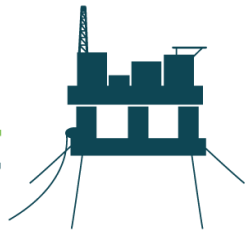


GLOBAL OFFSHORE

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S U M M I T



Oil and Gas Surety Market

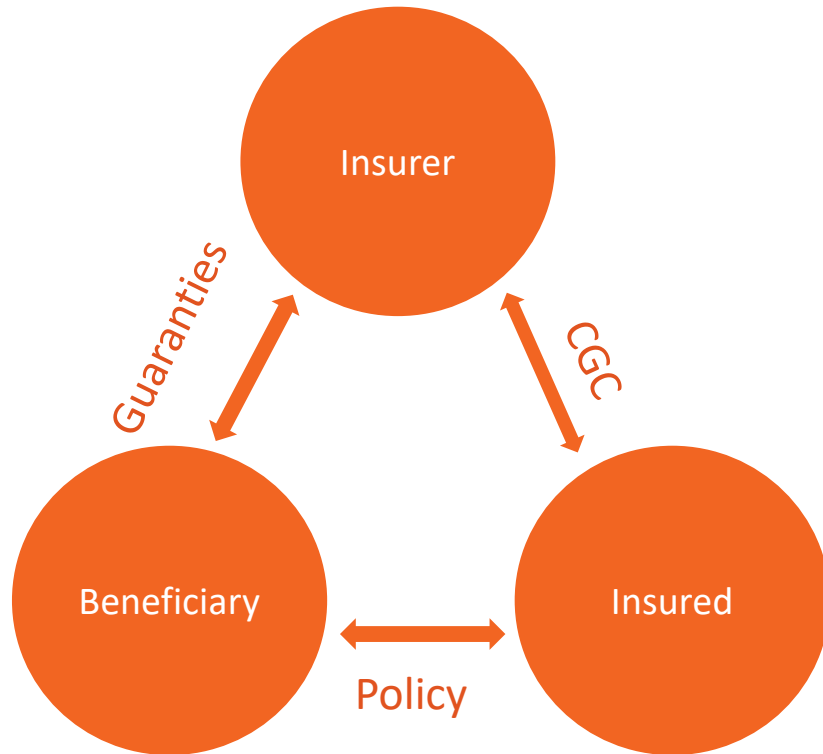
Eduardo Fontes
Pottencial Seguradora



Grand Hyatt Rio de Janeiro • Rio de Janeiro, Brazil • 3-4 March 2020

Surety Structure and Market

Surety Structure



Insurer

Is the carrier, a fully legalized company by the SUSEP, allowed to issue policies in such terms.

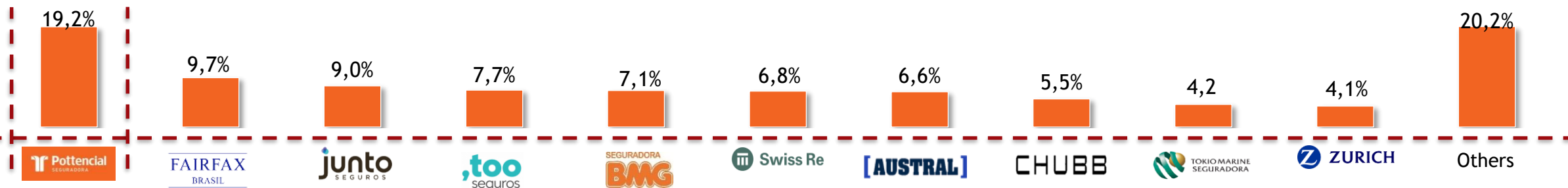
Insured

Is the figure who is responsible for contracting the surety with the Insurer for a specific contract signed between him and a third party

Beneficiary

The third party of the signed contract. Is beneficiary of the policy.

Surety Market



Insurers premium (Jan-Dec 2019)

Insurer	Insurance premium (BRL MM)			Loss Ratio*	
	2018	2019	Δ%	2018	2019
POTTENCIAL SEGURADORA S.A.	514,2	546,7	6,32%	-2,10	32,20
FAIRFAX BRASIL SEGUROS CORPORATIVOS S.A.	170,5	276,3	62,05%	12,91	73,74
JUNTO SEGUROS S.A.	381,4	256,1	-32,85%	23,28	60,13
TOO SEGUROS S.A.	246,4	219,1	-11,08%	117,13	-16,04
BMG SEGUROS S.A.	136,5	202,9	48,64%	0,21	3,59
SWISS RE CORPORATE SOLUTIONS BRASIL SEGUROS S.A.	133,3	194,8	46,14%	0,12	0,74
AUSTRAL SEGURADORA S.A.	174,4	187,7	7,36%	62,05	121,23
CHUBB SEGUROS BRASIL S.A.	181,1	156,6	-13,53%	16,17	51,84
TOKIO MARINE SEGUADORA S.A.	73,7	118,9	61,33%	-1,57	-71,19
ZURICH MINAS BRASIL SEGUROS S.A.	99,0	116,2	17,37%	15,26	2,95
OTHERS	574,1	479,48	-16,48%	110,49	100,16
TOP 10	2.110,5	2.275,3	7,81%	243,49	259,19
TOTAL	2.684,6	2.851,4	6,21%	353,97	359,35

*Loss Ratio: Claims/Insurance premium
Source: SES - SUSEP Statistics System

Legislation

Legislation

- SUSEP



- Law 8666 / 1983



- ANP



SUSEP



- Superintendence of private insurance
- Autarchy linked to Finance Ministry
- Government agency responsible for the oversight and control of Brazilian insurance market

Law 8666 / 1983

- Regulatory standards
- Rights and Obligations
- Claims regulations



Surety for the ANP

- Bid Bond
- Performance Bond



Bid Bond and Performance Bond

Bid Bond

- The bid bond is one of the usual requirements listed at almost every bidding process.
- Commonly 1% of the bidding value
- Assures the legitimacy of a company's bid.
- Cancellation and Revogation

Performance Bond

- The performance bond is requested at the signing of the won contract
- Commonly 5% of the contract value
- Assures that the winning company will perform the contract accordingly
- Duration and Extension

Risk Analysis Pillars

- Technical capability
- Financial health
- Risk specifics

Other common surety risks

- Judicial Surety
- Energy payment Surety
- Labor Appeal Judicial Surety

Thank You

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