HOW TO ACCESS EXPORT CREDIT INSURANCE
A GUIDE TO UK EXPORT FINANCE’S EXPORT INSURANCE POLICY

Broker toolkit

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UK Export Finance (UKEF): The UK’s export credit agency

UK Export Finance is the trading name of the Export Credits Guarantee Department. UKEF provides risk protection and facilitates finance for UK exporters, and supports loans to overseas buyers. Its obligations carry the full faith and credit of the UK Government.

UK exporters often require credit insurance to protect themselves against the risks of not being paid for the supply of goods and/or services under an export contract or of not being able to recover the costs of delivering that contract.

UKEF can issue exporters with an Export Insurance Policy, giving them the protection and peace of mind that they require to fulfil their overseas contracts successfully. This can be done directly or through working with eligible brokers.

Operating across a wide range of sectors, UKEF can consider support for exports to more than 150 countries, helping UK companies maximise the opportunity to do more business overseas and strengthening brokers’ relationships with their clients.

How to use this guide
This document is designed to help brokers understand the credit insurance support offered by UKEF and how this can benefit their exporting customers.

It gives an overview of UKEF’s Export Insurance Policy and provides a guide to how brokers can access and manage this policy on behalf of their clients.

It also aims to answer frequently asked questions relating to the Export Insurance Policy, as well as highlight the support that can be provided by UKEF’s national network of Export Finance Advisers.

This guide is one of a series. The first in the series is the Banking toolkit: How to access Export Finance – a guide to UK Export Finance short term bank guarantee products.
Export Insurance Policy

What is the Export Insurance Policy?

UKEF’s Export Insurance Policy (EXIP) is an insurance policy extended to UK exporters to protect them against the risks of non-payment under an export contract, of the buyer breaching its obligations and terminating the contract (including wasted costs) or of being unable to perform the contract because of the occurrence of a political event.

Why might an exporter need it?

When a UK company delivers a product or service overseas there is always a risk that the customer does not pay or delays payment for an unacceptable length of time. There may be an unintended reason for this, such as the insolvency of the buyer. The exporter is also exposed to the risk of the buyer terminating the contract, or of being unable to fulfil its obligations under the contract because of an unforeseen political event.

Commercial insurers generally provide insurance against these risks, although there are some countries and buyers where they have limited appetite for risk or only provide limited cover. As a result, they may refuse to provide cover, or only offer insurance with premiums that are not economically viable.

The EXIP is designed to help exporters by filling the gaps.

UKEF does not compete with private insurers. Instead it complements the private credit insurance market, providing cover the private market is unable to offer for the period required.

UKEF will carry out a risk assessment based on the information provided by the exporter and, if the risk is acceptable, will provide a policy.

There are two main types:

- **Single contract policy**
  This policy covers a one-off contract under which there may be one or a number of shipments or invoices.

- **Multiple contract policy**
  This policy covers repeat contracts to a single buyer over a defined period called the eligibility period.

The EXIP does not normally cover EU and other high income OECD countries.

UKEF complements the private credit insurance market, providing cover the private market is unable to offer
Export Insurance Policy
What is the Export Insurance Policy?

What does it cover?
The EXIP protects the exporter from losses incurred under insured export contracts resulting from:

- non-payment by the buyer of any sum due under the contract, often called “credit risk”
- any act or omission on the part of the buyer which terminates, or has the effect of terminating, the contract
- any act or administrative decision by a government, or other political event which prevents the performance of the contract, such as war, expropriation of assets, import/export restrictions or currency transfer restrictions.

The policy insures up to 95 per cent of any amount due under an export contract.

For most consumer goods, raw materials and services the usual maximum credit period covered is six months, but where appropriate the length of the credit period can be longer.

If required, the EXIP can also cover “pre-credit risk”, starting from the time an exporter enters into a contract. It can cover up to 95 per cent of the costs incurred for the purpose of supplying the goods or services, for example for purchasing raw materials, manufacturing parts or hiring staff, in the event that the contract is terminated, a buyer becomes insolvent, or a political event prevents the performance of the contract.

