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# Credit Insurance Policy Wordings

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## Introduction

Our Credit Insurance (Globaliance) Policy is designed for companies that are selling their goods and/or services on credit to overseas buyers. This policy provides coverage to companies for outstanding receivables that are within approved credit terms, thereby protecting the Insured against non-payment risk by its buyers.

## Scope of cover

The policy covers loss due to any or all of the following risks:

## Commercial Risk

- Non payment by the buyer – protracted default
- Insolvency of the buyer

## Political Risk

- Military or civil war, revolution, riot or insurrection
- General moratorium on payment by the government of buyer's country
- Cancellation of import license
- Government decision preventing performance
- Political events, economic difficulties, legislative or administrative measures preventing payment
- Non payment by government buyer

## **Premium**

The premium is expressed as a rate in % of the insurable turnover

Basis of premium calculation:

- Extent of coverage sought
- 70% / 80% / 90% of the individual bill
- Risk rating of business sectors
- Countries included in the portfolio
- Insured turnover
- Trade losses of insured

## **Exclusions**

Significant exclusions are:

- Non-payment arising due to trade disputes
- Sales to a private individual who intends to use the goods or service for non-professional purposes
- Sales to an associate company (Political & AOG risk can be covered)
- Sales contracts where payment is received in advance
- Sales under irrevocable and confirmed Letter of Credit
- Loss due to Foreign currency fluctuations
- Nuclear risks
- A war between two or more of the following countries: France, China, Russia, the United Kingdom and the United States of America
- A war between the Insured's country and the country of the buyer