

Contract Frustration Insurance

At Export Development Canada (EDC), the door to exporting options is always open. One of the ways we can help you succeed in the global marketplace is with Contract Frustration Insurance.

WHAT IS CONTRACT FRUSTRATION INSURANCE?

Contract Frustration Insurance is single contract insurance that protects you for up to 90% of your eligible losses, resulting from a wide range of commercial and political risks.

WHY SHOULD I BUY IT?

- your buyer declares bankruptcy, defaults on a payment or terminates your contract;
- your buyer is unable to convert or transfer currency to pay you;
- money is lost because of war or related disturbances, including acts of political terrorism;
- your export or import permits, licenses, approvals or authorizations are cancelled.

WHAT CAN IT DO FOR ME?

Contract Frustration Insurance gives you the confidence to pursue new customers, enter new markets, and bid on larger contracts.

It does this by:

- giving you the ability to offer your buyer more flexible payment terms;
- helping you access more working capital because you can assign the claim proceeds to your bank;
- protecting your cash flow and balance sheet by limiting losses related to certain export-related risks.

WHAT SECTORS BENEFIT MOST FROM THIS INSURANCE?

This insurance is targeted specifically to Canadian exporters of capital goods or services and their Canadian suppliers.

CAN I CHOOSE WHICH CONTRACTS TO INSURE?

Single contract coverage is available on a fully selective basis, provided the associated risks and Canadian benefits are acceptable to EDC.

HOW MUCH WILL IT COST?

The cost depends on the risk involved. Contact us for an estimate tailored to your contract.

HOW DO I APPLY?

Simply complete and submit an application to EDC, along with a signed copy of your contract. This new consolidated application, available online, can also be used to request EDC coverage for any contract bonds (surety or bank instruments) that are required by your contract.

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KEY BENEFITS

Contract Frustration Insurance can help you protect a single export contract against a variety of political and commercial risks.

1. Protects against losses

Up to 90% of losses protected resulting from a range of political or commercial risks.

2. Streamlined application

Simply send us an application and a signed copy of your contract.

3. Free up working capital

Assign proceeds of the policy to your bank, encouraging them to free up working capital.

► FIND OUT MORE

For more information on EDC's insurance solutions, visit www.edc.ca/insuranceform.

Ce document est également disponible en français.