

# Counter guarantee

Valid until 31 December 2011

By means of the counter guarantee, SERV guarantees, on behalf of the exporter, to pay a financial institution issuing a contract bond a defined level of compensation if the bond is called and the financial institution does not receive cover from the exporter. Thus the counter guarantee makes it easier for exporters to have contract bonds issued by financial institutions. It supplements SERV's contract bond insurance.

### Our guarantee holders

Our counter guarantee is available to domestic and, under certain circumstances, foreign financial institutions.

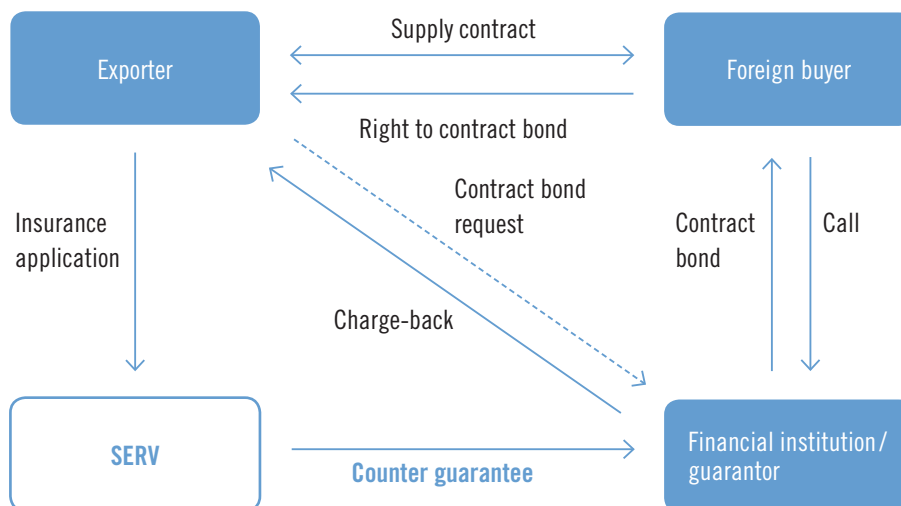
### Our product

For export transactions, exporters are often required to have contract bonds (bid, advance payment or performance bonds) issued by a financial institution. If, however, the exporter's credit limit is no longer sufficient, such a contract bond cannot be issued without providing additional collateral. To avoid liquidity impairments, SERV offers this product to guarantee the exporter's cover obligation to the financial institution in case the contract bond is called. Thus the counter guarantee makes it easier for exporters to have their credit limit for contract bonds increased.

The counter guarantee must always be concluded in combination with contract bond insurance.

### Our services

Under the counter guarantee, SERV undertakes to pay a financial institution issuing a contract bond a defined level of compensation upon first written demand if the bond is called and the financial institution does not receive cover from the exporter. Thus, SERV covers the exporter's non-payment risk.



### Our premiums

The guarantee commission charged by the guarantor forms the basis for the calculation of the premium for a counter guarantee granted by SERV for the benefit of the financial institution issuing the contract bond (guarantor). 10 percent of this commission remains with the guarantor. The remaining 90 percent is split according to the cover ratio agreed between SERV and the guarantor. The premium is due when the guarantor bills the exporter for the guarantee commission.

Usually, no review premium is charged for the counter guarantee. Moreover, no surcharges apply for foreign currency policies and for the cover of the foreign currency contingency risk.

The premium for contract bond insurance is calculated according to section 3.5 of the premium tariff of 1 July 2008 less the counter guarantee premium.

### Terms

Our guarantee only covers contract bonds issued in connection with the export of goods / services originating in Switzerland or with an adequate proportion of Swiss value added (see information brochure «Origin of goods and Swiss value added»).

### Guarantee period

A SERV guarantee may start upon the effective date of the contract bond, at the earliest, however, when the guarantor receives the counter guarantee. The counter guarantee usually expires upon its return, upon the discharge of SERV by the guarantor, or 30 days after expiry of the contract bond.

### Assignment options

Subject to the approval of SERV, entitlement to compensation under the counter guarantee may be assigned to other financial institutions.

### Occurrence of the guaranteed event

The guaranteed event occurs if the guarantor has made payments to the beneficiary on the basis of the justified invocation of the contract bond covered by the counter guarantee and has not received cover from the exporter.

Compensation resulting from the counter guarantee is paid within ten banking days of receipt of the written demand and the necessary evidence according to the counter guarantee declaration.

Compensation is paid up to the maximum amount specified in the counter guarantee (up to 95 percent of the face value of the contract bond underlying the counter guarantee).

### Limitation

This product is based on the Swiss Act on the Temporary Extension of the Insurance Services of SERV of 20 March 2009 and is available from May 2009 until 31 December 2011.

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### Insured risks at a glance

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The counter guarantee offers financial institutions issuing contract bonds **protection against the insolvency** of the exporter if

- the foreign buyer calls the contract bond and
- the exporter does not provide cover to the financial institution issuing the bond.

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## Facts and figures

### Applicants

Exporters, with the approval of the financial institution

### Beneficiaries of the counter guarantee

Financial institutions

### Object of cover

Guaranteed compensation upon first demand of the paid bond amount to the extent specified in the counter guarantee if the exporter does not provide cover.

### Risk covered

Loss of the bond amount due to

- calling of the contract bond and
- the insolvency of the exporter

### Cover ratio

Up to 95 percent of the face value of the contract bond underlying the counter guarantee

### Waiting period

None

## Our specialists will be happy to advise you

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Counter guarantees can be requested in writing from SERV. To do so, please use the application form.

Further information, application forms and general terms and conditions are available at [www.serv-ch.com](http://www.serv-ch.com).

Notwithstanding the content of this brochure, the guarantee declaration shall be governed exclusively by the Swiss Export Risk Insurance Act (SERVG), the Swiss Act on the Temporary Extension of the Insurance Services of Swiss Export Risk Insurance of 20 March 2009, the Swiss Export Risk Insurance Ordinance (SERV-V), the Amendment to the Swiss Export Risk Insurance Ordinance of 22 April 2009, and the General Terms and Conditions for Counter Guarantees (GT&C CG).