

What is Trade Credit Insurance?



Companies selling products or services on credit terms, or financing those sales face the risk of non-payment by their buyers or borrowers. Trade Credit Insurance can be a cost-effective mechanism for transferring risk. FCIA's Trade Credit Insurance products protect the policyholders against losses resulting from that non-payment.

Value-Added Benefits for Companies

- **Sales Expansion:** Increase sales by allowing larger credit limits and more liberal payment terms
- **Enter New Markets:** Mitigate emerging market political risks on international sales
- **Access to Financing:** Obtain better terms and borrowing capacity on your credit facilities from financial institutions by including export sales and alleviating buyer risk concentration issues.
- **Smooth Earnings:** Reduce earnings volatility related to bad debt expense

Types of Coverage

Multibuyer Policies insure a reasonable spread of international and/or domestic sales of goods and services. Policies offer 90-95% indemnity. Pay-as-you-go option and Non-cancelable buyer and country limits policies are available.

Single Buyer Policies allow selection of one buyer for coverage with either short term or medium repayment terms.

Our Target Market

Our target customers for multibuyer products are companies that have at least \$20 million in insurable domestic sales or \$7 million in insurable international sales and have at least one or more credit or financial professionals on staff managing accounts receivable. Our minimum premiums are \$15,000 to \$20,000, depending on product choice.

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