

# Trade Credit

## Trader Whole Turnover Credit Policy Conditions and Insurance Schedule

# Customer Service

The Insurance Schedule, Policy Conditions, Schedule of Insured Countries and Endorsements in this document form your Credit Insurance contract with us. It is a legal document and it is important you read it carefully. If you have any questions, please contact your Broker or our Customer Relations Department on +44 (0)1664 424000 or email [creditsupport@tmhcc.com](mailto:creditsupport@tmhcc.com)

It is always our intention to be fair and reasonable whenever you need the protection offered by our Policy and to act quickly in providing that protection.

If at any time you feel that we have not carried out that intention please contact our Customer Relations Department at the address below:-

The Grange  
Rearsby, Leicester LE7 4FY  
Tel +44 (0)1664 424000  
[creditsupport@tmhcc.com](mailto:creditsupport@tmhcc.com)

We believe that our normal procedures will provide a full and reasonable solution to your complaint. However if you feel that this is not the case then please write to a Director at the same address.

# Data Protection Notice

Your attention is drawn to the Data Protection Notice which we provide with your policy documents and proposal forms. If you do not have this document, please contact us immediately at [creditsupport@tmhcc.com](mailto:creditsupport@tmhcc.com)

# Insurance Schedule

S1	Policy Reference	
S2	Proposal Date	
S3	Insured (You)	
S4	Address	
S5	Nature of Your Business	
S6	Policy Period	
S7	Primary Currency	
S8	Estimated Whole Turnover	
S9	Minimum Premium	
S10	Rate	
S11	Maximum Liability	
S12	GAIN Credit Limit Level	
S13	Discretionary Credit Limit Level	
S14	Insured Percentage	Written Credit Limits GAIN Credit Limits Discretionary Credit Limits
S15	Excess Per Insured Debt	Minimum Retention Written Credit Limits GAIN Credit Limits Discretionary Credit Limits
S16	Pre-Delivery Costs	Month(s)
S17	Bound Contract	Month(s)
S18	Standard Payment Terms	

Payment Terms	% of Customers on these terms	On Stop Date
Up to 30 days from invoice		
30 to 60 days from invoice (up to 30 EOM)		
60 to 90 days from invoice (up to 60 EOM)		
90 to 120 days from invoice (up to 90 EOM)		

S19	Reporting Period	
Endorsements	Effective Date	Premium Plus IPT

Authorised Signatory

Tokio Marine HCC

Issue Date

# Schedule Of Insured Countries

Country
Guernsey
Ireland
Isle Of Man
Jersey
United Kingdom

# Policy Conditions

## 1. What is covered

1.1 Following Your proposal and in consideration of the Premium We will pay You the Insured Percentage of Insured Debts less any applicable deductibles up to the Maximum Liability in the event of:

- Insolvency
- Protracted Default

## 2. How You obtain cover

2.1 You must obtain from Us a Credit Limit for each of Your customers who will have Goods Delivered or Services Provided by You during the Policy Period. We will issue a Credit Limit Notification advising You of a written Credit Limit or a GAIN Credit Limit.

2.2 Alternatively You may set discretionary Credit Limits up to the level stated in the Insurance Schedule using information less than 12 months old which can include:

- status reports
- good trading history
- bank reports
- two written references from trade suppliers

Where We have approved a credit management statement You must follow the procedures set out in that statement

2.3 We may withdraw or reduce any written Credit Limit given under this Policy at any time by Credit Limit Notification which will take immediate effect unless the Credit Limit relates to a Bound Contract. All Insured Debts up to the date of the Credit Limit Notification continue to be covered. We will not withdraw GAIN Credit Limits.

2.4 Where a written Credit Limit is withdrawn or reduced Your cover on a Bound Contract is extended by the period stated in the Insurance Schedule from the date the Credit Limit is withdrawn. Where the Policy Period ends before the Bound Contract period, the remaining Bound Contract period will be recognised under Your next Policy with Us if You renew at the end of this one.

