

1. PURPOSE AND SCOPE OF THE INSURANCE

The purpose of the Insolvency Insurance cover of MGLN is to provide compensation for monies lost due to non-payment of invoices for handling of transactions between MGLN-members due to insolvency or protracted default of MGLN member. The waiting period for protracted default is 45 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 5,000.00 per MGLN-member for unpaid invoices due to another MGLN-member for the 1st year.
- Compensation is limited to USD 10,000.00 per MGLN-member for unpaid invoices due to another MGLN-member for the 2nd year.
- Compensation is limited to USD 15,000.00 per MGLN-member for unpaid invoices due to another MGLN-member for the 3rd year.
- Compensation is limited to USD 20,000.00 per MGLN-member for unpaid invoices due to another MGLN-member for the 4th year.
- For all claims a deductible of 10% with a minimum of USD 1,000.00 will apply. The waiting period for protracted default is 45 days after issuing date of the concerned invoice.

3. COMPENSATION LIMITATIONS

If a claimant member has an insolvency or other coverage with any other network for the same member, he is not eligible for the insurance.

- 4. If shipment has delay in transit (agent's, airline delay) insurance is not covered.**
- 5. Cargo damaged during transit due to natural calamities, fortuitous events insurance is not covered.**
- 6. Member of MGLN are required to have protection policy to claim the insurance, for the following conditions; if freight invoice is not paid and company bankruptcy.**

7. CREDIT TERMS BETWEEN MGLN MEMBERS

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

8. Before 45 days invoice expiration, member should inform MGLN Management.
9. If transactions are made by mutual understanding only and member has no payment protection, he is not eligible for the claim.
10. The final decision will be given by MGLN Management and council members.

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