

Agreement TBA

#### **Covered causes of loss**

Insolvency	(00300.00)
Protracted default	(00500.00)
Third country risk	(01100.00)
Political Risk	(00900.01)
Political risk acceptable currencies	(00910.00)

#### **Excluded causes of loss**

Generally excluded losses	(01200.00)
Exclusion of political risk	(01300.00)

#### **Insured receivables**

Insured receivables	(01700.00)
Invoicing period	(02100.00)
Value added tax	(02400.00)
Goods sold from consignment stock	(02700.01)
Agents	(03400.00)
Del credere agents	(03450.00)
End-Buyer	(03500.00)
Self billing	(03900.00)
Run-in cover (pre-credit risk)	(04700.00)
Retention payments	(03800.00)

#### **Excluded receivables**

General exclusions	(05400.00)
Sanctions exclusion	(05405.01)
Non-acceptance of goods	TBA
Securities Exclusion	(62388.00)

#### **Excluded buyers**

Associated buyers exclusion	(08400.00)
Private individuals exclusion	(08500.00)
Public buyers exclusion	(08700.00)
Datum line	(09305.00)
Low coverage exclusion	(09340.00)

**Credit Limits**

Credit Limits	(TBA)
Credit Limit Decisions	(TBA)
Discretionary Credit Limits by Credit Reports	(TBA)
Discretionary Credit Limits by Payment Experience	(TBA)
Discretionary Credit Limits by Credit Management Procedures	(13250.01)
Credit Management Procedures	(TBA)
Insured percentage for discretionary credit limits	(13950.00)
Discretionary credit limits for non-vetted buyers	(14000.01)
Maximum aggregate credit limit decisions amount	(10950.01)
Common credit limits	(14300.00)
Credit limits from your former insurer	(14400.00)
Continuation of cover	(14800.01)
Binding contracts	(15206.00)
Credit limit costs	(11200.00)
Right to vary credit limit costs	(11600.00)
Grace period	(11000.00)
Information company	(12400.00)

**Country cover terms**

Country cover terms	(15600.00)
Retention of title	(15900.00)

**Start and end cover. Notifications**

Commencement of credit risk cover	(16500.00)
Extending the due date of payment	(16900.00)
Automatic Stoppage of Cover	(17700.01)
Obligation to notify breach of maximum extension period	(18500.01)
Obligation to notify adverse information	(18900.00)
Services or work not yet invoiced	(18100.00)
Queried Invoices	(19700.01)
Reporting threshold	(19300.01)

**Loss Prevention and Debt Collection**

Actions minimise loss	(20100.00)
Contribution to costs	(20700.00)

**Claims**

Allocation of payments	(21300.00)
Amounts held in trust	(21310.00)
Allocation of proceeds from guarantees	(21305.00)
Claims	(21700.00)
Insurer's maximum liability	(23300.00)
Allocation of claims liability	(24100.00)
Each and every first loss	(26500.00)
Claims threshold	(26100.00)
Minimum retention	(26900.00)
Aggregate first loss	(24900.00)
Group aggregate first loss	(25700.00)
Obligatory refund of payments to the insolvent estate	(22900.01)

**General Observations and Non observance**

Providing information and disclosure of facts	(TBA)
Retained risk	(27700.00)
Consequences of non-observance	(28500.00)

**Premium**

Declaration	(30100.01)
Work in Progress Cover declarations	(63179.00)
Premium payment	(32500.00)
Advance premium	(TBA)
Minimum premium	(33300.00)
Premium Bonus	(62179.00)
Premium bonus/surcharge	(35300.01)
No claims bonus	(36500.01)

**Policy duration and termination**

Policy duration and renewal	(38900.00)
Termination of the policy	(TBA)
Termination of the policy	(TBA)

**Miscellaneous**

Right to vary policy conditions	(39370.00)
Pre-credit risk	(43500.00)
Work in Progress Cover	(63180.00)
Communication	(44700.00)
Transfer of the policy	(45100.00)
Assignment of contractrights	(45200.00)
Assignee	(41900.00)
Assignment obligations-rights	(42400.00)
Nominated loss payee	(42700.00)
Designated loss payee	(42707.00)
Subrogation	(TBA)
Exclusion of Third PartyRights	(45250.00)
Set off	(45901.00)
Policy currency andconversion	(46700.00)
Applicable law, jurisdiction and language	(TBA)



This section describes the terms and conditions of your policy. Words shown in italics refer to values specified in the Policy Schedule.

### Agreement

We, the Insurer, have issued this policy of insurance to you, the Insured named in the Policy Schedule. We agree to indemnify you in accordance with the terms and conditions of this policy for the loss you may sustain in the event that you do not receive full payment for Insured Receivables because of the occurrence of a Covered Cause of Loss.

In any claim, and/or action, suit or proceeding to enforce a claim for loss, you shall bear the burden of proving that the loss is recoverable under this policy, no condition or warranty has been breached and that no exclusion applies.

### Covered causes of loss

#### Insolvency

(00300.00)

For the purposes of this policy, the Covered Cause of Loss Insolvency shall mean any of the following situations or events:

- a) the institution of a judicial or administrative procedure pursuant to the law of the Buyer's country, whereby the assets and affairs of the Buyer are made subject to control or supervision by the court or a person or body appointed by the court or by law, for the purpose of reorganisation or liquidation of the Buyer or of the rescheduling, settlement or suspension of payment of its debts;
- b) a procedure as described above has been rejected or stopped by the court for lack of assets;
- c) the execution of a judgement fails to satisfy the amount owing in full;
- d) an extrajudicial full and final settlement has been agreed with all or the majority of creditors and we have given our prior approval;
- e) you show to our satisfaction that the financial position of the Buyer is such that to start or continue legal proceedings will have no cost effective result;
- f) such situations or events which, in our sole opinion, in substance or effect are equivalent to the situations and events mentioned in a) to d) above.

For this Covered Cause of Loss, the Date of Loss shall be:

for a) and b) the date of the court order or decision;

for c) the day of the unsuccessful execution of the judgement;

for d) the day on which all or the majority of creditors have agreed to the settlement; for e) and f) the day on which we have informed you that we have formed such opinion.

#### Protracted default

(00500.00)

For the purposes of this policy, the Covered Cause of Loss Protracted Default shall mean the failure of a Buyer to pay the receivable within the *waiting period* specified in the Policy Schedule.

If the Schedule of Countries specifies a longer *waiting period* for the country of the Buyer, this shall be the applicable *waiting period*.

The *waiting period* commences on the original due date of payment of the receivable.

For this Covered Cause of Loss, the Date of Loss shall be the date on which the applicable *waiting period* expires.

#### Third country risk

(01100.00)

Where goods are to be despatched to or services or work are to be performed in a country other than the Buyer's country, cover shall apply in respect of any loss arising in connection with the Third Country from: Moratorium, War, Natural Disaster, Contract Frustration and Export Licence Cancellation.

You must obtain a Credit Limit Decision which specifically approves cover for the Third Country Risk. Such cover shall be subject to the terms and conditions specified in the Credit Limit Decision.

Any withdrawal of cover by us in respect of Buyers in a particular country shall also apply to contracts which provide for goods to be despatched or services or work to be performed in that country.

#### Political Risk

(00900.00)

This Covered Cause of Loss applies only to losses relating to Buyers in countries other than your country for which this policy provides political risk cover, as indicated in the Schedule of Countries.

For the purposes of this policy, Political Risks shall mean any of the following situations or events:

- a) Moratorium: a general moratorium, decreed by the government of the Buyer's country.
- b) Transfer delay: political events, economic difficulties, currency shortages or legislative or administrative measures in the Buyer's country which prevent or delay the transfer of amounts deposited by the Buyer. This Covered Cause of Loss shall only apply if the Buyer has deposited the amount owing within 6 months from the original due date of payment.

- c) Discharge of debt: a generally binding measure taken in the Buyers country which gives him a valid discharge of the debt once the payment has been deposited (but not under the law of the contract), whereas, because of exchange rate fluctuations, this deposit when converted into the currency of the contract at the time of transfer is less than the amount of the receivable.
- d) War: the occurrence of war (including civil war, hostilities, rebellion and insurrection), revolution or riot in the Buyers country. However, any loss arising directly or indirectly from war (whether before or after the outbreak of hostilities) between any of the following countries: China, France, the United Kingdom, the Russian Federation and the United States of America shall not be covered by this policy.
- e) Natural disaster: cyclone, flood, earthquake, volcanic eruption or tidal wave or other forms of natural disaster in the Buyers country.
- f) Contract frustration: a measure or decision taken by the government of a foreign country which in whole or in part prevents performance of the contract.
- g) Export licence cancellation: the cancellation or non renewal of an export licence or the introduction of a law in your country which prohibits or restricts the export of the goods.
- h) Public Buyer default: the failure or refusal on the part of a Public Buyer to fulfil any of the terms of the contract. This Covered Cause of Loss shall apply only where we have indicated in the Credit Limit Decision that the Buyer is a Public Buyer.

