



TRADE
ACCEPTANCE
GROUP, LTD.



September 25th, 2025

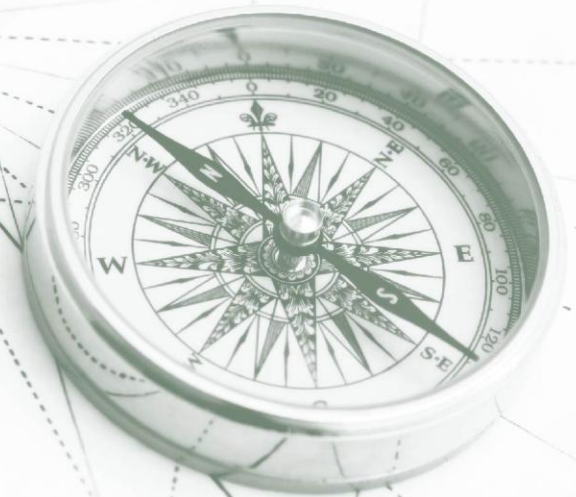
Maximize Export Sales and Minimize Payment Risk through Export Credit Insurance

Jacqueline Grahn, Principal
Trade Acceptance Group, Ltd.
(773)661-2272
Jackie@tradeacceptance.com



President's "E" Award for Export Service

*"4-time" winner of EXIM Bank 'Broker of the Year' Award in
2022, 2019, 2012, 2008 and 2002*



Export Readiness Checklist

Are you really ready?

✓ Why Export?

- 96% of the consumers live outside the US

✓ Export Assessment

- Strengths and weaknesses concerning exporting

✓ Assemble Export Team

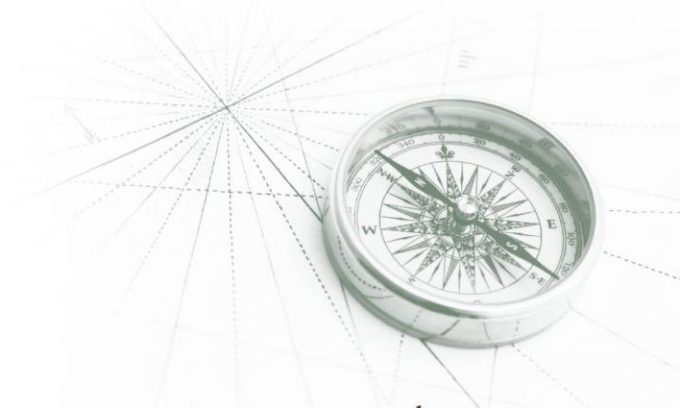
- Internal and External Teams/Experts/Resources

✓ Identify Export Countries/Customers/Distributors

- Proximity, Tariffs, Demand, Competitors, Distributor Searches, Trade Shows

• How do I get paid?!

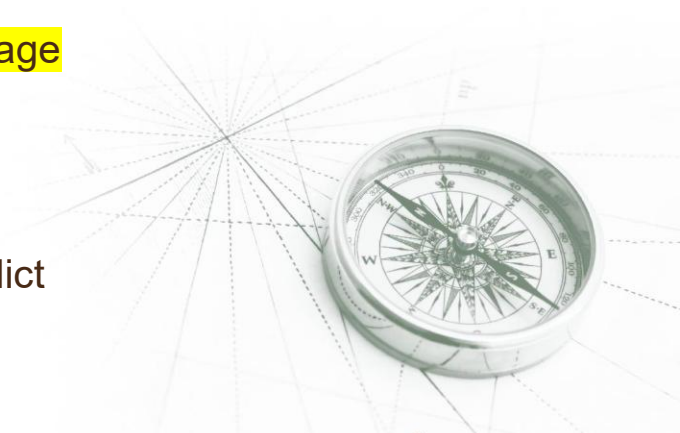
- A sale is not a sale until you get paid!



