

# ACCOUNTS RECEIVABLE INSURANCE Credit certainty in an uncertain economy

Recognizing that outstanding payments are often the largest asset on a balance sheet, securing against a loss should be mission critical. Accounts Receivable Insurance is an important safeguard, protecting a company's accounts receivables from nonpayment, including insolvency:

- Offers indemnification for an event that results in a loss due to nonpayment
- Allows companies to grow and protect earnings as they expand into new markets
- Creates potential for enhanced financing
- Affords noncancelable certainty of cover for the policy period

Accounts Receivable Insurance is also known as Trade Credit Insurance, Credit insurance, Excess of Loss Credit Insurance.

## **REAL WORLD SOLUTIONS**

- Extension of payment terms, with protection: allows customers to manage through cash crunches that occur (e.g., the slowdowns of COVID-19).
- Protects the balance sheet from a key customer default: such as suppliers selling to key retail customers, which could impact an income statement in a given quarter.
- Provides greater certainty as companies expand in new global markets: mitigates potential loss due to disruption or macro events in a foreign country.
- Protects against the non-payment by a company's customers due to an unforeseen event: such as a costly Cyber loss, or instance of fraud.
- Helps companies manage concentration risk: can assist in the disclosure of concentration in a company's notes to financials.

### TO LEARN MORE, CONTACT:

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