

The Credit Insurance Policy is designed for companies that are selling their goods and/or services on credit to domestic and/or overseas buyers. Credit Insurance provides companies with coverage for outstanding receivables that are within approved credit terms, protecting the Insured against risk of non-payment by its buyers.

The Policy covers loss due to any or all of the following risks in the domestic market:

1. Insolvency of a buyer
2. Non-payment or protracted default by a private (i.e. not a State-owned) buyer

Main Exclusions

1. Sales to an associate company
2. Non-payment arising due to trade disputes
3. Sales to State-owned buyers
4. Consequences of a decision taken by the government that hinders the execution of the sales contract or prevent the payment of the debt by the buyer

Policy Underwriting and Issuance Procedure

1. The Proposer submits information on its sales and buyers in the format stipulated in the Application Form.
2. Based on a preliminary assessment of the credit quality of the Proposer's buyers, a Non-Binding Offer (NBO) will be made to the Proposer, specifying the part of the Proposer's turnover that the insurer is willing to insure.
3. If the terms and conditions of the NBO are acceptable to the client, a detailed assessment of the Proposer's buyers is undertaken and credit limits are assigned per buyer.
4. The credit limit for a buyer denotes the maximum limit of indemnity that the Company is willing to provide to the Proposer for that buyer, for sales to that buyer in the ordinary course of business. The credit limits per buyer form an integral part of the Policy terms and conditions and are stipulated in the Schedule of the Policy.
5. Credit limit charges are billed to the Proposer before issuance of the Policy, as per rates mentioned in the NBO, for assessment and establishment of credit limits per buyer.
6. During the tenure of the Policy, if the Policyholder desires to include additional coverage for new buyer(s), the additional coverage may be provided at the sole discretion of the insurer after suitable credit assessment, and subject to payment of additional premium and credit limit and other charges, as applicable.
7. The insurer reserves the right to unilaterally modify, reduce or cancel the credit limits for any buyer during the tenure of the Policy, in its absolute discretion.
8. During the tenure of the Policy, if the Policyholder desires to include additional coverage for new buyer(s), the additional coverage may be provided at the sole discretion of the Company after suitable credit assessment, and subject to payment of additional premium and credit limit and other charges, as applicable.