International Payment Term Options



- **Cash In Advance**
 - Cash is king
 - May restrict growth opportunities
- **Letters of Credit**
 - Shifts risk to buyer's bank; good for large \$, custom products, long production time
 - May not be competitive; need to fully understand all facets/costs
- **Documentary Collections**
 - Use banking channels to present and receive transaction documents
 - Goods release upon payment or a promise to pay at later date
- **Open Account/Trade Credit Insurance**
 - Augments credit process; slow pay & insolvency coverage
 - Single buyer; key accounts or whole turnover
- **Open Account/Self Insurance**
 - Minimal cost; simple to administer
 - Only uninsured asset on balance sheet, difficult to predict which customers won't pay



Why Understand International Payment Methods?

- **Assessing What's Right For You**

- How much risk is your company willing to take?
- How well do you know your customer?
- Planned relationship? Partner or transaction?
- What payment terms are typical for your industry?
- What is your competition offering? Your customer has choices. International trend is to offer credit.
- What is the nature of the order?
- What is the political and economic situation in the Buyer's country?



What is Export Credit Insurance?

- An insurance policy covering accounts receivable from export sales, that protects against non-payment by international buyers
- Allows U.S. companies to use credit as a sales tool
 - Short-term: commodities, consumables, parts, raw materials, up to 180 days typically.
 - Medium-term: Capital equipment to end-users, up to 5 years depending on the amount.

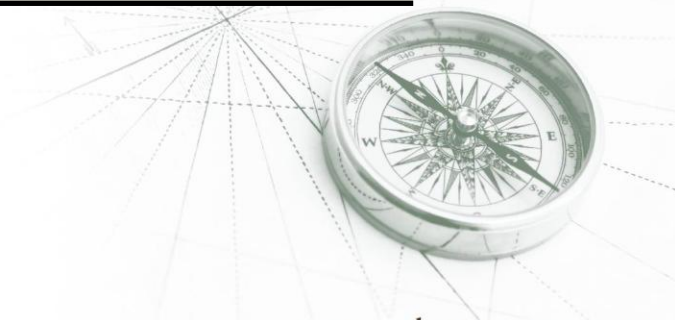
Credit insurance does not make a 'bad' credit 'good'!



What is Export Credit Insurance?

- Risks covered; not disputes

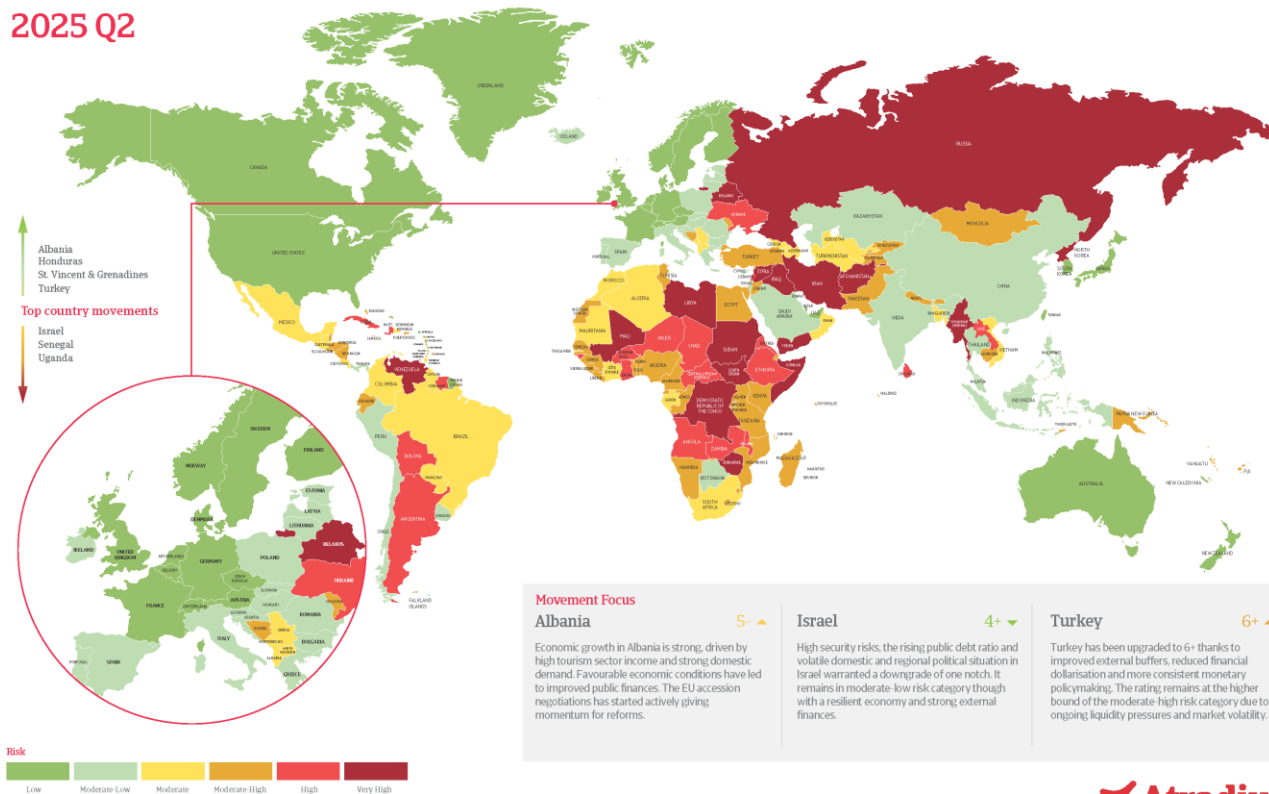
Commercial	Political
Slow pay	War, insurrection in buyer's country
Insolvency	Cancellation of import or export license
Currency devaluation	Currency inconvertibility
	Government law or regulation