What is not covered?
Where a dispute exists between the exporter and the buyer in respect of an amount due, a claim will not be considered until this is resolved.

The EXIP does not cover risks incurred during transportation.

When is cover in place?

**Single contract policies**
Cover is in place from the date that both the exporter and UKEF have signed the policy document and any premium due has been received.

**Multiple contract policies**
Following policy signature, cover is in place when a declaration relating to an individual contract has been received and premium has been paid prior to the supply of goods or services.

When does cover end?
The policy schedule sets out an end date, after which any event that gives rise to a loss will not be covered. The end date is based on the length of the insured export contract and is usually set six months after the date that final payment is due from the buyer.

How much does it cost?
Applications are free. EXIP premiums start from £250 and are determined on a case-by-case basis.
Export Insurance Policy

What is the Export Insurance Policy?

Benefits for brokers
In view of its complementary role to the private credit insurance market, there are many advantages for brokers in introducing the EXIP to exporting clients. It:

- enhances and reinforces a broker’s credentials as a credit-insurance market specialist
- demonstrates added value to clients and prospective clients in circumstances where the private market is unable to support specific export risks
- pays broker’s commission of 15 per cent of the premium payable by the client to UKEF.

Benefits for clients
In addition to the usual benefits of credit insurance, the EXIP has many benefits for clients. It:

- provides wider risk protection by insuring markets the private insurers are unable to cover
- helps an exporter continue their business when the private insurers are no longer able to offer cover in a particular market
- offers single risk cover where the private market is unable to offer cover
- can facilitate access to finance.
Export Insurance Policy

Eligibility criteria

UKEF’s status as the UK’s export credit agency means that exporters interested in taking out an EXIP must meet the following eligibility criteria:

- the exporter must be carrying on business in the UK* and have an established place of business there
- the buyer must be carrying on business overseas
- the exporter must be unable to obtain credit insurance from the private market
- the buyer must be based in a country outside the EU and outside certain other high-income markets – unless the length of the contract exceeds two years, in which case other arrangements may apply. This restriction does not currently apply to Greece, although on a temporary basis subject to periodic review
- the export contract must have a minimum of 20 per cent UK content (see FAQs).

* including the Isle of Man or the Channel Islands

Other EXIP criteria

Who is it for?
All UK-based exporting companies of goods and/or services, including SMEs.

What are the limits?
There are no maximum or minimum contract values or durations.

What contracts can be covered?
- a one-off contract with a single buyer comprising one or more shipments
- repeat contracts to a single buyer over a period, usually 12 months.

Currencies
The policy can be expressed in pounds sterling, US dollars, euro or yen. Premiums and claims are paid in the currency of the policy.

Ineligible countries

Where contract periods are less than two years:

- Member states of the EU (except currently Greece)
- Australia
- Canada
- Iceland
- Japan
- New Zealand
- Norway
- Switzerland
- USA

This list reflects a European Commission requirement for insurance provided by EU export credit agencies.
Application process

The broker’s role is to advise their clients on the private market and options available to them. If cover is unavailable, UKEF is happy to receive EXIP enquiries and applications from an eligible broker (see box on page 09) or direct from the exporter.

If a broker or exporter is interested in informally discussing the potential for support, they can contact their local UKEF Export Finance Adviser for early-stage guidance on whether it is worth proceeding with an application.

The current availability of cover can be checked on the UKEF website under country cover.


Check availability of cover in certain countries

Non-binding Indication – an optional pre-cursor

A request can be made for a Non-binding Indication, whereby the exporter fills out a one page form containing information about the buyer, market and the desired length of credit. UKEF in turn outlines its appetite to issue cover and gives an indication of a premium rate.

This can usually be provided within 48 hours. It will not include an assessment of the buyer and is entirely without commitment.

