

# Simplicity Welcome Guide

# Welcome!

Thank you for choosing us as your credit insurance provider.

Our job is to work with you to protect your business and aid its growth, by managing your cover and helping to limit your exposure to risk.

This guide will help you manage and understand your Simplicity Policy.

For full details of your insurance cover with us, please refer to the General Terms and Conditions and Special Terms of your Policy. Words written in *italics* have a specific meaning and are defined in your Policy.

# Contents

Part 1 A quick overview ..... 3

Part 2 Your cover ..... 5

Part 3 Making a claim .....10

Part 4 Additional information .....15

## PART 1 A QUICK OVERVIEW

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### Basic cover

When you raise an invoice, you'll be covered for 60% of its value, capped at the value of your basic *Buyer Maximum Liability* specified in your *Special Terms* document.

Please note that we don't cover debts under €250 and there are some specific exclusions. **For further details, see Part 2 of this guide.**

### Submitting requests for enhanced cover

If you want to increase your cover on a customer beyond the basic 60% level, you can request enhanced cover of 90%. This is simple to do, just go to our online portal [Allianz Trade Online](#):

You may be eligible for enhanced cover on a customer depending on the level of risk represented by our Grade for that customer. It ranges from 1 (very low risk) to 10 (insolvent).

**Based on your customer's grade, we provide the following cover:**

- **GRADES 1-6:** We increase cover to 90% of the debt and raise the *Buyer Maximum Liability* to an enhanced level which is five times the basic level.
- **GRADES 7-10:** We do not recommend selling on credit terms, so cover is withdrawn.
- **GRADE N/A:** Cover stays at 60% and remains subject to the basic *Buyer Maximum Liability*.

We constantly monitor the companies in our database. If we receive positive or negative information about your customers that causes us to change our grade, we will inform you by email and via our online portal Allianz Trade Online

**For further details of our grading service, see Part 3 of this guide.**

## Making a claim

If your customer doesn't pay you on time, and your efforts to collect the debt yourself have failed, all you need to do is submit a *Claim and Collection form* on Allianz Trade Online within 90 days of the due date. Our Collections team will then actively pursue the debt.

Alternatively, if your customer becomes *Insolvent* (whether or not the debt is overdue), then you must submit a *Claim and Collection form* within 30 days of the *Insolvency*.

If the customer becomes *Insolvent* or has a balance over 60 days past due then cover for further *Supplies* ends immediately.

If we can't collect the full amount or your customer becomes *Insolvent* during our collection process, our Claims Department will assess your claim.

When submitting your claim, simply follow the steps on Allianz Trade Online and provide the relevant supporting information.

**For further details about making a claim, see Part 3 of this guide.**

**If your business changes or you need further information, please see Part 4 of this guide.**

## PART 2 YOUR COVER

### Insured Invoices

Your *Policy* covers all business-to-business invoices:

- For goods and/or services *Supplied* during the *Annual Policy Period* to customers (referred to as “*Buyers*” in your *Policy*) located in the following countries:  
Ireland, Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland Portugal, Romania, Slovakia, Slovenia Spain, Sweden, Switzerland, United Kingdom, USA
- Issued within 30 days of the date the goods/services are *Supplied*;
- On credit terms no longer than 90 days after the date of invoice or 60 days after the end of month of invoice;
- Under a contract of sale with your customer that can be evidenced in writing.

### Exclusions

The following are excluded from the *Policy*:

- *Supplies* to:
  - private individuals; customers with whom you are connected by way of corporate ownership, influence or control; or government institutions.
  - customers that are *Insolvent* at the time of *Supply* or where there are existing debts more than 60 days overdue.
  - customers in countries other than those listed above.
- Value Added Tax and other similar sales taxes.
- Debts less than €250.
- Losses due to government actions, natural or nuclear disasters, or wrongful acts by you or your agents.
- Losses due to currency fluctuations or foreign exchange risk, interest or damages.
- Invoices subject to a *Dispute*.
- *Supplies* that violate any laws or regulations and losses where payment of a claim would breach laws or regulations.