Insurer Risk Map Example

Country Risk Map

2025 Q2



The Atradius Risk Map gives an overview of the level of risk associated with countries worldwide. This map has been created by our Economic Research team and drawn from a range of sources. This map is provided for information purposes only and is not intended as a recommendation as to particular transactions, investments or strategies in any way to any reader. For our full disclaimer and further information on our Risk Map, please visit: <https://group.atradius.com/publications/trading-briefly/risk-map.html>

Data as of 30 June 2025



How Export Credit Insurance Increases Sales?

- ✓ Minimizes Risks
- ✓ Provides a market Advantage
- ✓ Supplements financing, increases availability



Why Use Credit Insurance? (expanded)



- **Risk Mitigation**
 - Protect the largest asset on the balance sheet (A/R)
 - Reduce bad debt reserve
 - Third-party credit evaluation
- **Increase & Protect Market Share**
 - Offer open terms or longer terms in more markets
 - Improve customer cash-flow
 - Make it easier to do business with you
- **Financing**
 - Include foreign a/r, alleviate concentrations, or increase advance rate on a credit facility
 - Facilitate lower IR U.S. financing to your customer in a higher IR country



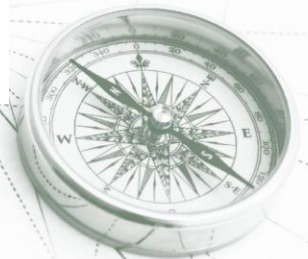
Trade Credit Insurance Providers: EXIM Bank



•**Mission:** Ex-Im Bank enables U.S. companies –large and small- to turn export opportunities into real sales that help to maintain and create U.S jobs and contribute to a stronger national economy.

•Ex-Im Bank is a **self-sustaining**, independent agency of the United States government

