

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

We offer a variety of insurance and financial products tailored to the needs of investors, banks, exporters, importers and contractors.

WE PROVIDE LOCAL PRESENCE AND LOCAL KNOWLEDGE

With a team of skilled professionals, we are able to give you an accurate picture of the risks in Africa.

WE OFFER A UNIQUE & FLEXIBLE RANGE OF SOLUTIONS

Our 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 reinsure 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' by Standard and Poor'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 best trade and investment opportunities. To successfully unlock these possibilities requires a keen understanding of the commercial and political 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
- Enter into a contract
- 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 license 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

BANKS

- You can insure your 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
- You can obtain cover on a portfolio of agreed risks

These solutions allow you to lend more with the flexibility of using a less expensive insurance option as collateral.

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 & 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.

INSURANCE BROKERS

You can extend your product range by joining ATI's Broker Program. Eligible brokers from across the globe enjoy our generous remuneration package on referred business. For more information on how to become an ATI broker, visit our website.

'Taking the worry out of business risk'

INSURERS

You can expand your product line and capacity with ATI as a reinsurance partner.

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.

MANUFACTURERS

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

AFRICAN GOVERNMENTS & AGENCIES

You may have difficulty purchasing goods or services from international vendors on credit terms. We can provide your lenders and suppliers with non-payment insurance on your behalf. This enables them to lend to you or offer you supplier credit without the need for a sovereign guarantee. Similarly, we can provide potential foreign investors with the support they need to commit.



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 in debt 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 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' default on 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)
- Public buyers (public institutions) can also be included

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 – 3.5% of exposure
Minimum size of the insurable risk	No minimum*	No minimum*

We can combine our products to find a flexible solution that covers the risks.

Longer tenures can be agreed.

*Subject to minimum pricing

‘Making every day brighter for business’

POLITICAL RISK / INVESTMENT INSURANCE

This insurance protects your investments, projects, assets and contracts against unfair political action or inaction by a government that could deprive you of investments, ownership benefits or use, causing financial loss in any of our member countries. It can also cover loss due to war & civil disturbance.

RISKS COVERED:

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

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.



POLITICAL VIOLENCE, TERRORISM & SABOTAGE INSURANCE

This insurance protects you against financial losses directly resulting from politically motivated violence or terrorism and sabotage events. We can insure you directly on a stand-alone basis or through an insurer under a reinsurance contract.

RISKS COVERED:

- Damage to property
- Loss of income or revenues due to business interruption

SURETY BONDS

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 of bonds (banks and insurance companies) with counter guarantees, in the event that a bond 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

REINSURANCE

Reinsurance is insurance for insurance companies. It allows the primary insurer to increase its capacity and to share liability when a loss occurs. ATI offers this product to insurance companies supporting business in any of our African member states.



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 and for our environmental policy, visit our website.

MAIN TERMS:

WE OFFER:

- Policy periods of up to 10 years (including pre-shipment periods of up to 12 months). 15 years possible for project finance and energy projects
- No minimum transaction size
- Price to risk

Maximum project size with reinsurance (based on risk rating):

- Sovereign Payment up to \$182 million
- Sub-Sovereign up to \$164 million
- Political Risk Insurance at \$146 million
- Trade Credit Insurance at \$110 million

POLICY INDEMNITY

	POLITICAL RISK	COMMERCIAL RISK
Private	up to 100%	up to 90%
Sub-Sovereign	up to 100%	up to 95%
Sovereign	up to 100% <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: ATI can, under certain conditions, insure clients based outside of our member countries for risks that are also external to our member territories.

FOR TRADE CREDIT INSURANCE INVOLVING FINANCING TRANSACTIONS:

- Either the lender, borrower or project must be located in one of our African member countries (for international and domestic trade).

APPLICATION

The first step is to submit an insurance enquiry form, which is available on ATI's website. 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 form online, visit our website.

Key Data*



* As of 31 December, 2015

Facilitated Trade & Investments into Member Countries (since inception)

\$21.5 billion (+ 31%)

Insured Trade & Investments

\$1.7 billion (+ 34%)

Capital

\$182.8 million (+ 0.5%)

Gross Written Premium

\$23 million (+ 36%)

Net Earned Premium

\$8.7 million (+ 14%)

Profit

\$4.7 million (+ 36%)

Rating (S&P)

A/Stable (8 Consecutive years)



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www.ati-aca.org

CONTACTS

ATI Head Office

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