

Instructions for Completing the EIS Trade Credit Insurance Application

General Guidelines:

- Answer all questions, and if they are not pertinent simply enter N/A (not applicable). Questions left unanswered can cause unnecessary delays.
- The person completing this application should be familiar with the applicant's business, customer base, receivables portfolio, loss experience, and also should have access to the sales information, receivables agings, as well as current years, and prior years', financial information.
- Answers should be presented as rounded estimates when portraying amounts and/or percentages.

Business Information Guidelines

1. **Section 1:** Tell us about your company, products and/or services. Questions 1-7 will ask you to identify the legal name of the entity to whom the policy should be issued and all other entities and tradestyles to be insured under the policy. Also, provide the types of products and services you manufacture and/or distribute.
2. **Section 2:** Tell us about your buyers. Questions 8-14 will describe the buyer range and type which you firm sells to, as well as, provide a total picture of the selling mechanisms, including terms and purchase order requirements, which are in place.
3. **Section 3:** What are your receivables agings like? Questions 15-17 describe your current accounts receivables status, and reveal your past loss record if any.
4. **Section 4:** Ensure that all required documents have been submitted with this application. Items 18-21 are some general questions which allow us to better tailor the policy to your specific needs, and also, Item 21 contains a list of required documents which we will need.
5. **Appendix A:** Fill in this chart showing the dollar volume shipped to each country, how many buyers in each country, and the average terms for each country. Also, submit projections for each country for the upcoming year.
6. **Credit & Collections Questionnaire:** Provide us with the standard credit and collections policies employed by your company, which employees are involved and their level of authority, and please be as detailed and accurate in this area as possible as this may become an integral component of your policy. Many carriers add this section to the policy as an addendum and may be reviewed for compliance in the event of a claim, so be sure that your answers are the standard practices used by your firm.

What you can expect: Once the application is submitted to the various carriers it will take one to three weeks for all of the quotes to be delivered to EIS. We will keep you apprised via fax as the individual quotes come in. After all the quotes have been received, we will then compile an analysis spreadsheet comparing all of the offers. We will assist, guide and advise you as we examine the information together in search of the best solution to your trade credit insurance needs.

- American International Group
 American Credit Indemnity
 MNCIC
 Export Import Bank of the US
 Foreign Credit Insurance Association
 CNA Insurance Group
 Lloyds of London
 Trade Credit Underwriters
 Exporters Insurance
 Other

EXPORT INSURANCE SERVICES, INC.

APPLICATION FOR MULTIBUYER EXPORT CREDIT INSURANCE POLICY ©

Date _____

Section 1

1. **Name of Applicant (company name):** _____
Name of Contact Person: _____
2. **Address:** _____
Phone: _____ **Fax:** _____ **E-Mail:** _____
3. **Name and address of Insurance Broker:**
Export Insurance Services, Inc.
P.O. Box 11602
Atlanta, GA 30355-1602
Phone: (404) 237-3979 Fax: (404) 237-9933 E-Mail: admin@exportinsurance.com
4. **Primary reason for application (check one):**
 Risk Mitigation
 Financing
 Extend More Competitive Terms
 Other
(explain): _____
5. **Background Summary** a) Date Incorporated: _____ b) Total Annual Sales: _____
b-1) Total Foreign Sales: _____ b-2) Total Domestic Sales: _____
c) Number of Employees _____ d) Standard Industrial Classification (SIC) Code (if known): _____
6. a) Number of years exporting: _____
b) Number of years exporting on payment terms other than cash in advance or letter of credit: _____
c) Number of years selling domestically on payment terms other cash in advance or L/C: _____
d) Are shipments made from locations other than the US or Canada? Yes No If so, from what locations and what percentage do these shipments represent of total foreign sales: _____

7. a) **Products and/or Services to be Exported:** _____

- b) Do you manufacture the goods you sell? Yes No
If not, what is the source of your goods? _____

- c) Are each of the products indicated above produced or manufactured in the United States?
 Yes No (explain): _____
- d) If yes, does more than 49% of the product value (exclusive of markup) originate outside the U.S.?
 No Yes (explain): _____
- e) Is any value added to the product after export from the U.S. but before delivery to your foreign buyer?
 No Yes (explain): _____
- f) Are products listed on the United States Munitions List? (part 121 of Title 22 of the Code of Federal Regulations) Yes No
- g) Are the products: New Used Both If used, attach Used Product Questionnaire.

