

Top 5 reasons why we reject claims

We rarely reject our clients' claims but it can happen on occasion (around 6% of claims are rejected). The good news is you can act now to increase your chances of having your next claim paid.

Here's a list of the top five reasons we reject claims – and tips on how you can ensure it doesn't happen to you.

1

Late /delayed reporting a statement of default

It's very easy to assume your customer is going to pay you next week. That's what they're saying, so you delay reporting, but by the following week they still haven't paid... After a while, the maximum date to report the claim has passed.

You should take note of the terms of your cover (maximum payment terms, Maximum Extension Period, reporting deadlines...) and let us know right away when the defaulting occurs.

Important

The top reason why we reject claims is late reporting of an overdue payment or adverse information (for example, if a cheque bounces).

2

Lack of cover: keep track of permitted Limit

Without a valid credit limit on an existing or new customer, if they fail to pay you, the debt will not be insured. Here are the things you want to keep track of:

- **Having a valid limit in place**
You should track reductions and cancellations, make sure you've asked for cover on a new customer or that you have the appropriate justification to use your Discretionary Limit.
- **The level of cover versus your level of trade**
As the relationship with your customer evolves, the amount of sales may vary. As it progresses, you need to monitor cover and especially check if your credit limit is high enough to cover your outstanding (the amount of sales that you have made but that your customer hasn't paid yet). You may decide to work at a level higher than your Approved Limit, but your cover will be limited to that level.
- **Negative information**
Be mindful that your cover will cease for any goods or services supplied after you have received negative information or your invoice is unpaid past the Maximum Extension Period.

3**Submit your claim on time**

You must make an insurance claim on your policy within 30 days when your customer becomes insolvent or 90 days from the earliest expiry of the Maximum Extension Period of the unpaid insured receivables. Organising your claim quickly will reduce any avoidable delays to its resolution, reducing the chance that your cash flow is interrupted.

When you are submitting a claim, ensure your form is complete, signed by an authorised signatory for your company, and include all additional documents.

4**Uninsured receivables**

To make sure that accounts receivables are covered, just make sure that they are not related to contractual Damage legal/ penalties, currency devaluation, leasing, rental, licence / royalty agreement, consignment stock, transfer of payment obligation

5**Lack of Collection Action**

In case you do not have inclusive collection in the Policy, you should continue to take all the necessary actions to mitigate your loss, even after you have submitted a claim to us. Failure to exercise due care and take appropriate action may prejudice your claims.

In case you have inclusive collection in your Policy, we will manage the collection action for you.

To sum up, here are actions to take to ensure your claim will be paid:

- Report on time and keep us updated with any developments impacting your customer's ability to pay.
- Check your customer's outstanding balance and see what type of credit limit you can use
- Ensure you have cover: Do you have the appropriate justification for trading under your Discretionary Limit? Has the approved Limit on your customer been withdrawn or reduced?
- Research new customers thoroughly and do your best to avoid becoming a victim of fraud.
- Keep proper paperwork to prove that goods and services were ordered and supplied.
- Be mindful that the good and services fit the description of trade on your Policy and comply with payment terms and invoicing period endorsed to your Policy.

Any questions?

Contact your account manager/ broker for assistance

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