

Multibuyer Policy

Non-Cancelable Limits

Key Features

- Country and Buyer Limits are Non-Cancelable
- Portfolio Coverage with “DCL” or for Key Accounts
- Premium Refund Bonus on Some Policy structures
- No Caps On Losses Under the DCL
- No Buyer Credit Limit Underwriting Fee
- No Collection Fee
- Up to 90% Coverage
- 12 or 24 Months Policy Term
- Low Policy Administration

FCIA's Non-cancelable Limits Policy

The policy offers comprehensive nonpayment coverage on international and / or domestic sales. Coverage can be on a portfolio with a DCL or limited to select key accounts. FCIA's Non-Cancelable Limits policy protects your company's business with non-cancelable buyer and country limits. All buyer limit underwriting and in-house collection efforts are provided at no additional charge. There are no caps on losses under the DCL.

Low Policy Administration: Generally you report the total amount of insured sales quarterly.

Eligible Goods / Services

Sales of all goods and services are eligible including any that are produced or performed abroad. This also includes insuring receivables arising from sales invoiced by foreign subsidiaries that are endorsed as additional named insureds to a policy.

You may invoice in US dollars, Euros, or one of the several hard currencies listed in the policy. Additional currencies can be considered at your request.



Policy Limits

Policy Aggregate Limits: The policy is endorsed with a policy limit of liability and country limits. The policy limit is the maximum amount the insurer will pay for all losses on transactions insured during the policy period. The country limit is the maximum amount payable for all losses on all buyers in that country.

Discretionary Credit Limit (DCL): FCIA offers flexibility in coverage by providing a Discretionary Credit Limit (DCL) on multibuyer policies, a policy feature that enables the insured to make their own credit decisions on the majority of their customers. To obtain a DCL, companies need to have at least one or more credit or financial professionals on staff managing accounts receivable.

Buyer Credit Limits: The policy establishes credit limits that determine the maximum amount of credit insured for any particular buyer. Credit limits can be approved by FCIA as Special Buyer Credit Limits (SBCL) or by you under the Discretionary Credit Limit (DCL). Eligible credit terms can be up to 180 days. Slightly longer credit terms are available for sales of capital equipment.

Key Account policies: Offers coverage on major customers in your portfolio. All buyers are approved by the insurer and endorsed to the policy. Additional buyers may be added during the policy period.

Non-Cancelable Limits: Subject to the policy terms and conditions, after issuing the policy, the insurer may not change any country or buyer limits.

Premium

Premium Calculation: Premiums are generally charged either as a percentage of sales or as a per annum rate on limits. Premium rates are influenced by various factors including country risk, obligor risk, length of payment terms, and your loss experience. Based on policy structure, usually 80% of the estimated annual premium is paid prior to policy issuance and is non-refundable.

Premium Reconciliation: If premium is charged as a percentage of sales, at the end of the policy period a final premium is computed on the total gross invoice value reported for the year, and a reconciliation premium is due if the calculated premium amount exceeds the premium paid.

Premium Refund Bonus: Depending on the policy structure, FCIA may offer a premium refund bonus. The premium refund bonus depends on various factors including no compensable losses and policy renewal.

Overdues Reporting

An overdue report must be filed each month if the amount overdue exceeds \$100,000 and if the amount is more than 90 days past due for a foreign buyer or 60 days past due for a domestic buyer. A complete listing and explanation of overdues in excess of 60 days will be required at policy renewal.

Claims Filing

All policies have a waiting period after due date before a claim can be filed. The waiting period is usually 90 days. Generally the deadline for filing a claim is 240 to 360 days after the due date. Approved claims are paid in U.S. dollars within 60 days of the insurer's receipt of a completely documented Proof of Loss.

Policy Deductible

Generally, a deductible applies to multibuyer policies with a DCL. The insured must remain at risk for the amount of the deductible as well as for the co-insurance percentage. For 24 month policy periods, a separate deductible usually applies to each 12 month period.

Key Accounts Policies may be available with no deductibles.

Target Market

Our target customers for multibuyer products are companies that have at least \$20 million in insurable domestic sales or \$7 million in international insurable sales. Our minimum annual premiums are \$15,000 for export and \$20,000 for domestic sales.

Coverage Commencement

Coverage begins when products are placed en route to the buyer or when services are performed.

Collections/Recoveries

Take advantage of our unparalleled expertise in collecting delinquent obligations! Dealing with debtors that hide behind excuses or their debtor-friendly legal system is an everyday activity for us. We have helped our customers collect millions of dollars for their own account related to coinsurance, deductibles and amounts in excess of their approved limit. Generally, recoveries are shared with the insured on a pro rata basis.

Online Policy Management

As an insured or producer with FCIA, you have access to our secure website where you can manage your policy online and are able to:

- Review the Policy, its Declarations and Endorsements
- Review the buyer credit limits and their expiration dates
- Apply to renew, change, or add buyer credit limits
- Submit a claim notification
- File overdue reports
- Get updates on pending applications and filings
- Access the last six months of FCIA's Country Risk updates

