



عاماً من النجاح

المؤسسة العربية لضمان  
الإستثمار وائتمان الصادرات  
The Arab Investment & Export  
Credit Guarantee Corporation



A+

S&P Global  
Ratings

# Export Credit Insurance

## *Service Guide*



Disclaimer: This guide is designed to provide information on the credit and political risks insurance services offered by Dhaman; it cannot be considered an exhaustive and complete presentation of those services. While every effort has been made to make the information presented here as complete and accurate as possible, it may contain errors, omissions, or information that was accurate as of its publication but subsequently has become outdated by insurance changes or conditions, new laws, regulations, or other circumstances. Dhaman denies any liability or responsibility to any person or entity concerning any loss or damage alleged to have been caused, directly or indirectly, by the information or other content in this guide.

*2024*

## WHO WE ARE

The Arab Investment & Export Credit Guarantee Corporation "**Dhaman**" is a multilateral credit and political risk insurance provider headquartered in Kuwait. Launched in 1974, it comprises all Arab countries and four pan-Arab financial institutions.

## OUR RATING

On March 27, 2024, Standard & Poor's Global Ratings attributed a rating of '**A+**' long-term issuer and financial strength credit ratings on Dhaman. The outlook is stable.

The major rating factors are Dhaman's solid financial risk profile, exceptional liquidity, strong enterprise risk profile, and extraordinary shareholder support.

## OUR MEMBER COUNTRIES

Algeria, Bahrain, Djibouti, Egypt, Emirates, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, and Yemen.

## OUR MANDATE

To support Arab exports and imports and to facilitate the flow of Foreign Direct Investment (FDIs) in member countries by:

- Providing Credit and Political Risk Insurance (CPRI) for exporters, investors, contractors, and financial institutions.
- Conducting research and studies to improve Member Countries' business environment and investment climate.

## OUR VISION

Be the market leader in advancing sustainable trade and investment for Arab countries.

## OUR TEAM

Dhaman's team has extensive experience in credit and political risk insurance and advanced education skills; the team also has experience in risk management, finance and banking, financial analysis, trade and project finance, and international law.

## BENEFITS OF EXPORT CREDIT INSURANCE

### To the exporter

- Enabling local enterprises to access global markets.
- Enhancing exporter's global competitiveness.

- Securing better access to export finance.
- Preventing non-payment risks.
- Getting proper compensation & protecting accounts receivable.

### **To The exporting country**

- Protecting the national income and enhancing the trade balance.
- Enhancing reserves of foreign currency.
- Protecting exporting enterprises from business interruption.
- Preserving and creating new employment.

## **ELIGIBLE TRANSACTIONS**

- Export Credit Insurance:
  - ✓ Export of goods and services of Arab origin from Arab countries worldwide.
  - ✓ Export of goods and services of non-Arab origin from all over the world to Arab countries, provided the exported goods are developmentally sound for the importing country, including commodities, equipment, food, pharmaceuticals, etc.
- Domestic Credit Insurance: sales of goods and services of Arab origin where the seller (i.e., the insured) and the buyer are from the same Arab country. Domestic Credit Insurance is offered as an additional service to Export Credit Insurance.

## **INSURED RISKS**

### **Credit Risks:**

- Protracted default.
- Bankruptcy of the obligor.

### **Political Risks:**

- Currency inconvertibility and transfer restrictions.
- Political violence (War, civil disturbances ...).
- Measures taken by the authorities of the importing country preventing the insured from obtaining his rights.
- Default of payment of a public entity.
- Contract Frustration.

## OUR PRODUCTS

### For Exporters:

- **Whole Turnover Export Credit Insurance Policy:** covers credit & political risks related to short-term export to pre-agreed importers by “Dhaman.” Sales to domestic buyers are protected against credit risks only.
- **Single Risk, Specific Transaction Policy:** covers credit & political risks related to a single short or medium-long-term export transaction.
- **Unconfirmed Letter of Credit Insurance Policy:** protects against the default of the L/C issuing bank due to a credit or apolitical risk occurrence.

### For Banks:

- **Master Trade Finance Insurance Policy:** Protects financial institutions against the risks of the default of issuing/obligor banks to honor their obligations.
- **Buyer Credit Insurance Policy:** protects against the default of payment of the foreign borrower/buyer when financing an export transaction.

### For Factors:

- **Factoring Insurance Policy:** Protects factoring companies against the default of payment of the obligors under the different types of factoring.

### For Credit and Political Risk Insurers and Reinsurers:

- **Reinsurance treaties and coinsurance agreements:** Provide additional capacities to credit & political risks insurers/reinsurers through coinsurance or facultative and quota share treaties.

## COST OF INSURANCE

The insurance fees and premiums vary according to the types of insured transactions:

- **Annual administration fee:** a fixed amount paid at the policy inception and annually at the policy’s anniversary.
- **Credit information fee:** a fixed amount paid for each credit limit application.

- **Insurance premium:** the amount due monthly, quarterly, or yearly, depending on the insurance policy type and conditions. The insurance premium rate calculation depends, amongst other considerations, on the value of the insured portfolio, the creditworthiness of the obligors, the credit terms, the means of payment, the ratings of obligors' countries, etc.