Proposal Form

To take things further, the exporter should complete a Proposal Form providing more in-depth information about the business and the particular export transaction they would like to cover, detailing, for example, the name and address of their buyer, the products/services to be supplied, contract value and payment terms. The exporter should provide a fair presentation of the risk to include all material facts and circumstances. The more information that the exporter can provide, particularly on the buyer and any trading history between them, the quicker and more straightforward UKEF’s risk assessment and underwriting process is likely to be.

The completed form should be emailed to exipunderwriting@ukexportfinance.gov.uk

Risk assessment

UKEF will then check the eligibility criteria, the availability of cover for the market, and undertake background research on the buyer, using this to assess whether it has the appetite to provide insurance on the terms outlined in the Proposal Form. Typically, this assessment and other background checks can take up to two weeks to complete for a straightforward case. During this period, UKEF aims to work closely with the broker/exporter, communicating to them where gaps in information may exist and encouraging these to be filled where possible.

Continued ➔
Application process

Buyer assessment
UKEF’s aim is to make a positive credit approval wherever possible. It is not risk averse, but it does have a responsibility to the taxpayer not to take unacceptable risks. In circumstances where the buyer does not meet UKEF’s minimum risk standard, this can be an early warning for the exporter to explore other, more secure payment options.

Country assessment
UKEF has many decades of experience analysing and assessing country risk. In-house experts are supported by a range of commercial and government sources of information.

The terms on which UKEF is able to offer cover in respect of individual markets or buyers may vary, for example the percentage insured may be lower than 95 per cent.

Broker registration
UKEF welcomes working with specialist export trade credit brokers. To apply for a Broker’s Agreement and become eligible to receive commission, a broker can complete a Broker’s Registration Form, providing information about their background, and experience in the credit insurance market.

Once UKEF has satisfactorily completed its checks, a Broker’s Agreement is signed which sets out the undertaking to pay commission on premium, currently at the rate of 15 per cent, in return for the broking services provided to the exporter.

The exporter gives the name and address of their broker, if they choose to use one, on the proposal form.

A Broker’s Registration Form can be requested from exipunderwriting@ukexportfinance.gov.uk

Tips on applying for a policy
Brokers can support their clients by giving them the following tips on applying for an EXIP:

- check that cover is not available in the private market
- be absolutely certain of the contractual buyer’s full legal name
- provide UKEF with any background on the buyer, trading experience and other financial information.
Assuming that the eligibility criteria can be met and the assessment is favourable, UKEF can issue the exporter and the broker with a Non-binding Indication, including buyer assessment, informally outlining its willingness to proceed and on what basis.

If the broker or exporter confirms that they wish to go ahead, UKEF will complete the underwriting process and, assuming the risk is still acceptable, send broker and exporter a pack containing an official offer of cover, with a full policy document and a schedule specifying the premium rate to be applied. The broker will go through this document with the exporter, discussing all the relevant implications and requirements.

If the exporter is happy to accept the offer, they should sign the EXIP where indicated and return it to UKEF, either directly or via the broker. Once the policy has been countersigned by UKEF, and any declaration received and premium paid, cover is in place. A countersigned copy is sent to exporter and broker.

**Payment of premium**

**Single contract policies**

In the case of single contract polices, the exporter should pay the premium that is shown on the policy schedule at the time of accepting the EXIP.

**Multiple contract policies**

For multiple contract policies, the exporter should declare each contract to UKEF separately and calculate for itself the premium due by reference to the premium rate on the policy schedule. Payment should be within 14 days of the date of each contract declaration. The premium should be paid before the goods are despatched or the services are performed.

UKEF will not issue an invoice requesting payment of premium. Account details for payment are included in the policy.
Ongoing management

All policies
Once the EXIP has been signed and the insurance cover is in place, the broker has a key role to play in advising the exporter about the operation of the policy and the ongoing requirements and responsibilities.

The broker should aim to keep in regular contact with the exporter, and remind them of the need to alert UKEF to anything that may affect the risk.

