



ROLE OF E C G C

*In The Service Of Export
Industry*

ECGC - Background

- Board headed by Chairman and Managing director with 13 Directors
- Head Office at Mumbai
- Regional Offices at Mumbai, New Delhi, Kolkatta, Chennai and Bangalore
- Authorised capital Rs.1000 crs
- Branch Offices at 50 export centers in India
- Registered with IRDA



Role of ECGC as an Export Credit Insurer

Providing **credit insurance covers** to exporters against loss in export of goods & services

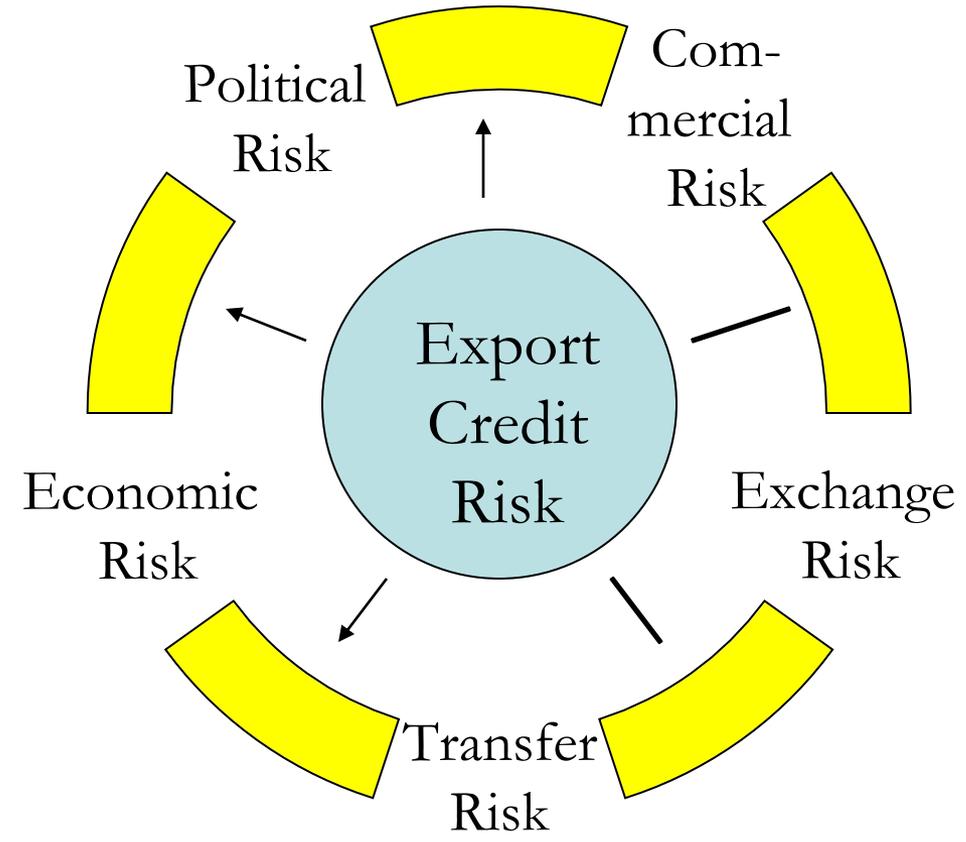
Providing **export credit guarantees** to banks & FI's to enable exporters obtain better facilities from them

Providing **Overseas Investment Insurance** to Exporters - Indian Entrepreneurs in Overseas Ventures (Equity/Loans)

