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總公司：台北市敦化南路二段 39 號 8 樓 A 室 電話：(02)2322-9000 免費客服及申訴電話：0800-771-168 網址：<http://www.eulerhermes.tw>

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Euler Hermes Credit Insurance World Finance Policy

保單條款

108 年 03 月 29 日裕利安宜 108 發字第 0052 號函備查

Definitions

Because your **Policy** is a legal document, we have to use a number of accepted legal words to state its terms and conditions. You will find these words are highlighted in **bold** in the text and then explained here for easy reference.

Approved Limit

Means the maximum amount covered for a **Buyer** under the **Policy** as specified in the limit notification issued by us.

Buyer

Means either:

- any of the **Supplier's** customers; or
- where applicable, an import factor under a **Factoring Agreement**; or
- any customer of a **Supplier** where the receivables relating to that customer have been assigned to you by an export factor under a **Factoring Agreement**

on which you have received an **Approved Limit**.

Cash Against Documents

Means payment against the presentation to the **Buyer** of the relevant commercial documents stated in the sale contract and your retaining control of the goods until full and effective payment is made to the bank or other authorised agents responsible for transmitting the documents to the **Buyer**.

Date of Crystallisation

Means the earlier of:

- (a) the date the **Buyer** enters into a **State of Default**; and
- (b) the date we receive your Non-payment notification.

Despatch or Despatched

Means with respect to goods, that:

- (a) the goods have been passed from the **Supplier** to the first independent carrier for transport to the place where the **Buyer** is obliged to accept them; or
- (b) if there is no independent carrier, the goods have been deposited by the **Supplier** into the possession of the **Buyer** or a third party agent who agrees to hold the goods to the order of the **Buyer**.

Dispute

Means any unresolved, genuine and documented disagreement between:

- you or the **Supplier** and the **Buyer**, relating to any obligations under the original contract that results in refusal by the **Buyer** to pay you any debt;
- you and the **Supplier**;
- you and either the import factor or the export factor.

Excess

Means any deductible or threshold applicable to the **Policy**.

Factoring Agreement

Provided that you are a factoring company authorised to operate – among others – in factoring activities according to the laws of your country, **Factoring Agreement** means either:

- any legally valid and enforceable factoring agreement entered into between you and a **Supplier**; or
- any interfactoring agreement entered into between you and a factoring company located outside your country which is in accordance with and incorporates the standard terms, conditions and other provisions of the code of International Factors Group ("IFG") or Factors Chain International ("FCI"), or is otherwise legally binding and enforceable.

Foreign Public Buyer

Means a **Public Buyer** in a country other than your country.

Insolvency

Insolvency is defined in Section 1.01 (What you are covered for).

Insured Debt

Means the amount owing to you from the **Buyer** provided that the **Buyer** is located in a country listed in the **Special Terms** and relating to undisputed receivables that have been assigned to you during the Insurance Period in accordance with a **Factoring Agreement** between you and the **Supplier** or the export factor.

The **Insured Debt** is restricted to:

- the amount of the **Approved Limit**, and
- the amount of the actual loss to be suffered by you in accordance with the **Factoring Agreement** after taking into account the amount of any debt which you may recourse back to the **Supplier** and/or export factor, whether or not such right is exercised.

Insured Loss

Means the amount of an **Insured Debt** that was subject to a Non-payment notification or its balance after taking into account the amounts listed in Section 3.01 (Calculation of the Insured Loss).

Insured Percentage

Means the percentage stated in the **Special Terms** which is applied to the **Insured Loss** for the calculation of the indemnity.

Maximum Extension Period

Means the maximum period specified in the **Special Terms** by which you can postpone the original due date for payment of the **Insured Debt**.

Maximum Terms of Payment

Means the maximum contractual period that you may agree for payment from the **Buyer** of the **Insured Debt**.

Policy

Means the contract of credit insurance that we have agreed to issue to you including the General Terms and Conditions, Definitions, **Special Terms** (including the Country List) and any other documents and/or notifications and/or notices issued under or in connection with that contract, including but not restricted to the **Proposal** and the limit notifications.

