



Increase International Sales By Minimizing Risks

Benefits

- Reduces nonpayment risk
- Extends competitive credit terms to buyers
- Opens new markets
- Increases cash flow

Ex-Im Bank's Export Credit Insurance allows U.S. businesses to increase their export sales by limiting international risks, offering credit to international buyers, and enabling access to working capital funds.

Limit Your Risk

The insurance covers the risk of buyer nonpayment for commercial and certain political risks, such as the inconvertibility of currency, bankruptcy, protracted default, or war. This product can replace cash-in-advance, letters of credit, and other documentary sales. With this insurance, Ex-Im Bank assumes 90 to 100% of the risk of nonpayment at an affordable premium. By limiting exporters' risks, they can sell to more international buyers and compete vigorously in international markets.

Extend Credit to Buyers

Export Credit Insurance also allows exporters to provide qualifying international buyers with advantageous terms of credit. In today's competitive global marketplace, companies may be able to increase sales by providing this financing.

Access Working Capital

Ex-Im Bank's insurance enhances the quality of exporters' balance sheet by transforming foreign accounts receivable into receivables insured by the U.S. government. With this insurance in place, lenders are more likely to advance against these receivables to increase a company's working capital cash flow. For a list of participating lenders, please refer to <http://www.exim.gov>.

Payment Terms and Policies

Short-Term Insurance typically covers non-capital goods, components, raw materials, spare parts, and most services for 180 days or less. Ex-Im Bank also covers capital goods, consumer durables (e.g., ranges, refrigerators), and bulk agricultural commodities up to 360 days. Standard exporter policies covering short-term credits include:

- **Multi-Buyer Policy:** Allows businesses to insure all sales to eligible international buyers to whom they extend "open account" credit terms. For qualifying small businesses, Ex-Im Bank offers enhanced coverage including a no first-loss deductible, simplified premium schedule, and an attractive financing feature that allows a company's lender to advance on the insured receivables with limited risk. Exporters with international credit management experience may receive "discretionary authority" under the policy to qualify and approve buyers for coverage without Ex-Im Bank review based on good payment experience or favorable credit information.

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Express Insurance includes a streamlined application, policy quotation, and buyer credit decisions up to \$300,000 within five working days or less.

Insurance Discount with Working Capital Guarantee

Ex-Im Bank provides a 25% discount on its short-term, multi-buyer export credit insurance to U.S. exporters who have an Ex-Im Bank or SBA working capital loan.

- **Single-Buyer Policy:** Provides credit protection for shipments to one specific buyer. Premium rates are based on tenor, type of buyer, and the buyer's country.

Medium-Term Insurance protects longer-term financing to international buyers of capital equipment or related services. Financings under these policies can generally extend up to five years (based upon the contract amount) and for amounts up to \$10 million. Ex-Im Bank also offers a lender guarantee that can support financing of the same

Key Qualifications

- For short-term insurance, the products must be shipped from the United States and have at least 50% U.S. content (excluding mark-up). For medium-term insurance, Ex-Im Bank will insure up to 85% of the contract value (if the foreign content is more than 15%, Ex-Im Bank will support only the U.S. portion).
- Cannot support exports of military/defense products and services (with some exceptions), nor can Ex-Im Bank support purchases made by military buyers.
- May close or restrict support of exports to certain countries. Please check restrictions by viewing our Country Limitation Schedule (CLS) at <http://www.exim.gov>.
- All applications for short-and medium-term financing are subject to objective credit criteria. To ensure consistent and transparent credit analysis, Ex-Im Bank has developed credit standards (available on the <http://www.exim.gov>) to facilitate timely application processing.
- Ex-Im Bank is committed to support exports that have a beneficial environmental effect and do not have an adverse impact on the U.S. economy.

Lender Policies

In addition to the exporter policies, Ex-Im Bank also offers insurance policies for financial institutions that may support exporters sales:

Bank Letter of Credit — This policy protects U.S.-based banks against losses (i.e., the failure of a foreign issuing bank to make payments or reimbursements) on irrevocable letters of credit opened to finance U.S. exports. Coverage is from 95% to 100% depending on a range of variables.

Financial Institution Buyer Credit — This policy protects lenders that finance international buyers of U.S. goods and services for periods less than one year. Coverage is 90% of commercial risks and 100% of political risks for private sector buyers.

Next Step:

Ex-Im Bank's local experienced Export Finance Managers are ready to help U.S. businesses win sales worldwide. They will also answer questions and expedite the application process. Simply call 800.565.3946. Learn more at <http://www.exim.gov/smallbusiness> — Follow us on <http://www.twitter.com/eximbankus>

