

Premium Tarif

Schweizerische Exportrisikoversicherung
Assurance suisse contre les risques à l'exportation
Assicurazione svizzera contro i rischi delle esportazioni
Swiss Export Risk Insurance



Valid from 1 September 2011
(Version 3.0/2011)

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Based on Art. 14 SERVG and Art. 15 and 16 SERV-V

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1 Premium types

SERV charges expense, insurance, and reinsurance premiums.

2 Expense premiums

- 2.1 SERV charges expense premiums to cover the costs it incurs for the review of insurance applications and applications for insurance commitments in principle.
- 2.2 The expense premium amounts to CHF 200 per person and hour of SERV work. The first eight hours of work will not be charged for. Third-party costs such as travel expenses and other expenses, legal opinions, project analyses, and environmental analyses will always be charged to the policyholder.

3 Insurance premiums

3.1 Principle

- 3.1.1 SERV charges insurance premiums as consideration for the insured risk. The individual insurance premiums must be risk-oriented (Art. 6 par. 1 let. c SERVG) and be determined under consideration of the principle of economic viability of SERV (Art. 6 par. 1 let. a SERVG). In this context, SERV follows the guidance of internationally recognised principles for officially supported export credits, in particular those of the OECD.
- 3.1.2 The premium calculation particularly considers the political risk including transfer risk and the risk of force majeure, the risk period, the documented securities, and, if covered by SERV, the economic risk.

3.2 Insurance premium calculation formula

- 3.2.1 The insurance premium is calculated with the following formula:

$$BC \times \left\{ \left[\left(a_i \times \frac{\max(\text{PRCR}, \text{ERCR})}{0.95} \times RP + b_i \right) \times (1 - \text{PRR}) \right] + \left[c_{in} \times \frac{\text{ERCR}}{0.95} \times RP \times (1 - \text{ERR}) \right] \right\} \\ \times \frac{1}{100} \times (1 + \text{FCS}) \times (1 + \text{FXS}) \times (1 + \text{IRS}) \times (1 - \text{BSR}) \times (1 - \text{AER}) \times (1 - \text{SQR}) \times (1 - \text{CF})$$

3.2.2 The letters and symbols used in this formula have the following meanings (in alphabetical order):

a	Coefficient for the political risk including transfer risk and the risk of force majeure by country categories pursuant to Section 3.3.1.4;
AER	Reduction for reduced administrative expenses pursuant to Section 3.3.3.4;
b	Constant by country categories pursuant to Section 3.3.1.4;
BC	Basis for calculation depending on the insurance type pursuant to Section 3.4;
BSR	Reduction for "better than sovereign" risks pursuant to Section 3.3.3.3;
c	Debtor coefficient by debtor categories and country categories pursuant to Section 3.3.1.4;
CF	Correction factor pursuant to Section 3.3.4;
ERCR	Cover ratio for the economic risk;
ERR	Reduction for securities mitigating the economic risk pursuant to Section 3.3.3.2;
FCS	Foreign content surcharge pursuant to Section 3.3.2.2;
FXS	Foreign exchange surcharge pursuant to Section 3.3.2.3.
i	Index for the country category pursuant to Section 3.3.1.1;
IRS	Increased risk surcharge pursuant to Section 3.3.2.1;
max (PRCR, ERCR)	The higher of the two cover ratios PRCR and ERCR is relevant;
n	Index for the debtor category pursuant to Section 3.3.1.2;
PRCR	Cover ratio for the political risk including transfer risk and risk of force majeure;
PRR	Reduction for securities mitigating the political risk including transfer risk and the risk of force majeure pursuant to Section 3.3.3.1;
RP	Risk period in years, calculated according to the insurance type pursuant to Section 3.4;
SQR	Reduction for special qualities of the export goods pursuant to Section 3.3.3.5;

3.3 General factors

3.3.1 Country and debtor categories, coefficients, and constants

3.3.1.1 Country categories

3.3.1.1.1 The buying country shall be allocated to a country category pursuant to Sections 3.3.1.1.2 and 3.3.1.4 on the basis of a risk evaluation by SERV and the OECD country categories. The country categories are CCa0 to CCa7.

3.3.1.1.2 For large transactions to countries of the category CCa0, the premium shall be determined according to the current market prices. If no current market prices are available for the particular transaction, the premium shall be determined on the basis of the suitable higher country category. In the cover practice, the Board of Directors shall determine which transactions are to be considered as large.

3.3.1.2 Debtor categories

3.3.1.2.1 For the calculation of the premium portion for the economic risk, the debtor shall be allocated to a debtor category pursuant to Section 3.3.1.4 on the basis of a credit assessment by SERV. The available debtor categories are "better than sovereign" (SOV+), sovereign (SOV), and CC0 to CC5.