Political Risk

Political Risk is defined in Section 1.01 (What you are covered for).

Proposal

Means the proposal form, credit management questionnaire and any supporting documents, information and representations made by you or on your behalf before we agreed to issue the **Policy**.

Protracted Default

Protracted Default is defined in Section 1.01 (What you are covered for).

Provide or Provided

Means, with respect to services, that the **Supplier** has fulfilled his contractual obligation towards the **Buyer** in respect of: services to be carried out; and invoicing on a regular basis.

Public buyer

Means a **Buyer** whose creditworthiness we consider equal to that of the State in the **Buyer's** country, due to the **Buyer's** statutory position or a commitment from the State of the **Buyer's** country with regard to the **Buyer's** financial support.

Recoveries

Means any:

- monies received;
- dividends received or payable out of the **Buyer's** insolvent estate;
- indemnities, guarantees or other securities obtained and realised;
- goods recovered;
- counter claims or set-off applied; and/or
- other advantages or rights of action held; by you or on your behalf.

Special Terms

Means the terms stated in the schedule attached to the General Terms and Conditions.

State of Default

Means the situation of a **Buyer** resulting from the occurrence of:

- (a) an amount being overdue past the expiry of the **Maximum Extension Period**, as mentioned in the **Special Terms**. If the debt is composed of several invoices, the date used will be the expiry of the **Maximum Extension Period** applicable to the invoice which was due first for payment; or
- (b) any dishonour or non-payment of a bill of exchange, promissory note, cheque or direct debit upon its first presentation for payment; or
- (c) **Insolvency**; or
- (d) a **Political Risk**

Supplier

Means any company that:

- entered in a **Factoring Agreement** with you, and
- **Despatched** goods or **Provided** services to a **Buyer**.

Turnover

Turnover means the total invoice value of all receivables you have purchased from a **Supplier** or export factor or sold to an import factor during the Insurance Period specified in the **Special Terms** in accordance with a **Factoring Agreement**

Waiting Period

Means the relevant period stated in the **Special Terms**, which runs from the date of receipt of the completed Non-payment notification together with any additional documents or information that we require.

GENERAL CONDITIONS OF INSURANCE (“GCI”)

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1. SCOPE OF COVERAGE

1.01 What you are covered for

We are the Insurer named in the **Special Terms**. We have issued this **Policy** to you, the Insured, named in the **Special Terms** in return for the premium.

Subject to the terms and conditions of the **Policy** we will indemnify you in accordance with Section 3 (Indemnity) below if a **Buyer** fails, due to an event of loss, to pay you an undisputed **Insured Debt**. For indebtedness to contribute to an **Insured Debt** it must relate to receivables assigned to you by the **Supplier** or export factor before the original due date of the receivable.

Unless otherwise expressly agreed, this **Policy** covers your entire non recourse **Turnover**.

Event of loss

Under the **Policy** there is an event of loss when your **Buyer** fails to pay you an **Insured Debt** and one of the following happens:

- (a) **Protracted Default** of your **Buyer** which occurs on the non-payment of all or part of an undisputed **Insured Debt** on expiry of the **Waiting Period**, as specified in the **Special Terms**
- (b) **Insolvency** of your **Buyer** which, unless specified otherwise in the **Special Terms**, occurs when
 - I. a Receiver or Manager, Liquidator, Trustee, Administrator, or other similar official is appointed over a **Buyer**, whether or not the appointment has been made by a Court or other similar tribunal but excluding any appointment which does not affect your rights as a creditor of the **Buyer**; or
 - II. a composition, scheme of arrangement, compromise or other similar arrangement has been approved and made binding on the **Buyer** and all the **Buyer's** creditors; or
 - III. circumstances exist that are equivalent to any of the above.
- (c) a **Political Risk** occurs. A **Political Risk** means any of the following:
 - I. the non-payment of all or part of an undisputed **Insured Debt** by a **Foreign Public Buyer** on the expiry of the **Maximum Extension Period**;
 - II. the unjustified and formal refusal by a **Foreign Public Buyer** to accept the goods;
 - III. the direct prevention of the payment of the **Insured Debt** by the **Buyer** or performance of the sale and/or services contract by the **Supplier** as a result of any of the following political events:

