



**Equinox Complete
Policy Wording
COM201608**

Equinox Global Limited is registered in England & Wales, registration number: 7067241.
Registered office: The Hallmark Building, 52-56 Leadenhall Street, London EC3A 2EB.
Equinox Global Limited is authorised and regulated by the Financial Conduct Authority (515332).

1. The cover offered by this policy

a) Cover

This policy covers you for all *Shipments* you make to your buyers within the *Policy Period*, provided they are within the parameters described in the Schedule and Policy.

b) Losses covered

We will make payment to you, subject to the conditions of this policy, in respect of any *Loss* caused by the non-receipt of an undisputed payment owing to you from your buyer in respect of *Shipments* made.

c) The amount we will pay

We will pay you the *Covered Percentage* of any *Loss*. We will calculate your *Loss* as the amount owing to you from the buyer, less any amount which you or the buyer are entitled to credit to the buyer's account by way of set off, counterclaim or otherwise, less any sales or value added tax you save as a result of the non-payment, and less any interest accruing after due date. When calculating a claim, the amount of *Loss* we include shall not exceed the *Credit Limit* for the buyer.

d) Country Limit

The maximum amount we will pay in relation to all *Losses* with buyers in a given country shall be the *Country Limit* stated in the Schedule.

e) Policy Limit

The maximum amount we will pay in relation to all *Losses* for the *Policy Period* shall be the *Policy Limit* stated in the Schedule.

f) When will we pay you?

We will pay your claim no more than 30 days from the date of receipt of all information necessary to prove your *Loss*, or from the end of the *Waiting Period*, whichever is the later.

2. Credit Limits

You must have a *Credit Limit* for every buyer.

a) Discretionary Credit Limits

You may set your own written *Credit Limit* up to the amount specified as the *Discretionary Credit Limit* in the Schedule, in accordance with the requirements below.

Where the *Credit Limit* amount is below 50% of the *Discretionary Credit Limit*:

We require previous trading experience with the buyer to set a *Discretionary Credit Limit* of 25% higher than the previous highest amount owed by the buyer and paid on or before the expiry of the *Maximum Extension Period*, during the 12 months prior to *Shipment*. The payment experience must be on similar terms to those of the proposed *Shipment* and must comprise at least two *Shipments*. This is provided that the buyer's most recent credit agency report does not suggest that credit should not be extended to the amount concerned.

Where the *Credit Limit* amount is up to 100% of the *Discretionary Credit Limit*:

We require that the most recent credit agency report on the buyer supports the determination that the buyer is creditworthy for the amount and terms of credit extended plus one of i) or ii) below:

- i) Audited financial statements of the buyer in respect of which no more than 18 months has elapsed from the final date of the period to which the financial statements relate, which support the determination that the buyer is creditworthy for the amount and terms of credit extended by showing profitable operations on an operating and net basis. The maximum *Credit Limit* extended shall not exceed 50% of the tangible net worth reported; OR
- ii) Previous trading experience with the buyer to set a *Discretionary Credit Limit* of 25% higher than the previous highest amount owed by the buyer and paid on or before the expiry of the *Maximum Extension Period*, during the 12 months prior to *Shipment*. The payment experience must be on similar terms to those of the proposed *Shipment* and must comprise at least two *Shipments*.

b) Credit Limits Endorsed by Us

Above the amount of the *Discretionary Credit Limit*, you must obtain a *Credit Limit* from us. Any *Credit Limit* issued by us will override any *Discretionary Credit Limit* you set yourself on the same buyer. Our *Credit Limits* may vary any provision of this policy.