3.3.1.2.2 If there are several debtors, the categorisation of the debtor with the best risk shall be relevant.

3.3.1.3 Relevant time

3.3.1.3.1 For the premium calculation, the country and debtor categories valid at the time of issue of the insurance policy by SERV shall apply.

3.3.1.3.2 If there is a limited insurance commitment in principle and the categorisation of the country or debtor does not deteriorate by more than one category, the allocation to the country or debtor category noted in the insurance commitment in principle shall remain applicable if the policyholder submits the insurance application to SERV before the validity of the commitment expires. However, a deterioration of the country and/or debtor categorisation by more than one category or an improvement of the country and/or debtor categorisation shall be applied immediately for the premium calculation.

3.3.1.4 Coefficients and constants

		Country category (i)						
		CCa1	CCa2	CCa3	CCa4	CCa5	CCa6	CCa7
a		0.090	0.200	0.350	0.550	0.740	0.900	1.100
b		0.350	0.350	0.350	0.350	0.750	1.200	1.800
c	SOV+	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	SOV/CC0	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	CC1	0.110	0.120	0.110	0.100	0.100	0.100	0.125
	CC2	0.200	0.212	0.223	0.234	0.246	0.258	0.271
	CC3	0.270	0.320	0.320	0.350	0.380	0.480	
	CC4	0.405	0.459	0.495	0.540	0.621		
	CC5	0.630	0.675	0.720	0.810			

3.3.2 Surcharges

3.3.2.1 Increased risk surcharge (IRS)

If a transaction is subject to increased risks, SERV may charge a premium surcharge of up to 100 percent. In particular, increased risk is on hand if the conditions of the applicable country category or cover policy of SERV are not fulfilled or in the case of major risks or increased project or market-specific risks.

3.3.2.2 Foreign content surcharge (FCS)

SERV will charge a surcharge of up to 20 percent if the foreign content exceeds 50 percent of the order value of the export. The surcharge amount shall be calculated under consideration of the amount of foreign content.

3.3.2.3 Foreign exchange surcharge (FXS)

3.3.2.3.1 For policies in Swiss francs that cover the foreign currency contingency risk for insured claims in euros and for policies in euros, SERV will charge a surcharge of 5 percent. For insured claims and foreign currency policies in other common currencies, the surcharge is 10 percent.

3.3.2.3.2 The Board of Directors may reduce or cancel the surcharge in the event of special circumstances, especially in the case of substantial exchange rate fluctuations that entail considerable competitive disadvantages for Swiss exports, if this is compatible with the principles of the business policy of SERV.

3.3.3 Reductions

3.3.3.1 Reduction for securities mitigating the political risk (PRR)

SERV may grant a reduction for securities mitigating the political risk, the transfer risk, and the risk of force majeure if securities are documented or if the insured transaction has properties that considerably mitigate the political risk or the transfer risk, as is the case especially with transactions financed in local currency. The maximum reduction depends on the respective insurance type pursuant to Section 3.4.

3.3.3.2 Reduction for securities mitigating the economic risk (ERR)

SERV may grant a reduction for securities mitigating the economic risk if the documented securities or the insured transaction has properties that considerably mitigate the economic risk, as is the case especially if guarantees, asset based securities, escrow accounts, and the assignment of contract proceeds or receivables are provided. The maximum reduction depends on the respective insurance type pursuant to Section 3.4.

3.3.3.3 Reduction for "better than sovereign" risks (SOV+R)

If the debtor is allocated to the debtor category "better than sovereign" (SOV+), SERV will grant a reduction of 10 percent.

3.3.3.4 Reduction for reduced administrative expenses (AER)

For transactions with a term of less than 24 months, SERV may grant a reduction of up to 20 percent if the transaction involves considerably lower administrative expenses than usual.

3.3.3.5 Reduction for special qualities of the export goods (SPR)

For transactions with a term of less than 24 months, SERV may grant a reduction of up to 15 percent if the export goods have special qualities that mitigate the risk of non-payment. In particular, this includes basic necessities such as indispensable medication, medical equipment, or water treatment systems.

3.3.4 **Correction factor (CF)**

The insurance type-specific correction factor takes the properties of the respective insurance type into consideration, especially the object of cover, the risk structure, and the loss experience of SERV. The maximum correction factor depends on the respective insurance type pursuant to Section 3.4.

3.4 **Specific factors by insurance types**

3.4.1 **Pre-shipment risk insurance**

3.4.1.1 The insured production costs form the basis for calculation of the premium for the pre-shipment risk insurance.

3.4.1.2 The risk period corresponds to half the time from the entry into force of the export contract to the shipment of the goods. In the case of partial deliveries, the shipment of the last partial delivery shall be considered as the shipment of the goods.

3.4.1.3 The reduction for securities mitigating the political risk shall amount to a maximum of 20 percent. The reduction for securities mitigating the economic risk shall amount to a maximum of 50 percent.

