CIT PHASE 2 CHANGES AND IMPACT FOR BROKERS

Duration: 1 hour

Canada

EDC

INTRODUCTION

OBJECTIVES

After completing this module, you will understand:

1. MAIN CHANGES

The main changes between phase 1 and phase 2 policy conversions

2. STEPS REQUIRED

The steps required by the customer or broker during the conversion process

3. PROCESSES

The processes changes that you need to be aware of as Broker

SEPARATE POLICIES

SEPARATE POLICIES – NO LONGER JOINT

EXPORT

and

DOMESTIC

policies are linked

- Priced and underwritten together
- Issued separately
- Managed independently with different parameters and parameter values
- **The link picto allows you to toggle between linked quotes and policies**

WHAT DOES THIS MEAN?

APPLICATION		POLICIES	DIRECTIONS TO PAY	DOCUMENTATION	RENEWALS
1 online application	Domestic	1 Policy	1 DTP	1 Coverage Certificate 1 General Terms & Conditions 1 Invoice 1 Statement of Accounts	1 Renewal Form
	Export	1 Policy	1 DTP	1 Coverage Certificate 1 General Terms & Conditions 1 Invoice 1 Statement of Accounts	1 Renewal Form

WHAT DOES THIS MEAN FOR YOUR CUSTOMERS?

- For linked export and domestic offers, **both** must be accepted for the policies to be activated
- If **export only** coverage is accepted = new quote with new pricing is required
- A system generated message will prompt the customer to accept the linked offer

ADDING OR REMOVING DOMESTIC COVERAGE

Impacts

ADDING DOMESTIC COVERAGE MID-TERM	New application required
CANCELLING EXPORT POLICY MID-TERM	Domestic policy will automatically be cancelled at anniversary date
CANCELLING DOMESTIC POLICY MID-TERM	Export only renewal pricing adjusted to reflect the change in total insurable sales

EDC

PRODUCT DELIVERY MODEL (PDM) AND PRICING

PRODUCT DELIVERY MODEL AND PRICING

- The combined anticipated annual insurable sales of the linked policies allow us to determine which key features are offered to policyholders
- Credit approval fees are now charged consistently for domestic credit limits. No change to credit fees: CAD $9 or US $7 / per credit limit per quarter
- Minimum premium will be shared between the export and the domestic policies. No change to minimum premium amounts: CAD $750 or US $550

PRODUCT DELIVERY MODEL

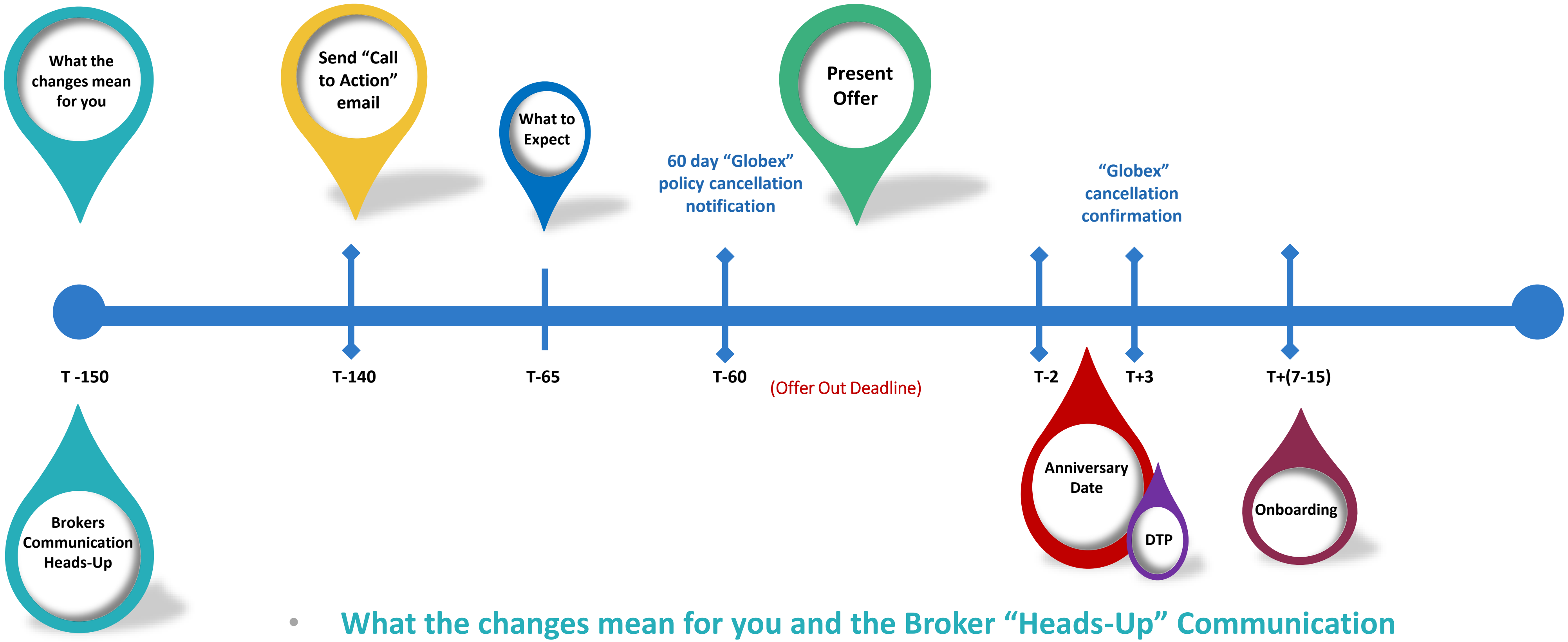
INSURABLE SALES *	CREDIT GRANTING SERVICE (DCL) **	PREMIUM METHOD	PREMIUM PAYMENT DETAILS	CREDIT APPROVAL FEES ****
Up to and including CAD $1M	Default $0 Max $25K	Fixed Minimum Premium	100% minimum with no declarations ***	Per credit limit
More than CAD $1M up to and including CAD$ 5M	Up to $50K	Fixed Minimum Premium	80% minimum with yearly true-up ***	Per credit limit
More than CAD $5M up to and including CAD $10M	Up to $50K	PAYG or Fixed	PAYG or 80% minimum with yearly true-up ***	Per credit limit or fixed
More than CAD $10M	Up to $100K	PAYG, Fixed and structured options offered	PAYG or 80% minimum with yearly true-up ***	Per credit limit of fixed

