



QBE Insurance (Australia) Limited

Trade Credit

Comprehensive (AP) Trade Credit Insurance Policy Wording

This is an important document about insurance. It explains what is and what is not covered under the insurance policy and your and our obligations. To check the policy meets your needs, you need to understand it. If you cannot read and understand English please seek assistance from someone who can help you understand it in your preferred language.

此乃關於保險的重要文件，它解釋了根據保單條款什麼是受保、什麼是不受保項目，以及你方和我方的責任條款。你必須要了解後才能決定這項保險是否能滿足你的需要。如果你不能閱讀和理解英文，請向能幫助你用你熟悉的語言理解內容的人求助。

هذه وثيقة هامة عن التأمين، تشرح ما تغطيه بوليصة التأمين وما لا تغطيه بالإضافة إلى التزاماتنا والتزاماتك. يجب عليك فهم محتوى البوليصة حتى تتأكد من أنها تفي باحتياجاتك. إذا لم تكن تجيد قراءة الإنجليزية وفهمها، أطلب المساعدة من شخص يستطيع أن يعينك على فهم هذه الوثيقة باللغة التي تفضلها.

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Đây là một tài liệu quan trọng về bảo hiểm. Nó giải thích những gì được và những gì không được bảo hiểm theo hợp đồng bảo hiểm cũng như những nghĩa vụ của quý vị và của chúng tôi. Để kiểm tra liệu hợp đồng bảo hiểm có đáp ứng được những nhu cầu của quý vị hay không, quý vị cần phải hiểu nó. Nếu quý vị không thể đọc và hiểu tiếng Anh, vui lòng nhờ ai đó có thể giúp giải thích hợp đồng cho quý vị bằng ngôn ngữ quý vị ưa dùng.

Questo è un documento importante sull'assicurazione. Spiega cosa è e cosa non è coperto in base alla polizza assicurativa ed i tuoi ed i nostri obblighi. Per verificare che la polizza soddisfi le tue esigenze, devi capirla. Se non puoi leggere e capire l'inglese, fatti assistere da qualcuno che possa aiutarti a capirla nella tua lingua preferita.

Αυτό είναι ένα σημαντικό έγγραφο σχετικά με την ασφάλιση. Εξηγεί τι είναι και τι δεν καλύπτεται από το ασφαλιστήριο συμβόλαιο και τις δικές σας και τις δικές μας υποχρεώσεις. Για να ελέγξετε αν αυτό ανταποκρίνεται στις ανάγκες σας, πρέπει να το κατανοήσετε. Εάν δεν διαβάζετε ή δεν κατανοείτε την αγγλική γλώσσα, παρακαλείστε να ζητήσετε βοήθεια από κάποιον που μπορεί να σας βοηθήσει να το κατανοήσετε στη γλώσσα που προτιμάτε.

यह बीमा के बारे में एक महत्वपूर्ण दस्तावेज़ है। इसमें यह विवरण दिया गया है कि बीमा पॉलिसी में क्या कवर्ड (बीमे द्वारा सुरक्षित) है और क्या कवर्ड (बीमे द्वारा कवर्ड) नहीं है तथा इसमें आपके और हमारे दायित्वों के बारे में भी बताया गया है। यह जांच करने के लिए कि क्या पॉलिसी आपकी आवश्यकताओं को पूरा करती है, आपको इसे समझने की आवश्यकता है। यदि आप अंग्रेज़ी पढ़ और समझ नहीं सकते/सकती हैं तो कृपया किसी ऐसे व्यक्ति से सहायता लें जो आपको इसे आपकी पसंदीदा भाषा में समझने में मदद कर सकता हो।

Este es un documento importante sobre seguros. En él se explica lo que cubre y no cubre su póliza de seguro y tanto sus obligaciones como las nuestras. Deberá entenderlo para determinar si la póliza se adapta a sus necesidades. Si no lee ni entiende inglés, solicite la ayuda de alguien que le pueda ayudar a entenderlo en su idioma.