UKEF will support the broker in their role wherever possible, providing information, clarification and other assistance as the circumstances require.

The EXIP is not an automatically renewable policy. At the end of the policy period if further cover is required and still unavailable in the private market the broker can help the exporter make a fresh application.

An exporter insured under the EXIP also has the following responsibilities:
- to comply with the terms of the insured export contract, including obtaining necessary consents and approvals for its performance to ensure UKEF receives a fair presentation of the risk
- to take all possible steps to prevent or minimise any loss, chasing up debt whenever possible
- not to take any action that jeopardises their right to be paid, or UKEF’s right to recover money in the event of a loss. To provide any information that UKEF might request regarding the export contract.

The exporter must notify UKEF of:
- any changes to the export contract, such as changes in goods supplied or terms of payment, since these will require the consent of UKEF in advance unless variations are permitted and set out in the policy
- any act, omission, event or circumstance which indicates that the buyer may not pay a sum due (within 15 days of becoming aware)
- any failure of the buyer to pay a sum due under the insured export contract within 30 days of the due date, unless otherwise stated in the policy.

If in doubt whether to notify UKEF of any circumstances which may affect the policy – notify!
### Multiple contract policies

If an exporter has a multiple contract policy covering repeat business with a buyer for a period of time called the eligibility period (usually 12 months), they should notify UKEF of each contract to be insured as and when it arises by completing the Declaration Form, which is at the back of the multiple contract version of the policy, and sending it to tfis.pim@ukexportfinance.gov.uk.

The purpose of the Declaration Form is to provide details of the contract, make the appropriate warranties and calculate the premium to be paid before the goods are despatched or services are performed.

Receipt of the Declaration Form and premium payment is a prerequisite for UKEF providing cover for a particular contract.

Under policies for multiple contracts, no further contracts may be insured while any amount is overdue by more than 30 days, or other period as stated in the policy. Goods despatched or services performed under further contracts will be at the exporter’s own risk.

The eligibility period can be amended with notice (usually 30 days), for example to an earlier date, but this will not affect contracts already insured.

### Tips on operating a policy

Brokers can support their clients by giving them the following tips on operating an EXIP:

- Nominate an individual in the company to be responsible for operating the EXIP and ensure all those involved are aware of its existence and main requirements.
- Keep a record of due dates of payment and maintain trading experience with the buyer in a format which can be easily retrieved.
- Keep all contract and transaction documents, particularly purchase orders and acceptances, invoices, bills of lading and delivery notes.
- Keep all correspondence with the buyer, including any evidence of debt chasing, as this may be required to support a claim.
Ongoing management

Potential losses

If the exporter becomes aware of any event likely to cause loss, they should notify UKEF as soon as possible and in any case within 15 days.

Notification of non-payment of a sum due under an insured contract should be given within 30 days of the due date for payment being missed. The exporter will be asked to complete a Notification Form, and submit it to tfis.pim@ukexportfinance.gov.uk

Following receipt of this form, UKEF will need regular updates on progress made in chasing the debt.

The broker is well placed to advise the exporter on the circumstances that warrant notification.

Making a claim

In order for UKEF to be able to reimburse an exporter in the event of non-payment from the overseas buyer, there must be a valid claim.

The broker can help manage this process. The exporter should make every effort to pursue the debt and minimise the loss but if it becomes clear that payment will not be forthcoming, in order to make a claim they may request and complete an EXIP claim form. The completed form should be sent back to UKEF along with the required supporting documentation.

The exporter may submit a claim at any time:

- for costs incurred under the insured export contract, before the goods or services are supplied, if the buyer terminates the contract or a political risk occurs during the “pre-credit” period
- for non-payment of a sum due under the insured export contract that has remained unpaid for a period of six months during the “credit period”.

Unless UKEF agrees otherwise, the exporter would need to obtain at their own expense an arbitration award or court judgement in their favour to support a claim where:

- a dispute exists concerning the buyer’s obligation to pay sums due
- an act or omission of the buyer terminates a contract.