3. What we expect of you

a) Disclosure

At all times, including but not limited to, initial placement or renewal of the policy and when applying for *Credit Limits* and *Country Limits* you must disclose all material facts and all representations must be materially accurate.

b) Legally enforceable indebtedness

For all *Shipments*, you must establish an indebtedness that is legally enforceable (when created) in the buyer's country and use your best endeavours to maintain enforceability.

c) Due care and diligence

You must use due care and diligence and take all reasonable and customary measures to prevent or minimise loss at all times during the Policy. This includes ensuring all rights against the goods, buyer and third parties are properly preserved and exercised, including the institution of legal proceedings against the buyer or any guarantor. You must also take any other measures which may be required by us.

d) Controlling credit extensions

You may grant one extension of due date up to the end of the *Maximum Extension Period*, provided that the payment instrument is not a bill of exchange, promissory note, letter of credit or documentary sight draft. Otherwise you may not accelerate, reschedule or change the due date without our written consent. Where you grant an extension as above, the extended due date shall be considered to be the due date for the purposes of this policy.

e) Uninsured amounts

You must retain for your own account the portion of all *Losses* that are not payable under this policy.

f) Report of sales

You must provide an accurate report of your annual sales in respect of the business to which this policy applies within 30 days from expiry of the *Policy Period*.

g) Report of overdues

You must provide a report within 20 days of the end of each calendar month showing, as at the month end, any undisputed amounts of more than the *Overdue Reporting Minimum* that are overdue from a buyer by more than the *Stop Shipment Period*.

h) Invoicing period

You must promptly submit your invoices to your buyers within the number of days indicated in the Schedule. For goods, this must be from the date of *Shipment* and, for services, from the date of completion of services for which you are entitled to receive payment from the buyer.

i) Providing information

You must provide us with all information and documents connected with the risks insured hereunder that we may require.

4. What to do if something goes wrong

a) Adverse Information

If you become aware of any circumstance which might reasonably be expected to result in a loss, you must immediately notify us.

b) Stop Shipment and chronological allocation of payments

You must not make further *Shipments* after becoming aware of a circumstance which might reasonably be expected to result in a *Loss*, without our written permission.

We will not be liable for any loss arising from *Shipments* you make while a buyer has amounts that have been outstanding for longer than the *Stop Shipment Period*. This will not apply where the outstanding amount is due to a dispute which you have acknowledged.

If you continue *Shipments* beyond these dates on an uninsured basis, even where the terms of payment are cash in advance, this could reduce the calculation of any *Loss*. For the purposes of calculating a *Loss*, all amounts received from a given buyer (whether or not in respect of *Shipments* insured by us, and irrespective of any designation by the buyer) shall be allocated in the chronological order of due dates.

c) Disputes

If a dispute exists between you and the buyer, you will need to settle the dispute or else establish that the amount owing to you is valid and legally enforceable in the buyer's country. We shall not be liable for any such amount until this has occurred.

d) Written demand

At least 30 days before submitting a claim to us, you must have made a formal written demand for payment of the amount owing from the buyer and from each guarantor (if any).

e) Minimise loss

Paragraph 3 c) continues to apply. If, by the end of the *Stop Shipment Period*, you have not received payment from a buyer in respect of a *Shipment*, you must appoint a collection agent to collect the total amount outstanding. You must provide the collection agent with the required documents and information. In addition you must take any other measures which may be required by us.

5. Claims

a) Making a claim

You must submit your claim, including with it all available supporting information, within 240 days of the due date of payment, otherwise your claim will not be accepted for consideration.

b) When will we pay you?

Subject to the terms of this policy, we will pay your claim no more than 30 days from the date of receipt of all information necessary to prove your *Loss*, or from the end of the *Waiting Period*, whichever is the later.

c) Subrogation

Upon payment of a claim, we shall be subrogated to all your rights of recovery against any person or organisation. You must continue to take all steps which may be necessary, or which we may require, to effect recoveries. Upon request you must assign and transfer to us your rights in connection with the *Loss*.

d) Costs and expenses

Where we have given prior agreement in writing for you to incur an extraordinary expense in order to fulfil your obligations to minimise and recover a *Loss*, we will contribute towards that expense. Our contribution will be proportionate to our liability for the *Loss*.

e) Recoveries

All amounts received by you, by any person acting on your behalf or by us:

- before the *Date of Loss*, shall be allocated to all receivables due from the same buyer in chronological order of due dates; or
- after the *Date of Loss*, shall be divided between you and us in the proportion in which the loss is borne by each of us. You must notify us immediately of the receipt of such amounts.