ਇਹ ਬੀਮੇ ਬਾਰੇ ਇੱਕ ਮਹਤਵਪੂਰਨ ਦਸਤਾਵੇਜ਼ ਹੈ। ਇਸ ਵਿੱਚ ਇਹ ਵੇਰਵਾ ਦਿਤਾ ਗਿਆ ਹੈ ਕਿ ਬੀਮਾ ਪਾਲਿਸੀ ਤਹਿਤ ਕੀ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰਖਿਅਤ) ਹੈ ਅਤੇ ਕਿ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰਖਿਅਤ) ਨਹੀਂ ਹੈ ਅਤੇ ਇਸ ਵਿੱਚ ਤੁਹਾਡੀਆਂ ਅਤੇ ਸਾਡੀਆਂ ਜ਼ਿੰਮੇਵਾਰੀਆਂ ਬਾਰੇ ਵੀ ਦੱਸਿਆ ਗਿਆ ਹੈ। ਇਹ ਜਾਂਚ ਕਰਨ ਲਈ ਕਿ ਕੀ ਪਾਲਿਸੀ ਤੁਹਾਡੀਆਂ ਲੋੜਾਂ ਨੂੰ ਪੂਰਾ ਕਰਦੀ ਹੈ, ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਦੀ ਲੋੜ ਹੈ। ਜੇ ਤੁਸੀਂ ਅੰਗਰੇਜ਼ੀ ਪੜ੍ਹ ਤੇ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਹੋ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੋਂ ਮਦਦ ਲਵੋ ਜੋ ਤੁਹਾਡੀ ਪਸੰਦੀਦਾ ਭਾਸ਼ਾ ਵਿੱਚ ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਵਿੱਚ ਮਦਦ ਦੇ ਸਕੇ।

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Policy Wording

This Policy becomes effective when the Proposal has been accepted by the Insurer by issuing a Schedule.

This Policy is issued by the Insurer to the Insured named in the Schedule. Some words and phrases have special meaning as given to them for the purpose of the Policy under the definitions section in this Policy. Some definitions may contain some operative provisions as well.

Cover

The Policy is based on the Insured having applied to the Insurer by a Proposal in writing and the Insurer has agreed on the basis of this Proposal to issue this Policy. The Policy consists of the Proposal and the following:

- this Policy wording;
- the Schedule and all endorsements;
- all Credit Limit Endorsements.

In consideration of the payment of all premiums and other fees and charges when due and subject to the terms and conditions of this Policy, the Insurer agrees to indemnify the Insured up to the Insured Percentage of the Insured Loss in the event of an Insured Buyer failing by reason of a Claimable Event to pay the Insured an Insured Debt.

The Insurer's total liability under this Policy is limited to the Maximum Policy Liability.

Conditions Precedent to Liability

Due observance of each of the terms and conditions of this Policy (including payment of all premiums and other charges) by the Insured are conditions precedent to any liability of the Insurer under this Policy. If any of these conditions are not met, the Insurer may refuse a claim, reduce the amount it pays or in some circumstances the Insurer may cancel the Policy.

Declarations and Acknowledgements

In completing the Proposal and accepting this Policy the Insured:

1. declares and warrants that to the best of its knowledge and belief the statements made in the Proposal were true and complete at the date of the Proposal and at the date when the Insurer agreed to issue this Policy; and
2. declares and warrants that it is aware of its duties to disclose and not to misrepresent to the Insurer every matter that it knows, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of this insurance and, if so, on what terms and to act with the utmost good faith at all times; and
3. acknowledges that the Proposal which the Insured has completed or has had completed, together with all other statements made in writing by the Insured or anyone acting on the Insured's behalf for the purposes of this Policy, is the basis for the issue of this Policy. In all cases information provided to the Insurer in support of the Insured's Proposal for this Policy is held to be provided on the Insured's behalf.

Conditions

1. Policy Period, Policy Cancellation, Premiums and Fees

This Policy is issued for the Policy Period and is non-cancellable other than by the specific rights of the Insurer under this Policy or at law to cancel or void this Policy or its obligations hereunder.

The Insured shall pay or reimburse the Insurer for all premiums, fees, stamp duty, applicable services taxes and other statutory charges imposed by government on or in respect of this Policy as stipulated in the Schedule.

In the event the Insured seeks to negotiate to cancel or terminate this Policy prior to the expiration of the Policy Period the Insured is still required to pay to the Insurer all amounts calculated in accordance with fees and charges as noted in the Schedule and endorsements (including the Minimum Premium payable) and is not entitled to receive any refund in relation to the premium paid or due to be paid.

2. Assignment

The Insured shall not assign any rights or benefits under this Policy unless the Insurer's prior written consent to the assignee and the form of assignment has been obtained.

Any assignment made or purported to be made by the Insured without such consent will entitle the Insurer to avoid liability under this Policy.

3. Credit Management and Consultation

(a) The Insured shall at all times:

- (i) exercise reasonable care and prudence in granting credit to and withholding credit from an Insured Buyer as if it were uninsured; and
- (ii) take all reasonably necessary steps and use its best endeavours, in consultation with the Insurer, to avoid or minimise any Insured Loss; and
- (iii) subject to section (b) below, not agree in advance, either in a contract of sale or otherwise, to a postponement of the original due date for payment of an Insured Debt.

