EXIM
EXPORT-IMPORT BANK OF THE UNITED STATES

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EXIM's export finance regional directors are ready to answer your questions and expedite your EXIM application.

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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.

BRCH-MBSR-21-03-22

Multi-Buyer Select Risk Policy:

ONLY PAY FOR WHAT YOU COVER

Exporters of U.S. goods and services can reduce the risk of selling on credit terms by insuring their export accounts receivable with EXIM's short-term multi-buyer export credit insurance. The Multi-Buyer Select Risk policy (MBSR) option offers a number of benefits:

- Flexibility: exporters have the freedom to choose which export credit sales to insure by excluding select lower-risk countries/buyers

- Savings: pay insurance premium only on perceived higher risk buyers/countries

HOW TO **QUALIFY:**

The exporter must meet the following requirements:

- Have at least three years of operating history and a positive net worth;
- Have at least one year of experience extending credit internationally; and
- The portfolio you are insuring must be at least 50 percent* of the exporter's total eligible export credit sales in U.S. dollars.

*EXIM may be able to offer flexibility on portfolios that do not meet the 50 percent threshold requirement, as long as the remaining spread of risk is sensible.

Coverage Parameters:

Covered Losses

Coverage includes default due to commercial reasons (bankruptcy, insolvency, or protracted default) and political events (i.e., war or foreign currency inconvertibility).

Transaction Coverage Percentage

The MBSR policy covers 95 percent for both commercial and political losses. A one time annual deductible is applied per the policy period (to be decided in underwriting).

Premium Rates

Premium rates are calculated based on factors including length of terms offered, buyer type, spread of country risk, transaction type, and previous export experience. Premiums are paid on all transactions, except for the endorsed exclusions, and must be paid no later than the last day of the month following the month of shipment.

Types of Exclusions

These categories can be selected as an exclusion of coverage under the MBSR option:

- Large multinational buyers
- Prime customers (customers that paid promptly over the last three years)
- Specific countries (perceived lower-risk countries such as Germany)
- All letter of credit transactions
- Transactions payable at sight (e.g., SDDP, CAD) Sales to Canada
- Sales of samples
- Sales to subsidiaries and affiliates
- Invoices under $10,000

DETERMINING YOUR **MBSR PORTFOLIO**

If an exporter from Illinois has a total export credit portfolio of $1.6 million annually with sales comprised of: Canada $300,000; a large corporation in Saudi Arabia $100,000; a prime customer in France $300,000; Mexico $400,000; India $300,000; and China $200,000. As Canada is a standard exclusion, the $300,000 is removed from the MBSR portfolio calculation resulting in adjusted total eligible export credit sales of $1.3 million. The sales to Saudi Arabia and France meet the MBSR non-standard exclusion criteria, so $100,000 and $300,000, respectively, can also be excluded from the portfolio. Thus, the total non-standard exclusions equal $400,000, making the MBSR EXIM policy portfolio equal to $900,000 (i.e., $1.3 million less $400,000) representing 69 percent of the adjusted export portfolio.

As a result, the exporter meets MBSR eligibility requirements as the remaining MBSR EXIM policy portfolio represents at least 50 percent of the exporter's total eligible annual export credit sales.

Application & Policy Assignments:

Exporters will need to complete the MBSR Exclusions Worksheet to determine the potential MBSR portfolio. The worksheet will require disclosure of total export credit sales as well as any standard and non-standard exclusions being requested.

Policy assignments are subject to approval; policy proceeds (claim payments) may be assigned to a financial institution to arrange receivables financing or to add insured foreign accounts receivable to the borrowing base.