

## **PROVISION OF EXPORT CREDIT INSURANCE ON FOREIGN RECEIVABLES TO REDUCE REPAYMENT RISKS**

**The Export-Import Bank (Ex-Im Bank)** is the independent U.S. Government agency which helps to finance and to facilitate the export of U.S. goods and services. As a partner with Ex-Im Bank, the Missouri Development Finance Board and the Business Services, Missouri Department of Development, make a joint effort to bring the Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export. U.S. goods and services exported under this program must have at least 51% of U.S. content. Ex-Im Bank believes there is a great potential for increasing the amount of exporting done by small businesses. To that end, Ex-Im Bank has designed several programs especially for small business.

Ex-Im Bank offers a variety of export credit insurance policies to exporters and financial institutions to reduce repayment risks on foreign receivables due to political or commercial events. Insurance can be used to ensure that the exporter will be paid. Ex-Im Bank covers two types of losses:

1. **Commercial Losses** — resulting from nonpayment for such reasons as a buyer's insolvency or failure to pay an obligation within six months of the due date.
2. **Political Losses** — from certain specifically defined risks such as war, revolution, cancellation of import or export licenses and currency inconvertibility. Political risk insurance does not cover devaluation of a foreign currency as a risk of default.

Policies may cover single or repetitive sales to single or multiple buyers. As determined by the product, repayment terms are available for short-term sales of up to 180 days and exceptionally up to 360 days. Exporters using the short-term sales policy can obtain a political risk policy only. The maximum cover available under medium-term policies is \$10 million. Payment terms range from one to five years and exceptionally up to seven years.

For more information on the Export/Import Bank, visit [www.exim.gov](http://www.exim.gov).

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