EXIM Bank

How to export competitively, using Accounts Receivable Insurance

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Who We Are – What We Do

• EXIM Bank is an independent agency of the U.S. Government
• Established in 1934
• Headquartered in Washington, D.C., with Regional Offices in major U.S. cities
• Mission: support American jobs by facilitating the export of U.S. goods and services
• *No company, no deal is too small!*
**Solution: Export Credit Insurance**

<table>
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<tr>
<th>Risk Protection:</th>
<th>Sales Tool:</th>
<th>Financing Aid:</th>
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<td>Protect against non-payment by foreign buyers due to commercial risks and political risks (examples on following slide)</td>
<td>Offer competitive terms to foreign buyers (generally up to 180 days, some products may qualify for 360 day terms)</td>
<td>Enable additional Financing. Insured foreign receivables may be added to your borrowing base by assignment of policy proceeds (claim payments) to a lender</td>
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This represents some of the now 90+ countries that have their own EXIM Bank.
Risks Covered

**Commercial Risk:**
- Insolvency
- Bankruptcy
- Protracted Default

**Political Risk:**
- Currency Transfer Risk
- War, Revolution, Insurrection, Expropriation
- Cancellation of an Import or Export License
# Short Term Export Credit Insurance Policies for Small Business

## Express Insurance:
- 95% cover, no deductible, pay-as-you-go, EXIM Bank obtains and reviews all credit info on buyers, maximum of 10 buyers; (ie. a $200,000 Mexico sale on up to net 60 days payment terms would cost $1,300)

## Small Business Multi-Buyer:
- 95% cover, no deductible, pay-as-you-go, some buyer approval authority may be given to exporter; (ie. a $200,000 Mexico sale on up to net 60 days payment terms would cost $1,100)

## Single-Buyer:
- 90% cover, no deductible; (ie. a $200,000 Mexico sale on up to net 60 days payment terms would cost $1,500)

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**What is a Small Business?** As a Manufacturer, typically 500 or less employees. As a Distributor, usually 100 or less employees.
How Export Credit Insurance Works

1. Exporter chooses Insurance policy, and applies (2-10 days)
2. Exporter offers credit terms to buyer for products/services to be performed
3. Contract states payment schedule and terms, and buyer accepts
4. Exporter performs and bills buyer.
5. Exporter reports export to EXIM and pays premium to insure the invoice(s)
6. Buyer pays. If buyer fails to do so, Exporter claims payment with EXIM.
Eligibility Criteria

Exporters Must:

• Be in business – selling – at least three years (unless otherwise noted)
• Have DUNS/D&B number and financial statements or tax returns
• 50+% U.S. content including labor, but excluding mark-up (cost basis)

*US Content Example: a company in Florida buys raw material from an Asian supplier for $1. The FL company puts at least $1.01 worth of US parts, labor, overhead, etc. into the finished product.*
Just a Few Restrictions

• No Military or Defense-related products or obligors (exceptions apply)
• U.S. Content (ST: 50+%) 
• Restricted Countries (CLS)
• Economic Impact
• Additionality
Restricted Countries

- EXIM Bank conducts business in 180+ countries throughout the world
- Restrictions may apply for political or economic conditions
- Check the Country Limitation Schedule (CLS) - Y means support is not available

www.exim.gov/tools-for-exporters/country-limitation-schedule
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