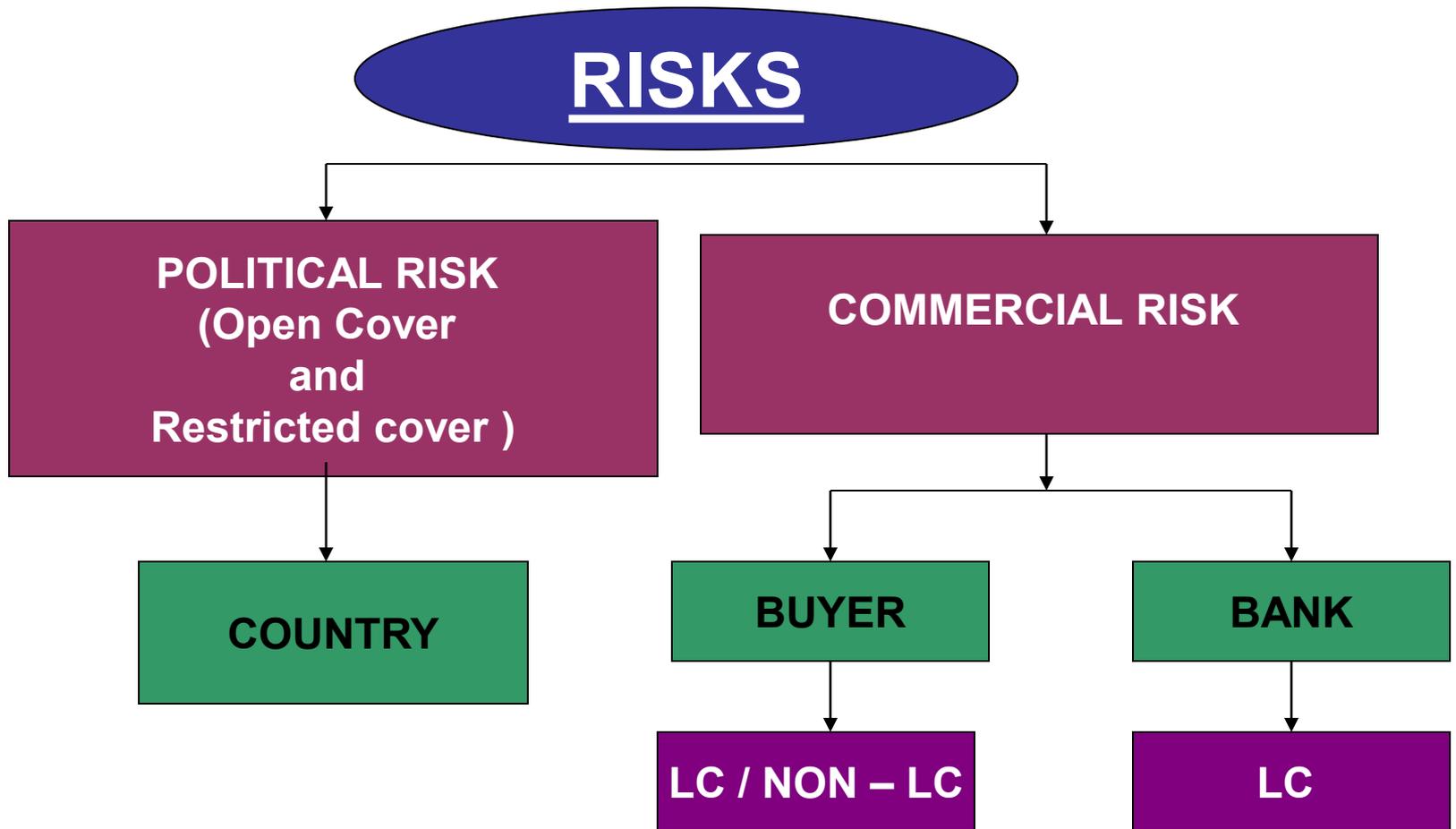
DCI to Banks & Exporters



Types of Export Credit Risks

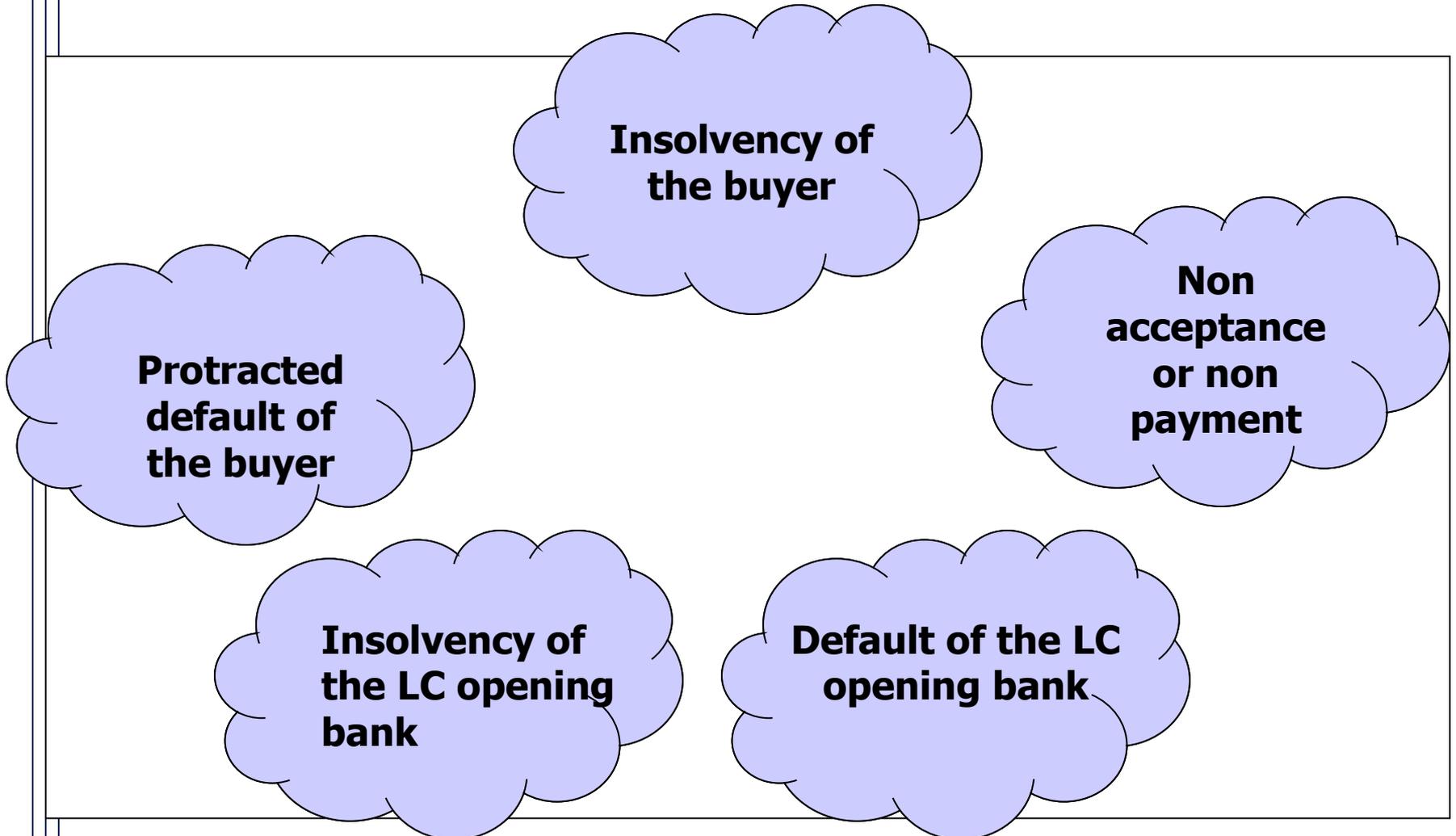


Risks Covered by ECGC





Commercial Risk





Political Risk

**War, Civil
war, Internal
disturbances**

**exchange
transfer
blockages**

**Nationalization
/Expropriation**

**Import ban,
restrictions,
cancellation of
import licence,
etc.**



Risks Not Covered

- ✗ Risks of loss due to commercial or quality disputes
- ✗ Insolvency or default of any agent of the exporter or of the collecting bank
- ✗ Loss or damage to the goods which can be covered by general insurers
- ✗ Exchange Rate Fluctuation
- ✗ Failure of the exporter to fulfil the terms of the contract or negligence on his part



