

April 2, 2020  
Vilnius

**COFACE: INSTRUCTIONS IN CASE OF NEGATIVE INFORMATION WHEN BUYER REQUESTS TO PROLONG PAYMENT TERMS DUE TO COVID-19 CIRCUMSTANCES**

Dear Customers,

**On 25 March we contacted insurance company Coface** asking to explain how Policyholders should behave upon receipt of negative information from buyers based on COVID-19 and state restrictions imposed on buyers business.

**On 2 April we received the answer from Coface stating that:**

1. Any written request from the buyer to postpone payments if new term does not exceed the Notification of Overdue Account period indicated in the Coface's notice **shall not be considered as negative information** and shall not be required to be communicated to the Insurer.
2. Within the debt notification terms, you can adjust the debt payment schedules with the buyer yourself. No consent of the Insurer is required.
3. The insurance coverage is suspended according to the terms and conditions of the insurance contract. However, if the debt notice deadline is postponed and the buyer pays the debt within the period to Notify of Overdue Account specified in the Coface letter, the insurance coverage will be restored from the date of the debt payment. The remaining accounts shall be subject to the notification terms specified in the Insurance Contract.
4. You must submit your overdue notification and start debt collection in accordance with the terms of the contract and, if you extend the debt notification period to 60 days, then upon expiry of that period.

**Please note:**

- That these terms and conditions apply only if the buyer requests an extension of the payment term in accordance with the terms set out in the Coface letter dated 23-03-2020. If the payment postponement requested by the buyer exceeds the time limit, you **MUST** contact the insurance company and obtain a consent for such extension of the payment deadline.
- If the buyer does not specify a specific payment term (for example: he says he will not pay, or will pay when the quarantine ends, or will pay when business recovers, etc.), you are required to inform Coface according to our earlier example of the provision of negative information to the Insurer.

Yours sincerely,

Kreditų draudimo brokeris / ICBA Baltic team