### Covered amount

The maximum amounts that we will pay on all customers during an *Annual Policy Period* and on any individual customer are specified in your *Special Terms*. If a customer doesn’t pay, we will calculate the amount of the claim by applying the relevant Insured Percentage to unpaid *Insured Invoices*.

For example, let’s say you have a *Buyer Maximum Liability* of €20,000 and an Insured Percentage of 60%. You submit a claim for €40,000 of unpaid invoices, which we are unable to collect. We would calculate the claim as follows:

We first apply the Insured Percentage: €40,000 x 60% = €24,000

As this is above the *Buyer Maximum Liability* of €20,000, we would pay a claim of €20,000 (subject to the *Annual Policy Maximum Liability*).

## Special considerations regarding sole traders

When dealing with sole traders, it is important to note that the legal entity that you are trading with is the sole trader themselves, not the business names that they are using.

For example, if you *Supply* to both Baker Street Detectives and Deerstalker Enterprises, and both are non-limited businesses with Sherlock Holmes as the sole proprietor, then the *Buyer Maximum Liability* applies to Sherlock Holmes, not to each individual trading name. It is also the case if a claim is submitted for Sherlock Holmes, trading as Deerstalker Enterprises: any further *Supplies* to Sherlock Holmes t/a Baker Street Detectives will not be covered.

## What are Buyer Grades?

These are grades that we give to individual companies to indicate our assessment of their financial health and creditworthiness and to predict the risk of payment default. *Buyer Grades* range from 1 (low risk) through to 10 (insolvent).

You don't need to apply for *Buyer Grades*. If you haven't done so, as long as you have *Supplied* the goods and services and have complied with the terms of your *Policy*, you will be covered for 60% of any unpaid *Insured Invoices* up to the *Buyer Maximum Liability* (within your *Annual Policy Maximum Liability*).

However, our unrivalled database is at your disposal and we would always recommend that you take advantage of our knowledge to establish the up-to-date creditworthiness of your customers.

You can apply for a *Buyer Grade* for your customer on our online portal [Allianz Trade Online](#).

## Submitting requests for enhanced cover

If you want to increase your cover on a customer, you can use our grading service via [Allianz Trade Online](#). With our unparalleled trade knowledge, we grade over 40 million companies worldwide, giving you invaluable insight into your existing and potential customers.

### Based on your customer's *Buyer Grade*, we provide the following cover:

#### GRADE 1 - 6

If your customer is graded between 1 and 6, we will increase the Insured Percentage from 60% to 90% of any unpaid *Insured Invoices* and increase the *Buyer Maximum Liability* by a factor of five to the enhanced cover specified in your *Special Terms*. Any increase in cover will only apply to *Supplies* made after the applicable grade has been issued by us.

#### GRADE 7 – 10

We do not recommend trading on credit terms. No cover is provided under your *Policy* for future sales to these customers once a grade 7, 8, 9 or 10 has been received.

From time to time, you may receive an NA grade, for example:

- If the company is a holding company.
- If we are unable to establish that the company is trading.
- If we cannot obtain information to grade the company.

In this case, cover stays at 60% and remains subject to the basic cover *Buyer Maximum Liability*. Take extra care with a company with a grade NA and check that your customer is actually the legal entity which is responsible for the payment of the invoice relating to the goods/services you *Supply*.

It's important to correctly identify your customer to make sure you'll be covered. You can do this using our online portal [Allianz Trade Online](#).

When applying for a grade, please include as much information about your customer as possible, including their full registered name, company registration number or equivalent, address and VAT number if applicable. This will help us provide a prompt service. Often, we are able to provide the grade immediately online. If not, we will send you an email as soon as the grade is available to view on Allianz Trade Online.

N. B. Where your customer is a sole trader, it is necessary to specify the proprietor's name, not just the trading name. Please refer to the example in "Special considerations regarding sole traders" in Part 2.

## The impact of changes to a customer's *Buyer Grade*

If you applied for enhanced cover on a customer and their *Buyer Grade* changes, we will inform you by email that a new grade is available on [Allianz Trade Online](#). Please read it carefully as there might be an impact on your cover. We would recommend you ensure that the email addresses **sdper@allianz-trade.com** and **sdper2@allianz-trade.com** are on your approved sender list so that emails from them won't go into a spam folder.