ECGC



Seven Fold Country Classification

Risk Category	ECGC Classification
Insignificant	A1 (1/7)
Low	A2 (2/7)
Moderately Low	B1 (3/7)
Moderate	B2 (4/7)
Moderately High	C1 (5/7)
High	C2 (6/7)
Very High	D (7/7)

Types of Cover

- While underwriting the country risk, ECGC places the country either in



OR



- The basis for deciding on the type of cover and terms of cover is a host of economic and political factors



ECGC

Open Cover Countries

- Cover with **No Restrictions**
- Cover is offered usually on normal terms and conditions i.e. 90% cover, 4 months waiting period for ascertainment of loss and settlement of claims, etc.
- Currently ECGC places 195 countries under Open Cover



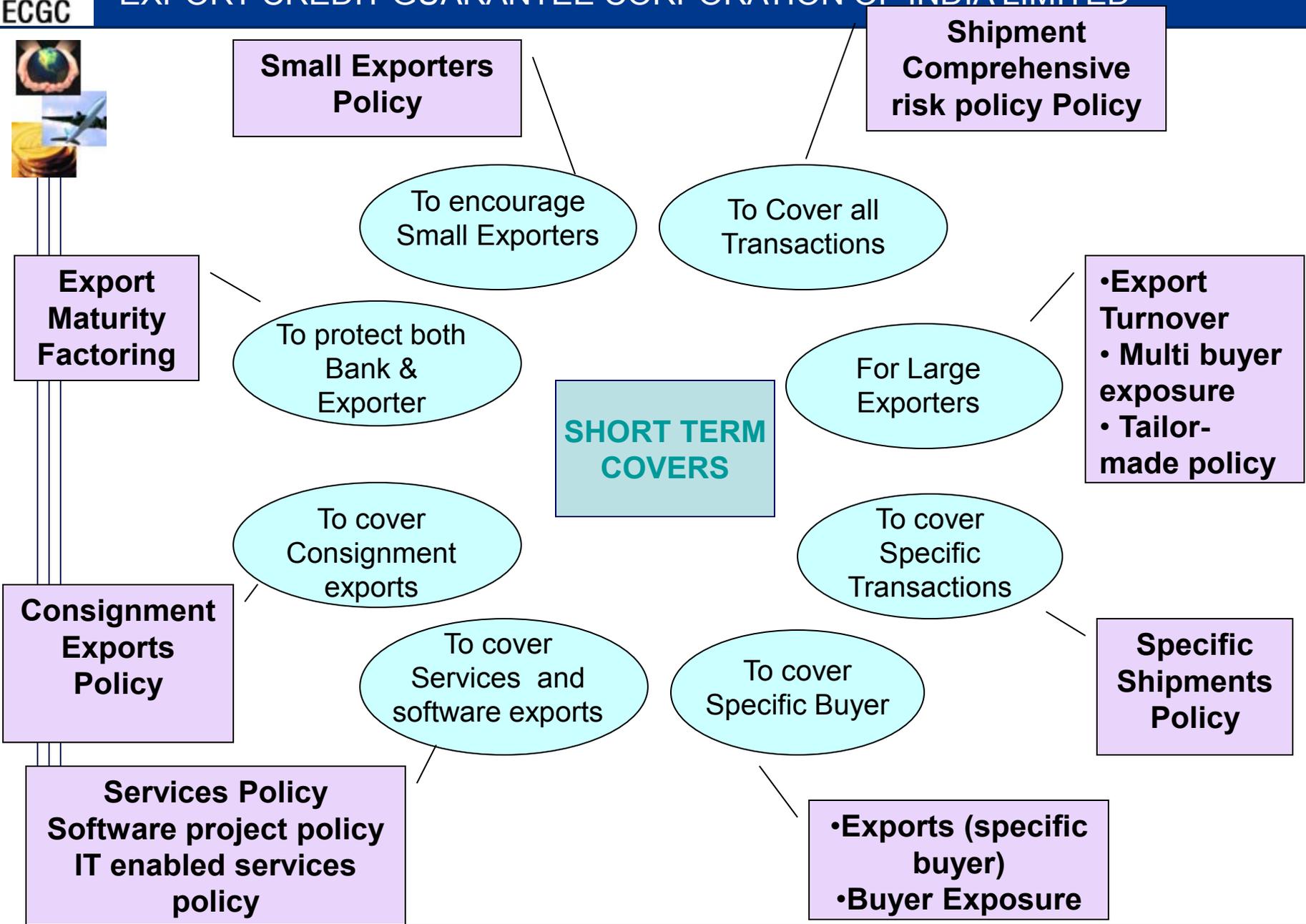
Restricted Cover Countries