Requests for, and completed forms, should be sent to tfis.pim@ukexportfinance.gov.uk

Claims submitted later than 12 months after the end date given in the policy schedule will not be accepted.

Continued →
Ongoing management

Potential losses, claims and recoveries

Paying a claim
Once a claim is received UKEF will examine it, asking the broker or exporter questions or for further information where necessary to build a complete picture. On acceptance of a valid claim, UKEF will pay the exporter the insured percentage of loss, up to the maximum liability stated in the policy document.

Usually, the earliest point at which a claim can be paid is six months after the due date of payment by the buyer. This so-called “claims waiting” period may be reduced if a court order can be obtained for instance, evidencing the insolvency of the buyer. The terms of cover that UKEF is able to offer for very difficult markets may require a longer period than six months, to allow more time for payments to be made. This will be stated in the policy.

The broker can play a pivotal role in supporting the exporter during this process, reminding them of their responsibilities in chasing the debt, keeping UKEF informed of progress and developments and assisting the exporter with the submission of claims.

Recoveries
Before a claim is paid the multiple contract policy recognises that amounts may be allocated by the buyer to specific invoices. Unallocated amounts go towards reducing any potential claim under an insured contract.

After a claim has been paid any recoveries of outstanding debt will be shared between UKEF and the exporter. UKEF will receive the insured percentage of a recovery and the exporter will receive the remainder.

UKEF will reimburse the insured percentage of any expenses which the exporter has incurred in acting to minimise any loss at the direction of UKEF.

Both before and after payment of a claim it is the responsibility of the exporter to minimise loss and pursue the debt.
Access to finance

Using credit insurance to access finance

Having credit insurance in place can widen a company’s access to export finance.

**Loss payee**
The EXIP can include the name of a loss payee, to whom valid claims will be paid.

**Co-insured**
The policy can include the name of the exporter’s financier as a co-insured, sharing in the terms and conditions, including the right to negotiate and receive payment of claims.

**Access to Export Finance**
Aside from the EXIP, UKEF offers two main products for export finance, the Export Working Capital Scheme and the Bond Support Scheme, which help banks issue facilities to their exporting customers.

The Export Working Capital Scheme is a guarantee provided by UKEF to a bank, so that UK exporters and direct suppliers to exporters can access extra working capital needed to deliver specific export contracts.

The Bond Support Scheme is a guarantee provided by UKEF to a bank, so that the bank can issue a bond which needs to be provided by an exporter as part of an actual or prospective UK export contract.

Your local UKEF Export Finance Adviser can provide guidance on how these programmes and the EXIP can be used separately or together to help meet an exporter’s requirements.

As supplemental to the Bond Support Scheme or on a stand-alone basis, UKEF also offers a Bond Insurance Policy which protects against a demand for payment under a bond which is called unfairly or for political reasons.

Your local UKEF Export Finance Adviser can provide guidance on how the EXIP and other UKEF products can widen access to finance.
FAQs

Eligibility

What types of contract are covered?
A contract may take the form of a single document, or it may simply comprise a written order from the buyer and written acceptance of the order by the exporter, which is normal practice for goods sold on short credit terms.

The EXIP can cover a one-off contract with a single customer under which there may be one or a number of shipments, or it can cover repeat contracts with one or more shipments to a single buyer over a defined period.

Is there a minimum or maximum amount that can be covered?
No.

Are any business sectors/types of exports excluded?
No business sectors or types of export are excluded provided that, where applicable, relevant export licensing requirements have been fulfilled.

Are any export destinations (countries) excluded?
Yes. EU countries (except currently Greece) and certain other high-income markets (Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland and the USA) are excluded unless the length of the contract (including the pre-credit and credit period) exceeds two years, in which case cover may be possible.

However, UKEF can support bonds and export working capital facilities for exports to these countries for contracts shorter than two years.

UKEF is prohibited by EU sanctions from offering cover in certain markets. Current availability of cover can be checked on the UKEF website under country cover.