- (i) the occurrence in the country in which the Buyer is located (provided the Buyer is not located in your country) of war (whether declared or not) unless excluded by Section 1.02 (c) (What you are not covered for), invasion, act of foreign enemy hostilities, civil war; insurrection, rebellion, riot, revolution and/or military or usurped power;
- (ii) transfer restrictions where there is a decree by the government of the Buyer's country imposing restrictions on currency transfer;
- (iii) the passing of a decree by the government in the country in which the Buyer is located, exonerating him from paying the additional sum due if there is a difference between the amount deposited in local currency on the date of the deposit or on the date of completion of the transfer formalities, and the amount due to be paid;
- (iv) inconvertibility of the currency of the Buyer's country where the debt is payable in a currency other than the currency of the Buyer's country
- (v) the passing of a decree by the government in the country in which the Buyer is located preventing the Buyer paying for receivables assigned to a third party

The event of loss will be deemed to occur upon expiry of the relevant **Waiting Period** as specified in the **Special Terms**.

1.02 What you are not covered for

We have no liability for losses resulting directly or indirectly from:

- a. your failure, the failure of any of your agents or the failure of the **Supplier** (or any party acting on behalf of the **Supplier**) to comply with contractual obligations owed to the **Buyer** or with any relevant laws or regulations in force in the relevant countries; or
- b. any phenomenon of nuclear origin, or a natural disaster; or
- c. war between two or more of the following countries: the United States of America, the Russian Federation, France, the People's Republic of China and the United Kingdom; or
- d. the termination of any distribution, franchise or similar arrangement between the **Supplier** and the **Buyer**, insofar as and to the extent that you were aware of that arrangement before the date the receivables have been assigned to you by the **Supplier** or export factor, unless we have agreed to the termination beforehand in writing; or
- e. the loss of any export or import licence or other similar regulations preventing the performance of the contract or the payment of the debt; or
- f. the **Supplier's** failure to **Despatch** goods and/or provide services due to laws or regulations in its own country or decisions made by the government of its country other than where a **Political Risk** occurs; or

- g. your transfer of the payment obligation from your **Buyer** to a third party without our prior agreement; or
- h. exchange rate fluctuations and/or currency devaluations except in the case specified in Section 2.08 (Currency deposit) if the **Buyer** is unable to pay the additional amount corresponding to the depreciation of the local currency; or
- i. events occurring in a third country where: goods are to be **Despatched** and/or services are to be **Provided** to that third country; or payment is to be made from that third country, insofar as and to the extent that you were aware of those arrangements before the date the receivables have been assigned to you by the **Supplier** or export factor, unless we have agreed otherwise beforehand in writing.

The following are excluded from the **Policy** cover:

- j. Transactions with private individuals acting in a personal capacity. Transactions with **Public Buyers** in your own country and with **Foreign Public Buyers** in countries where you had no cover for **Political Risks** at the time the **Supplier** or export factor assigned the receivable to you.
- k. Transactions for which payment is made by confirmed and irrevocable or confirmed, irrevocable and renewable letter of credit.
- l. Transactions for which you - or the **Supplier** - agreed without our prior written approval payment conditions that are more favourable to the **Buyer** than the **Maximum Terms of Payment** specified in the **Special Terms**.
- m. Transactions with any **Buyer** located in a country that is either not mentioned in the Country List or that we have excluded from cover.
- n. Transactions conducted with any **Buyer**:
 - over which you or the **Supplier** have significant control, by participation in its management, administration or capital; or
 - which has similar control over you or the **Supplier**; or
 - which is part of the same group as you or the **Supplier**
- o. Transactions conducted with any **Buyer** for whom we have refused or withdrawn cover, before the date the receivables have been assigned to you by the **Supplier** or export factor.
- p. Receivables assigned to you by the **Supplier** or export factor after the day the **Buyer** enters in a **State of Default**.
- q. Interest for late payment or any contractual or legal damages.
- r. Value added tax, or any similar tax, unless we agree otherwise.
- s. any loss occurred in relation with a **Factoring Agreement** that it is not valid and enforceable according to the law governing factoring activity in your **Country**, the **Supplier's** Country or the **Buyer's** Country.

