



TRADE CREDIT INSURANCE

POLICY APPLICATION

1. a. APPLICANT FOR POLICY

Full Name: \_\_\_\_\_

Address / Country: \_\_\_\_\_

Mailing Address / Country (show only if different): \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Web Address: \_\_\_\_\_

b. AFFILIATES TO BE INCLUDED IN POLICY

List below any of your subsidiaries or other affiliates applying to be an additional named insured under the policy:

<u>Full Name of Affiliate</u>	<u>Address/Country</u>	<u>Relationship to Applicant in Item 1.a</u>
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c. Specify the currency in which you are requesting that the policy coverage be issued: \_\_\_\_\_

d. Specify the currency in which the figures in this application will be expressed: \_\_\_\_\_

**Answers to remaining questions in this application should reflect the business of all entities in this Item 1. The word "domestic", as used throughout this application, means the countries of all entities in this Item 1.**

2. PRODUCER (broker or agent through whom this application is being submitted)

Name of Broker or Agent: \_\_\_\_\_

Address / Country of Broker or Agent: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Web Address: \_\_\_\_\_

3. APPLICANT'S BUSINESS

a. Products or Services Sold: \_\_\_\_\_

b. Years in Business: \_\_\_\_\_ yrs.      Years selling on credit terms: Domestic \_\_\_\_\_ yrs.      Non-domestic \_\_\_\_\_ yrs.

c. Annual Sales (approx.)  
current fiscal year (# months: \_\_\_\_\_): Domestic \_\_\_\_\_ Non-Domestic \_\_\_\_\_

prior fiscal year (yr: \_\_\_\_\_): Domestic \_\_\_\_\_ Non-Domestic \_\_\_\_\_

prior fiscal year (yr: \_\_\_\_\_): Domestic \_\_\_\_\_ Non-Domestic \_\_\_\_\_

d. Accounts Receivable Balance (approx.)  
most recent quarter-end: Domestic \_\_\_\_\_ Non-Domestic \_\_\_\_\_

previous quarter-end: Domestic \_\_\_\_\_ Non-Domestic \_\_\_\_\_

**4. REASON FOR APPLICATION** (check if applicable)

- a. Coverage is requested for:  Risk Protection  Financing  Other: \_\_\_\_\_
- b. Coverage is requested for credit sales to:  Domestic customers  Non-Domestic customers
- c. For sales in Item 4.b, coverage is requested for:  All credit customers  Only largest credit customers (attach details)
- d. Are you requesting that the policy include coverage for your sales made on terms of Letter of Credit?  Yes  No
- e. *U.S. applicants only:* Are you requesting coverage for credit sales to Canada?  Yes  No

**Answers to remaining application questions should reflect only the activity of Items 4.c, 4.d. & 4.e.**

- f. Estimated annual credit sales for which coverage is requested: \_\_\_\_\_
- g. Do you presently credit-insure or factor your sales:  No  Yes *if yes, indicate the following:*  
 Scope of business credit-insured or factored: \_\_\_\_\_  
 Name of credit insurer or factor: \_\_\_\_\_  
 Expiration date of arrangement with credit insurer or factor: \_\_\_\_\_

**5. CUSTOMER PROFILE**

<b>a. CATEGORY</b>	<b>Approx. % OF SALES</b>	<b>b. CATEGORY</b>	<b>Approx. % OF SALES</b>	<b>c. CATEGORY</b>	<b>Approx. % OF SALES</b>
Manufacturers	%	Private sector	%	Sold under long	
Wholesalers/Distributors	%	Gov't sector	_____%	term contracts	%
Retailers	%		100%		
End Users	%			Sold order-by-order	_____%
Other	_____%				100%
	100%				

