

## Press release

Amsterdam, 19/10/2023  
FOR IMMEDIATE RELEASE

### ICISA launches study on Loss Given Default in the global trade credit insurance market for the years 2017 - 2019

The International Credit Insurance & Surety Association (ICISA) has released a new Loss Given Default (LGD) study for the global trade credit insurance market. The newly available LGD study is a continuation of the research done for observation years 2005 to 2011 and 2015 to 2016 and are the result of cooperation with Versicherungsforen Leipzig.

The study examines the losses arising from defaults of trade credit receivables insured by credit insurers. The LGD is a key metric that captures most credit insurance specific risk-and-loss-mitigating factors and eventually reflects the credit insurers' ability to effectively manage the risk and minimise losses.

The study is based on data collected from more than 75% of the global credit insurance market by volume of gross written premium. The newly released study calculates the LGD metric in the trade credit insurance market for risks covering observation years 2017 to 2019 with exposures higher than EUR 500,000.

The weighted mean LGD for the combined observation period 2017 to 2019 is 6.8%, with a 95% confidence interval of 5.8% to 7.8%. This reflects the strong underwriting and risk mitigation practices employed by the industry.

The detailed results of these studies will be useful for:

- Market benchmarking
- Risk modelling and validation
- Reinsurance structuring and risk assessment
- Limit setting and risk management
- Solvency capital calculation

The newly released LGD study is exclusively available directly from ICISA. A publicly available copy may be downloaded [here](#).

The International Credit Insurance & Surety Association (ICISA) brings together the world's leading companies that provide credit insurance and/or surety bonds. Founded in 1928 as the first credit insurance association, the current members account for 95% of the world's private credit insurance business. Today, with almost USD 3 trillion in trade receivables insured and billions of dollars' worth of construction, services and infrastructure guaranteed, ICISA members play a central role in facilitating trade and economic development on all five continents and practically every country in the world. ICISA, has its office in Amsterdam, the Netherlands, and is registered in the Commercial Register under number 64391736.

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Richard Wulff, Executive Director at ICISA, commented: “We are happy with the release of this update of the LGD study. This project couldn’t be done without the strong cooperation of credit insurers. The outcomes of these studies are in line with results of previous ones and are a crucial metric for the credit insurance industry. LGD is an indicator for the credit insurance risk landscape. We aim to continue our research and hope to deliver the results also for the following years.

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