(b) If circumstances arise at or shortly before the original due date for payment of an Insured Debt requiring a postponement of the original due date (for reasons other than the occurrence of a Notifiable Event referred to in (c) (i) to (iv) inclusive below), the Insured may grant a postponement within the Maximum Extension Period.

(c) In the event that:

- (i) at any time to the knowledge of the Insured any circumstances arise which could, in the reasonable opinion of a prudent Insured, give grounds for the belief that an Insured Buyer may not (or may be unable to) perform or comply with its obligations under a contract of sale with the Insured; or
- (ii) an Insured Buyer is at any time to the knowledge of the Insured unable to pay its debts as they fall due for payment; or
- (iii) a cheque or bill of exchange or any other payment mechanism in respect of any indebtedness of an Insured Buyer to the Insured is at any time dishonoured by the entity on which it is drawn whether or not subsequently represented and met; or
- (iv) an event of Insolvency occurs in respect of an Insured Buyer or an insolvency administrator or practitioner is appointed to the Insured Buyer; or

- (v) any part of an Insured Debt is not paid in cash or by cheque or bill of exchange available for immediate presentation by the last day of the Maximum Extension Period,

then a “Notifiable Event” is deemed to have occurred.

(d) When a Notifiable Event occurs the Insured shall:

- (i) with the least possible delay notify the Insurer in writing; and
- (ii) continue to notify the Insurer in the format required by the Insurer on a regular monthly basis until Insolvency has occurred or until a Notifiable Event no longer exists in respect of that Insured Buyer; and
- (iii) take all prudent and reasonable steps required by the Insurer in respect of any loss which the Insured has incurred or may be likely to incur including the execution of such documents and the doing of such things as may be necessary to enable the Insurer to intervene directly in the proceedings or negotiations relating to the Insured Debt.

(e) The Insured is not obliged to notify the Insurer of an Insured Debt of which any part has not been paid by the last day of the Maximum Extension Period if that part of the Insured Debt is less than the overdue reporting limit, provided:

- (i) none of the sub-clauses (c) (i) to (iv) (both inclusive) above apply; and
- (ii) the Insured must supply to the Insurer, upon request, a listing of all Insured Buyers whose accounts remain unpaid by the last day of the Maximum Extension Period, giving details of each Insured Buyer’s total indebtedness.

4. Exclusions

This Policy does not cover and the Insurer shall not be liable (unless otherwise specifically amended by endorsement) in respect of any indebtedness:

- (a) resulting from any avoidance (justified or not) by an Insured Buyer of a contract concerning goods or services because such contract is void, illegal or unenforceable or because of a repudiation of such contract by the Insured Buyer;
- (b) which relates to sales tax, excise tax, goods and services tax, retention monies, interest charges, penalties, government charges and taxes and any consequential damages or costs;
- (c) relating to or arising from any transaction involving the transfer to or from goods to be held or held on a consignment stock basis by the Insured Buyer or the Insured Buyer’s agent unless the Insurer has beforehand agreed in writing, subject to specified conditions, to cover goods drawn out of consignment and the Insured has complied with such specified conditions;
- (d) relating to or arising from any “pay when paid” contracts or any other agreements to sell to a person or entity who is not unconditionally and irrevocably bound to pay a purchase price as agreed beforehand (e.g. goods Shipped on a “sale or return basis” or goods sold on a “commission basis” to a commission agent);
- (e) relating to goods Shipped or services rendered to an Insured Buyer at a time when a Notifiable Event (other than a Notifiable Event arising solely as a result of the Insured Buyer withholding payment on the basis of a bona fide documented dispute) exists in respect of such Insured Buyer;

- (f) which is subject of a dispute between the Insured and an Insured Buyer, pending final resolution of such dispute in the Insured’s favour by determination or agreement. Following resolution of the dispute any amounts determined or agreed owing to the Insured must be paid by the Insured Buyer within 30 days of the date of such resolution or the expiry of the Maximum Extension Period whichever is the later. Thereafter the sum will be overdue constituting a Notifiable Event. Any Maximum Extension Period is hereby deemed to be adjusted to include any such 30 day period;
- (g) relating to any transactions that are in the nature of personal or consumer transactions as opposed to business or commercial transactions;
- (h) directly or indirectly caused by political risks such as war, invasion of, or acts by foreign enemies, hostilities, rebellion, revolution, confiscation, nationalisation, insurrection or military or usurped power, or due to the order of any government, public or local authority or by any restrictions on trade transfers;
- (i) directly or indirectly caused by or contributed to, by or arising from:
 - (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - (iii) any weapon of war or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - (iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
 - (v) any chemical, biological, bio-chemical, or electromagnetic weapon;
- (j) relating to any Insured Debt which remains unpaid in whole or in part by reason of the expropriation, confiscation or destruction of the whole or any part of the Insured Buyer’s assets (or the goods which are subject to any Insured Debt) under any law or regulation having the force of law in any country or any part of the country by any person or persons exercising powers of government in such country or any part of the country.