- t. The **Insolvency** of an import factor where that import factor has received payment from the **Buyer** on your behalf. **Insolvency** when used in this section will be as defined in Section 1.01.
- u. Account receivables which are the result of or relate to a fraudulent set up, whichever person or party has initiated it.

2. RISK MANAGEMENT

Setting and amending credit limits

2.01 Exercising care and prudence

You must exercise all reasonable care and prudence in granting and withholding credit from a **Buyer** as if you were not insured. You must disclose to us any knowledge, information or events that could, in the reasonable opinion of a prudent and careful uninsured, be interpreted as adverse and/or negative with regard to any new and/or existing **Buyer**, regardless of whether the **Buyer** owes you a debt.

For you to be covered under the **Policy** with respect to a **Buyer**, you must have a credit limit. The credit limit establishes the maximum amount of credit for which you will be covered under the **Policy** for a **Buyer**. The credit limit is the **Approved Limit** issued by us in accordance with Section 2.02 (Limit request)

2.02 Limit request

For each **Buyer** you must submit a limit request to us or the Risk Service Provider if specified in the **Special Terms**.

If we issue an **Approved limit** subject to special conditions, you will have a claim under the **Policy** in respect of the **Buyer** concerned only if all the special conditions have been complied with.

Unless specified otherwise in the limit notification, **Approved Limits** are effective from the start date specified. If no start date is specified, **Approved Limits** are retrospective from the start date of the **Policy** provided that:

- (a) there are no amounts outstanding beyond the expiry of the **Maximum Extension Period** or other adverse information about the **Buyer**; and
- (b) the original due date of the invoice is after the date of receipt of your limit request;

2.03 Risk Service

By accepting this **Policy**, you agree:

- that the Risk Service Provider named in the **Special Terms** will provide you with certain services related to this **Policy**; and
- to pay the fees it charges you.

2.04 Amendment and withdrawal of cover

- (a) At any time you may apply for a higher Approved Limit.
- (b) Using the approved means of communication (see Special Terms), we may immediately withdraw, vary or reduce the cover relating to one or more of your Buyers, one or more countries or any category of business if we believe the risk has deteriorated, or there is some other material reason for taking the action. We may also amend the Country List at any time.
- (c) Any withdrawal or reduction will apply to any receivable assigned to you by a Supplier or export factor after the date you receive our notification.
- (d) Cover is automatically cancelled for receivables: purchased from a Supplier or export factor which relate to a Buyer from the day the Buyer enters into a State of Default. Cover will be reinstated on the Buyer when all amounts outstanding beyond the Maximum Extension Period have been paid provided that:
 - the credit limit for the Buyer has not already been withdrawn by us; and
 - an event of loss has not occurred.

Receivables beyond due date

2.05 Your credit management obligations

At all times you must act as if you were not insured. So you must take all reasonable steps to prevent and/or reduce any losses, including but not limited to:

- the starting of legal proceedings against the **Buyer** or the **Supplier**
- the enforcement of any judgment against the **Buyer** or the **Supplier**,
- the starting of any insolvency proceedings against the **Buyer** or the **Supplier** and
- the passing of the account to the Collection Service Provider named in the **Special Terms**, whose fees you agree to pay.

You must comply with any instructions we may give you.

In addition, you must obtain our prior written agreement to grant approval (whether as part of an out-of-court settlement, or a court order) for:

- (a) a repayment plan or other form of rescheduling in respect of all or part of the debt beyond the **Maximum Extension Period**, or
- (b) an assignment or pledge of all or part of the debt, or
- (c) a waiver of all or part of the debt; or
- (d) the giving up of any of your rights or guarantees in respect of all or part of the debt.

