



HAYS COMPANIES

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 – also known as credit insurance or export 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:



IMPROVED SALES Business 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.



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



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.



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



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



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

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www.hayscompanies.com | info@hayscompanies.com



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