



WITH YOU ALWAYS

## TRADE CREDIT INSURANCE

UIN:IRDAN108P0002V01201112

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## POLICY WORDINGS

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### **Tata AIG General Insurance Co. Ltd.**

Registered Office:

Peninsula Business Park, Tower A, 15th Floor,

G.K. Marg, Lower Parel, Mumbai – 400013

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IRDA of India Registration No: 108 CIN:U85110MH2000PLC128425

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in boldface have special meanings. Refer to **SECTION II. DEFINITIONS**.

In consideration of the premium paid and in reliance on the warranties and representations made by the **INSURED** in the application, including all written statements and materials furnished to [enter the name of the company], (the "Company"), in conjunction with such application, attached to and made a part of this policy, the **INSURED** and the Company agree as follows:

## I. INSURING AGREEMENT

The Company shall indemnify the **INSURED** for loss directly caused by the failure of the **BUYER** to pay the **INSURED** all or part of the invoice value of the **eligible shipments** within the **WAITING PERIOD**. The amount payable by the Company will be calculated in accordance with Article V., Proof and Payment of Claims and Recoveries, and will be subject to the **POLICY LIMIT OF LIABILITY** and other applicable terms and conditions of the policy.

The trade credit insurance policy would cover the risk of non-payment due to Insolvency or Protracted Default only and Political Risks can be covered only in case of buyers outside India.

## II. DEFINITIONS

- A. **BUYER** means a customer, or, any person, who is liable to pay Policy-holder, for a trade credit insurance transaction on open and agreed terms.
- B. **BUYER'S Country** means the country from which the **BUYER** is obligated to pay the **INSURED** under the terms of the **CONTRACT OF SALE**.
- C. **BUYER LIMIT** means the limit specified in writing by the Company for that **BUYER** or, where no such limit has been specified by the Company, then an amount not exceeding the **DISCRETIONARY CREDIT LIMIT**, as specified in Item VI. of the Policy Declarations, provided such amount has been approved in writing by the **INSURED** for that **BUYER** at the time of or prior to shipment.
- D. **CONTRACT CURRENCY** means the currency in which the **BUYER** is obligated to pay and to deliver to the **INSURED** under the terms of the **CONTRACT OF SALE**.
- E. **CONTRACT OF SALE** means a negotiable debt instrument (such as a promissory note, draft or bill of exchange) or open account documents including:
1. An invoice issued by the **INSURED** evidencing the transaction;
  2. Written purchase order(s) from the **BUYER** or other document(s) signed by the **BUYER** through which the **BUYER** acknowledges its obligation to the **INSURED**; and
  3. Shipping documents evidencing the transfer of control and custody of the **GOODS INSURED** from the **INSURED** to the **BUYER**.

The Company shall deem a negotiable debt instrument or other written acknowledgement of the invoice value from the **BUYER** to constitute a duly executed **CONTRACT OF SALE**.

- F. **COUNTRY LIMIT OF LIABILITY** means the amount(s) specified in Item VII. of the Policy Declarations, which is the Company's maximum liability for all loss in each particular country.
- G. **DEDUCTIBLE** means the amount specified in Item VIII. of the Policy Declarations, which is the annual aggregate sum of loss payable under the policy incurred in connection with eligible shipments that the **INSURED** shall bear for its own account.
- H. **DISCRETIONARY CREDIT LIMIT** means the amount specified in Item VI. of the Policy Declarations, which is the maximum **BUYER LIMIT** the **INSURED** may establish for a **BUYER** without obtaining approval from the Company.
- I. **DISPUTE** means any written declaration, or the act thereof, made by a **BUYER** through which the **BUYER** asserts that its

obligation to the **INSURED** is invalid, offset or otherwise diminished.

