indemnity claims. Export credit insurance against commercial risks is also provided to a very limited extent by two other private insurance companies, the Gerling Konzern Speziale Kreditversicherungs AG and the Deutsche Kreditversicherungs AG.

142. Since 1960, the statutory ceiling for government backing of the insurance cover has been stipulated annually in the federal budget; the growth of the insurance programme can be judged by the sharp rise of this ceiling since the Act on which the present export credit insurance system is based was adopted in 1949:

Export credit insurance ceiling

Year:	*Millions of Deutsche marks*
1949	120
1950	600
1951	1,200
1952	2,400
1953	4,000
1954	5,000
1955	7,500
1957	9,500
1960	12,000
1962	14,000
1964	16,000

143. All insurance applications must be forwarded directly to the Hermes, which together with the Treuarbeit examines them and ensures that the required documentation is complete. The applications are then submitted to the Interministerial Committee for Export Guarantees, which holds the power of decision. This Committee includes representatives of the Federal Ministry of Economic Affairs, the Federal Ministry of Finance and the Federal Ministry of Foreign Affairs; it is assisted by representatives of the banks, the export merchants and the manufacturing industries. The Committee's decisions are based not only on commercial considerations but also on the economic interests of the Federal Republic. For contracts whose value exceeds DM 1 million, the Committee's decision must be endorsed by the Ministries of Economic Affairs and Finance. Once the Committee has approved an insurance application, the exporter is given a promise that the transaction in question is in principle eligible for insurance; the policy is issued when the exporter has concluded the contract according to the conditions and terms approved by the Committee. Guarantees are accorded for the export of goods of Federal Republic origin or having a high content of Federal Republic labour. Guarantees may also be accorded for construction work abroad, consignment contracts, the processing of goods and the building up of stocks abroad; guarantees are not provided for the prospection of markets abroad.

144. Three main types of policies are issued:

Single transaction (*Einzelguarantie*) policies;

Policies covering all transactions with a given foreign buyer (*Revolvierende Deckung*);

Policies covering all transactions with several buyers in one or several countries (*Mantelgarantie*).

145. Guarantees cover the risk of insolvency and political risks such as interdiction of payments, conversion and transfer delays and governmental measures likely to cause losses during the execution of an export contract. The exchange risk is not covered, except when the exporter has been compelled to accept a currency other than that stipulated in the contract or when he has obtained the Federal Government's authorization to accept a currency other than that stipulated in the contract.

146. The maximum indemnity that can be paid is 80 per cent of the loss in respect of commercial risks (insolvency, or, for public buyers only, protracted default), 85 per cent in respect of conversion and transfer risks and 90 per cent as regards other political risks. It is 85 per cent of the production cost for predelivery risks. The actual cover limits depend on the circumstances of the case and in certain conditions cover for commercial risks may be limited to 60 per cent. While this is a greater limitation than in many other systems, the Government may provide guarantees under more favourable conditions for export transactions "in which the Federal Republic of Germany has a public interest".