

Application Instructions

You will need the following to complete the application:

- A. Sales and loss information for the past 3 years;
- B. Largest single write off each year for the past 3 years;
- C. Buyer name(s), country, city, state, phone, and credit limit;
- D. Current summary aging (Descending high to low by open balance if available)
- E. List of Countries in which you do business.

Check List:

- _____ Completed and signed application.
- _____ Insured client list with complete name, address, phone, and desired credit limit.
- _____ Broker of record letter (on your company letterhead).

Example Broker of record letter:

To Whom It May Concern:

Please be advised that “Company Name” recognizes *ARI* Global as our broker of record regarding our receivable insurance matters.

Assistance/Remit to:

ARI Global, Inc.
1311 N. Westshore Blvd., Suite 315
Tampa, FL 33607

Office: (813) 288-8680 or (800) 320-7338
Fax : (813) 288-8682
Website: www.ariglobal.com



Global Brokers of Accounts Receivable Insurance



Application

I. General Information

- A. Legal Business Name _____
- B. Address (physical) _____
(mailing) _____
- C. Contact (name, title) _____
Phone: () _____-_____ Fax: () _____-_____ E mail: _____
- D. List subsidiaries and affiliates for which coverage is requested

II. Business Description

- A. Products and Services to be covered _____
If products are custom please describe _____
- B. Type of business: Manufacturer _____% Wholesaler _____% Service _____% Other _____%
If other, please describe _____
- C. % Sold to: Mfr _____% Whl _____% Retail _____% Other _____%

III. Existing Insurance

- A. Policy of Insurance or currently negotiating?
YES or NO with: _____ expiration date: _____
- B. Factoring or Invoice discounting arrangement?
YES or NO with: _____ expiration date: _____
- C. Non Recourse Financing?
YES or NO with: _____ expiration date: _____
- D. Floor Planning?
YES or NO with: _____ expiration date: _____

IV. Sales and Loss Information

A. Domestic Sales:

Number of years selling on credit terms _____ Terms of Sale _____ Maximum Terms _____

Fiscal Year	Domestic Sales	Gross Domestic Bad Debt	Number of Losses	Largest Single Loss (Gross Amount)
____/____				
____/____				
____/____				

YTD

12 month Projected Sales

Domestic Accounts Receivable balances for previous four quarters:

Date:	Date:	Date:	Date:
\$	\$	\$	\$

Complete Appendix B (Top 10 Buyers), Appendix C (Loss History) and Appendix D (Slow Pay)

B. Foreign Sales:

Number of years on credit terms _____ Number of years exporting _____

Terms of Sale _____ Maximum Terms _____

Does your company utilize letters of credit? YES or NO If yes, how often? _____

Does your company utilize purchase orders? YES or NO If yes, how often? _____

Fiscal Year	Foreign Sales	Gross Foreign Bad Debt	Number of Losses	Largest Single Loss (Gross Amount)
____/____				
____/____				
____/____				

YTD

12 month Projected Sales

Foreign Accounts Receivable balances for previous four quarters:

Date:	Date:	Date:	Date:
\$ _____	\$ _____	\$ _____	\$ _____

Complete Appendix A (Foreign Sales), Appendix B (Top 10 Buyers), Appendix C (Loss History) and Appendix D (Slow Pay)

Domestic buyer A/R balance

Number of Accounts

- _____ \$1,000,000 plus
- _____ \$500,000-999,999
- _____ \$100,000-499,999
- _____ \$50,000-99,999
- _____ \$20,000-49,999
- _____ \$10,000-19,999
- _____ \$1,000-9,999
- _____ Total

Foreign buyer A/R balance

Number of Accounts

- _____ \$1,000,000 plus
- _____ \$500,000-999,999
- _____ \$100,000-499,999
- _____ \$50,000-99,999
- _____ \$20,000-49,999
- _____ \$10,000-19,999
- _____ \$1,000-9,999
- _____ Total

Warranty of Undersigned

Insurance carriers rely on the representations provided by you in, and in connection with, this application when making decisions regarding any policy(s) issued. THIS APPLICATION, the policy, and declarations shall constitute the entire insurance agreement between you and the insurance carrier. No loss which occurs prior to the payment of premium will be covered. No broker has the authority to delete, modify, or wave any policy provisions, either verbally or in writing. Further, the accompanying credit questionnaire is part of this application.