- 1) If the grade **improves** to an extent that the customer becomes eligible for cover (or if an enhanced Insured Percentage and *Buyer Maximum Liability* now applies), the change applies to any *Supplies* made following the date of the grade change on Allianz Trade Online.

For example:

- If a *Buyer Grade* moves from 6 to 5, there is no change to your cover.
- If a *Buyer Grade* moves from 7 to 6, we will increase your cover on this customer from none to an Insured Percentage of 90% of any unpaid *Insured Invoices* with a *Buyer Maximum Liability* at the level of the enhanced cover specified in your *Special Terms*. The change to your cover is applicable immediately after the grade is updated and you are notified via [Allianz Trade Online](#).

- 2) If the grade worsens to an extent that the customer is no longer eligible for cover (or if an enhanced Insured Percentage and *Buyer Maximum Liability* no longer applies), the change applies to any *Supplies* made 30 days following the date of the grade change and our notification to you via Allianz Trade Online. However, it's a requirement of the *Policy* that you exercise reasonable care and prudence at all times.

For example:

- If a *Buyer Grade* moves from 5 to 6, there is no change to your cover.
- If a *Buyer Grade* moves from 6 to 7, you are not covered for any *Supplies* made to this customer 30 days after the grade is updated on Allianz Trade Online.

We would not recommend trading with companies which have a Buyer Grade of 7 or worse. Trading with these customers will be at your own risk.



However, we do constantly monitor companies and we will let you know by email if our grading of your customer improves. If you wish to submit up-to-date financial information regarding a company based in Ireland or the UK on which you have received a grade that is not as good as expected, please send an email to our Buyer Service at [moreinfo@allianz-trade.com](mailto:moreinfo@allianz-trade.com) along with your contact details.

## The impact of enhanced cover on Claims Payments

In the scenarios below, we outline how we will calculate your claim if it includes *Supplies* made when different *Buyer Maximum Liabilities* were in force.

In the following examples, let's assume you have a *Policy* with:

- *Buyer Maximum Liability* (basic) € 8,000
- *Buyer Maximum Liability* (enhanced) € 40,000

You *Supply* goods and services to the value of € 15,000 on three consecutive months before submitting a claim.

### Scenario 1: Basic cover only

You are using basic cover so the insured percentage is 60% and the basic *Buyer Maximum Liability* is in force.

The claim is calculated as follows:

Cover Level	Supplies made (exc. VAT)		Insured Percentage	Supplies x Insured Percentage (1)	Buyer Maximum Liability(2)	Claim Payment - lesser of (1) and (2)
Basic	Month 1	€ 15,000	60%	€ 27,000	€ 8,000	€ 8,000
	Month 2	€ 15,000				
	Month 3	€ 15,000				
	Total	€ 45,000				
Enhanced	None		90%	n/a	€ 40,000	n/a
Claim Payment						€8,000

### Scenario 2: Enhanced cover only

You have asked for a grade (and you benefit from enhanced cover) before starting to trade with your customer:

- the insured percentage is 90%
- the enhanced *Buyer Maximum Liability* is in force.

The claim is calculated as follows:

Cover Level	Supplies made (exc VAT)		Insured Percentage	Supplies x Insured Percentage (1)	Buyer Maximum Liability (2)	Claim Payment - lesser of (1) and (2)
Basic	None		60%	n/a	€8,000	n/a
Enhanced	Month 1	€ 15,000	90%	€ 40,500	€ 40,000	€ 40,000
	Month 2	€ 15,000				
	Month 3	€ 15,000				
	Total	€ 45,000				
Claim Payment						€ 40,000

### Scenario 3 Change in *Buyer Maximum Liability*

You request a grade in month 2 and benefit from the enhanced cover for the second and third *Supplies*.

