

# Buyer credit insurance

## Facility V

### Who is this insurance facility for?

This medium and long-term facility provides coverage against commercial and political risks for domestic or foreign credit institutions which, following export performance, provide financing to foreign buyers of businesses registered in Hungary, either directly or through a foreign credit institution.

This insurance is backed by an absolute suretyship from the state budget, and therefore it can only be taken out in respect of the export of products and the provision of services for which the minimum degree of Hungarian origin is in accordance with Art. 312/2001. (XII. 28.) in force at the time of the conclusion of the contract.

### What cover does the insurance provide?

This insurance covers commercial and political risks.

### What is the subject of the insurance?

Receivables of the financing credit institution due from the foreign buyer, as debtor, under a credit contract related to an export-purpose foreign trade contract (direct buyer credit), or the receivables of the financing credit institution due from the foreign buyer's bank, as debtor, under a credit contract related to export-purpose foreign trade contract(s) (interbank buyer credit).

### What events are insured?

Indemnification by MEHIB applies to losses incurred as a result of the following insured events:

- insolvency (e.g. bankruptcy, liquidation, out-of-court settlement with creditors) of the foreign borrower (the foreign buyer or the foreign credit institution directly financing the foreign buyer); non-payment by the foreign borrower or its surety/guarantor,
- consequences of political risks (e.g. embargo, freeze on transfers, war, strike, etc.) and natural disasters that lead to a default on the part of the buyer.

### When does the risk assumption start and end?

In the case of Facility V, MEHIB's risk assumption commences on the date of entry into force of the buyer's credit contract, provided that the prerequisites for entry into force and the conditions for the first disbursement set in the insurance contract and the credit contract have

been met. MEHIB's risk assumption lasts until the due dates for payment of the receivable as defined in the buyer's credit contract, or until the occurrence of an insured event.

### How much is the deductible?

The deductibles ratio to be borne by the insured party is 5%, deviations from which are recorded in the policy.

If a lower deductible is applied compared to the above, MEHIB is obliged to conduct the relevant preliminary procedures stipulated in EU legislation.

### What costs does the insurance entail?

Insurance premium:

The insurance premium depends on the risk rating of the country in which the registered office of the foreign borrower (the foreign buyer or the foreign credit institution directly financing the foreign buyer) and the surety/guarantor is located, the rating of the foreign borrower and the surety/guarantor, the extent of the deductible, the duration of the risk assumption and the terms of repayment.

The calculation base for the insurance premium is the amount of the buyer's credit facility.

Other fees:

MEHIB also charges other fees in addition to the insurance premium, the latest applicable rates of which are included in MEHIB's List of Terms and Conditions.

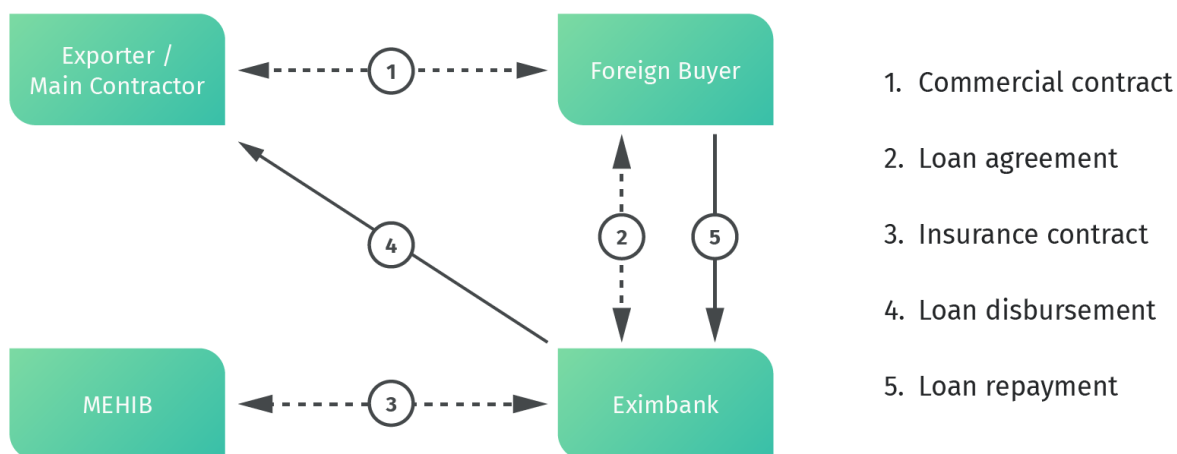
### How can indemnity claims be made?

- The insured becomes entitled to file an indemnity claim upon the occurrence of an insured event, with a deadline of 15 days.
- MEHIB settles its obligation to pay indemnification on the basis of a claim submitted by the insured party, that is supported by evidence and accepted by MEHIB, within 30 days from the expiry of the claims waiting period, whereas in the case of insolvency, within 30 days from the receipt of the final document required for the assessment of the claim.
- The basis for the indemnification payment is the sum of the receivable(s) outstanding at the due date(s) stipulated in the credit contract, and the contractual (transaction) interest calculated in respect of any claims waiting period.
- The claims waiting period is 90 days from the occurrence of the loss.

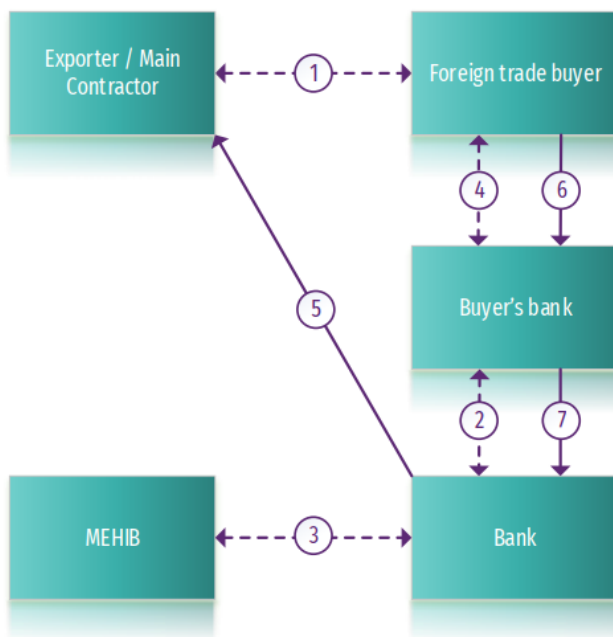
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**Don't leave anything to chance...**

**BUYER CREDIT INSURANCE (FACILITY V)**



INTERBANK BUYER CREDIT (FACILITY V)



1. Foreign trade agreement
2. Interbank buyer credit agreement
3. Insurance contract
4. Loan agreement between the buyer's bank and the buyer
5. Loan disbursement
- 6-7. Loan repayment