

CREDIT PROCEDURES QUESTIONNAIRE

AGENT / BROKER ACCOUNT NO.: POLICY NUMBER

SECTION 1: LEGAL ENTITY, CORPORATE OR SME CUSTOMER DETAILS

- i) Trade Name
 Legal/Registered Name
 Registration Number
 Country of Incorporation Country of Parent Company if any
- ii) Contact Details (Mobile): (Tel):
 (Email address):
 (Postal Address): (Postal code): (Town/ city):
 Physical Location
- iii) Nature of Business Sector
- iv) Income Tax No. (PIN) (Attach a copy of PIN Certificate)
- v) Beneficial Owner (Attach CR12)
- vi) Source of Income Business Proceeds Rent (Real Estate) Donations Government Funding
- vii) Source of Wealth Legal Settlement Royalties Interest Savings
 Court Order Sale of Property Sale of Investment
 Government Funding Shareholders Contribution

SECTION 2: SYSTEMS AND PROCEDURES

Period of insurance From -- To --

Do you have a credit procedures manual? Yes No

Is credit control centralised across all locations to be covered by the policy? Yes No

If yes, where is it controlled from? Yes No

If no, is there any cooperation or coordination between the units? Yes No

Which credit management software package do you use? Yes No

Is the same software package used across all locations? Yes No

SECTION 3: CREDIT DEPARTMENT

How many employees are there in the credit department and in what capacity?

Number	Role

Who are the senior members of the credit department?

Name & Position	Qualification	Years of relevant Experience

Can decisions made in the credit department be overruled? Yes No

If yes, by whom?

 How often has this happened in the past year?

 Who is responsible for the credit control prodedures adopted?

 Which main board director is directly responsible for credit management?

 Please, give details of on going training provided to exisiting employees?

SECTION 4: CREDIT LIMIT SETTING AND MONITORING PROCEDURES

How many employees are there in the credit department and in what capacity?

Name	Title	Authority Level

Do credit limits include VAT? Yes No

Do you set credit limits on (please indicate accordingly):

Individual debtors? Yes No

A debtor's parent company/intermediate holding company? Yes No

The group (ultimate parent) to which the debtor belongs? Yes No

If the answer to any of the above is "No", please explain why not and how debtor exposures and group aggregations are monitored and controlled

How are high risks highlighted and how are they monitored?

Do you obtain financial statements to assess your debtors' credit worthiness? Yes No

If no, why?

If yes, how are these obtained and how often?

What level of analysis, scoring or similar is carried out on the financial statements?

If financial statements are not available, how is credit worthiness assessed?

What credit agencies do you use (if any)?

How frequently are credit agency reports updated?

Are old reports retained and if so, how are they stored?

Which rating on the report is used and how?

Do you use previous trading experience to assess your debtor's creditworthiness? Yes No

If yes, how is it reviewed and stored?

What in your company's view constitutes good trading experience?

For established accounts is trading experience the principal assessment criteria ?

Do you carry out debtor visits ? Yes No

If yes, who makes them and how often ?

If yes, who writes up the reports and where are they kept ?

Do you use any other methods or sources of information ?

What is the minimum information you require in order to approve a new credit limit ?

Credit Limit Amount	Minimum Information

Do you have any additional procedures for new customers ?

What is the minimum information you require in order to approve an increased credit limit?

Credit Limit Amount	Minimum Information

How often do you complete a formal review of credit limits ?

Credit Limit Amount	Frequency

What information is updated ?

Do you give seasonal/temporary uplifts on credit limits ? Yes No

If yes, how are these correlated with the underlying credit limit (e.g % basis) and to what level ?

What information do you review at that time ?

Who authorizes seasonal/temporary uplifts ?

What is the standard/average duration of uplifts ?

Do you keep a credit file on each debtor ? Yes No

If yes, how are they stored and where ?

Do you keep a credit limit history ? Yes No

How and where do you record credit limits ?

Do you trade in excess of your set credit limits ? Yes No

If yes, how often does this happen and what is the authorisation process ?

SECTION 5: TERMS OF TRADE

At what point do you make your debtors aware of your conditions of sale (e.g credit application form, invoice etc ?

Who is responsible for setting payment terms ?

What are your standard terms of payment ?

