

Welcome to your Policy Guide - Fixed Premium

Welcome to Atradius and thank you for placing your Trade Credit Insurance programme with us. The following series of Policy Guides, indexed below, will ensure that your business will gain the maximum benefit from your policy.

- How does your Credit Insurance policy work?
- Setting a Credit Limit on your buyer
- Discretionary Credit Limits – Trading Experience
- Discretionary Credit Limits – Agency Reports
- Using Credit Check to set a Credit Limit
- Paying Premium – Fixed Premium
- When a debt becomes overdue
- Making a Claim with inclusive collections
- Retention of Title

How does your Credit Insurance policy work?

Note: This illustration of a typical timeline does not replace nor alter the policy provisions. Please refer to your policy for specified terms. Our assumption below is that every month has 30 days.

Pre-credit risk and credit risk cover

1 – Contract

The signed contract is the commencement of risk for Atradius NB the contractually agreed period for performance of the contract may not exceed the maximum pre-credit risk period specified in the policy.

Pre-credit risk period

Typically 120 days

2 – Despatch

Credit Risk cover commences on the date the goods are despatched (or invoice raised for services provided).

Despatch 1st January

Credit risk period

Max payment terms in credit limit
Typically 90 days

3 – Invoice

You must raise an invoice within 30 days of despatch.

NB be explicit on payment terms and ensure your invoice is within maximum credit terms in your policy.

Invoicing period
Typically 30 days from despatch

4 – Due date of payment

Payment is due now and normal credit management procedures should be applied. A 'grace' period or Maximum Extension Period (MEP) to allow for normal recovery steps is specified in the policy.

1st April

Maximum Extension Period

Typically 30-45

5 – Stop of cover

There is no liability for goods despatched or invoiced after the MEP. However, you do not need to notify us yet.

1st May

30 days

6 – Notification of Collection and Claim

Notification of non-payment (collection and claim) should be submitted within 30 days of expiry of MEP.

7 – Waiting period

The waiting period to allow for collection activity on debts of protracted default prior to indemnification under the policy is 180 days from the due date of payment of the oldest outstanding invoice.

1st June

Waiting Period

Waiting period from due date of payment to date of loss – e.g. 180 days in case of protracted default

The waiting period spans the MEP and Notification period.

8 – Date of Loss

1st October

Date of Loss is typically 180 days from due date

Setting a Credit Limit on your buyer

For your insurance cover to be valid it is essential to have a valid Credit Limit in place on each of your buyers.

What is a Credit Limit

A Credit Limit is the maximum amount of insurance cover available to you on your buyer. This is a vital element of your policy because without a valid credit limit your sales to your buyer are not insured.

Getting a Credit Limit

You obtain a Credit Limit decision from Atradius by making an application for cover on the buyer via our online policy management system Atrium.

Choosing the Credit Limit Amount

Your Credit limit should cover the maximum amount likely to be outstanding from your buyer at any one time. To determine the size of the limit that you will need you should take into account the total value of the buyer's order, your shipping programme and the terms of payment. For instance, if your order was for £50,000 to be shipped in two equal consignments, a credit limit of £25,000 would be sufficient, as long as the buyer pays for the first shipment before you release the second. If you have pre-credit risk cover, the Credit Limit should also cover the total contract value.

Credit Limit Conditions

The Credit Limit decision may set special conditions of cover on your buyer. It is vital that you comply with any Credit Limit decisions including any special conditions.

Credit Limit Period

Credit limits do not normally have a specific expiry date and remain valid for the life of your policy. However, there are circumstances where you will receive a credit limit with a fixed expiry date.

Reducing or Cancelling the CreditLimit

We may at any time and for any reason give you written notice reducing or cancelling the Credit Limit, withdrawing cover for future sales in respect of a buyer in a deteriorating financial position, or a country facing economic collapse. Under these circumstances, the policy will no longer cover any goods despatched or invoices submitted to this buyer or country on or after the date specified in the notice.

We may also choose to reduce a Credit Limit by giving you written notice. If this occurs then the reduction applies to any goods despatched or invoices submitted on or after the date specified in the notice.