For this Covered Cause of Loss, the Date of Loss shall be the date at which the *waiting period* specified in the Policy Schedule expires. If the Schedule of Countries specifies a longer *waiting period* for the country of the Buyer, this shall be the applicable *waiting period*.

The *waiting period* commences on the original due date of payment of the receivable.

#### Political risk acceptable currencies

(00910.00)

For Political Risk Cover your contract with the Buyer must be denominated in one of the following currencies:

Australian Dollar, Canadian Dollar, Czech Koruna, CFA Franc, Danish Krone, Euro, Hong Kong Dollar, Hungarian Forint, Japanese Yen, New Zealand Dollar, Norwegian Krone, Polish Zloty, Saudi Arabian Riyal, Slovak Koruna, South African Rand, Swedish Krona, Swiss Franc, UK Pound Sterling, US Dollar.

[ADDICURR].

#### Excluded causes of loss

##### Generally excluded losses

(01200.00)

Cover shall not apply to:

- a) losses directly or indirectly caused by, contributed to by or arising from the ionising, radioactive, toxic, explosive or other hazardous or contaminating properties or effects of any explosive nuclear assembly or component thereof, nuclear fuel, combustion or waste;
- b) losses caused by or resulting from disputes where the Buyer claims for any reason whatsoever that he is justified in withholding partial or full payment or not performing any of his obligations under the contract.  
This exclusion shall no longer apply as soon as and to the extent that the dispute has been resolved in your favour either amicably or by a final court judgment or final arbitration award;
- c) losses caused by or resulting from a failure by you or by any person representing you or acting on your behalf to fulfill any of the terms and conditions of the contract or to comply with the provisions of any law or any order, decree or regulation having the force of law;
- d) losses caused by or resulting from a failure to obtain any import or export license or other authorisation necessary for the performance of the contract or where performance of the contract would contravene any exchange control regulation.  
This exclusion does not apply where the necessity arose or exchange control regulation came into force after the date of Commencement of Cover;
- e) where goods are to be dispatched to, services or work are to be performed in, or payment is to be made from a country other than the Buyer's country - losses arising in connection with the third country, unless we agree otherwise in writing.

#### Exclusion of political risk

(01300.00)

Cover shall not apply to any loss directly or indirectly caused by, contributed to by or arising from:

- a) a general moratorium, decreed by the government of the Buyer's country or of any country through which payment must be effected;
- b) political events, economic difficulties, currency shortages, devaluations or fluctuations, or legislative or administrative measures in the Buyer's country which prevent or delay the transfer of amounts deposited by the Buyer;
- c) war (including civil war, hostilities, rebellion and insurrection), revolution or riot;
- d) cyclone, flood, earthquake, volcanic eruption or tidal wave or other forms of natural disaster or force majeure;
- e) the introduction of import or export restrictions or the cancellation of import or export licences or other governmental measures which prevent performance of the contract.

### **Insured receivables**

#### **Insured receivables**

(01700.00)

Insured Receivables are contractual amounts owing to you:

- a) by Buyers in the countries included in the Schedule of Countries and
- b) that arise from your normal *trade activities* as mentioned in the Policy Schedule and
- c) that relate to goods despatched or services or work performed within the *policy duration* and
- d) for which you have a valid Credit Limit for the Buyer and
- e) for which the payment terms agreed with the Buyer do not exceed the *maximum credit terms* mentioned in the Policy Schedule which shall be calculated from date of invoice and which comply with the conditions of cover for the Buyer's country as specified in the Schedule of Countries.

#### **Invoicing period**

(02100.00)

You must submit your invoices to the Buyer within the *invoicing period* mentioned in the Policy Schedule. The invoicing period shall be calculated:

- a) for the supply of goods: from the date of despatch of the goods;
- b) for the performance of services or work: from the date when you have completed such services or work for which you are entitled to receive payment from the Buyer.

#### **Value added tax**

(02400.00)

Amounts of Value Added Tax or comparable turnover-related tax or charges on Insured Receivables shall be either included or excluded from cover as indicated in the Policy Schedule.

#### **Goods sold from consignment stock**

(02700.01)

Where you have delivered the goods on a consignment stock basis, Credit Risk Cover shall commence when the Buyer or a person acting with the Buyer's consent removes the goods from the stock, provided that you submit an invoice to the Buyer for the resulting receivable(s) within [NROFDAY3] days from the removal of the goods from the stock. Pre-Credit Risk Cover if held shall not apply to consignment stock contracts.

#### **Agents**

( 03400.00)

The policy shall also apply to contracts or receivables from contracts that are made on your behalf and for your account by a third party (henceforth the agent). Such contracts may be made either in your name or that of the agent, but you must at all times retain an insurable interest in the contract and our cover will be limited to the extent of that insurable interest.

The following terms and conditions shall apply:

- a) any payment received by the agent shall be deemed to be a payment received by you.
- b) where appropriate, you must require the agent to meet the policy terms and conditions on your behalf. In particular, you must require the agent to take all actions to minimise loss on your behalf. If the agent fails or refuses to do so after we have made a claims payment in respect of the Buyer, you will be liable to refund such claims payment to us on demand.

Where the agent has received payments from the Buyer to settle the amount owing to you and provided that:

- a) he has irrevocably deposited these payments with the bank or institution designated by the competent authorities or approved by us within 30 days after his receipt of these payments; and
- b) this policy provides Political Risk Cover for the country of the Buyer, cover shall continue to apply to any losses arising from Political Risk.

#### **Del credere agents**

**03450.00**

The policy shall also apply to contracts or receivables from contracts that are made by a third party (henceforth the seller) or by you as agent for the seller, where you have fully taken over the risk of non-payment by the Buyer from the seller, so that you are committed to pay the seller irrespective of whether or not the Buyer pays you.

The following terms and conditions shall apply:



- a) where appropriate, you must require the seller to meet the policy terms and conditions. Any failure by the seller to meet this requirement shall be deemed a failure by you under the policy. In particular, you must require the seller to take all actions to minimise loss on your behalf. If the seller fails or refuses to do so after we have made a claims payment in respect of the Buyer, you will be liable to refund such claims payment to us on demand.
- b) we shall not be liable to pay you until you have fully discharged your liability to the seller
- c) each contract must provide for you to obtain the documents of title, as well as for you to acquire irrevocably the right to receive, sue for recovery and retain payment of any amount owing from the Buyer under the contract.

**End-Buyer****03500.00**

The Policy shall also apply to receivables owed by Buyers where you have agreed that the Buyer will pay you when they receive payment from their Buyer, known as the End-Buyer.

The Policy shall also apply to receivables owed by the End-Buyer.

The following conditions shall apply:

- a) you must obtain a Credit Limit Decision which specifically approves cover on the Buyer and the End-Buyer;
- b) the payment terms agreed between the Buyer and the End-Buyer must not exceed the *maximum credit terms* mentioned in the Policy Schedule which shall be calculated from the date of invoice of the Buyer to the End-Buyer;
- c) where the Buyer has received payments from any source in relation to the amounts owed to you, they are obliged to pay you as though payments had been received from the End-Buyer;
- d) you must require the Buyer to meet the policy terms and conditions on your behalf. In particular, you must require the Buyer to take all actions to minimise loss on your behalf. If the Buyer fails or refuses to do so after we have made a claims payment in respect of the End-Buyer, you will be liable to refund such claims payment to us on demand;

With the exception of c) and d) above, the End-Buyer shall be considered as a Buyer for the purposes of the policy.

Cover in respect of the End-Buyer shall be the Covered Cause(s) of Loss specified in the Credit Limit Decision from us and may be subject to additional premium which, if due, will also be specified in the Credit Limit Decision.

**Self billing****03900.0**

Cover shall also apply to receivables where the Buyer issues self billing invoices.

In the event that the Buyer fails to raise a self billing invoice within the *invoicing period* mentioned in the Policy Schedule, or if the Buyer's Insolvency occurs, you must, without undue delay, raise an invoice and submit this to the Buyer for any receivables which have not been self billed.

**Run-in cover (pre-credit risk)****04700.00**

Pre-Credit Risk Cover shall also apply to contracts made not earlier than [PCRRUNIN] months before the *policy start date* or before Pre-Credit Risk Cover was added to the policy, whichever is later.

**Retention payments****03800.00**

Where the Buyer has the contractual right to retain part of the contract price for the satisfactory performance of the contract, cover shall also apply to such receivables, provided that the amount retained does not exceed [PRICEPCT]% of the contract price and shall be retained no longer than [RETPAPER] months calculated from the date of Commencement of Credit Risk Cover.

The *maximum credit terms* mentioned in the Policy Schedule shall not apply to such receivables.

