



# ACCOUNTS RECEIVABLE MANAGEMENT SOLUTIONS

from Euler Hermes

[www.eulerhermes.us](http://www.eulerhermes.us)

A company of **Allianz** 

 EULER HERMES

**Euler Hermes** is the global leader in trade credit insurance and a recognized specialist in the areas of surety, collections, structured trade credit and political risk; helping customers worldwide to trade wisely and develop their business safely. Our financial solidity, risk analysis and global business network empower companies of all sizes with domestic and export market knowledge, and support them in successfully managing trade receivables in changing economic environments.

**OUR HERITAGE AND FINANCIAL STRENGTH**

For 125 years we've thrived as the market leader; we have deep roots that sustain us, even in tough economic times. So, if the unexpected does arrive, we have the resources and the financial strength (AA S&P, A+ A.M. Best), to provide

compensation to help our customers maintain their business. Our track record of excellence is why people trust us and share our confidence in what tomorrow will bring.

**AN INNOVATION MIND-SET**

Because digital technologies are quickly changing the nature of trade, we put innovation and collaboration at the heart of our business. Our culture is to promote the development of new tools and products to help companies trade safely and be ready for the trade of tomorrow. Thanks to our predictive intelligence we can identify trends, move fast, and innovate accordingly. An innovation mindset is part of our DNA and it's what makes us different.

# EULER HERMES KEY FACTS: TRADE WITH CONFIDENCE

## MARKET PRESENCE



**6** CONTINENTS

**52** COUNTRIES

**120+** AGENTS

covering 50 states and all major Canadian provinces

**55,000+**

CLIENTS WORLDWIDE



**34%** MARKET SHARE WORLDWIDE

**39%** U.S. MARKET SHARE

## OPERATIONAL EXCELLENCE



**NEARLY \$1 TRILLION** covered trade transactions globally



**85 MILLION+** companies monitored in our proprietary risk database



**20,000** credit requests processed per day (85% in less than 48 hours)



**85,000** claims paid per year

★ ★ ★ ★ **FINANCIAL RATINGS** ★ ★ ★ ★

**AA**

Standard & Poor's



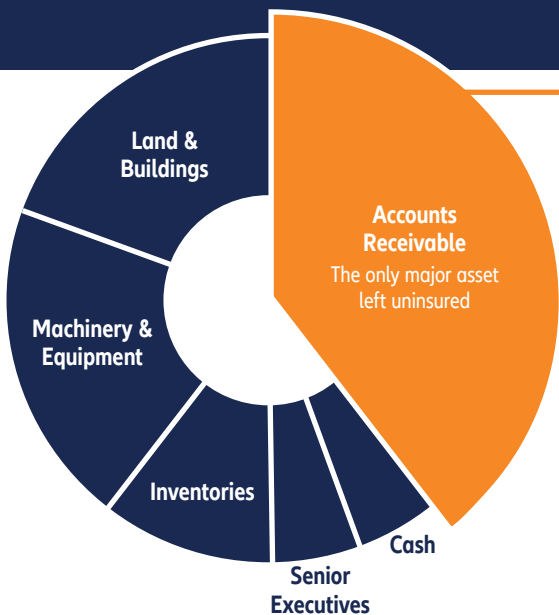
**A+**

A.M. Best Company

Wholly owned by Allianz (Allianz logo), one of the world's leading financial services providers

# IS ONE OF YOUR LARGEST ASSETS UNPROTECTED?

There is a greater chance that a business will experience a loss within its accounts receivable than any other asset.



■ Uninsured Assets  
■ Insured Assets

**ON AVERAGE, 40% OF A COMPANY'S ASSETS ARE IN THE FORM OF TRADE DEBTS.**

Sometimes the figure is far higher. Accounts receivable are a critical component of your balance sheet — they directly affect your cash flow and profitability. Yet while you insure your company against property loss, liability and other unpredictable, high-exposure events, you're leaving one of your most valuable assets open to loss. There is a safer way to do business.

## WHAT IS TRADE CREDIT INSURANCE?

Trade credit insurance, also called accounts receivable insurance, is a financial tool that manages both commercial and political risks that are beyond a company's control. It is protection against your customer's failure to pay its trade debts.

## WHO SHOULD USE TRADE CREDIT INSURANCE?

Any company selling on open account terms to other companies can benefit from credit insurance. Euler Hermes policyholders can be found in all industries and are companies of all sizes.

A credit insurance policy with Euler Hermes delivers the peace of mind that you will **get paid for what you sell**. This assurance empowers you to sell more, with confidence.

