



## **Small Business Multi-Buyer Export Credit Insurance**

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The policy is a special product for small, financially viable businesses that are new to exporting, or have only occasionally exported. It can help increase an exporter's international sales by extending competitive credit terms while minimizing risks, and is valuable as a:

- Risk Mitigation Tool → insure receivables against nonpayment by foreign buyers
- Marketing Tool → extend competitive credit terms to foreign buyers
- Financing Aid → arrange attractive financing with the exporter's lender by using insured foreign receivables as additional collateral

### **Coverage Parameters**

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- Exports of U.S. goods and services (products must have at least 51% U.S. content, including labor but excluding mark-up)
- All shipments on credit terms (including documentary credits, unconfirmed letters of credit and open account) to all eligible countries during the policy period, generally one year. The policy may be renewed annually.
- Repayment terms up to 180 days; exceptionally up to 360 days for qualifying transactions.
- Excluded from coverage are confirmed letters of credit, cash-in-advance sales, and certain military and defense-related items.
- Special program for small business exporters of specified environmentally related products and services.

### **Types and Percentage of Losses Covered**

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- Commercial losses due to insolvency, bankruptcy and default are covered at 95%
- Political losses due to war, revolution, cancellation of an import or export license, currency inconvertibility are covered at 95%
- No first-loss deductible

### **How to Qualify**

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Together with any parent company, subsidiaries, or affiliates, the exporter must:

1. Be a small business as defined by the Small Business Administration
2. Have export credit sales (average from the preceding 3 years) not exceeding \$5 million
3. Have at least one year operating history and a positive net worth

### **Premium Rates and Payments**

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- Premiums are paid according to a rate schedule and depend on the credit term extended and the buyer type.
- Shipments are reported, and premium is paid on a monthly basis. Reports are due to Ex-Im Bank by the 30<sup>th</sup> of the month following the month of shipment.
- A one-time, refundable advance premium of \$500 is required to issue this policy.

## **Credit Limits**

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- Credit limits in the policy allow the exporter to extend insured credit without prior approval from Ex-Im Bank.
- The exporter must obtain credit information on the buyer to show its creditworthiness.
- Limits are granted in accordance with the exporter's experience.
- Ex-Im Bank must pre-approve amounts over the credits limit in the policy and in certain countries (as noted in the Country Limitation Schedule) – see [www.exim.gov](http://www.exim.gov)

## **Overdue Invoices and Filing Claims**

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- Report monthly all insured buyers past due over 90 days on amounts over \$25,000 for as long as the overdue situation exists, or until a claim is filed.
- Claims may be filed no earlier than 90 days after the due date, and no later than 8 months after the due date.
- Claims are paid within 60 days of receipt of all required documents (faster when filed on-line).

## **Policy Assignments**

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Subject to approval, policy proceeds (claim payments) may be assigned to a financial institution to arrange receivables financing or add insured foreign receivable to the borrowing base.

This is not a solicitation by the Export-Import Bank of the United States or its employees. It is a descriptive summary only. The complete terms and conditions of the policy are set forth in the policy, applications, and endorsements.