

INSOLVENCY INSURANCE COVER

As from January 1st, 2019 BLING LOGISTICS NETWORK (BLING) will provide compensation for monies lost to non-payment of invoices for handling transactions between BLING-members due to insolvency or protracted default of a BLING-member.

The insurance is a benefit applicable to all BLING-members with the exclusions as described in this cover note and only for members of the BLING who have paid both the annual membership and the yearly insolvency premium to the BLING in time.

1. Purpose and scope of the insurance

The purpose of the Insolvency Insurance cover of BLING is to provide compensation for monies lost due to non-payment of invoices for handling of transactions between BLING-members due to insolvency or protracted default of a BLING-member. The waiting period for protracted default is 90 days after issuing date of the oldest invoice.

2. Limitation of compensation

What are the limitations of the insolvency coverage?

- Compensation is limited to USD 10.000 per BLING-member for unpaid invoices due to another BLING-member.
- The maximum to be paid in claims in any twelve-month period shall not exceed USD 10.000. Each period is defined as a membership year from Jan 1st till Dec 31st.
- For all claims a deductible of 10% of the claim Min USD 200 will apply. The waiting period for protracted default is 60 days after issuing date of the concerned invoice.
- Claims will be paid in the order in which they are received by the BLING. All claims approved for payment by underwriters must be assigned to BLING prior to payment. Claims for losses must be filed within the term of the claimant's membership of BLING.

3. Compensation limitations

If a claimant member has an insolvency or other coverage with any other network for the same member, they are obliged to report same to BLING upon filing their claim with BLING.

BLING reserves the right to keep this other network liable for unpaid invoices up to the maximum limitations of their financial coverage. BLING will consequently reduce the claim made to BLING with the compensation limitations offered by the other network and reduce the BLING claimed amount in accordance with the limitations of this network.

4. Surpassing of compensation limitations

When the amount due, by the BLING-member failing to pay the other BLING-member(s) due to insolvency or protracted default, is exceeding the limitations of USD 10.000 as prescribed under article 2 of the insolvency cover note, the following rules will apply.

If one claimant is involved:

- The compensation will be limited to USD 10.000 only.

If various claimants are involved:

- The sum of all the amounts due will be totaled by the BLING.
- The percentages will be determined per claimant in relation to the total amount due by the BLING debtor member.
- Each claimant will be paid out the amount in relation to his percentage as closure of the incident.

5. Credit terms between BLING-members

The maximum credit term allowed for invoices between BLING-members is 30 days.

Any invoice with agreed credit terms exceeding more than 30 days between BLING-members will not be covered by this insurance.

Any exceptions on this rule must be approved by the BLING.

When no credit terms are mentioned on the issuing invoice, it is automatically considered as a 30 days' credit term agreement.

6. Exclusions

The following transactions and losses are specifically excluded from coverage under the plan:

1. Payment for the cost of lost or damaged cargo.
2. Losses resulting from the failure to obtain a properly endorsed original bill of lading or from the failure to obtain a proper bank release of cargo.
3. Payment for losses that are otherwise covered by a member's Errors and Omissions Insurance or any other insurance coverage.
4. Losses suffered by non-BLING-members or the clients of a BLING-member.
5. Losses resulting from currency exchange fluctuations.
6. Any loss resulting from any measure or decision of national, regional or local authorities in any country which result in confiscation or seizure of merchandise.
7. Losses resulting from any political event, economic difficulty or legislative measures which prevent or delay the transfer of payments.
8. Losses resulting from war, rebellion, hostilities, riot, civil commotion and natural disasters.
9. Subsequent losses after a claim is filed resulting from continuation of business between a BLING-member filing the claim and the BLING-member identified as debtor in the claim.
10. Losses resulting from demurrage, storage, or container detention charges.
11. Claims for losses because of technical or commercial dispute between BLING-members.
12. Intercompany invoices.
13. Interest and/or late payment fees.

