

**Obligation to notify Insurer about
negative information about insured buyers**

27 March 2020

Dear Customers,

In the recent days, many companies insuring buyer insolvency and non-payment risk have contacted our company with various questions concerning the implementation of the Trade Credit Insurance contract conditions.

The most common questions are related to negative information received from the buyers concerning:

- refusal to perform contractual obligations;
- informing that obligations will be carried out later;
- requirement for postponement of payment terms and similar.

Understandably, such requirements of the buyers are caused by the quarantine regime introduced in Lithuania as well as in other countries, however, the complicated situation does not exempt the companies from the discharge of contractual obligations and such information according to the terms and conditions of insurance contract is treated as negative information.

All insurance companies require that the Policyholder must immediately notify of the negative information related to the discharge of the buyer's payment obligations.

The cases of negative information in different Insurance companies cause different consequences to the Policyholder:

- stop of insurance cover for subsequent sales in the case of negative information (regardless of whether such information has been reported to the Insurer);
- it is not possible to apply Discretionary Credit limit if negative information has been received in the last 6 months before the sale;
- Insurance Company may refuse to indemnify loss because no negative information was provided, and the Insurer could not evaluate the changes of risk;

For the purpose not to violate Trade Credit Insurance Contract conditions, we have prepared the notices which Your company **MUST** immediately send to Insurance companies.

Yours sincerely,

Audrius Rosinas

General Manager
Kreditų Draudimo Brokeris/ICBA Baltic

COFACE

Send information to:

- krvd-lithuania@coface.com

In the Cc of the email add:

- Servicing credit insurance Broker
- servicing Coface employee

For your convenience, we provide the Lithuania and English versions. If you have received notices from several buyers, please fill in the attached Excel table.

Lietuviška laiško versija	Angliška laiško versija
<p>Laiško tema: Draudėjo pavadinimas, poliso numeris, pirkėjo pavadinimas ir pirkėjo numeris iš Euler Hermes sistemos EOLIS (Euler ID.) GALIMAI NEIGIAMA INFORMACIJA</p>	<p>Subject: Insured name, policy number, buyer name and number from Euler Hermes system EOLIS (Euler ID) POSSIBLE NEGATIVE INFORMATION</p>
<p>Gerbiamieji,</p> <p>Šiuo pranešimu informuojame, A arb B - Pasirinkite reikalingą variantą, o nereikalingą ištrinkite</p> <p>A</p> <p>kad mūsų pirkėjas XXXXX kovo YY d. informavo apie (nereikalingus variantus ištrinkite arba įrašykite savo)</p> <ul style="list-style-type: none"> • atsisakymą įvykdyti sutartinius įsipareigojimus pagal pirkimo-pardavimo ar paslaugų teikimo sutartį • esamų mokėjimų terminų nukėlimą neapibrėžtam laikui • norą suderinti mokėjimų grafiką, kuris viršija pirkimo-pardavimo ar paslaugų teikimo sutartyje nustatytus terminus • esamų mokėjimo terminų nukėlimą XX laikotarpiui. <p>B</p> <p>kad prisegtame faile nurodyti pirkėjai pateikė neigiamą informaciją apie savo sutartinių įsipareigojimų vykdymą</p> <p>Atsižvelgiant į tai, kad tokie pirkėjų veiksmai yra sąlygoti verslo sutrikdymo dėl COVID- 19 viruso pandemijos ir įvestų karantino sąlygų, prašome nelaikyti tokių pirkėjų pranešimų neigiama informacija (kaip numatyti modulyje dėl neigiamos informacijos pateikimo), kuri galėtų nulemti kreditų limitų sumažinimą ar atšaukimą, draudiminės apsaugos sustojimą, negalėjimą pritaikyti savarankiško kredito limito tolimesniems sandoriams.</p> <p>Prašome kuo skubiau atsakyti į šį mūsų raštą, kad mes galėtume toliau naudoti prekinį kreditų paslaugomis. Tuo pačiu mes patvirtiname, kad mūsų įmonė laikėsi ir toliau laikysis visų draudimo sutartyje numatytų reikalavimų ir priemonių rizikai valdyti ir minimizuoti.</p> <p>Pagarbiai,</p> <p>Vardas Pavardė Pareigos Įmonės pavadinimas</p>	<p>Dear Sirs,</p> <p>With this notice, A or B - Select correct option and delete the other</p> <p>A</p> <p>we inform you that our buyer XXXXX informed YY on March (delete wrong options or insert your option)</p> <ul style="list-style-type: none"> • refusal to fulfil contractual obligations under a sales or service contract • postponement of existing payment deadlines for an indefinite period of time • the willingness to agree the payment schedule that exceeds the time limits of the sales or service contract • postponement of existing payment deadlines for the XX period. <p>B</p> <p>we inform you that the buyers in the attached file provided negative information about their contractual obligations</p> <p>Given that such actions of buyers are caused by business disruption due to the COVID-19 virus pandemic and the quarantine conditions imposed, please do not keep such buyers' messages negative information (as foreseen in the module due to negative information) which could lead to a reduction or cancellation of credit limits, the suspension of insurance coverage, the inability to apply an DLC to further business transactions.</p> <p>Please reply to this letter as soon as possible so that we can continue to use the credit insurance services. At the same time, we confirm that our company has complied with and will continue to comply with all requirements and measures provided in the insurance contract for risk management and minimization.</p> <p>Your faithfully,</p> <p>Name Surname Position Company name</p>