Laws impacting cover

The Insurer will not be liable to provide any cover, pay any claim or provide any benefit under this policy, to the extent that it is illegal for the Insurer to do so.

Sanction limitation and exclusion

The Insurer will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that to do so may expose the Insurer to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

5. Local Currency Deposit

If delays or difficulties are experienced in obtaining payment from an Insured Buyer because of currency exchange transfer restrictions, the Insured shall call on the Insured Buyer concerned to pay to the Insured's account (or to deposit irrevocably with a bank in the country of the Insured Buyer for the account of the Insured) at due date for payment of such Insured Debt the then local currency equivalent of the contract value of the goods. Notwithstanding the cover provided under the other terms of this Policy, when such payment or deposit has been made the liability of the Insurer in respect of such Insured Debt ceases.

6. Co-Insurance

- (a) The Insured must retain for their own account all of the following (referred collectively as the Insured's Own Account):
 - (i) so much of the Insured Loss as exceeds the Insured Percentage; and
 - (ii) so much of any indebtedness of an Insured Buyer to the Insured as exceeds the Permitted Credit Limit; and
 - (iii) any Deductible; and
 - (iv) all indebtedness after the Maximum Policy Liability has been exhausted.
- (b) The Insured must not, without the written consent of the Insurer:
 - (i) enter into any trade credit insurance policy that indemnifies the Insured in relation to the Insured's Own Account; or
 - (ii) obtain a charge, mortgage, security, indemnity or guarantee of any type that secures the Insured's Own Account but does not secure the Insured Percentage of the Insured Loss.

7. Reduction or Cancellation of Cover

- (a) The Insurer may at any time and at its sole discretion give notice in writing to the Insured reducing any Permitted Credit Limit or cancelling or varying the cover granted by this Policy in respect of any particular Insured Buyer or Approved Country.
- (b) Subject to paragraph (c) below, any reduction or cancellation issued by the Insurer will apply to all Shipments of goods or services rendered occurring at all times after the notice is given to the Insured.
- (c) Any reduction or cancellation issued by the Insurer will not apply to Shipments of goods or services rendered that are made under contracts which are entered into by the Insured prior to receipt of such notice and which the Insured is not entitled to cancel or legally terminate, providing the Shipment of goods or the services rendered take place during the Policy Period and within a period of three months from the time that the notice was given to the Insured.
- (d) Nothing contained in paragraphs (b) and (c) above should be construed to in any way limit the effect of condition 4(e) of this Policy.

8. Claims

- (a) The Insured must submit a claim under this Policy by completing a claim form supplied by the Insurer in respect of an Insured Debt relating to an Insured Buyer within six months after the relevant Claimable Event Date in respect of such Insured Buyer.
- (b) If the Insured makes any claim knowing it to be false or fraudulent in any way, the Insurer will refuse payment of the claim and may cancel this Policy.
- (c) Subject always to all terms and conditions of this Policy, and after taking into account any interim payments and Recoveries and any applicable Deductible, the Insurer shall pay to the Insured the Insured Percentage of the Insured Loss:
 - (i) in the case of Insolvency, within 30 days after the Insurer has received appropriate confirmation that the Insured Debt has been admitted to rank for distribution against the insolvent estate in favour of the Insured;
 - (ii) in the case where a Protracted Default occurs, within 30 days after the Insurer is provided with evidence to the Insurer's satisfaction that the Insured Debt exists and that all reasonable means (including the pursuit of legal action) to recover the Insured Debt has occurred without success.
- (d) Where documents submitted in support of a claim are in a language other than English, the Insured shall at their expense provide a certified translation into English if so required by the Insurer.

As a condition precedent to the payment of any claim by the Insurer under this Policy, the Insured must co-operate fully with the Insurer and must sign all relevant documents required by the Insurer to protect its interests in any Recoveries.

