade Credit Insurance (TCI)

- **Demand & risk:** Demand is resilient across the market (mostly steady or up). Members expect corporate insolvencies and resulting claims to rise over the next 12–24 months, pointing to a continuation of challenging conditions in the real economy. Pricing is largely stable across the market with no significant expectation of movement in the coming 12 months.
- **Macro & distribution:** Key concerns for credit insurers are credit deterioration, the impact of rates/inflation, and of course, geopolitics. Financial Institution linked activity (i.e. banks and factors) is stable-to-increasing, reinforcing the sector’s role in getting financing to the parts of the economy that need it; brokers remain the dominant distribution channel.
- **Structures in demand:** Increased presence of non-cancellable limits, as well as top-ups, co-insurance/facultative placements, and other risk-sharing mechanisms to manage capacity and distribution.
- **Emerging trends:** Rapid AI ramp-up expected (targeting underwriting first, then claims and modelling). ESG opportunity expectation remains strong albeit with some concern around pricing of risk.

Surety

- **Demand & risk:** Demand is growing across most members, with a clear upward tilt in expected claims/insolvencies—particularly sensitive to construction and project pipelines. Pricing is viewed as stable and mostly neutral, and like TCI, there is no expectation of significant shifts. Tenors are mostly unchanged across the market with selective lengthening occasionally seen linked to infrastructure/energy projects.
- **Macro & distribution:** Alongside credit risk, regulatory change and reporting burden induces complexity. Demand from banks is stable-to-up, in line with expectations alongside Basel III implementation; brokers remain the central distribution method for surety.
- **Emerging trends:** AI adoption is roughly split today between those who use it and those who don’t, but with significant expectation of uptake in the coming year (underwriting the first beachhead). Wide range of transition-related opportunities identified and targeted as growth potential.

Cross-Cutting Implications

- **Risk environment:** The risk environment for TCI and Surety remains complicated with an expected continuation of insolvency growth. Geopolitics and trade uncertainty are key concerns, as are general deterioration in credit quality. But ICISA members also see clear opportunities on the horizon.
- **Operating decisions:** AI investment and adoption is well underway with significant expectation of growth in use. Underwriting remains the key area of potential use, but members also see opportunities to support claims, modelling and other key activities.
- **ESG discipline:** Members across TCI and Surety remain positive on ESG topics, seeing them as a growth area, but one where pricing doesn't yet reflect the quality of risks. Members also spoke of an ESG data problem which is in part driven by a lack of standardisation about what constitutes a "green risk" despite recent taxonomy developments. Greater effort is required to understand the implications of green projects and improve the ability to underwrite at volume.

Overall, ICISA members expect a more challenging economic environment to impact corporates in the coming months. However, it is clear that the TCI and Surety industry is well-positioned to respond to this phase and continue supporting trade, investment, and the real economy around the world.

PART I

TRADE CREDIT INSURANCE

1) Sentiment on the Risk Environment: Now and Looking Ahead

Current demand and near-term expectations. TCI demand appears resilient. Over the previous six months, most respondents reported steady demand (77%) with a minority seeing increases (18%) and very few decreases (5%). Looking to the future, two-thirds expect demand to remain stable (64%) with just over a quarter expecting an increase (27%). This points to a “steady but cautious” stance in an economic environment where there is growing demand for protection, but a deterioration in credit.

