

# Protect your international business. Play safe with export credit insurance

Do you produce capital goods? And do you have foreign customers? Atradius Dutch State Business could help you.

Your products often involve quite an investment for your buyer. So, your prospective customer is likely to ask for extended payment terms. But long payment terms can be risky. Will your customer make the agreed payments on time? Plus, such risks intensify when you export to challenging countries.

To help Dutch entrepreneurs with their exports, Atradius Dutch State Business provides export credit insurance on the government's behalf.

## How does export credit insurance work?



### Cover the risk of default

Export credit insurance covers political risks (up to 98%) and debtor risks (up to 95%). Because the Dutch state covers the risks, lenders are prepared to finance the transaction.



### Down payment

One condition is that your customer makes a downpayment of at least 15% of the contract sum. The 85% balance needs to be paid in six-monthly instalments. The duration of the financing is related to the transaction's value and economic lifetime. Amounts up to EUR 5 million typically have a 36-month repayment period.



### Bill of Exchange

Payments are usually made using bills of exchange. A bill of exchange is an internationally recognised payment method where the buyer promises to pay a certain sum on a specific date. Bills of exchange are used for half-yearly payments. Their advantage is that they are transferable.



### Working method

After completing all the commitments under the export contract, your buyer signs the certificate for transfer and a batch of bills of exchange. Back in the Netherlands, you can have these bills settled by your lender. Atradius DSB then gives your lender a direct guarantee. The lender then pays you the value of the bills of exchange after deducting discount and interest costs.



### Direct Guarantee

A direct guarantee is an 'abridged policy' for the lender. If the buyer/debtor fails to pay one or more bills of exchange, Atradius DSB will pay the lender the percentage stated on the direct guarantee.

## How does it work?

### STEP 1

#### Complete application form

Complete the application form on the Atradius DSB website. Every transaction requires a new application. After receiving your application and all the required information, it takes about eight weeks to send you the Promise of Cover.



### STEP 2

#### Contract takes effect

The Promise of Cover specifies the conditions under which we insure your risks. Knowing that the risk of default on the future transaction is covered, you can deal with your client with peace of mind. Once the contract comes into force and you have received the down payment, we will convert the Promise of Cover into a policy and charge the premium.



The Promise of Cover is free of charge and valid for six months. We can renew it for another six months. If the contract has not come into force, we must review new annual figures before extending coverage. We would charge you a maximum €500 for this.

#### Any questions or in need of advice?

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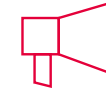
#### Please note!

When submitting your application, it is essential that you assume the worst-case scenario. Converting the Promise of Cover into a policy is more complicated if the insured risk is higher than initially assessed. Of course, we can always factor in any minor discrepancies.

### STEP 3

#### Taking out the policy

You take out the policy once the contract with your buyer has come into force. It is essential to compare the export contract with your Promise of Cover and notify Atradius DSB of any discrepancies. Atradius DSB processes them and issues the policy, which is the insurance agreement between you and Atradius DSB. It usually consists of general terms and conditions and a list of specific terms and conditions tailored to the insured transaction.



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