- Usually those countries where the political and/or economic conditions are relatively deteriorating or have deteriorated and likelihood of payment delays or non-payment are imminent or have occurred
- Permits selection of risks ECGC wishes to underwrite



Restricted Cover Countries

- Category 2: Countries where Specific Approval will be given on **case to case basis** on merits
 - Valid for six months
 - Normal waiting Period of 4 months
 - Only 8 countries under this category: Afghanistan, Palestine, Cuba, East Timor, Iraq, North Korea, Somalia, Lebanon.



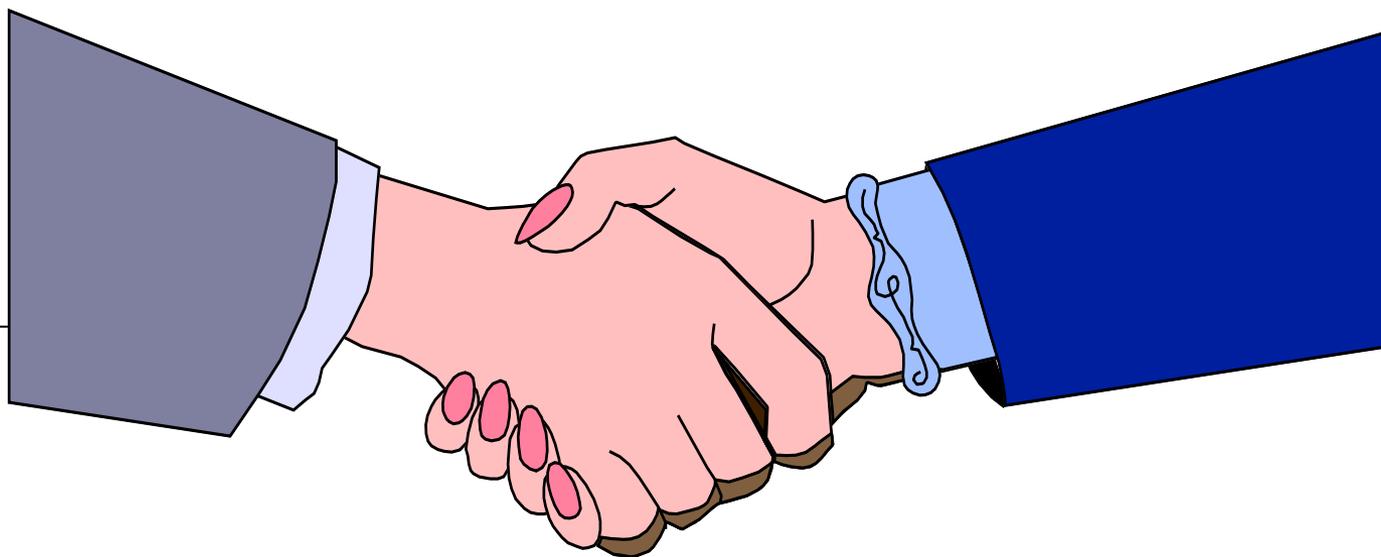


Policy basics

- Ascertain risks covered and risks not covered
- Take the policy required for the purpose
- Ensure limit on the buyer to cover
- Remit premium in time
- Monitor payments and Report overdue in time
- Initiate timely recovery action
- File claim early

LET US DO THINGS BETTER
TOGETHER
in
EXPORT SECTOR





THANK YOU