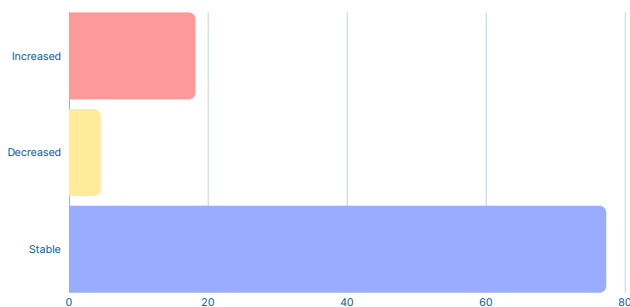


Fig. 1: Percentage of Demand for Products Over the Past 6 Months

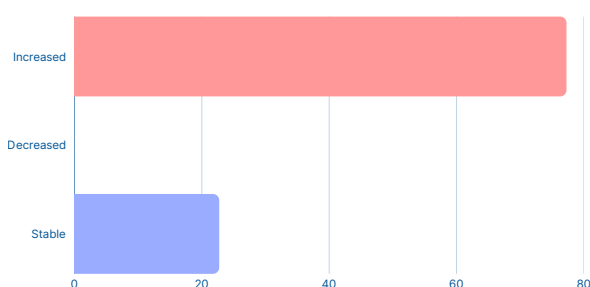


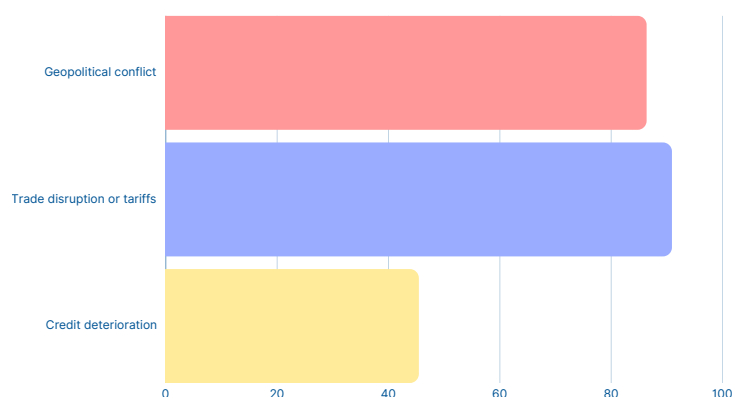
Fig. 2: Expected Percentage of Insolvencies Over the Next 12 Months

Claims and insolvencies. Expectations for claims are elevated continuing the recovery of insolvencies numbers after the “strangeness” of Covid years that saw fewer insolvencies due to government interventions. A majority of respondents anticipate claims to increase over the next 12 months (59%), with the remainder expecting stability (41%) and no respondents expecting a decrease. The outlook for insolvencies is starker: 77% expect an increase in the coming year; 23% expect stability; no respondents forecast a decrease. Beyond 12 months, respondents still show caution: 45% think insolvencies will increase further, with the rest split between stability (45%) and a small group expecting improvement (9%). Put plainly, TCI underwriters are expected to expect a continuation of poor economic conditions in the short-term, rather than improvement overall.

Market phase. Respondents broadly expect stability in pricing – although precise market conditions in particular countries, segments or sectors was not investigated. Respondents predominantly describe the current pricing environment as soft (59%), with roughly a quarter neutral (23%) and fewer calling it hard (18%).

Bottom line for TCI risk sentiment. The market is disciplined but competitive: demand is steady, expected losses are rising, and pricing remains largely stable in the face of a more challenging insolvency outlook. Underwriters decisions are likely to be cautious but stable in the near term representing the culmination of opportunity and market conditions.

2) Macro-Economic & Trading Environment



What keeps TCI leaders awake? The “top three” challenges are crystal-clear: trade disruption (91%), geopolitical conflict (86%) and credit deterioration (45%) — with regulatory change and talent concerns also present but secondary (23% and 18%, respectively). The weight on credit deterioration fits the claims/insolvency expectations; rate volatility reinforces liquidity and refinancing risks in the real economy; and geopolitical shocks (conflict, sanctions, trade frictions) complicate risk selection for the market.

Fig. 3: Top 3 Challenges Impacting Market Outlook

Financial-institution (FI) channels and product mix.

Whole-turnover business toward banks and factors shows a steady-to-rising pattern. Toward banks, roughly 58% saw no change in the last six months and 42% increased (with the rest neutral to down), and 53% expect FI business toward banks to increase in the next year, with 42% expecting stability. This is despite changes in regulation for banks in the EU and other markets in recent years. Toward factoring companies, over half reported no change in the last six months; looking ahead, nearly half expect increases with the balance largely stable. This aligns with banks’ continued reliance on credit insurance to optimize capital and manage concentrations effectively.