Section 2

8. What are your normal Terms of Sale: _____

a) Do you confirm orders in writing or require acceptance signatures on your purchase orders? _____

b) Do customers have the right to cancel confirmed orders, and if so, under what terms? _____

9. a)	Percent of Foreign Buyers:	_____ %	Manufacturers
		_____ %	Wholesalers/Distributors/Dealers
		_____ %	Retailers
		_____ %	End Users
		100 %	Total
b)	Percent of Foreign Buyers:	_____ %	Private
		_____ %	Government
		100 %	Total

10. Additional Named Insured(s): Name(s) of any parent, subsidiary or majority-owned affiliate also invoicing export sales in its name and whose sales you would like to include under this insurance policy (please include those sales when answering all questions below).

Company	City/State/Country	Relationship to Applicant
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11. Will any shipments be made by you or your subsidiaries or affiliates listed above in item 9 from countries other than the United States?

No Yes (explain): _____

12. a) Export sales made during the last three years and those projected for the next 12 months:

Year	All Letter of Credit Terms and Cash in Advance	All Other Credit Terms
1) 19____	\$ _____	\$ _____
2) 19____	\$ _____	\$ _____
3) 19____	\$ _____	\$ _____
4) Next 12 Months	\$ _____	\$ _____

b) Maximum amount of export receivables expected to be outstanding at any one time during the next 12 months: \$ _____

c) Please complete the information in Appendix A on page 6.

13. Please indicate number of buyers in the following credit limit categories. For example: How many buyers did you sell to on Unconfirmed Letter of Credit terms with maximum outstanding balances in the \$0.00 to \$25,000.00 category, etc...

Maximum Outstanding By Buyer	<u>No. of Buyers in Range</u>		Maximum Outstanding By Buyer	<u>No. of Buyers in Range</u>	
	<u>Unconfirmed Letter of Credit</u>	<u>All Other Credit Terms</u>		<u>Unconfirmed Letter of Credit</u>	<u>All Other Credit Terms</u>
\$ 0 - 25,000	_____	_____	\$100,001 - 300,000	_____	_____
25,001 - 50,000	_____	_____	300,001 - 500,000	_____	_____
50,001 - 75,000	_____	_____	500,001 - 1,000,000	_____	_____
75,001 - 100,000	_____	_____	Over 1,000,000	_____	_____
			Totals	_____	_____

14. Please list your ten largest foreign buyers below (exclude buyers sold on terms of cash in advance or confirmed letters of credit):

Buyer Name/City/Country	Prior Year Shipment Volume	Payment Terms	Credit Limit Needed
A) _____	\$ _____	_____	\$ _____
B) _____	\$ _____	_____	\$ _____
C) _____	\$ _____	_____	\$ _____
D) _____	\$ _____	_____	\$ _____
E) _____	\$ _____	_____	\$ _____
F) _____	\$ _____	_____	\$ _____
G) _____	\$ _____	_____	\$ _____
H) _____	\$ _____	_____	\$ _____
I) _____	\$ _____	_____	\$ _____
J) _____	\$ _____	_____	\$ _____

Section 3

15. a) Total of all export receivables presently outstanding:
 \$ _____ as of _____ (Date)
- b) Amounts past due from the total outstandings shown in 14. a) (please do not show a "straight" aging of receivables):
 \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
 1-60 Days Past Due 61-90 Days Past Due 91-180 Days Past Due 181-360 Days Past Due Over 360 Days Past Due
- c) Total number of foreign buyers past due from the total outstandings shown in 15. a): _____
- d) Please attach explanation of amounts past due by more than 60 days (specify reason, country, buyer and collection efforts taken).

16. Have any export obligations been rescheduled during the last 12 months?
 No Yes (please provide details in a special attachment)

17. Please indicate all export receivable losses during the last five years:

Year	Sales	Amount	Explanation of Loss (Reason, country, buyer)
19____	\$ _____	\$ _____	_____
19____	\$ _____	\$ _____	_____
19____	\$ _____	\$ _____	_____
19____	\$ _____	\$ _____	_____
19____	\$ _____	\$ _____	_____

18. Has the Applicant ever dealt with credit insurance in the past?
 No Yes (explain): _____

19. Applicant's principal banking relationships:

Relationship	Bank Name	City/State	Contact Name
RECEIVABLES FINANCING	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

20. Are there any special features of cover that your firm requires (e.g. consignment)? _____

Section 4

21. The following information on the Applicant must be provided in order to process this application:
- ◆ Three most recent fiscal year's financial statements (financial statements will be a requirement of each subsequent policy renewal).