9. Recoveries and Specified Security Proceeds

- (a) Any Recoveries received by the Insured or the Insurer are to be held on trust for the Insured and the Insurer for their respective interests as specified in paragraph (b) below.
- (b) Subject to paragraph (g) below, Recoveries are to be divided between the Insured and the Insurer as follows:
 - (i) the Insurer is entitled to:
 1. such proportion thereof as the Insured Percentage of the Insured Debt bears to the total indebtedness of the Insured Buyer to the Insured at the date that a Notifiable Event first occurs; plus
 2. any other monies owing to the Insurer for arrears of premiums or monies due under this Policy; and
 3. any monies required to maintain the impact of any Deductible; and
 - (ii) the Insured is entitled to the balance.
- (c) The Insured must notify the Insurer in writing immediately it receives any Recoveries.
- (d) Subject to (e) below the Insurer's proportion of any Recoveries received by the Insured and due to the Insurer (as calculated in accordance with (b) above), is to be remitted to the Insurer within 10 days of receipt.

- (e) If the Insured receives Recoveries prior to the submission or determination of a claim by the Insurer the Insured is not required to pay to the Insurer its proportion of Recoveries. After the submission or determination of a claim, the Insured must notify the Insurer in writing of its receipt of Recoveries and in the event of an admitted claim the Insurer's proportion of the Recoveries is to be deducted by it from its calculation of liability under the Policy.
- (f) The Insurer is at any time entitled to make any claim or take any legal action in the name of the Insured against:
 - (i) an Insured Buyer; or
 - (ii) any third party that the Insured is entitled to take action against;
 in respect of any Recoveries; and for this purpose the Insured must provide all assistance and cooperation as requested by the Insurer.
- (g) In the event the Insurer elects to take legal action against an Insured Buyer or any third party that the Insured is entitled to take action against, the Insurer is entitled to deduct from any Recoveries all of the costs, disbursements and expenses incurred by it, prior to dividing the Recoveries as otherwise set out in paragraph (b) above.

Specified Security Proceeds

All but sub-paragraphs 9 (b) (i) & (ii) of the above provisions in relation to Recoveries will apply to Specified Security Proceeds. Given that the relevant security or guarantee was a special precondition to the granting of the Permitted Credit Limit, the basis of appropriation of the Specified Security Proceeds will be as follows, irrespective of whether it occurs before or after submission of a claim:

Any Specified Security Proceeds, despite any request or instruction to the contrary from the relevant Insured Buyer or guarantor or any party holding the security for the benefit of the Insured, will first be applied wholly in reduction of the Insured Debt (as opposed to total indebtedness) and only thereafter will any remaining Specified Security Proceeds be available to the benefit of the Insured.

10. Disclosure

- (a) The Insured must disclose in writing to the Insurer all material facts and information concerning or relating to this Policy, the Insured Buyers and its dealings with the Insured Buyers and any likely claim under this Policy.
- (b) The Insurer may request that the Insured provide and the Insurer may at any time examine or take copies of any letters, accounts or other documents in the possession or control of the Insured relating to or connected with this Policy or the obligations of the Insured or any transactions between the Insured and any Insured Buyer.
- (c) The Insured must, at the request of the Insurer, supply the Insurer with any information in its possession or take any reasonable steps to obtain for the Insurer any information or the sight of any documents in the possession of any third party relating to or connected with this Policy or any transaction between the Insured and the Insured Buyer.

11. Currency - Declarations, Claims and Recoveries

- (a) This Policy is issued in the Policy Currency.
- (b) The Permitted Credit Limits under the Policy, any other limits or Deductibles, premiums, limit management charges and any other charges are expressed in the Policy Currency, and such amounts will not vary according to changes in the exchange rate between the Policy Currency and any other currency, unless specifically agreed by the Insurer in writing.
- (c) If the Insured invoices an Insured Buyer in any currency (including any Approved Claim Currency) other than the Policy Currency, the value of each invoice must be converted into the Policy Currency for any declaration purposes at the relevant Conversion Exchange Rate (all such Conversion Exchange Rates must be recorded in writing by the Insured at or about the time of Shipment of the goods relating to every invoice, and such records must be provided to the Insurer in the event of a claim).
- (d) Subject to condition 8 of the Policy, for the purpose of calculating the Insurer's liability in the event of a claim arising:
 - (i) any part of an Insured Buyer's indebtedness invoiced in a Non-Approved Claim Currency will be converted into the Policy Currency in accordance with the Conversion Exchange Rate and the resultant liability is to be paid in the Policy Currency;
 - (ii) any part of an Insured Buyer's indebtedness invoiced in an Approved Claim Currency will be converted into the Policy Currency in accordance with the Conversion Exchange Rate and the resultant liability as determined in the Policy Currency will be reconverted into and paid in the Approved Claim Currency, such reconversion being made in accordance with the Conversion Exchange Rate.
- (e) For the purpose of calculating Recoveries in the event Recoveries are received in a currency other than the Policy Currency:
 - (i) Recoveries accruing in a Non-Approved Claim Currency are to be converted into the Policy Currency at the telegraphic transfer buying rate of exchange (between such currency and the Policy Currency) of the Insured's bank at close of business on the day of receipt, whether or not such currency is actually converted into the Policy Currency on receipt. The Insurer's share of any such Recoveries accruing after payment of a claim must be paid to the Insurer in the Policy Currency.
 - (ii) Recoveries accruing in the Approved Claim Currency are to be converted into the Policy Currency at the Conversion Exchange Rate of the relevant invoice or invoices to which such Recoveries relate. The Insurer's share of any such Recoveries accruing after payment of a claim must be paid to the Insurer in the relevant Approved Claim Currency.

