

**EX-IM BANK GUIDE TO CLAIM FILING  
UNDER EXPORT CREDIT INSURANCE POLICIES**

Like most credit insurers throughout the world, Ex-Im Bank receives a large number of claims each year reflecting the hazardous political and economic conditions present in today's marketplace.

While the majority of claims are processed promptly, delays occur for two principal reasons. The sheer number of claims that result when an entire market has economic or political difficulties can affect processing, but more often delays occur because the insured is unfamiliar with the Ex-Im Bank policy and does not file a completed claim.

This guide provides answers to the most common questions about claims. The first section pertains to all of the policies and the other sections address specific policies.

	Page
All Policies.....	3
Short-Term Comprehensive Multi-Buyer Policy.....	7
Short-Term Single-Buyer Policy.....	8
Financial Institution Buyer Credit Policy.....	9
Bank Letter of Credit Policy.....	10
Umbrella & Fin. Inst. Supplier Credit Policies.....	11
Medium-Term Policy.....	12
Financing Lease Policy.....	13
Operating Lease Policy.....	14

**WHO TO CONTACT:**

For more information, contact or ask your insurance agent or broker to contact:

EXPORT-IMPORT BANK OF THE U.S., ASSET MANAGEMENT DIVISION  
811 VERMONT AVE., NW, 7TH FLOOR, WASHINGTON, DC 20571  
PHONE: (202)565-3600 or 1-800-565-EXIM Fax: (202) 565-3675 Internet <http://www.exim.gov>

Or call one of the regional offices in the: MidAtlantic-Washington, DC (202) 565-3940; Midwest-Chicago (312) 353-8081; Northeast-New York (212) 466-2950; Southeast-Miami (305) 526-7425; Southwest-Houston (281) 721-0465 and West-LosAngeles (562) 980-4580, Orange County (949)660-1688ext150, San Francisco (415)705-2285

This is not a solicitation by Ex-Im Bank 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.

## **ALL POLICIES**

### **1. WHAT SHOULD AN INSURED DO IF A BUYER DEFAULTS?**

Ex-Im Bank policies require an insured to use all reasonable efforts to prevent or minimize loss. Evidence of collection effort should be preserved for claim purposes. The Claims Department may be contacted for assistance in difficult collection situations.

### **2. HOW CAN A CLAIM BE FILED?**

The insured (or administrator under the Umbrella Policy) should submit the appropriate Proof of Loss form together with the appropriate documentation to substantiate the loss. In some cases, such as the medium term “documentary” policy, the “enhanced” assignments and “documentary” assignment, the assignee may file a claim. Forms are available from Ex-Im Bank.

Claims under short term multibuyer policies such as the ESC and ENB may be filed electronically using the Ex-Im bank website at <http://www.exim.gov>

### **3. WHAT DOCUMENTATION IS GENERALLY REQUIRED AT THE TIME OF CLAIM FILING?**

- o Written demand for payment from the buyer, issuing bank or lessee, and each guarantor dated not later than 30 days prior to submission of the claim.
- o Invoices.
- o Bills of lading.
- o Evidence of a collection effort.

In addition to the documentation listed above, if applicable to the transaction, the following documentation may be required: copies of all debt instruments (promissory note, draft, letter of credit), any security agreements, liens, retention of title, purchase order, contract of sale, evidence of U.S. origin, acceptance advice, nonpayment advice, two credit reports, trade experience worksheet, overdue reports, buyer's acknowledgement of receipt, import permit/license/registration, loan agreement, factoring agreement, evidence of payment to the exporter, evidence of compliance with Country Limitation Schedule requirements and special conditions, including guarantees and security interest.

**BANK LETTER OF CREDIT POLICY** -- In addition to the documentation listed for all policies, a properly completed, signed and unaltered exporter certificate, a beneficiary certificate if an entity located outside the U.S. is the beneficiary of the letter of credit, copies of the letter of credit, evidence of the insured's payment or definite undertaking to pay, copies of the report of premiums payable to Ex-Im Bank, a copy of the credit agreement between the insured and issuing bank, and evidence of compliance with the Issuing Bank Credit Limit's special conditions and with the Country Limitation Schedule requirements are necessary.

