



Product features of Export Receivable (Factors Risks) Insurance Cover (ERIC)

S. No.	Attribute	Product features
1	Type	Whole turnover for ceded exporter-buyer combinations, subject to the approved Insured Loss, for a period of one-year.
2	Eligibility criteria	(a) All categories of manufacturer exporters including the MSMEs. (b) Exporter should not be on Specific Approval List (SAL) and Reserve Bank of India (RBI) caution list. (c) Factor should have necessary Indian Regulatory approvals for doing export factoring business.
3	Risks covered	(a) Commercial risks of Insolvency and Protracted Default of the buyer in respect of bills drawn on Open Account / Documents on Acceptance (DA) basis (b) Political risks
4	Risks excluded	(a) Associate Buyers, Consignment Sales, Merchanting Trade, Deemed Exports, Agent failure, Trade disputes. (b) Buyers in Buyer Specific Approval List (BSAL), except those listed on BSAL for exposure monitoring. (c) Repudiation
5	Countries	(a) Countries falling under A1, A2, B1 and B2 categories are eligible for cover. (b) Countries in Restricted Cover Category (RCC) and C1/C2/D shall stand excluded.
6	Commodities Excluded	Gems, Jewellery & Diamond (GJD), Granite, Iron-Ore, Software Exports and Traded Commodities namely, Gold, Silver, Crude Oil, Wheat, Palm Oil, Cotton, Rubber and Sugar.
7	Percentage of Cover	The percentage of cover shall be 90%.
8	Premium/Minimum Premium	Premium is payable on the factored amount on all bills drawn on the approved exporter-buyer, on a monthly basis. Minimum Premium shall be calculated on the projected amount of all the receivables under the exporter-buyer combination, based on the applicable premium rates. It is payable upfront and is non-refundable.
9	Premium Rate	As per the rate chart based on the country rating (A1, A2, B1 and B2) and tenor of the bill (up to usance period of 270 days).
10	Maximum liability (ML)	No stipulated ML. Liability on any given buyer shall be up to an amount not exceeding the Insured percentage as applied on the amount of loss and further subject to the approved Insured Loss (Credit Limit).
11	Processing fee	Rs. 2,000/- per proposal.
12	Submission of Declaration	Declaration for a month shall be submitted by 10th of the next month which shall include details of bills handled/factored, realized/recovered and overdues.
13	Lodgment of claim	After 120 days from the due date but not exceeding one-year from the due date of payment.
