

# Insuring Your Success

Bringing African Opportunities Closer



"Africa's Trade Credit & Political Risk Insurer"



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

## **WHO WE ARE**

ATI is Africa's multilateral Trade & Investment Insurer. We support trade and investments by providing comprehensive risk solutions such as trade credit and political risk insurance.

With both a commercial and developmental mandate, we aim at improving Africa's risk perception and attracting affordable investments, in support of sovereign governments and the private sector.

## **WE HAVE REGIONAL PRESENCE**

With a team of skilled professionals, we are able to give you an accurate picture of the risks and offices located strategically in the four regions in Africa.

## **WE OFFER UNIQUE & FLEXIBLE SOLUTIONS**

Our unique insurance products are flexible. They can cover small to large exports, imports, investments and contracts on a short-to-medium or long term basis.

We are also able to insure, co-insure and re-insure your transactions.

## **WE ENSURE THAT YOUR PROJECTS WILL BE PAID**

We have a unique relationship with our member countries. First, they are shareholders in ATI. And second, they have an elected representative, who sits on ATI's Board of Directors, giving us direct access to decision makers in government. This relationship provides a mutual benefit for our member countries and for ATI's clients – adding another layer of security to ATI backed projects.

## **WE BRING A GLOBAL NETWORK OF STRONG FINANCIAL PARTNERS**

This network provides an international collection service, added reinsurance capacity, market intelligence and other benefits. Our partners are among the highest rated institutions in the world.

## **WE HELP STRENGTHEN YOUR BOTTOM LINE**

We are the highest rated insurer in Africa, rated A/Stable (S&P) and A3/Stable (Moody's). This enhances the value of your policy with financial institutions and can help you access financing at better rates.





## **WHAT WE DO**

Africa offers some of the largest trade & investment opportunities.

To successfully unlock these possibilities requires a keen understanding of the environment. This is where we come in.

### **YOU NEED US IF YOU ARE PLANNING TO DO ANY OF THESE ACTIVITIES IN AFRICA:**

- Invest;
- Trade (exports and imports);
- Finance a transaction;
- Offer credit terms to your corporate clients.

### **THESE TRANSACTIONS CAN EXPOSE YOU TO MANY RISKS, WHICH WE CAN COVER. THESE RISKS INCLUDE:**

- You won't be paid because your client is bankrupt;
- You won't be paid and you won't even know why;
- The money your client deposited for you cannot be converted into the currency you need;
- The host government cancels your licence unjustly;
- The host government expropriates your investments;
- The guarantee you're given is called unfairly;
- Your goods are damaged during a politically-motivated incident.



# BENEFITS

## AFRICAN GOVERNMENTS & AGENCIES

We assist member Governments to lower their cost of borrowing and to obtain loans with longer tenures using blended finance and credit enhancement. This has helped Governments to lower their debt servicing costs by over 100%.

## BANKS

These solutions allow you to lend more with the flexibility:

- You can insure your corporate loans against default;
- You can request your borrowers to take ATI cover for added protection;
- You can insure your cross-border transactions against political risks;
- You can take our insurance as a substitute for letters of credit confirmation;
- You can enhance your invoice discounting product by insuring the receivables.

## INVESTORS

You may be interested in an opportunity in an African country but the political risks make it difficult to convince your shareholders and bankers to agree. You can benefit from the strong relationships we've established with our member countries, which gives us direct access to decision makers, and added security for the projects we cover.

# 'Taking the worry out of business risk'

## **MANUFACTURERS**

We can assume your credit risk. This gives your suppliers comfort to extend credit terms to you.

## **CONTRACTORS**

We can find solutions for some of the risks you face. These include non-payment or delayed payment and unfair cancellation of your contract during its term.

## **EXPORTERS OR IMPORTERS**

You face the challenge of being far from your buyer or seller and being exposed to payment problems. On the financing side, you may have to use expensive Letters of Credit to support your transactions. This ties up your working capital and forces you to trade on cash terms rather than on a more competitive credit basis. Trade credit insurance can help you to overcome some of these obstacles.

## **CREDIT & POLITICAL RISK INSURERS**

You can expand your product line and capacity with ATI as a reinsurance partner. ATI offers both facultative and treaty reinsurance for trade credit and political risk insurance.



# PRODUCT MENU

## TRADE CREDIT INSURANCE

This insurance protects against non payment risks. As an added benefit you can also receive valuable credit information on buyers, access to financing on improved terms, help collection and bringing discipline in the credit management process.

There are two types of Trade Credit Products:

1. For multiple buyers, we can insure your entire portfolio of foreign buyers or debtors. Typically this is a one-year policy that covers business to business sales with credit terms of up to 180 days;
2. For single buyers, we can cover one buyer or debtor but it is flexible in terms of the type of transactions it covers. This policy covers an average credit period of one to two years.

For lenders, ATI offers protection against borrowers on default loans and other lending facilities and it also includes political risk cover for cross border transactions.

## RISKS COVERED

- A corporate buyer/borrower who refuses to pay or is unable to pay due to insolvency;
- A corporate buyer/borrower who fails to pay due to deteriorating financial circumstances;
- A corporate buyer/borrower who extends your payment beyond the agreed credit period (protracted default).