**Excluded receivables****General exclusions****(05400.00)**

Cover shall not apply to any loss:

- a) in respect of any interest accruing after the original due date of payment;
- b) in respect of any penalties or damages, whether contractual or otherwise, which you may be entitled to be paid by the Buyer in addition to the amount owing;
- c) in respect of banking costs, unless contractually agreed to be part of the amount owing from the Buyer;
- d) in respect of any costs which you incur in resolving disputes between you and the Buyer or in defending any proceedings brought against you or initiated by you;
- e) you may sustain where and to the extent that such loss is (or would be but for the existence of this policy) capable of being covered by any other insurance held by you or from which you may be entitled to benefit or receive payment.

**Non-acceptance of goods****(TBA)**

Cover shall not apply to losses caused by or resulting from the failure or refusal by the Buyer or by any person representing the Buyer or acting on the Buyer's behalf, to accept goods despatched, except where such failure or refusal is in breach of contract.

**Sanctions exclusion****(05405.01)**

Cover shall not apply to any of your receivables, business, trade activities or risks if providing cover or payment of any claim or benefit would expose us to the risk of breaching, or put us in breach of, any sanction, prohibition or restriction under United Nations resolutions or sanction regulations of the European Union or the United States of America or any applicable national sanction laws or regulations.

**Securities Exclusion****(62388.00)**

The policy shall not apply to receivables for which payment has been wholly secured by the Security unless such security has been made a condition of cover for the Buyer. Where payment is partially secured by the Security, the policy shall only apply to those receivables not secured by the Security, unless this has been made a condition of cover for the Buyer, in which case the Policy shall apply to all such receivables.

**Excluded buyers****Associated buyers exclusion****(08400.00)**

The policy shall not apply to amounts owed by Buyers over whom you have direct or indirect control or in whom you have a direct or indirect interest or who have such a control over or interest in you, unless we agree otherwise in writing.

**Private individuals exclusion****(08500.00)**

The policy shall not apply to amounts owed by private individuals not carrying out a commercial activity.

**Public buyers exclusion****(08700.00)**

The policy shall not apply to amounts owed by any State or governmental department, institution or organisation or any entity which cannot be declared insolvent.

**Datum line****09305.00**

The policy shall apply to:

- a) Buyers where the amount owing from the Buyer equals or exceeds the amount of the *datum line* specified in the Policy Schedule at any time during the *policy duration*. In this case you must apply for a Credit Limit for such Buyers without undue delay.
- b) Buyers where the amount owing from the Buyer is below the *datum line*, but you wish to include these in the insurance cover. In this case you may apply for a Credit Limit for such Buyers.

In both cases, the policy shall only apply to these Buyers, where you have obtained a valid Credit Limit Decision from us.

The following provisions shall apply:

- a) the amount of your Credit Limit application must be sufficient to cover the amount owing from the Buyer, but in any case must equal or exceed the amount of the *datum line*.
- b) on our approval of the Credit Limit, cover shall apply up to the amount of the Credit Limit Decision to outstanding receivables on that Buyer that comply with the policy terms and conditions, even though the Credit Limit Decision may be less than the amount of the *datum line*.
- c) receivables outstanding at the date of the Credit Limit Decision need to be included in your next declaration.

**Low coverage exclusion****09340.00**

Where you have a Credit Limit Decision for a Buyer and the approved amount of the Credit Limit Decision is lower than [PERREQAM]% of the requested amount, you have the right to exclude this Buyer from the policy by cancelling the Credit Limit. Receivables on such Buyers are not covered by the policy and need not be included in your declarations.

This right only applies if the requested amount did not exceed the highest outstanding balance on the Buyer within the last 12 months prior to the Credit Limit application date by more than [PERHOBAM]%.

However, you are obliged to re-apply for a sufficient Credit Limit at renewal of the policy or at yearly intervals whichever is sooner.

**Credit limits**

**Credit limits****TBA**

Credit Limits specify the maximum amount and the conditions on which we accept liability for each Buyer to which the policy applies.

You must have a Credit Limit for every Buyer to which the policy applies.

Outstanding receivables which exceed the Credit Limit shall fall within the Credit Limit as soon as and to the extent that payment is received in respect of earlier receivables which fell within the Credit Limit.

**Credit limit decisions****TBA**

You must obtain a Credit Limit Decision by submitting a Credit Limit application for the amount you require. The Credit Limit application should be submitted before the goods are despatched (or the work or services are performed), but in any event at least [VARIABLE ] working days before the original due date of payment.

Provided that no circumstance of Automatic Stoppage of Cover applies at the date of the Credit Limit Decision, that decision will be valid from the date specified in the Credit Limit Decision or, if no effective date is specified, from the 'policy start date' specified in the Policy Schedule.

We may at any time and for any reason attach terms and conditions to Credit Limit Decisions. Those terms and conditions may vary or override the terms and conditions of the policy.

We may also at any time and for any reason vary, reduce or withdraw Credit Limit Decisions. Such variations, reductions and withdrawals have no retroactive effect.

Credit Limit Decisions will be valid until you cancel them or we withdraw them or the policy is terminated.

**Discretionary credit limits by credit reports****TBA**

For Buyers in countries highlighted in the Schedule of Countries, you may establish a Credit Limit yourself using credit reports in accordance with your credit management procedures outlined in [DCLMAN] and any subsequent amendment to such, providing this has been agreed by us in writing.

The following conditions shall apply:

- a) the credit report must be obtained from an independent credit agency or a bank in your country or in the Buyer's country;
- b) the credit report must not contain any adverse information and must positively recommend the credit limit amount you require by means of an amount or a rating;
- c) you must not have suffered any previous loss on the Buyer in the twelve months before the date of Commencement of Cover and
- d) any Credit Limit Decision (including zero limits) shall with effect from the date of the Credit Limit Decision overrides any Discretionary Credit Limit you may establish on the same Buyer. However, where we have issued a zero limit, you may again establish a Credit Limit yourself, but such a Discretionary Credit Limit shall only apply where cover commences no earlier than 12 months after the effective date of the most recent zero limit.

A Credit Limit based on credit reports:

- a) shall be valid for a period of [VALPEREP] months from the date of the report and cannot exceed the amount of the *maximum discretionary credit limit* specified in the Policy Schedule.

**Discretionary credit limits by payment experience****TBA**

For Buyers in countries highlighted in the Schedule of Countries, you may establish a Credit Limit yourself using your own payment experience in accordance with your credit management procedures outlined in [DCLMAN] and any subsequent amendment to such, providing this has been agreed by us in writing.

The following conditions shall apply:

- a) the Credit Limit shall be equal to the total payments received from the Buyer before the expiry of the *maximum extension period* specified in the Policy Schedule in the period [PAYEXPER] months before the date of Commencement of Cover;
- b) you must not have suffered any previous loss on the Buyer in the twelve months before the date of Commencement of Cover and

- c) any Credit Limit Decision (including zero limits) shall with effect from the date of the Credit Limit Decision overrides any Discretionary Credit Limit you may establish on the same Buyer. However, where we have issued a zero limit, you may again establish a Credit Limit yourself, but such a Discretionary Credit Limit shall only apply where cover commences no earlier than 12 months after the effective date of the most recent zero limits.

A Credit Limit based on payment experience

- a) can only be used for trade on terms, which are not more favourable to the Buyer or less secure than the terms of trade on which you have based your payment experience and
- b) cannot exceed the amount of the *maximum discretionary credit limit*.

#### **Discretionary credit limits by credit management procedures**

**13250.01**

For Buyers in countries highlighted in the Schedule of Countries, you may establish a credit limit yourself using your credit management procedures outlined in [DCLMAN] and any subsequent amendment to such, providing this has been agreed by us in writing.

The following conditions shall apply:

- a) you must not have suffered any previous loss on the Buyer in the twelve months before the date of Commencement of Cover;
- b) in the event of a claim you must provide documentary evidence which demonstrates the correct application of your credit management procedures, and
- c) any Credit Limit Decision (including zero limits) shall with effect from the date of the Credit Limit Decision override any Discretionary Credit Limit you may establish on the same Buyer. However, where we have issued a zero limit, you may again establish a Credit Limit yourself, but such a Discretionary Credit Limit shall only apply where cover commences no earlier than 12 months after the effective date of the most recent zero limit.

A credit limit based on credit management procedures cannot exceed the the amount of the *maximum discretionary credit limit* specified in the Policy Schedule.

#### **Credit management procedures**

**TBD**

- a) You must strictly follow the credit management procedures outlined in [DCLMAN] and any subsequent amendment to such as agreed by us in writing. When submitting a claim under the policy you must prove to our satisfaction that such procedures have been correctly followed.
- b) You shall not make any settlement, arrangement or compromise for an Insured Receivable unless agreed otherwise by us in writing.

You must monitor the payment performance of all Buyers by keeping a record of all amounts due and all Buyer exposures against individual Credit Limits established and take all practicable measures to effect payment of the amount owing.

We may also at any time and for any reason vary, reduce or withdraw Credit Limit Decisions. Such variations, reductions and withdrawals have no retroactive effect.

Credit Limit Decisions will be valid until we withdraw them or the policy is terminated.