All amounts received by you or by any person acting on your behalf after the *Date of Loss* should immediately be remitted to us. Until this remittance is made, you hold such amounts in trust for us.

6. Things that are not covered

a) Failure by you

Any *Loss* caused by any failure by you or by any of your agents to fulfil any of the terms of your contract with the buyer or to comply with the provisions of any law, or caused by your *Insolvency*.

b) Import and export licences

Any *Loss* caused by a failure to obtain any export or import licence or other authorisation necessary for the performance of your contract with the buyer, unless the necessity arose after the date of *Shipment*.

c) Third countries

Any *Loss* arising directly as a result of an event occurring in a country other than the buyer's country, unless the third country is approved in the Schedule.

d) Disputes

As provided for in paragraph 4 c) any *Loss* in relation to any amount which is the subject of an unresolved dispute between you and the buyer.

e) Stop Shipment

Any *Loss* in relation to any transaction where, on the date of *Shipment*:

- any amount is overdue from the buyer beyond the expiry of the *Stop Shipment Period* (other than an amount which is subject to a dispute which you have acknowledged)
- you were aware of any circumstance which might reasonably be expected to result in a *Loss*.

f) Radioactive contamination

Any loss directly or indirectly caused by, contributed to by or arising from the ionising, radioactive, toxic, explosive or other hazardous or contaminating properties or effects of any explosive nuclear assembly or component thereto, nuclear fuel, combustion, or waste.

g) War between the five great powers

Any loss arising directly or indirectly from war (whether before or after the outbreak of hostilities) between any of the following: China, France, the United Kingdom, the Russian Federation and the United States of America.

h) Non-conforming transactions

Any transaction which falls outside the parameters described in the Schedule.

i) Sales to affiliates

Any sales to affiliates or subsidiaries, unless you have disclosed the relationship to us and we have specifically agreed a *Credit Limit* on the buyer acknowledging the relationship.

7. General Conditions

a) Assignment of policy rights

You cannot assign this policy or any of its benefits without our written consent.

b) Assignment of contract rights

If the right to receive payment from your buyer has been assigned or charged to a third party, or is in any way encumbered, we will not be liable to make payment until the person in whose favour the assignment or charge has been made has given us a written undertaking that they will account to us for, and will not make any claim to, our proportion of the *Recoveries*.

c) Waivers

No variation or waiver relating to any term or condition of this policy shall be binding unless we have specifically agreed this in writing.

d) Conversion of currencies

Where the amount owing from your buyer is denominated in any currency other than the *Policy Currency*, payment of any *Loss* will be made in the *Policy Currency* converted at the exchange rate (being the closing mid-point rate quoted in the London Foreign Exchange Market) on the date of *Shipment*.

e) Fraud

Any fraudulent conduct on your part in relation to this policy or a claim under it or to any transaction to which this policy applies, will render this policy void and we shall retain any premium paid.

f) Joint and several obligations

The obligations of the persons named as the Insured shall be joint and several and for the avoidance of doubt all limits of any kind under this policy shall apply to those persons collectively. A person who is not a party to this policy shall not have any rights under or in connection with this policy by virtue of the Contracts (Rights of Third Parties) Act 1999.

g) Conditions Precedent

The performance of the following provisions of this policy are conditions precedent to liability: Paragraphs 3a)-g) inclusive and 4)a)-d) inclusive. Paragraph 3a) is in addition to any remedies available under the Insurance Law Act 2015. Due payment of premium including any premium taxes within 60 days of due date is also a condition precedent to liability.

h) Exclusions

The following provisions of this policy shall be considered as exclusions of liability: Paragraphs 6a) to 6 i).