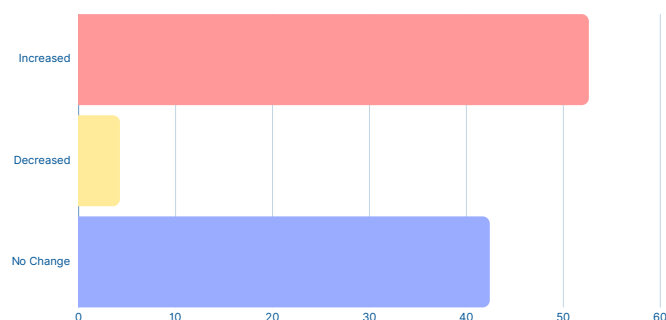


Fig. 4: Expected Business Development Towards Banks Over the Next 12 Months

Distribution. Brokers continue to dominate as the primary distribution channel for TCI (68%) despite ongoing evolution in markets due to technology and platform development; direct and other channels play smaller roles, with MGAs and tied agents marginal amongst respondents. This underscores the importance of broker intermediation for complex credit programs.

3) Emerging Trends: AI, ESG, and beyond

AI adoption and trajectory. AI is transitioning from exploration to targeted deployment. Among TCI respondents, 41% say they are already using AI; but a whopping 94% expect to increase AI use in the next 12 months. Where AI is in use, the majority of deployment is in **risk underwriting** (100% of AI users), with **claims** (57%), **risk modelling** (29%), and **marketing/strategy** (43%) also appearing. When asked to rank where AI could have the biggest impact, **risk underwriting** clearly led, with **risk modelling** and **claims** also showing potential; marketing/strategy were seen as having more moderate impact. Talent is a key factor for insurers: over 41% described attracting and retaining digital/AI skills as “difficult” or “very difficult” and over half as “neither easy nor difficult,” suggesting a tight market for specialized capabilities but not an absolute shortage across the board.

Evolving ESG posture. Around a third of respondents (35%) have updated ESG policies in the past six months, building on previous surveys of members showing widespread adaptation to demands. In terms of opportunity, respondents pointed to **renewable energy** (75%), **energy efficiency** (63%) and **green construction** (56%) as the most attractive ESG-aligned themes; **green transport** (31.25%) and **carbon removal** (50%) were also material, while **hydrogen/battery/nuclear** sat at ~19%. Over the five–ten year horizon, respondents expect **greater automation** to be very likely (weighted average 4.42/5), and **ESG as a core rating factor** sits in the “likely” camp (3.11/5). They also foresee some **regulatory fragmentation** (3.21/5) and modest **public-private risk sharing** growth (2.89/5); disruption by non-traditional players and further M&A were rated lower in likelihood (2.68 and 2.47, respectively).

CPRI market. Among those active in CPRI, half saw increased FI-derived market activity in the last six months and 62% expect growth in the next year. The dominant drivers are **capital relief** (54%) and **limit/exposure management** (38%)—a direct echo of banks’ balance sheet and regulatory capital strategies—all driven by recent regulatory change.

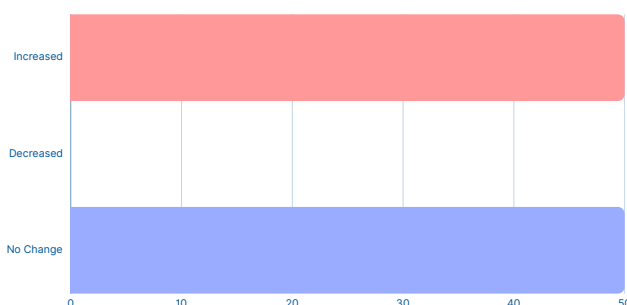


Fig. 5: Market Changes for CPRI from Financial Institutions Over the Last 6 Months

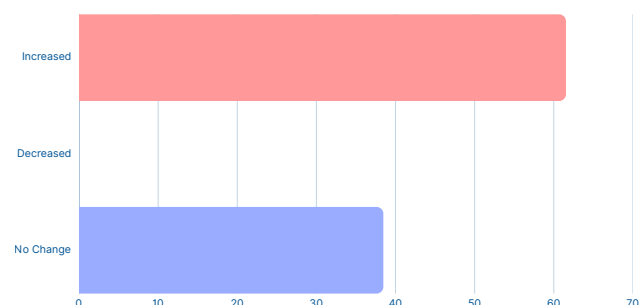


Fig. 6: Expected Demand for CPRI from Financial Institutions Over the Next 12 Months

Implications for TCI. The TCI market anticipates higher losses and insolvencies, yet still competes on price and capacity through tailored structures. Near-term winners will likely be those who (a) hard-wire AI into risk selection and limit management, (b) use broker ecosystems to assemble flexible risk-sharing stacks, and (c) operationalize ESG where opportunities align with measurable risk-return (e.g., renewables, efficiency, social infrastructure).

