



IFFCO-TOKIO GENERAL INSURANCE CO. LTD
Regd. Office: IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi-110017

**PROSPECTUS-
CREDIT INSURANCE POLICY FOR FINANCIAL INSTITUTIONS
UIN: IRDAN106CP0016V01202122**

Coverage

The policy covers nonpayment of undisputed transferred debts by the buyer, arising from sales of goods or performance of services having been delivered by insured's customers.

Exclusion

1. In case the buyer is a private individual, associated company, government departments and local authorities
2. In case the payment is to be received before delivery.
3. Any debts transferred to insured in the framework of a reverse transaction.
4. This policy does not cover any loss:
 - i) Related to the part of a transferred debt which is in excess of the credit limit,
 - ii) Where insured have not complied with any terms which may be attached to the credit limit,
 - iii) Relating to transferred debts arising from deliveries made by insured's customer after we have duly notified the cancellation or reduction of a credit limit on the buyer,
 - iv) Relating to transferred debts which have not been declared by insured,
 - v) Relating to transferred debts arising from deliveries made with
 - A buyer for whom a notification of adverse information or overdue account has, or should have been done by insured
 - A buyer already insolvent at the date the debt is transferred to insured,
 - vi) Relating to transferred debts arising from deliveries made in violation of any applicable law or regulation
 - vii) Due to the fact that the transfer of the debt will not confer on the insured all the rights attached to the debt and its accessories or from the security attached to it or arising from the fact that the insured would not be the beneficiary of the bills of exchange and of promissory notes materializing the debt,
 - viii) Due to the fact that the transfer of the debts would not be valid or made in violation of the terms and conditions of the sales contract or in violation of any applicable law or regulation,
 - ix) Due to the fact that the transferred debt would be subject to rights or security granted to third parties,
 - x) Related to disputed debts assigned to the insured unless and until each dispute shall have been finally resolved and the sum due to the insured shall be a valid and legally enforceable indebtedness of the buyer, its administrator, receiver, liquidator or other legally appointed supervisor, or its successor in interest.
 - xi) Arising directly or indirectly from nuclear explosion or contamination, whatever its origin,
 - xii) Arising directly or indirectly from a war, whether declared or not, between two or more of the following countries: France, People's Republic of China, Federation of Russia, the United Kingdom or the United States of America,
 - xiii) Sustained on interest for late payment, penalties or damages.

Benefits of Credit Insurance

- Increased revenue through enhanced ability to finance account receivables
- Increased profitability by reduction in customer default risk
- Portfolio credit risk management and third party monitoring

Requirement for Quotation

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

- Company details
- Business activity of customer to be covered
- Estimated Turnover
- Latest debtor ageing with detail of overdue
- Last 3 years turnover vs. bad debts
- Top 10 buyer details with limits required

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 & customer
- Copy of the Agreement between the customer & buyer/ 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 buyer for the debt. (if any)
- Demand Letters / Email communications exchanged between Insured and customer/buyer on the dues. (if any)
- Details with documents / copies on Litigations already initiated by Insured against the buyer (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.