i) Cancellation

You are not permitted to cancel this policy. There shall be no cancellation or return premium for short interest, unless specifically agreed by us at inception. We are permitted to cancel this policy for non payment of premium or in the event of your *Insolvency*. In the event of cancellation by us, we shall notify you in writing stating when (not less than 10 days thereafter) the cancellation shall be effective. Upon cancellation this policy shall be void and no *Loss* occurring thereafter shall be eligible for payment. The mailing of such notice shall be sufficient proof of notice.

j) Set off

We are entitled to set off any amount payable under this policy against any amount that is owing from you to us, whether under this policy or otherwise.

k) Law and arbitration

This policy is governed by the laws of England and Wales. Any dispute arising in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause. There shall be three arbitrators. The legal place of arbitration shall be London. The language used shall be English.

l) Complaints

If you should have any complaint about a general insurance related matter or about our service generally, we would ask you to write to the Complaints Officer, at the following address:

Equinox Global Limited
The Hallmark Building
52-56 Leadenhall Street
London EC3A 2EB

After this action, if you are still not satisfied with the way a complaint has been dealt with, you may ask the Policyholder & Market Assistance Department at Lloyd's to review your case. The address is:

Policyholder & Market Assistance Department
Lloyd's Market Services
One Lime Street
London
EC3M 7HA
Telephone: 020 7327 5693

m) Sanctions

We shall not be deemed to provide cover and we shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us and/or the London Underwriters which we represent, their parent companies or their ultimate controlling entities to any sanction, prohibition, reporting obligation or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

n) Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

o) Non-Cumulative Credit Limits

All *Credit Limits* and *Country Limits* under this policy and any preceding, replacement or future policies are non-cumulative. There shall never be more than one *Credit Limit* in effect for any one buyer nor more than one *Country Limit* in effect for any one country.

8. Definitions

a) 'We', 'us', 'our'

Equinox Global Limited underwriting for and on behalf of certain underwriters named in the Schedule.

b) 'You', 'your'

The Insured named in the Schedule.

c) Date of Loss

For *Insolvency*, the date of *Insolvency*. For any other cause of *Loss*, six months after the buyer's due date of payment.

d) Insolvency

Any of the following steps, or an equivalent step, has been taken by or against the entity concerned pursuant to the law of the country having jurisdiction over the entity's affairs:

1. Bankruptcy or insolvency is adjudicated;
2. A court having jurisdiction approves a compromise, composition or similar arrangement of debts on the basis of a receiving order; or the entity makes a valid assignment, composition or similar arrangement for the benefit of all creditors;
3. The appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer (in each case, whether out of court or otherwise) in respect of the entity or any of its assets;
4. A court having jurisdiction orders the winding up or the liquidation of the entity; or an effective resolution is passed for the voluntary winding-up or liquidation of the entity;
5. Circumstances exist which in our opinion are equivalent to one of the above.

e) Loss

The amount owing to you from a buyer, less any amount which you or the buyer are entitled to credit to the buyer's account by way of set off, counterclaim or otherwise, less any sales or value added tax you save as a result of the non payment, and less any interest accruing after due date.

f) Recoveries

All sums whatsoever received, recovered or realised after the *Date of Loss*, whether by you, by any person acting on your behalf or by us in relation to the *Loss*.

g) Shipment

The sale of goods or services. *Shipment* shall be deemed to be made when goods are placed irretrievably en route to the buyer. In the case of services *Shipment* shall deem to be made when each invoice for services performed is submitted to the buyer.

h) Waiting Period

The number of days that must elapse after the due date before a *Loss* under this policy is deemed to have occurred. In the case of the buyer's *Insolvency*, the end of the *Waiting Period* shall be immediately upon the due date of payment or the date of *Insolvency*, whichever is later. In all other cases, the *Waiting Period* shall be 180 days from the due date of payment.

i) Items in Italics

Items in italics which are not defined above are defined in the Schedule.

Lloyd's is authorised by the UK Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and PRA, under the Financial Services and Markets Act 2000.