TOKIO MARINE HCC

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

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 your broker or our Customer Relations Department at the address below:-

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

We believe that our normal procedures will provide a full and reasonable solution to any issues you may have. However, if you do remain dissatisfied and wish to make a complaint you may do so in writing or verbally by using the contact details below:

Compliance Officer
Tokio Marine HCC
The St Botolph Building, 138 Houndsditch, London EC3A 7BT
Tel: +44 (0)20 7702 4700
Email: tmhcccomplaints@tmhcc.com

Our complaints team will acknowledge your complaint promptly and aim to respond fully to your concern or complaint within four weeks or less. If for any reason they are unable to do so, the complaints team will write to you to explain why they have been unable to conclude the matter within four weeks. If they have been unable to resolve your complaint in eight weeks, they will write to you explaining the reason as to why this has not been possible and advise you of your right to refer your complaint to the Financial Ombudsman Services (if eligible).

Should you be dissatisfied with the outcome of your complaint, you may also have the right (subject to eligibility) to refer your complaint to the Financial Ombudsman Service (FOS), using the details below. The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. Contacting the FOS does not affect your right to take legal action and the service is free of charge.

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Tel: +44(0)800 023 4567
Email: complaint.info@financial-ombudsman.org.uk

You can find more information on the FOS at: www.financial-ombudsman.org.uk

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

Insurance Schedule

S01	Policy Reference	
S02	Proposal Date	
S03	Insured (You)	
S04	Associated Companies	
S05	Registered Address	
S06	Nature of Your Business	
S07	Policy Period	
S08	Primary Currency	
S09	Estimated Whole Turnover	
S10	Estimated Premium	
S11	Minimum Premium	
S12	Rate	
S13	Maximum Liability	
S14	Additional Specific Maximum Liability	
S15	Discretionary Credit Limit Level	
S16	Insured Percentage	Written Credit Limits Discretionary Credit Limits
S17	Excess Per Insured Debt	Written Credit Limits Discretionary Credit Limits
S18	Pre-Delivery Costs	
S19	Bound Contract	

S20 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)		

S21	Reporting Period	
S22	Overdue Reporting Level	

Endorsements	Effective Date	Premium excluding IPT	Wording Location

Authorised Signatory

Issue Date

Tokio Marine HCC

Schedule of Insured Countries

Country

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.

2.2 You may uplift a written Credit Limit issued by Us by up to 10% without requesting an increase from Us provided that You are not aware of any adverse information in respect of the Buyer and We have not restricted, withdrawn or reduced the Credit Limit. Any uplift applied under this clause shall form part of the Credit Limit.

2.3 You may set discretionary Credit Limits up to the level stated in the Insurance Schedule.

You must use information less than 12 months old that is updated at least every 12 months which can include status reports, good trading history or two written trade references from trade suppliers. You must consider all known information in making Your decision. Following an Overdue Event You must obtain new information that postdates the Overdue Event to support continued trading under the discretionary Credit Limit or obtain a written Credit Limit from Us.

Where We issue a nil Credit Limit and do not permit the use of the discretionary Credit Limit in relation to the Buyer, We will communicate this on the Credit Limit Notification and a reason code of “NODL” will apply.

2.4 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. Where We withdraw or reduce any written Credit Limit You are not permitted to uplift the written Credit Limit without obtaining a new written Credit Limit from Us.

2.5 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:

- 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 after a Pre-Insolvency Event or Insolvency
- established after an Overdue Event or Protracted Default unless established after the account is brought back within terms and the adverse event is resolved
- that relate to delivery of goods or services after Your On Stop Date
- 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

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 and Reporting Requirements

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 report the following events to Us immediately and continue to update Us at least monthly:

- Overdue Event
- Pre-Insolvency Event
- Protracted Default
- Insolvency

and where possible stop supplying goods or services to that Buyer

Where You have outstanding queried invoices up to 10% of the value of the Credit Limit these are not reportable and You are not required to stop supplying goods or services.

This clause is a condition precedent to Your right to claim.

4.5 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.

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

4.7 You must declare Your Whole Turnover to Us in the Primary Currency 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 and Salvages

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 or via the online portal together with all supporting documentation
- 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

You must submit any further information requested by Us within 6 months of the request.

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 the Primary Currency and convert export Insured Debts to the Primary Currency at the exchange rate applicable on the date the Insured Debt fell due.

5.6 Any Salvage received prior to an event of Insolvency or Protracted Default will be allocated to the outstanding debt in chronological order based on invoice dates. Any Salvage received after an event of Insolvency or Protracted Default will be shared between You and Us in the same proportion in which the loss is borne by You and Us. You must notify Us immediately of the receipt of any Salvage and any Salvage shall be held by You in trust for Us.

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 the Primary Currency stated in the Insurance Schedule.

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 the Insured(s) or any Associated Company become insolvent
- with 14 days' notice if the Insured(s) or any Associated Company 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

Where We end the Policy early for these reasons Your cover prior to the end date is not affected except that cover on a Bound Contract ends immediately. Our right to the Premium is not affected and there is no pro rata refund.