7. Termination of Protection:

Upon filing of a claim against a debtor BLING-member, the claimant BLING-member will immediately and automatically have no longer financial protection for this particular debtor BLING-member under this insolvency cover for any new invoice he will be issuing as from the date the claim has been transmitted, until receiving the green light from the BLING.

Protection under the BLING insolvency Insurance Cover will be suspended if the BLING-membership fee and the BLING Insolvency Cover have not been paid prior to renewal of the membership. Failing to comply to arrange payment before renewal of your membership will stop the insolvency coverage of the member with immediate effect until the moment the concerned fees have been paid into the BLING bank account. Upon delayed payment of the BLING-membership fees and insolvency premium by the member, all his invoices raised for the period starting from renewal date until the actual receipt into the BLING bank account will not be covered by the insolvency insurance. The insolvency cover will be re-installed for the remaining of the year as from the moment the membership and insolvency fees have arrived with the BLING and confirmed by the latter. Yearly payments for insolvency insurance arriving after 4 months of invoice date will not grant any further insolvency coverage of the concerned member for the continuation of that particular membership year.

8. Claim Prevention – Payment Protection Plan (PPP)

Any BLING-member should immediate report any information possible non-payment of the risk thereof to the BLING. The rules and regulations for the PPP are fully applicable under this cover note and are subject to a specific procedure attached to this cover note. Non-compliance with the PPP procedures will stop your insolvency coverage immediately.

9. Claims Procedures

Claims to the BLING Insolvency Insurance Cover must be filed within 60 days of the issuing date of the unpaid invoice(s) and during the coverage period. Claims are only considered as from 60 days onwards from issuing date but prior and before the invoice date has passed 90 days. Claims lodged after this date will be nil and void. Your highest attention is required to comply with this rule/article to make a timely valid claim. Any payments received from the debtor company for invoices from the claimant after filing of the claim with BLING must be applied to the concerned claim, starting with the longest outstanding invoice(s) protected by the BLING insolvency program. If there is any dispute arising in respect of the invoices which have been filed by the claimant, the financial insolvency coverage is suspended until the arbitration procedures of BLING have been finalized. An invoice or invoice in dispute are considered invoices referring to a situation the debt is unpaid for a reason or cause. Invoices not received are not considered as a valid reason of dispute. BLING reserves the right to terminate any membership as from the moment an official insolvency claim has been filed and inform the membership accordingly. The BLING insolvency program is allowed 90 days after filing date of the claim to negotiate and investigate the concerned claim in an effort to find a solution between claimant and debtor party. If and when BLING's arbitration process has been started by parties concerned, then the 90 days' period will only commence after the end of that process, obviously only in those cases where action is still necessary by the insolvency program.

The declaration of invoices due (and the companies involved) will "only" be acceptable when using the BLING "Insolvency claim" document (will soonest be made available on the website. Any other declarations or communications by email or fax are not acceptable and considered nil and void.

The BLING "Insolvency claim" document is the legal registration of your claim for any invoices due and has to be remitted as per rules and regulations of the insolvency cover note.

Claims must be submitted in writing via e-mail, by registered mail or fax to following addresses within the time frame as indicated above in article 6.

- By email:
 - bling@blinglogisticsnetwork.com
 - info@blinglogisticsnetwork.com
- By registered mail:

BLING LOGISTICS NETWORK INC.
21011 Jhonson Street. Suite 110
Pembroke Pines
FL 33-029, USA

BLING Insolvency Insurance Cover will acknowledge a claim upon receipt and will conduct a preliminary investigation, after which a preliminary determination will be reached.

1. If it is determined that a dispute exists, both parties will be notified, and the BLING Insolvency Cover closed.
2. For the purposes of this procedure, a “dispute” will be defined as a situation in which a debt is unpaid for a season or cause, and not simply due to lack of message acknowledgement.