**LEASING POLICIES** -- In addition to the documentation listed for all policies, a copy of the lease agreement, evidence that the leased products were delivered to the lessee, and advice of acceptance of leased products is required. Risk 5 of the Operating Lease Policy also requires evidence of written demand for repossession upon the lessee and any government authority which, to the lessor's knowledge, is preventing repossession. Such a demand should be made no later than 30 days prior to submission of the claim. If required by law or regulation of the lessee's country, the insured must submit evidence of a timely recorded and registered lease for purposes of perfecting or evidencing the insured's title to or interest in the leased products.

POLITICAL RISK CLAIMS -- In addition to the documentation listed for all policies, the following documentation is required on political risk claims:

- o TRANSFER RISK -- evidence of a timely local currency deposit or, for a letter of credit, evidence that the issuing bank has applied for foreign exchange in accordance with the rules and regulations of the country in which the issuing bank is located and evidence that failure of the appropriate exchange authority to transfer local currency into the approved currency is not due to the fault of the issuing bank.
- o OTHER POLITICAL RISKS -- a written explanation, with supporting documentation, as to why the claim qualifies under the political risk.

#### **4. ARE ORIGINAL DOCUMENTS NECESSARY WHEN A CLAIM IS SUBMITTED?**

Except where noted below, only copies are required when the insured files a claim. However, all originals should be preserved because they may be required later. Original debt instruments (notes, drafts, etc.) and originals or certified copies of security agreements, will always be required before a claim is paid. An insured should exercise due care with debt instruments so that they are not lost, altered or rendered unenforceable against the buyer.

For the Bank Letter of Credit and Financial Institution Buyer Credit policies, Class I and II Format, the insured must submit the original properly completed, signed and unaltered exporter's certificate. If the entity located outside the U.S. is the beneficiary of the letter of credit, an original beneficiary certificate is required.

#### **5. WHAT IS INSOLVENCY FOR CLAIM PURPOSES?**

In essence, insolvency is a judicial recognition of the buyer's inability to pay debts on a current basis via the appointment of a Receiver, a judicial determination of insolvency, a moratorium, composition agreement, etc.

#### **6. WHAT MUST AN INSURED DO PRIOR TO CLAIM PAYMENT?**

Prior to claim payment:

- o any applicable deductible must be fully utilized;
- o the insured must execute a release and assignment;
- o the insured must endorse the debt instrument to Ex-Im Bank without recourse and then send it to Ex-Im Bank;
- o the insured must execute a letter of notification addressed to the buyer or issuing bank, or lessee if applicable, and each guarantor;
- o the insured must surrender documents evidencing any security obtained to guarantee payment of the obligation.

In addition to the above requirements:

- o For the FINANCIAL INSTITUTION BUYER CREDIT POLICY -- Class III Format only -- the insured must provide evidence that it has remained at risk, for its own account, of the uninsured percentage of each transaction.
- o FINANCING LEASE AND OPERATING LEASE POLICIES -- the insured should transfer to Ex-Im Bank the title to the leased products.

## **7. AN INSURED'S BANK WANTS TO TAKE ASSIGNMENT OF PROCEEDS FROM CLAIMS UNDER THE POLICY. WHAT MUST BE DONE?**

Although an insured cannot assign its policy to another party, it can arrange for claims proceeds to be assigned to a third party, typically a financing bank, at any time prior to claim submission and during the policy period.

To register the assignment with Ex-Im Bank, the insured and the assigned need to complete a Notification by Insureds of Amounts Payable form and return the form to Ex-Im Bank. The notification will be acknowledged provided claims proceeds have not already been assigned, and copies of the acknowledged notification will be returned to the insured and the assignee.

