

## Regulations on Premium Calculation Annex 2

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Subject	The Regulations on Premium Calculation govern the calculation of insurance premiums, expense premiums and premiums for providing reinsurance.
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The Regulations on Premium Calculation govern the calculation of insurance premiums, expense premiums and premiums for providing reinsurance. The calculation of insurance premiums, surcharges, reductions and correction factors is described in Annex 1; this Annex 2 describes the calculation of premiums based on market prices.

### **Art.1 Market prices**

The calculation of premiums based on market prices can be used for the following products:

- Supplier credit insurance (SCI)
- Counter guarantee (CG)
- Multi-buyer insurance (MBI)
- Buyer credit insurance (BCI)
- Working capital insurance (WCI)
- Letter of credit confirmation insurance (LCI)
- Refinancing guarantee (RG)

For transactions in countries in the HI country risk category as well as high-income member states of the OECD and the euro zone, the insurance premiums for export credit insurance are determined on the basis of a comparison with the currently applicable market prices. The exact calculation of the market prices is carried out in accordance with the provisions of the “Arrangement on Officially Supported Export Credits” (OECD Arrangement).

For country risk category 0, see [www.serv-ch.com](http://www.serv-ch.com) > Glossary > Country risk category

Insurance premiums based on market prices are determined when the policy or guarantee is issued. The insurance premiums for counter guarantees (CG) and working capital insurance (WCI) are based on the SERV rating for the exporter’s performance risk and the market price for the relevant rating category.

### **Art.2 Formula for calculating SERV insurance premiums for counter guarantees and working capital insurance**

For the one-off payment of premiums, the premium is calculated based on the following formula:

$$BC \times CR \times r \times t \times (1 + SIR)$$

The abbreviations have the following meanings:

**BG** Basis for calculation of the premium is the sum guaranteed or the working capital loan amount

**CR** Cover ratio for the performance risk.  
The cover ratio for counter guarantees is 90 per cent; for working capital insurance it is 80 per cent. Pursuant to a decree by the Federal Council issued in August 2020, cover ratios of 100% or 95% are permitted to 31 December 2022.

**r** Premium rate per annum, the premium rate is the current market price for the exporter’s credit and fulfilment risk (i.e. the performance risk);

Exporter rating	Premium
For P1	= 0.25% p. a.
For P2	= 0.5% p. a.
For P3	= 0.75% p. a.
For P4	= 1.0% p. a.
For P5	≥ 1.25% p. a.

t	Total term of the counter guarantee/the working capital loan in exact number of days, divided by 365.25.
SIR	Surcharge for increased risk pursuant to Annex 1.
P	Premium for the counter guarantee/working capital insurance for instalment payments, calculated as the sum of all premium types.