

# Introduction to Insurety

## Letter from the Managing Director

## insurety



### Hello everyone,

I would like to introduce you to Insurety.

Insurety, as an idea, was conceived some years ago and we used to be referred as the Surety Guarantee Alliance. We are pleased to say that this idea has now gained some traction and we'll talk to this here.

#### Insurety:

- has been born out of a collective of like-minded insurance companies that aim to play a significant role in the industries and markets in which they operate.
- is a collective of like-minded shareholders and leaders that believe we can achieve more together than apart.
- is comprised of people across three continents, with similar systems needs, views on risk, growth aspirations and approaches to people development.
- is an alliance with shared values and a common vision.

Our vision is to build a surety franchise that will be recognised globally for its dynamism, smart risk selection and management and the development of its people. We want to achieve global significance by enhancing the strength of local surety experts.

Insurety was formally formed towards the end of 2019 by **Assetinsure**, **Lombard Guarantee** and **Nordic Guarantee** who, together with their shareholders and after considering the risks and trade-offs inherent in the venture, gave it a mandate to continue. All parties committed themselves to support the creation of an overarching organisation that would drive and support the growth and sustainability of the initial founding partners and also open the door, in time, to new partners in new jurisdictions.

### Insurety Overview

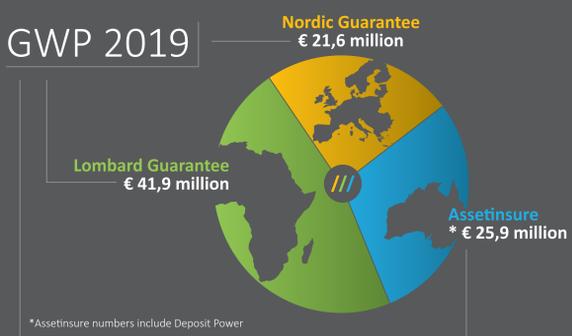
Insurety has been established as a support organisation staffed by a small but highly proactive team of experts. It will focus on certain elements of the strategy for the portfolio of licences and will be accountable to the members of the alliance and shareholders of these licences.

Insurety's purpose is to drive the international strategy for the combined group of members, providing advice and solutions to generate sustainable growth and to improve the management of the risks for our group of alliance members. It does this off an already strong base in the international surety market, with presence across three continents and significant market penetration in the regions where its alliance members operate.

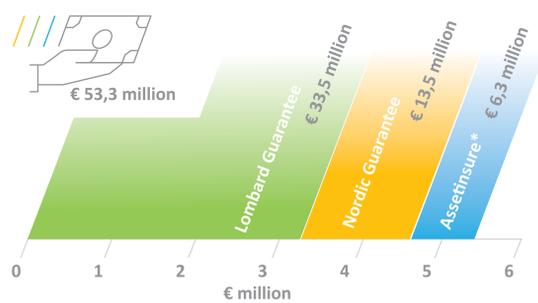
The significant market positions our alliance members have in their local markets translates into sustainable revenue generating capability. This makes the combined businesses extremely resilient to economic cycles such as the one we are witnessing now.

As an example of that, in 2019 we reached approximately EUR 90 million in Gross Written Premium across three continents.

### GWP 2019



### GROSS CLAIMS PAID 2019



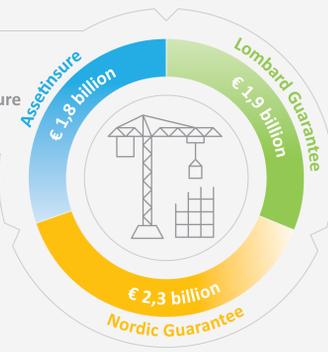
This resilience protects the future of our people, but it also ensures that we will have the financial strength to support our clients and beneficiaries in difficult moments.

As an example of our commitment to the industry and our beneficiaries, we paid in excess of EUR 50 million in claims during 2019 to support the industries where we operate.

### EXPOSURE

Construction - Infrastructure  
Engineering - Energy

€ 6 billion



As an alliance, we play an important role in the market assisting clients in the Construction, Infrastructure, Engineering and Energy sectors in all our regions.

Our members have provided cover for projects amounting to approximately EUR 6 billion across three continents, generating Gross Written Premium of approximately EUR 60 million.

We are experts in construction and related industries, but this is not the only industry we service.

We are also niche specialists with a diversified product portfolio addressing the specific needs of the markets where our alliance members operate.

For example, in South Africa we have got a strong position in the Trade Credit segment, covering close to EUR 5 billion in exposure for our clients.

### TRADE CREDIT



We play an equally important role in supporting other industries such as Mining, Travel, Customs, Fuel logistics, Housing, and as well as others.

### TOTAL EXPOSURE

€ 1,6 billion



## Insurety's Strategic Areas

Insurety has been mandated to become involved in the following four areas of strategy:



International Growth



Risk and Capital Management



Digital Technology



People Development



### International Growth

Insurety will set direction for the global growth strategy and drive the standards for corporate and organisational growth in existing and new international markets.

We will not only assist our alliance members in increasing sustainable revenue, but also with the provision of new ideas and opportunities and the transfer of knowledge.

Furthermore, we will provide a common overarching identity and brand, which will complement the alliance members own branding and improve their positioning with external stakeholders, such as beneficiaries or capital providers.

One of the assets of this alliance is its creativity, its dynamism and critical thinking. We are always on the lookout for opportunities to launch new products. An example of this is Nordic Guarantee who launched two new products in 2019; one, addressing the needs of dealerships in Denmark who need to provide for the taxes they owe the government; the other, issuing guarantees on behalf of tenants for the deposit they must provide to their landlords in the Nordics. This last product uses state of the art technology to automate the way this product is sold and underwritten.

