

Product information

# Working capital insurance

Valid until 31 December 2011

By means of working capital insurance, SERV insures defaults of working capital loans granted to Swiss exporters, which are used for the production of goods and services whose export is insured by SERV.

### Our policyholders

Our working capital insurance is available to domestic and, under certain circumstances, foreign banks. Policyholders must obtain a declaration of authorisation and undertaking from the Swiss exporter.

### Our product

Exporters often need a working capital loan from a bank to pre-finance the production of their export goods. If, however, an exporter's credit limit has already been exhausted by other transactions, he will not be granted an additional working capital loan unless he provides the bank with additional collateral.

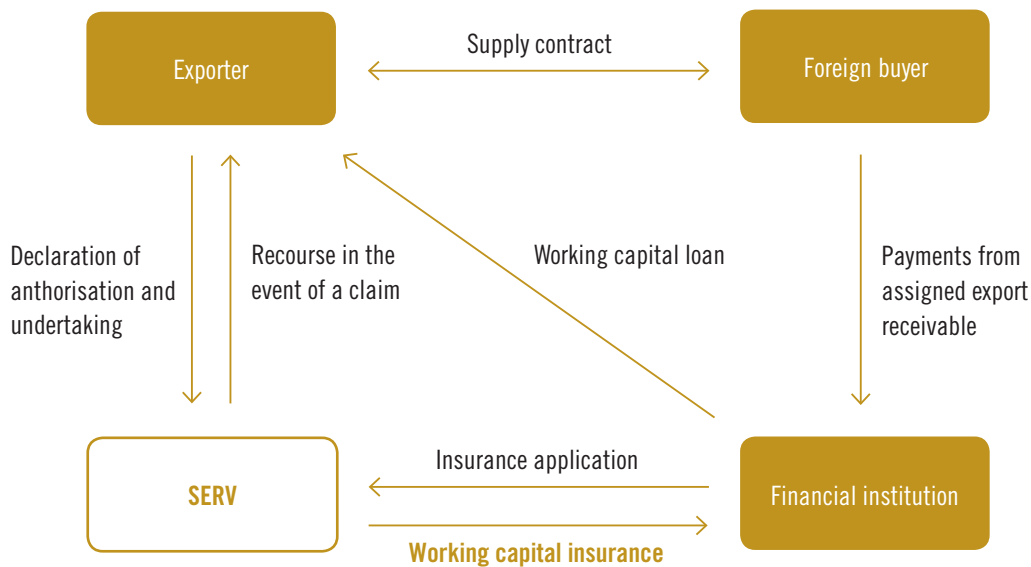
By means of working capital insurance, SERV guarantees the lending bank the repayment of the working capital loan by the exporter (maximum cover ratio: 80 percent), provided that the export transaction for which the goods are produced is also insured by SERV. Banks are thus covered against the possible default of buyers, and exporters do not need to provide banks with additional collateral in order to get their credit limits increased. In this way, exporters can finance the production of export goods while at the same time retaining their liquidity.

Working capital insurance is usually issued in combination with supplier or buyer credit insurance.

### Our services

By means of the working capital insurance, we ensure the fulfilment of the repayment claims agreed in the working capital loan agreement including contractually agreed ancillary financing costs, interest due and default interest.

If pre-shipment risk cover is applied for in addition to working capital insurance, the premium is reduced.



### Our premiums

The risk margin (interest margin) charged by the lending bank for the working capital loan forms the basis for the calculation of the premium. 20 percent of this risk margin remains with the bank. The remaining 80 percent is split according to the cover ratio agreed between SERV and the bank.

Usually, no review premium is charged for working capital insurance. No surcharges apply for foreign currency policies and for the cover of the foreign currency contingency risk.

### Terms

Our insurance only covers working capital loans used for the production 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»).

### Period of insurance

Our insurance cover usually begins upon conclusion of the working capital loan agreement and ends upon settlement of the insured receivable.

### Assignment option

Subject to the approval of SERV, the indemnification rights under working capital insurance may be assigned along with the claim from the working capital loan agreement.

### Indemnity payments

The insured event occurs upon expiry of a waiting period of one month from the occurrence of the insured risk. Indemnification will only be paid if the legally valid and due claim is uncollectible as a result of the occurrence of an insured risk.

### 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 working capital insurance provides **cover against default** due to

– non-fulfilment of the payment obligations of the exporter from the working capital loan.

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**Facts and figures**

**Policyholders/applicants**  
Financial institutions

**Object of cover**

Claims from a working capital loan (principal, interest and default interest during the waiting period)

**Countries eligible for cover**

Generally all countries (in compliance with subsidiarity)

**Risks covered**

Del credere risk (economic risks)

**Cover ratio**

Up to 80 percent

**Period of insurance**

Usually from the conclusion of the loan agreement to the fulfilment of the principal claims from the working capital loan.

**Waiting period**

1 month

**Review premium**

Usually none

**Premium calculation**

The risk margin (interest margin) charged by the bank for the working capital loan forms the basis for the calculation of the premium. 20 percent of this risk margin remains with the policyholder, 80 percent is split between SERV and the bank according to the agreed cover ratio.

**Our specialists will be happy to advise you**

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Working capital insurance 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 insurance policy 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 Working Capital Insurance (GT&C WC).