## 3. What is not covered

3.1 We do not cover debts:

- that exceed a Credit Limit
- established after a Credit Limit is withdrawn unless cover is extended on a Bound Contract
- where the terms of payment exceed 4 months from delivery of goods or services
- established prior to the effect date of a Credit Limit
- where the invoice is not raised within 1 month of delivery of goods or services
- that are Disputed Debts
- established after Insolvency, Protracted Default or a Notifiable Serious Event

3.2 We do not cover Pre-Delivery Costs more than the period stated in the Insurance Schedule prior to the Agreed Delivery Date.

3.3 Standard Exclusions are not covered as they are outside the scope of this Policy.

## 4. Your obligations

4.1 You must comply with the Policy Conditions.

4.2 You must pay Premium when it is due. Where We have agreed to accept payment of Premium by instalments each instalment must be paid by its due date. If an event of Insolvency or Protracted Default occurs when Premium is unpaid by its due date We will not be liable for claims arising from those events.

4.3 You must act as a prudent uninsured in granting credit to a Buyer. You should not materially vary Your credit control procedures or change Your terms of payment from those used at the time of making Your Proposal unless with Our written agreement. This clause is a condition precedent to Your right to claim.

4.4 You must raise invoices within 1 month of delivery of goods or provision of services unless We agree otherwise in writing.

4.5 You must advise Us immediately in writing if You become aware of Insolvency, Protracted Default or a Notifiable Serious Event in relation to a Buyer and where legally or contractually or commercially possible stop further supplies of goods and provision of services to that Buyer. This clause is a condition precedent to Your right to claim.

4.6 You must take all reasonable steps to mitigate any loss. If required You will execute any documentation or do anything necessary to enable Us to be directly involved in the recovery of an Insured Debt.

4.7 You must enter into a Service Agreement with HCCI Credit Services Ltd. for the supply and maintenance of information.

4.8 You must declare Your Whole Turnover to Us on the form supplied within 3 months of the end of the Policy Period. Where the Whole Turnover declared multiplied by the Rate stated in the Insurance Schedule exceeds the Minimum Premium, an adjustment premium will be payable by You. If You fail to declare Your Whole Turnover We reserve the right to estimate it and calculate the adjustment premium.

## 5. Claims

5.1 When You notify Us of an event of Insolvency or Protracted Default You must tell us the amount of Insured Debt and within 6 months of the Insolvency or Protracted Default:

- submit the claim on the form supplied by Us and provide any further information or records required by Us
- where the loss is caused by Insolvency and the Insured Debt is less than 25% of Your annual Premium and less than £25,000 You may self-certify the claim using the self-certification form supplied by Us. This option cannot be used where You are claiming for Pre-Delivery Costs

5.2 As part of Our internal audit requirements, We may carry out random reviews of self-certified claims and You agree to co-operate with Us and supply any further information or records required by Us. We may withdraw the right to self-certify claims at Our discretion.

5.3 We will pay approved claims caused by Insolvency:

- within 7 days of Our receipt of Your completed claim form and supporting documentation
- where You self-certify within 1 working day of Our receipt of Your completed self-certification form

5.4 We will pay approved claims caused by Protracted Default:

- within 3 months of the due date for payment of the Insured Debt if court proceedings have been issued or the Buyer's members pass a resolution to wind up the company voluntarily
- within 3 months of the due date for payment of the Insured Debt when passed to Our recommended debt collection agency
- within 6 months of the due date for payment of the Insured Debt when passed to a debt collection agency other than the one We recommend
- within 7 days of Our receipt of Your completed claim form and supporting documentation for claims arising from a moratorium

5.5 You must submit claims in Pound Sterling and convert export Insured Debts to sterling at the exchange rate applicable on the date the Insured Debt fell due.

5.6 Claim amounts paid or payable by Us under this Policy shall be reduced by any salvage, recovery, distribution and/or claim against other insurances and guarantees obtained by You.

5.7 You may assign payment of Your approved claims to Your bank or financier by written notice to Us.

## 6. General conditions

6.1 You have made a presentation of the risk to Us before this credit insurance contract was entered into. We use the information contained in Your presentation of the risk to decide whether to accept the risk and, if so, on what terms. If You have not made a fair presentation of the risk to Us, remedies are available to Us under the Insurance Act 2015.