Under the Small Business, Small Business Environmental and Umbrella policies, a special Assignment Agreement is available. Under the agreement, if the assignee complies with its responsibilities it will be held harmless from many defenses to nonpayment of a claim which ordinarily would be asserted. (Notification forms and Assignments Agreement forms are available from Ex-Im Bank.) Under the medium term policy, an assignee may convert the policy to a "documentary" format when taking assignment. Under an exporters short term single buyer policy the assignee may receive a "documentary" assignment. Under the financial institution buyer credit policy, the insured bank may receive a "documentary" format policy when the insured is a qualified small business.

## **8. WHAT HAPPENS AFTER A CLAIM IS PAID?**

After a claim is paid, Ex-Im Bank takes over collection of the obligation against the buyer. Recoveries and expenses of collection are shared with the insured in the proportion specified in the applicable policy.

## **9. WHAT SHOULD AN INSURED DO IF UNABLE TO FILE A CLAIM BY THE DEADLINE?**

A claim filing extension may be requested; however, the insured must make this request before the expiration of the claim filing deadline. The request must include:

- o a full listing of all outstandings (invoice number, amount and due date);
- o reason for the request;
- o reason the buyer has not paid;
- o why collection prospects are good in the near future;
- o summary of current and planned collection efforts (pursuit of the buyer may involve telexes, visits, telephone calls, and legal action);
- o length of extension wanted (this request should not exceed 90 days); and
- o verification that the assignee bank, if any, approves or the request for extension.

This information should be sent in writing to the Claims Department for its review before the policy claim filing deadline. Ex-Im Bank does not grant filing extensions if the request is received past the policy claim filing deadline.

**10. WHAT ARE THE MOST COMMON POLICY VIOLATIONS THAT RESULT IN CLAIM DENIAL?**

- o Late claim filing.
- o Inadequate supporting documentation (e.g. lack of invoices, bill of lading, supplier's exporter/beneficiary certificates, purchase orders).
- o Inadequate credit reports or past payment history with the buyer.
- o Noncompliance with special conditions under the policy.
- o Premium not paid.

**11. HOW IS EX-IM BANK'S CLAIM PAYMENT CALCULATED?**

TAKE: the Gross Invoice Value/Draft Amount/Letter of Credit Drawing/Financed Portion/Promissory Note for amounts for which minimum waiting periods have been met.

SUBTRACT: Partial Payments/Credits/Discounts.

DIFFERENCE IS: the Principal Amount Outstanding

ADD: Eligible Interest (if any).

SUM IS: Total Net Loss (subject to all applicable policy limits).

MULTIPLY: by the Applicable Percentage of Coverage

RESULT IS: the Eligible Loss

SUBTRACT: any Available Deductible

DIFFERENCE IS: Claim Payment or Remaining Deductible

**SHORT-TERM COMPREHENSIVE MULTI-BUYER POLICY**  
(Includes Small Business, Small Business Environmental,  
and Bank Deductible-type policyholders)

**1. WHEN MUST OVERDUES BE REPORTED?**

Overdue reports must be submitted showing the principal amount on insured transactions and on uninsured debt overdue from each buyer for more than 90 days, provided the overdue amount exceeds \$100,000. Insureds must continue to submit reports monthly thereafter until the overdue amounts are paid or a claim is filed.

**2. WHEN CAN A CLAIM BE SUBMITTED?**

- o 90 days from the date of default.
- o Written demand for payment from the buyer or issuing bank and any guarantors must be made at least 30 days prior to submission of a claim.

**3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

- o 240 days from the date of default
- o 30 days from the date of request by Ex-Im Bank

**4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

Notice of Claim and Proof of Loss (Form: EIB-92-25).

**5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form.

**6. CAN AN INSURED ACCELERATE OR RESCHEDULE AN OBLIGATION AGAINST A BUYER?**

The insured should not accelerate a buyer obligation unless the acceleration receives the prior written approval of Ex-Im Bank. The Multi-Buyer Policy allows the insured to reschedule the due date of a buyer obligation provided the conditions detailed in Multi-Buyer Policy Article 7, Section B are satisfied. If the conditions detailed in Article 7, Section B are not satisfied, the insured should not reschedule without prior written approval of Ex-Im Bank.

