

The world's niche reinsurer

An interview with Gerardo Garcia, CEO of Barents Re

Barents Re is a leading independent reinsurance company with a well-established presence in Europe, Latin America, the Middle East and Asia. The company provides a wide range of niche and specialty reinsurance products to property and casualty insurers.

The European spoke to Barents Re CEO, Gerardo Garcia about the company's specialist areas and its plans for the future.

Please outline how Barents Re was formed.

Gerardo Garcia: We established Barents Re in 1996 and over the past two decades, we have built a reputation as a leading specialty and niche reinsurer that has delivered consistently strong financial results. We are underwriters first and foremost. Our entrepreneurial culture, coupled with an experienced management team, allows us to identify and respond quickly to opportunities. The expertise of our specialty underwriting teams and their knowledge of our markets, products and clients enables us to offer innovative solutions. We offer bespoke products and services individually tailored to our clients' needs.

Furthermore, our reputation means we attract top quality personnel from around the world. Our people are the core of our business; it is their knowledge and experience that allows us to make the right decisions for our clients and for our business. Of course, we manage and have access to a wealth of data and tools that assist us in our decision-making processes. But it is the ability to accurately interpret such data that separates one reinsurer from another. It is precisely for this reason that we employ recognised experts.

A direct consequence of our analytical and disciplined approach is our ability to provide substantial capacity for our clients' benefit over the long term. Our consistent financial strength was recognised by A.M. Best in November 2016 by the affirmation of the 'A' (Excellent) Stable Outlook rating for Barents Re Reinsurance Company, Inc. and the assignment of the 'A' (Excellent)

Stable Outlook rating for our Luxembourg subsidiary, Barents Reinsurance S.A. Our Luxembourg based company is the vehicle to manage our international business. We were delighted with these ratings as we felt they were a justified validation of all our work to make our business the success it is today.

Tell us about your international development.

GG: I am especially proud of our expansion strategy with its focus on specialty lines of business, which has been key to our progress. We are very clear that we only establish a presence where we believe there are opportunities to work with like-minded clients. We are now present in cities across Europe – including London, Luxembourg, Madrid, Milan, Moscow, Paris, Rome – Latin America, the Middle East and Asia.

On a geographic basis, much of Barents Re's activity is focused on emerging markets. This is part of our DNA. The growth in insurance premiums in many countries fueled by economic fundamentals, favourable demographics and the introduction or enforcement of compulsory insurance, are most encouraging. While insurance penetration is still low in many countries, it's on the rise and we expect Barents Re to benefit in the coming years.

What are your key lines of business?

GG: Our vision is for Barents Re to become an integral part of the insurance value chain. We are focused on being a niche player that offers specialist and tailor-made solutions to our clients. We do not participate in every type of business because underwriting discipline is fundamental to our success. On the commercial side, we are especially strong in surety bonds, energy, renewable energy, construction and engineering, property, liability, financial lines, marine cargo, contingency and entertainment, life and accident and health. We are also a growing presence in the

consumer arena, participating in a number of affinity programmes.

Highlight the value you place on innovation.

GG: Typically, the reinsurance industry defines innovation narrowly in terms of insurance product design and pricing. That's just the beginning for Barents Re. Innovation is imbedded in our processes and fundamental to our business model. It is the way we go to market and it is an integral part of our client experience. It is the way we are organised so that we can deliver reinsurance solutions at the right price.

For us, innovation is as much a mentality as it is a process or procedure. The way we managed our surety bonds portfolio

following the 2008 financial crisis serves as an excellent example. Like all lines of business, surety bonds suffered a general decline in the years immediately following the 2008 crisis, but while other competitors cut back we continued doing business as usual – which resulted in an expansion of client relationships and premium volume for us. Barents Re did not change its appetite during the financial crisis, so, unlike others in the market, it maintained its consistent underwriting approach, thus pioneering innovative reinsurance solutions and forging partnerships in new territories.

Can you outline any forthcoming plans for expansion and development?

GG: We seek to create value for our

“Our vision is for Barents Re to become an integral part of the insurance value chain”

shareholders by investing in our business to create new customer segments, expanding geographically and innovate tailor-made products. As I have mentioned, we only do business in countries where we feel very comfortable and we have a niche-product strategy that is focused on profitability and not on market share.

We have plans to increase the number of underwriters we have, as well as the resources

we have in place for loss prevention and claims management. In 2017 we expanded our product lines through the appointment of renowned and specialist underwriters to lead our business and build our portfolio in marine cargo, contingency and entertainment and renewable energy, of which the later complements Barents Re's expertise in the hydrocarbon energy reinsurance business which has gone from strength to strength in recent years.

Overall, we are working to reinforce, develop and enhance our core aims in specific markets, so that we continue to provide superior service and financial results. ■

Further information
www.barentsre.com



Gerardo Garcia,
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