

# CREDIT INSURANCE



**In August 2010, Mervyn King, the Bank of England's governor, said that Britain was facing a "choppy recovery".**

Offering credit is a regular part of everyday business for most companies. Unfortunately sometimes your customers or distributors run into financial difficulties and this can have a significant knock-on effect on your business.

Nothing is predictable. Bad debtors are often the repeat customers you know best. Cash flow problems could arise from one of many external factors affecting your clients' businesses and not all of them are visible or economic.

A significant bad debt can cause problems in both the short and long-term. Reduced cash flow can affect many areas of your business and harm relations with banks, supplies and customers.

**The Optimism Index, which is a good indicator of GDP growth two quarters ahead, expects growth to drop markedly as we move through 2010, falling towards zero in Q4 and entering 2011 on a strong downward trend.**

(BDO LLP, August 2010)

However, there is a way to protect yourself against such bad debts. Credit insurance safeguards your cash flow and can be arranged on a "blanket" basis or for specific customers or levels of exposure.

Domestic and international business can be covered in local currencies or sterling.

An insurance company can also provide you with objective risk assessments helping you to manage your customers and exposure with tact and understanding.

Credit insurance is an important element of your insurance protection.

## **CONTACT US**

**Just call your Account Manager for a no-obligation appointment on 0845 688 9088.**

For full details of policy cover, terms, limits and exceptions, refer to policy wording, a copy of which is available on request.