#### **Insured percentage for discretionary credit limits**

**13950.00**

In case of losses where you have established a Credit Limit yourself in accordance with the terms and conditions defined above, the *insured percentage* shall be reduced to the *insured percentage for discretionary credit limits* specified in the Policy Schedule.

#### **Discretionary credit limits for non-vetted buyers**

**14000.01**

For Buyers in countries highlighted in the Schedule of Countries, you may establish a Credit Limit yourself up to the *non-vetted credit limit amount* mentioned in the Policy Schedule.

The following conditions shall apply:

- a) you must have established the correct identity of the Buyer;
- b) you must not be aware of any unfavourable information regarding the Buyer's financial position, reputation or debt payment performance;
- c) the *insured percentage* will be reduced to the *insured percentage for non-vetted buyers* as specified in the Policy Schedule and

- d) any Credit Limit Decision (including zero limits) shall with effect from the date of the Credit Limit Decision override the non-vetted buyer facility. However, where we have issued a zero limit, you may again establish a Credit Limit yourself, but such a Discretionary Credit Limit shall only apply where cover commences no earlier than 12 months after the effective date of the most recent zero limit.

**Common credit limits****14300.00**

Any Credit Limit Decision established under any policy listed in the *group of policies* specified in the Policy Schedule shall be valid under any of the other listed policies. The following conditions shall apply:

- a) the maximum amount which we shall be liable to pay (in aggregate under all the listed policies) shall not be more than the *insured percentage* of the aggregate of the Credit Limit Decisions for the same Buyer;
- b) for the purpose of determining the amount of this aggregate any contracts denominated in a currency other than the *policy currency* shall be converted to the *policy currency* using the applicable exchange rate on the last working day of the month during which cover commenced;
- c) if payment of any receivable under any of the policies listed in the *group of policies* specified in the Policy Schedule, is still overdue from the Buyer at the expiry of the *maximum extension period* specified in the Policy Schedule, cover shall not apply in respect of any loss under this or any other Policy listed in relation to goods despatched or, in the case of services or work, to invoices submitted to the Buyer after that date;
- d) where two or more *insureds* listed in the *group of policies* specified in the Policy Schedule make contracts with the same Buyer, these *insureds* must share with each other information regarding the occurrence of any circumstance or event likely to cause a loss. You must notify us without undue delay of such an occurrence.

**Credit limits from your former insurer****14400.00**

Credit Limit Decisions issued under a credit insurance policy from another insurer which are valid at expiry of that policy shall be deemed to be valid for goods despatched or work or services performed after the *policy start date*.

The following conditions shall apply:

- a) you must submit a Credit Limit application within one month after the *policy start date*;
- b) the validity of the Credit Limit Decisions from your former insurer will expire 3 months after the *policy start date* or on the date you obtain a Credit Limit Decision from us, whichever is earlier;
- c) our country cover terms as specified in the Schedule of Countries automatically apply;
- d) any terms or conditions attached to the Credit Limit Decisions from your former insurer shall continue to apply as long as you have not obtained a Credit Limit Decision from us;
- e) Credit Limit Decisions from us are determined at our discretion; we are not bound by or bound to continue any Credit Limit Decisions from your former insurer and
- f) in case of a claim you will provide us with a statement of account and proof of the existence of a valid Credit Limit at the date of Commencement of Cover.

**Continuation of cover****14800.01**

Where we have withdrawn or reduced the Credit Limit Decision for the Buyer or withdrawn cover in respect of the country of the Buyer, you may request that cover should continue to apply to contracts:

- a) that you have made not earlier than six months before the date of our withdrawal or reduction and
- b) of which the agreed date of despatch (or in the case of services or work, the agreed date of completion of such services or work) is no longer than three months after the date of the withdrawal or reduction.

If we agree in writing to your request, cover shall apply to these contracts.

If we do not agree to your request, we will be liable for losses in connection with your failure to perform these contracts provided that:

- a) the losses in connection with your failure to perform these contracts are attributable to a final judgement by the competent court or arbitrator against you and
- b) your contracts include a provision stipulating that you are not obliged to perform the contracts if you have reason to believe that the Buyer will not be able to pay.

We will calculate your loss subject to and in accordance with the terms and conditions of this policy as being the amount owing from the Buyer together with the amount awarded by the final judgement or arbitral award. However, we will not pay more than the insured percentage of the Credit Limit for the Buyer.

The above provisions shall also apply where you can prove a previous regular trading with the Buyer.

**Binding contracts****15206.00**

Where we have withdrawn or reduced the Credit Limit Decision for the Buyer or withdrawn cover in respect of the country of the Buyer, this withdrawal or reduction shall not apply to any contracts that you have entered into before the date of our withdrawal or reduction and from which you cannot be legally released or cannot legally cancel (hereinafter Binding Contracts).

Cover for Binding Contracts shall only apply to contracts:

- a) with Buyers where you are able to demonstrate that receivables (if any) have been paid within the 'maximum extension period' and
- b) where the agreed date of despatch of the goods (or in the case of services or work, the agreed date of completion of services or work) is not later than [NROFMONT] months after the date of our withdrawal or reduction.

You must inform us in writing no later than [NROFDAYS] days after our withdrawal or reduction of the above circumstances and prove, to our satisfaction, the existence of such a Binding Contract.

This cover for Binding Contracts shall not apply if the reason for our withdrawal or reduction is:

- a) termination of the business operations of the Buyer;
- b) institution of an Insolvency procedure against the Buyer;
- c) transformation of a Buyer's company into a holding company or
- d) change of the legal status of a Buyer's company.

**Maximum aggregate credit limit decisions amount****(10950.0)**

The aggregate amount of all Credit Limit Decisions shall not exceed the amount of the *maximum aggregate CLD amount* specified in the Policy Schedule. As soon as the aggregate of your Credit Limit Decisions reaches this figure, we have the right to postpone the processing of any further Credit Limit applications. As soon as we exercise this right you will be informed in writing. In order to avoid this, you should on a regular basis, reduce the aggregate amount of all Credit Limit Decisions by cancelling or reducing existing Credit Limit Decisions that are no longer in use.

**Credit limit costs****(11200.00)**

You must pay *credit limit costs* as specified in the Policy Schedule. The amounts mentioned are nett of any applicable tax, which, if due, will be included in the invoice to you.

**Right to vary credit limit costs****(11600.00)**

You agree that such *credit limit costs* may be varied within the *policy duration*. You will be notified of such variation two months before the variation becomes effective.

**Grace period****(11000.00)**

Withdrawals and reductions of Credit Limit Decisions will become effective [GRACDAYS] working days after the date of the withdrawal or reduction, unless a different effective date is mentioned in the notice to you.

**Information company****(12400.00)**

The *information company* mentioned in the Policy Schedule performs the credit limit service and will issue the Credit Limit Decisions to you.

The *credit limit costs* shall be invoiced by and are payable to this company .



**Country cover terms****Country cover terms****(15600.00)**

We may at any time vary any of the conditions of cover or withdraw cover in respect of a particular country and revise the Schedule of Countries accordingly. Such variation or withdrawal shall have no retroactive effect and shall apply to goods to be despatched or services or work to be performed on or after the effective date specified in the revised Schedule of Countries.

**Retention of title****(15900.00)**

With respect to losses relating to the delivery of goods to Buyers in those countries where a Retention of Title condition applies as indicated in the Schedule of Countries, we shall only be liable if:

- a) you have agreed with the Buyer the Retention of Title that is specified in the Schedule of Countries and
- b) you have, without undue delay, taken all necessary steps under the laws of the Buyer's country to exercise and protect your rights under this Retention of Title.

**Start and end cover. Notifications****Commencement of credit risk cover****(16500.00)**

Credit Risk Cover for each receivable commences

- a) for the supply of goods: when the goods are dispatched. Dispatch is deemed to be made when you or anyone acting on your behalf parts with possession of the goods for the purpose of fulfilling your contractual obligations with the Buyer;
- b) for the performance of services or work: when each invoice for such services or work performed is submitted to the Buyer.

**Extending the due date of payment****(16900.00)**

If the need arises, you may agree to or allow extensions of the original due date of payment for a receivable provided that these extensions do not exceed the *maximum extension period* specified in the Policy Schedule, which is calculated from the original due date of payment for the receivable.

The original due date of payment shall remain the date to be used for the application of the terms and conditions of the policy.

Such an extension is not permitted in the case of bills of exchange, promissory notes, cash against documents, documentary sight draft, documents against payment transactions or where payment is to be made by a letter of credit.

