

Trade Credit Claims Overview

Claims philosophy

QBE is committed to responsible claims management and quality customer service. Our world-class claims handling expertise makes it possible to resolve and pay claims quickly and efficiently.

At QBE, we understand the importance of a simple and convenient claims process. Our goal is to make sure our customers have all the information they need before filing claims.

The purpose of this guide is to provide transparency on the claims filing process. It includes the following topics:

- A timeline of Comprehensive Trade Credit policy reporting requirements
- A checklist for filing a claim
- Frequently Asked Questions

About QBE

Located in 43 countries, QBE is operational in all key global insurance markets and considered a leading underwriter within our chosen markets. We are one of the world's 20 largest insurance and reinsurance companies and have 16,000 employees worldwide. QBE is rated "A+" by Standard & Poor's and "A" (Excellent) by A.M. Best - financial-size category (XV).*

Reporting Requirements and Shipment(s) Exclusion

Past Due Reporting

Within ten (10) days of the close of each month, the Insured will furnish to the Insurer a report of outstanding and undisputed debts for Buyers in excess of the NQL for more than the Maximum Extension Period. Article V. Reporting, Claims and Recoveries A.

Example:

Due Date: March 2, 2014

Maximum Extension Period (60 days): May 1, 2014

Reporting Requirement: No later than June 10, 2014

Shipment(s) Exclusion

There is no coverage for any shipment to a Buyer after any undisputed payment obligation (whether insured or not under the Policy) of such Buyer to the Insured in excess of the NQL is overdue beyond the Maximum Extension Period or any Shipment to a Buyer after there is an Insolvency of such Buyer. Article III Exclusions A7.

Claim Checklist

Below is a checklist of information required when submitting your claim for review. After a claim is reviewed, there may be further information requested.

- Completed QBE Claim Form
- Copies of invoices, purchase orders and sales contracts
- Copies of proof of delivery
- 12-month ledger history (in Excel if available)
- For insolvency: Court notices and, if available, a copy of the Proof of Claim filed with the court
- For protracted default: All correspondence that substantiates the steps taken to minimize the loss

Claims Reporting

Proof of Loss must be submitted to the Insurer (i) within six (6) months of the expiration of the Waiting Period or, in the event of Insolvency (if earlier), within six (6) months of the date of Insolvency, (ii) for a Preference Claim, within sixty (60) days of the occurrence of the Preference Claim, or if earlier, (iii) within thirty (30) days following demand by the Insurer for the submission of such Proof of Loss. The Insured may not submit a claim to the Insurer prior to the expiration of the Waiting Period (if applicable). Article V. Reporting, Claims and Recoveries B.

Example 1 - Protracted Default:

Due Date: March 2, 2014

Maximum Extension Period (60 days): May 1, 2014

Waiting Period (4 months): September 1, 2014

Claim Filing Requirement (6 months from expiration of Waiting Period): March 1, 2015

Example 2 - Insolvency:

Due Date: March 2, 2014

Insolvency Date: March 10, 2014

Claim Filing Deadline (6 months from date of Insolvency): September 10, 2014

Example 3 - Preference Claim:

Preference Action Received: April 6, 2014

Claim Filing Deadline (60 days): June 5, 2014

Example 4 - Insurer requests Proof of Loss:

Date of Request: April 6, 2014

Claim Filing Deadline: May 6, 2014



Trade Credit Claims Frequently Asked Questions (FAQs)

The answers to the following FAQs are based on the standard Comprehensive Trade Credit Policy for Excess of Loss, Key Account, Single Buyer, and the Factoring Policy (Insolvency Only). They are to be used as a general reference for policyholders and are non-binding and not intended to supersede policy provisions. Policyholders should consult their policies.

How does a policyholder who experiences a loss pursue indemnification under a QBE Trade Credit policy?

The policyholder should complete a Claim Form and submit it to QBE, along with all supporting documentation. The policy provides the timeframe for claim submission.

What type of documentation should a policyholder submit with the Claim Form?

The QBE Claim Form lists the documentation, which includes but is not limited to the following:

- Completed claim form
- Copies of invoices and proof of delivery
- 12-month ledger history if available
- All loss minimization documents (i.e. correspondence, collector notes, court notices, etc.)
- Information pertaining to the cause of loss

When the event involves insolvency of the buyer, the policyholder should forward documentation evidencing the insolvency, along with proof of the claim against the insolvent estate.

What can a policyholder do to assist in the claims process?

The most important role the policyholder plays in the claims process is submitting a complete claims package with all relevant documentation. This eliminates delays and helps the Claims Handler process the claim in a timely manner. Occasionally, the policyholder may be asked to provide additional information. If the information is received after a claim has been submitted, the policyholder should forward it to QBE.

How is a policy deductible applied?

The gross amount of the loss will be applied against the deductible (or any remaining portion) prior to the application of the insured percentage.

Once a claim is filed, when can a policyholder expect a decision from QBE?

The claim will be finalized within 60 days. If additional information is required, a final decision will be rendered within 60 days of receipt of the requested additional information.

Are Preference Claims covered under a QBE Trade Credit policy? If so, what are the requirements?

Preference Claims are covered under the Comprehensive Trade Credit Policy (for Excess of Loss, Key Account and Single Buyer) and the Factoring Policy (Insolvency Only) provided the insured has exhausted all defenses and appeals. The Preference Claim must be an allowed claim against or admitted to rank against the insolvent estate of the buyer. Should you receive a Preference Demand from the Bankruptcy Court, forward a copy of the notice, in accordance with the policy, along with a completed Claim Form and all supporting documentation.

What are the policyholder's obligations after a claim is paid?

The policyholder has a continuing obligation under the policy to cooperate in the pursuit of recovery. Although most of the time QBE will pursue recovery for the benefit of both the policyholder and QBE, it may be in the best interest of all parties for the policyholder to continue action against the buyer. Any recoveries received that have been settled previously must be reported to QBE as soon as possible. Likewise, if QBE receives recovery related to a previously settled claim, the funds will be distributed according to the policy terms.

Can't find the answer to your question?

Feel free to contact your broker, or the QBE Trade Credit Claims Manager by phone at **347.703.3728** or email at donna.messick@us.qbe.com.

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