6.2 You must have disclosed and continue to promptly disclose to Us any material circumstances that may affect the risks covered by the Policy. This clause is a condition precedent to Your right to claim.

6.3 This Policy operates in Pound Sterling.

6.4 You must allow Us and Our representatives to inspect and take copies of any of Your documents and records which relate to this Policy.

6.5 You may cancel this Policy within one month of its issue date. We will not pay any claims in these circumstances and all Premiums paid will be returned.

6.6 You must comply with the Data Protection Act Requirements.

6.7 We may end this Policy:

- immediately without notice if You become insolvent
- with 14 days notice if You break any of the Policy Conditions except where the Insurance Act 2015 specifies that a different remedy is the applicable remedy or where the breach is remedied by You in the 14 day notice period

The end of the Policy will not affect Your cover prior to the termination date except for extended cover on a Bound Contract which ends immediately. The end of the Policy will not affect Our right to Premium.

6.8 We will not be liable in the event of:

- war, invasion, act of foreign enemy or civil war
- strikes, riots, social or political disorder
- terrorism
- political risks
- the effects of radiation, explosion, or other hazard / contamination arising from nuclear sources

6.9 This Policy is governed by English Law and the non-exclusive jurisdiction of the English courts.

6.10 Where the context requires words denoting the singular shall include the plural and vice versa.

6.11 Nothing in this Policy is intended to reduce the protection afforded to You under the Insurance Act 2015.



## 7. Definitions

7.1	<b>Agreed Delivery Date</b>	the date You agreed to deliver goods or provide services to the Buyer under a contract of sale
7.2	<b>Bound Contract</b>	a contract of sale where You are unable to discontinue supplies or services or terminate the contract of sale and there are no legal reasons, contract conditions or commercial practice that allow You to discontinue supplies or services or terminate the contract of sale
7.3	<b>Buyer</b>	Your customer with a Credit Limit
7.4	<b>Credit Limit</b>	the maximum amount of cover on a Buyer provided under this Policy. It may be for a nil amount. If You have an outstanding debt with a Buyer that is covered under a previous Policy or Credit Limit the amount under this Policy and the new Credit Limit will be reduced by the outstanding debt or the Credit Limit under the previous Policy whichever is the lesser
7.5	<b>Credit Limit Notification</b>	a written notice of a Credit Limit which We send to You
7.6	<b>Data Protection Act Requirements</b>	<p>if Your customer is a sole trader or partnership You must obtain their consent to providing Us with their personal data so We may process this personal data fairly and lawfully. You must advise them that:</p> <ul style="list-style-type: none"><li>• We may keep a record of the personal data and it may be passed by Us to Our other customers</li><li>• We may pass this personal data to credit reference agencies and information providers, insurance companies, intermediaries and agents and they may keep a record of it and pass it to their customers</li><li>• the personal data will be used for credit risk assessment and insurance and other related purposes</li><li>• We may supply You with personal data We have obtained on them from sources other than You</li></ul>
7.7	<b>Disputed Debt</b>	a debt that is disputed or is from an unresolved dispute where agreement remains outstanding 12 months from the original due date for payment
7.8	<b>GAIN Credit Limit</b>	a non-cancellable Credit Limit on a UK Buyer up to the level stated in the Insurance Schedule. It is valid from the effect date to the end of the Policy Period
7.9	<b>Goods Delivered</b>	goods supplied under a contract of sale between You and the Buyer
7.10	<b>Insolvency</b>	<p>not later than 9 months from the On Stop Date the Buyer:</p> <ul style="list-style-type: none"><li>• has a bankruptcy order made against it</li><li>• is unable to pay its debts as they fall due and has made a binding arrangement with its creditors</li><li>• has an administrator appointed by the court, itself or its directors or a qualifying charge holder</li><li>• has a winding up order made by the court</li><li>• has a resolution passed by its members to wind up the company</li><li>• has an administrative receiver appointed</li><li>• has a liquidator appointed under a creditors voluntary or a compulsory liquidation</li></ul>
7.11	<b>Insured Debt</b>	<p>the amount owed to You by Your Buyer not more than a Credit Limit for:</p> <ul style="list-style-type: none"><li>• Goods Delivered or Services Provided during the Policy Period</li><li>• Goods Delivered or Services Provided outside the Policy Period where cover is extended on a Bound Contract</li><li>• Pre-Delivery Costs</li><li>• related and properly claimable statutory interest</li></ul>
7.12	<b>Maximum Liability</b>	the total amount stated in the Insurance Schedule that We will pay to You in respect of all approved claims
7.13	<b>Notifiable Serious Event</b>	<p>a Buyer:</p> <ul style="list-style-type: none"><li>• has issued a financial instrument or payment instruction which has subsequently been dishonoured (unless this is caused by administrative error)</li><li>• has requested an extension and/or rescheduling of payment of any debt due to You beyond the On Stop Date</li><li>• has had public notices issued relating to impending matters of Insolvency</li><li>• has failed to pay debts exceeding 10% of a Credit Limit by the On Stop Date and the Reporting Period has expired</li><li>• has entered a moratorium under The Corporate Insolvency and Governance Act 2020</li></ul>

