

*Export Credit Insurance Policy:*

# EQUITY EXPRESS SELECT

Grow Revenues  
Through Exports  
with EXIM



**EXIM**  
EXPORT-IMPORT BANK  
OF THE UNITED STATES





# WHAT IS EQUITY EXPRESS SELECT INSURANCE?

Your small business is new to exporting and has identified an international buyer. Pricing has been negotiated but the buyer wants open account credit terms. How does your company manage the risk of nonpayment? Insuring your foreign receivables through EXIM's Equity Express Select (EQS) is a good place to start.

**An Equity Express Select policy covers receivables generated by international sales.**

EQS is an insurance policy for underserved businesses, which includes minority, women, veteran, rural, and disability-owned companies. The policy covers the accounts receivable created by selling to an international buyer on open account credit terms. With a policy in place, your company can offer open account credit terms (60 days, 120 days, etc.) to win new customers and increase sales to existing buyers, while reducing the risk of nonpayment.

Another benefit of insuring international invoices is that lenders will often accept them as collateral, expanding your borrowing base and improving cash flow.

## *An Equity Express Select Insurance Policy:*

- ✔ Increases your ability to compete in international markets
- ✔ Protects your foreign receivables from nonpayment
- ✔ Expands your borrowing base for improved liquidity



Angie Yu, President & Founder of Two Rivers Fishery, Woman-Owned, Customer of EXIM.



# WHY CHOOSE EQUITY EXPRESS SELECT?

## Increase Sales

Every small business wants to be more competitive. Providing open account credit terms is very appealing to international buyers and can be the difference between winning and losing a deal. Offering open account credit terms also eliminates the delivery delays associated with letters of credit or sending cash in advance, and existing customers will often increase the size of their orders when given time to pay.

## Reduce Risk

The challenge for exporters, particularly small businesses, is clear. Selling to international buyers on open account credit terms can be risky. If the buyers don't pay, there is very little recourse for a U.S.-based company and the financial hit can be significant. Equity Express Select covers the international invoices generated by sales to international customers, reducing the risk of nonpayment and empowering small business exporters to take on new customers and sell in new markets.

## Access Cash

When your business needs cash to fulfill export orders or pay for operations you often look to your local lender. Lenders are more likely to include foreign receivables and inventory in your borrowing base when those receivables are insured, giving you access to additional financing and improving cash flow.





## Policy Benefits

Equity Express Select's (EQS) exceptional in-house customer service team is ready to guide you through every step of the process, from explaining policy benefits and reviewing qualifications to streamlining the application and addressing any concerns you may have along the way.

- ✓ 95% coverage
- ✓ No deductible
- ✓ No application or policy issuance fees
- ✓ Dedicated in-house servicing team
- ✓ Pay-as-you-ship premiums

## Business Qualifications

To qualify for EQS coverage, you must:

- ✓ Show certification/verification of MWOB status (Minority, Women, Veteran, Rural, or Disability-Owned)\*
- ✓ Be a small business, as defined by the Small Business Administration (SBA)
- ✓ Obtain and maintain an active SAM.gov registration, including the issuance of a Unique Entity Identifier (UEI)
- ✓ Have a DUNS number from Dun & Bradstreet
- ✓ Have not previously utilized other EXIM insurance products

## Questions? Just Ask!

Schedule a free consultation with an EQS team member today.



\* Rural qualification based on exporter zip code





# WHAT DOES IT COST?

Equity Express Select premiums are calculated based on the payment terms you offer to your buyer.

Here is an example of the premium rates per \$100 of your invoice, for a private-sector buyer:

| <i>Payment Term</i> | <i>Private-Sector Premium Rate*</i> |
|---------------------|-------------------------------------|
| 1 to 60 days        | \$ 0.55                             |
| 61 to 120 days      | \$ 0.90                             |
| 121 to 180 days     | \$ 1.15                             |

## Pricing Example

You have an order for \$25,000 to a distributor in Mexico. The buyer's company is a private-sector business and has agreed to 30-day credit terms.

**The cost to insure this \$25,000 order would be \$137.50. Most businesses incorporate the cost of this premium into their sales price.**

For future sales with private-sector buyers under 60-day credit terms, your rate will remain \$0.55 per \$100, regardless of the invoice amount. Other invoice calculations would be:

| <i>Transaction Amount</i> | <i>Premium for \$0.55 Rate</i> |
|---------------------------|--------------------------------|
| \$10,000 invoice          | \$ 55.00                       |
| \$50,000 invoice          | \$ 275.00                      |
| \$225,000 invoice         | \$1,237.50                     |

**TIP:** You can get a 25% discount on the rates above if your business also has a Working Capital Loan from EXIM or the U.S. Small Business Administration (SBA).

\* Private-sector buyer rates are shown. Different rates apply for sovereign buyers that you may be selling to.





# HOW DOES EQUITY EXPRESS SELECT INSURANCE WORK?

**Step 1:**

Your company identifies an international buyer and applies for export insurance.



**Step 2:**

EXIM provides credit decisions on your buyer.

**Step 3:**

Your company offers credit terms to the approved buyer.

**Step 4:**

Your international buyer accepts the terms of the deal.

**Step 5:**

Your company ships your product and invoices your buyer.

**Step 6:**

Your company reports shipments and pays a premium on the amount shipped.

**Step 7:**

The buyer pays. If they fail to do so, EXIM pays.



# WHAT'S NEXT?

EXIM is here to support you on your exporting journey. We offer a wide range of financing tools for your company's unique needs, as well as free consultations, educational material, exporter resources, and more.



## Talk with an Expert

EXIM specialists are ready and waiting to provide you a free consultation.



## Learn Exporting Basics

The *Basic Guide to Exporting* will teach you everything you need to get started.



## Meet EXIM's MWOB Division

Utilizing our specialized MWOB team is like having an export finance expert on your payroll.

This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.