


Confiscation risk cover



Goods exported for storage, exhibition, testing or execution of assembly work may be insured with SERV against the risk of loss through confiscation. By taking out confiscation risk cover, exporters can cover the production costs directly attributable to the confiscated goods.

Our policyholders

As a Swiss exporter listed in the Swiss Commercial Register and domiciled in Switzerland, you – or a third party authorised by you – are eligible to apply for confiscation risk cover.

Our product

Swiss companies that are active in international markets often present their goods at trade fairs or exhibitions abroad. To increase their chances of selling their products, they frequently set up, exhibit and demonstrate extremely valuable equipment and apparatus. By taking out confiscation risk cover you can insure the goods you exhibit against politically motivated confiscation, destruction or damage.

For export sales, we also insure your consignment stock in the buyer country. The goods must be of Swiss origin or include an acceptable amount of Swiss-produced content. If the goods are seized, SERV confiscation risk cover provides adequate insurance cover.

We also insure any machinery and equipment you may use abroad to perform export contracts which are eligible for support (e.g. assembly equipment/construction machinery). You do not need to own this equipment: leased or rented machinery and equipment can also be protected under confiscation risk cover.

Our services

When you take out confiscation risk cover, we insure you against losses arising from the politically-motivated confiscation or destruction of, or damage to, insured goods up to the maximum amount specified in the insurance policy.

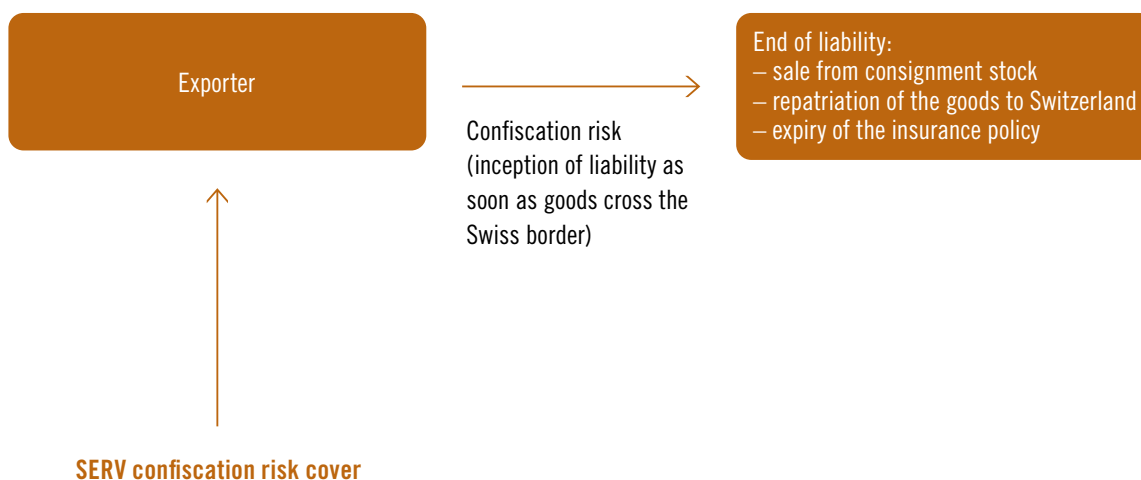
Basis for assessing compensation:

- For goods sent abroad for the purpose of storage, sale, exhibition or testing, the compensation is calculated on the basis of the production costs (individual costs and overheads) incurred in manufacturing or purchasing the goods.
- In the case of machinery, equipment or systems exported in the performance of contractual obligations for the supply of goods or services abroad which are subject to wear and tear during their use, the market value at the time the insured risk occurs will be regarded as the basis for assessing compensation.

The peak risk may be taken into account when determining the maximum amount to be insured.

Our premiums

We charge an insurance premium based on a certain percentage of the specified production costs or maximum amount insured. This premium rate is determined by the length of the guarantee period and the country risk category (see also “SERV premium tariff”). No expense premiums (review and extension premiums) are payable.



Possible combinations

In the case of direct sales of exhibited goods or consignment stock you can insure your receivables with SERV under a separate supplier credit policy (see also product information leaflet entitled "Supplier credit insurance").

Machinery and equipment moved abroad in the performance of export contracts for the supply of goods and services can normally only be insured in conjunction with a pre-shipment risk and/or supplier credit insurance policy for the export transaction (see also product information leaflets entitled "Pre-shipment risk cover" and/or "Supplier credit insurance").

Period of insurance

Our insurance cover commences when the goods are despatched or at the latest when they cross the Swiss border. Our liability ends when they are sold from consignment stock or on repatriation of the exported goods.

Confiscation risk cover is subject to a time limit. This rule should be noted particularly in the case of sales from consignment stock for which the time of sale is not known in advance.



Assignment

Subject to approval by SERV, your rights to indemnification under the confiscation risk policy may be assigned, in particular to banks and other financing companies.

Indemnity payments

The prerequisite for indemnity payments is the occurrence of an insured risk.

As soon as we are in possession of all necessary documents and evidence relating to the exported goods which have been confiscated, destroyed or damaged, we will acknowledge the loss on expiry of the waiting period (normally 3 months) and subsequently pay the claim.

Before the claim is paid the following will be deducted from the production costs/market value which has been proven or established by an expert's report:

- Payments/pecuniary gains/insurance benefits
- Sales proceeds

As the policyholder, you are required to bear part of the loss yourself in the form of a percentage share, which generally amounts to 5 percent for all risks.



Insured risks at a glance

The confiscation risk policy **insures you against confiscation risks** attributable to

- confiscation of insured goods by government agencies,
 - a permanent loss of power of disposal over, sinking or destruction of, or damage to insured goods as a result of political risks abroad,
 - a permanent loss of power of disposal, sinking or destruction of or damage to insured goods as a direct result of force majeure, if at their onset these risks were not insurable (or not insurable on acceptable terms) in the private market.
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Facts and figures

Policyholders

Swiss exporters domiciled in Switzerland and listed in the Swiss Commercial Register

Object of insurance

Production costs of exported goods in the case of exhibition goods and goods held in storage or market value at the time of the occurrence of an insured risk where exported machinery or equipment is subject to wear and tear during use

Countries eligible for cover

Generally all

Exception: exports with risk periods of up to 2 years to EU and core OECD countries (i.e. EU member states, Iceland, Japan, Canada, New Zealand, Norway and USA)

Risks covered

Confiscation by government agencies

Permanent loss of power of disposal over, sinking or destruction of, or damage to insured goods as a direct result of political risks abroad

Permanent loss of power of disposal over, sinking or destruction of, or damage to insured goods as a direct result of force majeure, if at their onset these risks were not insurable (or not insurable on reasonable terms) in the private market

Cover ratio

Normally 95 percent for all risks

Waiting period

3 months

Expense premiums

None

Insurance premium

Single premium payable depending on the maximum insured amount or the specified production costs, the term and the country risk category

Our specialists will be happy to advise you

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You can apply for confiscation risk cover from SERV in writing. Please use the application form provided for this purpose.

Further information, as well as application forms and general terms and conditions, is available at www.serv-ch.com.

For the insurance policy, the Swiss export risk insurance act, the Swiss export risk insurance ordinance and the general terms and conditions for confiscation risk cover (GT&C C) apply exclusively and independently of the contents of this brochure.