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African Trade Insurance Agency  
Agence pour l'Assurance du Commerce en Afrique



## Credit Risk Insurance

We protect Africa's Trade & Investments

# Contents

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- About ATI
- What is Credit Insurance?
- Benefits of Credit Insurance
- Export Credit Insurance
- Our Partners & Credit Rating
- ATI's Relationship with its African Member States
- Ownership Structure
- ATI Office Locations

### Our Vision

To transform Africa into a prime trade and investment destination.

### Our Mission

To turn African risk into opportunity by providing Insurance and financial products, in partnership with the private and public sector

### Our Values

We always strive to carry out our business with a customer first approach combined with integrity, creativity, unity of purpose and an attitude of getting it right the first time

The African Trade Insurance Agency is an African owned International Financial Institution. It was formed in 2001 by African States with the financial and technical support of The World Bank Group.

ATI promotes trade and investment in Africa and reduces the cost of doing business by helping investors mitigate against risk. Specifically, ATI provides political risk insurance protecting against risks such as currency inconvertibility, expropriation, war and civil disturbance. Through public and private partnerships, ATI facilitates access and encourages the support and use of co-insurance and reinsurance, guarantees and other financial instruments within Africa.

Through its various products the Agency increases the availability of financing for trade, investment and other ventures and reduces the cost of doing business in Africa by mitigating associated political, non-commercial and commercial risks.

Membership in ATI is open to all States, Export Credit Agencies, International Development Financial Institutions, Regional Economic Organisations and Private Corporations with the ability, interest and commitment to support African related trade and investments.

You can enquire for any of ATI's products by filling out and submitting the attached enquiry form found on the back of this brochure. Alternatively, you may visit our website at [www.ati-aca.org](http://www.ati-aca.org), email us at: [ati-und@ati-aca.org](mailto:ati-und@ati-aca.org), telephone +254 (0)20 272 6999 or visit us at any one of our offices listed in this brochure.

## About ATI



This is insurance that protects you against possible payment default by your debtors. If you are an exporter, an insurance policy would cover your domestic and international debtors.

ATI investigates each of your debtors and issues insurance coverage against potential payment default. Our credit insurance protects policy holders against payment failure due to bankruptcy, deteriorating financial circumstances or, if a specified buyer, payment extends beyond the credit period (protracted default).

ATI insures a credit period of up to one year. ATI can also provide insurance to cover pre-shipment. This may be desirable if goods are being produced with a non-standard configuration for a specific client. ATI can also insure single obligors for tenors of up to 10 years.

## What is Credit Insurance?



Credit insurance is a powerful business tool and your company will immediately benefit in the following ways:

**Protection:** Credit insurance gives the assurance of payment provided the exporter performs their part of the export contract i.e. to deliver the goods or services on time in agreement with the buyer's specifications. As long as you operate within the terms, parameters and conditions of the insurance policy, it protects your cash flow by replacing cash, should any customer insolvency or payment default occur.

**Growth:** Credit insurance gives you the confidence to explore business opportunities you normally avoid for fear of non-payment. It allows you to aggressively seek new business opportunities through direct sales to new buyers because the credit insurance policy provides a tool to check the buyer's creditworthiness.

**Better Credit Terms:** Credit terms can be given to buyers if this is necessary to secure sales. You can improve the competitiveness of your product by offering better credit terms (e.g. open account vs cash in advance or letter of credit) to buyers under the protection of a policy. This reduces the buyer's cost of doing business with you. Credit insurance can also assist with movement up the value chain, facilitating sales directly to buyers and capturing profits lost to intermediaries such as wholesalers and auctioneers.

## Benefits of Credit Insurance



So why take unnecessary risks when for a modest premium, bad debt can be managed? Insure your debtor's payment risk with ATI.

#### **Disclaimer**

ATI's products are sold as insurance policies underwritten on the basis of ATI's assessment of risk and pricing and based upon information provided to ATI by applicants. Each policy is subject to terms and conditions on which ATI agrees to underwrite a risk. The policy documentation determines the scope of cover that ATI provides, including policy terms and conditions, which may differ from the content of this brochure.

#### **Security for Bank Financing**

Credit insurance will help you, the exporter, discount your post shipment debts that are due by the buyers. An exporter can assign the right under the export credit insurance policy to receive a claim payment for future sales to the bank. This gives the bank better security when advancing money.

Your relationship with the bank can be improved because of the security that credit insurance provides to future cash flows, which increases an exporter's capacity to service debt. Banks are likely to offer you more extensive credit facilities and/or more favourable terms if your debtors are credit insured. The cover can remove the need for fixed asset security and allows banks to finance the growth of a company.

Banks will also appreciate that the quality of your debtor book is enhanced when it is supported by an ATI credit insurance policy that is backed by ATI's strong credit rating (Standard & Poor's 'A').

