

# Trade Credit

## Constructor Whole Turnover Credit Policy Conditions and Insurance Schedule

# Customer Service

The Insurance Schedule, Policy Conditions, Schedule of Insured Countries and Endorsements in this document form your Credit Insurance contract with us. It is a legal document and it is important you read it carefully. If you have any questions, please contact your Broker or our Customer Relations Department on [+44 \(0\)1664 424000](tel:+44(0)1664424000) or email [creditsupport@tmhcc.com](mailto:creditsupport@tmhcc.com)

It is always our intention to be fair and reasonable whenever you need the protection offered by our Policy and to act quickly in providing that protection.

If at any time you feel that we have not carried out that intention please contact your broker or our Customer Relations Department at the address below:-

The Grange  
Rearsby, Leicester LE7 4FY  
[Tel +44 \(0\)1664 424000](tel:+44(0)1664424000)  
[creditsupport@tmhcc.com](mailto:creditsupport@tmhcc.com)

We believe that our normal procedures will provide a full and reasonable solution to any issues you may have. However, if you do remain dissatisfied and wish to make a complaint you may do so in writing or verbally by using the contact details below:

Compliance Officer  
Tokio Marine HCC  
1 Aldgate, London EC3N 1RE  
[Tel: +44 \(0\)20 7702 4700](tel:+44(0)2077024700)  
[Email: tmhcccomplaints@tmhcc.com](mailto:tmhcccomplaints@tmhcc.com)

Our complaints team will acknowledge your complaint promptly and aim to respond fully to your concern or complaint within four weeks or less. If for any reason they are unable to do so, the complaints team will write to you to explain why they have been unable to conclude the matter within four weeks. If they have been unable to resolve your complaint in eight weeks, they will write to you explaining the reason as to why this has not been possible and advise you of your right to refer your complaint to the Financial Ombudsman Services (if eligible).

Should you be dissatisfied with the outcome of your complaint, you may also have the right (subject to eligibility) to refer your complaint to the Financial Ombudsman Service (FOS), using the details below. The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. Contacting the FOS does not affect your right to take legal action and the service is free of charge.

The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR  
[Tel: +44\(0\)800 023 4567](tel:+44(0)8000234567)  
[Email: complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

You can find more information on the FOS at: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

# Data Protection Notice

Your attention is drawn to the Data Protection Notice which we provide with your policy documents and proposal forms. If you do not have this document, please contact us immediately at [creditsupport@tmhcc.com](mailto:creditsupport@tmhcc.com)

# Insurance Schedule

S01 Policy Reference

S02 Proposal Date

S03 Insured (You)

S04 Associated Companies

S05 Registered Address

S06 Nature of Your Business

S07 Policy Period

S08 Primary Currency

S09 Estimated Whole Turnover

S10 Estimated Premium

S11 Minimum Premium

S12 Rate

S13 Maximum Liability

S14 Discretionary Credit Limit Level

S15 Insured Percentage

Written Credit Limits

Discretionary Credit Limits

S16 Excess Per Insured Debt

Written Credit Limits

Discretionary Credit Limits

S17 Bound Contract

S18 Off Site Costs

S19 Standard Payment Terms

Constructor Standard Payment Terms

Payment Terms	% of Customers on these terms	Suspension Date: number of days after payment due date you suspend work
Up to 30 days from Payment Certificate		
30 to 60 days from Payment Certificate		
60 to 70 days from Payment Certificate		