2.06 Postponement of due date

You may agree to one or more postponements of the initial due date for payment of the **Insured Debt**. However, the additional credit period granted must not exceed the **Maximum Extension Period**, as set in the **Special Terms**. Unless we agree otherwise, the **Policy** will not cover any debt you have agreed to postpone beyond the **Maximum Extension Period**.

Unless you obtain our prior written agreement, you must not grant any postponement of due date if:

- (a) the initial methods of payment are **Cash Against Documents**, promissory note, bill of exchange, or irrevocable letter of credit, or
- (b) the **Buyer** is in a **State of Default**.

2.07 Non-payment notification

You may notify us of any unpaid debt at any time after the original due date for payment. However where a **State of Default** occurs, you must notify us before the expiry of the non-payment notification period, using the relevant forms and submitting all documents we require.

Unless specified otherwise in the **Special Terms**, the non-payment notification period expires 30 days after the **Buyer** enters a **State of Default**.

2.08 Currency deposit

In the event of restrictions on currency transfers, you must demand the following actions from your **Buyer** on the due date for payment or as soon as you are aware of the restrictions:

- Your **Buyer** must make a deposit in your favour at a bank in his country for the equivalent sum in local currency for the total invoiced amount. Your **Buyer** must also undertake in writing to pay on demand any shortfall between the value of the local currency deposit at the date of that deposit and the value of the payment you receive.
- Your **Buyer** must take all possible and formal steps in order to get the local currency converted and transferred to you.

- Your **Buyer** must confirm in writing that the payment in local currency does not in any way discharge him from his contractual obligations.

3. INDEMNITY

3.01 Calculation of the Insured Loss

- (a) The **Insured Loss** is to be calculated as being the **Insured Debt**:
- after taking into account the value of any **Recoveries**; and
 - after taking into account the amount of any **Excess**, if applicable, as specified in the **Special Terms**.
- (b) Invoices in a currency other than the **Policy** currency will be converted in accordance with Section 5.02 (Policy currency).

For the purposes of establishing which debts constitute the **Insured Debt**, debts owed by a **Buyer** will be taken in the order of the invoice dates up to the amount of the credit limit. Debts above the credit limit are covered under the **Policy** only if and when older debts that are covered under the **Policy** have been paid. This subsequent cover of previously uninsured debts does not apply after the **Date of Crystallisation**. If payment is by cheque or bill of exchange, payment is deemed to have been made when you have received cleared funds.

3.02 Calculation of the indemnity

Subject always to Section 3.05 (Maximum liability), the maximum indemnity under the **Policy** in respect of any claim will be the **Insured Percentage** of the **Insured Loss**.

3.03 Payment of the indemnity

- (a) We have no liability in respect of any debt or claim unless we have received the non-payment notification from you in accordance with Section 2.07 (Non-payment notification).
- (b) If the **Insured Debt** (or any part of it) is subject to a **Dispute**, we will have no liability in respect of the disputed amount until the **Dispute** is unconditionally settled in favour of the **Supplier**. We are not liable for any costs incurred in the **Dispute** resolution.
- (c) Subject to Section 5.03 (Verifying your documents), we will pay your claim within 30 days from the later of:
- the date of the occurrence of the event of loss as determined in Section 1.01 (What you are covered for); and
 - the date we receive the non-payment notification and all documents and information that we require. This includes proof of any collection or legal action, such as applying for a bankruptcy or winding-up order, commencing legal proceedings, or enforcing any judgement against the

Buyer, unless we agree that such action would be uneconomical. This also includes proof to our satisfaction: of the exact date in which any receivable subject to a non-payment notification was assigned to you; and of the amount of your actual loss with respect to any unpaid receivable; and that the **Factoring Agreement** was legally binding and enforceable according to the applicable law; and

- if the debt was subject to a **Dispute** that has subsequently been resolved in favour of the **Supplier**, the expiry of an additional period of 30 days following resolution of the **Dispute**, within which the **Buyer** has to pay.
- (d) The indemnity is payable in the **Policy** currency (Section 5.02 - Policy currency).
- (e) If you receive an indemnity from us to which you are not entitled under the **Policy** (including with respect to a debt which you have a right to recourse to the **Supplier** and/or export factor whether or not such right is exercised), you must reimburse it to us within 14 days of our request or of your being aware that you are not entitled to it.
- (f) In the event of a **Political Risk** occurring before the occurrence of any other of the circumstances that may lead to a **State of Default**, the cause of loss under the **Policy** will be the **Political Risk**.