12. Insolvency of the Insured

- (a) In the event of the Insolvency of the Insured the relevant administrator of the Insured is entitled to adopt this Policy but must adopt this Policy and all obligations of the Insured under this Policy in writing within 30 days of appointment for there to be any liability of the Insurer under this Policy.
- (b) The Insurer is entitled to retain all premiums and other monies paid and to receive and retain all premiums and other monies due and payable to the Insurer up to and including the effective date of such Insolvency.
- (c) For the purpose of this condition the definition of "Insolvency" is the same as that applying to an Insured Buyer under this Policy.

13. Governing Law

This Policy is governed by the laws of the Country/State/Territory of issue noted in the Schedule and any disputes or differences arising under it or in respect of it are to be determined by the appropriate courts.

Definitions

In this Policy (which includes all endorsements, Schedules, annexure and Credit Limit Endorsements):

Approved Claim Currencies are specified in the Schedule and are the currencies in which the Insured is entitled to lodge a claim.

Claimable Event in respect of an Insured Buyer means either Insolvency or any other named Claimable Event in the Schedule that must have occurred before a claim can be submitted.

Claimable Event Date means the date on which a Claimable Event occurs and is specified under the definitions of the respective Claimable Event.

Conversion Exchange Rate in respect of an invoice is the rate of exchange between the currency in which that invoice is issued and the Policy Currency, as determined:

1. by reference to the buying rate of exchange applicable at the Insured's bank as at the close of business on the day the relevant goods were Shipped; or
2. by the forward exchange rate contract, if one has been entered into with the Insured's bank in relation to determining in advance the amount the Insured is to receive in terms of the Policy Currency, if payment is made in the Approved Claim Currency as contracted by the Insured Buyer; or
3. by reference to the Insured's internal treasury rate as agreed in writing by the Insurer at the inception of the Policy.

Credit Limit Endorsement is an endorsement issued by the Insurer and specifies the approved Permitted Credit Limit in respect of the named Insured Buyer or specifies that the Permitted Credit Limit is "Nil or 0" reflecting that no cover is available. It may contain special conditions adding to or amending the existing terms and conditions of this Policy in relation to the Insured Buyer.

Deductible may be specified in the Schedule and by endorsement and will vary the Insurer's liability on any claim or aggregation of claims under the Policy.

Insolvency is a Claimable Event and occurs in respect of an Insured Buyer when any of the following steps has been taken:

- (a) an Insured Buyer initiates or becomes the subject of any procedure or action or proceedings pursuant to local bankruptcy or insolvency legislation which is uncontested and results in the Insured Buyer being recognised at law as being subject to a moratorium or in external administration or insolvency or winding up in insolvency; or
- (b) a court appoints a receiver, liquidator, trustee or other similar external administrator or official under local bankruptcy or insolvency legislation to administer all or substantially all the assets of an Insured Buyer; or
- (c) a composition by an Insured Buyer has been approved by a Court having jurisdiction or a compromise or arrangement has been made binding by the Court on that Insured Buyer and all that Insured Buyer's creditors; or
- (d) an Insured Buyer enters into an unofficial compromise or settlement, in full and final settlement of its debts, with a majority of its creditors and which the Insured is a party to with the Insurer's prior written approval; or
- (e) such circumstances exist which in the opinion of the Insurer is equivalent to any one of the above.

The Claimable Event Date in respect of any of the above instances will be:

1. In the case of (a) above, the date on which the bankruptcy, Insolvency, moratoria, or arrangement is deemed to have occurred according to the relevant law or regulations.
2. In the case of (b) above, the date on which the relevant court order or decision was made.
3. In the case of (c) above, the date on which the majority of creditors agreed to the compromise or settlement.
4. In the case of (d) and (e) above, such effective date as the Insurer may specify.