Can insurance be provided when an exporter has already shipped goods/provided services?
It may be possible to cover such transactions provided the exporter is not aware of anything likely to cause a loss, the due date for payment has not passed, and the other policy terms have been satisfied.

Can the exporter be owned by a non-UK company with a UK operation?
Yes, provided that the exporter is carrying on business in the UK and has an established business location there. Foreign ownership or foreign shareholding is not a barrier to eligibility.

Check availability of cover in certain countries

Continued →
FAQs

Eligibility

Can the policy cover a situation where the goods are going to, or payment coming from, a country other than the buyer’s country?
Yes. UKEF will consider each case and full details of the transaction should be given with the proposal form.

Can the policy cover sales made to a subsidiary in an overseas market or sales made by that subsidiary in the market?
UKEF is able to consider cover for sales made to the overseas subsidiary of a UK company for financial loss incurred as a result of the occurrence of a political risk only. Loss resulting from commercial risks would be excluded. UKEF is unable to insure the sales made by the overseas subsidiary as policies can be issued only in respect of exports from the UK.

However, where the UK exporter has a contract with its overseas subsidiary on a “pay when paid” basis, UKEF can cover non-payment by the overseas end buyer.

Can the buyer be another company in the UK in circumstances where the goods supplied to it are themselves destined for export as part of a larger overall project?
No. UKEF is not able to consider cover for this structure at the present time.

Where an exporter may have more than one separate contract with the same buyer over a period of time, can this be covered under one policy?
Yes. The multiple contract policy is designed to cover repeat business with the same buyer over a period of usually 12 months.

Where an exporter wants cover for more than one buyer, can that be covered under one policy?
No. The EXIP is a single buyer policy, so there must be a separate policy for each buyer.

If there are many separate contracts under a multiple contract EXIP, do separate declarations have to be made?
It may be possible for the exporter to make a single declaration and premium payment covering a number of contracts over a specified period of time, for example monthly.
FAQs

Foreign content

Under the export contract, some goods and services are being supplied from outside the UK. Is this eligible for support?

UKEF operates a foreign content policy which means it can also support supplies under the export contract with an overseas buyer (that the exporter is responsible for) that are sourced from an overseas country and shipped directly to the buyer.

Under the policy, up to 80 per cent of the value of an export contract can be made up of goods/services provided by suppliers outside the UK. A minimum of 20 per cent of the value of an export contract must always be made up of UK content. Foreign content imported into the UK and used as part of the manufacturing process is treated as UK content.

The way that UKEF calculates foreign content is to:

- Take the value of the contract (the price paid by the buyer)
- Subtract the cost to the exporter of paying suppliers of goods/services based outside the UK (including the buyer’s country)
- The remainder is regarded as UK content and must equal at least 20 per cent of the contract value.

The purpose of the foreign content policy is to:

- Recognise that certain goods and services may not be available from the UK, or that the buyer requires certain supplies to come from another country or that the equivalent cost from the UK is too expensive
- Recognise that many UK exporters have an international supply chain and make sure support is flexible enough to accommodate this
- Ensure that UKEF is supporting UK companies that bring some benefit to the UK (eg not “brass plate” companies who may not contribute to the national economy).
FAQs

Application process

What if something changes after the application has been made?
UKEF understands that information may change. It is important to tell us in writing as soon as possible, and we will consider whether this can be accommodated.

What happens if the exporter no longer wishes to insure the contract?
No problem. There is no application fee and no penalty, but UKEF would appreciate being told as soon as practically possible.

What happens if the application is rejected?
In such cases, UKEF will inform the broker/exporter as soon as practicable and give reasons where possible. Either the exporter or the broker can ask UKEF to reconsider a declined application.

How long does it take UKEF to assess the application?
UKEF can usually provide an initial Non-binding Indication without buyer assessment of appetite for the market and rough premium rate within 48 hours. From start to finish it typically takes two or three weeks to make an offer of cover, but much depends on how quickly UKEF can obtain sufficient information on the buyer upon which to make an assessment.

