



As we continue to navigate our way through this lockdown period, with some restrictions starting to be eased, we would like to thank all our customers for their hard work and co-operation during such challenging times. The volume of calls and emails we are receiving is unprecedented, but we continue to work effectively from our home offices and are here to answer your questions as they arise. As the weeks have gone on, certain questions have been asked several times and so we felt the time was right for a bulletin to provide further guidance, as our policyholders try to comply with the terms of their policy whilst at the same time trying to manage their businesses. This is not a comprehensive list and we encourage our policyholders to speak to their brokers and usual contacts with specific queries. These changes apply to our policyholder's policy terms for the duration of Covid-19 and will revert to the standard terms of the policy afterwards. We will notify our policyholders when that happens.

Various government departments have also offered guidance as well as trade associations and we would encourage our policyholders to read those and follow their guidance. Of particular note is the letter from the Small Business Commissioner which encourages businesses to continue to pay when they can. A copy can be found here - [click here](#).

### **Can a policyholder extend contractual payment terms to its customers?**

We are not agreeing to a blanket extension to payment terms and do not think this is appropriate. Where businesses can afford to pay then we believe it is appropriate for them to do so. This will also protect our policyholder's position after the crisis for when things return to "normal". However, we do recognise that in some cases businesses cannot pay. However, extending the contractual payment terms is usually not the solution and so in most cases, we are not agreeing to a change to the contractual terms. If a policyholder has a specific case that they wish for us to consider, please speak to a Commercial Underwriter or Broker in the first instance.





### **Can a policyholder extend the On Stop Date / Suspension Date?**

If a policyholder's normal On Stop Date is 30 days or more, we are not agreeing a blanket extension to the On Stop Date. If a policyholder's normal On Stop Date is less than 30 days, then they can extend to 30 days without reference to us (unless a policyholder has a restricted On Stop date for a specific buyer/contractor). This is with immediate effect and there is no need for further policy endorsements

### **Can a policyholder trade after the On Stop Date / Suspension Date?**

There may be instances where it is appropriate for a policyholder to continue to trade beyond the On Stop Date. If this applies, please contact us ([riskoverdues@tmhcc.com](mailto:riskoverdues@tmhcc.com)) with the name of the buyer/contractor, a statement of the current outstanding debt and details of what the policyholder is looking to deliver beyond the On Stop Date. We will respond to any such requests as promptly as possible.

### **When does a policyholder need to report a debt to you?**

During the current crisis, policyholders are not required to report debts until 60 days after the On Stop Date/Suspension Date. This allows an additional 30 (Trader Policy) to 53 (Constructor Policy) days beyond that stated in their policy and means that for example if a policyholder has a 30 day On Stop period, they do not need to report a debt until 90 days after the due date or for a 60 day On Stop period, policyholders do not need to report a debt until 120 days after the due date. If an event of Insolvency or Protracted Default occurs or the buyer requests a payment plan that takes repayments beyond the end of this reporting period, the policyholder needs to report those events.

### **Do policyholders need to report small unpaid debts to you?**

No. If the debt is less than 10% of the credit limit or £10,000 or less, please do not report it to us.





### **Can a policyholder agree a payment plan with a customer if they cannot pay on time?**

Where a payment plan remains within the extended reporting period set out above, the policyholder can agree a payment plan without reference to us. Where the payment plan goes beyond the reporting period set out above, please notify us of the proposed payment plan at [riskoverdues@tmhcc.com](mailto:riskoverdues@tmhcc.com) and we will try to support where we can and feel it appropriate. Some flexibility is required at this time and we would urge policyholders to try to agree payment plans rather than instructing debt collectors or taking court action as those are unlikely to produce a better or quicker result at this time.

### **A policyholder has its renewal date coming up soon. Can they change the renewal date?**

In some circumstances, we can agree to extend the current policy for a pro-rata premium payment. However, if a policyholder delays the renewal in this environment, they may find the premium is more expensive in a few months. We would, therefore, encourage our policyholders to renew if they can. Our Commercial Underwriters and the policyholder's broker will be speaking to them in the weeks prior to renewal, they can discuss any concerns with them and the broker will look for the most sensible solution for the policyholder and their business.

### **How can policyholders send signed documents to you?**

Most of our business with policyholders is transacted online. They can continue to use our Portal for credit limit requests and to declare their turnover. For all other matters (for example proposal forms, loss payee or joint principal forms, claim forms) we are using Docusign. Please send us the completed document and we will send to our policyholders using Docusign to capture the signatures required. If a policyholder is unable to complete the form, we can take the details over the phone and complete the form for them. The policyholder's broker may also have e-solutions available to use. Please avoid sending us documents in the post as we are only accessing the office occasionally to collect post, and this will delay matters.





### **What can a policyholder do if the credit limits available on their policy are insufficient for their needs?**

Our approach to reducing and withdrawing cover is a very detailed one. We look at each buyer individually and make an assessment as to its financial viability. The policy not only provides insurance, it also provides valuable credit management insight to a policyholder's customers. We take our obligations in this respect seriously and if we reduce or withdraw a limit that is a clear indication that we would not encourage a policyholder to trade beyond the levels of the credit limit. If a policyholder chooses to do so, then they do so at their own risk. In most cases, we believe the credit limit coverage will remain high enough to give them meaningful cover, we are regularly monitoring the position, and presently that remains the case. There may be a few policyholders who do not have many customers and are in particularly challenging sectors where the cover remaining is not meaningful, and we are happy to discuss a sensible exit strategy with those clients and brokers.

### **When and how are you reducing cover?**

We are constantly reviewing our portfolio for buyer risks and communicating changes to our policyholders. We continue to look at both increases and decreases, and our appeals process remains in place. When we feel it necessary to reduce a credit limit, for credit limits in excess of £50,000 (in some cases lower) we will try to call or email our policyholders. We will also send a Credit Limit Notification by email to the policyholder's nominated email addresses. We can add additional email addresses if that helps, during this time. Policyholders can also view their current limit cover on our Portal.

### **Covid-19 has meant that a policyholder has the opportunity to change their product range. Is this covered by the Policy?**

In most cases, we can accommodate a change in the product. Please check the nature of business stated in the policyholder's insurance schedule and if what the policyholder now plan to do does not fit into that description they can speak to a Commercial Underwriter or Broker and they will be able to make the necessary changes to the policy.





### **What if a policyholder cannot produce signed delivery notes for a claim?**

In most situations, we do not require delivery notes for a claim. Occasionally we will require some evidence that delivery has taken place, but we can use emails evidence from an Insolvency Practitioner or other reasonable evidence to assess this.

### **How will the recently proposed Government 'Guarantee Scheme' impact existing policyholders?**

We confirm that we are actively engaged with the ABI and the Government in relation to the proposed Guarantee Scheme for the Trade Credit Insurance market and its customers. There are no clear details as to the scope or the terms of the proposed scheme at this stage and we will confirm our position in relation to the scheme and any implications for customers once the details are clarified which we expect to be over the course of the next few weeks.

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