One of the objectives of Insurety will be to promote collaboration between alliance members and to export the knowledge and products that are generated in our home markets to others alliance members.

Insurety will seek out new international markets to export our most important asset - the knowledge and the expertise that our people have developed in our home markets, thus providing growth opportunities for our organisation and teams.

### Risk and Capital Management

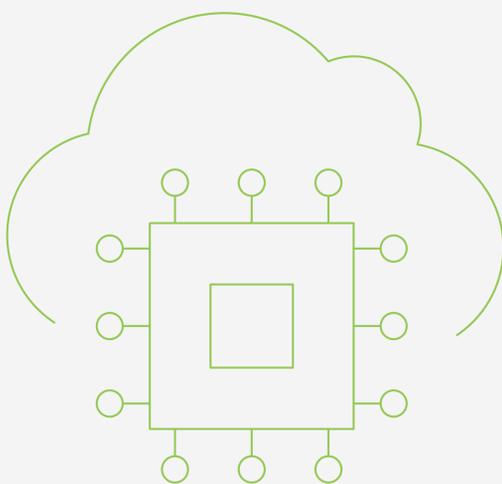
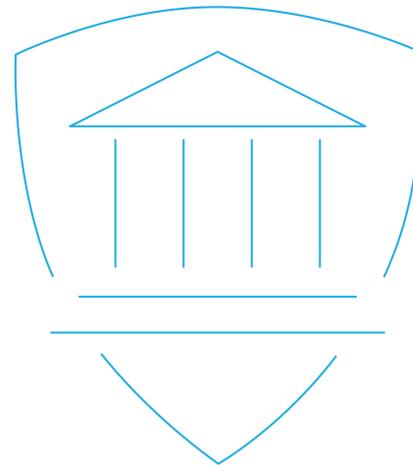
Insurety will set the standards for and drive continuous improvement in our risk management processes.

Insurety aims to provide value to the alliance members and shareholders by developing frameworks and tools that will assist them in better understanding their risks.

An example of this will be the assistance in portfolio review or what we call "The Third Eye" – an independent view from Insurety for our alliance members' largest risks.

We will also focus on systems for evaluating the capital we need to operate our businesses. We have already been running economic capital estimations and will provide details in the next communication.

A good understanding of this is vital for our business as it provides a guide on the true profitability of our portfolios. This will help us to buy reinsurance effectively and, in time, improve our ability to price risk.



### Digital Technologies

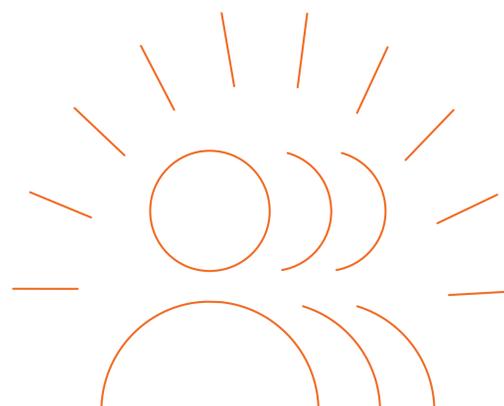
Insurety will foster a collaborative approach for the digital technology strategy for the alliance members to enhance both efficiency and effectiveness.

We will aim to create transferable digital tools that can be deployed in multiple jurisdictions, enabling efficiencies within the value chain of the business and making our jobs easier. Furthermore, we will promote the technologies that enable us to have better and smarter underwriting, and also to create access to new distribution channels.

### People Development

Insurety will foster the development of a common culture with different regional flavours based on our existing shared values.

We aim to develop the future leaders in the surety industry, sharing key values for our organisations, such as collaboration and knowledge sharing. We will be able to achieve this, and more, by working together, sharing best practices wherever we find them and understanding that even though we are independent organisations, we can achieve more for our people by working together.





## Who is involved

The dedicated Insurety team comprises:

### Johnny Symmonds:

I lead the guarantee businesses globally and a reference for the group. I will be the Managing Director of Insurety and will be ultimately responsible for its success.

### Luke Radivoev:

Luke is the leader for Risk and Analysis. His objective is to provide in depth credit analysis as well as to provide tools and solutions for the enhancement of alliance members' risk and capital management within the guarantee businesses.

### Manuel Gomez-Arrones:

Manuel is the leader for International Growth and Strategy. His focus is in developing and supporting the creation of new markets, products and channels, co-ordinating best practice in client marketing and underwriting across the alliance, and advising strategy, product and business development for home markets with international insight.



For Digital Technologies and People Development we will work with collaborators already within the alliance members' structures.

**Jan Lombard** leads the Digital Technologies unit from Stockholm, in addition to his role in developing the Marshall project.

**Thane Duffin** and **Lynda Gouveia** lead the People Development initiative from Johannesburg and Stockholm.

## Get involved

Whilst only a few people are dedicated 100% to look after Insurety's tasks, we are interested in the ideas and involvement of all our people across the member group. We welcome the interest and involvement of people from the local teams.

We truly believe in collaboration and sharing of best practices. We are optimistic about the impact of merging the international knowledge and dedicated time of the Insurety team with the expertise of local teams.

As I have told many of you in the past, this is the best job I have ever had. And, the way I look at it, it just got better.

This is a new adventure and I hope to have you on board and enjoying the ride together.

Best regards,

**Johnny Symmonds**

Insurety Managing Director