- ◆ Recent (within six months) credit agency report on Applicant. (If unavailable, please attach check for \$35 made payable to Ex-Im Bank.)
- ◆ Completed Credit and Collection Procedures Questionnaire. (Appendix B)
- ◆ Descriptive product brochures (if available).
- ◆ Resumes of person(s) responsible for international credit evaluation.
- ◆ Complete listing of Buyer names, addresses, phone numbers and credit lines needed
- ◆ A reference letter from the applicant's principal bank (preferably the bank which has a lending facility established for the company).
- ◆ Two reference letters from the applicant's principal commercial suppliers who have extended the company credit.

22. **ELIGIBILITY OF APPLICANT:** The Applicant certifies that it is;

- a) A corporation organized and existing under the laws of the United States or any state or territory thereof or the District of Columbia or an individual or partnership resident in the United States; or
- b) A foreign corporation, partnership or individual registered to do business in the United States.
- c) The undersigned declares that it is not currently, nor has it been within the preceding three years;
 - (1) debarred, suspended or declared ineligible from participating in any Federal transaction or (2) formally proposed for debarment, with a final determination still pending; (3) voluntarily excluded from participation in a Federal transaction; or (4) indicted, convicted or had a civil judgement rendered against it for any of the offenses listed in the Regulations governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations; Common Rule).
- d) The undersigned states, to the best of his or her knowledge and belief, that if any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of a Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. If Form-LLL is necessary, it may be obtained from Ex-Im Bank.

(Company Name)

(Print Name and Title)

(Address)

(Signature)

SMALL BUSINESS POLICY APPLICANT CERTIFICATION

"We are an entity which together with our affiliates had average annual export sales during our preceding two fiscal years not exceeding \$3,000,000, excluding sales made on terms of confirmed irrevocable letters of credit or cash in advance.

Signature

EXPORT INSURANCE SERVICE, INC.

CREDIT AND COLLECTION PROCEDURES QUESTIONNAIRE

(Please use additional pages as needed.)

1. Does your company have a separate department which assesses credit risk?

Yes No

If yes, how many employees are in the department? _____

2. Do the same individuals who assess domestic credit risk also assess foreign credit risks?

Yes No

3. Please provide the following information on those involved in making foreign credit decisions:

<u>Name</u>	<u>Title</u>	<u>Years of Credit Experience</u>	<u>Years of Foreign Credit Experience</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. Please provide the authority level for each position having the authority to approve credit limits on new buyers

and renew or amend credit limits for existing buyers.

<u>Title</u>	<u>Department</u>	<u>Authority Level</u>	
		<u>New Buyer</u>	<u>Existing Buyers</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. Can anyone overrule the decisions made by employees in the positions identified above?

Yes No

If yes, please explain: _____

6. Please check one:

- Foreign buyer limits are established for a specified period by the employees in the positions above, with others then having the ability to clear shipments based on those approvals, or
- Employees in the positions above have to approve each order

7. a) For new foreign buyers or ones you have not extended credit to for over 12 months, at a minimum, what credit information would you require to consider approving a credit limit?

b) How current must this information

be? _____

c) What general guidelines do you use to evaluate the information?

8. a) For existing foreign customers, what is the minimum information you would require to consider approving or renewing a credit limit?

b) How current must this information be?

c) What general guidelines do you use to evaluate the information?

9. Do you today have on file current financial information on your top five foreign customers?

Yes No

10. a) How often are accounts receivable reports generated and reviewed?

b) What position within the company reviews the reports?

11. When a foreign customer goes past due on an obligation that is not in dispute, what actions do you take within the following time frames to collect:

0 - 30 days past due _____

31 - 60 days past due

61 - 120 days past due

12. Assuming past dues are not insignificant or dispute related, at what point do you refuse to make further shipments to a past due account:

Signature: _____

Name (print): _____

Title: _____

Date: _____

Company: _____