PART II

SURETY

1) Sentiment on the Risk Environment: Now and Looking Ahead

Current demand and near-term expectations. Surety sentiment is clearly on the up despite the economic conditions. Over the last six months, 62% saw demand increase; only 8% saw declines, with the remainder stable. Looking 12 months ahead, a similar majority expect demand to increase (62%), with a third expecting stability and very few expecting declines (4%). Beyond the next year, certainty about the future is less clear, but still 46% expect further demand growth with 42% showing a stable outlook.

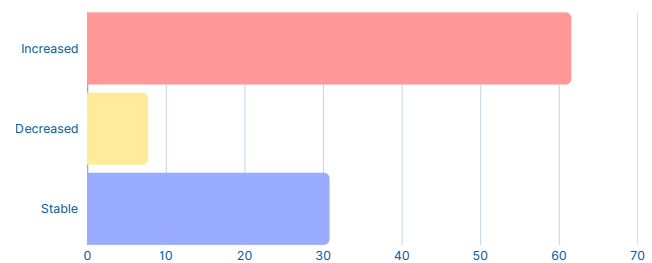


Fig. 7: Overview of Product Demand Over the Past 6 Months

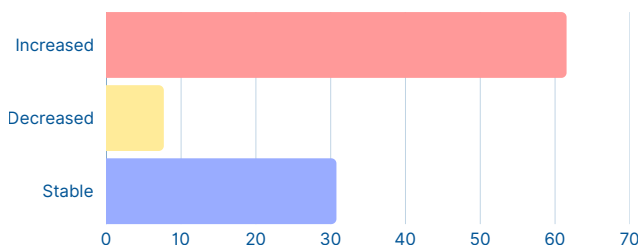


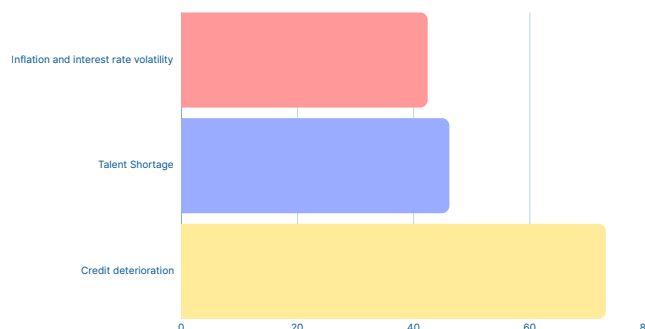
Fig. 8: Expected Percentage of Insolvencies Over the Next 12 Months

Claims and insolvency outlook. A plurality of respondents (42%) anticipate **higher claims** in the next year, with half expecting stability and only 8% expecting declines; looking beyond a year, the share expecting increased claims rises to 50%. On insolvencies, 62% foresee an increase in the coming 12 months and 54% expect increases beyond a year, with the balance expecting stability rather than improvement. This echoes TCI's credit-cycle caution, but as with the TCI survey, this does not reflect specific sentiment towards particular segments or sectors.

Bottom line for Surety risk sentiment. Surety respondents report broad-based demand growth with claims and insolvency risk tilted upward. Pricing is mostly steady with a stable outlook going forward, suggesting competitive conditions remain, but with similar expectations for potential claims increases stemming from the economic uncertainty seen in the real economy.

2) Macro-Economic & Trading Environment

Top challenges identified by surety leaders. The surety “top three” differ slightly from TCI. **Credit deterioration** again dominates (73%), **talent shortages** (46%) and **inflation/interest-rate volatility** (42%). **Geopolitical conflict** (35%), **trade disruption or tariffs** (35%) and **regulatory uncertainty/new reporting** (35%) are close behind. The elevated role for regulatory reporting reflects the fragmented nature of surety markets globally, rules can be significantly different from country-to-country.



Tenors, geography, and client mix. Most respondents did not see a change in tenors over the past six months (63%), and most do not expect a change in the next year (71%). That said, a meaningful minority reported longer tenors recently (42% of those seeing a change said “longer”), consistent with complex infrastructure and energy projects continuing to emerge, while a smaller group anticipates some tenor lengthening ahead (29% of those expecting change). Respondents also noted shifts across client segments, industry sectors, and geographies suggesting active re-balancing of portfolios as macro and project pipelines evolve in line with economies and investment.

