

**PRESENTATION BY PETER HARRIS**

AT THE FORUM:

***APPALTI e FIDEIUSSIONI***  
Public Procurement and Risk Management

***Nuove regole***  
New rules

***Nuovi scenari***  
New scenarios

***Nuovi protagonisti***  
New players

***15 giugno 2017***  
June 15, 2017

**Roma, Palazzo Rospigliosi**



CBL Group

## CBL Corporation Limited - Overview

June 2017



### How do we run a global business from NZ?



**CBL presence (key)**



Source: CBL management

- ✓ Building balance sheet capacity and capital to support growth throughout the CBL Group.
- ✓ Highly experienced and disciplined underwriting expertise to support global programs
- ✓ Building and supporting international relationships with key business partners
- ✓ Claims management and oversight
- ✓ Lack of competing distribution channels to our key business partners

# What are our key insurance products?

## Builders Warranty

- Policy to new home purchasers, indemnifying them from losses sustained as a result of non-completion of the home or failure of the builder to remedy post-completion defects in the home

## Credit & Surety Bonds

- Bonds provided to beneficiary to better secure a financial or contractual obligation to a third party. Often used as an alternative to a bank guarantee

## Deposit & Fuel Bonds

- Deposit Bonds provided to seller on behalf of a buyer in place of a cash deposit when purchasing a property
- Fuel bonds provide financial security to fuel suppliers for payments from their retailers instead of a bank guarantee

## Professional & Financial Indemnity

- PI provides cover for liability arising from defective professional advice or services provided
- Financial Indemnity restores a third party or insured policy holder to the position they were in before the loss event

## Completion Guarantees

- Attaches to an individual building project, and guarantees the financial completion of the construction

## Credit Enhancement

- Policy that provides the borrower with enhanced collateral or guarantees in order to achieve a more efficient funding package

# Key business strengths



## Track record of consistent performance

- GWP CAGR of 48% and operating profit CAGR of 58% for the 5 years from 2010
- Significant portion of revenues (approx. 55%) are from annually renewable business that derive annual premiums from the same policy holder



## Core focus on profitable, non-traditional insurance lines with key business partners

- Focus on writing business which generates profit rather than relying on income from investments
- CBL has focused on specialist products and offered them into international markets through long term business partners



## Conservative, consistent underwriting and risk management processes

- Risk mitigated by being spread across a significant number of products and countries with low average value risk exposures by policy, and ability to recover claims from insured counterparties on many products
- Consistent combined operating ratios of circa 80%. In 2016 Combined Operating Ratio was 78%



## Challenges for new entrants

- Highly regulated industry; CBL is regulated by both domestic and international regulatory bodies creating significant capital and establishment hurdles, and ongoing compliance costs for new competitors



## Operating leverage

- CBL derives business utilising a small team of experts and via intermediaries which incur a large amount of the distribution, acquisition and initial policy administration and reporting costs



## Significant growth opportunities

- Nimble international distribution network which provides a platform for future growth
- CBL is consistently monitoring new opportunities to enter into new markets and product lines

- CBL's strong balance sheet, A- rating, and access to capital continues the strong growth track record