Service Standard

In most cases a 30 day grace period will be allowed to accommodate work in progress, this will automatically be built into the notice period given by Atradius and therefore the date of cancellation/ reduction specified will be binding. However, we reserve the right to withdraw cover immediately should we receive adverse information.

Credit Limit Charges

Credit Limit decisions issued by us will be charged at the rate illustrated in your policy schedule.

Retroactive Cover

You must have a Credit Limit for every buyer to which the policy applies. You must apply for a Credit Limit on a buyer as soon as possible, however, all outstandings on your policy will be covered as long as the Credit Limit application has been approved before the date of loss.



Discretionary Credit Limits – Trading Experience

Your policy provides you with the ability to set your own credit limit without referring to Atradius – this is called a discretionary limit.

Maximum Discretionary Limit

The maximum credit limit you can justify in this way is stipulated in your policy schedule. You cannot exceed the maximum discretionary limit on the policy.

Establishing the Limit

You can use your past trading experience with a company to justify your discretionary limit.

You can only trade on the same terms that you used to establish the discretionary limit eg If your past trading was on 30 days credit then under the discretionary limit you can only trade on 30 days.

Your limit is equal to the total payments received from the buyer and paid on time. The maximum period that you can use for past payments to establish cover will be stipulated in months in your policy.

For example if you are trading with ABC Ltd @ £2k in January on 30 days credit, followed by the same

amount each month, by the end of May £10k will be available to use on discretionary limit, providing that all payments are received on time.

Adverse Information

It is not possible to establish a discretionary limit on buyers where adverse information is known.

Overriding Discretionary Limit

A written credit limit decision from Atradius will override any discretionary credit limit you have established from the date of our notification to you.

Automatic Reinstatement of Discretionary Limit

Where Atradius has previously given a zero limit on a buyer, you are able to establish a discretionary limit 12 months after the date of the zero limit.

Invoice Number	Amount	Paid?	DL Amount
1	1k	Paid	1k
2	1k	Paid	2k
3	1k	Paid	3k
4	1k	Paid	4k
5	1k	Paid	5k
6	1k	Paid	6k
7	1k	Paid	7k
8	1k	Paid	8k
9	1k	Paid	9k
10	1k	Paid	10k

Discretionary Credit Limits – Agency Reports

Your policy provides you with the ability to set your own credit limit without referring to Atradius - this is called a discretionary limit.

Maximum Discretionary Limit

The maximum credit limit you can justify in this way is stipulated in your policy schedule. You cannot exceed the maximum discretionary limit level that is outlined in your policy.

Establishing a Limit

You can establish a discretionary limit using an **Agency Report**. To justify your discretionary limit using an agency report you must use an agent endorsed on your policy as acceptable for discretionary purposes. The report should provide a positive recommendation and be no older than the maximum acceptable period in months outlined in the policy.

Adverse Information

Where adverse information on a buyer is known it is not possible to establish a credit limit using the discretionary limits method.

Overriding Discretionary Limit

Any written credit limit decision from Atradius will override any discretionary credit limit you have established from the date of notification to you.

Automatic Reinstatement of Discretionary Limit

Where Atradius has previously given a zero limit on a buyer, you are able to establish a discretionary limit 12 months after the date of the zero limit.

GRAYDON

Level 3-Comprehensive Credit Rating Report
Supplied on 20 January 2020

Company Identification Details
Subject Reported on A COMPANY LIMITED 00000000
Registration Number

Creditline Recommendations
Graydon Rating **8C**
GBP 10k-100k financial strength rating based on net worth plus net current assets/liabilities
Monthly Credit Guide **GBP 10,000**
Single credit applications up to and including this amount are considered by Graydon to be an acceptable credit risk
Risk Category **NORMAL RISK**
Recommend entering into a credit relationship to the limit specified
Odds of Financial Stress (next 12 months) **20.00 / 1**
The definition of 'Financial Stress' is either Dissolution, Liquidation, Receivership, Petition for Winding-up, Resolution for Winding-up Order, Creditors Meeting or Administration.