- J. **DUE DATE** means the date on which payment is required to be made by the **BUYER** to the **INSURED** under the terms of the **CONTRACT OF SALE**.
- K. **ELIGIBLE SHIPMENT(S)** means ;
1. Any and all shipment(s) of **GOODS INSURED** to the **BUYER** pursuant to the **CONTRACT OF SALE**, provided that the **GOODS INSURED** are:
    - Shipped during the **POLICY PERIOD**. Shipment begins when the **GOODS INSURED** have left the custody and control of the **INSURED** or its agent in transit to the **BUYER**;
    - Delivered as required under the **CONTRACT OF SALE**;
    - Sold for **CONTRACT CURRENCY** and in accordance with the **MAXIMUM TERMS OF PAYMENT**; and
    - Shipped in conformity with the applicable export laws and regulations of the **INSURED'S** country and the import laws and regulations of the **BUYER'S** country.
  2. Any Services that the Insured has provided to the **BUYER** and invoiced to the **BUYER**, excluding the financial and consultative services provided by the Insured to the Buyer.
- L. **GOODS INSURED** are limited to the goods specified in Item XI. of the Policy Declarations.
- M. **INSOLVENT/INSOLVENCY** (Bankruptcy) A judicial or administrative procedure whereby the assets and affairs of the **BUYER** are made subject to control or supervision in the jurisdiction defined under the policy by the court or a person or body appointed by the court or by law, for the purpose of reorganization or liquidation of the **BUYER** or of the rescheduling, settlement or suspension of payment of its debts.
- N. **INSURED** means the sole proprietorship, partnership, or company stated in Item I. of the Policy Declarations.
- O. **INSURED PERCENTAGE** means the percentage specified in Item XII. of the Policy Declarations.
- P. **LOSS** means the invoice value of **eligible shipments**, unpaid by the **BUYER** upon its **insolvency**, or upon the expiration of the **WAITING PERIOD**, less:
1. Any discount, allowance, offset or other credit to which the **BUYER** would be entitled;
  2. Any amount which, prior to any payment by the Company hereunder, the **INSURED** has received from any source as or towards payment for the Eligible Shipment, including realization of any security and the net liquidated proceeds of **GOODS INSURED** recovered from the **BUYER**.
  3. Any expenses saved by the **INSURED** by the nonpayment of agent's commissions, non-fulfillment of the **CONTRACT OF SALE** or otherwise;
  4. Interest;
  5. Any applicable sales, value added or comparable tax and
  6. Gross Invoice Value of any **GOODS INSURED** that were not accepted by the **BUYER**.
- A **Loss** may include any direct, reasonable and necessary costs incurred in pursuing or obtaining recovery, provided such costs have been authorized in advance and in writing by the Company
- Q. **MAXIMUM TERMS OF PAYMENT**, as specified in Item X. of the Policy Declarations, means the longest initial period of credit the **INSURED** may extend to the **BUYER**.
- R. **NON QUALIFYING LOSS** Amount means the amount specified in Item IX. of the Policy Declarations. If a loss does not exceed the **NON QUALIFYING LOSS** amount, then such amount shall be borne by the **INSURED** for its own account and shall not be applied to the **DEDUCTIBLE**.
- S. **REPORT DATE** means the dates specified in endorsement of the policy.
- T. **POLICY LIMIT OF LIABILITY**, as specified in Item V. of the Policy Declarations, means the Company's maximum liability for the total of all loss **INSURED** under this policy.

- U. **POLICY PERIOD** means the period specified in Item III. of the Policy Declarations.
- V. **WAITING PERIOD** means the number of days set forth in Item XV of the Policy Declarations and the **COUNTRY LIMIT OF LIABILITY** endorsement that must elapse from each **DUE DATE** before any loss is payable under this policy. The **WAITING PERIOD** shall not apply to a **BUYER** that is insolvent.
- W. **MAXIMUM EXTENSION PERIOD** as specified in Item XIII of the policy declarations, means number of days by which the **INSURED** may extend the original **DUE DATE** of the **BUYER**.
- X. **CEASE SHIPMENT** as specified in Item XVI of the policy declarations, means the **INSURED** to cease all the shipments to the particular **BUYER** that is more than thirty (30) days past due.

### III. EXCLUSIONS

The policy does not apply to any loss arising out of, based upon, attributable to or involving, directly or indirectly any of the following:

- A. Any **loss(es)** caused by or resulting from the following are not covered under this policy:
  1. Wrongful or dishonest acts or omissions of the **INSURED** or its agents.
  2. Any material breach of or inaccuracy regarding any warranty or representations made herein, or failure to perform or to fulfill any warranty, covenant or agreement made herein by the **INSURED**.
  3. Nuclear reaction or nuclear radiation or radioactive contamination.
  4. War between the People's Republic of China, France, the United Kingdom, the states of the former Soviet Union, and/or the United States of America.
  5. Insolvency or financial default of any party except the **BUYER**, or, if applicable, the guarantor.
  6. The failure of the **INSURED** or its agents to comply with all the material laws and regulations in connection with the **GOODS INSURED**.
  7. Sales made on terms of cash in advance, cash on delivery, and confirmed or unconfirmed irrevocable letter of credit.
- B. Any **loss(es)** relating to any of the following **BUYER'S** and/or receivables shall not constitute loss and are not covered under this policy unless otherwise agreed in writing by the Company:
  1. Any **BUYER** that as of the first day of the **POLICY PERIOD** is insolvent or more than sixty (60) days past due in any payment obligations to the **INSURED** unless the total aggregate amount of such past due payment obligations does not exceed the **NON QUALIFYING LOSS** amount. Payment obligations that are disputed in writing will not be considered past due for the purposes of this paragraph.
  2. Any receivables that are purchased or otherwise acquired by the **INSURED** from any other person or entity or sold or otherwise transferred by the **INSURED** to any other person or entity.
  3. Any company, proprietorship, partnership or entity that is related or associated party and any company, proprietorship, partnership or entity that controls, is controlled by, or is in common control with the **INSURED**.
  4. Any shipment made to the **BUYER** post notification from the bank that a cheque or other negotiable instrument issued by the **BUYER** remains unpaid for insufficient funds.
  5. Name of the **INSURED BUYER** and or their Directors , Partners , Proprietors not to be listed under the Credit Information Bureau (India) Limited defaulter list ( Suit Filed Accounts / Willful Defaulters List) or any other

Defaulter list as compiled under the local regulations as applicable in the **BUYER'S** country.