3.4.1.4 The correction factor shall amount to a maximum of 25 percent.

3.4.2 **Supplier and buyer credit insurance**

3.4.2.1 Basis for calculation

The basis for calculation of the premium for supplier and buyer insurances is the insured credit amount without interest or, in the case of cash transactions, the insured claim.

3.4.2.2 Risk Period

3.4.2.2.1 The risk period shall correspond to the sum of half of the disbursement period and the loan repayment period.

3.4.2.2.2 The disbursement period begins with the commencement of the deliveries or services and ends at the starting point. If the starting point is calculated according to the weighted average delivery or service or pro-rata delivery date, the disbursement period shall not be calculated.

3.4.2.2.3 The repayment period shall be determined as follows:

- a) For transactions with a credit period of 12 or more but less than 24 months and a single repayment ("bullet payment"), the credit repayment period shall correspond to four thirds of the credit period.
- b) For transactions with a credit period of 24 or more months and repayment instalments that are not equal or not half-yearly, the repayment period shall correspond to the double weighted average credit period less six months.
- c) For all other transactions, the repayment period shall correspond to the credit period.

3.4.2.2.4 Part-months shall be rounded up to full months if at least ten days of the part-month are contained in the risk period.

3.4.2.2.5 The terms "credit period", " weighted average credit period", and other expressions relevant to the definition of these terms are defined in the annex to this premium tariff. The definition of the weighted average credit period applies analogously to the term "weighted average delivery or service".

3.4.2.3 Reductions

3.4.2.3.1 The reduction for securities mitigating the political risk shall amount to a maximum of 20 percent.

3.4.2.3.2 The reduction for securities mitigating the economic risk shall be as follows:

- a) Up to 35 percent for transactions with private buyers as debtors;
- b) Up to 20 percent for transactions with a credit period of less than 24 months and a guaranteeing bank as debtor.

No reduction shall be granted for transactions with a credit period of 24 or more months and a guaranteeing bank as debtor.

3.4.2.4 Correction factor

The correction factor shall be granted for transactions with a credit period of less than 24 months and shall amount to a maximum of 15 percent.

3.4.3 **Confiscation risk insurance**

3.4.3.1 The basis for calculation of the premium for the confiscation risk insurance is the insured value of the insured goods.

3.4.3.2 The risk period shall start on the date of shipment of the goods to the storage, trade show, exhibition, or utilisation location. It shall end when the goods are sold or repatriated to Switzerland.

3.4.3.3 The correction factor shall amount to a maximum of 15 percent.

3.4.4 **Contract bond insurance**

3.4.4.1 The basis for calculation of the premium for the contract bond insurance is the insured bond amount.

3.4.4.2 The risk period shall start from the delivery of the bond document to the beneficiary. It shall end upon surrender of the bond document, expiry of the contract bond, or when the institute that issued the bond discharges the policyholder from the counter guarantee.

3.4.4.3 The reduction for securities mitigating the political risk shall amount to a maximum of 20 percent. The reduction for securities mitigating the economic risk shall amount to a maximum of 50 percent.

3.4.4.4 The correction factor shall amount to a maximum of 25 percent.

3.4.5 **Letter of credit confirmation insurance**

3.4.5.1 The basis for calculation of the premium for the letter of credit confirmation insurance is the letter of credit amount insured.

3.4.5.2 The risk period corresponds

a) to the total time from the shipment of the goods to the due date of the insured claim in the case of pre-shipment risk insurance combined with letter of credit confirmation insurance;

b) in all other cases, to the sum

b1) of half of the period from the confirmation of the letter of credit by the confirming bank to the shipment of the goods. In the case of partial

deliveries, the shipment of the last partial delivery shall be considered as the shipment of the goods; and

- b2) the total time from the shipment of the goods to the due date of the insured claim.

3.4.5.3 The reductions for securities mitigating the political risk and for securities mitigating the economic risk shall each amount to a maximum of 20 percent.

3.4.5.4 The correction factor shall be granted for transactions with a credit period of less than 24 months and shall amount to a maximum of 15 percent.

3.4.6 Multi-buyer insurance

The premium calculation for multi-buyer insurances shall be governed by the provisions applicable to supplier and buyer credit insurances (Section 3.4.2) on the basis of a risk period of six months. In the case of risk periods of more than six months, the longer risk period shall be relevant.

4 Collection of the expense and insurance premiums

4.1 Liability for payment

The premium is payable by the policyholder.

4.2 Due date of the premium

4.2.1 Expense premiums

Expense premiums shall be due upon receipt of the invoice.