# HOW DOES CREDIT INSURANCE WORK?

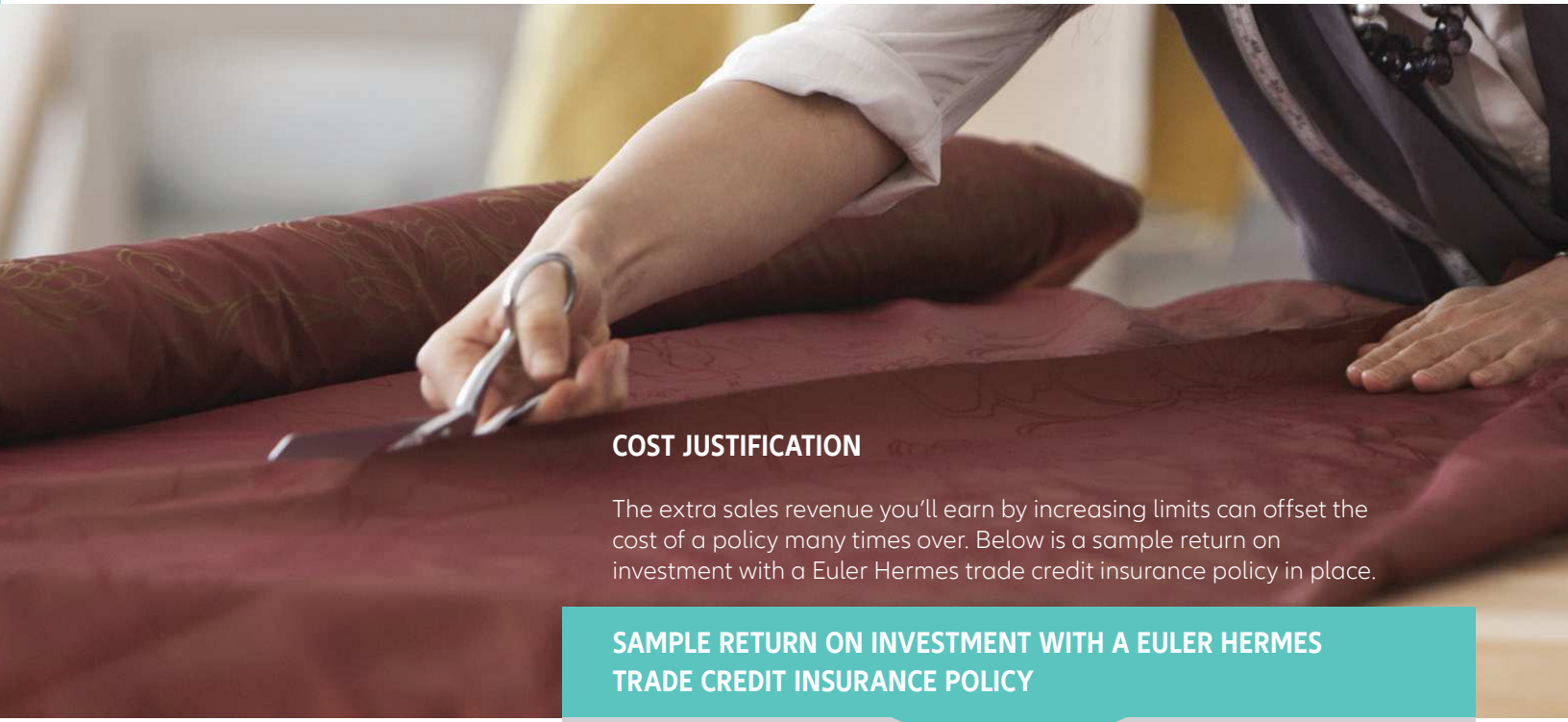
A credit insurance policy is more than just a piece of paper, it is a partnership. As a virtual extension of your company, Euler Hermes provides the knowledge and resources you need to manage, maximize and protect your receivables.



When you initiate a policy, we analyze the creditworthiness and financial stability of your customers and assign them a specific credit limit, which is the amount we will indemnify if that insured customer fails to pay.

At any time during the policy's life, you may request additional coverage for trade with any of your customers if the need arises. While we continuously monitor each of your insured customers, we will evaluate the risk of increasing the coverage and will either approve the additional credit limit request or decline it with a clear and timely explanation. You can also request a credit limit for a new customer with whom you would like to start doing business.

We receive over **20,000 credit limit requests** every day and process **85%** of them in less than **48 hours**.



## COST JUSTIFICATION

The extra sales revenue you'll earn by increasing limits can offset the cost of a policy many times over. Below is a sample return on investment with a Euler Hermes trade credit insurance policy in place.

### SAMPLE RETURN ON INVESTMENT WITH A EULER HERMES TRADE CREDIT INSURANCE POLICY

It is our responsibility to proactively monitor the creditworthiness of your customers. We do this by gathering information about your customers from a variety of proprietary and public sources.

While credit insurance indemnifies losses incurred from non-payment of commercial debt, the ultimate goal is to help your business avoid foreseeable losses.

|   |                     |
|---|---------------------|
| Average A/R Balance .....                                   | <b>\$5,000,000</b>  |
| Total Yearly Sales (Revenues) on Credit .....               | <b>\$30,000,000</b> |
| Gross Profit Margin from Sales .....                        | <b>10%</b>          |
| Total Number of Credit Customers .....                      | <b>50</b>           |
| Turns (No. of times you sell to a customer in a year) ..... | <b>6</b>            |
| Estimated Premium .....                                     | <b>\$45,000</b>     |
| Average Credit Limit – Size of A/R per Customer .....       | <b>\$100,000</b>    |

Based on the Gross Profit Margin, this is the amount of additional Revenue you need to offset the cost of the policy .... **\$450k**

Based on the average A/R per customer, this is the number of new shipments you need to offset the policy ..... **4.5**

Based on the number of Turns, this is the total number of new customers you need to add to offset the policy ..... **.75**

By safely adding just one additional customer, this company would **gain a return on its investment in credit insurance** even if it never makes a claim.