### IV. WARRANTIES AND COVENANTS

The **INSURED** warrants and agrees:

- A. To cease all shipments to any **BUYER** that becomes insolvent and when and for so long as any **BUYER** is more than thirty (30) days past due in any payment obligation to the **INSURED** which, in the aggregate, exceeds the **NON QUALIFYING LOSS** amount. Payment obligations that are **disputed** will not be considered past due for the purposes of this paragraph. Notwithstanding anything to the contrary herein, the **INSURED** may continue to make shipments to a **BUYER** that is **insolvent** but no amounts owed with respect to such shipments shall be covered hereunder.
- B. To establish the invoice values of **eligible shipments** as valid and legally enforceable obligations of the **BUYER** to the **INSURED**.
- C. To use all measures to prevent and to minimize **loss**.
- D. To retain for its own account without recourse to any party the amount of the **DEDUCTIBLE**, and the amount of any indebtedness owing to the **INSURED** by any **BUYER** that exceeds the applicable **BUYER LIMIT**.
- E. Not to extend initial terms of payment to a **BUYER** for a period longer than the **MAXIMUM TERMS OF PAYMENT**, and not to reschedule, extend or change any **DUE DATES** without the written consent of the Company. In the event that the **BUYER** is unable to make payment on the original **DUE DATE**, the **INSURED** may extend an original **DUE DATE** one (1) time for any one **BUYER** during the **POLICY PERIOD** provided the extension is requested by the **BUYER** in writing and approved by the **INSURED** in writing and for a period not to exceed the **MAXIMUM EXTENSION PERIOD**.
- F. That if any payment obligation is **disputed** in whole or in part, the **disputed** amount shall not be part of the **loss** until such **disputed** amount has been finally determined to be a valid and legally sustainable obligation of the **BUYER**. The **INSURED** is responsible for the resolution of any such **disputes** and any related costs and expenses.
- G. That the credit control procedures attached by endorsement to this policy shall apply to all **eligible shipments** and that it will not vary such credit procedures in any material way without the advance written agreement of the Company. Any additional **INSURED** added by endorsement to this policy is subject to the same credit control procedures.
- H. That the statements contained in the application and any attachments thereto, which are hereby part of the policy, are true and that no material information has been withheld. Furthermore, that the **INSURED** has no knowledge at policy inception of any circumstances that may reasonably be expected to result in a loss hereunder, except for that which is specifically disclosed about particular **BUYERS** in the application. The **INSURED** warrants that all information given by the **INSURED** to the Company after the inception of the **POLICY PERIOD** will be true to the best of the **INSURED'S** knowledge.

### V. PROOF OF PAYMENT OF CLAIMS AND RECOVERIES

- A. Indemnification by the Company shall be calculated as follows, subject always to the **POLICY LIMIT OF LIABILITY**, **COUNTRY LIMIT OF LIABILITY** and any applicable **WAITING PERIOD**:
  1. Calculate the amount of the **loss**.
  2. Subtract the remaining **DEDUCTIBLE** from the lesser of either the amount of the loss or the applicable **BUYER LIMIT**.
  3. Multiply the **INSURED PERCENTAGE** by the amount determined above.
- B. The payment for a **loss** shall be made in policy currency, after the submission by the **INSURED** of a satisfactory proof of **loss** on the form prescribed by the Company and attached hereto.

For the purpose of any calculation required in the settlement of a loss, the rate of exchange shall be the rate as offered on the **DUE DATES** by Reserve Bank of India.

Each payment made by the Company hereunder shall reduce the **POLICY LIMIT OF LIABILITY** and all other applicable limits by the amount of such payment.

C. The responsibility for proving a **loss** under this policy and evidencing that all conditions and warranties have been complied with shall at all times rest with the **INSURED**.

D. For the purpose of calculation of a **loss**, all funds or salvage received from the **BUYER** or from any other source whatsoever as or towards payment of the **BUYER'S** obligations to the **INSURED** after the **BUYER** is in default of any payment obligation to the **INSURED**, or is insolvent, whichever happens first, shall be applied in chronological order of **DUE DATES** until the Company indemnifies the **INSURED** for the **loss**. In the event of a settlement with the **BUYER** involving a discount of a **CONTRACT OF SALE** or the sale of a **CONTRACT OF SALE** to a third party, all funds paid in the settlement or proceeds from the sale shall reduce the **BUYER LIMIT**, irrespective of the existence of coverage for the settled or sold **CONTRACT OF SALE**.

After payment of a loss, any such funds or salvage shall be immediately paid to the Company and shared between the Company and the **INSURED** as follows:

1. The Company shall receive the **INSURED PERCENTAGE** of all sums recovered, and the **INSURED** shall receive the remaining percentage of such sums, until the amount of the Company's payment of a loss and the Company's cost of recovery have been fully reimbursed.
2. All further sums recovered shall inure to the benefit of the **INSURED**.

The application of funds described in this Article V.E. shall apply regardless of any designation of funds by the **BUYER** or any other party unless specifically agreed in writing by the Company.

This Article V.E. does not apply to any funds received in payment for goods shipped to a **BUYER** after it is **insolvent**.

E. Sums recovered in respect of any **loss** retained by the **INSURED** under the **DEDUCTIBLE** shall reinstate the **DEDUCTIBLE** by the same amount.