## **SHORT-TERM SINGLE-BUYER POLICY**

### **1. WHEN MUST OVERDUES BE REPORTED?**

The insured must notify Ex-Im Bank in writing if the buyer has not paid any amount for 90 days after the due date.

### **2. WHEN CAN A CLAIM BE SUBMITTED?**

- o 90 days from the date of default.
- o Written demand for payment from the buyer and any guarantors must be made at least 30 days prior to submission of a claim.

### **3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

- o 240 days from the date of default
- o 30 days from the date of request by Ex-Im Bank

### **4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

Notice of Claim and Proof of Loss (Form: EIB-92-65).

### **5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form.

### **6. CAN AN INSURED ACCELERATE OR RESCHEDULE AN OBLIGATION AGAINST A BUYER?**

The insured should not accelerate or reschedule a buyer obligation without the prior written approval or Ex-Im Bank.



## **FINANCIAL INSTITUTION BUYER CREDIT POLICY**

### **1. WHEN MUST OVERDUES BE REPORTED?**

The insured must submit to Ex-Im Bank a monthly report until a claim is filed if the buyer has not paid any debt (insured or uninsured) for 90 days after it is due.

### **2. WHEN CAN A CLAIM BE SUBMITTED?**

- o 90 days from the date of default.
- o Written demand for payment from the buyer and any guarantors must be made at least 30 days prior to submission of a claim.

### **3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

- o 240 days from the date of default
- o 30 days from the date of request by Ex-Im Bank

### **4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

- o Notice of Claim and Proof of Loss (Form: EIB-92-43).

### **5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form.

### **6. CAN AN INSURED ACCELERATE OR RESCHEDULE AN OBLIGATION AGAINST A BUYER?**

The insured should not accelerate or reschedule a buyer obligation without prior written approval of Ex-Im Bank.

## **BANK LETTER OF CREDIT POLICY**

### **1. WHEN MUST OVERDUES BE REPORTED?**

30 days after the end of each calendar month, a statement showing all amounts due which were unpaid on any due date must be provided to Ex-Im Bank. Insureds must continue to submit reports monthly thereafter until the overdue amounts are paid or a claim is filed.

### **2. WHEN CAN A CLAIM BE SUBMITTED?**

- o 60 days from the date of default.
- o Written demand for payment from the issuing bank must be made within 30 days after default.

### **3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

- o 120 days from the date of default.
- o 30 days from the date of request by Ex-Im Bank.

### **4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

Notice of Claim and Proof of Loss (Form: EIB-92-39).

### **5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form.

### **6. CAN AN INSURED ACCELERATE OR RESCHEDULE A DUE DATE OF AN INSURED TRANSACTION?**

The insured should not accelerate or reschedule a due date of an insured transaction.

**UMBRELLA POLICY  
FINANCIAL INSTITUTION SUPPLIER CREDIT POLICY**

**1. WHEN MUST OVERDUES BE REPORTED TO EX-IM BANK?**

The administrator of the policy must submit to Ex-Im Bank no later than the last day of each month, a declaration of the amounts due the insured from the buyer which at the end of the previous month are wholly or partly unpaid for more than 90 days, or notice of a buyer's financial difficulty, or of any event likely to cause a loss.

**2. WHEN CAN A CLAIM BE SUBMITTED?**

- o 90 days from the date of default.
- o 30 days from the date of request by Ex-Im Bank.

**3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

- o 240 days from the date of default.
- o 30 days from the date of request by Ex-Im Bank.

If the proceeds of the policy are assigned to another party the assignee can file a claim within 30 days after the date of the claim filing deadline in the event of the insured's or administrator's failure, inability or unwillingness to do so (not applicable to Financial Institution Supplier Credit Policies).

**4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

Notice of Claim and Proof of Loss (Form: EIB-92-77).

**5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form.

**6. CAN AN INSURED ACCELERATE OR RESCHEDULE AN OBLIGATION AGAINST A BUYER?**

The insured should not accelerate or reschedule a buyer obligation without the prior written approval of Ex-Im Bank.

