



UK Export
Finance

PRODUCTS AND SERVICES

BOND INSURANCE POLICY

What is a Bond Insurance Policy?

Insurance provided direct to an exporter to protect against a demand for payment under a bond which is unfair or caused by political events.

We are the UK's export credit agency.
[gov.uk/uk-export-finance](https://www.gov.uk/uk-export-finance)

Why might I need it?

If you sign an export contract with an overseas customer, they might ask you to provide a bond - i.e. a legal promise to pay - issued by your bank which guarantees your performance or ensures your customer will get any money back that it has paid to you in advance. A problem can occur if your customer demands payment under the bond (i.e. 'calls the bond').

This may be an 'unfair calling', for example if the customer decides it no longer wants the goods, or it may be a 'fair calling', for example if export licenses are cancelled or if war is declared. Either way, you are likely to need insurance if you are to avoid incurring losses, but this type of insurance may not always be available from the private sector.

How can UKEF help?

Our Bond Insurance Policy provides 100 per cent cover to your company against both the 'unfair' calling of a bond and against the 'fair' calling of a bond where that is due to political events. It covers most contract bonds, though not tender or bid bonds. Before providing a policy, UKEF will do checks to decide if the risks of doing so are acceptable.

Eligibility

- UK-based exporter with at least 20 per cent of contract value being UK content.
- Customer based overseas.
- If bond is valid for less than two years, your customer must be based outside EU or other specified high-income countries.
- Does not cover tender or bid bonds or bonds for contracts which the UK Government is financing through its aid programme.

What else do I need to know?

Who is it for:

All exporting companies, including SMEs.

What are the limits:

There are no minimum or maximum contracts values or duration.

Cost:

Applications are free, premiums are individually priced.

How do I apply:

Either direct to UKEF or via an eligible broker. A list of brokers is available on the UKEF website or via the British Insurance Brokers' Association.

To find out more speak to your regional Export Finance Adviser or contact our national customer service centre on:
+44 (0)20 7271 8010
customer.service@ukef.gsi.gov.uk

gov.uk/export-finance

Disclaimer The information available in this product guide is not intended to be a comprehensive description of our products and many details relevant to particular circumstances may have been omitted. Applicants for products must read the full policy or guarantee to see whether it meets their needs. When considering applications, underwriters will look at each case on its merits.