**Automatic Stoppage of Cover****(17700.01)**

Cover shall not apply in respect of any loss you may sustain in relation to goods dispatched or, in the case of work or services, invoices submitted after the date of any of the following circumstances of Automatic Stoppage of Cover:

- a) payment of any receivable is still overdue from the Buyer at the expiry of the *maximum extension period* specified in the Policy Schedule. If such receivable is paid within 30 days after the expiry of the *maximum extension period*, cover shall be reinstated with retroactive effect in relation to goods despatched or, in the case of work or services, invoices submitted after the expiry of the *maximum extension period* for such receivable, provided no other circumstance of Automatic Stoppage of Cover applies. If such receivable is paid later than the 30 days after the expiry date of the *maximum extension period*, cover shall be reinstated only for goods despatched or, in the case of work or services, invoices submitted after the date of payment, provided no other circumstance of Automatic Stoppage of Cover applies.
- b) you have placed for collection amounts owing to you from the Buyer. As soon as these amounts are paid, cover shall apply again for goods despatched or, in the case of work or services, invoices submitted after the date of payment, provided no other circumstance of Automatic Stoppage of Cover applies.
- c) the Buyer's Insolvency or
- d) we withdraw the Credit Limit Decision for the Buyer or withdraw cover in respect of the country of the Buyer.

**Obligation to notify breach of maximum extension period****(18500.01)**

You must notify us within 30 days if payment of any receivable is overdue from a Buyer at the expiry of the *maximum extension period*, unless such receivable is paid within these 30 days.

**Obligation to notify adverse information****(18900.00)**

You must notify us without undue delay of the occurrence of any circumstance or event likely to cause a loss. Such a circumstance or event shall include without limitation:

- a) the Buyer requests an extension of the due date of payment beyond the *maximum extension period*;
- b) the Buyer fails to take up the goods or the documents on first presentation where the payment terms are cash against documents or documents against acceptance;
- c) the imminent or actual Insolvency of the Buyer;
- d) you have reason to believe that the Buyer is unable or is likely to be unable to perform or comply with the terms of the contract;
- e) the Buyer fails to honour a bill of exchange or a cheque due to lack of funds;
- f) the institution of any proceedings against the Buyer for non-payment of an amount owing;
- g) you become aware of unfavourable information concerning the Buyer's financial position, reputation or debt payment performance.

**Services or work not yet invoiced****(18100.00)**

However, cover shall apply in respect of losses relating to services or work performed before the date of Automatic Stoppage of Cover, but not yet invoiced at that date.

**Queried Invoices****(19700.01)**

Where the Buyer disputes or queries that an amount is owing and the total of such queried or disputed amounts is less than 10% of the Credit Limit for the Buyer, the non-payment of such an amount at the expiry of the *maximum extension period* shall not be deemed to be a circumstance that stops cover for further trade with the Buyer.

Your obligation to notify us if payment of the disputed or queried amount is overdue from a Buyer is no longer required.

However, your obligation to notify us without undue delay of the occurrence of any circumstance or event likely to cause a loss remains unaffected.

**Reporting threshold****(19300.01)**

Where the total of the unpaid amount(s) for which the *maximum extension period* has expired is less than or equal to the *reporting threshold* mentioned in the Policy Schedule, the following shall apply:

- a) you need not notify us thereof and
- b) the non-payment of such amount(s) shall not be deemed to be a circumstance that automatically stops cover for further trade with the Buyer until the occurrence of a Covered Cause of Loss.

However, your obligation to notify us without undue delay of the occurrence of any circumstance or event likely to cause a loss remains unaffected.

**Loss prevention and debt collection****Actions to minimise loss****(20100.00)**

In all your dealings with Buyers, you must use due care and diligence as if you were uninsured. You must take all practicable measures to effect payment of the amount owing from the Buyer and to prevent and minimize loss. This includes, without limitation, ensuring that all rights against contract goods, Buyers and third parties are properly preserved and exercised. You must also take all steps that we may require in connection with a potential or actual loss - either before or after indemnification - including the institution of legal proceedings.

**Contribution to costs****(20700.00)**

We will contribute to the costs (excluding your own administrative costs) that you incur in fulfilling your obligation to prevent or minimise loss or in collecting the amount owing, made without approval or on our instruction.

Our contribution to the costs will be proportionate to our liability for the amount owing from the Buyer. We will indemnify the insured percentage of such costs.

We will not contribute to costs which you incur in resolving disputes between you and the Buyer or in defending any proceedings brought against you or where you choose not to collect the costs from the Buyer.

We will not be liable for any Value Added Tax or comparable turnover-related tax or charges included in the costs.

**Claims****Allocation of payments****(21300.00)**



All amounts received by you, by any person acting on your behalf or by us before the Date of Loss shall for the purposes of the policy be allocated to all receivables due from the same Buyer in chronological order of due dates.

All amounts received by you, by any person acting on your behalf or by us after the Date of Loss shall be divided between you and us in the proportion in which the loss is borne by each of us. You must notify us immediately of the receipt of such amounts.

**Amounts held in trust (21310.00)**

All amounts received by you or by any person acting on your behalf after the Date of Loss should immediately be remitted to us. Until this remittance is made, you hold such amounts in trust for us.

**Allocation of proceeds from guarantees (21305.00)**

Proceeds from bank guarantees or other third party guarantees shall for the purposes of the policy first be allocated to the outstanding receivables which exceed the Credit Limit for the Buyer, provided that these receivables in all other respects comply with the policy terms and conditions.

This shall not apply if such guarantee has been made a condition of cover for the Buyer.

**Claims (21700.00)**

1. Latest date for submission  
Any claim, including all available information, must be submitted at the latest (VAR) months from the Date of Loss. You must submit all information and documents we require for assessment of the claim at the latest (VAR) months from the date of our request for such information and documents.
2. Our response  
We will provide you with the results of our claims examination within 30 days of the receipt of all information and documents required by us.
3. Calculation of loss  
Your loss shall be calculated as the amount owing to you from the Buyer at the Date of Loss less any credits due to the account of the Buyer and any savings that you make through non-fulfilment of the contract (including Agent's commission not payable). For the application of the terms and conditions of the policy, credits are:
  - a) payments by the Buyer (including cash on delivery) or by third parties but excluding cheques or bills of exchange not yet honoured or paid;
  - b) credit notes;
  - c) set offs;
  - d) counterclaims;
  - e) proceeds from securities or guarantees and
  - f) proceeds from the resale of repossessed goods.

The Insured Loss shall be your loss in so far as it relates to unpaid Insured Receivables. The amount of our indemnification shall be the *insured percentage* either of the Insured Loss or of the amount of the Credit Limit for the Buyer, whichever is lower.
4. Assignment and approval  
If we so require, claims payments may be made subject to assignment to us of the total amount owing from the Buyer, including all rights and securities.  
If we so require, claims payments may be made subject to your prior approval of our calculation of liability.  
If following the results of our claims examination we decline liability for any claim, and if you do not within 12 calendar months from the date of receipt of the notice of our decline notify us in writing that you do not accept such decline and initiate legal proceedings to recover the claim, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable from us.

**Insurer's maximum liability (23300.00)**

The maximum amount which we shall be liable to pay per *insurance year* shall be either the amount of the *insurer's maximum liability* or the *multiple* of the premium (nett of any applicable tax) paid in respect of the *insurance year*, whichever is higher, notwithstanding that the *insurer's maximum liability* may be less than the *insured percentage* of any individual Credit Limit or aggregate of Credit Limits. The amount of the *insurer's maximum liability* and the *multiple* are specified in the Policy Schedule.

**Allocation of claims liability (24100.00)**

Any claims payment shall be allocated to the *insurance year* in which cover commenced.

**Each and every first loss (26500.00)**

After applying the *insured percentage* to the Insured Loss we shall deduct the amount of the *each and every first loss* specified in the Policy Schedule effective at the Date of Loss and pay you the balance. Receivables or parts of them below the amount of the *each and every first loss* may not be deducted from your declarations, if required under this policy.

**Claims threshold (26100.00)**

We shall not be liable to indemnify you for any loss in relation to any Buyer where the loss is lower than or equal to the amount of the *claims threshold* specified in the Policy Schedule effective at the Date of Loss.

Receivables or parts of them below the amount of the *claims threshold* may not be deducted from your declarations, if required under this policy.

**Minimum retention (26900.00)**

Where the amount of the uninsured percentage of the Insured Loss is less than or equal to the amount of the *minimum retention* specified in the Policy Schedule effective at the Date of Loss, we shall deduct the amount of the *minimum retention* from the Insured Loss and pay you the balance.

The uninsured percentage is 100% minus the *insured percentage*

Receivables or parts of them below the amount of the *minimum retention* may not be deducted from your declarations, if required under this policy.

**Aggregate first loss (24900.00)**

Any claims amount which we are liable to pay with respect to losses which relate to the same *insurance year* will be set off against the amount of the *aggregate first loss* specified in the Policy Schedule effective for that *insurance year*, before we actually pay an indemnification.

A loss shall be deemed to relate to the *insurance year* in which cover commenced for that loss.

The *aggregate first loss* is the amount which you will always have to retain in full for your own account per *insurance year*.

For each loss you sustain you must submit a claim to us for examination of our claims liability as soon as the Date of Loss has occurred.

You must notify us immediately of any payments you receive in respect of losses on Buyers for which we have examined our claims liability, irrespective of whether we have actually paid an indemnification.

