

## REMINDER FOR THE POLICYHOLDER (ST.2.0 – 2023)

### Applying for a credit limit (GT 3)

Apply for a credit limit for all buyers whose payment risk you want to insure. When applying, consider how much the buyer can be in arrears for a sale under credit terms. Before making the delivery, make sure that **KredEx** has set a credit limit for the buyer and sent a credit limit decision on it. Check the correctness of the data in the decision. If necessary, apply for an increase in the credit limit during the insurance period.

### Insured turnover declaration (GT 8)

Submit a declaration of insured turnover on sales under credit terms by the time indicated in the policy. If VAT is added to the sales price, the turnover must be declared including VAT. Turnover exceeding the amount of the credit limit must also be declared.

### Recommendations for daily credit management

Do not give the buyer a longer payment term than permitted by the policy or credit limit decision. Keep track of the amount of the credit limit. A sale that exceeds the credit limit is accompanied by risk that the insurance does not cover. Try to resolve disputes with the buyer. **KredEx** can compensate the damage if the claim is not disputed.

### Notification of arrears and the collection of debts (GT 9)

If a delay in payment occurs on the part of the buyer, remind them of their obligations. Save correspondence relating to the debt. Notify **KredEx** of the buyer's default with a payment default notice no later than **30 days** after the end of the initial collection period with the length specified in the policy. On the notice show all of the buyer's unpaid invoices, including those for which the term for payment has not yet been exceeded. If an agreement has been reached with the buyer for repaying the debt during an additional term or if the buyer has contested the claim, mark this information on the notice. Note that the sooner you start collecting the debt, the better the result will be. Collecting the debt may include costs (e.g. debt collection service costs), but **KredEx** will cover previously coordinated collection costs in the sum of the insurance coverage rate (GT 13).

NB: Notify **KredEx** about the delay in payment on the part of the buyer, even if the over term obligation has occurred before the insurance period.

### Suspension of insurance coverage (GT 7)

Insurance coverage for further deliveries shall be suspended if **KredEx** has closed the buyer's credit limit, the delay in payment by the buyer exceeds the initial collection period, a payment default notice has been filed or the buyer has gone bankrupt. Consider that further sales (under prepayment conditions) to the buyer taking place following the suspension of insurance coverage may decrease the amount of insurance benefit in case of an insured event.

### Compensation for damage (GT 11)

An application for insurance benefit can be submitted after the insured event. Events considered to be insured events are listed in GT 10.1. The most common of these are the passing of the 6 month claim waiting period from the payment term and the bankruptcy of the buyer. To apply for insurance benefit, please send an application and proof of the damage suffered to **KredEx**. **KredEx** will make a decision within 30 days of receiving the application and the evidence proving the damage, and in the case of a positive decision, the benefit will be paid out within 15 days of making the decision.

### Insurance premium and payment of credit limit fee (GT 18 and 19)

Insurance premium must be paid by the time indicated in the policy. **KredEx** will send a payment notice before the payment term. The consequence of not paying the insurance premium may be that **KredEx** terminates the insurance contract and does not pay the insurance benefit. The amount of the credit limit fee is specified in the policy, the credit limit fee must be paid once during the insurance period for each buyer and, in addition, if you repeatedly apply for an increase in the buyer's credit limit during the insurance period. **KredEx** submits an invoice for the credit limit fee. Failure to pay the credit limit fee may result in the cancellation of the credit limit, which is applied retroactively.

### Financial sanctions and the fight against bribery (GT 20 and 21)

All individuals must apply international financial sanctions. When delivering into high risk areas, make sure to control that the destination country is not a sanctioned region, the transaction is not prohibited, and the buyer and the individuals connected to the buyer are not under sanction. A check can be conducted on the webpage of the PBGB: <https://www2.politsei.ee/et/organisatsioon/rahapesu/finantssanktsiooni-subjekti-otsing-ja-muudatused-sanktsioonide-nimekirjas/>. Information about sanctions implemented by the EU is consolidated on the EU Sanctions Map: <https://www.sanctionsmap.eu/#/main>

By concluding the insurance contract you confirm that you do not have anything to do with giving or receiving bribes (GT 20). **KredEx** directs your attention to the fact that if you provide false confirmation, your right to an insurance benefit will be lost. Giving and receiving bribes is considered a criminal offence.

### Required document forms

Payment default notice, insured turnover declaration, and insurance benefit application forms can be found on the

**KredEx** webpage at [www.krediidikindlustus.ee](http://www.krediidikindlustus.ee), and our client relationship manager can also forward you the necessary forms.

Submit a payment default notice and an application for insurance benefit with the necessary additional documents to the email address [kahjud@kredex.ee](mailto:kahjud@kredex.ee).