S20 Reporting Period

S21 Overdue Reporting Level

Endorsements	Effective Date	Premium excluding IPT	Wording Location

Authorised Signatory

Issue Date

Tokio Marine HCC

# Schedule of Insured Countries

Country

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# Policy Conditions

## 1. What is covered

- 1.1 Following Your proposal and in consideration of the Premium We will pay You the Insured Percentage of Insured Debts less any applicable deductibles up to the Maximum Liability in the event of:
  1. Insolvency
  2. Protracted Default
- 1.2 The Insured Debt can include:
  - work Certified and not paid
  - work done on site after the last valuation
  - work done outside the Policy Period where cover is extended
  - variations properly instructed
  - dayworks properly authorised
  - unfixed materials and goods on and off site
  - design fees properly incurred
  - retentions and/or final account balances Certified in the Policy Period
  - retentions and/or final account balances Certified outside the Policy Period where cover is extended
  - sums not due from the Contractor due to the operation of a Pay When Paid Clause
  - sums falling due under an adjudicator's binding decision

## 2. How You obtain cover for Work Executed

- 2.1 You must obtain from Us a Credit Limit for each of Your customers who will have Work Executed by You during the Policy Period. We will issue a Credit Limit Notification advising You of a written Credit Limit.
- 2.2 You may set discretionary Credit Limits up to the level stated in the Insurance Schedule.

You must use information less than 12 months old that is updated at least every 12 months which can include status reports, good trading history or two written references from trade suppliers or contractors. You must consider all known information in making Your decision. Following a Notifiable Serious Event You must obtain new information that postdates the Notifiable Serious Event to support continued trading under the Discretionary Credit Limit or obtain a written Credit Limit from Us.

Where We issue a nil Credit Limit and do not permit the use of the discretionary Credit Limit in relation to the Contractor, We will communicate this on the Credit Limit Notification and a reason code of "NODL" will apply.
- 2.3 We may withdraw or reduce any written Credit Limit given under this Policy at any time by Credit Limit Notification which will take immediate effect unless the Credit Limit relates to a Bound Contract. All Insured Debts up to the date of the Credit Limit Notification continue to be covered.
- 2.4 Where a written Credit Limit is withdrawn or reduced Your cover for Work Executed on a Bound Contract is extended by the period stated in the Insurance Schedule from the date the Credit Limit is withdrawn. Where the Policy Period ends before the Bound Contract period, the remaining Bound Contract period will be recognised under Your next Policy with Us if You renew at the end of this one.
- 2.5 Retentions and/or final account balances relating to Work Executed in the Policy Period are covered provided they are Certified in this Policy Period. If You enter into a further Policy with Us at the end of this one Your cover for retentions and/or final account balances extends to those Certified within 12 months from the end of this Policy Period.

## 3. How You obtain cover for retentions and/or final account balances arising from Work Executed prior to the Policy Period

- 3.1 You may cover retentions and/or final account balances arising from Work Executed prior to the Policy Period but Certified in the Policy Period so long as You decide to do this within the first month of the Policy Period.
- 3.2 You must obtain from Us a Credit Limit for each customer You expect to have retentions and/or final account balances Certified in the Policy Period. We will issue a Credit Limit Notification advising You of a written Credit Limit.
- 3.3 If You have already obtained from Us a Credit Limit for Work Executed and it is sufficient to also cover retentions and/or final account balances You do not need to obtain a separate Credit Limit.

3.4 Where a Credit Limit is withdrawn or reduced Your cover for retentions and/or final account balances will extend to those Certified in this Policy Period. If You enter into a further Policy with Us at the end of this one Your cover for retentions and/or final account balances extends to those Certified within 12 months from the end of this Policy Period.

## 4. How You obtain cover for contracts with a Pay When Paid Clause

4.1 If the contract with Your Contractor contains a Pay When Paid Clause and You wish to cover the risk of not being paid because Your Contractor has not been paid by its Contractor due to the operation of this clause You must obtain from Us a Credit Limit on that Contractor. We will issue a Credit Limit Notification advising You of a written Credit Limit.

4.2 Your cover for the third party under a Pay When Paid Clause cannot exceed the cover You have on the Contractor You are contracted with.

