



### Talk to an Expert

EXIM specialists are ready and waiting in your area to give you a free consultation:

[grow.exim.gov/consultationrequest](https://grow.exim.gov/consultationrequest)



*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.*

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### *Small Business Multi-Buyer Export Credit Insurance:*

# PROTECT YOUR SMALL BUSINESS

Did you know that EXIM offers an Export Credit Insurance policy specifically for small businesses that are new to exporting, or have only occasionally exported in the past? This can help increase an exporter's international sales while minimizing risks, making it valuable as:

- ✔ A risk mitigation tool that insures receivables against nonpayment by foreign buyers
- ✔ A marketing tool that extends competitive credit terms to foreign buyers
- ✔ A financing aid to arrange attractive financing with the exporter's lender by using insured foreign receivables as additional collateral

# SAFEGUARD YOUR EXPORT SALES

One-time sales are fine, but if you want to build a long-term relationship with good buyers in over 180 countries, EXIM may be the right tool for you.

Export Credit Insurance covers commercial losses (such as insolvency, bankruptcy, and default) as well as political (such as war, revolution, cancellation of import or export license, and foreign currency inconvertibility). Both commercial and political losses are covered at 95 percent of the invoice total. There is no first-loss deductible.

## How to Qualify

Together with any parent company, subsidiaries, or affiliates, the exporter must:

- ✔ Be a small business as defined by the Small Business Administration (SBA)
- ✔ Have export credit sales (average from the preceding three years) not exceeding \$10 million
- ✔ Have at least three years operating history and a positive net worth
- ✔ Have a DUNS number from Dun & Bradstreet
- ✔ Obtain and maintain an active SAM.gov registration, including issuance of a Unique Entity Identifier (UEI)



## Coverage Parameters

1. Coverage is limited to the export of U.S. goods and services (*products must have more than 50 percent U.S. content, including labor but excluding mark-up*).
2. Coverage includes all shipments on credit terms (*such as documentary credits, unconfirmed letters of credit and open account*) to all eligible countries during the policy period, generally one year.
3. The policy may be renewed annually.
4. Repayment terms are up to 180 days, or exceptionally up to 360 days for qualifying transactions.
5. Confirmed letters of credit, cash-in-advance sales, and certain military or defense-related items are excluded from coverage.
6. There is a special program for small business exporters of specified environmentally related products and services.



## WHAT DOES IT COST?

Premiums are paid according to a [rate schedule](#). The cost per \$100 depends on the credit term extended and the buyer's type of business, and the same rate is applied to any covered country.

A one-time, refundable advance deposit of \$500 is required to issue the policy. Shipments may be reported anytime after the shipment is made, but no later than 30th of the month following the month of shipment.



**TIP:** A 25 percent discount on insurance rates is issued if your business also has a [Working Capital Loan from EXIM](#) or SBA.

### Pricing Example

A company produces widgets and sells a container load of product worth \$50,000 to a distributor in Mexico. The buyer's company is a private-sector business that has agreed to 60-day credit terms. Per the [small business rate schedule](#), EXIM's cost for political and commercial risk coverage would be only \$275 the month following the export—a much lower cost than letters of credit. Most businesses incorporate the cost of this premium into their sales price.

For future sales with private-sector buyers under 60-day credit terms, the exporter's rate will remain \$0.55 per \$100, regardless of the invoice amount. Their premiums are then:

<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

# POLICY PROCEDURES



## Discretionary Credit Authority

EXIM offers discretionary credit authority, which allows exporters to approve smaller buyer credits without prior EXIM approval. Discretionary credit limits are granted in accordance with the exporter's experience, and the exporter must obtain credit information on the buyer to show its creditworthiness.

EXIM must pre-approve amounts over the exporter's discretionary credit authority and in restricted countries (as noted in the [Country Limitation Schedule](#)).



## Overdue Invoices, Claims, and Payments

Exporters must report monthly all insured buyers past due over 60 days on amounts of \$10,000 or more for as long as the overdue situation exists, or until a claim is filed. Claims may be filed no earlier than 90 days and no later than 8 months after the due date. Claims are paid within 60 days of receipt of all required documents (faster when filed online).

Subject to approval, claim payments may be assigned to a financial institution to arrange receivables financing or add insured foreign accounts receivable to the borrowing base.



## Applications

Don't be intimidated by policy paperwork. Exporters can apply online or receive assistance from an EXIM staff member or [EXIM-registered broker](#). Exporters established with EXIM need a favorable, comparable [trade reference](#) or favorable [credit report](#) to qualify a buyer on amounts up to \$100,000—a framework similar to most domestic credit procedures.