Financial-institution demand for surety. Among those with a view, 30% saw FI demand **increase** over the past six months; 61% saw **no change**; and 9% said **not applicable**—no one reported a decrease. Where FI demand increased, respondents credited **bank regulation** (33%) and **greater appetite from sureties** (44%) as key. This triangulates with a bank environment where RWAs and counterparty limits are actively managed, and surety bonds can substitute or complement bank guarantees.

Distribution. Surety remains a **broker-centric** market: 71% named brokers as their most important distribution source; tied agents (17%), MGAs (4%), and direct sales (4%) lagged further behind. This reliance underlines the value of specialist intermediaries who can navigate local obligee requirements, project documentation, and fronting arrangements.

3) Emerging Trends: AI, ESG, and the Next Five–Ten Years

Industry shifts over the last decade. Surety respondents highlighted: **new capacity providers** (42%), **growth of bank-led solutions** (37.5%), **regulatory evolution** (29%), **AI usage** (25%), and **ESG integration** (21%) also in the mix. The distribution of answers indicates that the global surety market is a little earlier in adoption of new technologies compared to TCI. Competition from MGAs is also seen as a trend, with a particular focus on certain segments, markets, or structures.

Future outlook. Surety leaders expect **greater automation** to be likely, with ESG as a core factor with **regulatory fragmentation** also a concern. **Market disruption by non-traditional players** is seen as possible but not significantly likely, and **public-private risk-sharing** shows a moderate expectation among sureties. In short: digitalization and ESG integration are heating up as core topics for the surety sector, but much will depend on risk quality and selection criteria.

AI adoption and capacity building. AI usage today is essentially **50/50**: half of surety respondents are using AI somewhere, half are not. Among those using it, **risk underwriting** (93%) is the primary use, mirroring TCI colleagues, followed by **risk modelling** (29%); **marketing/strategy** appears in a fifth of responses (21%). The forward path is decisive: **92%** expect to increase AI use in the next 12 months. Also mirroring TCI, talent is the choke point: 46% say hiring/retention for AI, data and digital roles is “difficult” or “very difficult,” while half call it neutral—virtually no one finds it easy.

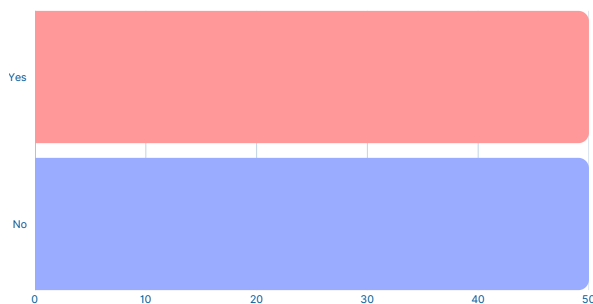


Fig. 9: Use of AI in Operations

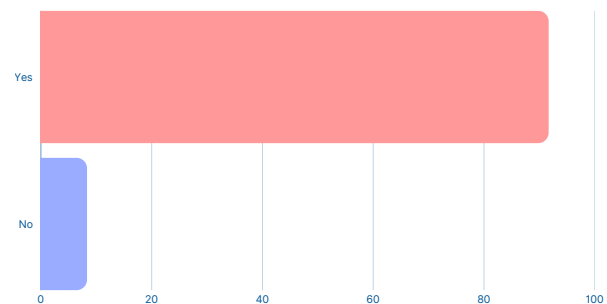


Fig. 10: Expected Increase in AI Use Over the Next 12 Months

ESG policies and opportunity lens. Similar to TCI providers, about a third of respondents have made updates to ESG policies, including around exclusion, building on earlier efforts already in place. On opportunity, **renewable energy** (83%), **energy efficiency** (63%) and **green construction** (58%) top the list; **hydrogen/battery/nuclear** (42%), **green transportation** (29%), and **carbon removal** (29%) round out a broad opportunity set aligned with capex-heavy projects where surety may be more heavily utilised in the economy. Respondents’ **biggest barriers** (qualitative) include: inconsistent or evolving standards, data/measurement challenges for ESG risks, and instances where pricing or contract terms do not yet fully recognize ESG-differentiated risk.

