

# 8 WAYS CREDIT INSURANCE ALLOWS YOU TO TRADE WITH CONFIDENCE

Imagine you could see the future and avoid non-paying customers, freak weather, tech disasters and other calamities. Now, we can't offer you a crystal ball, but we can offer you peace of mind through trade credit insurance. And you might just be surprised by what it covers.

## It deals with problem payers

Many business owners are kept up at night by fears that their customers might pay important invoices late, or worse, not at all. Trade credit insurance takes away the burden of chasing debts and helps you select which companies to work with. By predicting trade and credit risks today, you can protect tomorrow's cash flow.



**10%** One in every 10 invoices becomes delinquent



## It can cover non-payment due to a variety of risks

Risk comes in all shapes and sizes, but trade credit insurance can deal with some of the most unlikely reasons for non-payment. This might include political risk or the effects of freak weather, which are especially important if you're looking to expand into other markets.

## It makes new prospects safer

Bringing on a new customer can be risky, especially if you don't have the time or resources to check them thoroughly. By insuring against non-payment you can be more confident when building your client base that late or non-payers won't hinder your progress.



**20%**

Credit insurance can enable a company to increase sales by up to 20%



## You can offer better credit terms

The peace of mind that comes with trade credit insurance enables you to extend trade credit to prospective customers. This could be a deal-clincher, giving your business an added point of difference from the competition.

## It gives you more clarity about customers

Businesses gain a crucial advantage with Euler Hermes' trade credit insurance through a monitoring service that checks the financial health of your customers. This gives you a vital early warning if a key client gets into hot water.

**+2days**

Average days sales outstanding (DSO) increased by two days in 2017 globally to 66, the highest level since 2007

**80%**

On average, banks will lend up to 80% more on insured receivables



## It's respected by funding organisations

Banks and other lenders look more favourably on businesses with trade credit insurance because their cash flow is secured. As a lower-risk business, you might even be offered better terms on your finance packages.

## It could prevent a catastrophic loss of revenue

Have you ever thought about how much extra revenue you would need to generate in order to safeguard your margin if one of your customers failed to pay? In the most extreme cases, you could go out of business altogether. Trade credit insurance serves as a firewall, so that you're covered if the worst does happen.

**40%**

Accounts receivable typically represents more than 40% of a company's assets, yet isn't always insured in the same way as buildings or machinery



## It gives you confidence in tomorrow

It's always a good idea to run a risk assessment of your business, but with the right insurance you can be more certain about the future, making it more likely you'll hit your revenue and growth targets.

Statistics: A guide to credit insurance, from Euler Hermes

For more information about trade credit insurance or our portfolio of solutions, get in touch.