## APPLICATION FOR A BUSINESS CREDIT INSURANCE POLICY



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### ALL INFORMATION PROVIDED WILL BE HELD IN STRICT CONFIDENCE

## **INSURANCE COVERAGE REQUESTED** (Delete Non-Applicable Choice)

Domestic (U.S. And Canada Only) Multi-Markets (Domestic and Export)

## **1 APPLICATION INFORMATION**

Company Legal Name

**Company President Name** 

Company Address

City State/Province

Zip/Postal Code

Policy Contact Name

/Policy Contact Title /E-mail

Phone

/Fax

Other entities/tradestyles to be covered

# **2 BUSINESS DESCRIPTION**

Your business (delete non-applicable choices) / Manufacturer / Wholesaler / Retail / Other

Products and/or services to be covered

Does your company sell to countries other than the U.S. And Canada? Yes or No

Is your most recent financial statement attached? Yes or No

## **3 ACCOUNTS RECEIVABLE SUMMARY**

|  | Domestic | Export* |  |
|--|----------|---------|--|
| Total number of the active accounts                      |          |         |  |
| Total Amount of sales                                    | \$       | \$      |  |
| Estimated total outstanding receivables in peack months  | \$       | \$      |  |
| Provide ending A/R and dates for the four prior quarters |          |         |  |
| 1Q (date / / )   | \$       | \$      |  |
| 2Q (date / / )   | \$       | \$      |  |
| 3Q (date / / )   | \$       | \$      |  |
| 4Q (date / / )   | \$       | \$      |  |

| 4 TERMS OF SALE                                   |      |      |  |
|---|------|------|--|
| Normal open account terms of sale                 | Days | Days |  |
| Days sales outstanding (DSO)                      | Days | Days |  |
| Percentage of sales under normal terms            | %    | %    |  |
| Longest terms of sale (include dating)            | Days | Days |  |
| Percentage of sales under longest terms           | %    | %    |  |
| Percentage of sales using letter of credit        | %    | %    |  |
| Types of documentary collections                  |      |      |  |
| Terms of documentary collections                  | Days | Days |  |
| Percentage of sales using documentary collections | %    | %    |  |

#### **5 SALES AND LOSS HISTORY** DOMESTIC Gross profit margin 00.00% Forecasted net domestic sales (next 12 months) \$ Current YTD Three most recent full year's results Worst loss (In thousands) year over last five (Date / / ) (Date / / ) (Date / / ) (Date / / ) \$ \$ \$ \$ \$ Net sales \$ \$ \$ \$ \$ Bad debts # # # # # Number of bad debt write-offs \$ \$ \$ \$ \$ Largest single loss: Name of Company City/State or Province \$ \$ \$ \$ \$ Second largest single loss Name of company City/State or Province **EXPORT\*** Number of years exporting: Gross profit margin 00.00% Forecasted net domestic sales (next 12 months) \$ Current YTD Three most recent full year's results Worst loss (In thousands) year over last five (Date / / ) (Date / / ) (Date / / ) (Date / / ) Net sales \$ \$ \$ \$ \$ Bad debts \$ \$ \$ \$ \$ Number of bad debt write-offs # # # # # Largest single loss: \$ \$ \$ \$ \$ Name of Company City/State or Province/Country

\* If you company does not export outside the U.S. And canada, you do not need to fill out the export sections.

\$

\$

\$

\$

\$

Second largest single loss

City/State or Province/Country

Name of company

| List top countries by sales | Terms of payment | Sales |  |
|-----------------------------|------------------|-------|--|
| 1.                          |                  | \$    |  |
| 2.                          |                  | \$    |  |
| 3.                          |                  | \$    |  |
| 4.                          |                  | \$    |  |
| 5.                          |                  | \$    |  |
| 6.                          |                  | \$    |  |
| 7.                          |                  | \$    |  |
| 8.                          |                  | \$    |  |

| 7 CREDIT MANAGE  | MENT PROCESS                             |   |
|--|--|---|
| Do you have formal written cr  | edit procedures? Yes or No               |   |
| Who in your company manag  | es the credit management proces          | s and who assists in that effort?                     |
| Name   | /Title                                   | /Full-time or Part-time                               |
| Name   | /Title                                   | /Full-time or Part-time                               |
| Do you establish credit limits?<br>Delete non-aplicable choice<br>Mercantile Report (agency:)<br>Financial Statement |  |   |
| At what credit limit are financi   | al statements normally requires?         | \$  |
| Are regular personal visits ma   | de to see client? Yes, by whom?          | ? Or No   |
| How often is credit and/or final   | ancial information updated?              |   |
| How often is a credit limit revi   | ewed and on what basis?                  |   |
| What information do you use  | when reviewing the credit limit?         |   |
| Do you use security instrume   | nts in establishing credit limits? Ye    | es, what kind? Or No                                  |
| Do you refer to the status of the  | he account before authorizing: <b>Ye</b> | s or No   |
| Acceptance of order Yes o  | r No                                     | /Dispatch/Delivery Yes or No                          |
| Are orders received in writing   | ? Yes or No /Approximate time fro        | m order acceptance to delivery?                       |
| Under what circumstances ha  | ve you stopped shipping an acco          | unt (e.g., Past due condition)? Please provide detail |
| Do you currently insure or fac   | tor your receivables? <b>Yes, with w</b> | /hom? Or No   |

Do you currently insure or factor your receivables? Yes, with whom? Or No

## 7 CREDIT MANAGEMENT PROCESS (Continued)

Do you have formal collections procedures? Yes or No

If yes, what in house resources do you use?

Under what circumstances do you place accounts for collections with outside agencies?

How do you manage your international collections?

## **8 PAST DUE TABLE**

List all customers on which coverage is being requested with undisputed amounts more than 60 days past due under original terms sale, or that you reason to believe will become 60 days past due. If there are none, please indicate by writing "none".

| Customer<br>Name/Country | Shipment<br>dates | Account<br>balance<br>(In<br>thousands) | Amount<br>60 days + | Orig. Terms<br>of sale<br>(net) | Reason for past due |
|--------------------------|-------------------|---|---------------------|---------------------------------|---------------------|
| 1.                       |                   | \$                                      | \$                  |                                 |                     |
| 2.                       |                   | \$                                      | \$                  |                                 |                     |
| 3.                       |                   | \$                                      | \$                  |                                 |                     |
| 4.                       |                   | \$                                      | \$                  |                                 |                     |
| 5.                       |                   | \$                                      | \$                  |                                 |                     |
| 6.                       |                   | \$                                      | \$                  |                                 |                     |
| 7.                       |                   | \$                                      | \$                  |                                 |                     |
| 8.                       |                   | \$                                      | \$                  |                                 |                     |

We will rely on the representations provided by you in, and in connection with, this application when making decisions regarding any policy we may issue. This application, the policy, and the declarations shall constitu the entire insurance agreement between you and Fidelity&Marine. No loss which occur prior to the payment of the premium will be covered even if the policy has been delivered. No sales representative is authorized to delete, modify, or waive any policy provisions, either verbally or in writing.

For your protection, State law (in many states) requires the following to appear on this form:

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 statues 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.")

Our efforts to provide maximum coverage on your customers is dependent on our ability to obtain financial information. Fidelity&Marine may need to contact your customer to request the information needed for these coverage decisions. Do we have your permission to use your company name when contacting your customer? Yes or No

| Name/Title   | /Signature            | /Date     |
|--------------|-----------------------|-----------|
| Submitted by | /Name of organization | /Location |