How does UKEF assess buyer risk?
UKEF does not have a buyer database comparable to those held by some private market insurers. Buyers usually have to be researched from scratch using available sources of credit information. Trading history or financial information such as accounts provided by the exporter will speed up the process. The same trade credit underwriting factors used in the commercial insurance market are taken into account, such as the exporter’s experience, and the buyer’s trade sector and financial performance. Our role is not to take on poor credit risk; we judge our risks carefully, but UKEF is not risk averse.

The exporter uses an agent. Does this matter?
UKEF performs due diligence on all the parties to the transaction, including any agent involved. Carrying out comprehensive due diligence is extremely important to UKEF. Throughout the application form, there are questions, checks and declarations designed to ensure the exporter’s compliance with UKEF’s policies, including those concerning anti-bribery and corruption. This is particularly relevant in instances where the exporter is using overseas agents. Where an agent is involved in a transaction, UKEF may be required to undertake additional checks which can lengthen the response time.
Fees/Premium/Commission

Does UKEF charge a fee for the insurance?

There is no charge for the application or for policy administration.

How is the premium calculated?

EXIP premiums start from £250 and are determined on a case-by-case basis. The market, the length of time we are on risk and status of the buyer are all factors which influence the premium rate.

Are there any excesses or deductibles?

The EXIP does not contain excesses or deductibles, although UKEF does expect the exporter to take some share of the financial risk of non-payment. We achieve this by specifying an insured percentage of up to 95 per cent of the insured contract value, leaving the balance to be borne by the exporter.

How much brokerage commission does UKEF pay?

UKEF pays brokerage commission of 15 per cent of the premium payable by the exporter to UKEF.

At what point is brokerage paid?

Brokerage is paid when UKEF has received the correct amount of premium due from the exporter.

Does UKEF pay fees for introductions?

No. Brokerage commission is paid for broking services provided to the exporter including advice and guidance on the credit insurance market and UKEF’s EXIP, plus continuing support during the life of the policy.
FAQs
Ongoing management

What happens if the exporter suspects payment will not be made on due date?
The exporter should advise UKEF of any information which leads them to think they might suffer a loss.

What happens when a buyer’s payment is overdue?
UKEF recognises that sometimes buyers pay late. The EXIP requires notification to UKEF of an overdue payment within 30 days (or other notification period set out in the policy) of the due date of payment being missed.

When does the buyer have to go on “stop”?
Under a multiple contract policy where any amount is overdue under any contract between the exporter and the buyer whether insured or not beyond the notification period in the policy, UKEF will not insure further contracts until such time as the overdue amount has been paid.

Under a single contract policy, cover for the contract remains in place irrespective of late payment, but the exporter is under an obligation to prevent or minimise loss or take such steps as are required by UKEF at that time.

What happens if the exporter trades “over the limit”?
The exporter is not obliged to insure all its business with the buyer with UKEF, so the exporter may therefore have a larger total amount outstanding for payment than is insured under the policy.

The exporter should bear in mind the multiple contract policy recognises that amounts may be appropriated by the buyer to specific invoices. Unappropriated amounts are allocated against insured contracts in priority to other outstanding debts.

UKEF will never pay out more than the maximum liability stated in the policy.

Continued ➔
FAQs

Ongoing management

What if the terms of the contract change after it is insured?

Changes to the insured export contract require the written approval of UKEF in advance and so we should be informed immediately if the exporter or buyer wishes to negotiate any change which affects the information upon which UKEF based its decision. This might include the supply of a different product, a change to the terms of payment, or changes which take the business outside the eligibility criteria, such as a reduction in UK content below 20 per cent. Failure to do so might affect the validity of the cover.

What happens when UKEF withdraws cover?

UKEF tries to remain on cover. There are very few incidences where cover has had to be withdrawn.

For single contract EXIPs, cover applies to the period of the contract once the policy has commenced and will not be withdrawn.

