

Trade Credit Insurance

Increasing sales, borrowing capability and return on capital

There are so many reasons why a customer or client doesn't pay you. Some may be in dispute with you and refuse to pay. Some might have problems with cash flow and are unable to pay. And sometimes unforeseen circumstances – whether political or economic – can cause a whole group of your clients to default on the money they owe you. Accounts receivable are usually a large part of your assets and your main source of cash. When customers default the effect on your business can be catastrophic to the wellbeing of your company and its balance sheet.

Even though many companies make sure key productive assets are not exposed in their entirety to a variety of risks, accounts receivable often represent the largest unprotected asset class on the balance sheet. Trade Credit Insurance from Axis Insurance Group means you'll be protected even if your customers default.

There are a number of benefits to choosing Trade Credit Insurance. Of course, protecting your company's financial statements is chief among them. However, by hedging your accounts receivable you will also be able to increase sales opportunities by entering new markets or expanding existing ones. You'll be able to offer more credit and take larger orders because your risks are less. This will have the additional benefit of making you even more competitive – whether at home or abroad. By adding security to your accounts receivable you will become more attractive to your bank which will give you a stronger borrowing capability and allow you to negotiate better interest rates. Finally you will be able to secure a higher return on your capital by "optioning" the insurer's capital base while benefiting from your insurance's tax treatment.

Not all insurers cover the full spectrum of risks you face or offer the same approach to the management of the company. Neither do they offer the same terms for sharing and transfer of trade credit risk. Therefore it is very difficult to compare like with like – due to the different premiums and amounts covered. At Axis Insurance Group we realize every company is different and has a different tolerance to risk. Our team of specialists understands the complexities of Trade Credit Insurance and will be able to create coverage that meets your needs exactly. We will negotiate the best terms – both financial and non-financial – and find the right insurance markets for you. We work hard to fully understand your business and work with you throughout the period of your trade credit insurance program.



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As with every insurance policy there are different options, policy wordings, enhancements or amendments available. Your Axis Insurance manager will be able to help create a tailor-made policy to suit your exact requirements.

Trade Credit Insurance coverage from Axis Insurance Group includes:

- Protection against buyer insolvency
- The policy will also cover a customer's inability to transfer funds
- Risks from major events such as war, revolution, insurrection, etc. can be included
- Protection against the cancellation or termination of a contract is available
- With global trade increasingly important our policy can cover the cancellation of export / import permits along with non-conversion of currency
- Axis Insurance Group understand the exposures you face and will only recommend the most appropriate Trade Credit Insurance to meet your individual needs
- The team at Axis has both expertise and experience in a wide range of industry sectors which allow us to tailor the coverage to your requirements



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To find out more about Trade Credit Insurance, or to discuss your existing insurance policies, please give one of Axis insurance's professional and experienced team members a call at 604.731.5328 or email: info@axisinsurance.ca. We would also be pleased to outline the benefits of Trade Credit Insurance with your management team or board members.