UK EXPORT FINANCE
Export Credits Guarantee Department

Quick guide to an Export Insurance Policy

This quick guide explains what an Export insurance policy is, how it works, its benefits, its key features and how to apply for the policy from UK Export Finance.

What is an Export Insurance Policy?

An Export Insurance Policy insures an exporter against the risk of not being paid under an export contract or of not being able to recover the costs of performing that contract because of certain events which prevent its performance or leads to its termination.

How does it work?

In carrying out the contract the exporter may incur costs before delivering goods and providing services to the buyer. For example, it may need to buy raw materials, manufacture parts or hire staff. The policy provides cover against the exporter not being able to recoup those costs because of the occurrence of an insured risk which leads to the contract's termination or prevents its performance.

As goods are delivered, the exporter may become entitled to payments under the terms of the contract. The policy provides cover to the exporter against non-payment of those amounts.

What are the benefits of an Export Insurance Policy?

The benefits are:

- up to 95 per cent cover is provided to the exporter;
- the exporter is covered against loss suffered due to specified risks.

Risks covered

Full details of the risks covered are set out in the policy but they include:

- insolvency of the buyer;
- the buyer's failure to pay any amount due under the insured contract within six months of its due date;
- the buyer's failure to meet its obligations under the insured contract;
- political, economic or administrative events outside the UK that prevent payments from the buyer under the insured contract being converted into sterling or transferred to the UK;
- hostilities or civil disturbances outside the UK that affect performance of the insured contract.

Eligibility

The following criteria must be met:

- the exporter must be carrying on business in the UK;
- the buyer must be overseas;
- if the manufacturing period under the contract plus any period of credit given to the buyer total less than two years, the buyer must not be in a European Union country or in certain other high income countries;
- the export contract value must be at least £10,000 or the equivalent in foreign currency; and
- if the contract is not for semi-capital or capital goods and related services, the exporter must first have attempted to obtain insurance from a private export credit insurer.

Cost

There is no fee for the application. The premium payable for our cover is determined on a case by case basis.

How to apply

Customer Service

Contact our customer service team to find out what help we can provide with your export contracts.

Telephone: +44 (0)20 7512 7887
Fax: +44 (0)20 7512 7649
Email: customerservice@ecgd.gsi.gov.uk

Alternatively, contact the British Insurance Broker's Association who can put you in touch with a broker. They can be contacted on 0870 950 1790.

Disclaimer

The information available in this brochure is not intended to be a comprehensive description of our export insurance policy and many details which are relevant to particular circumstances may have been omitted. Exporters should read the policy to satisfy themselves that it meets their needs.

When considering applications, underwriters will look at each case on its merits.

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