

2. Small Exporter's Policy (SEP)

Eligibility Criteria	<ul style="list-style-type: none"> • An exporter whose anticipated export turnover for a period of one year does not exceed Rs 5 crore is eligible for this policy.
Suitability	<ul style="list-style-type: none"> • Small exporter having exposure up to Rs. 50 Lakh on single buyer
Type Of Policy	<ul style="list-style-type: none"> • Whole Turnover declaration-based Policy wherein all shipments are required to be covered under the policy.
Scope	<ul style="list-style-type: none"> • All shipments to buyers not being in Buyer Specific Approval List (BSAL) shall be eligible for cover.
Period of Policy	<ul style="list-style-type: none"> • 12 Months
Exclusions Permitted	<ul style="list-style-type: none"> • Shipments backed by Letters of Credit.
Risks covered	<ul style="list-style-type: none"> • Commercial Risks / Buyer Risk • Political Risks • L/C Opening Bank Risk
Percentage of Cover	<ul style="list-style-type: none"> • 95% under Commercial Risks • 100% under Political Risks
Important Obligations of the Exporter	<ul style="list-style-type: none"> • Obtaining valid credit limit on buyers and LC opening banks from ECGC. • Premium is payable in advance before commencement of risks and sufficient premium deposit is also to be maintained in advance based on the turnover projection at all times during the policy. • Submission of Monthly declaration of shipments by 15th of the subsequent month. • Notifying/Declaration of payments for bills that have remained unpaid beyond 60 days from its due date of payment, by the 15th of the subsequent month. • Filing of claim within 360 days from the due date of export bill or 540 days from expiry date of the Policy cover whichever is earlier. • Taking loss minimisation steps and recovery steps including legal action. • Sharing of recovery.
Major Highlights of the Policy	<ul style="list-style-type: none"> • Higher Percentage of cover. • Competitive premium rate based on terms of payment and country classification. • Premium outgo is proportionate to actual exports turnover. • No Claim Bonus (NCB) of 5% subject to no claim, up to a maximum of 50%. • Discrepancy cover for L/C transaction subject to terms & conditions of policy. • Provision to cover buyers in Restricted Cover Category (RCC) country subject to specific approval. • Automatic cover for resale/reshipment up to 25% of the Gross Invoice Value (GIV). • Availability of Discretionary limits on buyers subject to terms & conditions of policy. • Cover for Merchanting trade with prior approval through an endorsement. • The normal waiting period for settlement of claims is reduced to two months.