

INSURANCE | REGIONAL

## Barents Re bullish on surety potential in Macri's Argentina

By Ulric Rindebro - Friday, June 8, 2018

Panama-based reinsurance company Barents Re is seeing attractive surety opportunities in Argentina in the coming years, a company executive told BNamericas.

Barents Re has stayed away from the Argentine market due to a regulatory framework that was making business difficult for international companies.

The arrival of market-friendly President Mauricio Macri in December 2015, and his administration's more favorable reinsurance rules, prompted Barents Re to start offering surety coverage in Latin America's third largest economy.

The reinsurer now sees lots of business opportunities related to Argentina's large pipeline of infrastructure and renewal energy projects, said Hikaru Uno, who heads the bonds and specialty lines.



Source:Barents Re

Argentina has in recent weeks suffered a currency crisis and was forced to seek financial support from the IMF. However, Uno said that Barents Re's positive long-term view of Argentina remains intact due to the reforms that the Macri government has implemented.

### Regional focus

Latin America has always been a high-priority market for Barents Re. Besides Argentina, it sees attractive opportunities for its surety business in Colombia, Panama, Paraguay, and Peru, said Uno.

These countries have a significant surety growth potential due to several factors, which include a large pipeline of infrastructure projects, strong economic growth potential and favorable regulations, he said.

The speed of project execution in some of those markets has been affected by the massive corruption scandal related to disgraced Brazilian construction giant Odebrecht. Uno, however, believes that the negative Odebrecht impact will gradually began to fade and may have even created business opportunities.

"Odebrecht has impacted the market overall. In some countries we have seen projects revoked and re-tendered to other players giving us business opportunities with some of our clients [mainly construction companies]," said Uno.

### **Global expansion continues**

The past several years have seen Barents Re transform itself into a multinational corporation with operations in several regions. The process began in 2010 and at the end of 2013 the company obtained a US\$100mn capital infusion to support its continued international expansion, especially in Europe

Calling itself "The World's Niche Reinsurer," the global presence is presently made up of subsidiaries in Luxembourg and Beirut, representative offices and branches in London, Moscow, Paris and Beirut, and management networks in Madrid, Milan, Paris, Rome, Miami and Beirut.

The latest move by Barents Re outside of Latin America has been Turkey, where it recently began offering surety bonds.

The surety bond business is the company's second largest business line worldwide, after energy.

The geographic business diversification was among the main factors that prompted ratings agency A.M. Best to increase its financial strength rating on Barents Re in 2015, to A from A-.

Controlled by Standard Capital Shareholdings, Barents Re offers a wide range of products of which the main lines are energy, bonds, financial lines, treaty, marine cargo, excess property, life & health.




---

### **Need help? Feel free to contact BNamericas Customer Service Center**

Email: [info@BNamericas.com](mailto:info@BNamericas.com)

Tel: (Phone) +56 (2) 2232 0302

Fax: (Phone) +56 (2) 2232 9376

Voice/Fax: (Phone) +1 (305) 513 5782 (USA)