Export credit insurance usually covers commercial risks such as foreign buyer insolvency, default, and repudiation or unilateral termination of the contract. It will also cover political risks such as blockage of funds or transfer difficulties, war, hostilities, revolutions, and cancellation of export and import permits by foreign governments.

Export credit insurance does not cover losses from commercial disputes between exporters and foreign buyers. Usually, these disputes must be resolved to the satisfaction of the insurer before claims are considered for payment. Thus, for example, if a buyer refuses to pay for goods on the grounds that the shipment was not what was ordered, that claim would have to be adjudicated by a court of arbitration in favour of the exporter before the latter could collect on the insurance policy.

The premiums charged for export credit insurance are directly tied to the riskiness of the transaction and the extent to which the exporter is willing to bear some of that risk. Export credit insurers usually require some risk sharing on the part of the exporter.

Co-insurance results in the exporter sharing a portion of the insured export credit loss. In a 90/10 co-insurance policy, the insurer would pay $90 of every $100 loss, while the exporter would have to absorb the remaining $10 loss. Risk sharing through co-insurance tends to incline the exporter to avoid ventures with a high credit risk when selling abroad.

A deductible requires the exporter to take the first loss from a bad export receivable up to a certain, specified amount. For example, in a $100 deductible policy, the exporter would absorb the first $100 of a $5,000 loss, with the insurer paying the remaining $4,900 loss to the exporter. Deductibles generally serve to reduce administrative costs to the insurer that would occur from processing very small claims.

The insurer determines the risks involved in a transaction by reviewing the following issues.

- The type of coverage required. For example, "political risk only" coverage is less risky for the insurer but leaves the exporter more exposed than if coverage were taken out for both political and commercial risk.
- The spread of risk. A diversified portfolio of export receivables is less risky to the insurer than a portfolio which contains only one or two large customers: coverage for the latter would be more expensive than for the former.