Multiple contract EXIPs have an eligibility period, usually of 12 months, during which new contracts can be declared and become insured under the policy. UKEF has the right to give 30 days’ notice of an earlier end to the eligibility period meaning that no new contracts can be declared after that date.

Any contracts insured before the date notified are not affected. An exporter therefore has 30 days from being told of the earlier end to the eligibility period in which to make necessary arrangements.

How quickly does UKEF pay claims?

A claim will be paid when the exporter provides a completed claim form along with supporting documentation, and UK Export Finance has completed its claims examination and approval process.

The policy sets out the earliest point at which a claim can be paid, usually six months from the due date.

What happens if the exporter no longer wants cover under a multiple contract policy?

If the exporter no longer wishes to use a multiple contract policy, for example if the broker has found cover is now available in the private market, the exporter can simply cease to declare new contracts, but we would appreciate being informed.

What if cover is still required at the end of the eligibility period under a multiple contract EXIP?

If cover is still unavailable in the private market, the exporter can apply for a new EXIP.
Export Finance Advisers

Export Finance Advisers can help brokers and exporters with all aspects of applying for and operating an Export Insurance Policy, as well as provide guidance on other UKEF products and services.

Export Finance Advisers are regional representatives of UKEF. They act as local points of contact to provide information on UKEF products and services and introduce exporters and businesses with export potential to finance providers, credit insurers, insurance brokers, trade support bodies and sources of government support.

A broker or exporter can make initial contact with an Export Finance Adviser either by telephone or by arranging a meeting. It is recommended that the broker, exporter and Export Finance Adviser meet as early as practicable in the process of applying for UKEF support, to ensure that everything runs as smoothly as possible.

If a broker or exporter has any queries or concerns about any aspect of applying for UKEF products and services, they should contact their local Export Finance Adviser at the earliest possible opportunity.

Export Finance Advisers are able to provide general information on:

- credit insurance
- payment methods and risks
- the types of finance available (including working capital)
- trade finance (pre and post-export)
- foreign exchange risks

Click the map to find contact details for your local Export Finance Adviser

More information on Export Finance Advisers

How to access export credit insurance
gov.uk/uk-export-finance
Get in touch

For further information on UKEF products and services, please contact your local Export Finance Adviser

Contact your local Export Finance Adviser

T: +44 (0)20 7271 8010
E: customer.service@ukexportfinance.gov.uk

UK Export Finance welcomes regular feedback from brokers on its products and services, including this toolkit. Please email us your comments using the link below.

Feedback

UK Export Finance
1 Horse Guards Road
London SW1A 2HQ

gov.uk/uk-export-finance
Useful links

UK Export Finance Products and Services:
- Overview
- Export Insurance Policy Product Guide
- Bond Support Scheme Product Guide
- Export Working Capital Scheme Product Guide
- Bond Support Scheme Application Forms
- Export Working Capital Scheme Application Forms
- Buyer and Supplier Credit Finance Product Guide
- Direct Lending Guide
- Bond Insurance Policy Product Guide
- Letter of Credit Guarantee Scheme Product Guide
- Case Studies

Export Finance Advisers:
- Find your local Export Finance Adviser
- The role of Export Finance Advisers

Other Government Support for Business:
- UK Trade and Investment
- Business is Great
- Invest Northern Ireland
- Scottish Enterprise
- Scottish Development International
- Highlands and Islands Enterprise
- Business Wales

Useful links:
- Better Business Finance
- Export Britain (British Chambers of Commerce)
- British Exporters Association
- Mentorsme.co.uk
UK Export Finance helps UK exporters by providing a range of financial and insurance products including direct lending facilities to overseas buyers, guarantees to banks and export insurance policies for UK exporters.

Our regional Export Finance Advisers located across the UK are the first point of contact for assistance.

For further information
visit: gov.uk/uk-export-finance
email: customer.service@ukexportfinance.gov.uk
call: +44 (0)20 7271 8010