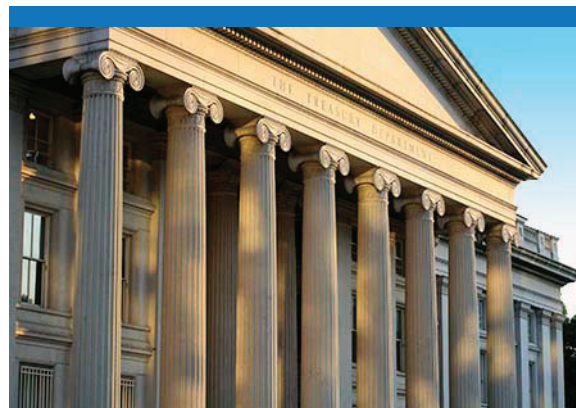


## Purchase of Receivables Policy

### Supply Chain Financing

### Key Features

- Bank (or Financial Institution) is named the policyholder
- Financial Institution can "pass back" co-insurance to the seller
- Premiums payable only on actual purchases
- Policies cover one or multiple buyers
- Non-cancelable limits or Pay-As-You-Go policy options available
- Up to 90% coverage



### FCIA's Purchase of Receivables Policy

FCIA's Purchase of Receivables Policy provides cover to a bank against nonpayment of foreign or domestic trade receivables that are purchased from a seller of goods or services. Coverage applies on a single buyer basis or a portfolio of key accounts. Bank can pass back co-insurance to the seller.

### The Seller of Receivables

Companies sell their receivables for a variety of reasons including access to financing, balance sheet enhancement, and offering longer payment terms to their buyers. The seller is generally located in the United States and enters into a purchase agreement with the bank. The seller may act as the collection servicer. Invoicing can be in U.S. dollars, Euros or another currency endorsed to the policy.

### Why Buy Purchase Of Receivables Insurance?

Banks most often use our Purchase of Receivable Insurance policy to insure transactions that might otherwise exceed existing internal country or obligor capacity limitations. A policy can also be used to mitigate risks in foreign markets where the bank has limited experience. This enables a bank to leverage its capacity and avoid referring customers to other banks or miss opportunities to take on new business.

### Example

