

# Tade Credit Insurance

## *Service Guide*



#### Disclaimer

This guide is for general informational purposes only and provides a non-exhaustive summary of Dhaman's trade credit insurance services. It is not a legal document and does not create or alter any rights or obligations. Only the official policy document sets out the binding terms, conditions, and exclusions. Dhaman makes no warranties regarding the accuracy, completeness, or currency of this guide and disclaims all liability for any reliance placed upon it. Users should consult the official policy and seek independent legal or insurance advice as needed.

2025

## WHO WE ARE

The Arab Investment & Export Credit Guarantee Corporation "**Dhaman**" is a multilateral credit and political risk insurance provider headquartered in Kuwait. Established in 1974, it comprises 21 Arab countries and four pan-Arab financial institutions.

## OUR RATING

In April 2025, Standard & Poor's Global Ratings attributed a rating of '**A+**' long-term issuer and financial strength credit ratings to 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 international trade and to facilitate the flow of Foreign Direct Investment (FDI) into 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 TRADE CREDIT INSURANCE**

### **To the exporter**

- Enabling local enterprises to access global markets.
- Enhancing exporters' global competitiveness.
- Securing better access to export finance.
- Preventing non-payment risks.
- Getting proper compensation & protecting accounts receivable.

### **To the Financial Institutions**

- Enabling financial institutions to facilitate international trade by providing low-cost instruments.
- Reducing risks associated with borrowers and preventing default risks.
- Reducing exposure to high-risk assets and strengthening the financial profile.

### **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 of goods and services of Arab origin from Arab countries worldwide.
- Import of goods and services of non-Arab origin from all over the world to Arab countries, provided the imported goods are developmentally sound for the importing country, including commodities, equipment, food, pharmaceuticals, etc.
- Domestic 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.
- Funding trade activities, including the export of goods originating from Arab states and the strategic importation of goods into Arab nations.

## 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 by 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.

### For Banks:

- **Non-Payment Insurance Policy for Financial Institutions:** 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.
- **Trade Finance Insurance Policy:** protects against the non-payment risk of a corporate borrower.

## 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.
- **Due Diligence Fee:** An amount paid upon acceptance of the insurance applicant's non-binding offer. The fee is converted into an advance payment on insurance premiums upon signing the insurance policy; otherwise, the fee shall be refunded to the applicant after deducting the amount already spent.
- **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% of the loss incurred, according to the type of insurance policy and the materialized risk; 95% is considered for sovereign "public" obligors.

## CONTACT

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# KEY FACTS & FIGURES

**PCS**

**Preferred  
Creditor  
Status**

**100%**

**Recovered  
political risks  
claims**

**A+**

**by S&P  
Global  
Ratings**

**50+**

**Years  
of  
experience**

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