If there is no dispute and the BLING-member confirms money is owned, they will have 15 days in which to satisfy the debt from the date member confirms debt is valid.

Along with the claim form, all supporting documents such as invoices, bills of lading, delivery receipts, communications, etc. must be supplied to BLING in order to enable underwriters to review the entire file before approving a claim.

If underwriters approve the claim, the BLING reserve the right to terminate membership and notify all other members of the action.

BLING reserves the right to offset claim amounts against monies due by the claimant to BLING or BLING-members.

10. Inception of cover

The insurance covers all invoices dated on or after 01/01/2019. In case the insurance is terminated, all invoices dated prior to the termination date are covered under this insurance cover note.

This completes

Rules & regulations applicable as from Jan 1st, 2019

The Payment Protection Plan – PPP created by BLING is reporting monthly those s who have not honored their financial obligations in a timely manner towards their colleague BLING-members.

PAYMENT PROTECTION PROGRAM – PPP

The Payment Protection Plan – PPP sends out a monthly report mentioning those members, who have not honored their financial obligations in a timely manner towards their colleague BLING members.

1. Credit terms between members

BLING Logistics Network does not interfere in bilateral agreements between agents, however, the insolvency program does not give any coverage for terms beyond 30 days if agreed between members.

Our suggestion in the network is to maximize credit up to 30 days but again this is can only be in mutual agreement between the member parties and BLING Logistics Network does not impose any credit terms or limits

When no credit terms are mentioned on the issuing invoice, it is automatically considered as a 30 days' credit term agreement.

Any exception on this rule has to be approved by the BLING.

2. When to report unpaid invoices

Although it is not imposed to report your colleague members in the Network not honoring their financial obligations, it is clear that everyone is entitled to learn this vital information to protect their financial interest within the group.

You can report any invoice to BLING PPP as from the date the invoice is late for payment, irrespective whether you agreed credit terms are cash, 30 days or any other negotiated condition.

However, failing to comply to report the outstanding invoices due within the Network will release BLING from all its liabilities in respect of their insolvency program.

3. How to report unpaid invoices

The declaration of invoices due (and the companies involved) will “only” be acceptable when using the “Payment Protection Plan – PPP” document. Any other declarations or communication by e-mail or fax are not acceptable and considered nil and void.

The PPP document is the legal registration of your claim for any invoices due and must be remitted as per rules and regulations of the insolvency cover note.

Nevertheless, the reporting/claimant company has following additional options:

1. To invite BLING to anticipate with the debtor company to finalize the payment due. However, the claimant company can abstain from this invitation.
2. To invite BLING to report the debtor company in the “Credit Alert” monthly listing or not. However, he claimant company can abstain from this invitation.

However, in case BLING is invited to enroll the concerned debtor company to the “credit Alert” listing, BLING will first contact the concerned debtor and invite him for an explanation prior of enrolment in monthly listings.

Debtor companies require a reply to the BLING to this request within 72hrs after sending, otherwise the enrolment in the monthly credit warnings will automatically be carried out.

4. Credit Alert

BLING-members reported by other BLING-members for non-compliance of their credit terms will be enlisted on a monthly basis via the “Monthly Updates”.

Any member due for enrolment will be informed before by the BLING.

Members appearing on this monthly listing under “Credit Alert” will only be covered for 50% of the normal amount of USD 10.000.

5. Credit Stop

Any BLING-member receiving a claim under our insolvency program from another BLING-member will automatically be listed at the “Credit Stop” listing and will no longer enjoy “any” insolvency cover.

Members enrolled in the monthly member updates which are listed under this item cannot be granted any further credit as from that date on. As a result, any invoice raised after this date to the concerned member will NOT be covered anymore by the insolvency program until the moment the member has been removed from the “Credit Stop” list.

BLING holds the legal rights according to the rules and regulations of the “insolvency cover note”, the “Payment Protection Plan - PPP” and their “Arbitration rules” to announce reported BLING-member’s debtors to the BLING-membership community.