7.14	<b>On Stop Date</b>	the date You would normally stop delivering goods or supplying services due to non payment of any debt as stated in the Insurance Schedule
7.15	<b>Policy</b>	Your credit insurance contract with Us
7.16	<b>Policy Period</b>	the period stated in the Insurance Schedule
7.17	<b>Pre-Delivery Costs</b>	costs incurred by You between the date of the contract of sale and Agreed Delivery Date for which the Buyer is liable under the contract of sale excluding overheads, profit and damages for breach of contract and can include: <ul style="list-style-type: none"> <li>• preparation prior to the physical manufacturing process</li> <li>• purchase of goods by You for onward sale to the Buyer</li> <li>• Work in Progress costs incurred in manufacturing</li> <li>• stock awaiting delivery</li> <li>• delivery costs</li> </ul>
7.18	<b>Premium</b>	the minimum premium and any adjustment premiums plus Insurance Premium Tax as applicable
7.19	<b>Protracted Default</b>	the Buyer: <ul style="list-style-type: none"> <li>• is in default due to non-payment of the Insured Debt by the due date where there is no dispute and you have issued court proceedings, commenced arbitration or mediation, or passed the debt to a debt collection agency not later than 9 months from the On Stop Date</li> <li>• or its members pass a resolution to wind the company up voluntarily not later than 9 months from the On Stop Date</li> <li>• has entered a moratorium under The Corporate Insolvency and Governance Act 2020 and is still in that moratorium after 3 months</li> </ul>
7.20	<b>Service Agreement</b>	a service contract between You and HCCI Credit Services Ltd. (a subsidiary company of HCC International Insurance Company plc) for the supply and maintenance of information in relation to Buyers on terms detailed to and accepted by You at the same time as agreement of this Policy
7.21	<b>Services Provided</b>	services given or work executed under a contract of sale between You and the Buyer
7.22	<b>Standard Exclusions</b>	debts from the following: <ul style="list-style-type: none"> <li>• businesses with nil Credit Limits</li> <li>• VAT</li> <li>• government departments, local authorities, statutory bodies</li> <li>• Your holding, subsidiary and associated companies</li> <li>• cash sales</li> <li>• sales where You hold a confirmed letter of credit</li> </ul>
7.23	<b>We or Us or Our</b>	HCC International Insurance Company plc trading as Tokio Marine HCC
7.24	<b>Whole Turnover</b>	the aggregate of all debts arising from Goods Delivered, Services Provided and Pre-Delivery Costs incurred in the Policy Period less Standard Exclusions
7.25	<b>Work in Progress</b>	Labour and material costs incurred in manufacturing the goods (including specific materials stored ready for the manufacturing process)
7.26	<b>You or Your</b>	the Insured(s) named in the Insurance Schedule

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## Customer Relations

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creditsupport@tmhcc.com

tmhcc.com

Member of the Association of British Insurers

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