



Increase Your International Sales While Minimizing Risks

Summary

- Reduce nonpayment risk
- Extend competitive credit terms to buyers
- Export to new markets with confidence
- Increase cash flow

Ex-Im Bank's Export Credit Insurance allows you to increase your export sales by limiting your international risk, offering credit to your international buyers, and enabling you to access working capital funds.

Limit Your Risk

Our 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 our insurance, Ex-Im Bank assumes 90 to 100% of the risk of nonpayment at an affordable premium. By limiting your risk, you can sell to more international buyers and compete vigorously in international markets.

Extend Credit to Your Buyers

These policies also allow you to provide qualifying international buyers with advantageous terms of credit. In today's competitive global marketplace, you may be able to increase sales by providing this financing.

Access Working Capital

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

Payment Terms and Policy Formats

Short-Term Insurance typically covers non-capital goods, components, raw materials, spare parts, and most services for 180 days or less. We also cover 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 you to insure all sales to eligible international buyers to whom you extend "open account" credit terms. For qualifying small businesses, we offer enhanced coverage including a no first-loss deductible, simplified premium schedule, and an attractive financing feature that allows your 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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Export Credit Insurance

■ **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. We also offer a lender guarantee that can support financing of the same tenor and amount. A 15% down payment of the net contract value from the international buyer is required.

Key Qualifications

- For our short-term insurance, the products must be shipped Key Qualifications
- For our short-term insurance, the products must be shipped from the United States and have at least 50% U.S. content (excluding mark-up). For our medium-term insurance, we will insure up to 85% of the contract value (if the foreign content is more than 15%, we will support only the U.S. portion).
- We cannot support exports of military/defense products and services (with some exceptions), nor can we support purchases made by military buyers.
- We may close or restrict our support of exports to certain countries. Please check any 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, we have developed credit standards (available on the <http://www.exim.gov>) to facilitate timely application processing.
- We are 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 a suite of policies for financial institutions that may support your sales:

Bank Letter of Credit Policy — 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 Policy — 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:

Our local experienced Export Finance Managers are ready to help your company win sales worldwide. They will answer your questions and expedite the application process. Simply call 800.565.3946. Learn more at <http://www.exim.gov/smallbusiness>.