**d. SIZE & DISTRIBUTION OF CREDIT LIMITS**

CREDIT LIMIT RANGE	APPROX. NUMBER OF CUSTOMERS IN RANGE		APPROX. TOTAL AMOUNTS OUTSTANDING WITH CUSTOMERS IN RANGE	
	Domestic	Non-Domestic	Domestic	Non-Domestic
Under \$25,000				
\$25,001 to \$50,000				
\$50,001 to \$100,000				
\$100,001 to \$200,000				
\$200,001 to \$300,000				
\$300,001 to \$500,000				
\$500,001 to \$1,000,000				
\$1,000,001 to \$5,000,000				
Over \$5,000,001				
Total				



**e. LARGEST CREDIT LIMITS**

**Five Largest Credit Limits For Domestic Customers**

NAME, CITY, STATE & COUNTRY OF DEBTOR	CREDIT LIMIT	ANNUAL SALES	PAYMENT TERMS

**Five Largest Credit Limits For Non-Domestic Customers**

NAME, CITY, STATE & COUNTRY OF DEBTOR	CREDIT LIMIT	ANNUAL SALES	PAYMENT TERMS

**6. HISTORY OF CREDIT LOSSES** Provide details of credit losses in the current year and prior three years.

SHOW YEAR BELOW	SHOW CREDIT LOSS INFORMATION BELOW
Current Year: _____	<b>TOTAL AMOUNT OF LOSSES:</b> <b># OF BAD DEBTS:</b> <b>TOTAL RECOVERIES:</b> <b>LARGEST SINGLE LOSS (NAME, COUNTRY, AMOUNT):</b>
Prior Year: _____	<b>TOTAL AMOUNT OF LOSSES:</b> <b># OF BAD DEBTS:</b> <b>TOTAL RECOVERIES:</b> <b>LARGEST SINGLE LOSS (NAME, COUNTRY, AMOUNT):</b>
Prior Year: _____	<b>TOTAL AMOUNT OF LOSSES:</b> <b># OF BAD DEBTS:</b> <b>TOTAL RECOVERIES:</b> <b>LARGEST SINGLE LOSS (NAME, COUNTRY, AMOUNT):</b>
Prior Year: _____	<b>TOTAL AMOUNT OF LOSSES:</b> <b># OF BAD DEBTS:</b> <b>TOTAL RECOVERIES:</b> <b>LARGEST SINGLE LOSS (NAME, COUNTRY, AMOUNT):</b>

**7. AGING OF ACCOUNTS RECEIVABLE**

**a. TOTAL AMOUNTS PRESENTLY OUTSTANDING:**

**Total Outstandings to Domestic Customers:** \_\_\_\_\_ as of \_\_\_\_\_.  
**of which:**

\_\_\_\_\_  
 Current, not past due.    Past Due 1-30 days beyond the due date.    Past Due 31-60 days beyond the due date.    Past Due 61-120 days beyond the due date.    Past Due more than 120 days beyond the due date.

**Total Outstandings to Non-Domestic Customers:** \_\_\_\_\_ as of \_\_\_\_\_.  
**of which:**

\_\_\_\_\_  
 Current, not past due.    Past Due 1-30 days beyond the due date.    Past Due 31-60 days beyond the due date.    Past Due 61-120 days beyond the due date.    Past Due more than 120 days beyond the due date.

**b. SIGNIFICANT PAST DUE CUSTOMERS**

Provide details of customers who presently have undisputed amounts owing to you that fall into the categories in Item 7.a. above labeled: “ **Past Due 61-120 days beyond the due date** ” and “ **Past Due more than 120 days beyond the due date** ”.

NAME OF DEBTOR & COUNTRY	AMOUNT MORE THAN 60 DAYS PAST DUE	ORIGINAL DUE DATE OF INVOICE(S)	REASON FOR OVERDUE & ACTION BEING TAKEN

**c.** Have any obligations with customers been rescheduled during the last 12 months? \_\_\_\_Yes \_\_\_\_No  
 If yes, please provide details:

**d.** Aside from any possible country-wide or industry-wide issues, are you aware of any current facts or circumstances of any of your customers that are likely to give rise to a loss? \_\_\_\_Yes \_\_\_\_No    If yes, please provide details:



**9. CREDIT CONTROL QUESTIONNAIRE** (continue on a separate sheet, if necessary)

a. Does your company have a separate credit control function that is responsible for assessing credit risk?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

If so, how many employees are employed on either a part-time or full-time basis within the department?