## 5. What is not covered

5.1 We do not cover debts:

- that exceed a Credit Limit
- for Work Executed after a Credit Limit is withdrawn unless cover is extended on a Bound Contract
- for Work Executed where the terms of payment exceed 70 days from the Certified date
- established prior to the effect date of a Credit Limit
- where not Certified within 2 months from the date of Work Executed
- where not Certified for retentions and/or final account balances
- that are Disputed Debts
- for Work Executed after Insolvency
- for Work Executed after Protracted Default or a Notifiable Serious Event unless incurred after the account is brought back within terms and the adverse event is resolved
- that relate to Work Executed after Your Suspension Date

5.2 Standard Exclusions are not covered as they are outside the scope of this Policy.

## 6. Your obligations

6.1 You must comply with the Policy Conditions.

6.2 You must pay Premium when it is due. Where We have agreed to accept payment of Premium by instalments each instalment must be paid by its due date. If an event of Insolvency or Protracted Default occurs when Premium is unpaid by its due date We will not be liable for claims arising from those events.

6.3 You must act as a prudent uninsured in granting credit to a Contractor. You should not materially vary Your credit control procedures or change Your terms of payment from those used at the time of making Your Proposal unless with Our written agreement. This clause is a condition precedent to Your right to claim.

6.4 Unless We agree otherwise in writing, You must make sure that Work Executed is Certified within 2 months of the date of carrying out work.

6.5 You must advise Us immediately in writing if You become aware of Insolvency, Protracted Default or a Notifiable Serious Event in relation to a Contractor and where legally or contractually or commercially possible suspend work for that Contractor, or stop further supplies of goods to that Contractor. This clause is a condition precedent to Your right to claim.

6.6 You must take all reasonable steps to mitigate any loss. If required You will execute any documentation or do anything necessary to enable Us to be directly involved in the recovery of an Insured Debt.

6.7 You must enter into a Service Agreement with HCCI Credit Services Ltd. for the supply and maintenance of information.

6.8 You must declare Your Whole Turnover to Us in the Primary Currency on the form supplied within 3 months of the end of the Policy Period. Where the Whole Turnover declared multiplied by the Rate stated in the Insurance Schedule exceeds the Minimum Premium, an adjustment premium will be payable by You. If You fail to declare Your Whole Turnover We reserve the right to estimate it and calculate the adjustment premium.

## 7. Claims

7.1 When You notify Us of an event of Insolvency or Protracted Default You must tell us the amount of Insured Debt and within 6 months of the Insolvency or Protracted Default submit the claim on the form supplied by Us or via the online portal together with all supporting documentation. You must submit any further information requested by Us within 6 months of the request.

7.2 We will pay approved claims within 28 days of Our receipt of Your completed claim form and supporting documentation.

- 7.3 You must submit claims in the Primary Currency and convert export Insured Debts to the Primary Currency at the exchange rate applicable on the date the Insured Debt fell due.
- 7.4 Claim amounts paid or payable by Us under this Policy shall be reduced by any salvage, recovery, distribution and/or claim against other insurances and guarantees obtained by You.
- 7.5 You may assign payment of Your approved claims to Your bank or financier by written notice to Us.

## 8. General conditions

- 8.1 You have made a presentation of the risk to Us before this credit insurance contract was entered into. We use the information contained in Your presentation of the risk to decide whether to accept the risk and, if so, on what terms. If You have not made a fair presentation of the risk to Us, remedies are available to Us under the Insurance Act 2015.
- 8.2 You must have disclosed and continue to promptly disclose to Us any material circumstances that may affect the risks covered by the Policy. This clause is a condition precedent to Your right to claim.
- 8.3 This Policy operates in the Primary Currency stated in the Insurance Schedule.
- 8.4 You must allow Us and Our representatives to inspect and take copies of any of Your documents and records which relate to this Policy.
- 8.5 You may cancel this Policy within one month of its issue date. We will not pay any claims in these circumstances and all Premiums paid will be returned.
- 8.6 You must comply with the Data Protection Act Requirements.
- 8.7 We may end this Policy:
- immediately without notice if You become insolvent
  - with 14 days notice if You break any of the Policy Conditions except where the Insurance Act 2015 specifies that a different remedy is the applicable remedy or where the breach is remedied by You in the 14 day notice period

The end of the Policy will not affect Your cover prior to the end date except for extended cover on a Bound Contract which ends immediately. The end of the Policy will not affect Our right to Premium.

