



Atradius Modula First

Bad debt protection for SME's made easy

Have you always thought that credit insurance was complicated, time consuming, and unaffordable? It's time to think again. Atradius has specifically designed a trade credit insurance policy for small and medium sized businesses, protecting them against financial loss in the event of a customer becoming insolvent. It's that simple.

Key Features

- Up-front fixed premium policy
- Simplified overdue reporting
- Reduced policy excess of \$3,000
- Instant credit check decisions
- Serv@Net puts you in the driving seat: 24/7 online policy management

Eligibility Criteria

- Insurable turnover* of your company must be less than AUD/NZD \$5 million
- Whole turnover must be covered (no exclusions of buyers)
- Minimum of five (5) buyers must be insured
- Terms of payment cannot exceed 60 days from date of invoice or 30 days from end of month

* The insurable turnover is the turnover less business conducted in relation to public buyers, associated buyers and private individuals and excludes any cash business or deposit elements.

What's Covered?

The Modula First policy covers your business against the risk of non-payment if a buyer becomes insolvent. A brief summary of the scope of cover is provided below, and full details can be obtained from the policy conditions.

- 90% of invoice value (less policy excess)
- Cover your normal trading receivables up to \$100k
- Maximum liability options of \$100,000; \$150,000; or \$200,000
- Domestic trade only (buyers located in Aust. & NZ.)

What's Not Covered?

- Protracted default
- Export trade
- Political risks
- GST and other taxes/duties payable
- Pre-credit risk, consignment stock, retention payments
- Disputes; advance payments; cash on delivery business; intercompany receivables; private individuals; public buyers
- Radioactive contamination





Premium

Your premium is calculated based on the Insurer Maximum Liability you choose from the 3 options available.

(Please note that GST & stamp duty is not included in the premium figures below and needs to be taken into account)

Insurer's Maximum Liability	Fixed Premium
\$100,000	\$4,550
\$150,000	\$6,820
\$200,000	\$9,095

The premium is to be paid upfront in full via Direct Debit. This is a non-refundable fixed price product, so there will be no change to the policy cost for the insurable year.

Fees

The Policy requires that you have a valid Credit Check for Buyers with outstanding (actual or forecasted) of more than \$3,000.

The Credit Check is a limit (up to \$100k) issued by Atradius who will assess and monitor your Customers. Credit Check costs are charged monthly (once per Customer, per Insurance Year), for positive decisions only.

Credit Check Fee		
Cost per Buyer	GST (10%)	Total Cost Per Buyer
\$50.00	\$5.00	\$55.00

Online Application

You can now apply for a Modula First Policy online, within a matter of minutes.

Simply, follow the link below, fill in your details, and we will respond to you without delay:

- Credit Check assessment of your top five (5) customers
- Offer of Insurance
- Policy Schedule

Link: www.atradius.com.au/products/creditinsurance/atradius-modula-first.html

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

credit insurance | debt collection | business information