



UK Export
Finance

Quick guide to the Export Insurance Policy

This quick guide explains the UK Export Finance (UKEF) Export Insurance Policy, what it is, how it works, its benefits, its key features and how to apply for a policy from UKEF.

What is the Export Insurance Policy?

The 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 lead to its termination.

How does it work?

In carrying out the export 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 export contract's termination or prevents its performance.

As goods are delivered, the exporter may become entitled to payments under the terms of the export contract. The policy provides cover against non-payment of those amounts where the exporter has fulfilled its contractual obligations.

What are the benefits of an Export Insurance Policy?

The benefits are:

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

Risks covered

Full details of the risks covered are set out in the policy, but events which might cause a contract to be frustrated or the buyer not meeting its obligations include:

- insolvency of the buyer;
- the buyer's failure to pay any amount due under an export contract;
- political, economic or administrative events outside the UK that prevent payments from the buyer under the export contract;

- hostilities or civil disturbances outside the UK that affect performance of an export contract.

Eligibility

The following criteria must be met:

- the exporter must be carrying on business in the UK;
- the buyer must carry on business overseas;
- if the duration of the contract is less than two years, UKEF is unable to offer cover if the buyer is in a country belonging to the European Union, or in certain other high income countries. This restriction does not currently apply to Greece.
- the exporter must demonstrate an inability to obtain credit insurance from the commercial market.

Cost

The premium payable for our cover is determined on a case by case basis.

How to apply

Contact our customer service team to find out what help we can provide with your export contract. Call +44 (0)20 7271 8010 or email customer.service@ukef.gsi.gov.uk

Alternatively, see our list of eligible brokers on UKEF's website at:

<https://www.gov.uk/export-insurance-policy#brokers>

or contact the British Insurance Broker's Association on 0870 950 1790 who can put you in touch with a broker.

Disclaimer

The information available in this brochure is not intended to be a comprehensive description of UKEF's Export Insurance Policy and many details which are relevant to particular circumstances may have been omitted. Exporters should read a specimen policy, which is available on UKEF's website, to satisfy themselves that it meets their needs.

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