- 8.8 We will not be liable in the event of:
- war, invasion, act of foreign enemy or civil war
  - strikes, riots, social or political disorder
  - terrorism
  - political risks
  - the effects of radiation, explosion, or other hazard / contamination arising from nuclear sources
- 8.9 We do not provide cover and have no liability to pay any claim or provide any benefits under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanctions, prohibition or restriction under United Nations resolution or the trade or economic sanctions, law or regulation of the EU, UK or USA.
- 8.10 You must not obtain insurance from any other insurer for any customer or Contractor or exclude any customer or Contractor from this Policy even if You have a nil Credit Limit from Us without Our prior consent.
- 8.11 This Policy is governed by English Law and the exclusive jurisdiction of the English courts.
- 8.12 Where the context requires words denoting the singular shall include the plural and vice versa.
- 8.13 Nothing in this Policy is intended to reduce the protection afforded to You under the Insurance Act 2015.



## 9. Definitions

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9.1 <b>Bound Contract</b>	a contract where You are unable to discontinue carrying out work or terminate the contract and there are no legal reasons, contract conditions or commercial practice that allow You to discontinue carrying out work or terminate the contract
9.2 <b>Certified</b>	approved under Your contract by Your Contractor or alternatively by Us as an amount due for payment
9.3 <b>Contractor</b>	Your customer with a Credit Limit or under a Pay When Paid Clause a third person with a Credit Limit
9.4 <b>Credit Limit</b>	the maximum amount of cover on a Contractor provided under this Policy. It may be for a nil amount. If You have an outstanding debt with a Contractor that is covered under a previous Policy or Credit Limit the amount under this Policy and the new Credit Limit will be reduced by the outstanding debt or the Credit Limit under the previous Policy whichever is the lesser
9.5 <b>Credit Limit Notification</b>	a written notice of a Credit Limit which We send to You
9.6 <b>Data Protection Act Requirements</b>	<p>if Your customer is a sole trader or partnership You must obtain their consent to providing Us with their personal data so We may process this personal data fairly and lawfully. You must advise them that:</p> <ul style="list-style-type: none"><li>• We may keep a record of the personal data and it may be passed by Us to Our other customers</li><li>• We may pass this personal data to credit reference agencies and information providers, insurance companies, intermediaries and agents and they may keep a record of it and pass it to their customers</li><li>• the personal data will be used for credit risk assessment and insurance and other related purposes</li><li>• We may supply You with personal data We have obtained on them from sources other than You</li></ul>
9.7 <b>Disputed Debt</b>	a debt that is disputed or is from an unresolved dispute where agreement remains outstanding 12 months from the original due date for payment
9.8 <b>Insolvency</b>	<p>not later than 9 months from the Suspension Date the Contractor:</p> <ul style="list-style-type: none"><li>• has a bankruptcy order made against it</li><li>• is unable to pay its debts as they fall due and has made a binding arrangement with its creditors</li><li>• has an administrator appointed by the court, itself or its directors or a qualifying charge holder</li><li>• has a winding up order made by the court</li><li>• has a resolution passed by its members to wind up the company</li><li>• has an administrative receiver appointed</li><li>• has a liquidator appointed under a creditors voluntary or a compulsory liquidation</li></ul>
9.9 <b>Insured Debt</b>	<p>the amount owed to You by Your Contractor not more than a Credit Limit for:</p> <ul style="list-style-type: none"><li>• Work Executed during the Policy Period</li><li>• Work Executed outside the Policy Period where cover is extended on a Bound Contract</li><li>• retentions and/or final account balances Certified in the Policy Period or outside the Policy Period where cover is extended</li></ul> <p>this may include amounts no longer owed to You by Your Contractor due to the operation of a Pay When Paid Clause</p>
9.10 <b>Maximum Liability</b>	the total amount stated in the Insurance Schedule that We will pay to You in respect of all approved claims

