

# Credit Insurance - An Overview





## Credit Insurance Overview

**“Remember that Credit is Money”**  
*(Benjamin Franklin, 1706-1790)*

Insurance protects its policyholders against the unforeseen. In a global economy, how can you monitor your customers' businesses and what is affecting them – their contracts, their banking facilities – in a way that makes you 100% confident that they will pay when they are supposed to? The economic environment is full of the unforeseen. Credit Insurance can help.

### Why does Credit Insurance make sense for your business?

Credit Insurance is designed to protect your business when you trade on credit terms with other businesses. A Credit insurance policy will cover you and your business against losses arising from non-payment by a customer. In doing so, it insures what is often your largest asset – your debtors, and will therefore protect the lifeblood of your business – your cash flow.

Andrew Bourne & Co and its partners will structure the cover to meet your needs. Some examples of the types of cover are:

- Top Buyers only
- Single risks
- On a catastrophe basis (where you take a large portion of the risk)
- Export sales only
- UK sales only

### Policy Features

Whatever the structure of cover, policies largely retain some common features:

- Covers against non payment of debt arising from insolvency, default or political risk (later export only)
- Excess is usually 10% of a debt or other specified amount
- Credit vetting is included
- Debt collection can be included, depending on the insurer
- Premiums can be based on turnover rate or can be fixed price

### Benefits to support your business

As well as providing confidence and peace of mind, Credit Insurance can also help with:

- Supporting funding streams by providing additional security to lenders
- Supporting ventures into emerging markets and new Countries
- Supporting improved credit management thereby improving cash flow
- Providing peace of mind when entering into new commercial relationships by providing a credit vetting facility
- Providing leverage against potentially bad debtors
- Providing debt collecting services
- Substantively protecting cash flow

These are economically challenging times and credit protection has never been so important.

**For further information or you would like a FREE no obligation review  
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