F. Unless a **BUYER** is insolvent, an acceleration of **DUE DATES** shall not give rise to a corresponding acceleration of the Company's obligation to make a **loss** payment hereunder. The Company shall be liable for payment of a loss based only on the original **DUE DATES** or **DUE DATES** rescheduled with the written consent of the Company so long as the **BUYER** is not **insolvent**. The Company shall make an accelerated payment of a **loss**, net of any unearned interest, only with respect to an insolvent **BUYER** for whom a receiver, trustee, liquidator, custodian or similar representative has publicly acknowledged the total value of the amounts due.

G. In the event of any payment of a loss under this policy, the Company shall be subrogated to all of the **INSURED'S** rights of recovery for all amounts owing, whether **INSURED** or **UNINSURED**, against the **BUYER** or any person or organization guarantying or obliged to make payment, and the **INSURED** shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights, including rights with respect to amounts that have been applied to the **DEDUCTIBLE** or are in excess of the applicable **BUYER LIMIT, COUNTRY LIMIT OF LIABILITY or POLICY LIMIT OF LIABILITY**. The Company shall have the right to direct the manner in which such assets shall be liquidated. The **INSURED** shall do nothing to prejudice such rights.

It shall be a condition to the obligation of the Company to make any payment of a **loss** under this policy that the receivables to which it shall be subrogated shall not be subject to any lien, security interest or other third party claim superior to that of the Company.

## VI. GENERAL CONDITIONS

### A. ACCOUNTING PRINCIPLES:

All financial statements and accounts as well as the calculation of any loss hereunder shall be in accordance with

the principles of accounting generally accepted in the **INSURED'S** country, consistently applied.

### B. ACTION AGAINST COMPANY:

No action or arbitration proceedings arising out of this policy may be brought against the Company unless the **INSURED** has complied fully with all terms of this policy and such action is commenced within twelve (12) months following the last day of the **POLICY PERIOD** or within ninety (90) days after the Company's first disposition of a specific claim which is the cause of the action or proceeding, whichever event occurs later.

### C. ARBITRATION:

1. Any and all disputes or differences which may arise under, out of, in connection with or in relation to this policy, or to its existence, validity or termination, or to the determination of the amount or any amounts payable under this policy, shall be referred to a sole arbitrator to be appointed by the parties to the dispute within 30 days of any party giving notice of arbitration to the other(s).
2. In the event that the parties are unable to agree upon the identity of a sole arbitrator, the disputes or differences shall be referred to the decision of 3 arbitrators of whom one shall be appointed in writing by each of the parties within a period of 30 days after the failure to appoint a sole arbitrator and the third (who shall serve as Chairman) shall be appointed by the nominated arbitrators. In case either party shall refuse or fail to appoint an arbitrator within the aforesaid 30 days after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator who shall thereafter be empowered to conduct the arbitration and determine the disputes or differences referred to him as if he had been appointed a sole arbitrator with the consent of both parties.
3. The parties shall share the expenses of the arbitrator or arbitral tribunal equally and such expenses, along with the reasonable costs of the parties in the arbitration, shall be awarded by the arbitrator or arbitral tribunal in favour of the successful party in the arbitration or, where no party can be said to have been wholly successful, to the party who has substantially succeeded.
4. The place of arbitration shall be India, the language of the arbitration shall be English, the law applicable to and in the arbitration shall be Indian law and the arbitration process will be in accordance with the provisions of the Arbitration & Conciliation Act 1996, as amended from time to time.
5. It is a condition precedent to any right of action or suit upon this policy that the award by such arbitrator or arbitrators shall be first obtained.
6. In the event that these arbitration provisions shall be held to be invalid then all such disputes shall be referred to the exclusive jurisdiction of the Indian courts

### D. ASSIGNMENT:

This policy is not assignable.

### E. CANCELLATION:

1. The Company may cancel this policy by giving 30 days written notice of such cancellation to the last known address of the **INSURED** and in such event the Company will return a pro-rata portion of the premium for the unexpired **POLICY PERIOD**.
2. This policy may also be cancelled by the **INSURED** by giving 30 days written notice to the Company in which event the Company will retain premium at the customary short period scale, provided that there has been no claim under the policy during the **POLICY PERIOD** in which case no refund of premium shall be allowed.
3. The payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.



4. The Company has the right to cancel or reduce a Credit Limit during the **POLICY PERIOD**. In the event of the cancellation or reduction of a Credit Limit by the Company, the Company shall provide advance notice of five business days to the **INSURED**, or the Broker, or the Agent, in writing stating the effective date of the cancellation or reduction. In no case shall the effective date be prior to the last day of the month during which the five-day notification period ends. The mailing, electronic transmission, courier delivery or faxing of such notice to either the **INSURED** or the Broker or the Agent shall be sufficient proof of notice to the **INSURED** of such cancellation or reduction. If the Credit Limit is reduced, the amount of coverage available for shipments occurring after the effective date of the reduction is the amount of the reduced Credit Limit less any amounts outstanding and due to the **INSURED** from the **BUYER** subject always to the all terms and conditions of the Policy. If the Credit Limit is cancelled, shipments made after the effective date of cancellation of the Credit Limit are excluded from coverage under the Policy.
5. The policy may also be cancelled by the Company, if the premium is not paid as per the specified timelines as per the policy.

