

Short-Term Multibuyer Trade Credit Insurance

The volatility of global financial and political landscapes has increased risks for businesses trading domestically as well as internationally. Markets traditionally considered solid are in turmoil, and companies once seen as pillars of their industries have experienced financial distress or worse, have gone bankrupt.

Trade Credit insurance is designed to help companies mitigate financial risk by offering insurance protection for the nonpayment of commercial accounts receivable from unexpected and catastrophic losses due to insolvency, protracted default and political risks.

Benefits of Trade Credit insurance

Trade Credit insurance can help you:

- **Increase sales**
 - Safely expand into new markets by offering your buyers more favorable credit terms, while eliminating the need for costly letters of credit.
- **Improve financing**
 - By naming a lender as a Loss Payee, you may be able to increase working capital by negotiating higher advance rates as well as include foreign receivables and excess concentrations to your borrowing base.
- **Support and enhance credit management**
 - Accurately budget and forecast premium costs, while releasing bad debt reserves.
 - Complement existing credit management procedures by receiving unbiased third party credit opinions for your larger buyers.

Trade Credit solutions in action

The following scenarios[†] illustrate key benefits of transferring trade credit risk.

- An established plastic resin company experienced growth due to a rise in commodity prices causing average account exposures to double and an increased risk of catastrophic credit loss.
 - Trade Credit solution: The company covered their total customer portfolio with Trade Credit insurance. Coverage on just one account generated additional profits which alone far exceeded the cost of the insurance policy.
- A consumer products manufacturer grew its business through emerging markets, but was denied advances against foreign receivables.
 - Trade Credit solution: The manufacturer purchased a comprehensive trade credit insurance policy covering export and domestic receivables and named their bank as loss payee under the policy. By doing so, the company was then able to include, previously excluded, foreign receivables in their borrowing base.
- A commodity trader with low margins and high exposures during peak season was missing opportunities due to fear of catastrophic credit loss.
 - Trade Credit solution: The company was able to maintain relationships and continue to sell during periods of peak pricing. The additional sales at the higher price point generated substantial profits which far exceeded the cost of the insurance policy.

Why Zurich for Trade Credit insurance?

- **Financial stability** with industry leading financial ratings from A.M. Best A+/stable and Standard & Poor's AA-/stable*
- **Industry expertise** with a senior underwriting staff with an average of 15 years of experience in credit and political risk
- **Responsive service** with offices around the world including Washington, Barcelona, Beijing, Boulder, Frankfurt, Hong Kong, London, Miami, New York, Paris, Singapore, Sydney, Tokyo and Zurich
- **Award and recognition:** Fortune magazine recognized Zurich as the top global carrier¹, and Trade Finance magazine readers have awarded Zurich's Credit & Political Risk group as the "Best Private Insurer" every year since 2002
- **Collaboration** with public sector export credit agencies and other private insurers through our membership with the Berne Union, an international union of private and public insurers, as well as ICISA, an international association of trade credit insurers and surety bond providers
- **Robust product offering** includes Structured Trade Credit and Political Risk insurance solutions

Access to Zurich decision makers

Your Zurich trade credit contact is an underwriter who has authority to offer policy terms and issue credit limit decisions as Zurich does not employ a captive sales force.

Zurich – Here today and tomorrow

Zurich celebrates 100 years in the United States in 2012. With our industry leading financial ratings*, we plan to be here for another hundred years and beyond. Established in Zurich in 1872, Zurich Financial Services Group brings 140 years² of experience. Through our global network of Zurich-owned locations and subsidiaries, we are able to offer insurance solutions in over 180 countries and territories³. Drawing upon our strong financial ratings* and vast global network, we have the confidence to look ahead to new growth opportunities, tempered by the understanding that we earn market leadership thanks to our customers.

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¹ Scenarios featured here are fictional examples and do not represent actual customers and situations.

* Rating as of August 31, 2011. For more information, access www.ambest.com. For complete information on the ratings of the underwriting companies of Zurich in North America, access www.zurichna.com.

¹ In 2010, Fortune magazine named Zurich as 1st in Global Competitiveness in the property/casualty category on their list of Most Admired Companies

² Zurich Financial Services Group is a leading multi-line insurance provider with a global network of subsidiaries and offices in Europe, North America, Latin America, Asia-Pacific and the Middle East as well as other markets.

³ As defined under ISO (International Organization for Standardization).

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Product overview

- **Non-cancellable limits** – Zurich credit limits are in force for the duration of the policy period; once a limit is approved, it cannot be withdrawn or reduced mid-term.
- **Significant capacity available** – Up to \$250 million policy limit of liability and up to \$110 million per buyer per policy.
- **Flexible coverage** – Available for both domestic and export sales.
- **Flexible and customized underwriting approach** – Zurich's policies are tailored to help meet the unique needs of your business profile and operating environment.
- **Policy types** – Whole turnover (excess of loss), key account, single buyer, top up (excess of primary), multi-insurer syndicated programs and receivable purchase programs.
- **Global capabilities** – Ability to roll-up international policies under one global policy or issue separate policies written on local or non-admitted Zurich entity paper.

To learn more about Zurich's Trade Credit insurance, contact your broker or Zurich representative today at 866-860-7292 or visit us online at www.zurichna.com/tradecredit.

