



How to get the trade credit insurance market working

THE PROBLEMS facing the trade credit insurance market and its response to the recession will be the subject of the group's next meeting.

With the government announcement of a £5bn Trade Credit Insurance Top-up Scheme in the recent Budget coming hard on the heels of the publication of a new statement of principles for trade credit insurance by the Association of British Insurers, this market has been in the news recently. Claims have jumped by over 50% as the recession has deepened with many retailers, in particular, claiming they have experienced problems in finding the appropriate level of cover. Half of large retailers and over 40% of small and medium-sized ones say the reduction or withdrawal of trade credit insurance has undermined their ability to trade, according to the British Retail Consortium.

The group's meeting on 19 May (11.30am, Committee Room 17) will bring together three trade bodies with plenty to say on the topic: the British Retail Consortium, whose members are bearing the brunt of the frontline problems, the British Insurance Brokers' Association, representing the brokers who place the majority of trade credit busi-



High street woes: tough times for retail prompted help in the Budget

ness in the UK, and the Association of British Insurers, which has all the leading trade credit underwriters in its membership.

BIBA recently held a meeting with the Treasury, the Department for Business Executive and Regulatory Reform and credit insurance brokers to discuss the new top-up scheme which will be available to up to 14,000 business that have trade credit insurance. Figures released by the ABI last month showed how fast claims have risen as economic conditions have deteriorated. Claims rose to 8366 in the fourth quarter of 2008 – up from 5540 in the same period during 2007. The value of claims incurred in 2008 was £360m (2007, £257m), while the total value of turnover insured increased to £302.5bn in 2008 (2007, £282bn).

Group to renew dialogue with the Chartered Insurance Institute and Standard Life

TWO ORGANISATIONS will be renewing their dialogue with the All Party Group later in this session. Both the Chartered Insurance Institute and Standard Life have previously worked with the group and are keen to brief members on a range of issues.

The CII, the professional body for the insurance industry, has published a series of policy papers on a wide range of top-

ics over the last year, including climate change, the ageing population, migrant trends and regulation and is keen to discuss these with members.

Standard Life has been through a period of substantial change since its demutualisation in July 2006 and will be discussing with the group a range of concerns around retail financial services and pensions.

Insurers issue call for a clean exemption in the Equality Bill

AS THE EQUALITY BILL started its detailed Parliamentary passage, the Association of British Insurers followed up its meeting with the group on the Bill with a special briefing to all MPs.

The briefing sent round on the eve of the second reading debate on the Bill called for a clean exemption for insurance from the age discrimination provisions in the bill, arguing that “using age as a factor in assessing risk is beneficial to consumers of all ages. It keeps costs as low as possible and is less intrusive for customers than other means, such as a full health check”. It also argued that these issues should not be left to secondary legislation as currently proposed.

In an acknowledgement of the concerns of MPs and Peers about the availability of travel insurance for older people, the ABI said that it is setting up a referral service to help people find an insurer.

Chairman: John Greenway MP

Deputies: Baroness Turner of Camden, Vince Cable MP, Lord Hunt of Wirral

Hon Secs: Sir John Butterfill MP, Jim Cousins MP, Edward Leigh MP

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