Xception Summary

Official Company Data

Legal Form	Private Limited
Registration Number	00000000
Subject Status	Trading
Date of Incorporation	10/10/2020
Registered Office	A COMPANY LIMITED NT20NT, 05/05/2016 THE COMPANY
History	10/10/2010
Date of Last Annual Return to Registry	The last file 31/01/2015
Accounting Reference Date	31/01
Operations	
Nace Code	1234
Auditors	TGFP
Historical Graydon Rating	

Date	Graydon Rating	Monthly Credit Guide
14/01/2015	8C	4,950
14/10/2014	8C	4,950
14/07/2014	8C	5,100
14/04/2014	8C	5,100
14/01/2014	10D	600

Previous Searches

Search History Summary

Last 3 Months	Last 6 Months	Last 12 Months
2	7	11

Search History Details

The Search History Details shows details of the most recent 40 searches

Date	Description
11/11/2014	Miscellaneous
10/11/2014	Miscellaneous
27/09/2014	Miscellaneous
12/09/2014	Miscellaneous
12/09/2014	Miscellaneous
20/08/2014	Miscellaneous
20/08/2014	Miscellaneous
10/06/2014	Miscellaneous
10/06/2014	Miscellaneous
05/06/2014	Miscellaneous
04/03/2014	Miscellaneous
05/12/2013	Miscellaneous

Public Record Information

Summary of CCJs/Scottish Decrees
No CCJs/Scottish Decrees are recorded

Summary of Mortgages, Charges

Total Number of Mortgages/Charges
Number Outstanding
Number Partially Satisfied
Number Satisfied
Date of Latest Mortgage Created
For more information on all charges, visit [www.companieshouse.gov.uk](#)

Details of most recent Mortgage

Date Fully Satisfied	Date Registered	Date Created
	02/11/2012	31/10/2012

It should be noted that there is no legal requirement to file satisfaction details of mortgages/charges at Companies House.

Other Filings and Notices

Date	Source	Description
26/03/2014	Companies House Gazette	All documents required to be delivered to the registrar under section 441 (annual accounts and reports)
09/05/2013	Companies House Gazette	All documents required to be delivered to the registrar under section 441 (annual accounts and reports)
15/03/2013	Companies House Gazette	Notification of any change among the company's directors
02/01/2013	Companies House Gazette	Notification of any change of the company's registered office
04/01/2012	Companies House Gazette	Certificates of new Incorporation

Directors

Director	#MRS SALLY SMITH
Service Address	OLD HOUSE NEWTOWN TERRACE, NEWTOWN, NEWTOWNSHIRE, NT20NT.
Date of Birth	10/10/1960
Appointment Date	05/05/2010
Director	#MR JOHN SMITH
Service Address	OLD HOUSE NEWTOWN TERRACE, NEWTOWN, NEWTOWNSHIRE, NT20NT.
Date of Birth	10/10/1960
Appointment Date	07/07/2011
Other Directorships	THE CONSULTANCY LIMITED

Share Capital

Shares	Ordinary GBP 1.00
Issued Number	100
Principal Shareholder	57 John Smith 57 Sally Smith

The above reflects the principal shareholder(s) by number of shares held, irrespective of share classification type.

Financial Data - Statutory Accounts

Profit & Loss Accounts are not available for companies categorised as small companies under the companies act.
For annual accounts images, view the [Document Image List](#)

Balance Sheet
The following figures are shown in units of 1000

Number of Weeks	52	56
Accounts Date	31/01/2014	31/01/2013
Currency	GBP	GBP
TOTAL FIXED ASSETS	3	2
Tangible Assets	3	2

Using Credit Check to set a Credit Limit

For low values of cover you can use the Atradius Credit Check facility to set a credit limit on a buyer.

This service is accessed via **Atrium**, the Atradius on line system, and takes the form of a simple 'yes' or 'no' decision on the buyer.

A positive Credit Check will mean that you have set a Credit Limit decision for the amount specified in your policy schedule as the Credit Check Amount.

A negative result is the same as a Nil credit limit decision and overrides the use of any discretionary limit powers under the policy.

Credit Checks are valid until cancelled by Atradius, or until the policy is terminated, whichever is sooner.

The cost of a credit check on a buyer is shown in your policy Schedule.