* **For domestic and export policies, the policy parameters are determined based on the combined anticipated annual insurable sales of each policy.**
** $ denotes USD or CAD
*** The premium period default is quarterly to align with the credit approval fees, but can be modified during the underwriting process.
**** Credit approval fees will be charged on a quarterly basis.

POLICY CONVERSIONS

CONVERSION TIMELINE

COMMUNICATION



- What the changes mean for you and the Broker "Heads-Up" Communication
- Call to Action to complete mini application
- What to Expect
- Offer presentation
- 60 day cancellation notification and cancellation confirmation
- Assisting customers in adding Direction to Pay
- Onboarding activities

CHANGES FROM PHASE 1

Mini-Application

- Customers will be required to differentiate sales forecast between **Canada – Domestic** and **Canada - Export**
- Canadian sales forecast is required by province
- Amended language in the Declarations and Representations – Broker
  Additional language added to the mini-application to reflect EDC's partnership with COFACE

Country and Credit Limit Mismatch

- If coverage for a country is no longer required for the new policies but is covered under the **Globex policy**, the **credit limits** under the existing policy will **not be transferred** during the migration process

CHANGES FROM PHASE 1 CONTINUED…

Direction to Pay (DTP)

The customer will be required to submit a new DTP after policy activation

- Note that a separate DTP will be required for ***each*** policy (export and domestic policy)
- Revised onboarding process and improved communication targeted to customers with DTPs

Customer onboarding

Through a series of three emails, EDC has a new approach to onboarding which will:

- Highlight portal functionality
- Provide common tips to improve usability and reference links
- Promote the use of online portals
- Encourage customers to contact Customer Care **directly** for assistance

CREDENTIALS AND ACCEPTANCE

CIS Credentials

- Policyholder main contact will receive credentials from EDC upon broker's request
- Brokers that were not part of Phase 1 will receive CIS credentials on **April 17th**

Billing portal credentials

- Policyholder main contact will receive billing portal credentials upon policy activation
- Brokers that were not part of Phase 1 will receive billing portal credentials on **April 17th**

Offer acceptance

- Brokers must **provide** the proper quote version numbers and **inform** their customers to accept or reject both linked quotes online
- Customer **must accept** an offer or linked offers *(brokers cannot accept on customer's behalf)*

EDC

LANDING PAGES AND SUPPORT TOOLS

Broker landing pages:

- English
- French

The following tools can be found on EDC's Credit Insurance Help and Support Site:

- Add or remove a direction to pay
- Amend the declaration amount
- Pay premium and fees
- Submit claims and overdues

The Domestic Policy - recording

NEXT STEPS, QUESTIONS AND FEEDBACK

Phase 2 conversions:

- Customer communications start on April 17th, 2019
- Broker will receive a list of policyholders by monthly batch starting on April 17th, 2019
- First batch conversion – August 1, 2019 anniversary date

Questions and Feedback:

- Brokers@edc.ca

TAKE ON
THE WORLD

EDC