# BENEFITS OF TRADE CREDIT INSURANCE

A trade credit insurance policy is an investment — one that can offer attractive returns through the value of its benefits, even if you never make a claim.



## SALES EXPANSION

By minimizing risk, trade credit insurance enables you to sell more, confidently. With the assurance that you will be paid for what you sell, your credit staff can often approve higher limits to your existing customers and safely extend credit to new and unknown accounts.



## CATASTROPHIC LOSS PREVENTION

Credit Insurance protects a company from catastrophic bad debt losses — one of the top reasons for business failure. A large loss can lead to cash flow disruption, and the lost profit is difficult to recover.



## COMPETITIVE ADVANTAGES IN EXPORTING

Credit insurance provides a platform to grow your business internationally. Level the global playing field and win more business by offering safe open terms overseas.



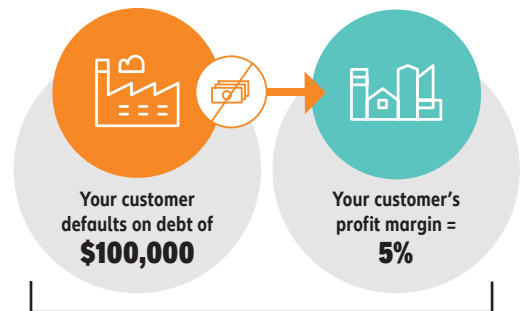
## BETTER BORROWING OPTIONS

Banks typically limit what you can borrow based on the perceived risk of international receivables, concentration of sales to large customers, or age of certain accounts. When your domestic and international receivables are covered by a credit insurance policy, you may be able to borrow more — often at more favorable rates.



## REDUCE BAD DEBT RESERVES

Trade credit insurance places a ceiling on bad debt losses, allowing you to release a significant portion of your bad debt reserves — a move that can have an immediate, positive impact on earnings.



HOW DO YOU MAKE UP FOR THE LOST PROFITS?



**A DEVASTATING LOSS OF CASH FLOW. SOLUTION? A TRADE CREDIT INSURANCE POLICY.**

Euler Hermes believes in a proactive approach when it comes to building a strong client experience and we embrace the opportunity to be a key partner in our customers' credit management processes. That's why we offer state-of-the-art services to help you meet your business needs in an efficient, streamlined manner.

# YOUR CLIENT EXPERIENCE

**95% of issues** raised to our customer service team are answered **within one call**

Euler Hermes pays **85,000 claims** per year

## DEDICATED ACCOUNT MANAGEMENT

When you begin a partnership with Euler Hermes, you are assigned a single point of contact on our servicing team, empowered to resolve almost any issue related to your policy, from new credit limits to claims. Your service team understands the individualized needs of your company and is accountable to ensure your satisfaction.

## ONLINE POLICY MANAGEMENT

As a customer you'll have access to our online policy management portal that empowers you with instant, secure online access to policy information, including the ability to obtain coverage decisions in real-time. Our portal enables you to:

- Fulfill new orders without delay by getting requests for coverage answered quickly
- Access your current policy coverage and decisions report
- Submit credit limit requests and monitor their status in real-time
- Submit claims online and access updates on claims activity at any time
- View buyer information and collection files in progress
- Create reports to monitor and optimize your accounts receivable

## CLAIMS SERVICES

When you insure your accounts receivable with Euler Hermes, you can count on being paid for what you sell, even if one of your covered accounts suddenly faces insolvency or is otherwise unable to pay. Our claims department handles all pre-claim activity, and is dedicated to providing world-class customer service. The claims team also provides special assistance to all first-time filers to ensure a smooth transaction.

To schedule a meeting with a Euler Hermes representative, please call **877-909-3224** or visit us at **www.eulerhermes.us** for a free, no-obligation quote.

Euler Hermes North America Headquarters  
800 Red Brook Boulevard  
Owings Mills, MD 21117

Phone: +1 877-909-3224  
Fax: 410-753-0952

eulerhermes.usa@eulerhermes.com  
www.eulerhermes.us

### **Euler Hermes Regional Offices**

#### **EASTERN REGION**

##### ***New York office***

One Penn Plaza - Suite 3325  
New York, NY 10119  
Phone: +1 877-905-3224

#### **CENTRAL REGION**

##### ***Chicago office***

3333 Warrenville Road, Suite 160  
Lisle, IL 60532  
Phone: +1 877-904-3224

#### **SOUTHEAST REGION**

##### ***Atlanta office***

Phone: +1 877-884-3224

##### ***Miami office***

10451 NW 117th Avenue  
Miami, FL 33178  
Phone: +1 305-269-1804

#### **SOUTHWEST REGION**

##### ***Dallas office***

15301 Dallas Parkway, Suite 1060  
Addison, TX 75001  
Phone: +1 800-527-0346