



ECGC POLICY COVERS

Medium and Long Term Exports

ECGC LTD

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Specific Contract Policy

Specific Contract Policy is designed to cover the exporters or their branches, subsidiaries or joint ventures which are registered/established outside India and are owned and controlled by Indian company (Parent Companies), that have secured contract for turnkey projects, EPC contract, supply contract on deferred payment terms or any contract which qualifies as project exports as per Project Exports Memorandum of RBI. The cover provides protection against non-receipt of payments due to commercials and / or political risks.

Risks Covered:

Commercial Risks

- Insolvency of buyer
- Protracted default of buyer
- Buyer's failure to accept goods/services

Political Risks

- War, Civil War, Revolutions in buyer's country
- New Import restrictions
- Transfer delays

LC Opening Bank Risks

- Insolvency
- Default

Loss Coverage: 90%

Obligations:

- Obtain indicative premium rate at bid stage
- Seek post-award approval from Authorised Dealer on award of contract
- Obtain in-principle approval
- Seek cover after payment of premium
- Advise progress of project in accordance with PEM guidelines
- Declaration of overdue payments
- Filing of claim within 12 months from due date
- Sharing of recovery

Highlights:

- Cover can be either for political or comprehensive risks.
- Add on pre-shipment risk cover can also be obtained for export of goods.
- Cover for full insurable value including retention portion.
- Cover for third country exports as well.
- Premium can be paid in installments.
- Reduced premium for projects funded by multi-lateral agencies.

Specific Shipment(s) Policy

Specific Shipment Policy is designed to cover the exporters or their branches, subsidiaries or joint ventures which are registered/established outside India and are owned and controlled by Indian company (Parent Companies), that have secured contract for supply of capital goods on deferred payment terms. The cover provides protection against non-receipt of payments due to commercials and / or political risks.

Risks Covered:

Commercial Risks

- Insolvency of buyer
- Protracted default of buyer
- Buyer's failure to accept goods/services

Political Risks

- War, Civil War, Revolutions in buyer's country
- New Import restrictions
- Transfer delays

LC Opening Bank Risks

- Insolvency
- Default

Loss Coverage: 90%

Obligations:

- Obtain indicative premium rate at bid stage
- Seek post-award approval from Authorised Dealer on award of contract
- Obtain in-principle approval
- Seek cover after payment of premium
- Advise progress of project in accordance with PEM guidelines
- Declaration of overdue payments
- Filing of claim within 12 months from due date
- Sharing of recovery

Highlights:

- Cover can be either for political or comprehensive risks.
- Add on pre-shipment risk cover can also be obtained for export of goods.
- Cover for full insurable value including retention portion.
- Cover for third country exports as well.
- Premium can be paid in installments.
- Reduced premium for projects funded by multi-lateral agencies.

Specific Services Contract Policy

Specific Services Contract Policy is provided to the exporters or their branches, subsidiaries or joint ventures which are registered/established outside India and are owned and controlled by Indian company (Parent Companies), secured contracts under which only services are to be provided. The cover provides protection against payment risks involved in rendering services to the foreign buyers. A wide range of services like technical or professional, hiring or leasing can be covered under these policies.

Risks Covered:

Commercial Risks

- Insolvency of buyer
- Protracted default of buyer
- Buyer's failure to accept goods/services

Political Risks

- War, Civil War, Revolutions in buyer's country
- Transfer delays

LC Opening Bank Risks

- Insolvency
- Default

Loss Coverage: 90%

Obligations:

- Obtain indicative premium rate at bid stage
- Seek post-award approval from Authorised Dealer on award of contract
- Obtain in-principle approval
- Seek cover after payment of premium
- Advise progress of project in accordance with PEM guidelines
- Declaration of overdue payments
- Filing of claim within 12 months from due date
- Sharing of recovery

Highlights:

- Cover can be either for political or comprehensive risks.
- Cover for full insurable value including retention portion.
- Premium can be paid in installments.
- Reduced loss coverage with proportionate reduction in premium
- Reduced premium for projects funded by multi-lateral agencies.

Construction Works Policy

Specific Services Contract Policy is designed to provide cover to an Indian contractor or their branches, subsidiaries or joint ventures which are registered/established outside India and are owned and controlled by Indian company (Parent Companies), who executes a civil construction job abroad. The covers provides protection against non- receipt of payments due to commercial and / or political risks.

Risks Covered:

Commercial Risks

- Insolvency of buyer
- Protracted default of buyer
- Buyer's failure to accept goods/services

Political Risks

- War, Civil War, Revolutions in buyer's country
- Transfer delays

Loss Coverage: 90%

Obligations:

- Obtain indicative premium rate at bid stage
- Seek post-award approval from Authorised Dealer on award of contract
- Obtain in-principle approval
- Seek cover after payment of premium
- Advise progress of project in accordance with PEM guidelines
- Declaration of overdue payments
- Filing of claim within 12 months from due date
- Sharing of recovery

Highlights:

- Cover can be either for political or comprehensive risks.
- Cover for full insurable value including retention portion.
- Premium can be paid in installments.
- Reduced loss coverage with proportionate reduction in premium
- Reduced premium for projects funded by multi-lateral agencies.

Overseas Investment Insurance

Overseas Investment Insurance provides cover for the investment made by India investor abroad in joint ventures or in their wholly owned subsidiary either in the form of equity or united loan, the basic principle is that the investment should emanate from India and benefit of dividend/ Interest there from should accrue to India. The cover provides protection against non-receipt of receivables due to specified political risks.

Risks Covered:

Political Risks

- War, Civil War, Revolutions in buyer's country
- Expropriation
- Restrictions on remittances

Loss Coverage: 90%

Obligations:

- Obtain indicative premium rate at bid stage
- Seek post-award approval from RBI for the designed investment
- Obtain in-principle approval
- Seek cover after payment of premium
- Declaration of overdue payments
- Filing of claim within 12 months from due date
- Sharing of recovery

Highlights:

- Cover can be either for political risks only.
- Investments in form of cash or through export of goods and services
- Cover available up to 15 years.
- Extendable up to 20 years with reduced insured amount
- Reduced loss coverage with proportionate reduction in premium