Such payments will be applied to reduce the losses that have been included in the *aggregate first loss*.

Where at the time of receipt of such payments the amount of the *aggregate first loss* is exceeded, these payments shall be divided between you and us in the proportion in which the loss is borne by each of us.

**Group aggregate first loss (25700.00)**

The amount of the *aggregate first loss* mentioned in the Policy Schedule shall apply to all policies of the *group of policies* specified in the Policy Schedule together.

**Obligatory refund of payments to the insolvent estate (22900.01)**

If under the law applicable to the Buyer's Insolvency, you are obliged to refund any payments which you received from the Buyer before their Insolvency due to a rightful claim to refund preferential payments or revocatory action from the insolvent estate or on the basis of a court ruling, you may submit a claim for any subsequent loss you sustain, provided that such loss relates to Insured Receivables and the terms and conditions of the policy have been met.

We will assess your claim in accordance with the policy terms and conditions in force at the date of the Insolvency of the Buyer. However, this cannot result in us paying in total more than the insured percentage of the Credit Limit for the Buyer. The following conditions shall apply:

- a) You must notify us without undue delay as soon as you become aware of the claim to refund, revocatory action or court ruling;
- b) You pursue, in a timely and appropriate manner, any valid defences available to you under the applicable (Insolvency) law;
- c) You must provide evidence that these payments have been refunded to the insolvent estate of the Buyer and that the underlying receivables have been filed in the creditor's list.

**General obligations and non-observance**

**Providing information and disclosure effects (TBA)**

We have the right to verify your compliance with the terms and conditions of this policy and during this period of verification we have the right to suspend payment of any claim. You must therefore provide us with all relevant documents or records in your possession or control that we may require in order to confirm your compliance with such terms and conditions. You must also

allow extracts and copies to be made of such documents and records.

Where we require, you must also co-operate with us, a certified auditor or other independent party that we may employ to verify the accuracy of statements and information you have provided, including the examination of your records. You guarantee that the information and documents you provide are correct to the best of your knowledge and belief.

You must disclose promptly and will at all times continue to disclose promptly all information and documents which might affect the risks insured under this policy or might influence our acceptance or assessment of the risks and Buyers insured under the policy.

**Retained risk****(27700.00)**

You must retain exclusively for your own account as an uninsured risk and must not insure elsewhere, any amount which exceeds the amount we are liable to pay you under the policy.

**Consequences of non-observance****TBA****1. Misrepresentations or Non-disclosure**

It is acknowledged and agreed that the duty of fair presentation shall apply to each establishment or reassessment of a Credit Limit Decision as well as to the underwriting of the policy.

**2. Conditions Precedent**

The following are conditions precedent to our liability:

- a) that you notify us without undue delay if you become aware that any information provided to us was materially inaccurate or incomplete.
- b) that you provide us with all information and documents that we may reasonably require, and which has been specifically requested by us, in order to confirm your compliance with the terms and conditions of this policy or any Credit Limit Decision.
- c) in relation to each Buyer, that you establish and comply with the terms and conditions of the Credit Limit Decision.
- d) in relation to each Buyer, that you comply with the terms and conditions of the policy, or any Credit Limit Decision, relating to notification of adverse information and actions to minimise loss.
- e) that, unless we agree otherwise in writing, you retain exclusively for your own account as an uninsured risk any amount which exceeds the amount insured under the policy.
- f) in respect of a claim or Notification of Non- Payment / reported overdue, that you comply with our reasonable instructions in the minimisation of loss.
- g) that you submit a claim in accordance with the timescales set out in the policy.
- h) that you comply with the requirements to undertake debt collection activity as set out in the "Loss prevention and debt collection" section of your policy.
- i) that declarations for premium calculation are submitted, and all premiums and other charges are paid, in accordance with the timescales set out in the policy.

**3. Recoveries and Allocation of Monies**

We shall be entitled to a refund of a payment in respect of a claim if you fail to comply with the terms and conditions of the policy or any Credit Limit Decision relating to

- (i) timescales for remitting recoveries to us,
- (ii) you have failed to take action to minimise loss and/or failed to provide reasonable assistance to us in our taking action to minimise loss and
- (iii) allocation of moneys received.

**4. Terms not relevant to the actual loss.**

If such breach could have increased the risk of the loss which actually occurred, in the circumstances in which it occurred, we may, at our own option, choose not to rely on the remedy for a breach of a condition precedent to liability, but instead deduct from the amount of the claim an amount of loss which we estimate could have been saved had you complied with the said condition precedent. Such deduction may reduce or extinguish any liability we have to you in respect of that claim. If this option is exercised, it should not be treated as a general waiver of our right to rely on any other breaches of conditions precedent which may take place.

**5. Our acceptance**

No variation or waiver relating to any of the terms and conditions of the policy or any Credit Limit Decision shall be binding unless we have specifically agreed the same in writing.

No failure by you to comply with any of the terms and conditions of the policy or any Credit Limit Decision shall be deemed to have been accepted or excused by us unless the same is expressly so excused or accepted by us in writing. The waiver by us of any breach or default by you in respect of the terms and conditions of this policy or any Credit Limit Decision shall not be construed as a waiver of any succeeding breach or default in respect of the same or any other terms and conditions.

### **Premium**

#### **Declarations**

**(30100.01)**

After the expiry of each *declaration period* specified in the Policy Schedule you must declare to us your turnover invoiced during that *declaration period* to Buyers to which the policy applies. Each declaration must be returned to us by the dates specified in the Policy Schedule.

Receivables or parts of them that are specifically excluded from cover under this policy need not be included in your declaration.

The declaration must be specified by country of the Buyer and, if premium rates vary per payment term, also by the agreed payment terms.

The declaration must be made in the *policy currency* or in the currency of the contract. You may not deduct from your declaration:

- a) credit notes, except where they relate to corrections which have no effect on the risks we have already covered under this policy and for which we are entitled to premium;
- b) receivables in excess of the Credit Limit;
- c) receivables arising before the withdrawal of the Credit Limit;
- d) receivables paid for by cheque;
- e) receivables from Buyers where you have established a Discretionary Credit Limit;
- f) receivables paid for before the date of your declaration;
- g) contra-trade amounts due to the Buyer and

Premium and any insurance premium tax or other applicable tax or charges are payable on the amounts you declare to us.

Premium will be calculated at the *premium rate(s)* shown in the Policy Schedule and must be paid at the times we specify.

#### **Work in Progress Cover declarations**

**(63179.00)**

In your declarations you must include the cost and expense you have incurred in each 'declaration period' for contracts to which Work in Progress Cover applies. In the event of a loss prior to submission of invoices, you must submit to us a supplemental declaration showing the total value of outstanding contracts made, less the value of services or work invoiced and previously declared at the date of Insolvency. This supplemental declaration must be submitted within 10 days of the date of Insolvency.

#### **Advance premium**

**TBA**

The premium amounts specified in the Policy Schedule are *advance premium amounts* and the first installment due, as applicable, shall be payable, in advance as provisional premium, on or before the commencement date of the policy, and the balance payable as applicable before the commencement of each subsequent period. These amounts are net of any insurance premium tax or other applicable tax or charges, which, if due, will be included in the invoice to you.

If the advance premium paid for a particular period becomes fully utilised as a result of declarations of turnover for that period then advance premium due for the next period, becomes due and shall be payable immediately. Cover shall be suspended as and when the premium paid is fully utilised through declarations of turnover.

At the end of the *insurance year* if the actual premium payable is less than the total advance premium, we shall refund the difference to you. However, this cannot result in you paying less premium than any *minimum premium amount* mentioned in the Policy Schedule.

You shall also pay all stamp duty or similar Government charges or taxes, all bank collection and transfer charges and debt recovery charges if applicable.

If during the validity of the policy, you agree to grant longer payment terms to the Buyer than the *maximum credit terms* specified in the Policy Schedule we reserve the right to revise the premium rate shown in the Policy Schedule.

#### **Minimum premium**

**(33300.00)**

If the premium calculated on the basis of your declarations in respect of a completed *insurance year* falls short of the *minimum premium amount* mentioned in the Policy Schedule, this *minimum premium amount* shall be the premium amount you must pay in respect of the completed *insurance year*.

The *minimum premium amount* mentioned in the Policy Schedule is net of any insurance premium tax or other applicable tax or charges, which, if due, will be included in the invoice to you.

#### **Premium Bonus**

**(62179.00)**

As soon as the premium amount payable in respect of the Assessment Period is established, we shall - depending on the Claims to Premium Ratio - award you a bonus equivalent to the following:

If the Claims to Premium Ratio in respect of the Assessment Period is less than (X) we shall award you a bonus of (X) of the difference between the premium amount payable (nett of any insurance premium tax or other applicable tax or charges) during the Assessment Period and the total amount of claims approved for payment by us less the total amount of our share in recoveries invoiced by us during the Assessment Period.