**F. CHANGE IN THE COMPOSITION OF THE INSURED:**

The **INSURED** shall notify the Company immediately in writing if, during the **POLICY PERIOD**, it consolidates or merges with, or sells all or substantially all of its assets to any other person or entity or if another person or entity should acquire ownership directly or indirectly of more than fifty percent (50%) of its voting share capital. Upon receipt of such notice, the Company may cancel this policy effective with the date of such change in the composition or control of the **INSURED**. If the policy is canceled, a pro-rata return of premium shall be made by the Company.

**G. CHOICE OF LAW:**

The construction, validity and performance of this policy shall be governed by the laws of India. Terms of this policy which are in conflict with the statutes of the jurisdiction wherein this policy is issued are hereby amended to conform to such statutes.

**H. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD:**

This policy shall be cancelled and coverage denied in the case of intentional concealment, misrepresentation or non-disclosure, or fraud by any **INSURED** of a material fact concerning this insurance or the procurement thereof. Also, this policy shall become void and all claims made and premium paid hereunder shall be forfeited, and all payments made by the Company shall be returned with interest thereon by the **INSURED** upon demand.

**I. INSPECTIONS:**

The Company may at any time, in connection with a loss or proof of a loss, examine or require to be produced copies of any corporate records or books, internal documents and correspondence, letters, or other documentation or records in whatever form and wherever situated in the possession or control of the **INSURED** relating to or connected with this policy or to any transaction between the **INSURED** and a **BUYER**. The **INSURED** shall, at the request of the Company, take any and all reasonable steps to obtain for the Company any and all of the aforesaid information in the possession of any other person relating to or connected with this policy or any **loss** hereunder.

**J. LIMITS OF LIABILITY:**

Each **BUYER LIMIT** and **COUNTRY LIMIT OF LIABILITY** under this policy and any preceding or future policies issued by the Company for the **INSURED** is non-cumulative. When more than one limit is issued for a **BUYER** under a policy, the limit in effect for the **BUYER** on the relevant shipment date(s) will be the applicable limit for loss adjustment purposes. Within each **POLICY PERIOD**, the highest **BUYER LIMIT** in

effect for the **BUYER** is the maximum limit of liability for that **BUYER**. No more than one maximum limit of liability shall be in effect for any one **BUYER** or for any one **BUYER'S** country regardless of the number of years this policy or any prior, replacement or renewal policy is in force.

**K. OTHER INSURANCE:**

The **INSURED** cannot take out more than one trade credit Policy either with the Company or any other insurer in respect of the same **BUYER**.

**L. NOTICES:**

All notices provided for in this policy shall be in writing (including by facsimile transmission) and given to the **INSURED** at the address stated in Item 1 of the Schedule or to the Company at Peninsula Corporate Park, Nicholas Piramal Tower, 9th Floor, G. K. Marg, Lower Parel (west), Mumbai – 400013.

**M. REPORTING:**

1. The **INSURED** shall report the Gross Invoice value of eligible shipment as per the Report Dates specified in the endorsement issued along with this policy.
2. The **INSURED** shall give immediate written notice to the Company as soon as it is aware that any **BUYER** with an outstanding balance in excess of the **NON-QUALIFYING LOSS amount** may be in financial difficulty or is **insolvent** which may reasonably be expected to result in a loss.
3. The **INSURED** shall report monthly to the Company ageing of accounts receivable for any **BUYER** that is more than thirty (30) days past due, in any payment obligation to the **INSURED** which, in the aggregate, exceeds the **NON QUALIFYING LOSS amount**.
4. The **INSURED** shall report to the Company, no less than fifteen (15) days prior to policy expiration, an ageing of accounts receivable for all **BUYER'S INSURED** under the policy

**N. CLAIMS REPORTING:**

The **INSURED** must submit a written proof of a **loss** acceptable to the Company:

1. Within twelve (12) months after the Waiting Period has expired; or,
2. Within thirty (30) days, upon demand by the Company.

It is understood that the written proof of a **loss** may be amended from time to time by the **INSURED** without prejudice to its claim.

**O. PAYMENT OF PREMIUM:**

1. Premium for the **POLICY PERIOD** shall be calculated at a rate specified in the premium endorsement, which shall be applied to the Gross Invoice Value of actual annual Eligible Shipments made during the **POLICY PERIOD**.
2. Within one month from the expiry of each **POLICY PERIOD**, the **INSURED** shall furnish the Company with the correct Gross Invoice Value of actual annual Eligible Shipments made during the **POLICY PERIOD**, pertaining to the previous **POLICY PERIOD**, based on which the Company shall arrive at the final premium. Any additional or adjustment premiums shall be payable to the Company within fifteen (15) days of the date of billing.
3. The minimum and deposit premium shall be payable to the Company as per the premium endorsement. Minimum and deposit premium is fully earned at the inception of this policy.
4. Any premium which is not payable in full at the inception of this policy shall be fully due and payable immediately in the event a proof of a **loss** is submitted.

**P. Renewal :**

The Policy may be renewed with our consent. The benefits under the policy or/and the terms and conditions of the policy, including premium rate may be subject to change.

