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## Trade Credit Insurance

### Single Risk

### Proposal Form

# Application for Trade Credit Insurance

## Single Risk

### Proposal Form

#### 1 Applicant

a) Name:

b) Authorised Representative:

Address:

Contact Details:

Telephone:

Fax:

Email:

#### 2 Obligor

a) Name:

b) Address:

c) Legal status and ownership structure of the Obligor:

d) Principal activity of the Obligor:

e) Is Applicant aware of any important environmental or public policy issues associated with the Obligor, or the envisaged transaction? Yes / No  
If Yes, please describe:

#### 3 The Insured Transaction

a) Describe the structure of the payment obligation for which insurance is required.

b) What is the maximum exposure that the Applicant will have under the payment obligation?

- c) Describe the tenor and drawdown / repayment terms of the obligation, or attach a drawdown / repayment schedule.
- d) Describe the primary purpose of the obligation that is being created (eg working capital, purchase of capital goods, financing of exports, etc.).
- e) Describe the primary source of repayment of the obligation (e.g. revenues from exports, revenues from domestic services, general cash flow, etc.).
- f) List and describe all the legal documentation that will be executed in respect of the obligation.
- g) Is the Applicant participating with other parties in this obligation?      Yes / No  
If Yes, please identify:
  - i) the lead financial institution(s)
  - ii) the other principal participants, and
  - iii) the documentation which governs the relationship between these entities.

*(Attach a draft of all documentation relating to the payment obligation. The final documentation must conform to the draft in all material respects.)*

#### **4 Guarantor (if any)**

(Complete this section only if there is a Guarantor involved in the transaction.)

- a) Name of Guarantor:
- b) Address:
- c) Describe the legal status and ownership structure of the Guarantor  
  
and  
  
the relationship between the Obligor and the Guarantor.
- d) Principal activity of the Guarantor:

- e) Form of guarantee (eg stand-by L/C, first-demand guarantee, etc.):

*Attach a specimen of the guarantee form, to which the final guarantee must conform in all material aspects.*

- f) Describe the authority under which the guarantee will be issued, and if available, please provide a legal opinion as to the validity of the guarantee instrument.
- g) What is the governing law and applicable jurisdiction of the guarantee?
- h) Describe the process by which the guarantee is invoked following default by the Obligor.

## **5 Third Party (if any)**

(Complete this section only if there is a third party involved in the transaction, eg an exporter, an importer, or an off-taker.)

- a) Name of Third Party:
- b) Address:
- c) Describe the legal status and ownership structure of the Third Party.
- d) Principal activity of the Third Party:
- e) Role of Third Party in the transaction:
- f) Describe the documentation that will evidence the role of the Third Party.

## **6 Coverage**

- a) Describe the currency and amount of the coverage being sought by the Applicant.

- b) Describe the duration of the coverage being sought by the Applicant.
- c) Has the Applicant tried to (or is the Applicant currently trying to) insure or transfer all or part of the risk of the transaction, besides the requested coverage? (eg through bank syndication, credit derivative, political risk insurance or credit risk insurance from another insurer)? Yes / No  
If Yes, please provide details.
- d) If the Applicant has another credit insurance policy in place covering multiple obligors, why is this transaction not eligible for coverage under that policy?
- e) Will the Applicant have other insurance on the transaction? Yes / No  
If Yes, please provide details:
- f) To the Applicant's knowledge, will other participants in the transaction have insurance coverage (credit risk or political risk)? Yes / No  
If Yes, please provide details.
- g) Has the transaction been on the books of the Applicant for 3 months or more (for the purposes of this question, the books of the Applicant are deemed to include the books of the Applicant subsidiaries, affiliates or other conduits)? Yes / No  
  
If Yes, for what reason is the Applicant now seeking to insure the risk on this transaction?
- h) Please describe the main credit events which have occurred since the implementation of the transaction (eg repayments, waivers, extensions, etc.).

