

# Cause of loss module

## Advertising agent risk cover

### 1 Risk covered

This contract covers costs you incur on non-cancellable forward bookings, specifically your buyers inability to pay for their contractual obligations in regard to the forward booking of media or advertising space that was placed via you, insofar as this inability results directly and solely from the **insolvency** of your buyer.

This contract also covers the costs you incur in performing the services of the **sales contract**, from the date of commencement of cover to the date of the **insolvency**, plus any costs resulting unavoidably, directly and solely from the occurrence of the risk. This includes monthly consultancy or service fees invoiced during the period of this contract (subject to the conditions below), but does not extend to indirect costs or overhead costs.

### 2 Conditions of cover

2.1 You must obtain a credit limit set by us for your buyer, and unless otherwise specified by us, the credit limit or @rating we provide applies to any **sales contracts** that have become effective as of the date when we receive your request.

This credit limit or @rating sets the maximum outstanding balance covered, calculated as the total amount of the **sales contract** covered for the services performed plus the maximum outstanding balance covered for the credit risk plus the value of any forward bookings of media or advertising space. The credit limit also sets any specific conditions as may be applicable to the cover.

2.2 If we reduce or cancel a credit limit or @rating for a buyer, we will maintain cover for the services that you are contractually committed to make or perform during the non-cancellable period for a forward booking of media or advertising space, provided that the forward booking was made less than 6 months before the date of our **notice**.

2.3 We do not cover you for:

- any forward booking of media or advertising space having a non-cancellable period longer than six months; from the date of placement of the booking to the date of publication or appearance.
- **sales contracts** having a delivery period longer than the *maximum delivery period*; from the date of execution of the **sales contract** to the contractual date specified for the completion of **deliveries**.
- **sales contracts** (or forward bookings committed to by you on your buyer's behalf) for whom a **notification of overdue account**, or **insolvency** or **adverse information** has or should have been made.
- fees for the period after the month of the **insolvency** of the buyer or from fees agreed for the termination of the **sales contract** with your buyer.

### 3 Commencement of cover

Provided that all the conditions applicable to the cover we provide are met, cover will start on the date of execution of the **sales contract**, i.e. when you and your buyer have approved all the provisions of the said contract in writing.

If commencement of the **sales contract** is subject to the fulfilment of a pre-condition, cover will only start on the date when such condition is met. In particular, for **sales contracts** that require a down-payment be made with the order will only be deemed to become effective under this contract on the date when you have collected this down-payment in your country.

### 4 Occurrence of loss

The loss will be ascertained as soon as the cause of loss mentioned in article 1 above has occurred.

In respect of forward bookings of media or advertising space: if the **insolvency** occurs before the non-cancellable period you must cancel the bookings. We will have no liability for the costs of forward bookings that were not non-cancellable.

### 5 Risk management

5.1 You must notify us as soon as you become aware of any event that could cause the performance of the **sales contract** to be interrupted.

5.2 You must take all measures required, either at your own initiative or as specifically instructed by us, to avoid or limit the loss, and in particular, you must withhold any procurement, services, **deliveries**, **shipment** or bookings.

You must take all reasonable measures to minimise the loss and in particular you must do everything possible to re-sell the media or advertising space. In such a case any proceeds of the sale will be treated as **recoveries** under this contract.

If the **insolvency** occurs before you have fulfilled your contractual obligations, you must not continue to perform the **sales contract** nor sell, nor dispose of any goods in your possession, nor perform further services without our prior written agreement.

5.3 You are not covered under this contract if you enter into a new **sales contract** with a buyer for whom a **notification of overdue account** has or should have been given.

If we decide, despite the **insolvency**, that the work can be resumed, we will cover you for any additional costs that our decision may give rise to. If it appears, after this decision, that your contractual obligations cannot all be fulfilled, or if we consider that such fulfilment is undesirable, the loss will be ascertained on the date of completion of the work.

### 6 Termination of this contract

Should you give **notice** of termination, we will cover the cost of the services that you perform should your buyer become **insolvent** within the three months following the end of the *contract period*.

For forward bookings of media or advertising space we will maintain cover for the non-cancellable period, subject to the conditions specified in this module, provided that the value of such non-cancellable bookings have been declared to us together with the declaration of turnover /billings within thirty days of the end of the *contract period*.

## 7 Claim payments

### 7.1 Conditions of payment

A claim payment can only be made if:

- you have sent us the **sales contract** and a **notification of overdue account** showing the amount of the loss claimed, together with all written evidence of the **debt** and non-cancellable bookings and your rights (together with a breakdown of all costs for services performed and costs of non-cancellable forward bookings of media or advertising space), as soon as the loss is ascertained;
- you have sent us a loss account established in the *currency of this contract*; the sums (expenses and income) paid for in any currency other than the *currency of this contract* must be converted at the *exchange rate* in force on the day of payment.

### 7.2 Loss calculation

The loss is made up of the balance of a loss account including:

- on the debit side:  
The costs mentioned in article 1 above, after deduction of the value of services, (forward bookings of media or advertising space, equipment and, if applicable, goods) already billed.

This amount is ascribed to the loss account, up to a maximum of 90% of the amount of the **sales contract**, after deduction of the amount of the billings already made.

- on the credit side:  
The amount of the corresponding income (down-payments made by your buyer, proceeds from the re-selling, re-booking or re-use value of the supplies ready for shipment or **delivery** or under production, and of the procured materials, proceeds from the realisation of **securities** and the collection of any indemnities, etc.).

### 7.3 Payment level

The claim payment is equal to the *insured percentage* of the balance of the loss account, as specified above, within limit of the credit limit or @rating granted.

In cases where article 7.4 applies, the claim payment is equal to the *insured percentage* of the balance available on the credit limit or @rating for risks covered under this module.

- ### 7.4
- In case of occurrence of **insolvency**, the credit limit or @rating agreed will first be assigned to the loss sustained as for the **insolvency** risk. Any possible difference will then be assigned to the loss sustained under this module.

## 8 Expert investigations

We reserve the right to appoint a third-party expert in case of a loss, to verify the nature and amount of the loss you claim. You will provide this expert with all the information needed for him to perform his task and will give him full access to your books and records.