## **COMPENSATION**

Dhaman typically pays up to 90% indemnity of the incurred loss, according to the type of insurance policy and the materialized risk; 95% is considered for sovereign "public" obligors.

## **CONTACT**

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www.dhaman.org



## WHOLE TURNOVER EXPORT CREDIT INSURANCE POLICY APPLICANT IDENTIFICATION FORM

### 1. Applicant Information

Company:		
Address:		
City:	State:	Zip:
Phone:	Fax:	E-Mail:
Legal Form:		
Capital:		
Date of Establishment:		

### 2. Sales Value:

#### A. Domestic

FOR THE PAST 12 MONTHS	
<b>Total Sales</b> Show total sales for the past 12 months.	<b>Credit Terms</b> Prepayment or L/C or Open Account 30 days, 60 days, 90 days, etc.
\$	

PROJECTED FOR THE NEXT 12 MONTHS	
<b>Total Sales</b> Include sales to both existing and new customers.	<b>Credit Terms</b> Prepayment or L/C or Open Account 30 days, 60 days, 90 days, etc.
\$	

#### B. Export

Country	FOR THE PAST 12 MONTHS			PROJECTED FOR THE NEXT 12 MONTHS			
	No. of Buyers	Total Sales	Credit Terms	No. of Buyers	Total Sales	Credit Terms	Receivables
Top ten by projected sales volume, plus one figure for all others		Show total export sales for the past 12 months.	Prepayment or L/C or Open Account 30 days, 60 days, 90 days, etc.		Include sales to both existing and new customers.	Prepayment or L/C or Open Account 30 days, 60 days, 90 days, etc.	Projected highest total A/R exposure in each country at any one time
		\$			\$		\$
		\$			\$		\$
		\$			\$		\$
		\$			\$		\$
		\$			\$		\$
		\$			\$		\$
		\$			\$		\$
ALL OTHERS		\$			\$		\$
<b>TOTALS</b>		\$	X		\$	X	\$



### 3. Largest Buyers

#### A. Domestic

<u>COMPLETE NAME</u>	<u>COMPLETE ADDRESS</u>	PHONE AND FAX NUMBERS	REQUESTED CREDIT LIMIT
			\$
			\$
			\$
			\$
			\$

#### B. Export

<u>COMPLETE NAME</u>	<u>COMPLETE ADDRESS</u>	PHONE AND FAX NUMBERS	REQUESTED CREDIT LIMIT
			\$
			\$
			\$
			\$
			\$

### 4. Additional Buyers

In addition to the buyers listed above: _____						
How many of these additional buyers will require credit limits at any one time:						
.....	Up to \$ 25,000		—	\$ 75,001 - \$ 100,000	—	\$ 500,001 - \$ 750,000
.....	\$ 25,001 - \$ 50,000		—	\$ 100,001 - \$ 250,000	—	\$ 750,001 - \$ 1,000,000
.....	\$ 50,001 - \$ 75,000		—	\$ 250,001 - \$ 500,000	—	\$ 1,000,001 or higher



**5. Types of Buyers**

<b>Domestic:</b>		<b>Export:</b>	
<input type="checkbox"/> Manufacturers		<input type="checkbox"/> Manufacturers	
<input type="checkbox"/> Distributors		<input type="checkbox"/> Distributors	
<input type="checkbox"/> Government		<input type="checkbox"/> Government	
<input type="checkbox"/> Other, specify:		<input type="checkbox"/> Other, specify:	

**6. Sales/Accounts Receivable**

Total receivables outstanding as of application date: \$_____, aged as follows:					
\$	\$	\$	\$	\$	\$
Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	91-180 Days Past Due	Over 180 Days Past Due

(Attach explanations for accounts over 60 days past due, including buyer, country, reason, and likely repayment)

**7. Sales Loss History**

Year	Number of Losses	Total of losses	Largest Single Loss	Explanation for Largest Loss
20..		\$	\$	
20..		\$	\$	
20..		\$	\$	
20..		\$	\$	

**8. Creditworthiness evaluation of new Buyers**

Would you specify the support used in assessing new buyer creditworthiness?

- Credit Reports                      Names of agencies used?
- Financial Statements                Which ratios are analyzed?
- Trade References                    Guidelines for evaluation?
- Bank References                    Guidelines for evaluation?
- Personal Visits                      What do you look for?
- Other Sources

**9. Are any buyers or their owners, partners, or shareholders affiliated with your company?**

- No             Yes

If yes, please specify:

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**10. Credit decision-makers**

How many years has your company been in business?	Years		
Which positions in your company make credit decisions?			
Combined years of credit experience for these individuals?	Years		
Can anyone else overrule these individuals' decisions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
How often are accounts receivable aging reports generated?			
Do the same individuals as above review these reports?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

**11. Collection Procedures**

Telephone Calls		Days Past Due	Legal Action		Days Past Due
Written Payment Demands		Days Past Due	Collection Agency		Days Past Due
Stop Shipments		Days Past Due	Other Actions (explain)		Days Past Due

