

# Benefits of Trade Credit Insurance

Accounts receivable are often a business's largest asset. If your customers are unable to pay what they owe, potential credit losses can present a substantial threat to your business. Trade credit insurance is a form of insurance that transfers risk for businesses seeking to protect their accounts receivable against nonpayment.

Trade credit insurance policies are created to suit your needs and offer a number of important benefits:

## Facilitate Bank Financing.

Banks will typically offer more favorable lending terms to businesses that insure their accounts receivable.

## Portfolio Monitoring.

Trade credit insurance also provides access to professional portfolio monitors who track customers' ability to meet their financial obligations to the insured business.

## Collection Services.

Trade credit insurance provides access to cost-effective collection services.

## Reduce Concentration Risk.

Trade credit insurance mitigates risks for businesses whose bottom line is dependent on a select number of customers.

## Improved Sales.

Businesses with trade credit insurance can boost their sales by offering customers and prospects more favorable credit terms, while eliminating the need for costly letters of credit.

## Access To New Markets.

Trade credit insurers offer protection against unique export risks by providing businesses with the market knowledge needed to make informed decisions in foreign markets.

## Insolvency Protection.

In regards to sales made on credit terms, trade credit insurance protects organizations from the risk of a customer default or insolvency.

## Cash Flow Relief.

Trade credit insurance provides cash flow relief when a business's customers become insolvent or do not pay their bills on time. Losses can be indemnified, allowing the business to maintain its cash flow.

## Accounts Receivable Support.

Trade credit insurers offer businesses access to professional trade credit analysts who can share best practices with a company's credit department.



For questions, please contact:

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