3.04 Recoveries

- (a) (i) All Recoveries realised before the Date of Crystallisation must be used to reduce the amount of the undisputed indebtedness owed to you in the chronological order of the due dates relating to that indebtedness.
- (ii) For the calculation of the **Insured Loss**, all **Recoveries** realised after the **Date of Crystallisation** will be shared between you and us pro rata based on the ratio between the **Insured Debt** and your total debt at the **Date of Crystallisation**. Our share will be calculated in accordance with the following formula:

$$\text{Recoveries} \times \frac{\text{Insured Debt}}{\text{total indebtedness}} \text{ at the Date of Crystallisation}$$

- (b) On payment of the indemnity, any of your rights or actions will be subrogated to us. Our share of any Recoveries you receive after you have been indemnified under the Policy must be reimbursed to us within 14 days of their receipt. Recoveries realised in a currency other than the Policy currency are converted in accordance with Section 5.02 (Policy currency).

3.05 Maximum liability

Regardless of the amount of any individual **Approved Limit** or the aggregate value of all credit limits and the number of beneficiaries under the **Policy**, we will have no further liability at all for an Insurance Period when the amount we have paid to you as indemnity first reaches the maximum liability shown in the **Special Terms**. Your obligations under the **Policy** continue, including your obligations to pay us premium and to account to us for our share of any **Recoveries**.

3.06 Assignment of indemnities

You may wish to transfer any benefits under the **Policy** to a third party. Any assignment of the benefits payable under the **Policy** requires our prior approval and an amendment being made to the **Policy** noting the assignment.

3.07 Shared risk

You must remain solely responsible for any portion of the debt not covered under the **Policy**. This must not under any circumstances be assigned wholly or partly to any third party or insured with another company.

4. POLICY MANAGEMENT

4.01 Declaration of turnover

For each Insurance Period and for each country specified in the **Special Terms**, you must declare to us using our forms the aggregate value of your **Turnover** within 30 days (unless specified otherwise in the **Special Terms**) after the end of the period.

The value of invoices denominated in currencies other than the **Policy** currency must be converted into the **Policy** currency in accordance with Section 5.02 (Policy currency).

You must not exclude from your **Turnover** the value of any:

- (i) receivables relating to a **Factoring Agreement** where credit notes have been issued in respect of goods returned to the **Supplier** by the **Buyer** or in relation to retrospective volume rebates, loyalty rebate, early settlement rebate or any other rebate.
- (ii) receivables assigned to you which relate to a Buyer on which there was a valid credit limit at the time when receivables have been assigned, where that limit has subsequently been withdrawn.

You may exclude from your **Turnover** the value of any:

- (a) value added tax (or any similar tax) unless we agree otherwise,
- (b) sales entirely excluded from cover by the application of Section 1.02 (What you are not covered for).

4.02 Calculation of premium

Premium will be calculated on the basis of the declared turnover multiplied by the relevant premium rate set in the **Special Terms** for the particular country. If the calculated premium for the Insurance Period is lower than the minimum premium, as indicated in the **Special Terms**, you must pay the minimum premium for that period.

Insurance taxes will be added to the premium according to the relevant tax legislation.

4.03 Payment of premium

You must pay the premium to us strictly in accordance with the amounts shown and on the date set in the **Special Terms**.

4.04 Right of set-off

We alone may set off any premium or other amounts you owe us against any sums payable under the **Policy**, regardless of the **Policy** period.

