

SALES LITERATURE
Multi Buyer Exposure Policy in Foreign currency (MBEP-FC)

1. Units located in Special Economic Zones (SEZ) will be eligible for this cover.
2. The currency of the Policy shall be in USD. It means that all amounts payable under this Policy (by the Insured or by us) shall be in USD and the limits fixed under the Policy (ALL/SLL) shall also be in USD.
3. The Policy shall cover Invoices denominated in all permitted currencies, except INR.
4. If the invoice value of the goods dispatched is expressed in a currency other than USD, each of the invoice value shall be converted into Indian Rupee and thereafter from Indian Rupee to USD. The conversion of any other currency into USD shall be as per the rates mentioned in the extant notification issued by the Central Board of Excise and Customs ("CBEC") applicable on the date of receipt of proposal / date of shipment / date of realization, as applicable.
5. The insurable export turnover should not be less than 3 million USD, to be eligible for MBEP-FC.
6. The Aggregate Loss Limit (ALL) offered for cover should not be less than 10% of the insurable exports turnover.
7. The Period of the Policy shall be 1-year (365 days).
8. The processing fee for assessment of the Policy Proposal shall be 200 USD. It shall be collected along with the proposal form and shall be non-refundable.
9. Premium has to be remitted in advance, in full, at the start of the Policy. However, option of payment in quarterly instalment , on or before the due date of the respective instalments to cover the shipments, in tune with the requirements prescribed under Section 64VB of Insurance Act, 1938 shall also be available.
10. Single Loss Limit (SLL) will be to the extent of 10% of ALL. In case of requirement of higher SLL, the same may be considered by competent authority, subject to payment of additional premium.
11. The percentage of cover for MBEP-FC shall be 80%.
12. The 'Insured Risks' under the Policy shall be :
 - A. Commercial Risks (Buyer Risks)
 - (i) PROTRACTED DEFAULT
 - (ii) INSOLVENCY
 - (iii) CONTRACT REPUDIATION
 - B. Political Risks (Country Risks)
 - (i) INCONVERTIBILITY
 - (ii) CONTRACT FRUSTRATION
 - (iii) CONTRACT CANCELLATION
 - (iv) IMPORT RESTRICTION
 - (v) SHIPMENT DIVERSION

13. If the PH opts for LC cover, Commercial Risks of PROTRACTED DEFAULT and INSOLVENCY of the Bank opening / confirming the Irrevocable Letters of Credit (Bank Risks) shall be available
14. The 'Risks not covered' under the Policy shall be :
- (a) Commercial disputes such as quality disputes, delivery schedule, counter-claim, set-off etc raised by the buyer, whether or not such disputes relate to past or current shipments, unless the exporter obtains a decree from a competent court of law in the buyer's country in their favour.
 - (b) Causes inherent in the nature of the goods.
 - (c) Failure or inability of the Buyer or the LC opening Bank to obtain necessary import or exchange authorization from the authorities as per the extant regulation relating to the transaction.
 - (d) Failure, including commissions and omissions, default or insolvency, on the part of any agent of the exporter or collecting bank.
 - (e) Loss or damage to goods which can be covered by general insurers.
 - (f) Exchange rate fluctuation.
 - (g) Failure or negligence on the part of the exporter to fulfil the terms of the export contract.
15. The following transactions shall be excluded from the purview of cover unless specifically agreed to be included for cover, in writing by us:-
- (i) Exports to Buyers in Specific Approval List (BSAL)
 - (ii) Exports to Buyers in Countries placed in Restricted Cover Category (RCC) or destination of goods being to RCC (excepting where payments are to be received unconditionally from the Buyers of the Countries other than RCC)
 - (iii) Exports on Deferred Payment Terms
 - (iv) Exports against Letters of Credit confirmed by a Bank in India
 - (v) Exports to Associate/Subsidiary of the exporter
 - (vi) Merchanting Trade/Third Country Exports
 - (vii) Exports of Services including IT Enabled,
 - (viii) Exports against Advance Payment received before the date of shipment
 - (ix) Exports under Consignment Sales
 - (x) Such special export transactions that are unique/different from a normal export transaction (viz., High Sea Sales etc.).
16. The Policy shall not cover exports of commodities of Gems, Jewellery, Diamond (GJD), Iron Ore and Granite.
17. Transactions with countries prohibited to deal in US denominated currencies shall not be covered.
18. In respect of Deemed Exports, cover may be available in case the payments are received in free foreign currency (except INR) and shall be subject to suitable endorsement under the Policy. Further, such buyers are required to be duly informed and approved by us in writing.
19. A Quarterly Statement of exports before the end of the first month of the beginning of the subsequent quarter shall be submitted.