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
- the effects of radiation, explosion, or other hazard / contamination arising from nuclear sources
- political risks

6.9 We do not provide cover and have no liability to pay any claim or provide any benefits under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanctions, prohibition or restriction under United Nations resolution or the trade or economic sanctions, law or regulation of the EU, UK or USA.

6.10 You must not obtain insurance from any other insurer for any customer or Buyer or exclude any customer or Buyer from this Policy even if You have a nil Credit Limit from Us without Our prior consent.

6.11 This Policy is governed by English Law and the exclusive jurisdiction of the English courts.

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

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

7. Definitions

7.1	**Agreed Delivery Date**	the date You agreed to deliver goods or provide services to the Buyer under a contract of sale
7.2	**Bound Contract**	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	**Buyer**	Your customer with a Credit Limit
7.4	**Credit Limit**	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	**Credit Limit Notification**	a written notice of a Credit Limit which We send to You
7.6	**Data Protection Act Requirements**	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: • We may keep a record of the personal data and it may be passed by Us to Our other customers • 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 • the personal data will be used for credit risk assessment and insurance and other related purposes • We may supply You with personal data We have obtained on them from sources other than You
7.7	**Disputed Debt**	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	**Goods Delivered**	goods supplied under a contract of sale between You and the Buyer
7.9	**Insolvency**	not later than 9 months from the On Stop Date the Buyer: • has a bankruptcy order made against it • is unable to pay its debts as they fall due and has made a binding arrangement with its creditors • has an administrator appointed by the court, itself or its directors or a qualifying charge holder • has a winding up order made by the court • has a resolution passed by its members to wind up the company • has an administrative receiver appointed • has a liquidator appointed under a creditors voluntary or a compulsory liquidation
7.10	**Insured Debt**	the amount owed to You by Your Buyer not more than a Credit Limit for: • Goods Delivered or Services Provided during the Policy Period • Goods Delivered or Services Provided outside the Policy Period where cover is extended on a Bound Contract • Pre-Delivery Costs
7.11	**Maximum Liability**	the total amount stated in the Insurance Schedule that We will pay to You in respect of all approved claims
7.12	**On Stop Date**	the date You would normally stop delivering goods or supplying services due to non payment of any debt as stated in the Insurance Schedule

7.13 Overdue Event	a Buyer: • has failed to pay debts by the On Stop Date and the Reporting Period has expired • has requested additional time to pay or a repayment plan extending beyond the On Stop Date • has made a payment to You which is dishonoured and not re-presented and paid within 14 days • becomes involved in adjudication with You and the debt is above the Overdue Reporting Level
7.14 Overdue Reporting Level	the amount stated in the Insurance Schedule below which You do not have to notify Us of debts that have failed to be paid by the On Stop Date
7.15 Policy	Your credit insurance contract with Us comprising Policy Conditions and Insurance Schedule
7.16 Policy Period	the period stated in the Insurance Schedule
7.17 Pre-Delivery Costs	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: • preparation prior to the physical manufacturing process • purchase of goods by You for onward sale to the Buyer • Work in Progress costs incurred in manufacturing • stock awaiting delivery • delivery costs
7.18 Pre-Insolvency Event	a Buyer: • has initiated any type of restructuring including but limited to voluntary arrangements, restructuring or entering into a moratorium • has initiated any type of Insolvency including but not limited to notices to creditors and notices of intention to appoint administrators or is the subject of a winding up petition or a proposal to strike off
7.19 Premium	the minimum premium and any adjustment premiums plus Insurance Premium Tax as applicable
7.20 Protracted Default	the Buyer: • 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 • or its members pass a resolution to wind the company up voluntarily not later than 9 months from the On Stop Date • has entered a moratorium under The Corporate Insolvency and Governance Act 2020 and is still in that moratorium after 3 months
7.21 Salvage	the value of all goods recovered (including but not limited to goods recovered under retention of title), all monies and any indemnity, guarantee, security, right of action counterclaim, set-off or any other right or benefit available to You
7.22 Service Agreement	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
7.23 Services Provided	services given or work executed under a contract of sale between You and the Buyer

7.24 Standard Exclusions	debts from the following: • businesses with nil Credit Limits • VAT • government departments, local authorities, statutory bodies • Your holding, subsidiary and associated companies • cash sales • sales where You hold a confirmed letter of credit
7.25 We or Us or Our	HCC International Insurance Company plc trading as Tokio Marine HCC
7.26 Whole Turnover	the aggregate of all debts from Buyers arising from Goods Delivered, Services Provided and Pre-Delivery Costs incurred in the Policy Period less Standard Exclusions
7.27 Work in Progress	labour and material costs incurred in manufacturing the goods (including specific materials stored ready for the manufacturing process)
7.28 You or Your	the Insured(s) and any Associated Companies named in the Insurance Schedule

Customer Relations

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Member of the Association of British Insurers

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