## ATI TRADE CREDIT INSURANCE – KEY FEATURES

We are able to offer flexible and competitive costs to meet your needs. We base our costs on factors such as the payment history of your buyer/debtor. This table provides a basic guideline on our key terms.

	Whole Turnover	Single Obligor
Credit terms (tenor)	Up to one year	Average 1 – 5 years
Price range	0.4 – 1.5% of insurable turnover	1.8 – 5.0% of exposure
Minimum size of the risk insurable	No minimum**	No minimum**

\* We can combine our products to find a flexible solution that covers the risks you are most concerned about.

\*\* Subject to minimum pricing

**'Making everyday brighter for business'**

## **POLITICAL RISK / INVESTMENT ASSURANCE**

This insurance protects your investments, projects, goods and contracts against any unfair political action or inaction by a government that would cause damage, financial loss or business interruption in any of our member countries. It can also cover loss due to war & civil disturbance.

### **RISKS COVERED**

Here is a selection of the risks we cover under this product:

- Expropriation of your assets;
- Inability to convert or transfer out of the country local funds into freely convertible currency such as US dollars;
- Business interruption or damage to your goods due to war or civil disturbance;
- Trade embargoes or any other sanctions imposed by the Security Council of the United Nations;
- A host government or its agency unfairly refuses to reimburse you for a performance, bid or other pre-paid project bond;
- Non-payment by host governments or its agencies
- Default by a host government on an arbitration award;
- Breach of contract by a host government;
- Contract frustration such as unilateral cancellation of your operating contract or license.

## **PRICING ON POLITICAL RISK INSURANCE**

We price to the risk assessed in a particular country but we strive to keep our rates competitive and to consider your needs first. Our country risk assessment is based on a number of factors including political stability, exchange rate regulations and legislation governing areas such as expropriation.



## COUNTER GUARANTEES

This product protects employers, which include government agencies and contracting companies, to ensure that contracts are completed according to mutually agreed terms. ATI's role is to support issuers (banks and insurance companies) with counter guarantees, in the event that guaranteee is called and the contractor is unable to perform or reimburse the issuer.

## CURRENT OFFERINGS

- Advance Payment Bonds;
- Bid Bonds;
- Customs and Warehousing Bonds;
- Performance Bonds;
- Retention and Maintenance Bonds.

## REGIONAL LIQUIDITY SUPPORT FACILITY (RLSF)

RLSF provides liquidity to Independent Power Producers (IPPs) by covering the delayed payment risks of their off-taker (frequently a state owned entity). RLSF provides immediate cash collateral with a stand-by Letter of credit of up to 6 months of the IPPs revenue from a bank that is backed by an ATI guarantee.



# GUIDELINES

## SOCIALLY RESPONSIBLE

We follow a simple philosophy in our business practices – “*anything we produce should add value to the community we live in.*”

As a member of the global community, we follow international environmental best practices on every project we underwrite. Our policies ensure that our projects do not cause harm to people or the environment. They also screen and exclude any project using child labour, supporting money laundering or corrupt practices.

For a copy of our policy wordings, which lists all our exclusions, contact us.

## MAIN TERMS

### WE OFFER:

- Policy periods of up to 10 years (including pre-shipment periods of up to 12 months). 15 years possible for unique project finance and energy projects;
- No minimum transaction size but the minimum premium is US\$10,000;
- Premium is calculated based on the creditworthiness of the risk.

We can support any size of transaction provided the risk is acceptable.

### POLICY INDEMNITY

	Political Risk	Commercial Risk
Private	up to 95%	up to 85%
Public	up to 95%	up to 95%
Sovereign	up to 95% <small>(incl. non-payment)</small>	



# GUIDELINES

## ELIGIBILITY

### FOR POLITICAL RISK INSURANCE OR REINSURANCE:

The investment/project must be located in at least one of our African member countries (visit our website for a current list of our member countries).

### FOR CREDIT INSURANCE INVOLVING TRADE TRANSACTIONS:

- Either the seller or buyer must be located in one of our African member countries.
- Whole Turnover: The seller must be from one of our African member countries.

### FOR TRADE CREDIT INSURANCE INVOLVING FINANCING TRANSACTIONS:

- The risk must be located in one of our African member countries (for international and domestic trade).

## APPLICATION

The first step is to submit an inquiry, by filling an inquiry form, which is available on our website or by sending us an email. Once the enquiry is approved, we will issue a Non-Binding Indication (NBI). If the terms and conditions quoted on the NBI are acceptable to you, we will ask to receive an application for insurance which we will review together with other documents, including an Environmental Information Note (EIN), where applicable.

Once we receive all relevant documents, we strive to underwrite deals and issue policies promptly.

To submit an enquiry email: [enq@ati-aca.org](mailto:enq@ati-aca.org)

# **CONTACTS**

## **ATI HEAD OFFICE**

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## **ATI Representative Offices**

### **BENIN**

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### **CÔTE D'IVOIRE**

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