

Credit Procedures Questionnaire

Please complete all the sections of the form and return to The Heritage Insurance Company Kenya Limited.

(1) BUSINESS DETAILS

Company name			
Postal Address		Physical Address	
PIN Number		Reg. Number	
Contact name		Position	
Email address			
Telephone No.		Mobile No.	

(2) SYSTEMS AND PROCEDURES

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?

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

Which credit management software package do you use?

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

(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	Qualifications	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 procedures adopted?

Which main board director is directly responsible for credit management?

Please give details of ongoing training provided to existing employees?

(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' creditworthiness? 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 creditworthiness 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 debtors' 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 a credit limit?

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?

(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

(6) EXPOSURE AND OVERDUE MONITORING

Are targets set for measuring and reporting on debtor 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 action points implemented?

(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, please give details?

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?

(8) ANY OTHER INFORMATION

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

Credit manual	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Organisation chart of the credit department	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Copies of credit agency reports used	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Copies of debtor monitoring reports:		
a) Used within the credit department	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
b) At management level	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
c) At higher board levels (if joint insured)	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Examples of financial statement analyses	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Examples of trading experience reports held on file	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Details of debtors on non standard terms (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	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Consignment stock contract	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Details of any long term contracts facilities	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A
Details of any factoring or invoice discounting facilities	<input type="checkbox"/> Attached	<input type="checkbox"/> N/A

(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 answers 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.

DECLARATION

I hereby declare that I am authorised to complete this Credit Procedures Questionnaire (CPQ) on behalf of the Proposer; and the statements and particulars in this CPQ are true and complete; and no material facts have been misstated or suppressed; and I am not aware of any circumstances that I have not disclosed to you which might influence your assessment of the risk; and I undertake to inform Insurers of any material alteration or addition to these statements or particulars which occurs before any contract of insurance based on the information in this CPQ is effected; and I acknowledge that this CPQ together with the Proposal Form and any other information supplied to Insurers shall be the basis of such contract.

Signature : _____ Name : _____
 Position : _____ Date : _____

For and on behalf of (Proposer’s Name) _____