## **MEDIUM-TERM POLICY**

### **1. WHEN MUST OVERDUES BE REPORTED?**

Not later than 60 days from the due date and monthly thereafter until the overdue amounts are paid or a claim is filed.

### **2. WHEN CAN A CLAIM BE SUBMITTED?**

Insolvency: After the date of default, upon receiving confirmation that the buyer is insolvent.

Protracted Default: Six months from the date of default.

Transfer Risk: Following local currency deposit made within 90 days from the date of default or after expiration of the waiting period, if one is specified in the Country Limitation Schedule.

Other Political Risk: After a default caused by a specified political event covered by the policy.

### **3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

Insolvency: Eight months from the date of default.

Protracted Default: Eight months from the date of default.

Political Risk: Eight months from the date of default.

All Risks: 30 days from the date of request by Ex-Im Bank.

### **4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

Notice of Claim and Proof of Loss (Form: EIB-92-26).

### **5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims promptly upon receiving a satisfactorily completed and documented proof of loss form on commercial defaults, and within three months of submission of evidence in support of loss on political risks.

### **6. CAN AN INSURED ACCELERATE OR RESCHEDULE AN OBLIGATION AGAINST A BUYER?**

The insured should not accelerate or reschedule a buyer obligation without the prior written approval of Ex-Im Bank.

## **FINANCING LEASE POLICY**

### **1. WHEN MUST OVERDUES BE REPORTED?**

All amounts due to the insured from the lessee and in default under any insured transaction must be reported to Ex-Im Bank within 30 days of the end of each calendar month until a claim is filed.

### **2. WHEN CAN A CLAIM BE SUBMITTED?**

- o 120 days from the date of default.
- o Written demand for payment from the lessee and each guarantor must be made at least 30 days prior to submission of the claim.

### **3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?**

- o 240 days from the date of default.
- o 30 days from the date of request by Ex-Im Bank.

### **4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?**

Notice of Claim and Proof of Loss (Form: EIB-92-46).

### **5. WHEN IS A CLAIM PAID?**

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form. Ex-Im Bank has the option of submitting periodic claim payments within 10 days of a specified due date or paying the present value of all due payments in one sum.

### **6. CAN AN INSURED ALTER A LESSEE'S OBLIGATIONS?**

The insured should not accelerate, alter, amend, assign, or revise the lease without the prior written approval of Ex-Im Bank.

## OPERATING LEASE POLICY

### 1. WHEN MUST OVERDUES BE REPORTED?

All amounts due to the insured from the lessee and in default under any insured transaction must be reported to Ex-Im Bank within 30 days of the end of each calendar month until a claim is filed.

### 2. WHEN CAN A CLAIM BE SUBMITTED?

RISKS 1, 2, 3, 4: Date of repossession of the asset or the end of the repossession efforts period. Written demand for payment from the lessee and each guarantor must be made at least 30 days prior to submission of a claim.

RISK 5: The end of the repossession efforts period. (The insured must make written demand for repossession upon the lessee and any government authority which is, in his knowledge, preventing repossession at least 30 days prior to submission of a claim).

### 3. WHEN IS THE DEADLINE FOR SUBMITTING A CLAIM?

- o 120 days from the end of the repossession efforts period.
- o 30 days from the date of request by Ex-Im Bank.

### 4. WHAT FORM DOES AN INSURED USE TO FILE A CLAIM?

Notice of Claim and Proof of Loss (Form: EIB-92-77).

### 5. WHEN IS A CLAIM PAID?

Ex-Im Bank will pay claims within 60 days of receiving a satisfactorily completed and documented proof of loss form. For Risk 5, if Ex-Im Bank and the insured should fail to agree on the fair market value of the leased products within the 60-day time period above, claim payment will be made within 30 days of agreement on the fair market value.

### 6. CAN AN INSURED ALTER A LESSEE'S OBLIGATIONS?

The insured should not accelerate, alter, amend, assign, or revise the lease without the prior written approval of Ex-Im Bank.