\_\_\_\_\_ Full-time                      \_\_\_\_\_ Part-time

b. For the above referenced credit control personnel, please provide their respective authority level for approving credit on new or existing accounts:

<u>Name &amp; Title</u>	<u>Years of Experience</u>	<u>Amount of Authority Level</u>	
		<u>New Customer</u>	<u>Existing Customer</u>

c. Who can overrule the decisions made by the above listed personnel? Under what circumstances would this occur and how often does this occur in practice?

d. Are credit limits established for customers for a set period of time, or do the above employees approve each order?

If fixed for a period of time, how long is that period of time?

e. How often are customer accounts receivable reports generated and by whom are they reviewed?

f. When a customer balance becomes past due, what action is taken and at what point in time?

g. What event triggers the credit to a customer to be suspended for future shipments?

h. Are there formal, written credit procedures for the company?    \_\_\_\_\_ Yes                      \_\_\_\_\_ No  
If yes, please attach a copy to this application.



i. If you do not have formal, written credit control procedures, then please complete the following:

For **new** customers, what information is required to establish the credit limit, what general guidelines are used to evaluate this information and how is this information and evaluation preserved?

For **existing** customers, what information is required to:

- renew the credit limit:
  
- maintain or amend the credit limit:

What general guidelines are used to evaluate this information and how is this information and evaluation preserved?

j. Do you have current financial statements on your largest five customers? \_\_\_\_Yes \_\_\_\_No

**10. Please attach the following information to this application:**

- Two most recent fiscal financial statements on the applicant and any applicant applying to be additional named insured.
- Formal, written credit procedures indicated in Item 9.h. above, if applicable.
- Descriptive brochures of your company, if they might be useful in evaluating this application.

You declare that, to the best of your knowledge, the statements contained in this application are true and complete and that no material information has been withheld or misrepresented.

The signing of this application does not bind the applicant or Chubb Group of Insurance Companies to enter into an insurance contract, but it is agreed that this application has been and will continue to be relied upon should a policy be issued, and this application will be incorporated into and constitute a part of the policy.

**Notice To New York Applicants:**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

DATED : \_\_\_\_\_

NAME OF PREPARER : \_\_\_\_\_

AUTHORIZED SIGNATURE : \_\_\_\_\_

TEL. NO. OF PREPARER : \_\_\_\_\_

**Notice to Arkansas Applicants**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Notice to California Applicants**

For your protection California law requires the following to appear on this form:

Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Notice to Colorado, District Of Columbia, Kentucky, Minnesota, Ohio and New Jersey Applicants**

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties, included but not limited to fines, denial of insurance benefits, civil damages, criminal prosecution and confinement in state prison.

**Notice to Florida Applicants**

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information, is guilty of a felony of the third degree.

**Notice to Louisiana Applicants**

Any person who knowingly presents false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application is guilty of a crime and may be subject to fines and confinement in prison.

**Notice to Maine Applicants**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**Notice to Nebraska Applicants**

Any person who, knowingly and with intent to defraud any insurance company or other person, files an Application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, where such person subsequently submits a claim.

**Notice to New Hampshire Applicants**

Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

**Notice to New Mexico Applicants**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

**Notice to Pennsylvania Applicants**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Notice to Vermont Applicants**

Any person who, knowingly and with intent to defraud any insurance company or other person, files an Application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act, and the Policy may be voided.

**Notice to Virginia Applicants**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

*Send this application to the broker or agent indicated in item 2 above, or to Chubb at Fax: 908-903-5400 (Attn: Trade Credit) or Mail: Chubb Group of Insurance Companies – ATTN: Trade Credit, 3 Mountain View Road, Warren, NJ 07059*