4.2.2 Insurance premiums for supplier and buyer credit insurances

4.2.2.1 Regardless of the risk period, the insurance premium for supplier and buyer credit insurance shall be due as follows:

- a) Premiums up to CHF 250,000 shall only be due on the date of commencement of the delivery or service. In the case of isolated buyer credit insurances, the premium shall be due on the date of commencement of the disbursement.
- b) In the case of premiums above CHF 250,000, 25 percent of the premium shall be due upon receipt of the policy and the remaining 75 percent on the date of commencement of the delivery, service, or drawdown.

4.2.2.2 The policy without subsequent amendments is relevant for the determination of the due date.

4.2.2.3 In the case of consortia, the threshold value of CHF 250,000 shall apply to the premium for each individual policyholder.

4.2.3 Insurance premiums for letter of credit confirmation insurances

The insurance premium for letter of credit confirmation insurances shall be due upon submission of the letter of credit documents to the relevant bank.

4.2.4 Insurance premiums for other insurances

The insurance premium for pre-shipment risk, confiscation risk, contract bond, and multi-buyer insurances shall be due upon receipt of the invoice.

5 Reimbursement of insurance premiums

5.1 If SERV agrees to an amendment to the content or scope of an export credit insurance and if this results in a change of the maximum insured amount or of the risk period, the insurance premium shall be recalculated.

5.2 SERV will reimburse the overpayment resulting from the recalculation after deducting the following items:

- a) SERV will retain a flat rate of 5 percent of the overpayment, but at least CHF 100 and no more than CHF 5,000, for administrative expenses.
- b) For supplier and buyer credit insurances, SERV will retain an early repayment premium of up to 25 percent of the overpaid amount if:
 - b1) the first repayment date has been reached and
 - b2) the reimbursement of the premium was caused by the early repayment of the credit by the foreign debtor or by premature cancellation of the insurance contract by the policyholder.
- c) In justified exceptional cases, SERV may waive the retention of the early repayment premium.

5.3 However, recalculation and reimbursement of insurance premium shall be excluded if

- a) an insured event has occurred;
- b) a reason for exclusion of indemnification is on hand; or
- c) the policyholder is responsible for the early cancellation of the insurance contract by SERV.

6 Reinsurance premiums

- 6.1 For reinsurance granted, SERV charges a reinsurance premium that shall, as a matter of principle, correspond to the pro-rata share of the total premium less an administrative fee of the primary insurer.
- 6.2 SERV will charge a higher premium if the premium of the primary insurer does not observe the internationally recognised principles for officially supported export credits, in particular those of the OECD, or if it does not appear to be risk-oriented under the evaluation principles of SERV.

7 Final provisions

- 7.1 The premium tariff of 1 July 2008 is cancelled.
- 7.2 If the policyholder submitted the insurance application to SERV prior to 1 September 2011 or if his insurance application that is submitted after this date is based on an insurance commitment in principle that was granted prior to 1 September 2011 and that was subsequently not extended, the previous premium tariff shall apply, even if the policy is issued or amended after this date.
- 7.3 This premium tariff shall enter into force on 1 September 2011.

Definitions

1. Credit period

The credit period begins at the starting point and ends on the contractual due date of the last instalment.

2. Weighted average credit period

The weighted average credit period is the sum of the instalment amounts divided by the total credit amount, whereby every instalment amount shall be multiplied by its respective credit period.

3. Starting point

Starting point means:

- a) In the case of contracts for the delivery of raw materials and semi-finished products, consumer goods, parts, and components including related services: the time from which the buyer starts benefiting from the delivery, at the latest the actual or weighted average time of acceptance;
- b) In the case of contracts for the sale of capital goods consisting of individually utilisable parts: the actual or weighted average time at which the goods are transferred to the buyer;
- c) In the case of contracts for the sale of equipment for complete plants or factories under which the exporter is not liable for the commissioning: the time at which the entire equipment to be delivered under the contract, except for spare parts, is transferred to the buyer;
- d) In the case of contracts for the construction of plants under which the exporter is not liable for the commissioning: the time at which the construction of the plant is completed;
- e) In the case of contracts under which the exporter is contractually liable for commissioning the plant: the time after the construction and initial testing of the plant at which the plant is ready for operation. In this context, it does not matter whether the plant is handed over to the buyer at this time under the contract and whether the exporter has assumed any further obligations;
- f) If the contract in the cases specified under the letters c) to e) provides for the separate execution of individual parts of the export transaction: the time of commencement of the credit period for the respective part of the export transaction or the average time of commencement of the credit period for the individual parts of the export transaction or – if the

exporter has not concluded a contract for the entire project but for a material part thereof – a time that is suitable for the overall project;

- g) In the case of services for whose commissioning the exporter is liable: the time from which the buyer starts benefiting from the delivery, at the latest the time of commissioning;
- h) For all other services: the time from which the buyer starts benefiting from the service, at the latest the actual or weighted average time of acceptance.