



Atradius Modula First: Frequently Asked Questions

Help!

Payment

How is the cost of my policy calculated?

Premium is based on the required Insured Maximum Liability for the forthcoming 12 months as shown on our website. Please note that GST and Stamp Duties must be added to the net premium.

Modula First is a fixed price product, so there will be no change to the premium cost during the 12 month policy period.

The fee for Credit Checks applications is \$50 per buyer + GST. You will receive a monthly invoice with the recap of the limits you have requested during the month.

How do I pay for the Credit Check Fees?

You will receive a monthly invoice (payable by direct debit only) based on the number of Credit Checks you have applied for. The \$50 +GST fee for the Credit Check applies if the decision is positive.

Cover Provided

Do I need to insure all of my business?

The Modula First policy is designed to cover your whole domestic (Australia or New Zealand) turnover.

A minimum of 5 buyers must be insured; we will consider your most recent, potential and current clients as buyers under this policy.

How do I arrange cover on my buyers?

Credit Checks should be submitted once your buyer order is known and must be submitted online via Serv@Net. Simply enter the buyer's company ACN or ABN number and process the Credit Check; you will receive one of three possible answers:

- Positive: this means we have approved a \$100,000 limit on the buyer and you are covered up to this amount.
- Negative: we have negative information on the buyer and a Credit Check hasn't been approved. You are NOT covered for goods delivered or services rendered to this buyer until a credit check is approved.
- 'A Credit Check is not possible': this means that the information we have is not updated. You are NOT covered for goods delivered or services rendered to this buyer until a Credit Check is approved.

In the instance you are satisfied with our offer and decide to purchase the policy, the initial Credit Checks assessed on your top 5 buyers through the Atradius website, will be transferred to your policy and will be debited as part of the first invoice for the Credit Check fees.

How long does the policy last?

The policy period is 12 months from the start date of the policy.

What about renewal?

Our Client Relations Team will discuss the renewal of your policy with you three (3) months in advance of the renewal date.

Policy Management

What support is available to us if we need advice on managing the policy?

Our Client Relations Team is available throughout the policy period for any queries that cannot be addressed online via our dedicated Serv@Net system. We will periodically organise webinars and trainings on how to use Serv@net; we highly recommend you take part in the first one available as this will explain in detail how to enter Credit Checks and manage your policy online.

All aspects of policy management, including applying for Credit Checks and submitting claims, must be conducted online through Serv@Net.

What if I use a broker?

If you use the services of a broker we are happy to discuss the terms of cover and the details of the policy with your broker. Your broker will have access to our Client Relations Team for the duration of the policy.

When and how should I notify Atradius of an overdue account?

We understand it is important for you to maintain the relationship with your Client if there is a small overdue. For this reason you can still trade with your Buyer for 60 days after the due date of the first unpaid invoice; provided you have a positive Credit Check and you comply with the other obligations of the policy, you will be covered for goods sent or services rendered in this period.

If your Buyer hasn't paid you within 60 days from the due date of the oldest unpaid invoice, you are not covered for goods sent or services rendered after the 60th day. At this point you should stop future deliveries and notify us of the overdue. It is key for your coverage that you don't delay to promptly notify us.

Claims Process

In case your Buyer becomes insolvent, you must submit a claim without undue delay. It is key for your coverage that you don't delay to promptly notify us. In case your Buyer becomes insolvent, you must submit a claim without undue delay through Serv@Net.

You must also notify us via Serv@net should you receive adverse information on any buyer which may result in you not getting paid or if a debt is overdue beyond the Maximum Extension Period

How do I ensure I get my claim paid?

Be familiar with the policy and ensure you have Credit Checks on all of your buyers. It is important that you check the ACN or ABN of the Client you have the Credit Check on to be sure the right Client has been assessed. In addition, please ensure you promptly report any adverse information on any of your buyers or of any overdue debts beyond the Maximum Extension Period via Serv@net.

Should you suffer a loss and wish to submit a claim, please provide all information promptly to ensure fast assessment of your claim. Typically, we will need the following information as a minimum:

- A statement of account detailing the unpaid amount and invoices
- A copy of all your unpaid invoices
- Evidence of any past trading history
- Evidence of the insolvency of the buyer and that your debt is outstanding in the insolvent estate

We may require more information but will contact you during the claim process.

How quickly will I receive the payment, if I make a claim?

In the event that your Client becomes insolvent and you have submitted the claim with all the required supporting documentation, we will have 30 days to assess the claim and pay it to you.

What will my claim payout be under a typical \$100,000 claim?

Invoices	AUD	\$100,000.00
Exclusion of Tax (GST)	AUD	-\$9,090.91
Amount Covered	AUD	\$90,909.09
Indemnity Percentage (90%)	AUD	-\$9,090.91
Balance	AUD	\$81,818.18
Each & Every First Loss	AUD	-\$3,000.00
Amount Payable	AUD	\$78,818.18

Debt Collections

Can you collect my debts?

For all debts you can engage Atradius Collections at an additional cost to collect the debt (we operate on a "No Collection, No Fee" basis contact us for the Tariffs of Fee).

Atradius Collections is a global leader in business to business debt collections. They can work on your behalf to chase outstanding monies and help ensure your cash flow is maintained by automatically pursuing debts.

Glossary of Terms

Indemnity – 90% - This represents the percentage of the bad debt that we will pay out on the successful claim - subject to a valid Credit Check and the Each & Every.

Each and Every First Loss - This type of excess is applied to each insured loss after applying the indemnity.

Insurer's Maximum Liability (IML) - This is the maximum amount of claims payments that we will pay out during the policy period (i.e. 12 months).

Credit Check - Designed to provide instant credit limit decisions and can be applied for via our online system Serv@Net. It is an instant decision 'yes or no' up to \$100,000. You will be liable for the amount of debt that exceeds the \$100,000 fixed limit.

Maximum Credit Terms - This is the Maximum Credit Terms that can be extended to the Buyer i.e. can be shown on your invoices. The maximum credit terms allowed under this policy are 60 days from invoice or 30 days from end of month.

Max Extension Period (MEP) - You are allowed to extend the original due date for payment by up to 60 days, without the need to refer to us. After the end of this extension period you must notify us that the account remains outstanding, and stop further goods or services as our liability ceases beyond this point (you then have 30 days to notify us of the outstanding).

Reporting Threshold – You do not need to notify us of any overdue amount beyond the Maximum Extension Period (MEP) if that amount is less than or equal to \$3,000. However, this does not remove your obligation to notify us of any occurrence that is likely to cause a loss.

For further information, please contact modulafirst.au@atradius.com

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