

# Accounts Receivable Insurance

*A tool to help banks lend more*

# Accounts Receivable Insurance

Banks require customers to carry insurance to protect collateral against risks including:

- Fire
- Litigation (CGL Insurance)
- Flood
- Loss of Income
- Death of Key Managers / Owners

Accounts Receivable are often one of the largest assets a company has, but often are not insured.

# Concentration Risk

- Do any of your customers have large accounts receivable concentrated among just a few of their large customers and exceeding your maximum concentration limit?
- Would default by one of these accounts jeopardize your customer?
- Accounts receivable insurance protects your customer and can allow you to increase their borrowing capacity.

# Boost Borrowing Base

- Do you exclude foreign accounts receivable from the borrowing base of your customers?
- If your customer began insuring foreign accounts receivable you would be able to increase their borrowing base.

# Credit Insurance helps your customers

- Expand sales by allowing them to offer competitive payment terms
- Protecting them against non-payment
- Increase cash flow by borrowing against insured foreign accounts receivable
- Borrow more against concentration risks

# Domestic (U.S.) Accounts Receivable

- Coverage for non-payment of accounts receivable owed by U.S. customers
- Coverage is usually 90% of invoice
- Cost is approx. 0.10% to 20% of insured sales
- Policy can be assigned to the bank

# Foreign Accounts Receivable

- Coverage against non-payment by foreign buyers caused by political or commercial risks
- Coverage is 95% of the invoice amount.
- The cost ranges from 0.25% - 0.65% of the invoice amount.
- Policy can be assigned to the bank.



# Some of the Insurers Offering Accounts Receivables Insurance

- Ex-Im Bank (“Full Faith and Credit”)
- Atradius (S&P....A-)
- Coface North America (A-)
- Euler Hermes (AA-)
- FCIA (Great American Insurance Co. (A+))
- Chartis (A+)
- HCC (AA)
- Zurich Emerging Markets (AA-)
- Lloyds of London (A+)

# Let us help you lend more to your customers

- Let us know if you require your customers to carry insurance on domestic or foreign accounts receivable.
- We will work with your customer to arrange for foreign or domestic credit insurance and have the policy assigned to the bank.
- The bank will be provided with a copy of the policy and a list of insured accounts.

For further  
assistance...

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