The Assessment Period shall be each insurance year

The Claims to Premium Ratio shall be:

- the total amount of claims approved for payment by us less the total amount of our share in recoveries invoiced by us during the Assessment Period.

expressed as a percentage of

- the total amount of premium (nett of any insurance premium tax or other applicable tax or charges) payable in respect of the Assessment Period.

For the application of this bonus arrangement any claim approved for payment by us after the policy is terminated or not renewed shall be deemed to have been approved in the last Assessment Period.

Where a 'minimum premium amount' is mentioned in the Policy Schedule, the application of this bonus arrangement cannot result in you paying less premium than the total 'minimum premium amount' in respect of the Assessment Period.

#### **Premium bonus/surcharge**

**(35300.01)**

As soon as the premium amount payable in respect of the Assessment Period is established, we shall - depending on the Claims to Premium Ratio - award you a bonus or make a surcharge equivalent to the percentage(s) shown in the Policy Schedule applied to the premium payable (nett of any insurance premium tax or other applicable tax or charges) in respect of the Assessment Period.

The Assessment Period shall be [ASSDUR].

The Claims to Premium Ratio shall be:

- the total amount of claims approved for payment by us less the total amount of our share in recoveries invoiced by us during the Assessment Period

expressed as a percentage of

- the total amount of premium (nett of any insurance premium tax or other applicable tax or charges) payable in respect of the Assessment Period.

For the application of this bonus/surcharge arrangement any claim approved for payment by us after the policy is terminated or not renewed shall be deemed to have been approved in the last Assessment Period.

Where a *minimum premium amount* is mentioned in the Policy Schedule, the application of this bonus/surcharge arrangement cannot result in you paying less premium than the total minimum premium amount in respect of the Assessment Period.

#### **No claims bonus**

**(36500.01)**

As soon as the premium amount payable in respect of the Assessment Period is established, we shall award you a bonus equivalent to the percentage shown in the Policy Schedule applied to the premium payable (nett of any insurance premium tax or other applicable tax or charges) in respect of the Assessment Period, provided that no claims have been approved for payment by us during the Assessment Period.

The Assessment Period shall be [ASSDUR].

For the application of this bonus arrangement any claim approved for payment by us after the policy is terminated or not renewed shall be deemed to have been approved in the last Assessment Period.

Where a minimum premium amount is mentioned in the Policy Schedule, the application of this bonus-arrangement cannot result in you paying less premium than the total *minimum premium amount* in respect of the Assessment Period.

#### **Policy duration and termination**

##### **Policy duration and renewal**

**(38900.00)**

The *policy start date* and the *policy duration* are specified in the Policy Schedule.

We will send you a proposal of policy renewal terms or a notification of non-renewal at least 30 days before the expiry date.

**Termination of the policy****TBA**

The policy shall terminate automatically with immediate effect if you become the subject of any bankruptcy or insolvency procedure under the law of your country. In this event we may retain any premium paid and be entitled to any premium payable, including any insurance premium tax or other applicable tax or charges, on the amounts declared to us up to and including the effective date of your bankruptcy or insolvency.

**Termination of the policy****TBA**

You have the right to terminate this policy at any time during the *policy duration*. Where you exercise this right you must provide us with written notice by registered or certified mail at least 30 days prior to the effective date of termination. You must also continue to declare business to which this policy applies and pay premium and any insurance premium tax or other applicable tax or charges on the amounts you declare to us, up to the effective date of termination. In the event that we have received advance premium of a greater value than the actual premium earned for the business declared to us up to the effective date of termination we will refund the balance to you.

However, if the actual premium earned falls short of the *minimum premium amount* mentioned in the Policy Schedule, this *minimum premium amount* shall be the premium amount you must pay, together with any insurance premium tax or other applicable tax or charges which, if due, will be included in the invoice to you.

We also have a right to terminate this policy void ab initio, in the event of any fraud, mis-representation, non-disclosure of any material facts/information or non-cooperation by You. In event where policy is voided, the entire premium hereon shall be forfeited by us.

Without prejudice to any rule of law, it is declared that this policy is given on the condition that You have at the date of issue of the policy disclosed and will at all times during the operation of this policy promptly disclose all facts in any way affecting the risks insured".

**Miscellaneous****Right to vary policy conditions****(39370.00)**

At the end of the Assessment Period, if the Claims to Premium Ratio exceeds [VARYPERC] %, we have the right to change any of the policy conditions, including the premium rate(s), with effect from the beginning of the next insurance year.

If we do so, we will give you written notice of such change, following which you may then cancel the policy with effect from the beginning of the next insurance year provided that you give us written notice of cancellation. Your written notice of cancellation must be received by us within [CANCNOTI] days of our notification to you of the changed policy conditions. If we do not receive your notice of cancellation within this period, the changed policy conditions will apply with effect from the beginning of the next insurance year.

*Optional - [TERMIINS]: Alternatively, we may terminate the policy with effect from the end of the current insurance year.*

The Assessment Period shall be [VARYASSP].

The Claims to Premium Ratio shall be:

- the total amount of claims approved for payment by us *optional*

- [RESERVED]: *and the total amount of reserved claims for losses*

less the total amount of our share in recoveries invoiced by us during the Assessment Period

expressed as a percentage of

- the total amount of premium (nett of any insurance premium tax or other applicable tax or charges) invoiced during the Assessment Period.

**Pre-credit risk****(43500.00)**

We will indemnify you for any loss you may sustain in the event that during the period of Pre-Credit Risk Cover:

- a) the Buyer goes into Insolvency, or
- b) the financial situation of the Buyer is such that we withdraw the Credit Limit and
- c) the performance of the contract or part of the contract with the Buyer is discontinued with our approval.

**Conditions****(44100.00)**

The following terms and conditions shall apply to Pre-Credit Risk Cover:

1. You must provide us with the information we require to decide on the appropriate action to minimise loss.



2. The contract with the Buyer must be made within the *policy duration*.
3. The Pre-Credit Risk Period commences on the date when the contract is made and shall continue until the date when Credit Risk Cover commences. This period may not exceed the *maximum pre-credit risk period* specified in the Policy Schedule.
4. We shall calculate the Insured Loss as being all costs and expenses you have incurred and any other sums you have to pay in respect of obligations undertaken, specifically for the purpose of performance of the discontinued contract or part of the contract.

Any profit element and premium for this insurance are excluded from this calculation.

The proceeds of resale or use elsewhere of goods, materials or raw materials or any other sums which you have recovered from any source will be deducted from the loss.

The Insured Loss in respect of Pre-Credit Risk Cover shall be limited to the contract price of the discontinued contract or part of the contract with the Buyer.

The amount of our indemnification shall be the *insured percentage* either of the Insured Loss or of the amount of the Credit Limit for the Buyer, whichever is lower.

We shall not be liable to pay in respect of both Pre-Credit Risk Cover and Credit Risk Cover more than the *insured percentage* of the Credit Limit.

5. The Date of Loss for Pre-Credit Risk Cover shall be the date on which the performance of the contract or part of the contract is discontinued.
6. Pre-Credit Risk Cover shall not apply to contracts made on or after the date of each of the following circumstances:
  - a) we have withdrawn the Credit Limit for the Buyer;
  - b) we have withdrawn cover in respect of the country of the Buyer;
  - c) payment of any receivable is still overdue from a Buyer at the expiry of the *maximum extension period*
  - d) you have placed the collection of amounts owing to you from the Buyer or
  - e) the Buyer is in Insolvency.
7. Where we vary by written notice any of the conditions of cover in respect of Buyers in a particular country as specified in the Schedule of Countries, this variation shall apply to contracts made after the date specified in the notice.
8. In the event that the policy is not renewed or is terminated, Pre-Credit Risk Cover in respect of any outstanding contracts shall cease on the last effective date of the policy. We shall not be liable for any loss occurring after that date.

#### **Work in Progress Cover**

**(63180.00)**

We will indemnify you for any loss you may sustain in the event that during the period of Work in Progress Cover:

- a) the Buyer goes into Insolvency, or
- b) the financial situation of the Buyer is such that we withdraw the Credit Limit and
- c) the performance of the contract or part of the contract with the Buyer is discontinued with our approval.

#### **Conditions:**

**(63181.01)**

The following terms and conditions shall apply to Work in Progress Cover:

1. You must provide us with the information we require to decide on the appropriate action to minimise loss.
2. The contract with the Buyer must be made within the 'policy duration.'
3. The period in respect of cancellations for forward bookings must not exceed (X) months before the due date of the media appearance.
4. The Work in Progress Period commences on the date when the contract is made and shall continue until the date when Credit Risk Cover commences. This period may not exceed (X) months.
5. We shall calculate the Insured Loss as being all costs and expenses you, or anyone acting on your behalf, have incurred and any other sums you have to pay in respect of obligations undertaken, specifically for the purpose of performance of the discontinued contract or part of the contract. Any profit element and premium for this insurance are excluded from this calculation. The proceeds of resale or any other sums which you have recovered from any source will be deducted from the loss.