If your trade with a buyer grows and the amounts outstanding with a buyer are likely to go above the Credit Check Amount then you should apply for a Credit Limit Decision on the buyer, again using Atrium and entering the specific limit amount you require.

The screenshot displays the Atradius Credit Check result interface. At the top, there is a navigation bar with tabs for 'Credit limits', 'Policy information', 'Non payments', 'Declarations', 'Alerts', and 'Analyser'. Below this, the 'Credit check result' section shows a 'Positive' status with a warning icon. The aggregate amount allowed is 50,000,000 GBP, with 45,634,000 GBP in use. The 'Buyer details' section includes fields for Organisation number, Name, Address, Country (United Kingdom), National registration number, VAT number, Telephone, Fax, Trade sector, CL id, and Latest buyer rating (Rating not available or under review). A 'Your reference' field is also present. At the bottom, there is a 'Printable version of screen' button and a footer with 'Mandatory fields', 'Disclaimer', 'Cookie Information', and 'Copyright © 2009 Atradius. All rights reserved'.

Paying Premium- Fixed Premium

Your Policy is set up on a fixed premium basis.

The premium you pay for the cover we provide is set at the level shown in your policy schedule for the insurance year.

The premium is calculated on the information you have provided to us about your business, and the projected sales turnover you expect to achieve in the forthcoming year.

The premium is non refundable and is payable in advance by Direct Debit. All premium payments are subject to Insurance Premium Tax, and this will be clearly shown on your invoice.

Although the premium and policy terms are fixed, if you would like us to consider adding more business or countries into the policy then we are happy to do so, and we will outline for you what additional premium this might involve.

Failure to pay the premium at the due date can lead to your policy being terminated and you will be uninsured.



When a debt becomes overdue

Reporting an overdue payment - Accessing collection activity - Confirming a claim

You must report any debt when it is overdue from a buyer no more than 30 days after the end of Maximum Extension Period.*

In addition, you must report immediately any adverse event, such as the buyer's insolvency, or if you become aware that the buyer is in financial difficulties.

To report an overdue you should log on to **Atrium** and select the 'Collection & Claim' option from the menu and follow the on-screen instructions. You may be asked to submit supporting documentation – for example if you have already discussed a payment plan with your buyer, or your buyer is insolvent.

When an overdue is reported via Atrium the case is automatically passed to Atradius Collections and a (potential) claim is registered.

Next Steps

The claims team will complete an 'early assessment' based on the details submitted and will inform you of Atradius' potential liability and advise the percentage contribution that we will make in respect of any collection costs incurred.

The Collections team will contact you to gather any additional information - e.g. copies of invoices and will begin action to recover the debt.

Collection costs

It is important to note that our contribution to costs may be restricted for example in the case of:

- trading against a zero credit limit decision
- overtrading against the credit limit held
- holding cover on the wrong contractual entity
- trading beyond Maximum Extension Period
- reporting the overdue late
- no credit limit has been applied for prior to the overdue

If our contribution to your collection costs is calculated at 50% or lower, we will always advise you **before** any collections action is taken.

Payment Plans

If you have already discussed a payment plan with your buyer we may delay additional collections activity until we have reviewed the plan. You will be asked to submit details of the payment plan to the Collections Team.

In cases where a payment plan has been proposed by your buyer prior to the 30 day MEP you should contact the Atradius Customer Services Team for advice before you report the overdue via Atrium.

Collection activity

If payment from your buyer is still not forthcoming, the next steps will be for Atradius Collections to proceed to try to collect the debt.

Updates on the collections activity will be available to you via our online system Collect@Net.

If the Collections Team successfully collect the debt the collected monies will be returned to you. Normally you will receive the net amount due taking account of recovery costs incurred. You will receive a statement of account setting out monies recovered, recovery costs incurred, Atradius' contribution to costs and where relevant any claims payment due.

If the debt is not recovered, or only partially collected then we will contact you at or just before the date of loss to invite any additional information/documentation needed to progress examination of your claim.

Disputed debts

If the debt is disputed collection activity may not be covered under your policy. In case of dispute the Collections Team will contact you to confirm next steps and to determine whether you wish to resolve the dispute yourself or to continue with collection at additional cost.

