

Euler Hermes launches Euler Hermes Energy

New credit support and risk management solutions for energy industry

BALTIMORE, Md. – 18 AUGUST 2015 – The North American energy sector’s volatility coupled with stricter banking regulations have made it increasingly difficult for energy companies to facilitate liquidity to propel growth. To provide those companies with essential credit support and risk management solutions, the world leader in trade credit insurance, [Euler Hermes](#), today announced the launch of [Euler Hermes Energy](#).

Credit support and risk management solutions are vital both to maximizing opportunities and mitigating risks. Euler Hermes Energy has designed tailored solutions to empower businesses throughout the energy supply chain, with offices based in Houston, Dallas, Calgary and Stamford, Connecticut. Using energy credit insurance, customers are protected against payment default and can confidently transact on open credit, the preferred method of global business. Should a default occur, clients can efficiently execute a claim for payment with Euler Hermes Energy.

“Credit is the fuel of growth,” said Jay Rose, managing director of Euler Hermes Energy. “Business managers staying current with the global energy sector’s evolution require a comprehensive suite of credit tools to capitalize on opportunity and maintain competitive advantage. Better harmonization of risk mitigation and commercial aspirations supports safe, aggressive bottom line growth. Our industry-specific expertise provides the right solution for individual companies, backed by the resources of a global leader.”

In addition, Euler Hermes Energy has developed Spread Risk Loss coverage (mark to market) – bridging the gap between the contract and the market. When a buyer becomes insolvent, Spread Risk Loss ensures the energy provider is covered for the lost sale at the original contract value, regardless of market price. Spread Risk Loss augments complex risk mitigation strategies, providing a simple solution to a frequent problem.

Euler Hermes Energy has combined over 110 years of energy and trade credit industry experience to provide clients with competitive advantages through:

- **Safer growth.** New counterparties and new destinations are emerging for energy products. When receivables are insured, a company can confidently and securely expand open credit to new and/or existing customers.
- **Credit management support.** Energy credit works in conjunction with credit and commercial teams to enhance a business’ ability to offer increased credit lines, optimizing margin without compromising risk positions.
- **Reduced concentration risk.** By securing receivables, high-volume risk is eliminated, strengthening the balance sheet and protecting shareholders.
- **Maximize Leverage.** Banks adhere to strict lending principles based on concentration and the probability of default of the underlying receivable. When domestic and international receivables are insured, they assume Euler Hermes’ AA- S&P rating, enabling a company to borrow more while providing Basel III-compliant capital relief to the bank.

The new division will be led by seven industry professionals including:

- **Jay Rose, managing director** – Rose began his career at Euler Hermes in 2004 and has held several managerial roles in the Texas market.
- **Pat McKinnon, senior director** – McKinnon’s career spans more than 30 years in every facet of the energy supply chain. Most recently, he was a partner at Buffalo STX Energy and associate director of Natural Gas – Chicago Mercantile Exchange Group.

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- **Todd Lines, senior director** – Lines combines 26 years of experience in both Calgary and Houston in crude oil, liquids and natural gas trading and marketing as an analyst, trader, trading director and energy consultant.
- **Jon Hammond, senior director** – Hammond has managed risk in the energy sector for 25 years, 20 of which were on the floor of the New York Mercantile Exchange.
- **Chris Jackson, senior director** – Jackson has more than 20 years' experience in business development, origination and trading for companies such as Duke Energy, TXU and NYMEX.
- **Fritz Fowler, head of credit risk** – Fowler has spent decades as a risk analyst and credit manager for companies including Cima Energy, Compass Bank, Amegy Bank and Reliant Energy.
- **Michael Rapp, head of commercial underwriting** – Rapp has more than a decade of experience working with insurance, energy and technology companies. His experience spans large multi-national corporations to venture capital-funded companies.

To learn more, please visit <http://www.eulerhermes.us/energy> or contact energy@eulerhermes.com.

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Euler Hermes North America Insurance Company

Euler Hermes' regional headquarters for the United States, Canada and Brazil is located in Owings Mills, Md. Founded in 1893, Euler Hermes is North America's largest and longest-established provider of trade credit insurance and accounts receivable management solutions. The company protects and insures around \$120 billion of regional trade transactions annually, serving small, medium and multinational clients across a range of sectors. The company employs 430 people regionally and serves clients from more than 50 locations in North America and Brazil.

Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong Europe. The company posted a consolidated turnover of €2.5 billion in 2014 and insured global business transactions for €360 billion in exposure at the end of 2014. Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets,

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including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.