**Trade Credit Insurance**

Financial executives must continuously balance the cost of doing business with the risk of doing business.

Each time a dollar of revenue is produced, all costs of generating that dollar have been thoroughly analyzed in an effort to maximize the profit margin.

However, the hundreds of billions of dollars in losses associated with bad debt charge-offs recently brought new attention to managing trade receivables.

Accounts receivable, which typically represent more that 40% of a company's assets, are naturally a vital component of a healthy business. If a major customer, or several customers, would not be able to pay their invoices, it could literally put a company out of business.

Trade credit insurance protects your business from non-payment of commercial debt and makes sure your invoices will be paid.  If a customer fails to pay; thereby allowing you to focus on running a profitable business while it takes care of the collection of your insured invoices.

One defaulted payment or credit loss from a medium-sized customer could be the difference between a profitable year and one in the red, let alone if your major customer would default. Since you sell your products and services on open account credit (even with an MSA in place), your firm is at risk. We encourage you to ask the following questions:

* How are things financially?
* Are you getting paid on time?
* Are any of your customers slow to pay?
* What is the financial strength of your debtors?

The negative impact to cashflow, earnings, and capital represent a risk that requires thorough analysis.