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<b>9.11 Notifiable Serious Event</b>	<p>a Contractor:</p> <ul style="list-style-type: none"> <li>has not paid due to a financial instrument or payment instruction failing which is not remedied within 7 calendar days</li> <li>has requested an extension and/or rescheduling of payment of any debt due to You beyond the Suspension Date</li> <li>has had public notices issued relating to impending matters of Insolvency including but not limited to winding up petitions, notices of intention to appoint an administrator, notices of creditors meetings</li> <li>is struck off the company register or has notices filed that it will be struck off</li> <li>notifies creditors of its intention to enter into an arrangement with its creditors</li> <li>has failed to pay Certified debts equal to or exceeding the Overdue Reporting Level stated in the Insurance Schedule by the Suspension Date and the Reporting Period has expired</li> <li>becomes involved in adjudication or arbitration with You</li> <li>has entered a moratorium under The Corporate Insolvency and Governance Act 2020</li> </ul>
<b>9.12 Overdue Reporting Level</b>	the amount stated in the Insurance Schedule below which You do not have to notify Us of debts that have failed to be paid by the Suspension Date
<b>9.13 Pay When Paid Clause</b>	a clause in the contract with Your Contractor where Your Contractor has a legitimate reason to withhold the payment from You in the event of the Insolvency of its Contractor
<b>9.14 Policy</b>	Your credit insurance contract with Us comprising Policy Conditions and Insurance Schedule
<b>9.15 Policy Period</b>	the period stated in the Insurance Schedule
<b>9.16 Premium</b>	the minimum premium and any adjustment premiums plus Insurance Premium Tax as applicable
<b>9.17 Protracted Default</b>	<p>the Contractor:</p> <ul style="list-style-type: none"> <li>is in default due to non-payment of the Insured Debt by the due date where there is no dispute and You have issued court proceedings, commenced arbitration or mediation, or passed the debt to a debt collection agency not later than 9 months from the Suspension Date</li> <li>or its members pass a resolution to wind the company up voluntarily not later than 9 months from the Suspension Date</li> <li>has entered a moratorium under The Corporate Insolvency and Governance Act 2020 and is still in that moratorium after 3 months</li> </ul>
<b>9.18 Service Agreement</b>	a service contract between You and HCCI Credit Services Ltd. (a subsidiary company of HCC International Insurance Company plc) for the supply and maintenance of information in relation to Contractors on terms detailed to and accepted by You at the same time as agreement of this Policy
<b>9.19 Standard Exclusions</b>	<p>debts from the following:</p> <ul style="list-style-type: none"> <li>businesses with nil Credit Limits</li> <li>VAT</li> <li>government bodies, local authorities, statutory bodies</li> <li>Your holding, subsidiary and associated companies</li> <li>cash sales</li> <li>sales where You hold a confirmed letter of credit</li> </ul>
<b>9.20 Suspension Date</b>	the date You would normally stop carrying out work due to non payment of a debt as stated in the Insurance Schedule
<b>9.21 We or Us or Our</b>	HCC International Insurance Company PLC trading as Tokio Marine HCC

9.22 <b>Whole Turnover</b>	the aggregate of all debts from Contractors arising for Work Executed in the Policy Period including retentions and/or final account balances Certified in the Policy Period less Standard Exclusions. Where You have a Credit Limit for Work Executed under a contract containing a Pay When Paid Clause You must include the turnover on each third person as well as Your customer
9.23 <b>Work Executed</b>	works carried out by You including unfixed materials and/or services provided under an agreed contract between You and the Contractor
9.24 <b>You or Your</b>	the Insured(s) and any Associated Companies named in the Insurance Schedule

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**Customer Relations**

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 creditsupport@tmhcc.com  
 tmhcc.com

Member of the Association of British Insurers

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