

Trade Credit Insurance

Prospectus

Trade Credit

Credit is vital to the commercial world. Future Generali's trade credit cover promotes trade by ensuring that buyers and sellers can do business with confidence. The trade credit team is supported by the strong RI and will help to control counterparty payment default risks.

Buyers and sellers have long relied on credit to facilitate trade, but never more so than in today's global marketplace where supply and demand are founded on increasingly complex credit arrangements. However, where credit is involved, there are also counterparty risks. What happens if a buyer defaults on payment before meeting its commitments through insolvency or for other reasons? Non payment can have a devastating effect on the balance sheet, which is why trade credit insurance is essential for business security and confidence.

Risks Covered

- Commercial Perils ○ Insolvency of the buyer & Non-payment of goods accepted by the buyer ○ Protracted default (wilful default)
- Political Risk Perils ○ Non convertibility of currency ○ Non Transferability of monies ○ Embargo ○ Trade sanctions ○ Currency devaluation ○ Expropriation ○ Confiscation

The three main CREDIT Insurance structure options:

1. Whole Turnover Policy

Suitable for SME and MME segment who are exploring newer markets for growth

- ✓ Increase the Domestic/ export sales with the help of INSURER's expertise and knowledge of foreign buyers and markets.
- ✓ Secure themselves from default risk in foreign countries.

The whole turnover policy will have following broad parameters:

- a) No First loss. (A small non-qualifying loss to discourage small claims)
- b) No Discretionary Credit Limits.
- c) Maximum loss limit can be enhanced to top three buyer's exposure.
- d) No provision for buyer analysis on trading experience basis.

2. Excess of Loss Policy

Designed for the policyholders who are engaged in selling specialised products.

- ✓ Provides for more realistic cover with reduction in premium for willingness to absorb a certain portion of entire loss.
- ✓ For large companies to be protected for a catastrophic loss wherein in the event of its top buyers failing may put their entire business survival at risk.

The Excess of Loss policy will have following broad parameters:

- a) First loss to cover exposure on lowest of top 10th buyer.
- b) Compulsory DCL to keep minimum buyer under analysis.
- c) Maximum loss limit can be enhanced to top three buyer's exposure.
- d) Buyer underwriting to be based on Financials and trading experience.

3. Loss Sharing Policy

Provides an incentive for sharing of each and every loss during the policy period.

- ✓ Appropriate for medium and large companies
 - who follow better credit management systems.
 - who are confident about their business practices and would like to enjoy the benefit of reduced premium
- ✓ To protect from huge number of losses happening in any one year or a single largest loss which may put the entire business into troubles.

The Risk Sharing policy will have following broad parameters:

1. Reasonable First loss to insured's account.
2. Reasonable Discretionary Credit Limits.
3. Maximum loss limit can be enhanced to top three buyer's exposure.
4. Buyer underwriting to be primarily based on trading experience.

More Information: The above information is only indicative in nature. For details of the coverage & exclusions please contact any of the followings:

- ✓ FG Authorised Channel Partners (Agents, Brokers, Corporate Agents etc)
- ✓ FG Sales Team
- ✓ FG Credit Team **Why Choose Us**
- ✓ Over 11 lakh customers
- ✓ We settle over 1,80,000 claims every year
- ✓ Presence in 137 locations across India
- ✓ Around 2,200+ active corporate clients
- ✓ Over 6,100 agents represent us across the country **Call us**
- ✓ 1800220233
- ✓ 18605003333
- ✓ 022 67837800

Email Us: fgcare@futuregenerali.in

This Prospectus

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the **Trade Credit Insurance** document. You must read the policy document to know the insurance cover fully. You can get a copy of the **Trade Credit Insurance** from Our branch or from Our website <https://general.futuregenerali.in/> . For any legal interpretation, policy document will hold.

Note: Insurer to mention details of website.

4. Grievance

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with

1. Our Grievance Redressal Officer
2. The Consumer Affairs Department of IRDAI—You can register Your grievance on IRDAI’s Integrated Grievance Management System (IGMS),
3. The Insurance Ombudsman, depending on the nature of grievance and the financial implication, if any, or
4. The Consumer Protection Forum or the Court.

5. About Our Company

Future Generali India Insurance is a joint venture between the Future Group – the game changers in Retail Trade in India and Generali - an 190 year old global insurance group featuring among the world’s 60 largest companies*. Future Generali has been aptly benefitting

from the Indian expertise and network of Future Group and the global insurance insight in diverse product classes of Generali Group. Our competitive edge, extensive range of general insurance products, wide network, claim servicing capabilities and the ability to provide all possible general insurance solutions under one roof, makes us the most preferred partner for our customers.

*As per Fortune Global 500 Ranking (2017)

INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.

Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.

*******END*******
**