



Reasonable Spread of Risk Multibuyer Export Credit Insurance Policy

The “Reasonable Spread of Risk” (RSOR) option under Ex-Im Bank’s standard Short-Term Multibuyer Export Credit Insurance Policy offers exporters the opportunity to select a portion of their overall portfolio to insure.

RSOR Benefits

- Flexibility: Exclude lower-risk transactions (“Non-Standard Exclusions”)
- Economy: Pay insurance premiums only on perceived higher risk transactions
- Complementary: Supplement private sector insurance or factoring protection
- Efficiency: Self-approve coverage for many international customers

Eligibility and Limitations on “RSOR”Portfolios

Any exporter of U.S. products and services with at least one full year of export credit experience is eligible to apply. Products must contain at least 51% U.S. content, less price mark-up. For services, only those that are performed by U.S. personnel are eligible.

Exclusions are “locked-in” for the 12 month policy period. Exclusion changes can be made only at annual policy renewal. Existing Ex-Im Bank Short-Term Multibuyer or Small Business policyholders may request conversion to an RSOR policy at their policy renewal. First loss deductibles are required.

The “RSOR” portfolio you choose to insure must equal or exceed the total amount of “Non-Standard” (low-risk) transactions you choose to exclude.

RSOR is defined as:

$$\frac{\text{Total Export Credit Sales} \\ \text{(less) Standard Exclusions} \\ \text{(less) Non-Standard Exclusions}}{\text{RSOR}}$$

Choosing Non-Standard Exclusions

Select or combine your non-standard exclusions from among these transaction categories:

- **Top Corporates** (companies with revenues exceeding \$100 million)
- **Prime Customers** (buyers which have paid promptly for the last three years)
- **Individual countries** (e.g., where export credit sales are low-risk)

Choosing Standard Exclusions

- All letter of credit transactions
- Transactions payable at sight (SDDP, CAD)
- Sales to Canada
- Sales to subsidiaries and affiliates
- All invoices up to \$10,000 or less

Coverage Parameters

Covered Losses: Default due to commercial reasons (bankruptcy or protracted default) and political events (war, revolution, seizure of goods, revocation of export or import licenses, and foreign currency inconvertibility).

Transaction Cover Percentage: 95% of losses; 100% for sovereign buyers; (98% for bulk ag ?)

Exporter's Risk Sharing: 5% of losses after the first-loss deductible is met an annual deductible is met

Premium Rates: Customized per the exporter's spread of countries, payment terms, buyer types, and prior export credit history. Transaction premiums are due by the 30th of the month following the month of shipment.

Policy Issuance Fee: Calculated based on the size of the portfolio to be insured, subject to a \$500 minimum. The fee is refundable if the policy is cancelled.

How to Apply for the RSOR Option

All export credit sales must be declared in Ex-Im Bank's Short-Term Multibuyer Export Credit Application (Form 92-50). Attach a signed, completed one-page "Multibuyer Policy Exclusions Worksheet" (92-50-E), which indicates the desired standard and non-standard exclusions. Both forms are available at Ex-Im Bank's website at www.exim.gov. A complimentary quote for the entire export credit portfolio will also be provided for comparison with an approved RSOR option quote. Ex-Im Bank formally authorizes (and "locks-in") the approved exclusions by endorsement at policy issuance.

RSOR Policy Assignments

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

For more information, please contact the [Regional Office](#) nearest you or call 800.565.3946.