

ST Reinsurance

ST Reinsurance (Short Term Reinsurance) is a government top-up solution where EIFO covers up to 50% of the risk on short-term credit insurance.

Requirements



- 1 A formal framework agreement must be established with EIFO to be covered by the reinsurance
- 2 The reinsurance is aimed at the export of standardized goods, which means that customized capital goods, services, and large project deliveries are generally not covered
- 3 Low-income countries and non-OECD countries are typically not covered unless specifically approved

Examples of Coverage Purposes

Payment security
provides reassurance
when trading with new
or unknown customers

Supports **growth**
without increasing the
company's **financial risk**

Insured receivables can
be used as collateral for
working capital credit
and **strengthen liquidity**

Improves loan terms
and credit limits,
thereby providing
**access to better
financing**

Reduces the risk of losses
due to bankruptcies or
non-payments

Supports **international
expansion** and makes it
safer to trade with
foreign customers

Terms and conditions



Overall framework & allocation
EIFO's reinsurance framework currently covers Atradius, Allianz, Coface, and Tryg (Top-Up model).



Coverage and structure
EIFO covers up to 50% of the risk (Top-Up 50/50). The policyholder (the company) has a deductible of 15%. Covers short-term credits (up to 180 days).



Premium & fees
0.5% premium of turnover to EIFO. 25% ceding fee (retention) to credit insurance companies. Premiums are renegotiated annually.



Eligibility & requirements
Min. 20% Danish export. Covers high-income countries in the EU/OECD incl. Greenland, the Faroe Islands. Credit insurance companies must obtain anti-bribery and transparency declarations.



Reporting & follow-up
Monthly reporting on buyer countries. Quarterly statements and reconciliation via RIN files. Excel sheets are used with fixed codes for liability, premiums, losses, etc.



Term & exit
Up to 180 days term per credit. The agreement runs for 3 years with the possibility of exit after 3 months.



Data & documentation
Annual KYC update based on buyer country and sector. Credit insurance companies collect anti-bribery and transparency declarations from exporters.