

# 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

<b>Payment security</b> provides reassurance when trading with new or unknown customers	<b>Supports growth without</b> increasing the company's <b>financial risk</b>	Insured receivables can be used as collateral for working capital credit and <b>strengthen liquidity</b>
Improves loan terms and credit limits, thereby providing <b>access to better financing</b>	<b>Reduces the risk of losses</b> due to bankruptcies or non-payments	Supports <b>international expansion</b> 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.