Insolvency

If your buyer is insolvent, the claims team will contact you at or just before the date of loss to invite you to share any additional information/documentation needed to progress examination of your claim.

* Maximum Extension Period is defined in your Policy Schedule

Making a Claim with inclusive collections

We genuinely hope that you never have cause to make a claim, but in the event that you do, then by following these guidelines, you can help ensure it is processed smoothly and without delay.

1. Things to consider before a making a claim

Credit Limits	Invoicing	Adverse Events
<ul style="list-style-type: none"> Have we established a Credit Limit for our customer? Is this cover established on the correct legal entity/principal to contract? Does the Credit Limit decision cover the terms and conditions of our contract of sale? Are we complying with the conditions stipulated in the Credit Limit? 	<ul style="list-style-type: none"> Have we complied with the contractually agreed invoicing period? Have we complied with the maximum contractually agreed terms of payment? Have we agreed the Retention of Title with due effect, where required by Atradius? 	<ul style="list-style-type: none"> Has any event or circumstance arisen, or have we been made aware of any adverse information that we need to notify to Atradius? Have we obtained Atradius' prior agreement to any payment plan? Have we reported any breach of MEP to Atradius? Have we spoken with Atradius before taking legal action or placing a debt with a collector?

2. When to make a claim

- A claim can be reported if;
- You have suffered a protracted default and the qualifying period has passed, or
- Your customer is demonstrably insolvent.

Documents and information required to support your claim

- Contractual Documents
- Copy Invoices (a 10% sample if there is a significant number).
- Trading Terms
- Full Statement of Account
- Credit Limit justification
- Details of Recovery Action taken to date
- Debtor Contact details

Supporting documentation can be submitted via Atrium at the time of registering your claim, subsequent documentation can be sent to us at mydocs@atradius.com.

All claims must be submitted no later than six months from the Date of Loss.

Early Assessment of Claims

Upon receipt of a claim, we will carry out an early cost assessment and advise you of our likely contribution to any collection costs incurred and calculate a preliminary liability.

3. Payment of your claim

If your claim relates to an insolvency, as soon as your claim has been examined and approved, payment will be made immediately.

If your claim relates to a Protracted Default and collections action does

not result in payment of your debt, once your claim has been examined and approved we will make payment 6 months beyond the original due date of payment.

If your claim relates to a Political Risk cause of loss, payment can follow the date of loss – this shall be the date at which the Waiting Period specified in the Policy Schedule expires.

4. After a claim

It's important that you continue to take all available measures to minimise loss, following discussion with Atradius.

Also keep us informed at all times of payment receipts and any other developments.

Retention of Title

You can help to protect your business by including an All Monies Retention Of Title clause in your standard sales contract.

Accordingly, your Atradius Modula Policy requires that your Terms and Conditions of sale incorporate a valid and enforceable All Monies Retention of Title (RoT) clause.

An effective All Monies RoT is a key tool to help protect your business in the event of a customer being placed into administration, by allowing a greater level of financial recovery to be achieved under the scope and conditions of the clause.

Under the All Monies clause the goods sold under a particular contract continue to remain your property until the customer has not only paid for those goods but also any other items your business has supplied under any other contracts with them. It is not necessary to link the goods to particular invoices, although they will still need to be identified by you in order to give practical effect to the All Monies clause.

If the insolvency practitioner uses the goods, the All Monies clause requires that you receive payment for the goods.

Example – A typical All Monies Retention of Title (RoT) clause:

“Notwithstanding delivery and the passing of risk, property in and title to the goods shall remain with the seller until the seller has received payment of the full price of (a) all Goods and/or Services the subject of the Contract and (b) all other goods and/or services supplied by the seller to the buyer under any contract whatsoever. Payment of the full price shall include, without limitation, the amount of any interest or other sum payable under the terms of this and all other contracts between the seller and the buyer.”

Important: The wording of such a clause for a specific contract would need to be consistent with the rest of the contract terms.

If in doubt you should consult your legal advisers to ensure that your Terms and Conditions contain an effective All Monies Retention of Title clause.