6. Invoices in dispute – 30 days rule

Any invoice in dispute has to be reported to the BLING within 30 days after the “issuing date”.

Hereafter both parties, claimant and debtor are granted another 30 days to resolve their dispute.

Failing to find a solution to their dispute will result in following:

a. Arbitration

If both parties agree on an Arbitration to find a mutual solution, an Arbitration committee will be nominated to solve the dispute. The target is to settle the dispute by the Arbitration committee within 60 days after their appointment.

The Arbitration rules are set out in a separate procedure attached to the PPP rules and regulations.

b. Non-Arbitration

If the debtor disagrees to nominate an arbitration, the invoices due will be reported without any further delay to the membership as a “credit alert” or a “credit stop” depending on the actual situation of the outstanding invoice(s).

Rules applicable as from Jan 1st, 2019

ARBITRATION RULES

BLING-members have the right to request for the installation of an Arbitration committee when no mutual agreement can be found between claimant and debtor in respect of invoices under dispute.

Members are obliged to cooperate and participate in submitting documents for an Arbitration case if requested by the BLING Management.

1. Composition of the Arbitration committee

The arbitration committee will be installed by three members of good standing from the BLING-membership.

They will originate from three different regions and/or continents and from different companies.

The arbiters will handle the case anonymously to the related parties after they accepted their nomination.

2. Procedure of the Arbitration

Each party claimant and debtor will be invited.

The procedure will take a maximum of 75 days with following time frame. The time starts running when both claimant and debtor are informed the Arbitration committee has been installed.

All arguments, communications and supporting documents presented for the procedure must not contain any identification, name or email reference to the parties involved in the arbitration procedure, irrespective whether claimant or debtor.

All arguments, communications and supporting documents will be referred to BLING only, for distribution amongst the nominated Arbitrators.

3. Time frame suggested

Day 1 till day 15:

Claimant and debtor supply BLING with following:

- Supporting documents and communications of the concerned claim
- Their argumentation why they believe they have handled correctly.

Day 15 till day 25:

The members of the Arbitration committee can invite both claimant and/or debtor for additional information.

Day 25 till day 35:

The members of the Arbitration committee make a decision on the dispute which is communicated through BLING. A majority vote will decide on the verdict.

Day 35 till day 45

Loosing party, either claimant or debtor can appeal to the verdict but “only” when the voting of the Arbitration Committee is not unanimous.

When the appeal is possible the timing schedule continues as follows

Day 45 till day 50:

Loosing party can bring forward additional arguments and/or documents

Day 50 till day 60:

Winning party can bring in his arguments and supporting documents forward in relation to the loosing parties defense.

Day 60 till day 70:

The same installed Arbitration Committee will make their last and final decision on the procedure.

4. Conclusion of the Arbitration committee

There will be no appeal possible to the final judgement of the Arbitration committee at any time.

Both parties, claimant and debtor agree before the start of the procedure they are in compliance with the judgement of the Arbitration committee and they will execute the decision taken by the committee.

5. Consequences of non-compliance

BLING reserves the right to expel any member from the network with immediate effect when they do not execute the verdict decided by the Arbitration committee within 7 working days after the decision has been forwarded to the concerned parties.

BLING reserves the right to inform BLING’s membership immediately of the non-compliance of the losing party involved and moreover reserves the right to inform the transport, logistics and forwarding industry and networks of the attitude and behavior of the concerned member.

This completes Arbitration Rules applicable as from January 1st, 2019

REGISTERED OFFICE:

Company Name:

Head Office Country:
Address:

Branch Office Country:
Address:

Branch Office Country:
Address:

Branch Office Country:
Address:

* This document must be sealed and signed by the legal representative

Signature **Date**

Send Insolvency Insurance Cover properly signed, sealed and dated to the email address:
info@blinglogisticsnetwork.com.