



IFFCO-TOKIO GENERAL INSURANCE CO. LTD
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**PROSPECTUS-
CREDIT INSURANCE POLICY
UIN:IRDAN106CP0002V02200203**

About Credit Insurance

Credit insurance is a risk management product that covers the loss due to the non-payment by the customers due to protracted default, insolvency or bankruptcy. It covers a portfolio of buyers and the insurance company agrees to indemnify upto an agreed percentage of the unpaid receivable.

Coverage

The Credit insurance policy covers the undisputed unpaid debts of the insured arising out of non-payment by its buyers due to insolvency and protracted default. In case of export business, apart from insolvency and protracted default, political risk is also covered.

Exclusion

- a) Sales made to Private Individual, an Associated Company, a Public Buyer, or buyer already subject to Insolvency on the date of Delivery.
- b) Cover shall not apply to Debts:
 - (i) Payable before Delivery,
 - (ii) Payable by irrevocable letter of credit confirmed by a bank registered in insured's country,
 - (iii) Resulting from sales of goods made on approval or on consignment, or of goods in bonded warehouse or exhibited at a trade fair,
 - (iv) Resulting from Cash Against Documents Sales,
 - (v) In excess of the approved credit limit
 - (vi) Where the insured have not complied with any express condition which may be attached to the Credit Decision,
 - (vii) Where a failure, by insured or anyone acting on the insured's behalf, to fulfill the insured's obligations under the Sales Contract occurred
 - (viii) Sustained on interest for late payment or any penalties or damages.
- c) Cover shall not apply to Debts arising from Deliveries:
 - (i) Made after a Refusal or a Cancellation,
 - (ii) Made to a Buyer in Default,
 - (iii) Made to a Buyer for whom insured have or should have notified insurer adverse Information, or
 - (iv) Made in violation of any applicable laws or regulations.
- d) Cover shall not apply to Debts which are subject to a Dispute; in such a case, cover shall be suspended until the Dispute is resolved in insured's favour by arbitration or by a final court decision, binding on both parties and enforceable in the Buyer's country.
- e) Cover shall not apply to any exchange rate losses.
- f) Cover shall not apply to any Non-Payment arising directly or indirectly from any of the following events:
 - (i) Non payment due to a nuclear explosion or contamination.
 - (ii) Non payment due to a war, whether declared or not, between two or more of the following countries : France, the People's Republic of China, the Federation of Russia, the United Kingdom, the United States of America.

- (iii) Non payment due to insured's domestic transactions: any legislative or administrative measure in your country that prevents the performance of the Sales Contract or the payment of the Debt.

Benefits of Credit Insurance

- Safeguard against bad debts
- Improved debtors collection cycle
- Gives comfort to investors
- Boost in sales by offering insurance backed open credit terms instead of advance/ secured term
- Opportunity to explore new domestic & overseas markets
- Portfolio credit risk management & third party monitoring
- Domestic & International collection service

Requirement for Quotation

Prospect has to submit the proposal form containing at least the below information:

- Company details
- Business activity to be covered
- Estimated Turnover (Country wise in case of Export)
- Latest debtor ageing with detail of overdue
- Last 3 years turnover vs. bad debts
- Top 10 buyer details with limits required
- Daily Sales outstanding (DSO)

Documents Required Claim Notification

Generally following details are required at the time of notification of claim:

- Duly filled, signed and stamped Claim form
- Copy of the Agreement between the Insured & Debtor / Sales Contract / Purchase Order
- Copies of Invoices
- Statement of account- signed and stamped
- Bill of Lading / Delivery Receipt
- Details of the securities held (if any)
- Written acknowledgement of debtor for the debt. (if any)
- Demand Letters / Email communications exchanged between Insured and debtor on the dues. (if any)
- Details with documents / copies on Litigations already initiated by Insured against the debtor (if any)

Disclaimer: This document is only a summary of the features of the Policy. Actual benefits available are as mentioned in the Policy, and are subject to its terms, conditions and exclusions.