#### **Summary**

To sum it up, Credit Insurance cover improves profitability through higher value sales to more buyers and it increases your access to bank financing on better terms and conditions – an overall winning combination of benefits at a reasonable cost.



Export credit insurance is a risk management tool that protects exporters against one or more of their international customers' non-payment due to insolvency, protracted default or repudiation of contract (extended to governments and government departments).

Besides protecting against financial loss due to non payment, delayed payment, unilateral cancellation of a contract or by endorsement, political related risk (Credit Insurance), like credit itself, is a lubricant of commerce. Credit Insurance is a financial lubricant because it allows for the expanded movement of products and services and it improves efficiencies.

### **How Does Export Credit Insurance Work?**

1. You apply to ATI to insure against non-payment by foreign companies buying your goods or services;
2. ATI then investigates your foreign buyers before accepting the risk;
3. ATI determines your premiums according to the political and commercial risks of the buyers in their relevant markets;
4. ATI issues you with a policy setting out the terms and conditions of the cover you have purchased;
5. You complete your transactions with your buyers; and
6. If your debtor(s) default, ATI will assist you in collecting the overdue amount and, if unsuccessful, pay your claim and allocate any recoveries as laid out in your policy's terms and conditions.

## **Export Credit Insurance**



### **Our Partners**

ATI partners with leading global Public and Private Insurers. These partners enable ATI to increase available resources to support African Trade and Investment, maximise the benefits of cooperation amongst insurers within the same risk market and bring African risk mitigation operations in line with best market practices.

### **Credit Rating Assigned by Standard & Poor's**

Long Term Counter Party Rating:

A/Stable

Insurer Financial Strength Rating:

A/Stable

A copy of the Standard & Poor's analysis may be found on our website at [www.ati-aca.org](http://www.ati-aca.org)

## **Our Partners & Credit Rating**

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## ATI's Relationship with its African Member States

ATI is privileged to be able to live and work in Africa alongside its Member States. This close proximity provides a special vantage point from which to understand the challenges faced by countries in the region and to tailor solutions for each individual situation. These collaborative working relationships have led to strong partnerships built on trust and commitment to shared trade and investment objectives within each African Member State.

African Member States back up this commitment by entering into a Participation Agreement with ATI, which outlines the rules and regulations governing each Member State's responsibilities to the Agency.

This Agreement provides the assurance that if a dispute involving an investor or exporter in a Member State arises it can normally be satisfactorily resolved without delay or the need for a formal claims mechanism. This provision is enhanced by the strong working relationships between ATI and African Member States

ATI and its Members believe that it is in everyone's best interest to satisfactorily resolve disputes before they escalate into a claims situation. This shared responsibility coupled with ATI's financial strength gives comfort to investors. With an ATI guarantee, investors can operate safely in Africa secure in the knowledge that African Member States are committed to maximising their country's investment, and that if a claim does occur, ATI has both the willingness and ability to pay valid claims.

For more information about ATI's Participation Agreement visit, [www.ati-aca.org](http://www.ati-aca.org).



### **Current African Member States**

ATI can provide products to clients based outside of our Member States if the transactions being insured directly benefit one or more of our Member States.

- Burundi
- Democratic Republic of Congo
- Djibouti\*
- Eritrea\*
- Kenya
- Liberia\*\*
- Madagascar
- Malawi
- Rwanda
- Sudan\*
- Tanzania
- Uganda
- Zambia

### **Regional Economic Community Members**

- The Common Market of Eastern and Southern Africa (COMESA)
- The Eastern and Southern African Trade and Development Bank (PTA Bank)
- The PTA Re Insurance Company (ZEP Re)

### **Corporate Member**

- Atradius Participations Holding B.V.

\* A signatory to the ATI Treaty, pending ratification and completion of full membership.

\*\* Accepted into membership pending signature and ratification of the ATI Treaty.

## **Ownership Structure**

**Head Office:**

Kenya Re Towers, 5th Floor, Off Ragati Road, Upperhill  
Mailing Address: P.O. Box 10620, G.P.O. 00100, Nairobi, Kenya  
Telephone: +254 (0)20 272 6999 / 271 9727  
Fax: +254 (0)20 271 9701  
Cell: +254 0722 205 007, 0733 625 511  
Email: [ati-und@ati-acca.org](mailto:ati-und@ati-acca.org)  
[www.ati-acca.org](http://www.ati-acca.org)

**Zambia**

Kwacha House Annex  
Cairo Road  
P. O. Box 31303  
Lusaka, Zambia  
Tel: +260 976 446 490  
Cell: +254 728 604 515  
Email: [ati-und@ati-acca.org](mailto:ati-und@ati-acca.org)

**Uganda**

Private Sector Foundation Uganda (PSFU)  
Plot 43, Nakasero Hill Road  
P. O. Box 7683  
Kampala, Uganda  
Tel: +256 312 263 850 or 256 312 261 850  
Cell: +254 728 600 181 or 256 776 996 999  
Fax: +256 414 259 109  
Email: [ati-und@ati-acca.org](mailto:ati-und@ati-acca.org)

As ATI continues to expand its presence across Africa, please visit [www.ati-acca.org](http://www.ati-acca.org) for a complete and updated list of our field offices.

