

## Small Medium Enterprise Cover

### BENEFITS

- Protection against non-payment of credit sales from date of delivery.
- Appropriate for companies that do not have an extremely large turnover or an established credit management team.
- Minimal administration on your part.
- Assistance with the collection of unpaid insured debts.
- Enhances security to finance providers.

### RISKS COVERED - Non payment of an insured debt due to any of the following occurrences:

#### Insolvency

- A provisional or final sequestration order granted against your insured buyer.
- The provisional acceptance by the court of a voluntary surrender of the insured buyers estate.
- A provisional or final winding-up order granted against your insured buyer.
- The acceptance of a statutory compromise or scheme of arrangement binding on all the insured buyers creditors.

**Protracted default:** Which is the failure of your insured buyer to pay an undisputed insured debt within three months after the 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.

- Your insured buyer filing a resolution to place itself under supervision.
- A court ordering that your insured buyer be placed under supervision.

### BASIC POLICY STRUCTURE

**Buyers covered:** No buyers may be excluded; you offer your entire debtors book for cover.

**Premium:** Fixed amount payable monthly in advance by debit order, which will be reviewed annually.

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

**Early settlement of a claim option:** A claim under protracted default, will be due for payment six months after the due date. An earlier settlement of your claim ( up to three months) is advisable subject to a maximum claims value and a small reduction in the insured percentage.

**Non qualifying loss:** The amount that will determine whether you qualify for a claim or not.

**Continuity bonus:** A percentage of premium will be refunded from the end of the second insurance year; depending on the overall claims performance and the duration of the policy.

### GENERAL EXCLUSIONS FROM COVER

- Government buyers.
- Subsidiary/associated companies.