

GREAT AMERICAN INSURANCE COMPANY
CREDIT AND COLLECTION PROCEDURES QUESTIONNAIRE

For the purpose of the Insurance Companies Act (Canada), this document was issued or made by Great American Insurance Company in the course of its insurance business in Canada.

All dollar amounts are considered to be stated in Canadian dollars unless the applicant specifies otherwise.

Date: _____

Name of Applicant or Insured: _____

Name/Address/License No. of Insurance Broker : _____

Please answer the following with respect to those sales included in an attached multibuyer application or included in your company's existing policy with Great American:

Department Structure and Authority Levels

1. Does your company have a separate department which assesses credit risk? Yes No

If yes, how many employees are in the department? _____

2. Please provide the following information on those individuals employed by your company who are involved with or responsible for making credit decisions:

Name	Title	New Buyer Authority Level	Existing Buyer Authority Level	Yrs of Credit Experience	Yrs of Int'l Credit Experience

3. If your company has more than one operating unit:

- a. Are credit procedures centralized at company headquarters? Yes No
- b. Do all of your company's operating units follow a single procedure? Yes No
- c. Is there a written credit procedure used by your company? Yes No

Credit Limit Evaluation and Approval

4. Are credit limits established for a specific period by the employees in the positions set forth in response to Question 2 above or are these employees required to approve each order separately?

—

—

5. If credit limits are established for a specified period, how long is that period generally? _____

6. Are approved credit limits entered into your firm's computerized information system? Yes No

7. Are credit reviews written and kept on file? Yes No
8. For new buyers:
- a. What information does your company require to consider approving a new buyer's credit limit?

- b. How current must this information be? _____
- c. What general guidelines does your company use to evaluate this information? _____
9. For existing buyers:
- a. What is the minimum information your company would require to consider approving or renewing an existing buyer's credit limit?

- b. How current must this information be? _____
- c. What general guidelines does your company use to evaluate this information? _____
10. Financial Statement Use
- a. Under what circumstances does your company require financial statements in order to approve a credit limit? _____
- b. Are these financial statements audited or unaudited? _____
- c. Does your company have on file current financial information on each of its top five buyer exposures? Yes No
- d. What general financial statement guidelines does your company use when determining creditworthiness? (Example: Percentage of net worth or financial ratios) _____

Credit Monitoring

11. How often are accounts receivable aging reports generated and reviewed by your company? _____
12. What are the position(s) of the individual(s) within the company who review(s) these reports? _____
13. Before each shipment, what is done to make sure any buyer(s) meets the minimum credit approval criteria? _____

14. Are accounts receivables checked against credit limits when orders are received or when orders are ready for shipment?

Collection Practices

15. Which of the following procedures are used for material overdue accounts? (not in dispute)
- a. Demand by telephone? Yes No If yes, after how many days past due? _____
 - b. Demand letters? Yes No If yes, after how many days past due? _____
 - c. Stop shipments ? Yes No If yes, after how many days past due? _____
 - d. Collection agency? Yes No If yes, after how many days past due? _____
 - e. Legal action ? Yes No If yes, after how many days past due? _____
16. If applicable, what procedures does your company follow to absolutely stop shipments after a buyer is materially past due? _____
17. Are instructions for stop shipments entered into your company's computerized information system?
 Yes No

NOTE TO APPLICANTS:

This document will be a material basis of any insurance policy that may issued by Great American, and it will be attached to and made a part of any such policy, if a quotation is made and accepted. Information submitted will be treated as confidential.

INSURANCE FRAUD WARNING STATEMENT:

Any person who with intent to defraud or knowing that he/she is facilitating a fraud against an insurer or any other person submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

CERTIFICATION OF APPLICANT TO GREAT AMERICAN INSURANCE COMPANY:

OTHER INSURANCE: The applicant will not enter into or maintain any contract of insurance or indemnity with respect to any cause of loss covered by this policy or with respect to any loss chargeable to any deductible under this policy, without the insurer's consent in writing.

REPRESENTATIONS: The undersigned officer of the applicant certifies that the warranties and representations made in this application and any appendices are true and correct, to the best of his/her knowledge and belief, and that he/she has not misrepresented or omitted any material facts. It is also agreed that this application, whether as respects anything contained herein or omitted therefrom, has been made, prepared and written by the applicant or his/her own proper designee. In case there may occur any changes regarding information provided in this form between its submission and the issuance of the respective insurance policy, the applicant will, without undue delay, notify Great American.

Signature: _____

Date: _____

Name (Print): _____

Title: _____

Company: _____