We, however, are not bound to give notice that it is due for renewal. Unless renewed as herein provided, this Policy shall terminate at the expiration of the period for which premium has been paid / received. No renewal receipt shall be valid unless it is on the printed form of the Company and signed by an authorized official of the Company.

### COUNTRY LIMITS OF LIABILITY AND WAITING PERIODS

In consideration of the premium paid, and pursuant to Items VII. and XV. of the Policy Declarations and to Article VI.J. of the policy, LIMITS OF LIABILITY, it is hereby understood and agreed that:

The Country Limits of Liability and Waiting Periods shall be as stated below:

Country	Country Limit of Liability	Waiting Period
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Only those countries stated above are covered under Policy No. \_\_\_\_\_ and this Endorsement No. \_\_\_ thereto.

Nothing herein contained shall be held to vary, alter, waive, or change any of the terms, limits, or conditions of this policy except as hereinabove set forth.

### PREMIUM ENDORSEMENT

In consideration of the insurance herein provided, and pursuant to Item IV. of the Policy Declarations it is hereby understood and agreed that:

- Minimum and Deposit Premium for the Policy Period [DATE] to [DATE] shall be:

Premium	INR
Service Tax @ 10.3%	INR
<b>Total</b>	<b>INR</b>

The Minimum and Deposit Premium is fully earned on inception and is non refundable.

- Adjustment premium for the Policy Period shall be calculated at a rate of \_\_\_\_\_, which shall be applied to the Gross Invoice Value of actual annual Eligible Shipments made during the Policy Period. Within one month from the expiry of each policy period, the Insured shall furnish the Company with the correct Gross Invoice Value of actual annual Eligible Shipments made during the Policy Period, pertaining to the previous Policy Period, based on which the Company shall arrive at the final premium, which shall be immediately due and payable to the Company.
- Percent (%) Premium Discount

A percent ( \_\_\_\_\_ %) premium discount shall apply of the Insured meets the following three conditions:

- No claim has been paid or is payable by the Company with respect to Eligible Shipments made between \_\_\_\_\_ and \_\_\_\_\_; and
- The Insured agrees in writing and in a form acceptable to the Company to release the Company from all liability under this policy by \_\_\_\_\_; and,
- The Insured renews the policy for an additional consecutive year

Percent ( \_\_\_\_\_ %) shall be subtracted from the premium indicated in Section 1 of this Endorsement No. \_\_\_\_, and this amount (Rs. \_\_\_\_\_) shall be immediately due and payable if the Insured fails to meet the three conditions outlined above.

For purposes of any premium calculation required for Eligible Shipments denominated in currency other than Policy Currency, the rate of exchange shall be as determined by the Reserve Bank of India on the date of shipment.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of this policy except as hereinabove set forth.

### CREDIT PROCEDURES ENDORSEMENT

Pursuant to Article IV. G. of this policy, attached hereto are the credit control procedures to which the Insured has agreed to adhere with respect to all shipments within the policy period as mentioned in the policy declarations.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of this policy except as hereinabove set forth.

Date:

Countersigned by  
**For Tata AIG General Insurance Company Ltd.**

### Head Operations

Insured: XXX Ltd.

Policy Number: \_\_\_\_\_

### ENDORSEMENT NO.

This endorsement, effective 12:01 A.M., forms a part of Policy No. issued to XXX Limited by Tata AIG General Insurance Company Limited.

### BUYER ENDORSEMENT

- Details of approved buyers with limits and other terms as mentioned below:

Buyer	Dun & Bradstreet Number	Buyer's Country	Buyer Limit	Effective Date	Special Conditions

- Eligible shipments insured under the policy shall be shipped only to the corresponding buyer's country, and on or after the effective date corresponding to the buyer limit as set forth in Item 1 of this endorsement.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of this policy except as hereinabove set forth.

### PROOF OF LOSS FORM

Please read the following instructions carefully and answer all of the questions on the attached Proof of Loss.

- This form is applicable to Insured making a claim for indemnification under Domestic And Export Credit Insurance.
- This form must be submitted within the time period provided for in the policy.
- Please complete a separate Proof of Loss form for each Buyer in respect of which a claim for indemnification is made.
- All relevant documents must be attached, including correspondence, internal file notes, memoranda, visit reports, etc.
- Actions taken by the Insured during the Waiting Period to effect payment must be detailed. Include documentation on the type of action taken, dates, results, etc.
- Please preserve and retain all original documents.
- Additional documentation may be required following receipt of the information requested herein.

Please return this form along with all documentation requested to Registered Office.

### APPENDIX I

**PROOF OF LOSS FORM**

**TRADE CREDIT INSURANCE**

INSURED: \_\_\_\_\_

Address: \_\_\_\_\_

Fax No: \_\_\_\_\_ Telephone No: \_\_\_\_\_

BROKER: \_\_\_\_\_

Address: \_\_\_\_\_

Fax No: \_\_\_\_\_ Telephone No: \_\_\_\_\_

**I. COVERAGE**

- Specify policy number under which Loss is claimed.  
\_\_\_\_\_ Trade Credit Insurance Policy No.
- Name the Buyer and briefly describe the circumstances that resulted in the Loss:
- Describe the products shipped to the Buyer:

**II. SUMMARY OF TRANSACTIONS**

Contract Invoice Number	Contract Invoice Date	Gross Invoice Value	Terms of Payment	Shipment Date	Due Date	Amount Already Paid

(If additional transactions, please attach a separate sheet.)

