

DATA ALLIANCE PROJECT FINANCE CONSORTIUM CLIENT SPOTLIGHT: Zurich Insurance Group



Company Name

Zurich Insurance Group

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Background

Zurich Insurance Group Ltd., commonly known as Zurich, is a global insurance company headquartered in Zurich, Switzerland. As of 2017, the group is the world's 91st largest public company according to Forbes' Global 2000s list. With about 54,000 employees, Zurich provides a wide range of property and casualty and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, mid-sized and large companies, as well as multinational corporations.

Challenges Facing Zurich

The Private Debt team within Zurich's Investment Management division is a small team responsible for the oversight of an \$8B+ portfolio consisting of infrastructure debt, commercial real estate debt, leveraged loans, private placements, and collateralized loan obligations (CLOs). The team is responsible for building an analytical framework to monitor risk and return for the different asset classes under its scope with the objective of capturing illiquidity premia and adding diversity to the portfolio. To perform this analysis, Zurich needs significant amounts of historical data, which is not easily accessible in the private debt market. In this instance, the Private Debt team was in need of detailed historical data for project finance and infrastructure loans broken down by sector.

The Moody's Analytics Solution – Project Finance Consortium

Some Zurich departments had already been using Moody's Analytics solutions for challenges with risk measurement and data management. The Private Debt team then found the study, **Moody's Investors Service (MIS) Default and Recovery Rates for Project Finance Banks Loans, 1983-2015**¹. This study was very useful in their initial research, and they were then connected to the Moody's Analytics Project Finance Consortium, Moody's Analytics default and recovery database covering project finance transactions. After joining the consortium, Zurich was able to get calculations for historic default rates and loss given default by industry, region, or a combination of both, during specific time periods. For example, members can request a report for default rates from 2005-2015 to be generated and used in internal analysis. Reports can also be customized by going into more granular industry sections, such

¹ On March 5, 2017, Moody's Investors Service released its annual study on default and recovery rates for unrated project finance bank loans, which examines 6,389 global project finance transactions during a 33 year period from 1983 to 2015. This study is available to Moodys.com subscribers. If you need more information, please contact [Kevin Kelhoffer](#), [Marina Gromova](#) or [Ryan Kinney](#).

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as infrastructure, power, telecom, oil, and gas. Another level of granularity can also be evaluated, such as detailed PD or LGD for renewable power, solar, oil rigs (FPSOs), etc. This level of detail can be shared only if this level of granularity has a statistically significant result. The consortium data remains blind and project names are not revealed. This analysis, combined with internal analytics, supports Zurich in their investment decisions.

Benefits of Joining the Moody's Analytics Project Finance Consortium

The immediate benefit of joining the consortium is to have easy access to your internal data and aggregated project data, which is then available for internal and external use. The project finance consortium has grown from its inception to over 30 years of detailed historical data on the performance of credit risks across public and private firms. Another benefit is superior customer service. When participants make a request, their analysis is sent out almost immediately, and expert consultation and support is available throughout the year. This level of support allows Zurich to make more informed decisions about how to expand and manage their portfolio.

About the Moody's Analytics Data Alliance

The Moody's Analytics Data Alliance is one of the world's largest and most comprehensive data consortia covering Commercial & Industrial, Commercial Real Estate, Project & Infrastructure Finance, and Asset Finance. Built in partnership with over 90 leading global financial institutions, the Data Alliance database contains private firm financial statement, loan, default, and other key financial metrics.

About Moody's Analytics

Moody's Analytics, a unit of Moody's Corporation, helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By offering leading-edge software and advisory services, as well as the proprietary credit research produced by Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

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