

# Credit Insurance Application

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## 1 General information

- a) Applicant's Name: \_\_\_\_\_  
Trade Styles: \_\_\_\_\_
- b) Address: \_\_\_\_\_
- c) Name of contact: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_
- d) Year Established: \_\_\_\_\_ Ownership: \_\_\_\_\_
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## 2 Nature of Your Business: \_\_\_\_\_

(Note: In this application all amounts are to be in: US\$ \_\_\_\_ CDN\$ \_\_\_\_)

- a) What type of goods/services do you provide? \_\_\_\_\_  
If goods, are they tailor made? Yes  No   
If yes, length of time to produce \_\_\_\_\_ Salvage value \_\_\_\_\_
- b) Are you a manufacturer  wholesaler  service provider   
If you ship goods from a country other than Canada please identify the country(ies)  
\_\_\_\_\_
- c) What are your normal terms of sale? \_\_\_\_\_ Longest terms? \_\_\_\_\_ DSO? \_\_\_\_\_  
If you use dating terms, please describe \_\_\_\_\_
- d) What are your estimated sales for the coming year (excluding sales to associated companies)?

Country	Terms of Sale	Sales Volume	Largest Receivables Balance

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## 3 What type of coverage do you require?

- a) Do you require insurance of your sales which are  
Domestic \_\_\_\_  Export \_\_\_\_  Requiring Pre-delivery Coverage \_\_\_\_
- b) If you require coverage for sales made by affiliated companies, please complete Appendix B.
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#### 4 Your business in the last three years

Please do not include sales to associated companies as they are not covered by the policy.

##### SALES AND BAD DEBT HISTORY ('000)

Year ending:	/20	/20	/20	Year to date
<b>Canadian Sales</b>	\$	\$	\$	\$
Total Bad Debt	\$	\$	\$	\$
<u>Number Bad Debts</u>				
<b>USA Sales</b>	\$	\$	\$	\$
Total Bad Debt	\$	\$	\$	\$
Number Bad Debts				
<b>Export Sales</b>	\$	\$	\$	\$
Total Bad Debt	\$	\$	\$	\$
Number Bad Debts				

*Please attach details of abnormally high bad debt losses or bad debt losses by reasons other than the buyer's insolvency or default:*

#### 5 Your Customer Profile

Maximum amount outstanding	Number in range	Total amount in range
Over \$ 500,000		
\$ 250,001 -\$ 500,000		
\$ 100,001 -\$ 250,000		
\$ 50,001 -\$ 100,000		
\$ 25,001 -\$50,000		
Less than \$ 25,000		

#### 6 Your Fiscal Year (Please attach a current aged list of your accounts receivable)

Accounts receivable balances at: Q1 \$ \_\_\_\_\_ Q2 \$ \_\_\_\_\_ Q3 \$ \_\_\_\_\_ Q4 \$ \_\_\_\_\_

#### 7 Past Due Accounts

Please give details below of any accounts that are seriously past due, or causing you concern:

Name and Address	Amount Outstanding	Original Due Date(s)	Action Taken

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Please attach a separate sheet if necessary.

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## 8 Collections

- a) How many days after due date do you contact your customer?  
By Phone: \_\_\_\_ days; Letter: \_\_\_\_ days; Visit: \_\_\_\_ days  
Stop Shipments: \_\_\_\_ days; Collection Agency or Attorney: \_\_\_\_ days
- b) Do you use a collection company? Yes:  No:

## 9 Credit Insurance/Factoring History

- a) Do you have (or are you currently negotiating) any credit insurance policies, any factoring or invoice discounting agreements or other security relating to any accounts receivable? Yes:  No:

If so, please give brief details, including renewal date when appropriate:

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- b) Have you applied for credit insurance in the past two years? Yes  No   
Did you purchase? Yes  No   
If not, why? \_\_\_\_\_
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## 10 Credit Procedures

- a) Your credit and collection procedures manual is attached. Yes  No
- b) How many full time employees are dedicated to your credit and collection operations? \_\_\_\_\_
- c) Who is responsible for credit decisions? \_\_\_\_\_ To whom do they report? \_\_\_\_\_
- d) Can anyone overrule their decisions and if so, who? \_\_\_\_\_ Does this happen often and if so, explain the circumstances? \_\_\_\_\_
- e) Are firm credit limits set for each customer? \_\_\_\_ Prior to shipping is the status of the customer's account checked? \_\_\_\_ Do you use security? \_\_\_\_
- f) Explain the circumstances, if any, under which you allow sales to customers that are past due or over their credit limit? \_\_\_\_\_

g) What information do you obtain in order to assess the creditworthiness of a new customer?

