



CREDIT INSURANCE FACTSHEET

ABOUT US

Euler Hermes is the world's largest credit insurance group, with 36% market share. We are a market leader, among others in France, Germany, Belgium, Italy, Scandinavia, most countries in Eastern Europe, United Kingdom and the United States. We are part of the Allianz Group.

Our **Standard & Poor's rating of AA-** testifies that we are able to meet our obligations at all times. We are also an integrated group, sharing one database, the same processes and business model. Our clients have access to expertise of the Group wherever needed.

In Asia we operate out of Singapore, Hong Kong & Japan. For Singapore, we insure companies in:

- Singapore
- Malaysia
- Indonesia (export risk only)
- Thailand
- Philippines
- Brunei Darussalam
- Vietnam
- India
- United Arab Emirates (U.A.E.)
- Saudi Arabia, Bahrain, Oman, Kuwait, Qatar

THE PRODUCT

We insure :

Trade Receivables : The invoices to business partners for goods delivered or services rendered, but no loans

Business-to-Business Transactions : That includes sole proprietors, partnerships and the like but no private customers.

Short Term Credit Risk, up to 180 Days. This excludes automatically leasing or project finance projects.

A Portfolio – ideally we want to insure the whole turnover of a company

Commercial risks – 1) Official Insolvency
2) Protracted Default (the risk of non-payment even if he is not officially insolvent)

** An overview of the policy features is provided in the document "Whole Turnover Policy"*



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BENEFITS

- **Risk mitigation** – protects balance sheet against catastrophic situations
- **Enables development of new markets** with third-party opinion on credit limits
- **Expert advice** on granting of credit limits to new & existing clients
- **Allows conversion of Letters of Credit terms to open account** to match or surpass competition
- **Enhances financing** through pledge of collateral of credit insurance policy
- Collect **debts more efficiently**
- **Complements credit management**

PRICING

- One premium rate for each policy
- Premium rates ranges from 0.1% to 0.8% on your insurable turnover, depending on the buyer quality, insurable turnover, loss history, indemnity, first loss and credit terms
- Instalment payment based on estimated turnover with a final declaration after 12 months policy period or other agreed declaration period

THE COMMERCIAL PROCESS

Complete the “Proposal for Credit Insurance Policy” Form (basic applicant company information, trading markets, ageing analysis, active accounts breakdown, loss history and list of the top 10 buyers)

1. A Non-Binding Indication will be proposed presenting varied pricing options
2. The proposal is discussed till a mutual agreement is reached
3. EH will start credit assessment of top 5-10 top buyers to gauge acceptance ratio
4. Final negotiations after feedback on limit decisions
5. Issuance of policy documents



**TARGET
MARKET**

Companies with domestic sales exceeding S\$10 million.	Most experience with companies engaged in trading, manufacturing, services, distribution,
Short term risk with credit terms of less than 180 days	Banks – Invoice discounting & Factoring
All industries though less preference towards telecoms, bunkering and construction	Companies with credit management in place