TABLE OF CONTENTS

0.0 EXECUTIVE SUMMARY 1

1.0 INTRODUCTION 3

What is this report about? 3

The series focuses on surety bonds and associated guarantees issued in relation to commercial activities 3

Rationale 3

Several factors provide rationale for the development of research about this market… 3

… including its size plus a predicted shift in favour of insurance-backed surety bonds… 3

… and the lack of alternative sources that analyse the entire market as opposed to just parts of it 3

Definitions 4

Surety bonds and related guarantees 4

Surety bonds and related guarantees add up to a quite complex family of financial products… 4

… including several different types of contract bond… 4

… and various forms of commercial bond… 5

… with competing products available from banks and other entities as well as from insurance providers 5

Abbreviations 5

Methodology 6

Research program 6

Market data analysis 6

Finaccord 6

2.0 MARKET ANALYSIS 8

Introduction 8

Market characteristics 8

Surety bond types and substitutes 8

Key regulations 9

Typical period of validity 9

Market value and segmentation 9

Construction sector 9

A weak economy has hampered the performance of the French construction market… 9

Surety bonds and related guarantees 11

… but the value of the market for surety bonds and related guarantees reached a new peak in 2015 11

Construction-related bonds make up just under a half of the total market… 12

… and insurance-backed products for just over 20% of it 13

A significant proportion of insurance-backed surety bonds are underwritten outside of France… 14

... and a clear majority of their value is underwritten directly (as opposed to being distributed by brokers) 15

Underwriter utilisation by brokers and market shares 16

Atradius and QBE benefit from the most frequent utilisation by brokers… 16

… followed by Euler Hermes and Groupama 16

Atradius and CEGC (a subsidiary of Natixis) are the probable leaders by market share 18

Leading brokers 20

A number of brokers have significant involvement in the French market for insurance-backed surety bonds 20

Market forecast 21

Business underwritten by insurers is expected to outgrow that dealt with by banks and other entities… 21

… within a total market value that is likely to advance steadily up to 2019 21

LIST OF GRAPHICS / TABLES

0.0 EXECUTIVE SUMMARY 1
Key market data for surety bonds in France, 2011, 2015 and 2019 (forecast) 2
1.0 INTRODUCTION 3
2.0 MARKET ANALYSIS 8
Value of the construction market in France, 2011 to 2015 (EUR billion) 10
Value of the market for surety bonds and related guarantees in France, 2011 to 2015 11
Segmentation of the value of the market for surety bonds and related guarantees in France between construction and other activities, 2015 12
Segmentation of the value of the market for surety bonds and related guarantees in France between insurance companies, banks and other institutions, 2015 13
Gross written premiums for insurance-backed surety bonds in France, segmented between domestic and non-domestic underwriters, 2015 14
Segmentation of the value of the insurance-backed surety bond market in France between surety bonds issued directly and surety bonds intermediated by brokers, 2015 15
Percentage of brokers surveyed making regular use of particular underwriters of insurance-backed surety bonds in France, 2015 17
Estimated market shares of gross written premiums of underwriters of insurance-backed surety bonds in France, 2015 19
Estimated market shares of gross written premiums of underwriters of insurance-backed surety bonds in France, 2015 (table) 20
Value of the market for surety bonds and related guarantees in France segmented between insurance companies, banks and other institutions, 2019 (forecast) 22
Value of the market for surety bonds and related guarantees in France segmented between insurance companies, banks and other institutions, 2019 (forecast) (table) 22