**7 Applicant's relationship with the Obligor, Guarantor and Third Party**

- a) How long has the Applicant had an active business relationship with the Obligor?

Please provide details.

- b) How long has the Applicant had an active business relationship with the Guarantor?

Please provide details.

- c) How long has the Applicant had an active business relationship with the Third Party?

Please provide details.

**8 Other**

Please provide all additional information which may be relevant to the risks associated with the proposed transaction and the insurance which is being sought.

**9 Broker (if any)**

Name of Broker of Record: Lothbury UK Limited

Address: Fleur-de-Lys Court  
112 Houndsditch  
London EC3A 7BD

Telephone: 020 7929 2105 Fax: 020 7623 9067 Email: [info@lothburyuk.com](mailto:info@lothburyuk.com)

**10 The Applicant represents that, to the best of their knowledge and belief (tick that all apply):**

- Neither the Obligor nor the Guarantor has defaulted on any senior obligations, including guarantee obligations, during the last five years.
- During the last five years, the Third Party has not been involved in any commercial dispute with the Obligor or the Guarantor, to the extent that such dispute has led to arbitration, court settlement or delay in fulfilling contractual obligations for more than 90 days.
- The obligations of the Obligor and the Guarantor have consistently been met within 90 days of their due dates, during the last five years.
- Repayment difficulties have not led to a refinancing or rescheduling of the debts of the Obligor or of the Guarantor, during the last five years.
- The transaction which is the subject of this application does not constitute a refinancing of previously outstanding debt.

If any statement in Section 10 is *not* ticked off, please explain.

**11 Please provide a copy of the Applicant's most recent assessment of the creditworthiness of the Obligor and Guarantor.**

*Attached* Yes / No

**12 Please provide the most recent assessment or rating of the Obligor and Guarantor by a recognised credit rating agency.**

*Attached* Yes / No

**13 Please attach latest Applicant annual report or equivalent 10K.**

*Attached* Yes / No

#### DECLARATION

The undersigned authorised officer declares that to the best of his / her knowledge the statements set forth in this application are true and no material information has been withheld.

The undersigned agrees that the existence of any policy that may be issued will not be disclosed to the Obligor or the Guarantor. All information in this application will be treated confidentially by the Company.

Signing of this application does not bind the undersigned to purchase the insurance, but it is agreed that this application shall be the basis of insurance should a policy be issued and will form part of the policy.

Applicant:

Signature:

Name and Title:

Date:

#### DATA PROTECTION ACT

By signing this Application Form (or returning it to us if from the website) you consent to us holding and processing your personal data for the above purposes. You also consent to us transferring your information to countries outside the EEA. If we do make such a transfer we will ensure your information is protected.

The data controller is Lothbury UK Limited. In compliance with the Data Protection Act 1998, we will hold the data, together with other information, securely and confidentially and process it for the purpose of carrying out our activities. These activities are administration, research, marketing and prospecting, accounts and records, insurance broking, risk assessment, consultancy services, surety, and compliance services.

If you provide data on another individual within your business, you confirm that you have the consent of that individual to forward the data to us and we will process the data as above.

We will process the data about buyers, debtors and debts in accordance with the data protection policy stipulated by the client, which remains the data controller of those data. The client will make its data protection policy clearly known and available to Lothbury UK Limited. Where no data protection policy is made known we shall not be liable for any breach under the

client's data protection policy. Furthermore you agree to comply with the Data Protection Act 1998 and to process all personal data in accordance with that Act.

We may keep your information for a reasonable period for the on-going pursuance of our business activities as stated above. We may also use the data you provide to contact you by mail, telephone, fax or email with information about our other products and services.

A copy of the data we hold on you may be obtained for a small fee upon written request to:  
The Compliance Officer,  
Lothbury UK Limited,  
Fleur-de-Lys Court  
112 Houndsditch  
London EC3A 7BD.

Lothbury UK Limited is regulated by the Financial Services Authority for the conduct of UK business.