The claim is calculated as follows:

Cover Level	Supplies made (exc VAT)		Insured Percentage	Supplies x Insured Percentage (1)	Buyer Maximum Liability (2)	Claim Payment - lesser of (1) and (2)
Basic	Month 1	€ 15,000	60%	€ 9,000	€ 8,000	€ 8,000
Enhanced	Month 2	€ 15,000	90%	€ 27,000	€ 40,000	€ 27,000
	Month 3	€ 15,000				
	Total	€ 30,000				
Total across basic and enhanced Cover						€ 35,000
Claim Payment (limited by highest Buyer Maximum Liability of €40,000)						€ 35,000

## PART 3 MAKING A CLAIM UNDER YOUR POLICY

### What do I do if a customer doesn't pay?

#### Trading with care

At all times when dealing with your customers, you must exercise care and prudence and take all practicable steps to avoid or minimise any loss under the *Policy*.

#### What do I need to do if I don't get paid?

If you are not paid by the *First Overdue Date*:

- You have to inform us by submitting a *Claim and Collection form* on [Allianz Trade Online](#) within 90 days of the *First Overdue Date*.
- You should stop trading with this client as you will not be covered for any further goods or services *Supplied* once a debt has remained outstanding for 60 days after the *First Overdue Date*.
- Any third party collection action taken during the 90 days must be through our Collection team. This is done by submitting a *Claim and Collection form* on Allianz Trade Online.

If your customer becomes *Insolvent*, whether or not a debt is overdue for payment:

- You must inform us by submitting a *Claim and Collection form* within 30 days of your customer becoming *Insolvent*.
- You will not be covered for any further goods or services *Supplied*.

#### Making a claim

To make a claim, follow our quick guide which was attached to your welcome email.

**Please note that once you have submitted a claim, cover for further Supplies will terminate immediately for that customer**

## Collecting your debt

Your *Policy* includes Collection services for which you'll be charged a fee of 5% of any money we collect. When you submit a *Claim and Collection form*, we will first try to collect the debt for you. Often, we will be able to get your money back quickly and a claim will be avoided.

If we are unable to collect all of your outstanding *Insured Invoices*, our Claims Department will take over. We will transfer your file automatically from our Collections team to our Claims Department to save you having to provide duplicate copies of documentation. We will contact you when we assess your debt as a claim.

On receipt of your claim, our Claims Department will send you an acknowledgement within 48 hours and then advise whether we require any other additional documents or information. Please send this information as quickly as possible in order to progress your claim.

## What happens if my customer pays me after I submit a *Claim and Collection form* on Allianz Trade Online? Will I still be covered if I continue to trade with them?

Cover on a particular customer ceases as soon as a *Claim and Collection form* has been submitted, or 60 days after *First Overdue Date* if earlier.

There is no reinstatement of cover after we have paid a claim or if your customer is *Insolvent*. However, your cover is reinstated on a customer if, before we pay a claim, payments are received which clear the *Insured Invoices* that are older than 60 days from *First Overdue Date*.

Any money received from your customer after a *Claim Payment* will be allocated to us up to the value of the claim paid. Any money received above the *Claim Payment* will be allocated to you.

## What information is required to support a claim?

As a minimum, the following documentation needs to be uploaded when you submit your claim on [Allianz Trade Online](#):

- All outstanding invoices, whether or not past *First Overdue Date*
- Statement of account with your customer
- Proof of delivery (if the claim relates to goods)

In certain cases, we will additionally require:

- Completed proof of debt forms
- Copy orders
- Account opening forms
- A copy of your Terms of Trade

It may speed the settlement of your claim if these are supplied when the claim is submitted.

## Getting paid under your Policy

The following examples illustrate when you must take certain action in accordance with your *Policy*.

You accept the order:

### 1 THE CLOCK STARTS TICKING



You need to invoice your customer **within 30 days** of the date of *Supply*, on payment terms no longer than 90 days after date of invoice (or 60 days after end of month invoice).

### 2 IT'S IN YOUR HANDS



Once the due date has passed and payment has not been received, you have **up to 90 days** to try to collect the payment yourself.

### 3 TIME TO STOP



**60 days after** the due date you need to put the account on stop if payment has not been received (further *Supplies* will not be covered).