Insured means the entity named in the Schedule and includes all Joint Insured and the rights of all Insured's under the Policy are joint while their obligations and responsibilities are joint and several. The Insurer will be entitled to pay any sums due under this Policy to such one or more of the Insured as it thinks fit.

A Joint Insured may be added to the Policy subject to compliance with the following conditions:

- (a) if the entity is to be a Joint Insured from inception of the Policy Period, the entity must sign a proposal form jointly with the applicant;
- (b) if the entity is to become a Joint Insured during the Policy Period the entity must complete a proposal form together with a letter of subscription on their letterhead (a specimen of a letter of subscription can be obtained from the Insurer);
- (c) such entity must have credit control arrangements in common with the existing Insured and must adhere to all the terms and conditions of the Policy; and
- (d) a Permitted Credit Limit, whether specified in a Credit Limit Endorsement or justified under the discretionary credit limit facility, applies to all entities collectively and is not available individually or independently to each Joint Insured, nor can the Insured or any one or more entities claim that the Policy operates as a composite policy.

Insured Buyer is any person or entity carrying on business with the Insured in any of the Approved Countries (specified in the Schedule) and who is included in this Policy but always excludes:

1. any corporation which is a holding company or subsidiary of or related to or an associate of the Insured; and
2. any government, government department, public or statutory authority, or nationalised undertaking; and
3. any entity in which a director, secretary or partner of the Insured, or a person who has a controlling interest in the Insured, has a controlling interest; and
4. any person who is a spouse, parent or remoter lineal ancestor, son, daughter or remoter issue, or brother or sister of a director or secretary or partner or proprietor of the Insured; and
5. an entity where any of the persons referred to in sub paragraph (4) above has a controlling interest; and
6. any person or entity where the Permitted Credit Limit is "nil".

In this definition, the following terms have the following meanings:

- "associate" means a corporation that has a director, secretary or shareholder with a controlling interest who is also a director, secretary or shareholder with a controlling interest in the Insured;
- "controlling interest" means an interest in an entity where the relevant individual or entity owns 20% or more of the first mentioned entity.

Insured Debt means so much of any indebtedness arising out of the trade falling within the description of trade in the Schedule and:

1. is owing by an Insured Buyer to the Insured; and
2. does not exceed the Permitted Credit Limit; and
3. is in respect of the invoice value of goods sold by the Insured and Shipped to an Insured Buyer and/or the invoice value of services that have been sold and rendered to an Insured Buyer; all of which must have occurred within the Policy Period and pursuant to a contract of sale providing for repayment of the debt within the terms of payment specified for the Approved Country of the Insured Buyer in the Approved Countries & Conditions Table in the Schedule; and
4. all values of goods and services referred to under 3 above must have been invoiced by the Insured within the Maximum Invoicing Period.

Further, on termination of the Policy the value of any services rendered as above which has not then been invoiced is to be included in the final declaration for premium purposes (if applicable) to the Insurer in accordance with the Policy and the value of such work or services will continue to rank as an Insured Debt within the limit of the Policy, provided that the Insurer's liability ceases one month after the date of termination of the Policy in respect of any such work or services either not then invoiced nor already the subject of an admitted claim under the Policy.

The indebtedness of an Insured Buyer to the Insured will not cease to be an Insured Debt under the Policy by reason only that it is factored (or discounted) with recourse to the Insured with a factor or other financial institution, provided always that:

- (a) if the Insurer requires the Insured to regain title to such debt in order to pursue the Insured's rights in relation to the indebtedness the Insured must be able to, and do so, within three business days of the Insurer's request to the Insured; and
- (b) all the provisions of the original contract of sale must remain; and
- (c) the Insurer has been advised of and accepted such factoring or discounting facility in writing.

Failure to comply with any of the provisions (a) to (c) above will result in the debt ceasing to be an Insured Debt under the Policy.

Insured Loss is the amount of an Insured Debt that is either:

1. admitted to rank against the insolvent estate of the Insured Buyer; or
2. in the case of a Protracted Default only, so much of the Insured Debt as is confirmed to the Insurer by evidence of a valid debt that is satisfactory to the Insurer and is not in dispute between the Insured and the Insured Buyer:

each after taking into account the whole of any Recoveries relating thereto.

Maximum Extension Period is stated in the Approved Countries and Conditions table in the Schedule and means the maximum number of days by which the Insurer has agreed that the Insured may extend the original due date of an Insured Debt.

