

# Domestic Post-delivery Cover

## BENEFITS

Covers payments for your credit sales from date of delivery.

Available to businesses selling goods or services on a credit basis, with an established credit control department or credit management process in place.

## RISKS COVERED

Non-payment of an insured debt<sup>1</sup> due to the insolvency of your insured buyer, which means any of the following events granted against your insured buyer<sup>2</sup>:

- A provisional compulsory sequestration order.
- Provisional acceptance by the court of a voluntary surrender of estate.
- A provisional winding-up order.
- Acceptance of a statutory compromise or scheme of arrangement binding on all creditors.
- A provisional judicial management order.

**Protracted default:** which is the failure to receive payment for an undisputed insured debt within six months after due date.

**Business rescue:** Which is the formal process introduced in terms of Chapter 6 of the Companies Act providing for the rehabilitation of financially distressed companies.

## FLEXIBLE POLICY STRUCTURES TO SUIT YOUR NEEDS

**Whole book:** You offer your entire debtors book for cover.

**Franchise loss:** Select a level where you are comfortable and offer for cover your buyers above this value.

**Named or selected buyers:** You may wish to cover specific buyers or a selection of buyers. You must remember the greater your selection, the greater the impact could be on the premium charged.

**Insured percentage:** The percentage of the insured debt that will be paid by Credit Guarantee in the event of a loss.

**Annual aggregate retention:** Using provisions available, you may wish to carry an accumulation of losses for your own account but, knowing that once the provision has been exhausted, your credit insurance policy will respond.

**The annual aggregate retention:** Will result in a greater saving in premium charged.

### Premiums:

- Premiums are based on the value of the debtors book insured and the policy structure selected.
- Premium is paid monthly at a fixed rate or fixed amount.
- An annual premium is also available.

**Fees payable:** A credit limit fee is payable in respect of each credit limit annexure in force at the end of each month.

**Rapid response fee:** Depending on the urgency with which you request your credit limit, a sliding-scale fee will be payable. Non-urgent requests attract a minimum amount payable. This fee can be reduced where credit limit applications are requested through CregaLink (which is a direct link to Credit Guarantee's system). Policy and certain buyer information is also available on CregaLink.

### Performance bonus or no-claim bonus:

- A percentage of premium will be refunded at the end of an insurance year depending on the claim performance during the year.
- A no-claim bonus will be paid provided no claim is lodged during the insurance year. This applies in most instances where an annual aggregate retention has been selected.



<sup>1</sup> The gross invoice value, which is owing to you, excluding any form of tax.

<sup>2</sup> A buyer on whom a credit limit has been granted.