22nd Feb 2022

[**MEIP analysis of Home Shipbuilding Credit Guarantee Scheme**](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.contractsfinder.service.gov.uk%2FNotice%2Ff4f4e678-3aa1-4c17-9a56-c3cf49db1b86&data=04%7C01%7Cdarrin.hook%40beis.gov.uk%7Cf45104b702b543a21a6e08d9f07c7682%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C637805239620045487%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=cNAP2zOT%2BK7nRsWZlhSYRdP0uLWDhvqMHMmxVpACxi8%3D&reserved=0)

Q: In section 9, the values seem to be missing for the levels of insurance – are you able to confirm what the values are?

A: Please see the values below:

Employers (compulsory) liability insurance            £5m

Public liability insurance                                            £1m

Professional indemnity insurance                          £1m

Product liability insurance                                        £1m

Q: To what extent will we be able to get access /  have the beneficiaries of the scheme already been determined?   More specifically,  are all the companies that participate to the scheme already on the old scheme so that we can easily assess their creditworthiness or will we need to make assumptions on the future participants?

A: The old scheme closed in 2005 and we do not have ready access to client details however we have recently held discussions with UK ship operators and colleagues who are well connected with the sector. Through this we have details of many potential future clients of the scheme. This information will be made available to the contractor.

Q: What information will you have available for us to review and document?

A: We have produced a draft business case which provides substantial background information and research justifying the new scheme as well as details of how the scheme would operate. Our preferred delivery partner, UK Export Finance (UKEF), have provided details of two potential pricing mechanisms which we would like to examine for MEIP compliance. One mechanism involves the use of an MS Excel based pricing model. This and any other relevant information requested would be provided to the contractor. We anticipate that the contractor will need to engage with BEIS and UKEF colleagues to obtain whatever further information they need to undertake their analysis.

Q: On the premiums, to what extent do you have guarantee prices already set for the scheme?

A: The UKEF pricing model generates a risk reflective premium based on a number of parameters – this rate can then be flexed appropriately. We would like to explore the range of parameters for the scheme which would constitute ‘market terms’.