HISTORY OF THE EXPRESS POLICY

Major milestones

• Rolled out in April 2011, Express was introduced as a simplified, value-added insurance policy targeted at “new-to-market” small business exporters;

• The aim was to assist small business exporters in establishing buyers in new foreign markets by simplifying access to export credit insurance;

• Initial number of foreign buyers sold to on credit terms was set at 10 or less;

• In May 2012, maximum amount of foreign credit buyers permitted was increased from 10 to 20.
Main takeaways

Express was well received in the marketplace. This product is:

1) A useful credit tool to expand export sales for small business exporters;

2) Became a sizable part of Trade Credit Insurance (“TCI”) portfolio of insurance policies.

- A percentage of inactive Express policies and underutilized transactions;
- Adverse selection by experienced exporters.
OBJECTIVES OF EXPRESS POLICY MODIFICATIONS

Modifications will

1) Realign the Express policy with its original purpose;
2) Improve all multi-buyer ("MB") transaction processing;
3) Improve customer service;
4) Preserve the MB portfolio zero-reserve status.

In 2016, TCI conducted extensive outreach with the Express/Broker community to gather input regarding proposed Express policy modifications. On the whole, feedback was largely positive.
Specific modifications

- Reinstatement of original 10 foreign credit buyers or fewer criteria;
- Establishment of an eligibility threshold of no more than 5 years of export credit experience;
- Reinstatement of the $500 refundable advance deposit for all small business MB policy quotes;
- Establishment of an Express graduation policy.
Specific modifications

- Extension of the published 5 day processing times on buyer credit reviews to 10 days;
- Ex-Im Online (“EOL”) will be modified to allow for transactions to be placed in an “incomplete” status
  - Added EOL functions to enable uploading missing credit information (similar to current Claims process);
  - Ability to track transactions in the “incomplete status.”
Graduation guidelines

• At the time of third renewal (i.e., going into their fourth year as a MB policyholder), Express policyholders need to convert to either:
  1. Whole-turnover policy (“ENB” or “ESC”);
  2. Reasonable spread of risk (“RSOR”) policy;

Example: ACME, Inc. of CA became an Express policyholder on August 1, 2013. As of August 1, 2017, the company has been with Ex-Im for 4 years and now falls under the Express graduation criteria.
NEXT STEPS

Action items

- All Express policy marketing materials and Ex-Im Bank’s website will be updated to reflect Express policy modifications by **March 1, 2017**;
- No updates to EOL or to the Express application form will be necessary to accommodate these modifications;
- TCI staff will be reaching out to the brokers of existing Express policyholders who will be affected by the graduation criteria at time of policy renewal to help address uncertainties and facilitate the transition process;
- TCI looks forward to receiving any additional feedback on these changes from the Express/Broker community and working together to further improve the program.
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