**III. CALCULATION OF LOSS**

In Contract Currency

**A. Post-Delivery Coverage**

Gross Invoice Value (Specify Contract Currency) Interest, if any and if insured under policy, accrued and unpaid to the Due Date: \_\_\_\_\_

**TOTAL:** \_\_\_\_\_

Less:

- any discount or other similar allowances: \_\_\_\_\_
- any amounts received from any source as or towards payment for the Eligible Shipment, including realization of any security (specify which and itemize): \_\_\_\_\_
- any local tax saved due to non-payment of the Gross Invoice Value: \_\_\_\_\_
- any interest, penalty or otherwise, included in such gross invoice amount: \_\_\_\_\_
- the invoice amount of any Goods Insured that were not shipped or delivered to or not accepted by the Buyer, or which were returned by or recovered from the Buyer (by reclamation or otherwise) before payment of a Loss: \_\_\_\_\_

**TOTAL of a) – e) :** \_\_\_\_\_ (\_\_\_\_\_)

**TOTAL LOSS CLAIMED:** \_\_\_\_\_

Note: If Policy currency is different from Contract Currency the above details have to be mentioned in Policy currency also.

**IV. DOCUMENTATION**

Please attach copies of the following documents and any other material you believe pertinent to the Loss. Preserve all original documents. Indicate type(s) of document(s) attached:

- Contract(s).
- Invoice(s).
- Bill(s) of Lading, or equivalent evidence of sale or export (as applicable).
- Correspondence to and from the Buyer, guarantor, collection agent, bank or agent showing steps taken to effect collection and to mitigate the amount of the Loss. In case of insolvency of the Buyer, submit all relevant documentation evidencing such insolvency.
- Sales/Receivable ledger with the Buyer showing shipment (or billing) date, due date, and payment date, commencing at least one year prior to the sale which resulted in this Loss.
- Unpaid draft(s), bills, invoices etc.
- In the event of a transfer risk Loss, evidence from the bank or other depository in the Buyer's Country that local currency was deposited by the Buyer in payment for the insured sale and that such amount is still on deposit.
- Bank advice of Buyer's nonpayment, if applicable.
- Documentation supporting extension of credit to the Buyer, including financial statements, agency reports, trade references, and internal reports and visit reports.
- Other

**V. WARRANTIES OF THE INSURED**

We hereby warrant and certify:

- That there is not outstanding and unsettled any dispute or any issue raised by the Buyer regarding the sale/Eligible Shipment.
- That except for the discounts and the allowances set forth in Section III above, we have not granted or paid, nor assumed a future obligation to pay, any discount, allowance, rebate, commission, fee or other payment in connection with the sale/Eligible Shipment to any party.
- That we have complied with the terms and conditions of the policy of insurance under which this Loss is submitted. We further warrant and certify that the information furnished herein is true and correct and that no material fact relating to this Loss has been withheld.
- That we agree to execute the Release and Subrogation Assignment form prescribed by the Company. We also agree to initiate / take necessary legal action against the buyer as per advise of the company.
- That payment in the amount of (in contract currency & Policy currency) \_\_\_\_\_ be made to the Insured subscribed hereto and/or to \_\_\_\_\_ as loss payee of the Insured subscribed hereto.
- That a valid and enforceable obligation exists against the Buyer.

I/We hereby declare that the above questions have been conscientiously and faithfully answered and I/we would be liable for the correctness and completeness of the statement.

**Grievance Lodgment Stage**

The Company is committed to extend the best possible services to its customers. However, if you are not satisfied with our services and wish to lodge a complaint, please feel free to contact us through below channels:

Call us 24X7 toll free helpline 1800 266 7780

Email us at [customersupport@tataaig.com](mailto:customersupport@tataaig.com)

**Write to us at :** Customer Support, Tata AIG General Insurance Company Limited

A-501 Building No. 4 IT Infinity Park, Dindoshi, Malad (E), Mumbai - 400097

Visit the Servicing Branch mentioned in the policy document

### Nodal Officer

Please visit our website at [www.tataaig.com](http://www.tataaig.com) to know the contact details of the Nodal Officer for your servicing branch.

After investigating the grievance internally and subsequent closure, we will send our response within a period of 10 days from the date of receipt of the complaint by the Company or its office in Mumbai. In case the resolution is likely to take longer time, we will inform you of the same through an interim reply.

### Escalation Level 1

For lack of a response or if the resolution still does not meet your expectations, you can write to [manager.customersupport@tataaig.com](mailto:manager.customersupport@tataaig.com). After investigating the matter internally and subsequent closure, we will send our response within a period of 8 days from the date of receipt of your complaint.

### Escalation Level 2

For lack of a response or if the resolution still does not meet your expectations, you can write to the Head-Customer Services at [head.customerservices@tataaig.com](mailto:head.customerservices@tataaig.com). After examining the matter, we will send you our response within a period of 7 days from the date of receipt of your complaint. Within 30 days of lodging a complaint with us, if you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Insurance Ombudsman appointed by IRDA of India under the Insurance Ombudsman Scheme. Given below are details of the Insurance Ombudsman located at various centers.

