



‘A BRIEF GUIDE ON CREDIT INSURANCE’ – A MUST READ! By Silja Calac, ITFA Board Member And Chair Of The Insurance Committee

If you haven't done so already, I strongly recommend that ITFA members with any interest in, or link to, credit insurance take a look at the publication entitled '*A brief guide on credit insurance as a risk mitigation tool when used by the banking industry*' authored by Matija Vodoplav from BNP Paribas.

The guide provides an easy to understand and comprehensive introduction to the principal issues surrounding the use of credit insurance by the banking industry. It's an essential bit of reading for anyone who is new to credit insurance, and who wants to learn more about what it is, why banks use it, how it has developed, and how it works under the CRR. As it's aimed at all industry stakeholders, seasoned professionals will also find it incredibly useful.

The document has been integral to ITFA's Insurance Committee as a means of bringing the regulators up to speed on the major legal and practical issues pertaining to the use of insurance as a credit risk mitigant, and how the cooperation between banks and insurance could be enhanced. As such, we have sent the guide to both the European Commission and the European Banking Association.

I was first introduced to the guide's author, Matija, by Sebastien Heurteux from BNP Paribas, who sits on the ITFA Insurance Committee. Sebastien had told me that he had a bright young analyst at the bank who had offered to assist us in compiling the data we needed for our dialogue with the regulators.

Right from the start I was amazed at how quickly Matija – who was entirely new to the subject area – was able to understand the complexities of credit insurance.

Matija's initial research for the Committee became the start of his guide, which he then went on to submit as a project in ITFA's inaugural Young Trade Financier of the year award – and those of you who attended our annual conference in Budapest last year will remember Matija's presentation of his findings to conference delegates.

It really is a brilliant piece of work, and I must commend Matija – and thank him on behalf of ITFA and the insurance industry at large – for his diligence in putting it all together.

'*A brief guide on credit insurance*' is available to download in the member area of the ITFA website: <https://itfa.org/member-area/publications/>.

** Matija is currently preparing a PhD thesis, the objective of which is to examine the existing European legal and regulatory framework applicable to credit insurance and its suitability for the use by the banking sector.*