The Insured Loss in respect of Work in Progress Cover shall be limited to the contract price of the discontinued contract or part of the contract with the Buyer.

The amount of our indemnification shall be the 'insured percentage' either of the Insured Loss or of the amount of the Credit Limit for the Buyer, whichever is lower. We shall not be liable to pay in respect of both Work in Progress Cover and Credit Risk Cover more than the 'insured percentage' of the Credit Limit.



6. The Date of Loss for Work in Progress Cover shall be the date on which the performance of the contract or part of the contract is discontinued.
7. Work in Progress Cover shall not apply to contracts made on or after the date of each of the following circumstances:
  - a) we have withdrawn the Credit Limit for the Buyer;
  - b) we have withdrawn cover in respect of the country of the Buyer;
  - c) payment of any receivable is still overdue from a Buyer at the expiry of the 'maximum extension period';
  - d) you have placed for collection any of the amounts owing to you from the Buyer or
  - e) the Buyer is in Insolvency.
8. Where we vary by written notice any of the conditions of cover in respect of Buyers in a particular country as specified in the Schedule of Countries, this variation shall apply to contracts made after the date specified in the notice.
9. In the event that the policy is not renewed or is terminated, Work in Progress Cover in respect of any outstanding contracts shall cease on the last effective date of the policy. We shall not be liable for any loss occurring after that date.

**Communication****(44700.00)**

In your communications with us in respect of the policy administration and in fulfilling your policy obligations, you should make use of those facilities of your online connection with us that we make available for that purpose.

In our communications with you in respect of the policy administration and in announcing changes to the policy (such as, but not limited to, variations in the country cover terms) we may make use of our online connection with you.

**Transfer of the policy****(45100.00)**

You can assign or transfer this policy or any of its benefits only with our prior written consent.

**Assignment of contract rights****(45200.00)**

You may assign or charge your rights under the contract provided this does not contravene the contract terms and you give us details when making a claim. However, we shall not be liable to pay you for any loss unless the person in whose favour the assignment or charge has been made, has given us a written undertaking in a form acceptable to us that they will not make any claim to our portion of any amounts received after the Date of Loss.

**Assignee****(41900.00)**

Your rights to claims payments under this policy have been assigned to the *assignee* named in the Policy Schedule subject to the following conditions:

- a) claims shall continue to be settled exclusively between you and us;
- b) your obligations under the policy remain unaffected and
- c) our right to set off any amount payable to you against any amount owing from you remains unaffected.

**Assignment obligations-rights****(42400.00)**

Notwithstanding your obligations under the policy (including, without limitation, paying premiums, making all applications and declarations and giving notices there under), the *assignee* may assume responsibility for fulfilling your obligations but will not be entitled to any benefit from the policy in excess of that due to you.

You undertake to forward to the *assignee* a copy of the policy and of all subsequent amendments to such.

We will inform the *assignee* should you fail to comply with your obligations under the policy relating to declarations, payment of the premium, providing information and disclosure of facts.

Where the policy is not renewed or terminated, or the policy is terminated before its expiry date, this non-renewal or termination will apply to the *assignee* 15 days after our written notice to him.

If the policy is not renewed or terminated, or, the assignment is cancelled, the *assignee* shall retain his rights on each Insured Receivable where cover has commenced before the date of such events

**Nominated loss payee****(42700.00)**

You may require claim payments to be made to a nominated loss payee. However, the following shall apply:

- a) the nominated loss payee is not a party to the policy and has no rights whatsoever under the policy.
- b) claims shall be settled exclusively between you and us and
- c) your obligations under the policy remain unaffected.

**Designated loss payee****(42707.00)**

You may require claims payments to be made payable to you and/or one or more Designated Loss Payee(s) named below. The Designated Loss Payee(s) cannot be changed or removed without written consent from the Designated Loss Payee(s).

The following conditions shall apply:

- a) the Designated Loss Payee(s) is not a party to the policy and has no additional rights or obligations under the policy except notice of any unpaid premium and as described herein.
- b) you may authorize your Designated Loss Payee(s) to assist you or to assume responsibility for fulfilling your obligations under the policy, however, your obligations under the policy remain unaffected.
- c) the Designated Loss Payee(s) may submit a claim under the policy subject to all terms and conditions of the policy, including the filing of all required claim documentation by them or you.
- d) claims payments shall be paid only after we receive a valid and enforceable assignment of the debt to us of any and all rights you or the Designated Loss Payee(s) has, if you have assigned the debt to them.
- e) payment will be sent to you on behalf of the Designated Loss Payee(s) unless you direct us, in writing, to make payment directly to the Designated Loss Payee(s).
- f) the Designated Loss Payee(s) is a [SOLEJOIN] loss payee.

Designated Loss Payee(s)

[LOSSPAYE]

**Subrogation****TBA**

Upon payment of any amount due to you under this policy we are subrogated to all rights, remedies, claims, guarantees and securities available to you to mitigate the loss sustained by you, including any rights against a guarantor or surety, whether or not the exercise of such rights might, in addition, involve claims, rights or remedies concerning obligations other than those whose non-performance has created a loss under this policy. These rights of subrogation shall be in addition and without prejudice to all rights and benefits to which we are entitled under the general law of subrogation.

We shall have the right, but not the obligation, to take over and conduct any procedure in your name to recover the amount owing and will have full discretion in the conduct of any proceedings and in the settlement of any claim and having taken over such proceedings, may relinquish the same.

In the event that we choose in our sole discretion to exercise our subrogation rights no action taken by us in the exercise of such right will serve to modify or expand in any manner, our liability or obligations under this policy beyond what our liability or obligations would have been had we not exercised our subrogation rights."

**Exclusion of Third Party Rights****TBA**

A person who is not a party to the Policy has, and is intended to have, no right to enforce any of the terms of the Policy.

**Set off****(45901.00)**

We have the right to apply any amount payable under this policy in or towards payment of any amount owing from you to us (paying interest before principal) whether under this policy or otherwise. You have no right to apply any amount payable by you to us, whether under this policy or otherwise, in or towards any payment of any amount owing from us to you.

**Policy currency and conversion****(46700.00)**

The *policy currency* is specified in the Policy Schedule.

For the purpose of making declarations and calculating any loss, amounts in a currency other than the *policy currency* shall be converted to the *policy currency* using the applicable exchange rate on the last working day of the month during which cover commenced.

Amounts received by you, by any person acting on your behalf or by us after the Date of Loss in a currency other than the *policy currency*, shall be converted to the *policy currency* using the applicable exchange rate on the date of receipt.

The applicable exchange rate on a given date shall be the closing mid-point rate quoted on that date by the European Central Bank or, if the European Central Bank has not quoted such rate, in the London Foreign Exchange Market, or if not quoted in the London Foreign Exchange Market, by the Central Bank of your country.

**Applicable law, arbitration and language****TBA**

The policy shall be governed by the *applicable law* specified in the Policy Schedule.

Any disputes between you and us arising under, out of or in connection with this policy shall be subject to the *jurisdiction* of the competent court specified in the Policy Schedule.

If any difference arises as to the amount to be paid under this policy (liability being otherwise admitted) or the interpretation of a clause under this policy (including the Schedule and Endorsements), such difference shall be referred to arbitration, in accordance with the [Indian] Arbitration and Conciliation Act 1996, as amended, and the making of an award shall be a condition precedent to any liability for us to make any payment under this policy. Such arbitration panel shall consist of one arbitrator selected by you, one arbitrator selected by us, and a third independent arbitrator selected by the first two arbitrators in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The arbitration shall be governed by Indian Law and the venue of arbitration shall be within India.

- (a) All proceedings in any arbitration shall be conducted in English and a daily transcript in English of such proceedings shall be prepared
- (b) The cost of arbitration undertaken in accordance with this section shall be borne by the parties associated with the arbitration and shall share equally in the costs of the arbitration proceedings and presiding arbitrator.
- (c) It is clearly agreed and understood that no reference to arbitration can be made if we, the insurer, have either not admitted or have disputed liability in respect of any claim under or in respect of this policy.
- (d) In the event that these arbitration provisions shall be held to be invalid then all such disputes or differences shall be referred to the exclusive jurisdiction of the Indian Courts.

It is further expressly agreed and declared that if we, the insurer, shall disclaim liability in respect of any claim and is not within 12 calendar months from the date of such disclaimer be made the subject matter of a suit or proceeding before a Court of law or any other forum, it shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

The *language of the policy* shall be that specified in the Policy Schedule. Where we provide translations of the policy the version in the language of the policy shall prevail in the event of any conflict or difference in meaning or effect.

**List of terms used****(47900.00)**

Buyer: any company established in a country included in the Schedule of Countries which can be considered a debtor by virtue of a trade contract concluded with you.

Credit Limit: the amount which indicates the maximum acceptable risk for us on the Buyer.

Credit Limit Decision: a Credit Limit established by us or by the information company.

Recoveries: any amounts or payments in respect of any loss that are received by you or by us, or by someone acting on your or our behalf, after the Date of Loss.