### INSURANCE OMBUDSMAN CENTRES

Office of the Ombudsman	Address and Contact Details	Jurisdiction of Office Union Territory, District
AHMEDABAD	Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th Floor, Tilak Marg, Relief Road, Ahmedabad - 380 001. Tel.: 079 - 25501201/ 02/05/06 Email: <a href="mailto:bimalokpal.ahmedabad@ecoi.co.in">bimalokpal.ahmedabad@ecoi.co.in</a>	Gujarat, Dadra & Nagar Haveli, Daman and Diu.
BENGALURU	Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No. 57-27-N-19, Ground Floor, 19/19, 24th Main Road, JP Nagar, Ist Phase, Bengaluru – 560 078. Tel.: 080-26652048/ 26652049 Email: <a href="mailto:bimalokpal.bengaluru@ecoi.co.in">bimalokpal.bengaluru@ecoi.co.in</a>	Karnataka
BHOPAL	Office of the Insurance Ombudsman, JanakVihar Complex, 2nd Floor, 6, Malviya Nagar,	Madhya Pradesh, Chattisgarh

	Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201/ 2769202 Fax: 0755 - 2769203 Email: <a href="mailto:bimalokpal.bhopal@ecoi.co.in">bimalokpal.bhopal@ecoi.co.in</a>	
BHUBANESHWAR	Office of the Insurance Ombudsman, 62, Forest Park, Bhubneshwar - 751 009. Tel.: 0674 - 2596461/ 2596455 Fax: 0674 - 2596429 Email: <a href="mailto:bimalokpal.bhubaneswar@ecoi.co.in">bimalokpal.bhubaneswar@ecoi.co.in</a>	Orissa
CHANDIGARH	Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17-D, Chandigarh - 160 017. Tel.: 0172 - 2706196/ 2706468 Fax: 0172 - 2708274 Email: <a href="mailto:bimalokpal.chandigarh@ecoi.co.in">bimalokpal.chandigarh@ecoi.co.in</a>	Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh
CHENNAI	Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, Chennai- 600 018. Tel.: 044-24333668 / 24335284 Fax: 044 - 24333664 Email: <a href="mailto:bimalokpal.chennai@ecoi.co.in">bimalokpal.chennai@ecoi.co.in</a>	Tamil Nadu, Pondicherry Town and Karaikal (which, are part of Pondicherry).
DELHI	Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011-23239633/ 23237532 Fax: 011 - 23230858 Email: <a href="mailto:bimalokpal.delhi@ecoi.co.in">bimalokpal.delhi@ecoi.co.in</a>	Delhi
GUWAHATI	Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar Over Bridge, S.S. Road, Guwahati – 781001 (ASSAM). Tel.: 0361-2132204/2132205 Fax: 0361 - 2732937 Email: <a href="mailto:bimalokpal.guwahati@ecoi.co.in">bimalokpal.guwahati@ecoi.co.in</a>	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura
HYDERABAD	Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court" Lane, Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040-65504123/ 23312122 Fax: 040 - 23376599 Email:	Andhra Pradesh, Telangana, Yanamand part of Territory of Pondicherry.



	bimalokpal.hyderabad@ecoi.co.in	
JAIPUR	Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur-302 005. Tel.: 0141 - 2740363 Email: Bimalokpal. jaipur@ecoi.co.in	Rajasthan
ERNAKULAM	Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484-2358759/2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@ecoi.co.in	Kerala, Lakshadweep, Mahe- a part of Pondicherry
KOLKATA	Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA-700 072. Tel.: 033-22124339/ 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@ecoi.co.in	West Bengal, Sikkim, Andaman & Nicobar Islands
LUCKNOW	Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522-2231330/2231331 Fax: 0522 – 2231310 Email: bimalokpal.lucknow@ecoi.co.in	Districts of Uttar Pradesh : Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ballia, Ghazipur, Ambedkarnaga r, Sultanpur, Maharajgang, Santkabirnagar , Azamgarh, Kushinagar, Gorkhpur,

		Deoria, Mau, Chandauli, Sidharathnagar
MUMBAI	Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022-26106552/26106960 Fax: 022 - 26106052 Email: <a href="mailto:bimalokpal.mumbai@ecoi.co.in">bimalokpal.mumbai@ecoi.co.in</a>	Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane
NOIDA	Office of the Insurance Ombudsman, Bhagwan Sahai Palace, 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P-201301. Tel.: 0120-2514250/ 2514252/ 2514253, Email: bimalokpal.noida@ecoi.co.in	State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshihar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodha nagar, Hardoi, Ghaziabad, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur
PATNA	Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Building, Bazar Samiti Road, Bahadurpur, Patna 800 006. Tel.: 0612-2680952 Email: bimalokpal.patna@ecoi.co.in	Bihar, Jharkhand
PUNE	Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Flr, C.T.S. Nos. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune-411 030. Tel.: 020-41312555 Email: bimalokpal.pune@ecoi.co.in	Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region

#### Grievance Redressal Procedure:

As per Regulation 17 of IRDA of India (Protection of Policy holders Interests) Regulation. 2017.