



Memo

To: All Account Managers &
Speciality Brokers

From: NCM Americas, Inc.

Date: November 8, 2001

Subject: Past Due Reporting Requirements

All past due payments, as per policy conditions, must be reported promptly with the few exceptions listed below.

1. Past due amounts below the buyer's per loss deductible or policy threshold.
2. Past due amounts, in the aggregate, less than \$1,000.
3. Past Due amounts that are disputed (NCMA/F&D has no liability until and unless disputes are resolved), chargebacks, skipped invoices (an unpaid invoice between other invoices that were paid) or other administrative items. Amounts that are disputed or skipped invoices that remain unpaid sixty (60) days after the expiration of the MEP (Maximum Extension Period) or OPP (Overdue Payment Period) must then be reported as a past due.