Credit Agency Reports  (Agency Name: \_\_\_\_\_) Bank Reports  Trade References  Financial Statements  Credit Applications  Other

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h) Specify how often this information is updated for existing clients and their creditworthiness reassessed. \_\_\_\_\_

i) What general guidelines are used when evaluating a customer's creditworthiness?  
\_\_\_\_\_

j) How are high risk customers identified and how often are they reviewed?  
\_\_\_\_\_

k) Who evaluates the status of the accounts receivable and how often is this done? \_\_\_\_\_

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## 11 Sales tax declaration

Provincial sales tax is payable on the premium and the charges in the proportion Insured Sales are made to your customers within Saskatchewan, Manitoba, Ontario, Quebec and Newfoundland and Labrador – provided you “conduct” business in any of those provinces.

A business is deemed to be “conducted” in these provinces when an insured has a business address in the respective province or has an appointed sales agent conducting business from within that province and makes sales to businesses within that province.

We conduct business in Ontario  Yes  No \_\_\_\_\_%

We conduct business in Quebec  Yes  No \_\_\_\_\_%

We conduct business in Manitoba  Yes  No \_\_\_\_\_%

We conduct business in Saskatchewan  Yes  No \_\_\_\_\_%

We conduct business in Newfoundland and Labrador  Yes  No \_\_\_\_\_%

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**A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED**

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

**FOR THE PURPOSES OF THE INSURANCE COMPANIES ACT (CANADA), THIS DOCUMENT WAS ISSUED IN THE COURSE OF (insert insurer's name) \_\_\_\_\_ (COMPANY) INSURANCE BUSINESS IN CANADA.**

This application and said policy, if issued, shall, with the terms and conditions therein, constitute the entire agreement between the undersigned and the Company, any verbal or written statement, promise or agreement, by any agent of the said Company, or notice to or knowledge of such agent or any other person, to the contrary notwithstanding. It is also agreed that this application, whether as respects anything contained therein or omitted therefrom has been made, prepared, and written by the applicant or by his own proper agent and we warrant the statement of our sales, losses, and amounts owing by debtors under or seeking general extension to be correct, and represent the combined experience of the applicant and that of all entities to be insured under this Policy.

The undersigned hereby represents and warrants that the undersigned is duly authorized by the Applicant to execute and submit this application for trade credit insurance.

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Type or Printed Name: \_\_\_\_\_

Please include a copy of your latest annual financial statement with this application. This information will remain confidential and will be used exclusively for our own underwriting purposes. IT WILL NOT be disclosed to any third party.

**APPENDIX A**  
**Your Key Customers**

Customer's Name & Address	Credit Limit Required (000's)	Annual Sales (000's)	Terms of Payment	Experience
				Years as a customer <input type="checkbox"/> Security held <input type="checkbox"/> Past due at this time? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes – number of days _____
				Years as a customer <input type="checkbox"/> Security held <input type="checkbox"/> Past due at this time? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes – number of days _____
				Years as a customer <input type="checkbox"/> Security held <input type="checkbox"/> Past due at this time? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes – number of days _____
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				Years as a customer <input type="checkbox"/> Security held <input type="checkbox"/> Past due at this time? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes – number of days _____

**APPENDIX B**  
**Coverage for Sales by Affiliated Companies**

**If you require insurance for the sale of goods by affiliated companies please complete the following for each:**

1) Name of Affiliate: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship: \_\_\_\_\_

Activity: (please provide brief detail)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2) Name of Affiliate: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship: \_\_\_\_\_

Activity: (please provide brief detail)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3) Name of affiliate: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship: \_\_\_\_\_

Activity: (please provide brief detail)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_