5. OTHER PROVISIONS

5.01 Your Proposal

We have agreed to issue this **Policy** on the basis of the **Proposal** and all information and representations provided by you and/or your agent. Each Insured jointly:

- warrants that the information in the **Proposal** is true and accurate at the effective date of the **Policy**; and
- undertakes to immediately notify us of any changes concerning the **Proposal**.

Your warranty and undertaking do not limit any legal obligation or duty (at common law or otherwise) on you to disclose to us all material facts and circumstances and to act with the utmost good faith at all times.

5.02 Policy currency

The **Policy** currency is indicated in the **Special Terms**. It will be used for **Turnover** declarations, premium payments and other charges, calculation of any **Insured Loss** and any indemnity payments. If an invoice is denominated in any other currency, all amounts in relation to the invoice, including with respect to the calculation of the **Insured Loss, Recoveries** received prior to the date of indemnification and **Turnover** declarations, will be converted into the **Policy** currency using the exchange rate in the **Special Terms** ruling on the date specified in the **Special Terms**. Any **Recoveries** in any other currency which are received after the date of indemnification will be converted into the **Policy** currency using the exchange rate in the **Special Terms** ruling on the date the **Recoveries** are converted.

5.03 Verifying your documents

At any time we may inspect and take copies of any documents in your possession or control which relate to any **Insured Debt** under the **Policy**. On our request, you must take all necessary and reasonable steps to give us such documents held by any third party. Failure to provide them will be a breach of the **Policy**.

5.04 Confidentiality

The **Policy**, any amendment to it and all correspondence from us, including limit notifications, are strictly confidential. They must not be disclosed to any unauthorised third parties. The following entities are not unauthorised third parties:

- companies in the Allianz group;
- insureds named in the **Special Terms**;
- the broker or insurance intermediary whose name is stated in the **Special Terms**;
- legal advisers;
- financial institutions approved by us.

5.05 Policy duration

- (a) The start date of the **Policy** is shown in the **Special Terms**. Cover under the **Policy** for any receivables purchased by you from a **Supplier** or an export factor on and after the start date does not commence until you have paid the first premium instalment.
- (b) The Insurance Period and, where applicable, the further Insurance Periods are shown in the **Special Terms**.
- (c) At the end of each Insurance Period, the **Policy** will automatically continue for another Insurance Period of the same length, unless you or we gave written termination notice at least three months (unless specified otherwise in the **Special Terms**) before the end of the Insurance Period.
- (d) Despite Section (c) above, we may terminate the **Policy** by giving you written notice in the following circumstances:
 - (i) In the event of a breach of the **Policy** as stated in Section 5.06 (Breach of contract), in which case you must immediately pay us the minimum premium.
 - (ii) If you or one or more of the Insureds listed in the **Special Terms** become subject to **Insolvency**. The **Policy** will then be terminated in accordance with the **Special Terms**. **Insolvency** when used in this section will be as defined in Section 1.01 (What you are covered for) except that reference to a **Buyer** will be interpreted as a reference to you.
- (e) We may also terminate the **Policy** in the circumstances stated in the **Special Terms**.

5.06 Breach of contract

If you fail to comply with any of your obligations under this **Policy**, we are entitled to suspend our liability and/or terminate the **Policy** in accordance with the **Special Terms**. Your obligations under the **Policy** continue, regardless of any termination or suspension.

We do not waive any breach by you of any term or condition of the **Policy** unless we have agreed to the waiver expressly in writing.

5.07 Communication

For the purpose of the **Policy**, any agreed means of communication and any special conditions applying may be specified in the **Special Terms**.

5.08 Law, arbitration and language

The **Policy** is governed by and construed in accordance with the applicable law specified in the **Special Terms**.

All disputes arising under or in connection with the **Policy** will preferably be settled amicably by the parties to the **Policy**.

If any dispute cannot be resolved amicably, it will be resolved by arbitration proceedings in accordance with the provisions set out in the **Special Terms**.

The language of the **Policy** is stated in the **Special Terms**. If there are any differences in the meaning or effect of the documents that comprise the **Policy**, then the text in the language of the specified **Policy** will always prevail over any translation, even if provided by us.