State Law: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and punishable by law." (New York statutes further state that fraudulent acts "shall be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.")

Signature: _____ Submitted by: _____

Name/Title _____ Organization _____

Date: _____, 20 _____ Location/Agency Code _____



Credit Management Questionnaire

Name of Applicant (Company) _____

I. Department Structure

A. Who are the senior members of the Credit Department, or who is the individual primarily responsible for making credit decisions?

Name	Title	Authority Level	Years of Experience	
			Credit in General	International

B. How many full time credit professionals are in the Credit Department? _____

C. Is credit control centralized at Insured's Headquarters? YES or NO

If no, explain _____

D. Are credit controls known to other departments? YES or NO

E. Is there a written credit procedure? YES or NO If yes, please provide.

II. Authority Levels

A. Persons authorized to:

Approve a credit limit for a new buyer? _____

Approve an increase in an existing credit limit? _____

Approve a change in payment terms? _____

What is the current course of action to take on an overdue situation?

B. Can anyone within your company overrule a decision by the credit department? YES or NO

If yes, who? _____ Has this actually happened? YES or NO

If yes, how often? _____

III. Credit Evaluation/Administration

A. Which of the following does your company utilize:

1. Credit Agency Reports YES or NO

If yes, list Agency(s) _____

How often are the reports updated and reviewed? _____

2. Trade References YES or NO How often updated? _____

3. Bank References YES or NO How often updated? _____

4. Audited Financials YES or NO How often updated? _____

5. Other Sources _____

B. For new customers, what information is required to determine the credit worthiness of the buyer?

C. For existing customers, what information is used when increasing or decreasing a credit line?

D. Are credit limits recorded in the buyer's credit file and/or in a computerized system?

E. What are the general guidelines when determining credit worthiness? Example: % of tangible net worth or financial ratios _____

F. What is the minimum information required to grant/extend credit in the following circumstances:

No Financial Statement	Increase on Existing Line	Change in Payment Terms

G. How are high-risk buyers identified, and how often are they reviewed? _____

H. Are there regular personal visits made to buyers? YES or NO

If yes, is a visit report produced? _____

IV. Credit Monitoring

A. How often is an aging produced? _____ Who reviews the aging? _____

B. Before each shipment, how does the credit department make sure the buyer meets the minimum credit approval criteria? _____

C. Accounts Receivable are checked against credit limits:

1. When orders are received? YES or NO

2. When orders are ready for shipment? YES or NO

V. Collection Practices

A. Which of the following procedures are used for overdue accounts?

1. Demand by telephone? YES or NO If yes, how many days past due? _____

Is a telephone log kept? YES or NO Where? _____

2. Demand letters? YES or NO If yes, how many days past due? _____

3. Stop shipments? YES or NO If yes, how many days past due? _____

4. Collection agency? YES or NO If yes, how many days past due? _____

Who does your company use? _____

5. Legal action? YES or NO If yes, how many days past due? _____

B. 1. What procedures does your company follow to absolutely stop shipments after a buyer is materially past due? _____

2. What appears in the buyer's file? _____

C. Retention of Title

1. Is incorporated in contract terms? YES or NO

2. Is made legally enforceable? YES or NO

Additional Comments on Credit or Collection Procedure:

Warranty

The undersigned understands that the warranties and representations made in this credit questionnaire are subject to the same warranty provisions of the application.

Signature: _____ Submitted by: _____

Name/Title _____ Organization _____

Date: _____, 20 _____ Location/Agency Code _____