### 4 COLLECTION AND CLAIM TIME



You may submit a claim at any time **up to 90 days** from due date and we will then take further collection action on your behalf.

## Scenario 1: Your customer becomes *Insolvent* before *First Overdue Date*

You receive an order from a new customer. The proposed terms of payment for the contract are within the *Maximum Terms of Payment* which you are allowed to give under your *Policy* and the customer satisfies the criteria for cover under the *Policy*.

### Step 1

Unless you have already applied for a grade for this customer, decide whether you are happy with the lower Insured Percentage (60%) and a lower *Buyer Maximum Liability*.  
If not, apply for a *Buyer Grade*.

### Step 2

You *Supply* the goods or services.

### Step 3

You must raise an invoice for those goods within 30 days of the date the goods are *Supplied*.

### Step 4

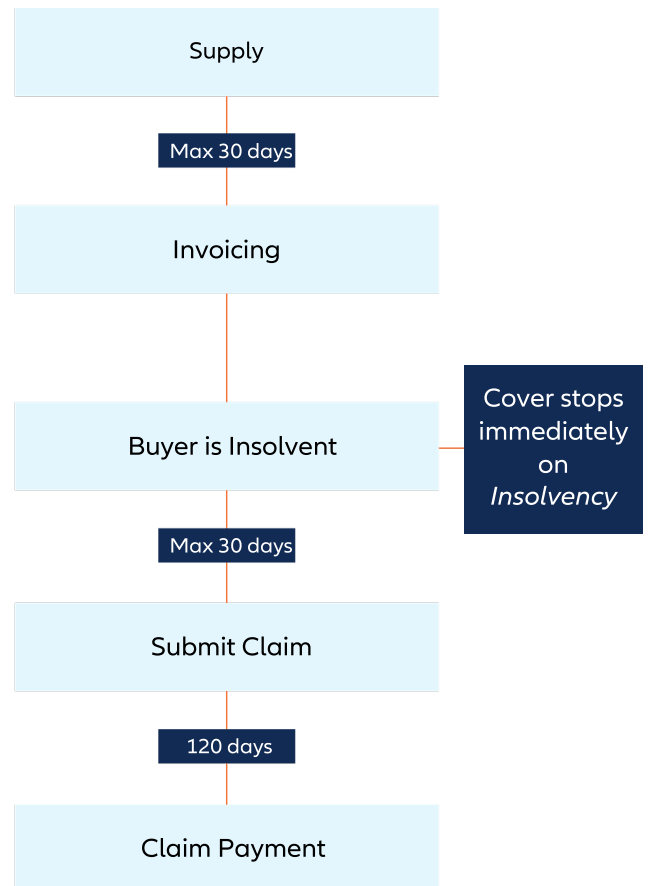
Your customer becomes *Insolvent* before the *First Overdue Date*. You will no longer be covered for any further goods or services that you *Supply* after this date.

### Step 5

Within 30 days of the *Insolvency*, we must receive a completed *Claim and Collection form* from you. This must include details of all undisputed debts including debts that may not have fallen due for payment.

### Step 6

Within 120 days of receipt of all necessary documentation, we will settle your claim.



## Scenario 2: Your customer fails to pay by the *First Overdue Date*

### Step 1

Unless you have already applied for a *Buyer Grade* for this customer, you must decide whether you are happy with the lower Insured Percentage (60%) and a lower *Buyer Maximum Liability*. If not, you need to apply for a *Buyer Grade*.

### Step 2

You *Supply* the goods or services.

### Step 3

You must raise an invoice within 30 days of the date of *Supply*.