- Established in 1934
- Headquartered in Washington, DC

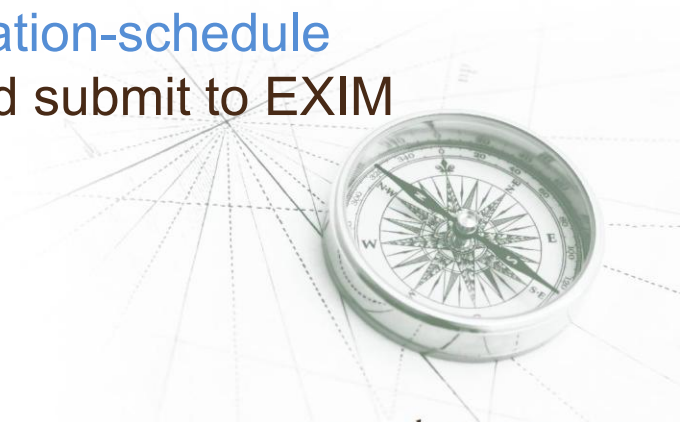


Trade Credit Insurance Providers



- **US Government – EXIM**

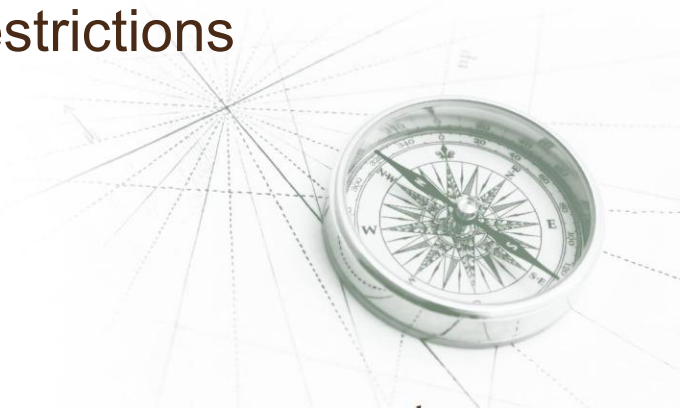
- Export sales of US goods/services only
- Must be exported from US, 51% US Content
- Small Business Initiative, no minimum transaction amount
- Typically highest indemnity of 95% coverage
- Policy Options: All open account buyers or just one buyer
 - some exceptions
- Premium based on buyer's country and payment terms
- Country Limitation Schedule:
<https://exim.gov/resources/country-limitation-schedule>
- Exporter obtains credit info on buyer and submit to EXIM to approve buyer prior to export



Trade Credit Insurance Providers



- **Private Insurance Providers – Allianz, Atradius, Coface, FCIA, etc.**
 - More flexibility in coverage options
 - Domestic or export sales coverage
 - Typically 90% indemnity
 - Insure a select pool of accounts
 - \$12,000 to \$15,000 minimum premium typical
 - No foreign content or military sales restrictions
 - Less policy administration
 - Can compete on price



Key Players in the trade credit insurance market:



Trade Credit Insurance Policy Options:



Policy Types

- Single buyer
 - Select risk
 - One-off or repetitive
- Multi-buyer
 - Spread of risk
 - Key accounts or whole turnover
- Domestic
- Export
- Short-term
- Medium-term

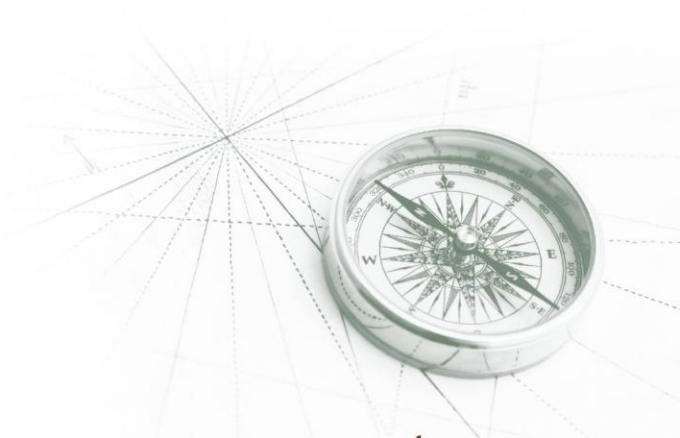
Policy Features

- Prepaid/pay-as-you-go
- Co-Insurance
- Deductible
- Buyer credit limits
- Discretionary Credit Limits
- Approval charges
- Sales reporting
- Collections vs. claims



Buyer Qualifications/KYC

- Same line of business for 3 years
- No adverse material issues
- Typical Credit/Financial Information Requested by Insurer:
 - Credit agency report, ownership information, public records, payment history
 - Trade and bank references
 - Financial statements, generally TNW should be twice amount of credit limit requested, positive operating profit
 - Government resources
 - Department of Commerce
 - State Department
 - Ex-Im Bank
 - Personal visit
 - Gold Key



Example: EXIM Buyer Underwriting Standards

*For up to
\$100,000, you need:*

1

The foreign buyer has **been in the same general line of business** for at least three years.

