

## FCIA Discretionary Credit Limit, DCL

### Key Features

- Make your own buyer credit decisions
- Easy and flexible options to qualify buyers
- Qualifying options likely fit into your company's Credit Procedure
- No restrictive caps on losses under the DCL

### Discretionary Credit Limit Endorsement (DCL)

The DCL is a core feature of our multibuyer policy product that allows you to qualify the majority of your buyers for credit insurance coverage. With a DCL, you don't have to outsource these business decisions to an insurer, so you maintain control of the important customer relationships.

FCIA is a pioneer in offering the DCL feature and we have a long and successful track record of adjusting claims that develop under the DCL. There is no separate cap on the aggregate amount of losses that may be claimed under the DCL.

The DCL is designed for companies that have at least one or more credit / financial professionals on staff managing their accounts receivable.

### Make Your Own Buyer Credit Decisions

FCIA's DCL program permits the use of many of your existing decision making tools, as it integrates easily into your standard credit management procedures and controls.

To qualify a buyer under the DCL, establish an appropriate credit limit by satisfying one of the options in the DCL Endorsement.

The credit limit amount cannot exceed the maximum DCL amount and the associated payment terms cannot exceed the maximum DCL payment terms stated in the endorsement. Maximum losses are governed by the overall policy limits of liability and cannot exceed the aggregate limits.



### How To Qualify Your Buyer Credit Limits

FCIA's DCL is stated as one maximum DCL amount. You can approve each buyer for a credit limit from 10% to 100% of the maximum DCL amount, depending on the qualifying criteria you choose.

FCIA has nine flexible options for approving buyers. Other special conditions are available to meet special needs. Below is a summary of the criteria:

#### 100% of the Maximum DCL Amount

You can use one and any of these options to approve a buyer credit limit up to 100% of the DCL amount:

- Payment history
- Credit agency reports
- Rating agency rating
- Issuing bank rating on the buyer
- Audited or reviewed financial statements on the Buyer
- Subject to FCIA approval, you can also use:  
Your company's standard credit procedures

#### 25% of the Maximum DCL Amount

You can use any of these options to approve a buyer credit limit up to 25% of the DCL amount:

- Unaudited/unreviewed/interim financial statements
- Written trade references

#### 10% of the Maximum DCL Amount

You can use your "Good Faith Determination" to approve a buyer credit limit up to 10% of the DCL amount.