### Step 4

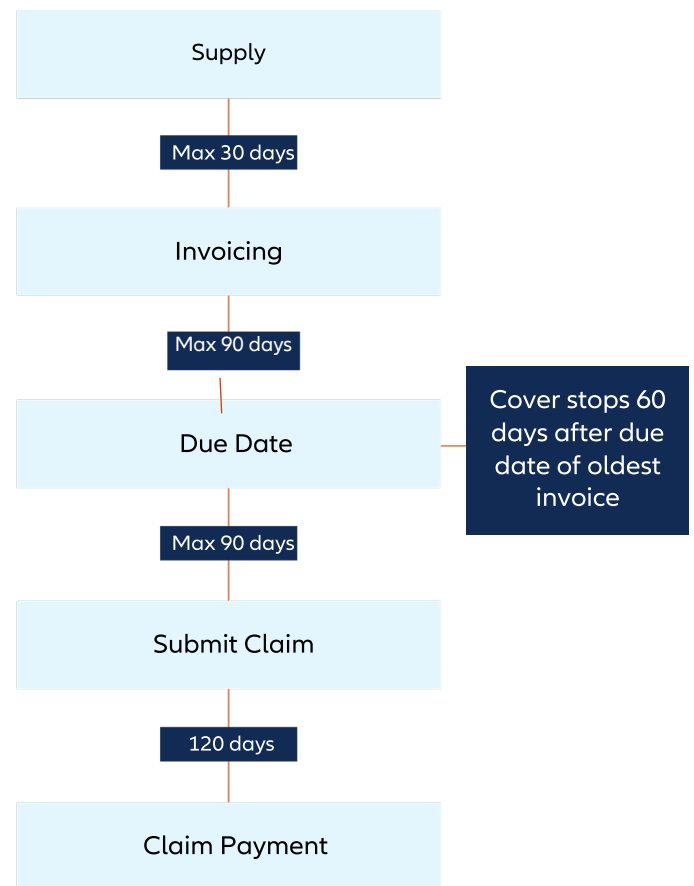
Once the debt has reached its *First Overdue Date* you may submit a *Claim and Collection form*. This should be submitted as soon as possible, especially if something adverse has happened such as a cheque being returned unpaid. We must receive it no later than 90 days.

You will no longer be covered for any further goods or services that you *Supply*:

- 60 days after *First Overdue Date*, or
- once a claim has been submitted, whichever is the earliest.

### Step 5

Within 120 days of receipt of all necessary documentation, we will settle your claim.



## PART 4 ADDITIONAL INFORMATION

### Renewing your Policy

If you take no action, we will automatically renew your *Policy* on the anniversary of its start date. We will notify you of any amendments to the terms and conditions of your *Policy* at least two months in advance. If you don't wish to renew, you need to notify us in writing at least two months before the renewal date.

### Material change to your turnover

If your turnover has increased, you should contact us at least two months before your *Policy* expires so that we can adjust the premium and maximum liability levels accordingly for your next renewal.

Simplicity is only available for companies with an *Annual Turnover* below €4 million. However, we offer credit insurance solutions for companies of all sizes.

We tailor our offer to meet the needs of your business. Please get in touch with your usual contact who will be happy to discuss your particular requirements.

### Trading with countries not listed in your Special Terms

Simplicity is only available for the countries listed in your *Special Terms*.

If you need cover on customers in other markets, please speak to your usual contact.

We offer other products designed to meet the needs of your business.

Any questions?



**CUSTOMER LINE**

**UK 0844 893 0000**

**IRELAND 01 525 5555**

customerline@allianz-trade.com

*This guide is merely for guidance and should be read in conjunction with the Policy documents issued to you. It does not constitute or form part of the terms and conditions on which Euler Hermes would insure you ("Policy T&Cs"). This guide is not legally binding and does not amend, change or override in any way the Policy T&Cs. Capitalised terms in italics indicate that there is a full definition of this word or phrase in the Policy T&Cs. The Policy T&Cs alone govern the relationship between the respective parties and if there is any conflict between this guide and the Policy T&Cs, the Policy T&Cs will prevail and determine rights, duties and obligations of the parties under your Policy with Euler Hermes. This guide may be subject to change at any time and at our sole discretion*

Allianz Trade is the trademark used to designate a range of services provided by Euler Hermes

Euler Hermes Ireland

Allianz House, Elmpark, Merrion Road, Dublin 4. Tel +353 (0)1 518 7900 , [allianz-trade.com/ie](mailto:allianz-trade.com/ie)

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