

Export Credit Insurance Policy:

EXPRESS INSURANCE

The Simple Way to
Minimize Risk in the
Global Marketplace

EXIM
EXPORT-IMPORT BANK
OF THE UNITED STATES



WHAT IS EXPRESS 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 by your foreign buyer? Insuring your foreign receivables through EXIM's Express Insurance is a good place to start.

An Express Insurance policy covers receivables generated by foreign sales.

This type of short-term Export Credit Insurance 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 to win new customers and increase sales to existing buyers, while mitigating the risk of nonpayment.

Another benefit to insuring foreign receivables is that lenders will often accept them as collateral, expanding your borrowing base and improving cash flow.

Express Insurance:

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



YOUR BUSINESS CAN:

Increase Sales

Every small business wants to be more competitive. Providing open account credit terms is very appealing to foreign 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.

Mitigate 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. Express Insurance covers the foreign receivables generated by sales to international customers, mitigating 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.

What does Express Insurance Cover?

Commercial Risk Coverage:

- ✔ Insolvency
- ✔ Bankruptcy
- ✔ Protracted Default

Political Risk Coverage:

- ✔ War, Revolution, Insurrection
- ✔ Currency Transfer Risk
- ✔ Cancellation of an Import or Export License



HOW DOES EXPRESS INSURANCE WORK?



Step 1:

Your company identifies an international buyer and applies for Express 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.



WHY CHOOSE EXPRESS INSURANCE?

Policy Benefits

EXIM offers a variety of Export Credit Insurance policies, including Express Insurance, so that U.S. businesses can select the one that best suits their needs.

Express Insurance features a streamlined application and an expedited approval process, giving your business access to protection quickly.

- ✓ 95% coverage
- ✓ No deductible
- ✓ Two-page application
- ✓ No application fees
- ✓ Pay-as-you-go premiums

Business Qualifications

To qualify for Express Insurance, you must:

- ✓ Be a small business, as defined by the Small Business Administration (SBA)
- ✓ Be in operation for three or more years
- ✓ Have a positive net worth
- ✓ Have a DUNS number from Dun & Bradstreet
- ✓ Obtain and maintain an active [SAM.gov](https://sam.gov) registration, including the issuance of a Unique Entity Identifier (UEI)
- ✓ Have average annual export credit sales of less than \$10 million
- ✓ Have offered credit terms on export sales for five years or fewer



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. You can:



Get Started

Request a free consultation with an EXIM specialist in your area to determine your eligibility.

grow.exim.gov/consultationrequest



Get Helpful Advice

Do you have questions about account terms and financing for exporters? Our experts are here to help:

grow.exim.gov/export-financing-faqs



Learn Exporting Basics

Learn the basic fundamentals of trade finance and turn export opportunities into sales.

grow.exim.gov/export-guide



Guide to Working Capital Loan Guarantee

Find out how EXIM can unlock your cash flow by working with your lender.

grow.exim.gov/wclg-guide



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.