

Trade credit insurance is imperative in today's economy.

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A business of Marsh McLennan

Your future is limitless.™

Agenda



- What is trade credit insurance (TCI)?
- Reasons why companies buy TCI
- Types of programs and structures
- Why now?



What is Trade Credit Insurance?

Taking your AR and making it a growing secured asset

A focus on coverage

- Trade Credit Insurance helps secure invoices, contracts and accounts receivable against multiple forms of loss.
- This is a multifaceted tool for B2B companies ranging from distributors, service providers to banks.
- Not only protects from losses, also information support, sales growth, borrow better
- This is a very flexible program to help manage cash flow.

Don't wait

- US Corporate bankruptcy filings hit 14 year high. Up 13% in 2025 vs. 2024 – USCourts.gov, S&P Global
- In the US, 55% of B2B invoices are delinquent – Atradius 2025 study
- 20.4% of businesses fail in their first year
- 49.4% fail in their first 5 years
- 65.3% fail in their first 10 years -US Bureau of Labor Statistics 2024
- Loss ratios are going up in the United States and the ability to obtain coverage is decreasing
- Capacity of coverage is becoming an issue as more companies adopt Trade Credit

Protect Your Most Important Asset: Your Cash

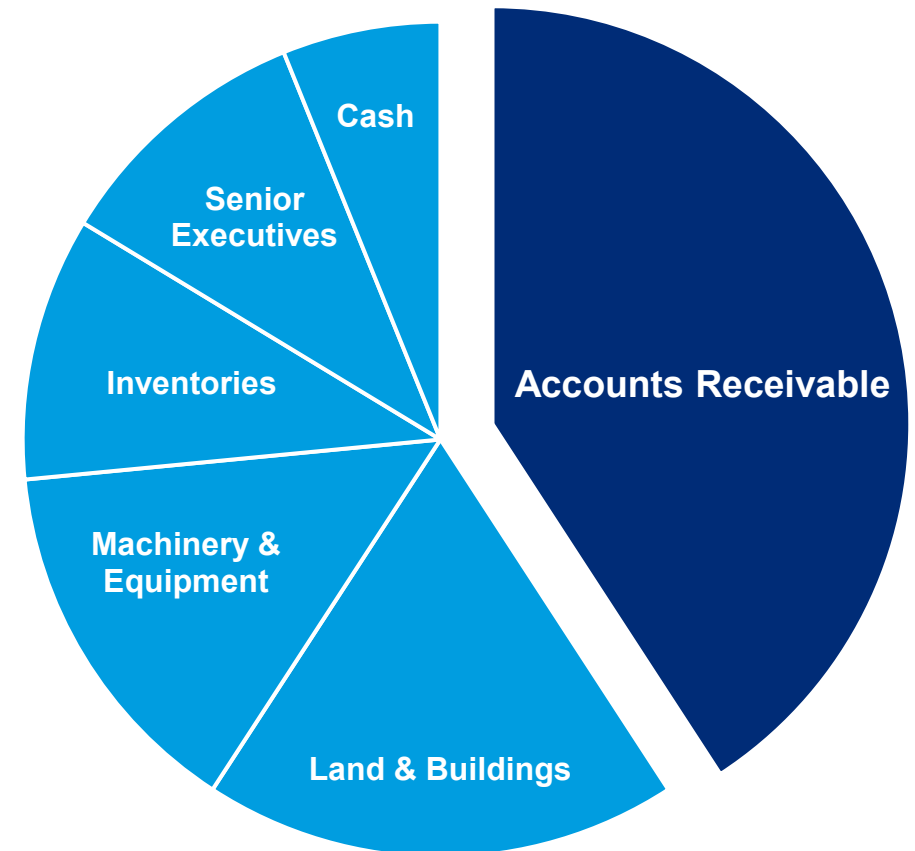


Secure Your Balance Sheet



- Your AR has the highest chance of any asset taking a loss
- Protect your cash flow
- Insure your largest asset, your AR
 - Protect against any form of slow payment or non-payment
- True peace of mind for you and your cash
- 3rd party debt collections services included