Implications for Surety. Members expect deeper AI penetration into underwriting workflows in the future, especially for underwriting purposes; measured incorporation of ESG into rating; and continued emphasis on broker-led distribution is seen in the market. Growth opportunities cluster around infrastructure, energy transition, and social infrastructure, contingent on insurer capacity and obligor standards.

PART III

**CROSS-CUTTING
INSIGHTS AND
RECOMMENDATIONS**

Risk tolerance is being recalibrated upward on expected loss reflecting economic conditions and forecasts. Both TCI and surety expect **higher claims and insolvencies**, yet most foresee **continued competition**.

TCI: 59% expect claims up; 77% expect higher insolvencies; pricing mostly stable (59%). *Surety:* 42% expect claims to increase; 62% expect higher insolvencies; pricing largely stable (65%).

Distribution power sits with brokers in both markets. Brokers are still the primary channel by a wide margin (TCI 68%, Surety 71%), reflecting the importance of structuring and cross-border program coordination. With that said, the emergence of new technologies continue to highlight the possibility for disruption in traditional markets.

FI-linked business remains structurally important. Banks and factors continue to lean on TCI and CPRI for capital relief and exposure management; similarly, FI demand for surety is stable-to-up, influenced by bank regulation and surety appetite. Ensure product and capital models remain tuned to FI demand cycles and regulatory calendars.

TCI: rising FI demand expectations; capital relief cited as the top CPRI driver (54%) .

Surety: 30% reported increased FI demand; bank regulation and surety appetite are the main causes.

AI adoption curves are steepening, with underwriting at the core. In both lines, respondents expect to scale AI quickly in the next 12 months (TCI 94%, Surety 92%), with **risk underwriting** identified as the highest-impact domain. Claims and modelling are next, while marketing/strategy lags. The key execution risk is talent: both markets signal challenges hiring and retaining digital skills.

TCI: 94% plan to expand AI; underwriting ranks highest for potential.

Surety: 92% plan to expand; underwriting already the primary use (93% of AI users).

ESG growth is uneven but presents opportunities. Both segments see material opportunity in renewables, energy efficiency and green construction; however, measurement challenges with an ongoing need for better data.

TCI: 35% updated ESG policies recently; top opportunities: renewables (75%), efficiency (63%).

Surety: 33% updated policies; top opportunities: renewables (83%), efficiency (63%).

Regulatory and reporting complexity is a growing operational challenge. Regulatory burden has regularly featured as a challenge among member issues. This trend continued in our survey, with it being listed among surety's "top challenges" and is present—though less acute—in TCI.

Surety: 34% flagged regulatory uncertainty/reporting as a top challenge.

TCI: 23% flagged similar concerns.

CONCLUSION

The 2025 ICISA Business Sentiment Survey captures a market operating with disciplined realism. Both trade credit and surety insurers expect a tougher credit cycle—more claims, more insolvencies, but with optimism around growth opportunities through cautious underwriting. This highlights the continuing importance of TCI, CPRI and Surety as tools for keeping the economy moving, even in difficult times for corporates.

ICISA members have clearly signalled their embrace of new technology as a way to support business. AI is poised to move from a reasonable level of current deployment to much wider adoption among insurers. While a nuanced picture emerges on ESG opportunities, there is clearly plenty of appetite and growth potential in capital-intensive projects which require effective and reliable risk mitigation. As ever, data and pricing remain key to ensure markets can be supported.

Distribution of TCI and Surety remain broker-led. Financial-institution channels remain a strategic importance for credit insures, and growing importance for sureties, despite regulatory change. Regulatory burden more broadly remains a challenge for the sector – evidencing the potential benefit that may come from simplification of requirements. In this environment, the insurers most likely to perform well will combine **fast, data-rich decision-making** with **nuanced structuring, credible ESG integration**, and **an eye on evolving distribution channels**.

About ICISA

ICISA is the Amsterdam-based, global trade association representing trade credit insurers, sureties, and their reinsurers.

ICISA members operate worldwide providing cover against the risk of non-payment of receivables (trade credit insurance), or the non-performance of contractual obligations (surety bonds).

In 2023, ICISA members accounted for over EUR 3 trillion in insured exposure related to trade receivables, and billions more in surety bonds in areas such as construction, energy production, judicial processes, and other key economic activities.



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