**12. Credit Insurance**

Has your company ever had or applied for credit insurance?     No     Yes  
 If your answer is "yes," state the name of the insurer:

*Notice: information submitted in this application will be treated as confidential. Submission of this application does not bind the applicant or DHAMAN if an insurance policy is not signed. This application will be an integral part of the insurance contract if a policy is issued. The applicant certifies that the information provided in this application is accurate to the best of their knowledge and belief and that no material facts have been omitted.*

Date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_



## APPLICATION FOR INSURANCE SPECIFIC TRANSACTION POLICY

### 1. Applicant Information

Name:													
Address:													
City:	State:	Zip:											
Phone:	Fax:												
Email:	Website:												
Contact person / Position:													
Legal Form:													
Paid-up capital:													
Date of Establishment:													
Main shareholders:													
<table border="1"><thead><tr><th>Name of shareholder</th><th>%</th></tr></thead><tbody><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></tbody></table>		Name of shareholder	%										
Name of shareholder	%												
Main activity:													
Number of employees:													
Exporting since:													
Exports for the last 12 months (USD):													

### 2. Buyer information

Name:		
Country:		
Address:		
City:	State:	Zip:
Phone:	Fax:	
Email:	Website:	
Legal Form:		
Paid-up capital:		

Date of Establishment:
Status (private/public):
Main activity:
<p>Is the buyer the parent company of a Group:</p> <p><input type="checkbox"/> Yes. Give the list of subsidiaries:</p> <p><input type="checkbox"/> No</p>
<p>Is the buyer part of a Group:</p> <p><input type="checkbox"/> Yes. Give the name of the Group / Holding company:</p> <p><input type="checkbox"/> No</p>
<p>Is there any ownership, partnership, shareholding, or financial relation(s) between your company and the buyer?</p> <p><input type="checkbox"/> Yes. Give details:</p> <p><input type="checkbox"/> No</p>
<p>Did you trade before with the buyer?</p> <p><input type="checkbox"/> Yes. Specify the number of years: Specify the volume of sales during the last 3 years (USD): Details related to your experience with this Buyer and in this Country:</p> <p><input type="checkbox"/> No</p>

### 3. Contract information

Description of the Project / Contract:		
Details of goods/services to be supplied:		
Description of goods/services	Country of origin	Local value added (%)


The Contract is:

Signed.  
Date of signature:  
Date of entry into force:

Not signed.  
Expected date of signature:  
Expected date of entry into force:

Contract duration:

Contract value:

Means of payment:

If the payment is through ILC, please indicate the name of the issuing bank:

Terms of payment (days):

Advance payment, if any:

Financing:

Buyer's resources  
 Local financing  
 External financing. Please give full details of the financier(s):

Securities:

Yes. Specify:  
  
  
 No.

**4. Cover required:**

Is your company applying for insurance for this contract with another credit insurer?

Yes. State name of the credit insurer:  
  
  
 No.

Period of coverage required:  
Amount of coverage required:  
Form of coverage required:

- |  |
|--|
| <input type="checkbox"/> Commercial risks only (bankruptcy or protracted default of a private buyer)<br><input type="checkbox"/> Default of Public Buyer<br><input type="checkbox"/> Political risks only (Confiscation, expropriation and nationalization, war and civil disturbances, currency inconvertibility and exchange transfer, breach of contract)<br><input type="checkbox"/> Contract Frustration<br><input type="checkbox"/> Commercial and political risks |
|--|

*We acknowledge that:*

- *Information exchanged with DHAMAN, including but not limited to DHAMAN's insurance offer, will be treated as confidential.*
- *Submission of this application does not bind us or DHAMAN as long as an insurance policy is not signed.*
- *This application form will be used to obtain a Non-Binding Indication only from DHAMAN. If a policy is issued, this application will be an integral part of the insurance contract.*

*We certify that the information provided in this application is accurate to the best of our knowledge and belief and that no material facts that may influence DHAMAN's risk assessment have been omitted or withheld.*

*Except as may be permitted in accordance with the terms and conditions of any policy issued by DHAMAN, we undertake not to disclose to any third party other than our professional and/or financial advisers on a strictly confidential basis or as otherwise required by law and/or regulation, the existence of any policy that may be issued.*

*Date* \_\_\_\_\_

*Signature* \_\_\_\_\_

*Name* \_\_\_\_\_

*Title* \_\_\_\_\_

*Company* \_\_\_\_\_

Please attach the following documents along with the application:

- Copy of your commercial registration.
- Your audited financials for the last three years.
- All relevant information on your company.
- The audited financials of the buyer for the last three years.
- Copy or draft of the contract to be insured.

# KEY FACTS & FIGURES

PCS

90%

A+

50

Legal  
Preferred  
Creditor Status

Claims  
Recovery  
Ratio

by S&P  
Global  
Ratings

Years  
of  
experience

[operations@dhaman.org](mailto:operations@dhaman.org)



[www.dhaman.org](http://www.dhaman.org)

