



“With Export Credit Insurance from EXIM Bank, Klumb Lumber is secure that this family business is protected for generations to come”

THE CHALLENGE

Klumb Lumber, founded in 1945 with three employees, is now a leading provider of lumber, building materials and specialty products worldwide. Growing Klumb Lumber included expanding the company's sales outside of the United States and extending credit terms to international buyers.

While exporting can create a valuable revenue stream, there can be some risks. Small companies have little recourse if an international buyer does not pay their invoices and the financial impact of nonpayment can be severe. Insolvency is only one reason a customer may not pay. Local currency fluctuations may make it difficult or impossible for the foreign buyer to meet the negotiated price on the invoice and political unrest, state actions like nationalization, or deteriorating relationships between governments can disrupt the buyer's ability to pay. Fortunately, there are tools that can protect companies from nonpayment by foreign buyers and mitigate the risk of selling overseas.

THE SOLUTION

Export Credit Insurance is the tool Klumb Lumber uses to safeguard foreign receivables. Like any insurance policy, the exporter pays a premium and the risk of nonpayment is transferred to EXIM Bank. The benefits of Export Credit Insurance are compelling:

SAFEGUARD AGAINST RISK

- › Transfer the risk of nonpayment to EXIM Bank
- › Protect against liquidity shortages arising from delayed payments or nonpayment from overseas customers
- › Reduce earnings volatility, providing certainty and peace of mind

INCREASE AND EXPAND SALES

- › Extend credit terms, gaining competitive advantage in international markets
- › Safely enter new markets
- › Expand sales to existing customers with extension of credit terms

THE RESULTS

The Klumb Lumber website highlights three core values that guide the company's operations:

- › Be fiscally conservative
- › Extend credit to your customers
- › Above all, do what you need to do to help them build their business

Working with EXIM Bank, Klumb Lumber consistently upholds these values that are the foundation of the company's success. Managing currency devaluation, creditworthiness and political risks around the world are a part of doing business today. With Export Credit Insurance from EXIM Bank, Klumb Lumber helps customers in the Middle East, Asia, South American and the Caribbean build their businesses every day, secure in the knowledge that this family business is protected for generations to come.

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