Credit Insurance

The Credit Insurance Policy is designed for companies that are selling their goods and/or services on credit to domestic and/or overseas buyers. Credit Insurance provides companies with coverage for outstanding receivables that are within approved credit terms, protecting the Insured against risk of non-payment by its buyers.

The Policy covers loss due to any or all of the following risks in the domestic and international market:

1. Insolvency of a buyer
2. Non-payment or protracted default by a private (i.e. not a State-owned) buyer

Main Exclusions

1. Sales to an associate company
2. Non-payment arising due to trade disputes
3. Sales to State-owned buyers
4. Consequences of a decision taken by the government that hinders the execution of the sales contract or prevent the payment of the debt by the buyer
5. Deliveries, shipments or performance of services made after the company has refused or cancelled a credit limit
6. Non-payment arising from a failure, by the policyholder or any one acting on its behalf, to fulfil its obligations under any clause or condition of the sales contract

Sum Insured

The insurer, based on its credit assessment of the buyers, determines the insurable turnover and the credit limit(s) per buyer. The insurable turnover is the Sum Insured.

Costs and Charges

In addition to the premium on the Policy, the following additional costs and charges are payable by the Policyholder: -

1. **Credit Limit Charges**: as mentioned above, credit limit charges are payable for every buyer evaluated for coverage under the Policy, as per rates stipulated in the NBO

2. **Contribution to Recovery Costs**: this contribution is payable for each initial notification of overdue account (i.e. for every claim) that the Policyholder sends to the insurer, requesting intervention by the insurer for recovery of debts

Policy Underwriting and Issuance Procedure

1. The Proposer submits information on its sales and buyers in the format stipulated in the Application Form.
2. Based on a preliminary assessment of the credit quality of the Proposer's buyers, a Non-Binding Offer (NBO) will be made to the Proposer, specifying the part of the Proposer's turnover that the insurer is willing to insure.
3. If the terms and conditions of the NBO are acceptable to the client, a detailed assessment of the Proposer's buyers is undertaken and credit limits are assigned per buyer.
4. The credit limit for a buyer denotes the maximum limit of indemnity that the Company is willing to provide to the Proposer for that buyer, for sales to that buyer in the ordinary course of business.
5. The insured pays the premium and the policy is issued by the insurer.