Insured vs. Uninsured Assets





Credit Information and Support

Enhance Data and Information



- Trade Credit Insurance is built on the largest data sets of credit information in the world.
- Consolidated data solutions for credit departments and sales teams
- Access to aggregated credit information
- Simplified solutions versus the plethora of credit reports, saving time and money.
- Active support in monitoring your AR and credit decisions



100 Million+ Companies

Monitored and this number grows daily across carriers



Active in markets representing 92% of global GDP



An extensive array of propriety and third-party data sources



Direct contact with monitored buyers

Request and analyze financial statements



Real time past-due reporting from all worldwide customers

Easily spot concerning payment trends



Grow Your Sales with Trade Credit

Grow Sales with Trade Credit Insurance

- Trade credit insurance allows companies to instantly and aggressively extend more credit to buyers.
- Allow sales teams to instantly provide credit terms with guarantees on first calls.
- Allow credit departments to efficiently approve and extend terms with confidence
- Generates ROI through insurance

Growing your business can mean taking on more risk. A credit insurance policy covers your risk, giving you the ability to sell more with confidence.

OBJECTIVE

Below is an example a fuel distributor in Texas who sells domestically. They are comfortable with their largest accounts but want to grow their middle tier clients by extending larger credit lines to their customers.

“Comfort Exposure”	\$50,000
Approved Coverage	\$150,000
Additional Sales Opportunity	\$100,000
Gross Profit	5%
A/R Turns	12
Increased Revenue	\$1,200,000
Increased Gross Profit	\$60,000

A photograph of two women in an office environment. The woman on the left has long, wavy brown hair and is wearing a dark blazer over a white top. The woman on the right has curly brown hair and is wearing a light blue button-down shirt. They are both smiling and laughing, looking down at something out of frame. The background is slightly blurred, showing office furniture and a window.

**Better Financing/
Access More
Capital**

Improved Financing Solutions

Banks can lend up to 90% against insured receivables.



Access to stronger credit lines from banks and financiers



Eliminate issues with concentration and replace letters of credit



Turn your AR into a secured asset for lending purposes



Lend against international AR



Mitigate cross aging language with your financing partner (aged AR is lendable)



Free up working capital – bad debt reserve replacement



Industries of Focus and Investment

How to Integrate Trade Credit Insurance



Industries:

- Manufacturing
 - Machinery
 - Metal based products
- Wholesale/ Distribution
 - Fuel marketers
 - Food – Produce, Grocery
- Construction
 - Subs
 - Non pay when paid GC's
- Commodities
 - Energy, Oil and Gas
- Service based providers



Types of Programs

- **Whole Turnover:** The entire portfolio
- **Partial Portfolio:** Selecting a large portion of the AR.
- **Key Accounts:** Choose select clients
- **Single Buyer:** One major buyer of concern
- **Transactional:** A large transaction can be covered by itself



Cost

A trade credit insurance policy costs a fraction of 1% of a client's annual sales /AR exposure

- Average cost is 5 to 25 basis points of your annual insured sales or roughly .002 -.003 per gallon
- It costs roughly \$50 - \$100 to insure a \$100,000 invoice or 50,000 gallons

Examples:

- **\$26 million gallons fuel distributor**
Annual Premium is \$45K (.0017 per gallon)
- **\$100MM in sales fuel distributor**
- \$90,000 annual premium (9 basis points on sales)



Closing- Considering Trade Credit

Let's schedule a conversation if any of this applies to you

Bad Debt Reserve

If carrying a bad debt reserve of more than .5%

More Capital From the Bank

Less than 90% advance on your receivables?

Client Issues

Have you ever had a client not pay you or stretch you out a long time?

Currently Using Trade Credit

There are multiple carrier options in market. Many are non-cancellable and/or have no credit fees, no true-ups, no coinsurance

Needing More Supply

Are you having issues with getting more product from your vendors?