2022 Exporter Multi-Buyer
POLICY **REVISIONS**

01

Stop Shipment Thresholds

Stop shipment thresholds have changed to > 60 days and ≥ $10,000 (from > 90 days and ≥ $2,000). You will be required to stop shipping to a buyer once the buyer becomes past due by more than 60 days for $10,000 or more.

02

Overdue Reporting Thresholds

Thresholds have changed to > 60 days and ≥ $10,000 (from > 90 days and ≥ $25,000). You will be required to report overdues of $10,000 or more that are more than 60 days past due.

Stop shipment and overdue reporting thresholds are now the same. For the purpose of using a Discretionary Credit Limit (DCL), the definition of prompt payment in the DCL endorsement is also changed to 60 days and $10,000.

03

Local Costs in Buyer's Country

There's a new defined term for *"local costs"*. Covered local costs may include costs which support the delivery and installation of the insured's products, and local duties/taxes. Local costs that are not covered include (i) local goods, (ii) costs associated with promoting the sale of the products, or (iii) post-installation costs.

Local costs will be covered under the policy at a maximum of 15% of the invoice for the products. Separately invoiced local costs will not be covered.

04

Discretionary Credit Limit (DCL)

Check EXIM's *Convicted Parties List* before using DCL. The Discretionary Credit Limit (DCL) endorsement (if applicable to the insured's policy) will be revised to include language either (a) prohibiting the use of the DCL, or (b) requiring EXIM's prior written approval before using the DCL, for transactions involving the individuals or companies that are on the *Convicted Parties List*.

Shipping Documents

05

There are two new requirements for shipping documents. In addition to being issued by an unaffiliated third party, shipping documents must now identify that unaffiliated third party. Also, when shipping to a party other than the buyer either inside or outside the buyer's country, the written instructions you receive from the buyer must include the name of the recipient (i.e. the company) of the shipment.

Whole Turnover Policy

06

The policy requires you to report and pay premium on all shipments that meet the definition of a reportable transaction unless the shipment or buyer is otherwise excluded by the terms of the policy.

Date of Shipment

07

The policy text now includes a definition of *"date of shipment"*. The date of shipment begins when the goods are placed en route to the buyer by you, your supplier, or agent, regardless of the Incoterms, including Ex Works.

Discretionary Credit Limit and Special Buyer Credit Limit endorsements establish the maximum payment terms you may offer to a buyer, calculated from the date of shipment.

Non-Acceptance of Shipment

08

There are new defined terms *"non-acceptance"* and *"non-acceptance percentage"*, which remains 60% of the loss. You are required to notify EXIM in the event of non-acceptance, and required to get EXIM's approval before selling the products to a third party (i.e. not the buyer).

Date of Default

09

The definition of *"default"* has been revised. Default for sales made on **Cash Against Documents** (CAD) and **Sight Draft Documents Against Payment** (SDDP) terms is deemed to have occurred if payment is not made within 30 days of the date of shipment.

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.