## ATI Office Locations

# INSURANCE ENQUIRY FORM

## CONFIDENTIALITY / AUTHORISATION FOR LIMITED DISCLOSURE

All information contained in this Enquiry Form will be treated by ATI as confidential material. However, ATI may be required to disclose the documentation or information contained therein, or attached thereto, to its professional advisors, law enforcement or regulatory authorities, its facility brokers and insurance partners as there may be from time to time, and their reinsurers, it being further understood that this information will only be disclosed by ATI on the basis of each recipient(s) acknowledging to observe similar obligations of confidentiality in respect of that information. The Enquirer understands and hereby agrees that, by submitting this Enquiry Form, its attachments and any additional information to be submitted by the Enquirer at a later stage, the Enquirer has expressly authorised ATI to disclose the documentation or information contained in the Enquiry form in the manner aforementioned.

## 1. ENQUIRER

### 1.1 Details of Enquirer

**Date of Enquiry:**

**Name of Company** *(Indicate party [Et legal form - private, public, other] on whose behalf enquiry is being made):*

**Contact Details** *(Name and address of contact person):*

**Email:**

**Telephone and Fax Numbers:**

**Capacity in which Enquiry is being made** *(indicate whether broker/ intermediary/ potential insured):*

**Principal's Authority** *(applicable for brokers/ intermediaries - a letter of appointment from the potential insured is required):*

**Transaction for which insurance cover is requested** *(state whether it is an equity investment; shareholder loan; commercial loan; loan guarantee; mobile asset; trade in goods/services on open account, leasing etc.):*

## 2. TYPE OF INSURANCE COVER REQUESTED

### 2.1 Details of Cover

**Amount and Currency of Cover Requested:**

**Tenor** *(indicate period for which cover is requested in months/years):*

**Expected policy start date:**

**Type of Cover** *(tick below the type(s) of risk for which insurance cover is requested):*

#### POLITICAL RISKS

#### COMMERCIAL RISKS

Expropriation

Non-payment by Private Obligor (Insolvency & Protracted default)

Transfer Restriction

War and Civil Disturbance

Physical Damage

Business interruption

Embargo

Arbitration Award Default

Non-payment by sovereign/sub-sovereign obligor  
*(e.g. parastatal; municipality)*

Non-honouring of Sovereign Guarantee

Unilateral cancellation of operating licences

Goods-in-transit

### 3. TRANSACTION/ INVESTMENT PARAMETERS

#### 3.1 Details of Party to be Insured

Name & Country:

Legal Form and Nature of Business (indicate whether natural person, private, public listed, sub-sovereign, parastatal, other; and state the nature of business):

#### 3.2 Details of Risk Counterparty/ Project Enterprise

Name & Country:

Legal Form and Nature of Business (indicate whether natural person, private, public listed, sub-sovereign, parastatal, or other [specify]; and state the nature of business):

Relationship with the Insured party (indicate whether borrower, project enterprise, or other [specify]. Does the insured have any previous experience with the risk counterparty? If yes please provide a brief explanation):

#### 3.3 Details of the Transaction/Project

Insured Transaction/Project (Brief description):

Value and Currency of Transaction/Project:

Transaction/Project Type (state whether it is a supplier credit, buyer credit, supply agreement, leases agreement etc.):

Contract Terms & Conditions: (if applicable, please provide copy of contract/draft loan term sheet):

Terms and Method of Payment:

Transit Countries (if applicable):

Specific Comments (if necessary, please provide additional comments not captured in this enquiry form):

\_\_\_\_\_  
Signed for and on behalf of  
(Insert company name)

-----  
Authorized Signature  
(Insert name and position)

Date: \_\_\_\_\_

You may fax this completed form to, +254 (0) 20 271 9701 or email it to, [ati-und@ati-aca.org](mailto:ati-und@ati-aca.org)



## ATI Head Office

Kenya Re Towers, 5th Floor, Off Ragati Road, Upperhill  
Mailing Address: P.O. Box 10620, G.P.O. 00100, Nairobi, Kenya  
Telephone: +254 (0)20 272 6999 / 271 9727  
Fax: +254 (0)20 271 9701  
Cell: +254 0722 205 007, 0733 625 511  
Email: [ati-und@ati-aca.org](mailto:ati-und@ati-aca.org)  
[www.ati-aca.org](http://www.ati-aca.org)

Covering Africa/Turning Risk into Opportunity