

# TRADE CREDIT INSURANCE



Trade credit insurance – sometimes called accounts receivable insurance – protects businesses when a customer fails to pay a trade debt. This often occurs when a customer becomes insolvent or is unable to pay within the contracted terms (a protracted default). Credit insurance indemnifies a proportion (up to 95%) of the debt owed to you.

The Energy sector can benefit from utilizing Trade Credit insurance as it provides liquidity for wholesale transactions by protecting your receivables and cash flow. Trade Credit can offer you greater value when used in conjunction with open credit, letters of credit, and demand bonds.

## 5 BENEFITS OF TRADE CREDIT INSURANCE:

### 1. Bad Debt Protection

Prevent loss of cash flow from nonpayment, bankruptcy, and slow payment.

### 2. Sales Growth

Expand sales into riskier or new markets and allow growth with better terms.

Gives confidence to expand your credit horizons and sales on open credit to new and existing customers.

### 3. Bank Financing

Banks' borrowing costs are often lower and they are more comfortable lending against accounts receivables when companies carry trade credit insurance.

### 4. Cash Flow

Trade credit insurance, at its core, protects a seller's cash flow, and earnings. When a claim is filed, the insurer steps in and pays the seller when the buyer cannot pay.

### 5. Credit Risk Checks

Trade Credit insurance companies have a robust global database to assist you in determining the creditworthiness of your potential customers.

These benefits along with our ability to assist you in suggesting possible business changes or improvements in your credit control system, can provide you with the tools to enhance your liquidity. In short, trade credit insurance will help you to minimize your credit risk and provide coverage against late payment and/or insolvency.

Whether you are looking for non-cancelable terms, domestic or international accounts receivable protection, or looking to protect your cash flow, we have the experience and access to markets to get the job done, and thanks to our market reach throughout North America, we have you covered wherever your business takes you.

## YOUR TEAM OF EXPERTS



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Martin joined Iridium as the Transactional and Surety Practice Leader in 2020. Martin brings a diverse background to his role combining his insurance knowledge of financial risk management, structured surety solutions, and trade credit with expertise in the financial and energy sectors that includes product development.

LET US HELP YOU MANAGE YOUR RISK

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