2

A favorable credit report

OR

A favorable trade reference
(preferably from a U.S. supplier)

OR

The applicant's favorable ledger experience

OR

Buyer's signed financial statements from the two most recent fiscal years

*For \$100,001 to
\$500,000, you need:*

1

The foreign buyer has **been in the same general line of business** for at least three years.

2

A favorable credit report

3

A favorable trade reference
(preferably from a U.S. supplier)

OR

The applicant's favorable ledger experience

OR

Buyer's signed financial statements from the two most recent fiscal years

*For \$500,001 to
\$1,000,000, you need:*

1

The foreign buyer has **been in the same general line of business** for at least three years.

2

A favorable credit report

3

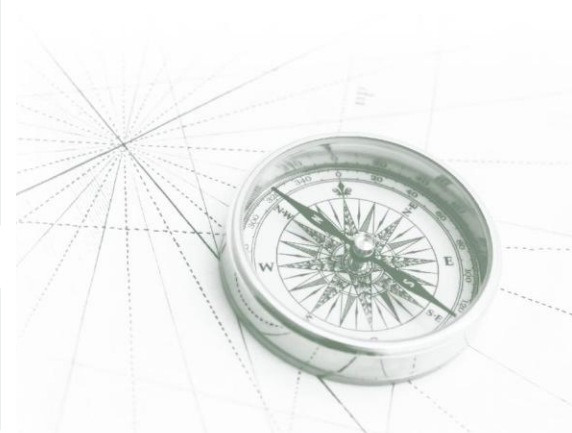
A favorable trade reference
(preferably from a U.S. supplier)

OR

The applicant's favorable ledger experience

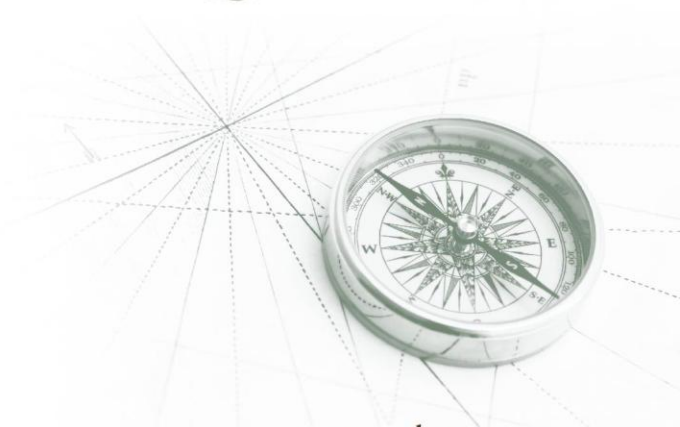
4

Audited or signed unaudited financial statements with notes for the last two fiscal years



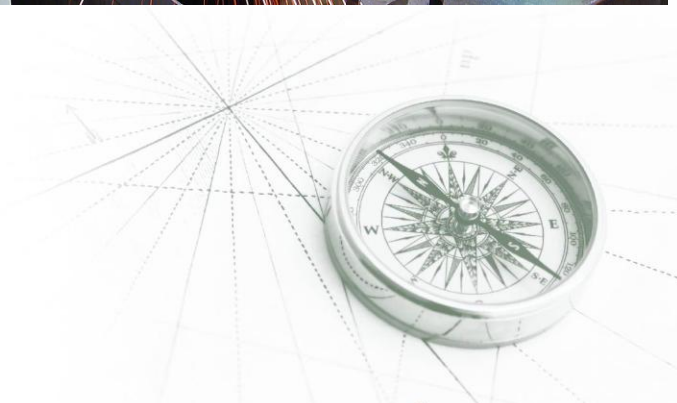
Exporter Case Studies

Product	Industrial Engines
Challenge	Entering Latin American Market, established dealers who expected terms, non U.S. content
Sales Insured	\$4MM to start to Multiple Dealers
Countries	Mexico, Costa Rica, Guatemala, Honduras, Colombia
Terms	90 Days
Rate	.5375



