



**CREDIT GUARANTEE**  
ENABLING GROWTH WITHOUT RISK

PARTNERING WITH



## Domestic Business Builder Policy

### BENEFITS

- Covers 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.
- Enhances security to your bank.

### RISKS COVERED

**Non-payment:** Of an insured debt<sup>1</sup> due to the insured buyer's insolvency, 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 insured debt as evidence by a court judgment awarded in your favour.

**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.

### BASIC POLICY STRUCTURE

**Buyers covered:** No buyers may be excluded; you offer all buyers with the exception of the franchise loss (below) for cover.

**Premium:** Fixed amount payable monthly, 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.

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

### GENERAL EXCLUSIONS FROM COVER

- Government buyers.
- Subsidiary/associated companies.
- Losses due to:
  - Any act of war; and/or
  - Any actual/alleged breach of contract by you.

<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.