



WHY SHOULD YOU CONSIDER CREDIT INSURANCE

WE PAY IF
YOUR CLIENT
DOES NOT

This is the essence of credit insurance.

IMPROVE YOUR
CREDIT
MANAGEMENT

Credit insurance keeps the credit managers alert. They know that if they don't follow up properly, or become too lenient towards a debtor, their entitlement to indemnity could be endangered. Thus they have to remain strict in the application of their own rules and they will make sure that any exception is duly approved at the adequate level. This is the single principal motivation for companies to renew their insurance, even if they had negligible losses over the years.

HAVE ACCESS
TO THE
REINSURANCE
MARKET

One of the advantages of an insurance company (compared to factoring) is that it can give away a part of the risk to reinsurance companies. That way, we can take up bigger risk exposures on large multinationals without threatening our financial stability if one collapses.

ENTER NEW
MARKETS WITH
CONFIDENCE

You will have access to the best information sources that often include trading experiences and claims history. Even if you do not know the market, the law or your client, you know that your risk is minimised – and that at a minimal cost.

PROTECT YOUR
COMPANY
AGAINST
CATASTROPHIC
LOSSES

The default of one of its biggest clients is one of the most frequent reasons for a company's insolvency. Sometimes such an event can be predicted, provided one has the right information sources. Sometimes it can't, e.g. in case of fraudulent action or wild speculation by a key employee. In both cases credit insurance acts as a solution.



WHY SHOULD YOU CONSIDER CREDIT INSURANCE

INCREASE YOUR
CREDIT
WORTHINESS
WITH YOUR
BANK

Bank value your company by assessing your assets, irrespective of the book value. If a bank knows that your account receivables are insured by a top underwriter it will definitely have a positive impact on the way they value them.

COLLECT DEBTS
MORE
EFFICIENTLY

Credit insurance companies have collection experiences in most markets, and sometimes they have their own local people on the spot and with the volume they can negotiate the best conditions with local agencies and lawyers. In any case they can identify the best way to collect a debt, depending on the local law, the way the law can be enforced, the cost and all other factors.

BALANCE
COMMERCIAL
AGGRESSIVENESS
& FINANCIAL
PRUDENCE

When such a conflict exist, it is very useful to have a neutral expert opinion, one that stays out of a debate and gives an assessment of the credit worthiness of a client without being emotionally involved. One thus avoids emotional factors that could affect the risk position of the company.

AVOID THE COST
& HASSLE OF
LETTERS OF
CREDIT (L/Cs)

L/Cs are definitely the best way to enter unsecured markets but they have a number of drawbacks. They are expensive – both for the buyer and for you. They require a lot of tedious work and the frequency of discrepancies makes that security it provides an illusion.

BE LESS
DEPENDENT ON
KEY
INDIVIDUALS

Where the credit management is the main task of one person, there is always the risk that the whole service will be disturbed if this person is moved or leaves the company. By outsourcing a part of this work, you have continuity and a partner who knows your business.

DECREASE THE
EXPENSES OF
YOUR CREDIT
MANAGEMENT
ADMINISTRATION

Expenses for purchase of information, monitoring of existing clients, study of new markets and debt collection will be reduced. Internally, you will probably save time spent on co-ordination meetings and debates with the commercial department. Sales people will spend less time on credit issues.