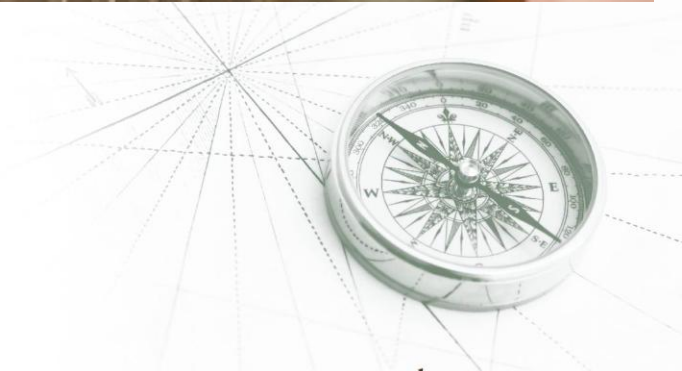
Exporter Case Studies

Product	Custom Metal Forming
Challenge	Foreign Auto and Aerospace clients demand terms, bank won't lend against foreign a/r
Sales Insured	\$5MM to Multiple Buyers
Countries	Canada, Singapore, UK, India, Hungary
Terms	Up to 120 Days
Rate	.39



Exporter Case Studies

Product	Saws, Blades
Challenge	Terms are CIA to most foreign customers, long-standing Mexican distributor requested terms
Sales Insured	\$750,000 to Single Buyer Claim Amount: \$124,000 Approved
Countries	Mexico
Terms	60 Days
Rate	.75

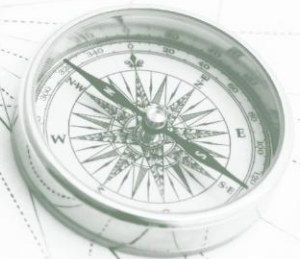


Why use insurance? From an exporter's perspective



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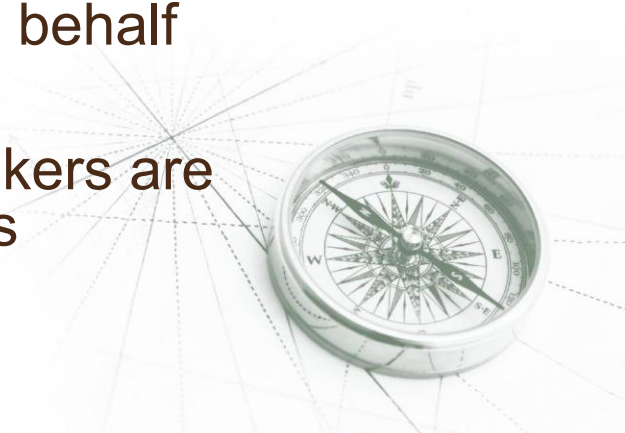
- “Helps our company look like a bigger, stronger company overseas”
- “I don’t stay up at night worrying about getting paid”
- “I can offer extended terms, build in the cost of the insurance and interest and still offer better financing than what my dealers can obtain locally”
- “I can now monetize my growing foreign a/r base”
- “It instills discipline in our credit review process”
- “It’s a tool that allows our sales and credit folks to meet in the middle with the goal of growing our export business”



Why Do U.S. Companies use a Specialty Broker?



- **Most importantly, to help them obtain trade credit insurance so that they can offer extended payment terms to their customers.**
- **How does a broker help?**
 - Provide education on on the market
 - Obtain policy quotations from multiple providers
 - Advocate and negotiate on company's behalf
 - Provide training/service
 - All of the above at no added cost. Brokers are compensated by the insurance carriers



Trade Acceptance Group “TAG”



- Specialty trade credit insurance broker
- Partner-owned firm since 1996
- Winner of the President’s “E” Award for Export Service
- EXIM’s Most Active Broker, 5-time broker of the year winner 2022, 2019, 2012, 2008, 2002
- Experienced broker of Private Insurance and Domestic credit insurance
- Members of the U.S. Department of Commerce District Export Councils (DEC)
- Illinois DEC: <https://illinoisdec.com/>



We Work for You

Trade Acceptance Group is a specialty financial services company founded by seasoned international banking professionals to provide innovative trade finance solutions.

www.tradeacceptance.com