Maximum Invoicing Period is stated in the Schedule and is the maximum number of days after the date of the Shipment of goods or the rendering of services by which the Insured must invoice the Insured Buyer.

Maximum Policy Liability represents the maximum aggregated value of claim payments available under this Policy for all Claimable Events and when this limit has been exhausted the Insured is not entitled to submit any further claims under this Policy.

Non-Approved Claim Currency is a currency that is not any one of the Approved Claim Currencies.

Notifiable Event is defined in the condition titled Credit Management and Consultation.

Permitted Credit Limit in respect of any indebtedness of an Insured Buyer is either the limit specified by the Insurer in a Credit Limit Endorsement or where no Credit Limit Endorsement has been issued is an amount not exceeding the discretionary credit limit (if available) that has been established by the Insured in accordance with the criteria outlined in the Schedule.

Proposal means the proposal form, the credit management procedures and supporting documents or representations that the Insured or its agent provides to the Insurer in writing or through any electronic medium for the purpose of assessing whether and on what terms and conditions the Insurer may issue the Insured a policy. All such documents and information collectively will form part of the terms and conditions of this Policy.

Protracted Default is a Claimable Event and occurs in respect of an Insured Buyer when:

- (a) the Insured Buyer fails to pay an Insured Debt to the Insured within the Protracted Default Period; and
- (b) the Insured has, within the Protracted Default Period, fully complied with all of their obligations in accordance with this Policy including, but not limited to, condition 3 of the Policy.

The Protracted Default Period is the period referred to in the Schedule and which commences on the original due date for payment of an Insured Debt under the relevant contract of sale or, if that original due date is postponed, such postponed due date. The Protracted Default Period cannot commence or continue to run while an Insolvency of the Insured Buyer exists or while the Insured Buyer:

1. is entitled to or obliged to refuse payment of an Insured Debt under any law or regulation or is obliged to refuse payment by a person exercising powers of government; or
2. claims that it is entitled to withhold payment of any part of an Insured Debt and the Insurer is satisfied that a dispute exists between the Insured and the Insured Buyer which has not been resolved by the parties to the relevant contract or by arbitration, or by legal proceedings.

The Claimable Event Date in respect of Protracted Default will be the date of the expiry of the Protracted Default Period.

Recoveries is the value of all goods recovered (whether under retention of title or otherwise), all monies (including dividends paid or payable out of an insolvent estate), securities, indemnities, guarantees, rights of action, counter claims, set-offs or other advantages held, received by or due to the Insured or otherwise available for the purpose of reducing the amount of any indebtedness of an Insured Buyer to the Insured (whether in respect of the payment for goods or otherwise) which had not been paid at the earliest Notifiable Event which remains unremedied, excluding any Specified Security Proceeds.

Shipment and Shipped means:

1. in respect of goods:
 - (a) in the case where an Insured Buyer is located in the country of the Insured, the time at which the goods physically pass from the Insured into the exclusive physical control of the Insured Buyer or the Insured Buyer's agent (which transaction must be completed within the Policy Period); or
 - (b) in the case where an Insured Buyer is located in a country other than the country of the Insured, the time at which the goods have been passed to the first independent carrier (which must be within the Policy Period) in the process of being carried to the place where the Insured Buyer or its agent is required to accept them.
2. in respect of services is when the service has been rendered to the Insured Buyer and promptly invoiced within the Maximum Invoicing Period after the work has been completed or services have been rendered within the Policy Period.

Notwithstanding subparagraph 1 (b) above, goods will not have been Shipped in circumstances where it is both legally and practically possible for the Insured, using reasonable means, to stop carriage of the goods before they leave the country of the Insured or the country from which they are being exported.

Specified Security Proceeds in relation to an Insured Buyer consist of monies or the monetary value of any items of tangible or intangible assets that the Insured recovers or realises from any security or security interest(s) or guarantee(s) which are expressed as the subject of a special condition to the availability of cover under the relevant Credit Limit Endorsement without which cover would not have been made available by the Insurer but excludes the proceeds of any security or security interest or guarantee or indemnity not so stipulated as a condition of cover and which the Insured has obtained on its own accord or initiative.

Interpretation

- (a) Reference to endorsements, Schedules, annexure and Credit Limit Endorsements includes any replacement of them.
- (b) The singular includes the plural and vice versa.
- (c) Headings are inserted for convenience and do not affect the interpretation of this Policy.
- (d) A reference to any legislation or regulation includes a reference to any amendment of, replacement of or substitution for that legislation or regulation.