Outline any specific arrangements and what percentage of turnover is accounted for by non standard terms ?

Who may approve changes to your standard terms of payment ?

Name	Title	Authority Level

Do you have any long term contracts ? Yes No

Do you have any binding contracts ? Yes No

Do you include retention of title in your conditions of sale and has it proved effective?

Do you obtain any security for payment? Yes No

If yes, in what circumstances and what types of security?

Do you have any factoring or invoice discounting facilities? Yes No

If yes, please give details

SECTION 6: EXPOSURE AND OVERDUE MONITORING

Are targets set for measuring and reporting on debtors figures? Yes No

If yes, what are they and how often are they monitored

What reports are produced to monitor exposure levels and overdues?

How often are they reviewed?

Who reviews them and how are actions points implemented?

SECTION 7: COLLECTION PRACTICES

Do you check the status of the account:

Before orders are accepted? Yes No

If yes, when?

Before new shipments are made? Yes No

If yes, when?

When do you raise invoices relative to when goods are delivered or services are rendered?

When do you send out statements?

Do you set targets for collections? Yes No

If yes, when?

What action do you take to ensure prompt payment? Please describe when you contact debtors both before and after due date and whether by telephone or in writing

Who may approve requests for payment extensions when accounts are overdue and what is their authority level?

Name	Title	Authority Level

On undisputed debts how many days after due date do you :

Stop shipments

Instruct a collection agent

Commence legal proceedings

Do you make exceptions to the "Stop Shipments" date above? Yes No
 If yes, please give details ?

.....

What attitude do you take towards further shipments under a contract where there are payment delays ?

.....

How are queries and disputes identified as such in your system?

.....

SECTION 8: ANY OTHER INFORMATION

Please provide any further information that you may consider relevant: Please attach:

- Credit manual Attached N/A
- Organisation chart of credit department Attached N/A
- Copies of credit agency reports used Attached N/A
- Copies of debtor monitoring reports: Attached N/A
 - a) Used within the credit department Attached N/A
 - b) At management level Attached N/A
 - c) At higher board levels (if joint insured) Attached N/A
- Example of financial statement analyses Attached N/A
- Example of trading experience reports held on file Attached N/A
- Details of debtors on non standard terms Attached N/A
 (contra or set-off trading, forward dating
 of invoices, payment plans, retention monies,
 self billing, work in progress payments or other)
 including which debtors and countries
 and the value of sales
- Consignment stock contract Attached N/A
- Details of any long term contracts facilities Attached N/A
- Details of any factoring or invoice discounting facilities Attached N/A

SECTION 9: ADDITIONAL INFORMATION

Where the Insured has a written credit procedures manual and this is on file with the insurer, this questionnaire will serve as a summary and together with the credit procedures manual and any additional information (oral and written) provided, will be incorporated into the Proposal Form.

In the event of any discrepancy between the insured's credit procedures manual (together with any additional information provided) and this questionnaire, the answer given herein shall prevail unless otherwise agreed by the Insurer, in writing.

Where no credit procedures manual exists, this questionnaire, once signed by the insured and accepted by the Insurer, together with any additional information (oral and written) provided, will describe the insured's Credit Management Procedures and shall be incorporated into the proposal Form.

The primary mode of delivery of your policy document and other official documents shall be via email. Kindly provide your email address below:

CONSENT & DECLARATION

I/We consent to The Heritage Insurance Company Kenya Limited:

- i) Collecting, using, disclosing, processing and/or storing my/our personal data for purposes that are relevant to my policy and as permitted by law;
- ii) Collecting and sharing my personal data information in accordance with the privacy policy on its website (<https://www.heritageinsurance.co.ke/>): and
- iii) Transferring my/our personal data to their reinsurers and affiliated companies for purposes of insurance and as permitted by law.

I/We hereby declare the truth and correctness of the above statements and particulars, and that my/our answers herein are in my/our full knowledge and have been written by me or with my full authority.

I/We hereby agree that this Proposal and Declaration shall form the basis of the contract between me/us and the Heritage Insurance Company Kenya Limited.

Proposer's Signature: _____ Date: _____

No liability (except for the period stated in the Insurer's Official Cover Note) is undertaken until the Proposal is accepted by the Insurer and the premium paid.